Quad/Graphics, Inc.
Form DEF 14A
April 04, 2012
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant ý

Filed by a Party other than the Registrant ¨

Check the appropriate box:

¨ Preliminary Proxy Statement

¨ Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

ý Definitive Proxy Statement

¨ Definitive Additional Materials

¨ Soliciting Material under §240.14a-12

Quad/Graphics, Inc.
(Name of Registrant as Specified In Its Charter)

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

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QUAD/GRAPHICS, INC.

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
To Be Held May 14, 2012

To the Shareholders of Quad/Graphics, Inc.:

NOTICE IS HEREBY GIVEN that the Annual Meeting of Shareholders of Quad/Graphics, Inc. will be held on Monday, May 14, 2012, at 10:00 A.M., Central Time, at our corporate offices located at N61 W23044 Harry's Way, Sussex, Wisconsin 53089, for the following purposes:

1. To elect all seven directors to our Board of Directors, to hold office until the 2013 Annual Meeting of Shareholders and until their successors are duly elected and qualified.

2. To approve amendments to the Quad/Graphics, Inc. 2010 Omnibus Incentive Plan.

3. To consider and act upon such other business as may properly come before the meeting or any adjournment or postponement thereof.

The close of business on March 23, 2012 has been fixed as the record date for the determination of shareholders entitled to notice of, and to vote at, the meeting and any adjournment or postponement thereof.

A proxy for the meeting and a proxy statement are enclosed herewith.

By Order of the Board of Directors
QUAD/GRAPHICS, INC.

Andrew R. Schiesl
Vice President, General Counsel and Secretary

Sussex, Wisconsin
April 4, 2012

Important Notice Regarding the Availability of Proxy Materials for the
Shareholder Meeting To Be Held on May 14, 2012.

The Quad/Graphics, Inc. proxy statement for the 2012 Annual Meeting of Shareholders and the 2011 Annual Report to Shareholders are available at: www.qg.com/annualmeeting

YOUR VOTE IS IMPORTANT NO MATTER HOW LARGE OR SMALL YOUR HOLDINGS MAY BE. TO ASSURE YOUR REPRESENTATION AT THE MEETING, PLEASE DATE THE ENCLOSED PROXY, WHICH IS SOLICITED BY THE BOARD OF DIRECTORS, SIGN EXACTLY AS YOUR NAME APPEARS THEREON AND RETURN IMMEDIATELY.

QUAD/GRAPHICS, INC.
N61 W23044 Harry's Way
Sussex, Wisconsin 53089

PROXY STATEMENT
For
ANNUAL MEETING OF SHAREHOLDERS
To Be Held May 14, 2012

This proxy statement is being furnished to shareholders by the Board of Directors (sometimes referred to as the Board) of Quad/Graphics, Inc. (sometimes referred to as the Company, Quad/Graphics, we, our, us or similar terms), beginning on or about April 4, 2012. This proxy statement is being furnished in connection with a solicitation of proxies by the Board for use at the Annual Meeting of Shareholders to be held on Monday, May 14, 2012, at 10:00 A.M., Central Time, at the Company's corporate offices located at N61 W23044 Harry's Way, Sussex, Wisconsin 53089, and all adjournments or postponements thereof (sometimes referred to as the Annual Meeting), for the purposes set forth in the attached Notice of Annual Meeting of Shareholders.

Execution of a proxy given in response to this solicitation will not affect a shareholder's right to attend the Annual Meeting and to vote in person. Presence at the Annual Meeting of a shareholder who has signed a proxy does not in itself revoke a proxy. Any shareholder giving a proxy may revoke it at any time before it is exercised by giving notice thereof to the Company in writing or in open meeting.

A proxy, in the enclosed form, which is properly executed, duly returned to the Company and not revoked, will be voted in accordance with the instructions contained in it. The shares represented by executed but unmarked proxies will be voted as follows:

- FOR all seven persons nominated for election as directors referred to in this proxy statement;
- FOR the approval of amendments to the Quad/Graphics, Inc. 2010 Omnibus Incentive Plan (sometimes referred to as the 2010 Plan); and
- on such other business or matters which may properly come before the Annual Meeting in accordance with the best judgment of the persons named as proxies in the enclosed form of proxy.

Other than the election of seven directors and the approval of the amendments to the 2010 Plan, the Board has no knowledge of any matters to be presented for action by the shareholders at the Annual Meeting. An inspector of elections appointed by the Board will tabulate all votes at the Annual Meeting.

Only holders of record of the Company's class A common stock, class B common stock and class C common stock (sometimes referred to collectively as the Common Stock) at the close of business on March 23, 2012 are entitled to vote at the Annual Meeting. On that date, the Company had outstanding and entitled to vote: (a) 32,725,188 shares of class A common stock, each of which is entitled to one vote per share, with an aggregate of 32,725,188 votes; (b) 14,198,464 shares of class B common stock, each of which is entitled to ten votes per share, with an aggregate of 141,984,640 votes; and (c) 245,353 shares of class C common stock, each of which is entitled to ten votes per share, with an aggregate of 2,453,530 votes.

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ELECTION OF DIRECTORS

The Board currently consists of seven directors. At the Annual Meeting, the shareholders will elect all seven directors to one-year terms—to hold office until the 2013 Annual Meeting of Shareholders and until their successors are duly elected and qualified. Unless shareholders otherwise specify, the shares represented by the proxies received will be voted in favor of the election as directors of the seven persons named as nominees in this proxy statement. The Board has no reason to believe that the listed nominees will be unable or unwilling to serve as directors if elected. However, in the event that any nominee should be unable to serve or for good cause will not serve, the shares represented by proxies received will be voted for another nominee selected by the Board.

Each director will be elected by a plurality of the votes cast at the Annual Meeting, assuming a quorum is present. For this purpose, “plurality” means that the nominees receiving the largest number of votes will be elected as directors. Any shares not voted at the Annual Meeting, whether due to abstentions, broker non-votes or otherwise, will have no impact on the election of the directors. Shares of the Company's class A common stock, class B common stock and class C common stock vote together as a single class on the election of directors.

The following sets forth certain information, as of February 28, 2012, about the Board's nominees for election at the Annual Meeting.

J. Joel Quadracci, 43, has been a director of Quad/Graphics since 2003, its President since January 2005, its President and Chief Executive Officer since July 2006 and its Chairman, President and Chief Executive Officer since January 2010. Mr. Quadracci joined Quad/Graphics in 1991 and, prior to becoming President and Chief Executive Officer, served in various capacities, including Sales Manager, Regional Sales Strategy Director, Vice President of Print Sales, Senior Vice President of Sales & Administration and President and Chief Operating Officer. Mr. Quadracci also serves on the board of directors for the Direct Marketing Association and Wisconsin Manufacturers & Commerce, a trade organization. Mr. Quadracci received a Bachelor of Arts in Philosophy from Skidmore College in 1991. Mr. Quadracci is the son of Betty Ewens Quadracci, a director and employee of the Company, and the brother-in-law of Christopher B. Harned, a director of the Company. Quad/Graphics believes that Mr. Quadracci's experience in the printing industry and leadership positions with the Company qualify him for service as a director of the Company.

Betty Ewens Quadracci, 73, has been a director of Quad/Graphics since 2002 and has held a variety of positions with the Company or its subsidiaries since co-founding the Company in 1971. Ms. Quadracci currently serves as President of QuadCreative, LLC, a graphic design firm, and as President and Publisher of Milwaukee Magazine, a monthly city magazine, both of which are wholly-owned subsidiaries of Quad/Graphics. She has held these positions since the Company formed QuadCreative, LLC in 1985 and acquired Milwaukee Magazine in 1984, respectively. Ms. Quadracci received a Bachelor's degree from Trinity College in Washington, D.C. in 1961 and attended the University of Fribourg in Fribourg, Switzerland. Ms. Quadracci is the mother of J. Joel Quadracci, the Company's chairman, president and chief executive officer, and the mother-in-law of Christopher B. Harned, a director of the Company. Quad/Graphics believes that Ms. Quadracci's demonstrated entrepreneurial skills in co-founding Quad/Graphics and her skills in the printing industry qualify her for service as a director of the Company.

