DUN & BRADSTREET CORP/NW
Form DEF 14A
March 14, 2002

Table of Contents

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities

Exchange Act of 1934 (Amendment No.)

Filed by the Registrant x

Filed by a Party other than the Registrant o

Check the appropriate box:

o Preliminary Proxy Statement
x Definitive Proxy Statement
o Definitive Additional Materials
o Soliciting Material Pursuant to Rule 14a-11(c) or Rule 14a-12

THE DUN & BRADSTREET CORPORATION

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

x No fee required.

o Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

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o Fee paid previously with preliminary materials.

o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

Table of Contents

March 14, 2002

Dear Shareholder:

You are cordially invited to attend the 2002 Annual Meeting of Shareholders of The Dun & Bradstreet Corporation on Wednesday, April 17, 2002, at 9:00 a.m. at the Four Seasons Hotel, 57 East 57th Street, New York, New York.

The Notice of Annual Meeting and Proxy Statement accompanying this letter describe the business to be acted upon at the meeting. The Annual Report for the year ended December 31, 2001 is also enclosed.

Your vote is important. Please vote your shares whether or not you plan to attend the meeting. In addition to voting in person or by mail, shareholders of record have the option of voting by telephone or via the Internet. If your shares are held in the name of a bank, broker or other holder of record, check your proxy card to see which of these options are available to you.

On behalf of your Board of Directors, thank you for your continued support of D&B.

Sincerely,

ALLAN Z. LOREN
Chairman, Chief Executive Officer and President

One Diamond Hill Road, Murray Hill, NJ 07974-1218
T 908.665.5000 www.dnb.com

NOTICE OF ANNUAL MEETING

The Annual Meeting of Shareholders of The Dun & Bradstreet Corporation will be held on Wednesday, April 17, 2002, at 9:00 a.m. at the Four Seasons Hotel, 57 East 57th Street, New York, New York. The purpose of the meeting is to:

1. Elect two Class II directors for a three-year term;

2. Ratify the selection of independent accountants;

3. Transact such other business as may properly come before the meeting. The Company knows of no other business to be brought before the meeting.

Only shareholders of record at the close of business on March 1, 2002 will be entitled to vote at the meeting.

By Order of the Board of Directors,

DAVID J. LEWINTER
Vice President and Corporate Secretary

Dated: March 14, 2002

One Diamond Hill Road, Murray Hill, NJ 07974-1218
T 908.665.5000 www.dnb.com

TABLE OF CONTENTS

Table of Contents

TABLE OF CONTENTS

Table of Contents

PROXY STATEMENT

GENERAL INFORMATION

The Board of Directors of The Dun & Bradstreet Corporation (D&B or the Company) is soliciting your proxy for use at the Annual Meeting of Shareholders to be held on April 17, 2002. These proxy materials are being mailed to shareholders beginning on or about March 14, 2002. The principal executive offices of D&B are located at One Diamond Hill Road, Murray Hill, New Jersey 07974-1218, and the Company s main telephone number is 908.665.5000.

On September 30, 2000, the company then known as The Dun & Bradstreet Corporation (Old D&B) separated into two publicly traded companies: the new Dun & Bradstreet Corporation (*i.e.*, the company to which this Proxy Statement relates) and Moody s Corporation (the Spin-Off). The separation of the two companies was accomplished through a tax-free distribution by Old D&B of the shares of Common Stock of the Company. Old D&B then changed its name to Moody s Corporation. Information included in this Proxy Statement concerning the Company and its management during periods prior to the Spin-Off actually relates to Old D&B and its management.

Annual Meeting Admission

You will need an admission ticket to enter the Annual Meeting. For shareholders of record, an admission ticket is attached to the proxy card sent to you. If your shares are held in the name of a bank, broker or other holder of record and you plan to attend the meeting in person, you may obtain an admission ticket in advance by sending a written request, along with proof of share ownership, such as a bank or brokerage account statement, to the Company s Corporate Secretary at the address noted above. Shareholders who do not have admission tickets will be admitted only following verification of ownership at the door.

Who Can Vote

Shareholders of record at the close of business on March 1, 2002, are eligible to vote at the meeting. As of the close of business on that date, D&B had outstanding 74,696,447 shares of Common Stock.