William J. Abraham, Jr., 64, has been a director of Quad/Graphics since 2003. He has been a partner with Foley & Lardner LLP, a law firm in Milwaukee, Wisconsin, since 1980, and was formerly Chairman of the firm's Business Law Department and a member of its Management Committee. Mr. Abraham currently serves as a director of several private companies including The Vollrath Company, LLC; Park Bank; Lakeview Equity Partners, LLC; and Windway Capital Corp., and served as a director of Proliance International, Inc. from 1995 to 2010. Mr. Abraham received a Bachelor of Arts from the University of Illinois in 1969 and a Juris Doctor from the University of Michigan Law School in 1972. Quad/Graphics believes that Mr. Abraham's experience as a director of various companies and as a practicing attorney qualify him to serve as a director of the Company.

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Douglas P. Buth, 57, has been a director of Quad/Graphics since 2005. He retired as Chairman, Chief Executive Officer and President of Appleton Papers, Inc., a producer of carbonless, thermal, security paper and performance packaging products, and as Chief Executive Officer and President of Paperweight Development Corp., the parent company of Appleton Papers, Inc., in 2005. Prior to becoming Chief Executive Officer and President, Mr. Buth had served in a variety of roles at Appleton Papers, Inc., including positions in strategic planning, marketing and sales and as general manager and executive vice president. Mr. Buth is currently a member of the board of directors for Trek Bicycle Corporation, where he serves as chairman of the audit committee and a member of the compensation committee, Grange Mutual Insurance Company, where he serves as a member of the audit committee and chairman of the compensation committee, Integrity Mutual Insurance Company, where he serves as the chairman of the compensation committee, and Bradner Central Company, where he serves as a member of the audit and compensation committees. Mr. Buth received a Bachelor of Business Administration in Accounting from the University of Notre Dame in 1977. He qualified as a C.P.A. with PricewaterhouseCoopers LLP in 1979 and thereafter held a number of financial positions with Saks Fifth Avenue and BATUS Inc. Quad/Graphics believes that Mr. Buth's financial background as a C.P.A. and his experience as a leader of a publicly-traded company and on several boards of directors qualify him for service as a director of the Company.

Christopher B. Harned, 49, has been a director of Quad/Graphics since 2005. In January 2012, he joined Robert W. Baird & Co., Inc. as a Managing Director of the Investment Banking Group M&A team. Prior to joining Baird, he served as a Partner, Managing Director and Head of the Consumer Products Group of The Cypress Group LLC, a New York City-based private equity firm. Prior to joining The Cypress Group LLC in 2001, Mr. Harned was a Managing Director and Global Head of Consumer Products M&A with Lehman Brothers, where he had worked for over 16 years. Mr. Harned is a member of the board of directors of bswift, an employee benefits software-as-a-service business; FreshPet, a pet food company; and Philadelphia Media Network, Inc., a newspaper and digital media business, and served as a director of Danka Business Systems PLC from 2002 to 2008. Mr. Harned received a Bachelor's degree from Williams College in 1985. Mr. Harned is the brother-in-law of J. Joel Quadracci, the Company's chairman, president and chief executive officer, and the son-in-law of Betty Ewens Quadracci, a director and employee of the Company. Quad/Graphics believes that Mr. Harned's experience in the financial services industry and his leadership at several companies in various industries qualifies him to serve as a director of the Company.

Thomas O. Ryder, 67, has been a director of Quad/Graphics since the July 2010 acquisition of World Color Press. He served as the lead independent director of World Color Press from September 2009 to July 2010. He has been a member of the board of directors of Amazon.com Inc. since November 2002 (and chairman of the audit committee since November 2011), of Starwood Hotels and Resorts Worldwide Inc. since April 2001 and of RPX Corporation since December 2009 (and lead director and chairman of the audit committee since the company went public in 2011). Mr. Ryder was Chairman of the Board and chairman of the audit committee of Virgin Mobile USA, Inc. from October 2007 to November 2009. Prior to becoming World Color Press' lead independent director, Mr. Ryder served as Chairman of The Reader's Digest Association, Inc., a media and marketing company, from April 1998 to December 2006 and Chief Executive Officer of The Reader's Digest Association, Inc. from April 1998 to December 2005. Prior to joining The Reader's Digest Association, Inc., Mr. Ryder served in a number of executive roles at American Express, including as President of the American Express Publishing Company. In 1990, Mr. Ryder became President of Establishment Services Worldwide for American Express and subsequently ran American Express Travel Related Services Co. (International) Inc. Mr. Ryder is a former Chairman of the Magazine Publishers of America and a former board member of the Association of American Publishers and Direct Marketing Association. Mr. Ryder received a Bachelor of Arts from Louisiana State University in 1966.
Quad/Graphics believes that Mr. Ryder's public company audit committee experience, and his career as an executive and director in the publishing industry, qualify him for service as a director of the Company.

John S. Shiely, 59, has been a director of Quad/Graphics since 1996. He currently serves as Chairman Emeritus of Briggs & Stratton Corporation, a producer of air cooled gasoline engines for outdoor power equipment, served as

Chairman until October 2010 and served as Chief Executive Officer until his retirement in December

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2009. Prior to becoming Chief Executive Officer in 2001 and Chairman in 2003, Mr. Shiely had worked for Briggs & Stratton Corporation in various capacities, including Vice President and General Counsel, Executive Vice President - Administration and President, since joining the company in 1986. Mr. Shiely has served as a director of BMO Financial Corporation since 2011, The Scotts Miracle-Gro Company since 2007 and Oshkosh Corporation since January 2012, and served as a director of Marshall & Ilsley Corporation from 1999 until their sale in 2011. Mr. Shiely received a Bachelor of Business Administration in Accounting from the University of Notre Dame, a Juris Doctor from Marquette University Law School, a Master of Management from the J. L. Kellogg Graduate School of Management at Northwestern University, and in 2010 studied corporate governance as a visiting scholar in the graduate program at Harvard Law School. Quad/Graphics believes that Mr. Shiely's career as an executive of a publicly-traded company, his experiences as a director of various publicly-traded companies and his education in accounting and law qualify him to serve as a director of the Company.

THE BOARD RECOMMENDS THE FOREGOING NOMINEES FOR ELECTION AS DIRECTORS AND URGES EACH SHAREHOLDER TO VOTE “FOR” SUCH NOMINEES. SHARES OF COMMON STOCK REPRESENTED AT THE ANNUAL MEETING BY EXECUTED BUT UNMARKED PROXIES WILL BE VOTED “FOR” SUCH NOMINEES.

CORPORATE GOVERNANCE

Corporate Governance Guidelines

The Board has adopted corporate governance guidelines that, in conjunction with the Board committee charters, establish processes and procedures to help ensure effective and responsive governance by the Board. The corporate governance guidelines also establish the Company's policies on director orientation and continuing education, which include a mandatory orientation program for new directors, and provide that the Board will be assessed on an annual basis to determine whether it and its committees are functioning effectively. In addition, the Company's corporate governance guidelines provide that the Board have regularly scheduled meetings at which the non-employee directors meet in executive session without members of the Company's management being present. The non-employee directors may also meet without management present at such other times as they determine appropriate. The corporate governance guidelines also provide that members of the Company's senior executive management who are not members of the Board will participate in Board meetings to present information, make recommendations and be available for direct interaction with members of the Board. The corporate governance guidelines are available, free of charge, on the Company's website, www.qg.com. The information contained on the Company's website is not incorporated into, and does not form a part of, this proxy statement or any other Company report or document on file with or furnished to the Securities and Exchange Commission (sometimes referred to as the SEC).

Independence; NYSE Controlled Company Exemptions; Board Leadership Structure

The Board has adopted standards to assist it in making determinations regarding whether the Company's directors are independent as that term is defined in the listing standards of the New York Stock Exchange (sometimes referred to as the NYSE). These standards are available, free of charge, on the Company's website, www.qg.com. Based on these standards, the Board determined that Messrs. Abraham, Buth, Ryder and Shiely are independent as that term is defined in the listing standards of the NYSE and the director independence standards adopted by the Board, while Ms. Quadracci and Messrs. Quadracci and Harned are not deemed to be independent. In addition to the foregoing, with respect to Mr. Abraham, the Board also considered his relationship with Foley & Lardner LLP and the fees paid by the Company to such firm during the last three years (see "—Compensation Committee Interlocks and Insider Participation" below).

Although a majority of the members of the Board are independent under the listing standards of the NYSE and the director independence standards adopted by the Board, the Company is eligible for an exemption from certain requirements of the NYSE relating to, among other things, the independence of directors. Since the Quad/Graphics Voting Trust (see "Stock Ownership of Management and Others—Quad/Graphics Voting Trust" later in this proxy statement) owns more than 50% of the total voting power of the Company's stock, the Company is considered a "controlled company" under the corporate governance listing standards of the NYSE. As a controlled company, the Company is eligible for the NYSE's exemption of controlled companies from the obligation to comply with certain of the NYSE's corporate governance requirements, including the requirements:

- that a majority of the Board consist of independent directors, as defined under the rules of the NYSE;
- that the Company have a corporate governance and nominating committee that is composed entirely of independent directors with a written charter addressing the committee's purpose and responsibilities; and
- that the Company have a compensation committee that is composed entirely of independent directors with a written charter addressing the committee's purpose and responsibilities.

The Company's bylaws and corporate governance guidelines provide the Board with the discretion to determine whether to combine or separate the positions of chairman of the board and chief executive officer. The

Board currently believes it is in the best interests of the Company and its shareholders to combine these two roles because this provides the Company with unified leadership and direction and Mr. Quadracci is the person best qualified to serve as chairman given his history with the Company and his skills and knowledge within the industry in which the Company operates. Based on the fact that the Company is controlled by the Quadracci family through the Quad/Graphics Voting Trust, the Board does not believe it is necessary to have an independent lead director.

Board's Role in the Oversight of Risk

The full Board is responsible for the oversight of the Company's operational and strategic risk management process. The Board oversees a company-wide approach to risk management, carried out by management. The full Board determines the appropriate risk for the Company generally, assesses the specific risks we face and reviews the steps taken by management to manage those risks.

While the full Board maintains the ultimate oversight responsibility for the risk management process, its committees oversee risk in certain specified areas. In particular, the Board relies on its audit committee to address significant financial risk exposures facing the Company and the steps management has taken to monitor, control and report such exposures, with appropriate reporting of these risks to be made to the full Board. The Board relies on its compensation committee to address significant risk exposures facing the Company with respect to compensation, with appropriate reporting of these risks to be made to the full Board. The Board's role in the Company's risk oversight has not affected the Board's leadership structure.

Board Meetings

The Board held eleven meetings in 2011. During the period of the director's service in 2011, each of the directors attended at least 75% of the aggregate of the total number of meetings of the Board and those committees of the Board on which such director served. Directors are expected to attend the Company's Annual Meeting of Shareholders each year. At the 2011 Annual Meeting, all of the directors then serving were in attendance.

Communications with the Board

Shareholders and other interested parties may communicate with the Board by writing to Quad/Graphics, Inc., Board of Directors (or, at the writer's option, to a specific director or to the non-management directors as a group), c/o Andrew R. Schiesl, Vice President, General Counsel and Secretary, Quad/Graphics, Inc., N61 W23044 Harry's Way, Sussex, Wisconsin 53089-3995. Mr. Schiesl will ensure that the communication is delivered to the Board, the specified director or the specified group of directors, as the case may be.

Board Committees

The Board currently has standing audit, finance and compensation committees. Each committee is appointed by and reports to the Board. The Board has adopted, and may amend from time to time, a written charter for each of the audit, finance and compensation committees, which, among other things, sets forth the committee's responsibilities. The Company makes available on its website, www.qg.com, copies of each of these charters free of charge. As a controlled company under the corporate governance listing standards of the NYSE, the Board is not required to, and does not have, a nominating committee.

Audit Committee

The audit committee of the Board currently consists of Messrs. Buth (chairman), Ryder and Shiely, each of whom is independent as defined by the rules of the Securities and Exchange Commission and the listing standards of the NYSE, as well as the director independence standards adopted by the Board. In addition, the Board has determined that each current member of the audit committee qualifies as an “audit committee financial expert” as defined by the rules of the Securities and Exchange Commission and meets the expertise requirements for audit

committee members under the listing standards of the NYSE. Each member of the audit committee has served in senior positions with their respective organizations or have served as directors of public and private companies, which has afforded the member the opportunity to gain familiarity with financial matters relevant to Quad/Graphics.

The principal functions performed by the audit committee include assisting and discharging certain responsibilities of the Board in overseeing the reliability of financial reporting, the effectiveness of internal control over financial reporting, the process for monitoring compliance with corporate codes of conduct, control of the internal auditors and audit functions and control and the independence of the external auditors and audit functions. In addition, the audit committee's duties also include direct responsibility for the appointment, compensation, retention and oversight of the independent auditors; review and discussion of the financial statements and management's discussion and analysis of financial condition and results of operations included in the Company's periodic filings; discussion with the Company's internal auditor about the audit plan and results of internal audits and initiation of such accounting principles, policies and practices, and reporting policies and practices as it may deem necessary or proper, the establishment of procedures for receiving "whistleblower" complaints; and establishing policies concerning the provision of non-audit services by the independent auditors. The audit committee held six meetings in 2011.

Finance Committee
The finance committee of the Board presently consists of Mr. Harned (chairman), Ms. Quadracci and Mr. Buth. The principal functions performed by the finance committee are to provide assistance to, and discharge certain responsibilities of, the Board relating to the capital structure, means of financing, selection of lenders, cash flow modeling, interest rate sensitivity and similar matters so as to achieve the Company's long-range plans. The finance committee held one meeting in 2011. In addition, management had a number of discussions on various financing matters with Mr. Harned as the Chair of the Finance Committee in 2011, which matters were then subsequently discussed with the full Board.

Compensation Committee
The compensation committee of the Board currently consists of Messrs. Shiely (chairman), Abraham and Buth and Ms. Quadracci. Messrs. Abraham, Shiely and Buth are independent as defined by the listing standards of the NYSE and the director independence standards adopted by the Board. The compensation committee held five meetings in 2011.

The principal functions of the compensation committee are to review and approve the annual salary, bonuses, equity-based incentives and other benefits, direct and indirect, of the Company's corporate officers; review and report on the compensation and human resources policies, programs and plans of the Company; administer the Company's stock option and other compensation plans; review and recommend to the Board chief executive officer compensation; and review and recommend to the Board director compensation to align directors' interests with the long-term interest of the Company's shareholders. In addition, the compensation committee's duties also include determining and approving the Company's compensation philosophy; determining stock ownership guidelines for the Company's executive officers and directors and monitoring compliance with any such guidelines; on an annual basis, preparing a report regarding executive officer compensation for inclusion in the Company's annual proxy statement; and, on an annual basis, reviewing and evaluating the Company's policies and practices in compensating employees, including non-executive officers, as they relate to risk management practices and risk-taking incentives.

The compensation committee also has authority to establish subcommittees and delegate authority to such subcommittees to accomplish the duties and responsibilities of the committee. The compensation committee has established a subcommittee consisting of Messrs. Shiely and Buth and delegated to it certain responsibilities of the Board and the compensation committee with respect to compensation that is intended to qualify as “performance-based compensation” within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended, and

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equity-based awards to and transactions with officers of the Company intended to be exempt from Section 16(b) of the Securities Exchange Act of 1934, as amended, and to perform other duties delegated from time to time by the Board or the compensation committee. Each of Messrs. Shiely and Buth meets the requirements to be considered an "outside director" within the meaning of Section 162(m) and a "non-employee director" within the meaning of Section 16.

The executive officers' role in determining the amount or form of executive officer compensation is limited to assisting the compensation committee with its reviews of the Company's compensation and benefit arrangements and making recommendations to the compensation committee regarding the compensation of the executive officers (other than their own). Certain of our executive officers may attend meetings (other than executive sessions) of the compensation committee at which the committee considers the compensation of other executive officers.

The compensation committee renewed its engagement of Meridian Compensation Partners, LLC (sometimes referred to as Meridian) in 2011 to serve as the compensation committee's independent compensation consultant and provide recommendations and advice on the Company's executive and director compensation programs. Pursuant to its engagement in 2011, Meridian reviewed with the compensation committee general trends in public company cash and equity incentive arrangements. Meridian did not provide any services other than such recommendations and advice to the Company during 2011. For more information regarding the role of the compensation consultant, please see the disclosure later in this proxy statement under the heading "Compensation of Executive Officers—Compensation Discussion and Analysis."