How to Vote

In addition to voting in person at the meeting, shareholders of record can vote by proxy by calling a toll-free telephone number, by using the Internet or by mailing their signed proxy cards. The telephone and Internet voting procedures are designed to authenticate shareholders identities, to allow shareholders to give their voting instructions and to confirm that shareholders instructions have been recorded properly. Specific instructions for shareholders of record who wish to use the telephone or Internet voting procedures are set forth on the enclosed proxy card.

If your shares are held in the name of a bank, broker or other holder of record, you will receive instructions from the holder of record that you must follow in order for your shares to be voted. Certain of these institutions offer telephone and Internet voting.

Revocation of Proxies

A shareholder of record can revoke a proxy at any time before the vote is taken at the meeting by sending written notice of the revocation to the Corporate Secretary of the Company, by submitting another proxy that is properly signed and bears a later date or by voting in person at the meeting. All properly executed proxies not revoked will be voted at the meeting in accordance with their instructions. A proxy that is signed and returned by a shareholder of record without specifications marked in the instruction boxes will be voted in accordance with the recommendations of the Board of Directors, as outlined in this Proxy Statement. If any other proposals are brought before the meeting and submitted to a vote, all proxies will be voted in accordance with the judgment of the persons voting the proxies.

Special Voting Procedures for Certain Current and Former Employees

Many current and former employees of the Company have share balances in the D&B Common Stock Fund of the D&B or Moody s Corporation Profit Participation Plan or the RMS Savings Plan (collectively, the PPP). The voting procedures described above do not apply to these share balances. Instead, any proxy given by such an employee or former employee will serve as a voting instruction for the trustee of the PPP, as well as a proxy for any shares registered in that person s own name (including shares acquired under the D&B Employee Stock Purchase Plan or otherwise). To allow sufficient time for voting by the trustee, PPP voting instructions must be received by April 10, 2002. If voting instructions have not been received by that date, the trustee will vote those PPP shares in the same proportion as the respective PPP shares for which it has received instructions, except as otherwise required by law.

Proxy Solicitation

Directors, officers and employees of D&B may solicit proxies on behalf of the Company by communicating with shareholders personally or by telephone, facsimile, e-mail, telegraph or mail. D&B will pay all expenses related to such solicitations of proxies. D&B will request banks and brokers to solicit proxies from their customers, where appropriate, and will reimburse them for reasonable out-of-pocket expenses.

Quorum and Voting Requirements

D&B s by-laws provide that a majority of the shares entitled to vote, whether present in person or represented by proxy, constitute a quorum at meetings of shareholders. Abstentions and broker non-votes are counted for purposes of establishing a quorum. A broker non-vote occurs when a nominee holding shares for a beneficial owner does not vote on a particular proposal because the nominee has not received instructions from the beneficial owner and does not have discretionary voting power for that particular matter. Brokers are permitted by the New York Stock Exchange to vote shares without instructions from the beneficial owners on routine matters such as the election of directors and the ratification of the selection of independent accountants.

Election of directors (Proposal No. 1) shall be determined by a plurality of the voting power present in person or represented by proxy at the meeting (*i.e.*, the nominees receiving the greatest number of votes will be elected). Only shares that are voted in favor of a particular nominee will be counted towards such nominee s achievement of a plurality. Thus, shares present at the meeting that are not voted for a particular nominee, shares present by proxy for which the shareholder properly withholds authority to vote for such nominee, and broker non-votes will not be counted towards such nominee s achievement of a plurality.

Ratification of the selection of independent accountants (Proposal No. 2) shall be determined by the affirmative vote of the majority of the voting power represented at the meeting and entitled to vote on the matter. If a shareholder abstains from voting or directs the shareholder s proxy to abstain from voting on the matter, the shares are considered present at the meeting for such matter, but since they are not affirmative votes for the matter, they will have the same effect as votes against the matter. On the other hand, shares resulting in broker non-votes are not considered present at the meeting for such matter and, therefore, have the practical effect of reducing the number of affirmative votes required to achieve a majority for such matter by reducing the total number of shares from which the majority is calculated.

PROPOSAL NO. 1

ELECTION OF DIRECTORS

The members of the Board of Directors of D&B are classified into three classes, one of which is elected at each Annual Meeting of Shareholders to hold office for a three-year term and until successors of such class are elected and have qualified.

Table of Contents

Upon recommendation of the Board Affairs Committee, the Board of Directors has nominated Mr. Ronald L. Kuehn, Jr. and Ms. Naomi O. Seligman for election as Class II Directors at the 2002 Annual Meeting for a three-year term expiring at the 2005 Annual Meeting of Shareholders.