Nominations of Directors

Pursuant to the direction of the Quad/Graphics Voting Trust, the Board will select nominees to become directors to fill vacancies or newly created directorships and nominate directors for election by the Company's shareholders at annual meetings of the shareholders. The Quad/Graphics Voting Trust will consider candidates recommended by the Company's shareholders to become nominees for election as directors. Shareholders who wish to propose nominees for election as directors must follow certain procedures contained in the Company's bylaws. In the case of nominees for election at an annual meeting, shareholders must send notice to the Secretary of the Company at the Company's principal offices on or before December 31 of the year immediately preceding such annual meeting (provided that if the date of the annual meeting is on or after May 1 in any year, notice must be received not later than the close of business on the day which is determined by adding to December 31 of the immediately preceding year the number of days on or after May 1 that the annual meeting takes place). The notice must contain certain information specified in the Company's bylaws, including certain information about the shareholder or shareholders bringing the nomination (including, among other things, the number and class of shares held by such shareholder(s)) as well as certain information about the nominee (including, among other things, a description of all arrangements or understandings between such shareholder and each nominee and any other person pursuant to which the nomination is to be made, and other information that would be required to be disclosed in solicitations of proxies for elections of directors pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended).

In identifying and evaluating nominees for director, the Company seeks to ensure that the Board possesses, as a whole, certain core competencies. Each director candidate will be reviewed based upon the Board's current capabilities, any needs therein and the capabilities of the candidate. The selection process takes into account all appropriate factors, which may include, among other things, diversity, experience, personal integrity, skill set, the ability to act on behalf of shareholders and the candidate's personal and professional ethics, integrity, values and business judgment.

Policies and Procedures Governing Related Person Transactions

The Board has adopted policies and procedures regarding related person transactions. For purposes of these policies and procedures:

- A “related person” means any of the Company's directors, executive officers, nominees for director, any holder of 5% or more of any class of the Company's Common Stock or any of their immediate family members; and
- A “related person transaction” generally is a transaction (including any indebtedness or a guarantee of indebtedness) in which the Company was or is to be a participant and the amount involved exceeds $120,000, and in which a related person had or will have a direct or indirect material interest.

Each executive officer, director or nominee for director is required to disclose to the full Board certain information relating to related person transactions for review, approval or ratification by the Board. Disclosure to the Board should occur before, if possible, or as soon as practicable after the related person transaction is effected, but in any event as soon as practicable after the executive officer, director or nominee for director becomes aware of the related person transaction. The Board's decision whether or not to approve or ratify a related person transaction is to be made in light of the Board's determination as to whether the relationship is believed by the Board to serve the best interests of the Company and its shareholders and whether the relationship should be continued or eliminated. The Board may delegate some or all of its authority relating to related person transactions to the audit committee.

Compensation Committee Interlocks and Insider Participation

Ms. Quadracci, who serves on the compensation committee of the Board, is also employed by the Company as President of Quad/Creative and Publisher of Milwaukee Magazine. The employment agreement setting the terms of Ms. Quadracci's employment in these positions provided for an initial base salary of $155,000 per year (with the possibility of, but no requirement for, periodic increases), eligibility for annual cash performance bonuses, long-term incentive compensation and fringe benefits on a basis consistent with Quad/Graphics' executive officers and four weeks of vacation and personal use of Quad/Graphics' corporate aircraft. The employment agreement also provides for benefits on certain terminations of employment similar to the benefits provided by the Company's named executive officers' employment agreements described later in this proxy statement under “Compensation of Executive Officers—Potential Payments Upon Termination or Change of Control.” Ms. Quadracci's compensation for 2011 in connection with her employment arrangement was $415,955, which included base salary, an annual incentive compensation award, the aggregate grant date fair value of equity awards granted to her in 2011, the incremental fair value with respect to the termination and liquidation of certain options and the grant of new options described under the heading “Compensation Discussion and Analysis—Determining the Amount of Each Element of Compensation—Long-Term Incentive Compensation—Termination of 409A Options and One-Time Grant of New Options” below, the aggregate incremental cost to the Company of Ms. Quadracci's personal use of the corporate aircraft (includes fuel, repairs, landing fees, incremental pilot expenses, catering and hangar/parking attributable to personal use), a car allowance, 401(k) matching and profit sharing contributions, executive medical benefits, reimbursement of tax preparation expenses, a portion of the salary paid to a Company employee attributable to time spent on personal business for Ms. Quadracci and imputed income from an interest-free loan under the Quad/Graphics Voting Trust purchase plan described under “-Certain Other Relationships and Related Person Transactions.”

Ms. Quadracci received a payment of $2,280,000 in 2011 under a salary continuation death benefit provided by Quad/Graphics to her late husband, Harry V. Quadracci.

Ms. Quadracci received various services from the Company or its affiliates during 2011 that included maintenance of the interior and exterior of her personal residences and catering services, for which Ms. Quadracci fully reimbursed the Company or its affiliates. Ms. Quadracci's payments to the Company or its affiliates in reimbursement for these services during 2011 totaled $186,650.

Mr. Abraham, who serves on the compensation committee of the Board, is also a partner with the law firm Foley & Lardner LLP. The Company retains Foley & Lardner LLP to perform legal services from time to time and paid Foley & Lardner LLP $1,809,446 in legal fees during 2011.

Certain Other Relationships and Related Person Transactions

In addition to the related person transactions described under "—Compensation Committee Interlocks and Insider Participation" above, the following is a description of transactions since January 1, 2011 to which the Company has been a party, in which the amount involved in the transaction exceeded or will exceed $120,000, and in which any of the Company's directors, executive officers or beneficial holders of more than 5% of the Common Stock had or will have a direct or indirect material interest.

J. Joel Quadracci, the chairman, president and chief executive officer and a significant shareholder of the Company, received various services from the Company or its affiliates during 2011 that included maintenance of the interior and exterior of his personal residences and catering services, for which Mr. Quadracci fully reimbursed the Company or its affiliates. Mr. Quadracci's payments to the Company or its affiliates in reimbursement for these services during 2011 totaled $165,851.

Christopher B. Harned, a director of the Company, and Elizabeth Quadracci Harned, Mr. Harned's wife, Betty Ewens Quadracci's daughter and J. Joel Quadracci's sister, received various services from the Company or its affiliates during 2011 that included use of the corporate aircraft, maintenance of the interior and exterior of their personal residences and catering services, for which Mr. Harned and Ms. Quadracci Harned fully reimbursed the Company or its affiliates. Their payments to the Company or its affiliates in reimbursement for these services during 2011 totaled $50,373.

From January 1, 2005 to July 1, 2010, the Company was treated as an S corporation for Federal and state income tax purposes. In connection therewith, the Company and its then shareholders entered into an agreement pursuant to which each shareholder was required to include on the shareholder's return their pro rata share of Quad/Graphics' income, gain, loss and deductions and to pay the income taxes resulting from such inclusion. Per the agreement, the Company was obligated to make tax distributions to each shareholder equal to the amount of such income taxes, subject to certain assumptions, qualifications and exceptions. Each of the Company's executive officers and directors who were shareholders of Quad/Graphics during the S corporation periods received their pro rata portion of such tax distributions, as did all other Company shareholders during those periods. Simultaneously with the consummation of the acquisition of World Color Press on July 2, 2010, the Company's S corporation election was terminated. As a result, tax distributions are no longer required to be made to the Company's shareholders. However, the Company still has a contractual obligation to continue to make payments to the shareholders of record during the S corporation periods in an amount sufficient to pay the taxes arising from their pro rata share of Quad/Graphics' income for such periods, including any adjustments to Quad/Graphics' income for such prior periods due to tax audits or otherwise.

From 1988 to 1992, Quad/Graphics maintained a voting trust purchase plan for certain directors and officers to allow them to increase their ownership in the Company. Under the plan, the Company offered its officers and directors who were beneficiaries of the Quad/Graphics Voting Trust at the time an interest free loan to be used to purchase shares of the Company's common stock, to be secured by the purchased shares. Interest on these loans is imputed monthly to the borrower as required by the Internal Revenue Code of 1986, as amended. Repayment of the loans is required upon the earliest of: (i) 5 years after the borrower's employment or service

termination, (ii) the sale of the purchased shares and (iii) the borrower's death. Betty Ewens Quadracci and John C. Fowler participated in the voting trust purchase plan and had loans outstanding as of December 31, 2011 in the amount of $216,781 and $216,778, respectively.

Elizabeth Fowler, Mr. Fowler's daughter, is employed by the Company as a sales manager. Her total compensation for 2011 was $131,758, consisting of base salary, bonus and 401(k) matching and profit sharing contributions.

Dan Frankowski, a brother of Thomas J. Frankowski, an executive officer of the Company, is employed by the Company as a plant director. His compensation for 2011 was $216,002, consisting primarily of base salary, a car allowance, the aggregate grant date fair value of equity awards granted to him in 2011, the incremental fair value with respect to the termination and liquidation of certain options and the grant of new options described under the heading “Compensation Discussion and Analysis - Determining the Amount of Each Element of Compensation—Long-Term Incentive Compensation—Termination of 409A Options and One-Time Grant of New Options” below and a 401(k) profit sharing contribution.

AUDIT COMMITTEE REPORT

In accordance with its written charter adopted by the Board, the audit committee assists the Board in fulfilling its oversight responsibilities with respect to the reliability of financial reporting, the effectiveness of internal control over financial reporting, the process for monitoring compliance with corporate codes of conduct, control of the internal auditors and audit functions and control over the independence and qualifications of the external auditors and audit functions.

In fulfilling its responsibilities, the audit committee:

- Reviewed and discussed the audited financial statements for the year ended December 31, 2011 with the Company's management and Deloitte & Touche LLP, the independent public accounting firm for Quad/Graphics;
- Reviewed and discussed with management and Deloitte & Touche LLP the assessment and audit of the Company's internal control over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act;
- Discussed with Deloitte & Touche LLP the matters required to be discussed by AU Section 380 of the Public Company Accounting Oversight Board, Communication With Audit Committees, and Rule 2-07 of Regulation S-X; and
- Received from Deloitte & Touche LLP the written disclosures and letter required by Public Company Accounting Oversight Board Ethics and Independence Rule 3526, Communication with Audit Committees Concerning Independence, and discussed with Deloitte & Touche LLP its independence.

The audit committee also discussed with the Company's internal auditors the overall scope and plans for its audit. The audit committee met periodically with the internal auditors to discuss the results of their examinations and their evaluation of the Company's internal controls. The audit committee also periodically met and discussed with management and Deloitte & Touche LLP, with and without management present, such other matters as it deemed appropriate.

Based on the foregoing review and discussions, and relying thereon, the audit committee recommended to the Board that the audited financial statements be included in the Company's Annual Report on Form 10-K for the year ended December 31, 2011 to be filed with the Securities and Exchange Commission.

This report shall not be deemed incorporated by reference by any general statement incorporating by reference this proxy statement into any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, and shall not otherwise be deemed filed under such Acts.

AUDIT COMMITTEE

Douglas P. Buth, Chairperson
John S. Shiely
Thomas O. Ryder

STOCK OWNERSHIP OF MANAGEMENT AND OTHERS

The following table sets forth certain information regarding the beneficial ownership of the Company's class A common stock, class B common stock and class C common stock as of March 23, 2012 by: (1) each director and director nominee; (2) each of the executive officers named in the Summary Compensation Table; (3) all of the directors, director nominees and executive officers (including the executive officers named in the Summary Compensation Table) as a group; and (4) each person or entity known to us to be the beneficial owner of more than 5% of any class of the Common Stock. Except as otherwise indicated in the footnotes, each of the holders listed below has sole voting and investment power over the shares beneficially owned. The footnotes also indicate instances in which the same shares are reported as held by two or more holders. For example, the 6,032,615 shares of class A common stock reported as held by BMO Financial Corp. and Marshall & Ilsley Trust Company include 5,645,552 shares of class A common stock also reported as held in the Quad/Graphics Employee Stock Ownership Plan (sometimes referred to as the Quad/Graphics ESOP). As of March 23, 2012, there were 32,725,188 shares of class A common stock, 14,198,464 shares of class B common stock and 245,353 shares of class C common stock outstanding.

	Shares Beneficially Owned					
	Class A Common Stock		Class B Common Stock[1]		Class C Common Stock[1]	
Name of Beneficial Owners	Shares	%	Shares	%	Shares	%
Directors and Executive Officers						
J. Joel Quadracci[2]	429,410	1.30%	127,675	*	—	—
John C. Fowler[3]	552,651	1.67%	851,614	6.00%	3,385	1.38%
Thomas J. Frankowski[4]	123,621	*	—	—	709	*
David A. Blais[5]	111,441	*	—	—	57	*
Steven D. Jaeger[6]	64,278	*	—	—	—	—
Betty Ewens Quadracci[7]	1,122,864	3.43%	851,614	6.00%	924	*
William J. Abraham, Jr.[8]	43,829	*	—	—	—	—
Douglas P. Buth[9]	23,829	*	—	—	—	—
Christopher B. Harned[10]	106,660	*	105,800	*	—	—
Thomas O. Ryder[11]	8,804	*	—	—	—	—
John S. Shiely[12]	39,329	*	—	—	—	—
All directors, nominees and executive officers as a group (18 persons)[13]	2,754,713	8.20%	1,085,089	7.64%	5,114	2.08%
Other Holders						
Quad/Graphics Voting Trust[14]	10,046	*	12,508,200	88.1%	—	—
Quad/Graphics ESOP[15]	5,645,552	17.25%	—	—	245,353	100%
BMO Financial Corp. and Marshall & Ilsley Trust Company[16]	6,032,615 [17]	18.43%	—	—	245,353 [18]	100%
Elm Ridge; Mr. Gutfleish[19]	2,342,265	7.16%	—	—	—	—
Centerbridge; Messrs. Gallogly and Aronson[20]	2,229,064	6.81%	—	—	—	—
Angelo, Gordon & Co., L.P.[21]	2,195,735	6.71%	—	—	—	—

* Denotes less than 1%

(1) Each share of class B common stock and each share of class C common stock is convertible at any time into one share of class A common stock.

(2) Includes 192,757 shares of class A common stock that may be purchased upon the exercise of vested stock options within 60 days of March 23, 2012 (all of which are subject to shareholder approval of the amendments to the 2010 Plan at the Annual Meeting), and 9,025 shares of class B common stock held by trusts of which he is the trustee or co-trustee and a potential beneficiary. Does not include shares that have been deposited into various trusts, including the Quad/Graphics Voting Trust, for the benefit or potential benefit of Mr. Quadracci, over which Mr. Quadracci has no investment or voting control and no right to obtain such control within 60 days of March 23, 2012. Does not include shares that are held by trusts, including the Quad/Graphics Voting Trust, of which Mr. Quadracci is one of three or more trustees since, as one of multiple trustees who must act by majority vote, Mr. Quadracci does not have voting or investment control over such shares. Includes 61,340 shares of class A common stock and 116,124 shares of class B common stock currently pledged as security.

(3) Includes 320,140 shares of class A common stock that may be purchased upon the exercise of vested stock options within 60 days of March 23, 2012 (all of which are subject to shareholder approval of the amendments to the 2010 Plan at the Annual Meeting), 17,471 shares of class A common stock and 51,614 shares of class B common stock held by a trust reported in note (7) below of which Mr. Fowler is co-trustee but not a beneficiary, and 800,000 shares of class B common stock held by grantor retained annuity trusts (sometimes referred to as GRATs) established, and reported in note (7) below, by Ms. Quadracci of which Mr. Fowler is the trustee but not a beneficiary. Also includes 60,852 shares of class A common stock currently pledged as security. Does not include shares that are held by trusts of which Mr. Fowler is one of three or more trustees since, as one of multiple trustees who must act by majority vote, Mr. Fowler does not have voting or investment control over such shares.

(4) Includes 59,859 shares of class A common stock that may be purchased upon the exercise of vested stock options within 60 days of March 23, 2012 (all of which are subject to shareholder approval of the amendments to the 2010 Plan at the Annual Meeting).

(5) Includes 73,041 shares of class A common stock that may be purchased upon the exercise of vested stock options within 60 days of March 23, 2012 (all of which are subject to shareholder approval of the amendments to the 2010 Plan at the Annual Meeting). Does not include shares that are held by the Quad/Graphics Voting Trust, of which Mr. Blais is one of four trustees since, as one of multiple trustees who must act by majority vote, Mr. Blais does not have voting or investment control over such shares. Includes 4,725 shares of class A common stock currently pledged as security.

(6) Includes 51,262 shares of class A common stock that may be purchased upon the exercise of vested stock options within 60 days of March 23, 2012 (all of which are subject to shareholder approval of the amendments to the 2010 Plan at the Annual Meeting).