YOUR BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE ELECTION OF THE NOMINEES NAMED ABOVE AS DIRECTORS.

Nominees for Class II Directors holding office for terms expiring at the 2005 Annual Meeting:

Ronald L. Kuehn, Jr.

Retired Chairman of the Board
El Paso Corporation

Ronald L. Kuehn, Jr., age 66, has served as a director of the Company since 1996, and is chairman of the Compensation & Benefits Committee and a member of the Audit Committee. Mr. Kuehn served as chairman of the board of El Paso Corporation, a diversified energy company, from its merger with Sonat Inc. in October 1999 until December 31, 2000. Prior to that, he was chairman, president and chief executive officer of Sonat Inc. from 1986 through October 1999. In addition to serving on the board of El Paso Corporation, Mr. Kuehn is also a director of AmSouth Bancorporation, Praxair, Inc. and Transocean Offshore Inc., and is a member of the board of trustees of Tuskegee University.

Naomi O. Seligman

Senior Partner
Ostriker von Simson

Naomi O. Seligman, age 63, has served as a director of the Company since June 1999, and is a member of the Audit and Board Affairs Committees. Ms. Seligman has been a senior partner at Ostriker von Simson, consultants on information technology, since June 1999. Previously, Ms. Seligman served as a co-founder and senior partner of the Research Board, Inc., a private sector institution sponsored by one hundred CIOs from the largest companies in North America, Europe and Australia outside the computing and communications sectors. Ms. Seligman is also a director of Akamai Technologies, Inc., John Wiley & Sons, Inc., Martha Stewart Living Omnimedia, Inc., Oblix, Inc., Sun Microsystems, Inc. and Transora.com.

CONTINUING DIRECTORS

Class III Director holding office for a term expiring at the 2003 Annual Meeting:

Michael R. Quinlan

Retired Chairman and Chief Executive Officer
McDonald s Corporation

Michael R. Quinlan, age 57, has served as a director of the Company since 1989 and is chairman of the Board Affairs Committee and a member of the Compensation & Benefits Committee. Mr. Quinlan has served as a director of McDonald s Corporation, a global food service retailer, since 1979. He was the chairman of the board of directors from March 1990 to May 1999. Mr. Quinlan also served as chief executive officer of McDonald s from March 1987 through July 1998. Mr. Quinlan is also a director of the May Department Stores Company and Warren Resources, Inc., is chairman of the board of trustees of Loyola University Chicago and Ronald McDonald House Charities, and is a member of the board of trustees of Loyola University Health Systems and Maryville Academy.

Class I Directors holding office for terms expiring at the 2004 Annual Meeting:

Allan Z. Loren

Chairman, Chief Executive Officer and President
The Dun & Bradstreet Corporation

Allan Z. Loren, age 63, has served as chairman, chief executive officer and president of D&B since October 2000, and as a director since May 2000. He previously served as chairman and chief executive officer of the D&B operating company of Old D&B from May 2000 to September 2000. Before joining D&B, Mr. Loren served as executive vice president and chief information officer of the American Express Company from May 1994 to May 2000 and was also a member of that company s Planning and Policy Committee. Before that, he served as president and chief executive officer of Galileo International from January 1991 to May 1994 and worked at Apple Computer from September 1987 to December 1990, starting as chief information officer and later serving as president of Apple Computer U.S.A. Mr. Loren is also a director of Plural, Inc., and is a member of the Advisory Board of eCustomers.com.

Victor A. Pelson

Senior Advisor
UBS Warburg LLC

Victor A. Pelson, age 64, has served as a director of the Company since April 1999, and is chairman of the Audit Committee and a member of the Compensation & Benefits Committee. Mr. Pelson has served as senior advisor for UBS Warburg LLC, an investment banking firm, since 1997. He was a director and senior advisor of Dillon Read at its merger in 1997 with SBC Warburg. Mr. Pelson was associated with AT&T from 1959 to 1996. At the time of his retirement from AT&T, Mr. Pelson was chairman of global operations and a member of the board of directors. Mr. Pelson is also a director of Acterna Corporation, Carrier 1 International, SA, Eaton Corporation and United Parcel Service, and a trustee for the Committee for Economic Development.

BOARD MEETINGS AND COMMITTEES

The Board of Directors of the Company held eight regularly scheduled meetings in 2001. No director attended fewer than 75% of the aggregate meetings of the Board and of the committees of the Board on which he or she served. The three committees of the Board are the Audit Committee, the Compensation & Benefits Committee and the Board Affairs Committee. All members of these committees are independent (as defined in the New York Stock Exchange listing standards).