(7) Includes 6,750 shares of class A common stock that may be purchased upon the exercise of vested stock options within 60 days of March 23, 2012 (all of which are subject to shareholder approval of the amendments to the 2010 Plan at the Annual Meeting), 11,864 shares of class A common stock held by trusts of which Ms. Quadracci is the sole trustee but not a beneficiary, 1,424 shares of class A common stock held by a trust of which Ms. Quadracci is co-trustee but not a beneficiary, and 800,000 shares of class B common stock held by GRATs established by Ms. Quadracci. Does not include shares that have been deposited into various trusts, including the Quad/Graphics Voting Trust, for the benefit or potential benefit of Ms. Quadracci, over which Ms. Quadracci has no investment or voting control and no right to obtain such control within 60 days of March 23, 2012. Does not include shares that are held by trusts, including the Quad/Graphics Voting Trust, of which Ms. Quadracci is one of three or more trustees since, as one of multiple trustees who must act by majority vote, Ms. Quadracci does not have voting or investment control over such shares. Includes 451,111 shares of class A common stock currently pledged as security.

(8) Includes 20,025 shares of class A common stock that may be purchased upon the exercise of vested stock options within 60 days of March 23, 2012 (all of which are subject to shareholder approval of the amendments to the 2010 Plan at the Annual Meeting) and 8,804 shares of class A common stock attributable to deferred stock units that

could be received within 60 days of March 23, 2012.

(9) Includes 15,025 shares of class A common stock that may be purchased upon the exercise of vested stock options within 60 days of March 23, 2012 (all of which are subject to shareholder approval of the amendments to the 2010 Plan at the Annual Meeting) and 8,804 shares of class A common stock attributable to deferred stock units that could be received within 60 days of March 23, 2012.

(10) Includes 15,025 shares of class A common stock that may be purchased upon the exercise of vested stock options within 60 days of March 23, 2012 (all of which are subject to shareholder approval of the amendments to the 2010 Plan at the Annual Meeting), 8,804 shares of class A common stock attributable to deferred stock units that could be received within 60 days of March 23, 2012, 60,304 shares of class A common stock and 104,077 shares of class B common stock held by his spouse, and 1,723 shares of class B common stock held by a trust of which Mr. Harned is co-trustee. Does not include shares that are held by trusts of which Mr. Harned is one of three or more trustees since, as one of multiple trustees who must act by majority vote, Mr. Harned does not have voting or investment control over such shares. Includes 79,831 shares of class A common stock and 96,752 shares of class B common stock currently pledged as security.

(11) Includes 8,804 shares of class A common stock attributable to deferred stock units that could be received within 60 days of March 23, 2012.

(12) Includes 20,025 shares of class A common stock that may be purchased upon the exercise of vested stock options within 60 days of March 23, 2012 (all of which are subject to shareholder approval of the amendments to the 2010 Plan at the Annual Meeting) and 8,804 shares of class A common stock attributable to deferred stock units that could be received within 60 days of March 23, 2012.

(13) Includes 855,568 shares of class A common stock that may be purchased upon the exercise of vested stock options within 60 days of March 23, 2012 (all of which are subject to shareholder approval of the amendments to the 2010 Plan at the Annual Meeting) and 44,020 shares of class A common stock attributable to deferred stock units that could be received within 60 days of March 23, 2012.

(14) Some of the shares of class A common stock and class B common stock owned by the Quadracci family members have been deposited into the Quad/Graphics Voting Trust, pursuant to which the four trustees thereof (currently J. Joel Quadracci, Betty Ewens Quadracci, Elizabeth Quadracci Harned and David Blais), acting by majority action, have shared voting power and shared investment power over all such shares. The terms of the Quad/Graphics Voting Trust are more particularly described below under "—Quad/Graphics Voting Trust." The address of the Quad/Graphics Voting Trust is N61 W23044 Harry's Way, Sussex, Wisconsin 53089.

(15) The custodian of the Quad/Graphics ESOP is Marshall & Ilsley Trust Company N.A. (sometimes referred to as M&I Trust) and its address is 111 E. Kilbourn Ave., Suite 200, Milwaukee, Wisconsin 53202.

(16) The number of shares owned set forth in the table is as of or about December 31, 2011 as reported by BMO Financial Corp., twenty-six of its subsidiaries including M&I Trust, and its parent, Bank of Montreal (sometimes referred to collectively as BMO), in its amended Schedule 13G filed with the Securities and Exchange Commission. M&I Trust is the custodian of the Quad/Graphics ESOP and, therefore, both BMO and M&I Trust specifically disclaim beneficial ownership of the shares of class A and class C common stock held by the Quad/Graphics ESOP. The address for BMO is 111 W. Monroe Street, P.O. Box 755, Chicago, Illinois 60690 and the address for M&I Trust is 111 E. Kilbourn Ave., Suite 200, Milwaukee, Wisconsin 53202. BMO reports shared voting and dispositive power with respect to all of these shares, except for 386,341 of the shares of class A common stock (over which they report sole power).

(17) Includes the 5,645,552 shares of class A common stock held in the Quad/Graphics ESOP.

(18) Consists solely of the 245,353 shares of class C common stock held in the Quad/Graphics ESOP.

(19) The number of shares owned set forth in the table is as of or about December 31, 2011 as reported by Ronald E. Gutfleish and three Elm Ridge entities, including Elm Ridge Management, LLC (sometimes referred to collectively as Elm Ridge), in its amended Schedule 13G filed with the Securities and Exchange Commission. The address for this shareholder is 3 West Main Street, 2nd Floor, Irvington, New York 10533. Elm Ridge reports shared voting and dispositive power with respect to all of these shares.

(20) The number of shares owned set forth in the table is as of or about December 31, 2011 as reported by Mark T. Gallogly, Jeffrey H. Aronson and fourteen Centerbridge entities, including Centerbridge Credit Partners Master, L.P. (sometimes referred to collectively as Centerbridge), in its amended Schedule 13G filed with the Securities and Exchange Commission. The address for this shareholder is 375 Park Avenue, 12th Floor, New York, New York 10152. Centerbridge reports shared voting and dispositive power with respect to all of these shares.

(21) The number of shares owned set forth in the table is as of or about December 31, 2011 as reported by Angelo, Gordon & Co., L.P. and John M. Angelo and Michael L. Gordon (sometimes referred to collectively as Angelo Gordon) in its amended Schedule 13G filed with the Securities and Exchange Commission. The address for this shareholder is 245 Park Avenue, 26th Floor, New York, New York 10167.

Quad/Graphics Voting Trust

To help ensure the continuity and stability of the management of Quad/Graphics, various members of the Quadracci family, including certain affiliated entities, entered into a voting trust agreement in September 1982, which has been subsequently amended. Pursuant to the voting trust agreement, as amended, certain shares of Quad/Graphics Common Stock held by such individuals and entities have been deposited into the Quad/Graphics Voting Trust.

Under the Quad/Graphics Voting Trust, the four trustees (currently J. Joel Quadracci, Betty Ewens Quadracci , Elizabeth Quadracci Harned and David Blais) are vested with the full legal title to all Common Stock and any other securities of the Company that have been deposited thereunder, with all rights and power of the owner and holder of the stock of whatever nature necessary to enable the trustees to exercise the powers vested in them under the agreement. These rights include the shared right to vote the shares (subject to certain exceptions noted below), the right to become parties to or prosecute or intervene in any legal or administrative proceedings affecting the stock, the Company or the powers, duties and obligations of the trustee, the right to transfer the stock into their names as trustee or into the name of other nominees, the right to enter into shareholder agreements and the right to exercise all rights and preferences of the stock. Except as otherwise provided in the voting trust agreement, the trustees act by majority vote (or unanimous vote if there are only two trustees).

The Quad/Graphics Voting Trust provides that the trustees shall exercise their judgment to select suitable directors of the Company and to vote on such other matters that may come before them at shareholder meetings. Without approval of the beneficiaries holding trust certificates representing two-thirds of the stock held under the Quad/Graphics Voting Trust, however, the trustees do not have the power to vote the stock in favor of the merger or consolidation of the Company, the sale or exchange of all, or substantially all, of the voting securities of the Company, the sale, lease or exchange of all, or substantially all, of the property and assets of the Company, the total or partial liquidation of the Company, the dissolution of the Company, any act that is likely to lead to a public offering, any issuance of Company securities if it would result in the stock held by the trustees not having the power to elect a majority of the Company's board of directors or any amendment to the Company's amended and restated articles of incorporation that would diminish the rights reserved to the trust beneficiaries.