The Audit Committee consists of Messrs. Kuehn, Pelson (chairman) and Ms. Seligman. The Audit Committee held four meetings during 2001. As set forth in the written charter adopted by the Audit Committee, its primary function is to assist the Board in fulfilling its oversight responsibilities relating to financial information that will be provided to the shareholders and others, the systems of internal controls that management and the Board have established, and the audit process. The report of the Audit Committee is attached as Appendix A.

The Compensation & Benefits Committee consists of Messrs. Kuehn (chairman), Pelson and Quinlan. The Compensation & Benefits Committee held six meetings during 2001. The Committee establishes and revises all compensation arrangements for the chief executive officer and certain other executives of the Company, consistent with a statement of executive compensation philosophy adopted by the Board of Directors. The Committee also initiates the evaluation of the chief executive officer s performance and reviews with the chief executive officer the performance of other executive officers, determines awards under incentive compensation plans and administers the Company s employee benefit plans. The Report of the Compensation & Benefits Committee can be found on pages 9 through 11 of this Proxy Statement.

The Board Affairs Committee consists of Mr. Quinlan (chairman) and Ms. Seligman. The Board Affairs Committee held three meetings in 2001 and nominated the 2002 slate of Directors. The Committee recommends to the Board criteria regarding qualifications for Board membership and the size and composition of the Board; reviews the qualifications of candidates for Board membership; and recommends candidates to

Table of Contents

fill Board vacancies. The Committee also reviews the Company s Corporate Governance Principles annually, reviews the Company s succession plans, initiates annual Board effectiveness discussions and reviews the Company s policies and programs on public, environmental and social issues. Although the Board Affairs Committee has not adopted formal procedures for the submission of shareholders recommendations for nominees for Board membership, such recommendations may be made by submitting the names in writing to: Michael R. Quinlan, Chairman of the Board Affairs Committee, c/o The Dun & Bradstreet Corporation, One Diamond Hill Road, Murray Hill, NJ 07974-1218.

SECURITY OWNERSHIP OF MANAGEMENT AND OTHERS

The following table shows the number of shares of the Company s Common Stock beneficially owned by each of the directors and director nominees, each of the executive officers named in the Summary Compensation Table below (the named executive officers), and all present directors and executive officers of D&B as a group, on March 1, 2002. The table also shows the names, addresses and share ownership of the only persons known to D&B to be the beneficial owners (the Owners) of more than 5% of the outstanding Common Stock. This information is based upon information furnished by each such person (or, in the case of the Owners, based upon public filings by such Owners with the Securities and Exchange Commission (the SEC)). Unless otherwise stated, the indicated persons have sole voting and investment power over the shares listed. Percentages are based upon the number of shares of D&B Common Stock outstanding on March 1, 2002 plus, where applicable, the number of shares that the indicated person or group had a right to acquire within 60 days of such date. The table also sets forth ownership information concerning Stock Units, the value of which is measured by the price of the Company s Common Stock. Stock Units do not confer voting rights and are not considered beneficially owned shares under SEC rules.

Name	Aggregate Number of Shares Beneficially Owned(a)(b)	D&B Stock Units	Percent of Shares Outstanding
Steven W. Alesio	70,103	0	*
Cynthia B. Hamburger	104	0	*
Ronald L. Kuehn, Jr.	15,122	9,893	*
Allan Z. Loren	153,697	0	*
James T. Murphy	39,899	0	*
Victor A. Pelson	13,064(c)	3,722	*
Deborah S. Prutzman(d)	400	0	*
Michael R. Quinlan	15,113	7,336	*
Naomi O. Seligman	10,269	1,543	*
All directors and executive officers as a group (16 persons)	519,667	22,494	1.00%
Berkshire Hathaway Inc., OBH, Inc., National Indemnity Company, GEICO Corporation, Government Employees Insurance Company and Warren E. Buffett 1440 Kiewit Plaza Omaha, Nebraska 68131(f)	5,243,400(e)	0	7.02%

Table of Contents

Name	Aggregate Number of Shares Beneficially Owned(a)(b)	D&B Stock Units	Percent of Shares Outstanding
Davis Selected Advisers L.P., Abar Foundation, American Electric, Atlanta Gas & Light Company, Atmos Energy, Avon Old Farms, AXP Partners, Bowne & Co., Catholic Mutual Relief Society of American Retirement Plan, Champa Trust, Del Labs Pension Plan, Del Labs-Lacrss, Detroit Laborers, Davis Financial Fund, Davis Growth Opportunity Fund, DNE Corp., Davis New York Venture Fund, Davis Variable Financial Portfolio, Davis Variable Value Portfolio, Electrical Workers Annuity, Electrical Workers Pension, Emma Willard, Fishkind LLC, Genesis Depreciation, Genesis Foundation, Genesis Pension, Galveston, Georgia Corp, Gonzaga Univ, Grange FT, Hathaway, Hirsch, Hoff Family Tr., Lewis & Roca, Mass Mutual Portfolio, Mass Mutual Variable, Mattin A, Mattin B, Medcen, Mennen Family Trust, Methodist Home, MetLife SIP, Milder CP, Minn Retail Manulife Financial, Manulife Value, Mt. Sinai, Mutual Protect, NASD, NASD Regulation, Neds Island, Mutual, Noramco Davis, NYC Superior, Plumber & Pipefitters, SunAmerica Davis Venture Value, Prudential SP, Quadsan, Rappaport, RL Polk, Selected America Shares, Scudder-SVS, Sicav Davis Financial Fund, Sicav Davis Opportunities, Sicav Davis Value Fund, SS Barney Large Cap V, Selected Special Shares, Stobie Creek, SunAmerica Style Selec, SunAmerica Style Large Cap Value, Suburban Propane, SunLifeFin l, SunLifeValue, Tallahassee, Temple, Union Dale, Via, Volvo, Wallace Retire, Wellstar, New England Zenith, APL Wrap, CIBC Oppenheimer Wrap, Morgan Stantley Wrap, McDonald Investments Wrap, Mesirow Wrap, Morgan Keegan Wrap, Paine Webber Wrap, Piper Jaffrey Wrap, Prudential Wrap, Salomon Smith Barney Wrap, Wood Gundy CIBC Wrap 2949 East Elvira Road, Suite 101 Tucson, Arizona 85706	10,838,380(g)	0	14.51%
Harris Associates L.P. and its general partner, Harris Associates, Inc., Two North LaSalle Street, Suite 500 Chicago, Illinois 60602-3790	4,984,900(h)	0	6.67%
Harris Associates Investment Trust series designated The Oakmark Select Fund Two North LaSalle Street, Suite 500 Chicago, Illinois 60602-3790	4,984,900(i)	0	6.67%
Iridian Asset Management LLC, LC Capital Management, LLC, CL Investors, Inc., COLE Partners LLC, Iridian Private Business Value Equity Fund, L.P., David L. Cohen and Harold J. Levy 276 Post Road West Westport, CT 06880-4704	5,807,152(j)	0	7.77%

* Represents less than 1% of the Company s outstanding Common Stock.

Table of Contents

(a) Includes shares of restricted Common Stock as follows: Mr. Alesio, 40,000; Mr. Loren, 151,930; Mr. Pelson, 349; Ms. Seligman, 349; and group, 192,628.

(b) Includes the maximum number of shares of Common Stock that may be acquired within 60 days of March 1, 2002, upon the exercise of vested stock options as follows: Mr. Kuehn, 14,395; Mr. Murphy, 31,668; Mr. Pelson, 9,715; Mr. Quinlan, 14,395; Ms. Seligman, 9,715; and group, 224,621.

(c) Includes 3,000 shares as to which Mr. Pelson has shared voting and shared dispositive power.

(d) Ms. Prutzman resigned from all positions with the Company effective February 28, 2002.

(e) Berkshire Hathaway Inc., OBH, Inc., National Indemnity Company, GEICO Corporation, Government Employees Insurance Company and Warren E. Buffett jointly filed an amended Schedule 13G with the SEC on February 14, 2002. This Schedule 13G indicates that (i) each of Berkshire Hathaway Inc., OBH, Inc., National Indemnity Company and Warren E. Buffett had shared voting and dispositive power over 5,243,400 shares, and (ii) each of GEICO Corporation and Government Employees Insurance Company had shares voting and dispositive power over 3,929,850 shares.

(f) Such address is listed in the filings described in note (e) above as the address of each of Berkshire Hathaway Inc., OBH, Inc. and Warren E. Buffett. The address of National Indemnity Company is listed as 3024 Harney Street, Omaha, Nebraska 68131 and the address of each of GEICO Corporation and Government Employees Insurance Company is listed as 1 GEICO Plaza, Washington, DC 20076.