The deposited shares may be withdrawn from the Quad/Graphics Voting Trust by a beneficiary prior to the expiration or termination of the Quad/Graphics Voting Trust only if there is an amendment to the voting trust agreement that is determined to materially adversely affect that particular beneficiary or a particular group of beneficiaries and if the trustees allow such withdrawal. Notwithstanding the foregoing, certain de minimis withdrawals from the Quad/Graphics Voting Trust are permitted and the trustees may, by unanimous vote, permit stock to be withdrawn, but, subject to certain exceptions, the withdrawn stock will be converted into, or exchanged for, class A common stock.

The Quad/Graphics Voting Trust is perpetual. Notwithstanding the foregoing, the voting trust agreement may be terminated by the unanimous vote of the trustees and a two-thirds vote of beneficiaries. The voting trust agreement automatically terminates when none of the stock held by the trustees under the agreement possess voting rights, upon the sale, dissolution or liquidation of the Company, upon the sale of substantially all of its assets, or upon a merger, reorganization, combination or exchange of stock involving the Company that results in the securities under the voting trust agreement constituting less than ten percent of the votes entitled to be cast in an election of directors of the surviving or successor entity.

COMPENSATION OF EXECUTIVE OFFICERS

Compensation Discussion and Analysis

This compensation discussion and analysis relates to the material elements of compensation awarded to, earned by, or paid to the individuals listed in the Summary Compensation Table, sometimes referred to as our NEOs, for 2011. This compensation discussion and analysis also discusses events that took place prior or subsequent to 2011 to the extent they are material to understanding 2011 compensation.

Executive Summary

In 2011, our compensation committee continued its focus on structuring our compensation arrangements in keeping with our compensation philosophy and in light of our acquisition of World Color Press Inc., sometimes referred to as World Color Press, and the listing of our class A common stock, which we refer to as the “Common Stock,” on the NYSE under the symbol “QUAD” in 2010. Actions taken or approved by our compensation committee relative to the compensation programs for our executive officers for 2011 included the following:

- Exercise of the committee's negative discretion to lower bonus payouts under our annual cash incentive program based on its evaluation of our company's overall performance for 2011.
- Termination of certain outstanding stock options that had been granted to some of our employees, including some of our NEOs, with a discounted exercise price before our company became publicly traded, and the granting of new, non-discounted options with terms more consistent with traditional public company stock options.
- Monitoring of our cash incentive program called the Synergy Rewards Program, or SRP, that is designed to provide incentives and rewards to certain of our executive officers and other employees for accomplishing certain synergy-related objectives in connection with our integration of World Color Press.
- Renewal of the committee's engagement of Meridian (formerly a unit of Hewitt Associates), a nationally-recognized compensation consulting firm, to serve as the committee's independent compensation consultant and provide recommendations and advice on our executive and director compensation programs. Meridian is an executive compensation consultancy and does not provide any services unrelated to executive compensation and associated governance.
- Review of the performance of our chairman and chief executive officer and determination of his total compensation.
- Comprehensive review of our succession plan for officers, based on the committee's view of our officers' individual performance and potential.
- Review of the performance of our other executive officers, including our NEOs, and other key employees with assistance from senior management and determination of the structure of annual cash incentive awards for 2011.

Other Highlights of Our Compensation Programs

We periodically review best practices in the area of executive compensation and update our compensation policies and practices to reflect those that we believe are appropriate for our company, including the following:

- We pay for performance, offering our NEOs the opportunity to earn a substantial amount of variable compensation based on our operating performance.
- Our equity compensation plan does not permit repricing of stock options.
- We periodically review our pay practices to ensure that they do not encourage excessive risk taking.
- We do not guarantee salary increases or bonuses for our executive officers.
- We maintain stock ownership guidelines for our directors and executive officers, including our NEOs.

2011 Say on Pay Vote

In May 2011 (after the 2011 executive compensation actions described in this compensation discussion and analysis section had taken place), we held our first advisory shareholder vote on the compensation of our NEOs (our first "say on pay" vote) at our annual shareholders' meeting. Consistent with the recommendation of our board of directors, our shareholders approved our executive compensation, with more than 97% of votes cast in favor. Our compensation committee considered these voting results and, consistent with the strong vote of shareholder approval they represented, elected not to undertake any material changes to our executive compensation programs in response to the outcome of the vote. In keeping with the recommendation of our board of directors, our shareholders also expressed a preference that future advisory shareholder votes on the compensation of our NEOs be held on a triennial basis and, as previously disclosed, our board of directors determined to hold a say on pay vote every three years until the next required advisory vote on the frequency of future say on pay votes. Accordingly, the next say on pay vote will be at our annual shareholders' meeting in 2014.

Overview of our Executive Compensation Philosophy and Design

We believe that a skilled, experienced and dedicated senior management team is essential to our future success as a company and to building shareholder value. We have identified three principal ideas that have guided our decisions concerning the structure of our executive compensation programs, which are as follows:

- To encourage executives to "think like an owner"—through our compensation programs, we seek to align the interests, perspectives and decision-making of our executive officers with the interests of our shareholders, which have been primarily long-term value creation balanced against risk.
- To continue to attract and retain top talent as our business becomes more complex as a result of our operational growth beyond our core print operations, our geographical expansion to include more international operations and our organizational growth as a result of acquisitions.
- To drive long-term share value by encouraging individual behaviors that we believe contribute to our overall corporate performance.

In light of these ideas, in establishing our compensation policies and practices for our NEOs, our compensation committee seeks to reward our NEOs for achieving performance goals and creating long-term value for our shareholders, for loyalty to our company and for individual actions that the committee believes are productive in the context of our corporate objectives.

Setting Executive Compensation

Our board of directors, the compensation committee and our senior management each play a role in setting the compensation of our NEOs. Our board of directors appoints the members of the compensation committee and delegates to the committee the direct responsibility for overseeing the desgn and administration of our executive

compensation programs. The compensation committee is currently comprised of John S. Shiely (chairman), Douglas P. Buth, Betty Ewens Quadracci and William J. Abraham, Jr.

The compensation committee has primary responsibility for providing assistance to, and discharging certain responsibilities of, our board of directors, including, among others, the following:

- Determining and approving our compensation philosophy;
- Reviewing, monitoring, administering and establishing (or, in the case of our chief executive officer, recommending to our board of directors) the annual salary, bonuses and other compensation and benefits of our executive officers;
- Establishing incentive compensation plans for our executive officers;
- Reviewing and approving (or, in the case of our chief executive officer, recommending to our board of directors) corporate and other objectives relevant to the compensation of our executive officers;
- Evaluating the performance of our executive officers in light of such objectives and determining and approving (or, in the case of our chief executive officer, recommending to our board of directors) our executive officers' compensation levels based on this evaluation;
- Reviewing and approving (or, in the case of our chief executive officer, recommending to our board of directors) the terms of employment and other material agreements between us and our executive officers;
- Approving or making recommendations to our board of directors on compensation and human resources policies, programs and plans, including management development and succession plans and our incentive plans;
- Determining stock ownership guidelines for our executive officers and directors and monitoring compliance with such guidelines; and
- Reviewing and making recommendations to our board of directors concerning director compensation.

Our compensation committee also has responsibility for, on an annual basis, preparing a report regarding executive officer compensation for inclusion in our annual proxy statement and reviewing and evaluating our policies and practices in compensating employees, including non-executive officers, as they relate to risk management practices and risk-taking incentives.

In connection with its review and determinations concerning executive officer compensation and benefits and its preparation of the report regarding executive officer compensation for inclusion in our annual proxy statement, our compensation committee takes into consideration say on pay votes. The committee is also responsible for determining and recommending to our board of directors a desired frequency for future say on pay votes to be proposed to our shareholders at least once every six years, taking into consideration prior shareholder votes.