(g) Davis Selected Advisers L.P. (Davis) filed a Schedule 13G with the SEC on January 10, 2002 on behalf of the 91 stockholders of the Company listed in the above table. This Schedule 13G reported that Davis, a registered investment adviser, had sole voting and dispositive power over 10,838,380 shares.

(h) Harris Associates L.P. (Harris) and its sole general partner, Harris Associates, Inc. (Harris Associates), jointly filed an amended Schedule 13G with the SEC on February 4, 2002. This Schedule 13G shows that Harris, a registered investment adviser, and Harris Associates each had shared voting power over 6,490,662 shares, sole dispositive power over 1,505,762 shares and shared dispositive power over 4,984,900 shares.

(i) Harris Associates Investment Trust 36-3764846 series designated The Oakmark Select Fund (the Fund) filed an amended Schedule 13G with the SEC on February 4, 2002. This Schedule 13G shows that the Fund, an investment company, had shared voting and dispositive power over 4,984,900 shares.

(j) Iridian Asset Management LLC (Iridian), LC Capital Management, LLC (LC Capital), CL Investors, Inc. (CL Investors), COLE Partners LLC (COLE), Iridian Private Business Value Equity Fund, L.P. (Iridian Private Business), David L. Cohen (Cohen) and Harold J. Levy (Levy) jointly filed a Schedule 13G with the SEC on January 29, 2002. This Schedule 13G reported that, (i) Iridian, a registered investment advisor, investment advisor for Iridian Private Business and sole member of COLE; LC Capital, the controlling member of Iridian; and CL Investors, the controlling member of LC Capital, each had shared voting and dispositive power over 5,807,152 shares; (ii) COLE, the sole general partner of Iridian Private Business, and Iridian Private Business each had shared voting and dispositive power over 131,150 shares; and (iii) Cohen and Levy, as principals and portfolio managers of Iridian, principals and managers of LC Capital and controlling stockholders and directors of CL Investors, each had shared voting and dispositive power over 6,055,102 shares. Of the 6,055,102 shares reported to be beneficially owned by each of Cohen and Levy, 247,950 of such shares are held by First Eagle Fund of America, an open-end non-diversified mutual fund, which is a separate series or portfolio of First Eagle Trust, a registered investment company, and may be deemed to be beneficially owned by each of Cohen and Levy by virtue of their ability to exercise voting and dispositive power over shares held by First Eagle. Cohen and Levy disclaim beneficial ownership of all of such 6,055,102 shares for all other purposes.

Table of Contents

COMPARISON OF CUMULATIVE TOTAL RETURN*

SINCE OCTOBER 3, 2000
Dun & Bradstreet, S&P MidCap 400 Index and
S&P MidCap Commercial Services Specialized Index

In accordance with SEC rules, the graph below compares the Company s cumulative total shareholder return against the cumulative total return of the Standard & Poor s MidCap 400 Index and a published industry index starting on October 3, 2000, the date on which the Company s Common Stock commenced regular-way trading on the New York Stock Exchange after the Spin-Off. The S&P MidCap Commercial Services Specialized Index was chosen as the published industry index because it is a subset of the S&P MidCap 400 Index that includes companies that provide business-to-business services.

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* Assumes $100 invested on October 3, 2000 and reinvestment of dividends, if any.

Company/Index Name	10/03/00	12/29/00	03/30/01	06/29/01	09/28/01	12/31/01
Dun & Bradstreet	$100	$141.78	$129.10	$154.52	$153.43	$193.43
S&P MidCap 400	$100	$ 98.84	$ 89.97	$ 99.29	$ 82.64	$ 97.23
S&P MidCap Commercial Services Specialized Index	$100	$106.50	$ 90.19	$110.04	$ 89.97	$104.98

Table of Contents

PROPOSAL NO. 2

RATIFICATION OF SELECTION OF INDEPENDENT ACCOUNTANTS

Upon the recommendation of the Audit Committee, the Board of Directors of D&B has selected PricewaterhouseCoopers LLP as independent accountants to audit the consolidated financial statements of the Company for the year 2002. In accordance with a resolution of the Board of Directors, this selection is being presented to the shareholders for ratification.

PricewaterhouseCoopers LLP acted as independent accountants for the year 2001. In addition to its audit of the Company s consolidated financial statements, PricewaterhouseCoopers LLP also performed statutory audits required by certain international jurisdictions, audited the financial statements of various benefit plans of the Company, and performed certain non-audit services. Fees for these services are described below.

A representative of PricewaterhouseCoopers LLP is expected to be present at the meeting. Such representative will have the opportunity to make a statement, if he or she so desires, and is expected to be available to respond to questions.

If the proposal to ratify the selection of PricewaterhouseCoopers LLP is not approved by shareholders, or if, prior to the 2003 Annual Meeting, PricewaterhouseCoopers LLP ceases to act as the Company s independent accountants, or if the Board of Directors removes PricewaterhouseCoopers LLP as the Company s independent accountants, then the Board will appoint other independent accountants whose engagement for any period subsequent to the 2003 Annual Meeting will be subject to ratification by shareholders at that meeting.

YOUR BOARD OF DIRECTORS RECOMMENDS A VOTE <u>FOR</u> RATIFICATION OF THE APPOINTMENT OF PRICEWATERHOUSECOOPERS LLP.

Fees Paid to Independent Accountants

Audit Fees

The aggregate fees incurred by the Company for professional services rendered by PricewaterhouseCoopers LLP for the audit of the Company s financial statements for fiscal year 2001 and the review of the financial statements included in the Company s Forms 10-Q for the three quarters of fiscal year 2001 was $1,025,000 (of which $425,000 was billed as of December 31, 2001).

All Other Fees

The aggregate fees billed by PricewaterhouseCoopers LLP for all other services rendered to the Company for fiscal year 2001 was $2,562,000 ($442,000 for statutory audits required by certain international jurisdictions, $125,000 for audits of pension plans, $830,000 for tax services, $730,000 for assistance with due diligence procedures, $227,000 for accounting consultations and assistance with SEC filings, and $208,000 for all other services).

COMPENSATION OF EXECUTIVE OFFICERS AND DIRECTORS

Report of the Compensation & Benefits Committee

Overview of Executive Compensation Philosophy and Program

The Compensation & Benefits Committee has responsibility for establishing the compensation of the Company s executive officers, including Allan Z. Loren, its chairman, chief executive officer and president. The Committee consists entirely of independent, non-employee directors. The Committee meets regularly to review and administer the executive compensation program to ensure that it continues to support the Company s Blueprint for Growth strategy.

Table of Contents

The Company s 2001 executive compensation program was designed to:

Attract, motivate and retain top leadership by providing a total compensation opportunity that was competitive with the Company s market for executive talent; and

Strengthen the relationship between pay and Company performance and the alignment of executive and shareholder interests.

To meet these objectives, the 2001 executive compensation program consisted of the following three components:

Base Salaries. In setting the executive officers base salaries, a variety of factors were considered, including: individual performance, competencies, skills and prior experience; scope of responsibility and accountability within the organization; and pay levels in the compensation comparison group (*i.e.*, a select group of companies in business information and technology services as provided by an independent third-party consulting organization).

Annual Cash Incentives. Through annual cash incentives, a significant portion of total 2001 cash compensation was at risk since payment was based on performance against predetermined annual goals. These goals, or performance measures, were set early in the year by the Committee after a detailed review by the Board of Directors of the 2001 financial plan. Minimum and target levels of performance were established for each performance goal. Under this program, a full bonus is earned for a measure if the target is achieved. Achievement below the target results in a smaller or zero bonus for that measure; achievement above the target yields a larger bonus. No bonus is earned for performance below the minimum level. The performance measures for 2001 were apportioned into two key categories: 90% was apportioned to financial goals such as earnings per share (EPS), Company revenue growth, and financial flexibility; and 10% was apportioned to improvement in the employee satisfaction index as measured by the Company s Winning Culture Survey. The Winning Culture Survey measures employee perspectives in a number of important areas such as leadership, strategy and work environment.

Long-term Incentives. Through the long-term incentive program, over half of the total compensation opportunity awarded in 2001 to executive officers was equity-based (*i.e.*, stock options). This emphasis on equity compensation reflects the Committee s view that there should be a close alignment between executive rewards and shareholder value creation.

Company Performance

In linking executive pay to performance, the Committee determined that the most important measure of Company performance is the increase in long-term shareholder value, evidenced through improvements in EPS, operating income, revenue growth, and employee satisfaction. The Committee also established goals linked to the Company s Blueprint for Growth strategy that it believed were critical in increasing longer-term value of the Company to its shareholders.

In 2001, overall Company results (on a continuing operations basis, excluding one-time items) were as follows:

EPS growth of 16.7%, which was above target;

Operating income growth of 8.0%, which was below target, but above the revised guidance given to the financial markets for the year;

Revenue growth of 1.1% (before the effect of foreign exchange), which was below target, but above the revised guidance given to the financial markets for the year;

Identification of Financial Flexibility II actions in excess of the $70.0 million target; and

Employee satisfaction index as measured by the Winning Culture Survey improved 11 percentage points, which was above the improvement goal set by the Committee.

Table of Contents

Based on these results, the Committee approved the 2001 compensation awards for executive officers shown in the Summary Compensation Table that follows this report.

Compensation of the Chairman, Chief Executive Officer and President

Total Cash Compensation. The employment agreement dated as of May 30, 2000, of Allan Z. Loren, the Company s chairman, chief executive officer and president, provides for an annual salary in 2001 of $700,000 and a sign-on bonus of $1,160,400, of which $460,400 was paid in January 2001 and the remaining $700,000 was paid in January 2002. His employment agreement also provides for a maximum performance-based annual cash incentive opportunity of 100% of base salary, or $700,000, in 2001 for results above target. Mr. Loren s maximum performance-based annual cash incentive opportunity was apportioned 40% to EPS, 30% to revenue growth, 20% to financial flexibility, and 10% to improvements in the employee satisfaction index as measured by the Company s Winning Culture Survey. Based on performance against these criteria, Mr. Loren s calculated bonus was $481,250 or 68.8% of the maximum performance-based annual cash incentive opportunity. In addition, the Committee awarded Mr. Loren $93,750 for the delivery of shareholder value returns in excess of market benchmarks. In total, Mr. Loren s bonus award was $575,000, representing 82.1% of his maximum performance-based opportunity.

Long-term Compensation. Approximately 70% of Mr. Loren s 2001 target total compensation (*i.e.*, base salary plus annual cash incentive opportunity plus the value of long-term grants) consisted of equity-based awards. The grant to Mr. Loren of 250,000 stock options was approved by the Committee effective December 19, 2001 after consideration of performance and pay positioning versus the Company s compensation comparison group.

Stock Ownership Guidelines

In 2002, the Company adopted stock ownership guidelines whereby executive officers and other members of senior management are expected to acquire over time a minimum amount of Common Stock. These amounts range from 100,000 shares for the CEO (about five times salary), 30,000 shares or about three times salary for the Leadership Team (*i.e.*, senior executives who report directly to the CEO), to 5,000 shares (one times salary) for other participants in the program. The establishment of these guidelines is another component of the Company s efforts to link the interests of executives and shareholders.

Tax Deductibility

Section 162(m) of the U.S. Internal Revenue Code limits the deductibility of compensation in excess of $1 million paid to the Company s chairman, chief executive officer and president or to any of the Company s four highest-paid other executive officers unless certain specific and detailed criteria are satisfied. The Committee considers the anticipated tax treatment to the Company and its executive officers in its review and establishment of compensation programs and payments, but has determined that it will not necessarily seek to limit compensation to that deductible under Section 162(m).

Compensation & Benefits Committee

Ronald L. Kuehn, Jr., *Chairman*
Victor A. Pelson
Michael R. Quinlan

Table of Contents

Summary Compensation Table

		Annual Compensation			Long-Term Compensation			
					Awards		Payouts	
Name and Principal Position	Year	Salary ($)	Bonus ($)(1)	Other Annual Compensation ($)(2)	Restricted Stock Award(s) ($)(3)	Securities Underlying Options/ SARs (#)(4)	Long-Term Incentive Payouts ($)(5)	All Other Compensation ($)(6)
Allan Z. Loren,(7)	2001	700,000	1,275,000	115,456	0	250,000	0	50,688
Chairman, Chief Executive	2000	413,194	827,900	284,962	2,282,813	1,250,000	0	8,292
Officer & President								
Steven W. Alesio,(8)	2001	490,530	495,000	0	960,000	428,200	0	9,051
Senior Vice President, Global Marketing, Strategy Implementation, eBusiness Solutions, APLA and Data & Operations								
Cynthia B. Hamburger,(9)	2001	275,758	530,000	0	0	160,500	0	5,973
Senior Vice President, Chief Technology Officer								
James T. Murphy,	2001	375,000	330,000	397,035	0	75,000	115,032	21,672
Senior Vice President,	2000	244,792	245,518	376,415	0	78,225	32,903	5,737
North America								
Deborah S. Prutzman,(10)	2001							