The compensation committee has authority to establish subcommittees and delegate authority to such subcommittees to accomplish the duties and responsibilities of the committee. Under this authority, the compensation committee has established a subcommittee consisting of Messrs. Shiely and Buth to discharge the responsibilities of compensation committee with respect to compensation intended to qualify as “performance-based compensation” within the meaning of Section 162(m) of the Code and with respect to certain equity awards and transactions intended to be exempt from Section 16(b) of the Exchange Act. References to the compensation committee in the context of performance-based compensation and equity awards to the NEOs in this compensation discussion and analysis include the subcommittee.

The compensation committee, with the assistance of our senior management, annually reviews and determines our compensation levels, and periodically reviews our broader compensation and benefit arrangements, with the objective of ensuring that our overall executive compensation and benefits programs are competitive and otherwise consistent with our compensation philosophy. Our senior management makes recommendations to the compensation committee regarding the compensation of the executive officers (other than their own) and may attend meetings of the compensation committee at which the committee considers the compensation of other executives.

Elements of Compensation

Our compensation program for our NEOs consists of the following elements:

- Base Salary. We pay our NEOs base salary to compensate them for services rendered and to provide them with a steady source of income for living expenses throughout the year.

- Annual Cash Incentive Compensation. Our executive officers are eligible for annual cash incentive awards under the company's incentive compensation program. Please note that, while annual cash incentive awards may be referred to as “bonuses” in this discussion, the award amounts are reported in the Summary Compensation Table under the column titled “Non-Equity Incentive Plan Compensation” pursuant to the SEC's regulations.

The committee intends for our incentive compensation program to provide an incentive to meet and exceed current and future financial performance objectives. Within the overall context of our pay philosophy and culture, the program:

- Provides competitive levels of total cash compensation;
- Aligns pay with organizational and individual performance; and
- Focuses executive attention on key business metrics.

- Long-Term Incentive Compensation. We have adopted, and our shareholders have approved, our 2010 Omnibus Incentive Plan, sometimes referred to as our “2010 Plan,” under which we provide the opportunity for our NEOs to earn long-term incentive awards. The compensation committee believes that long-term incentive awards enhance the alignment of the interests of our NEOs and the interests of our shareholders and provide our NEOs with incentives to remain in our employment. For these reasons, in 2011, as in previous years, we provided a significant component of our NEOs' compensation through means of long-term incentive awards.

We have generally granted long-term incentive awards in the form of options to purchase shares of Common Stock, which are not initially exercisable. The options generally vest and become exercisable over time, contingent on the executive's continued employment. We have used time-vesting options as our primary source of long-term incentive compensation to our NEOs because the compensation committee and management believe that stock options with vesting requirements:

- Align the interests of our NEOs with the interests of our shareholders by linking their compensation with the increase in value of our common stock over time;

- Conserve our cash resources for use in growing our business; and
- Facilitate retention.

Beginning in 2011, to further strengthen alignment with shareholders, facilitate retention and provide a total compensation package consistent with prevailing market practice, we also granted restricted stock to our NEOs. Restricted stock awards are full-value shares that vest with the passage of time. For our 2011 long-term incentive awards, restricted stock comprised one-third of the total grant date fair value of the long-term incentive compensation that we granted to our NEOs.

- Synergy Rewards Program (SRP). Effective upon the completion of the acquisition of World Color Press our board of directors adopted an integration bonus plan called the Synergy Rewards Program for 62 of our employees, including our NEOs (with the ability to include additional employees under the program), who are expected to be instrumental in, and devote a significant amount of their time to, achieving synergies related to the acquisition. Our board of directors adopted the Synergy Rewards Program to ensure that a portion of the participants' compensation would be tied directly to the achievement of our synergy objectives. Participants in the Synergy Rewards Program will be eligible to receive a cash award to be paid on or before March 15, 2013, contingent on our achievement and maintenance of specified synergy savings levels relating to the acquisition of World Color Press ranging from approximately 78% to approximately 144% of previously disclosed potential pre-tax annualized synergies relating to the acquisition of World Color Press. The Synergy Rewards Program also will take into account costs to achieve synergies through adjustments by the compensation committee to the award amounts.

- Retirement and Other Benefits. To provide a competitive compensation package to our employees, including our NEOs, we sponsor pension and welfare benefit plans, some of which are broadly available to all of our full-time employees in the United States and some of which include enhanced benefits for executives. In addition, we provide certain limited perquisites to our NEOs. These benefits, as they relate to our NEOs, are discussed and analyzed more extensively below under "Determining the Amount of Each Element of Compensation—Retirement and Other Benefits."

Determining the Amount of Each Element of Compensation

In setting compensation for our NEOs in 2011, the compensation committee focused on the following general guidelines:

- Each component of pay should be set at a level that is at least competitive with the 50th percentile of our comparable company group (which is defined and discussed below).

- For our executive officers, including our NEOs, target base salary, annual cash incentive compensation and long-term incentive compensation levels should be targeted in the range of the 50th to the 60th percentile of our comparable company group. In the compensation committee's view, targeting compensation at a level higher than the 50th percentile of the comparable company group for these elements is necessary to attract and retain top talent to our industry and to develop and retain the next generation of leaders for the long-term success of our company.

- Recognizing that current levels of our NEOs' long-term incentive compensation are below the 50th percentile, and annual cash incentive levels are generally at or above the 50th percentile of our comparable company group, the committee intends to adjust the targeted levels of compensation to a level of total compensation, defined to include base salary, annual cash incentive compensation and long-term incentive compensation, that ranges from the 50th to the 60th percentiles of the comparable

company group, with adjustments based on the compensation committee's views on the individual NEO's experience and performance, its desire to maintain internal pay equity and its belief that our benchmarking data undervalue certain executive positions relative to their importance to our company.

To assist its review of our compensation programs in 2010, upon the recommendation of our management, the compensation committee engaged Meridian to benchmark the base salary, target bonus, target total cash, long-term incentive compensation and target net total compensation that we offered for certain executive positions, including those held by our NEOs. For purposes of the benchmarking analysis, the compensation committee and management selected a comparator group of 33 companies, which we sometimes refer to as comparable companies or our comparable company group, from a pool of 99 selected by Meridian on the basis of their similarity to our company in revenue size, geographic location and industry sector. Specifically, the companies chosen had annual revenues at the time of their selection ranging from approximately $1.2 billion to $11.8 billion, with median annual revenue of $4.5 billion, and either were in the printing, distribution and business services sectors or were in other industrial or manufacturing sectors and were based in the Midwest. All of the comparable companies were participants in a single database (the Hewitt Associates Total Compensation Measurement database), ensuring comparable methodology.

The comparable companies were the following:

Automatic Data Processing
Autozone, Inc.
Avis Budget Group Inc.
Boise, Inc.
Borgwarner Inc.
Brady Corporation
Cooper Industries, Inc.
Deluxe Corporation
Dover Corporation
Dun & Bradstreet Corporation
Ecolab, Inc.
Fiserv, Inc.
FMC Technologies Inc.
Graphic Packaging Holding Company
Hallmark Cards, Inc.
Harley-Davidson Motor Company Inc.
Iron Mountain, Inc.
Kohler Company
McGraw-Hill Companies
NCR Corp.
Packaging Corporation of America
Pactiv Corporation
Pitney Bowes, Inc.
R.R. Donnelley & Sons Company
Rockwell Automation
Ryder Systems Inc.
S.C. Johnson Consumer Products
Sonoco Products Company
Temple-Inland, Inc.
Unisys Corp.
Valassis Communications Inc.
W. W. Grainger, Inc.
Waste Management, Inc.

Meridian conducted a regression analysis on the benchmarking data, using a formula developed based on actual revenue size and compensation levels of the comparable companies to predict levels of pay given various levels of corporate financial performance. Meridian presented data for each of our executive officer positions by matching these positions against similar positions at the comparable companies. Due to the multiple operational and strategic roles filled by our executive vice president of manufacturing & operations and president of Europe, no single position in the benchmarking data was directly comparable, so for benchmarking purposes we considered compensation data for multiple positions at comparable companies in addition to data for the position of vice president of manufacturing.

The compensation committee did not conduct another comprehensive benchmarking analysis in 2011, but generally continued to rely on the benchmarking analysis from 2010 in setting 2011 compensation levels. In doing

so, the compensation committee received confirmation from Meridian that there had been no significant change in the aggregate benchmarking data from 2010 to 2011.

Base Salary

The compensation committee and management set the base salaries of our NEOs initially through an arm's-length negotiation with each individual executive during the hiring process, based upon the individual's level of responsibility and their assessment of the individual's experience, skills and knowledge. We also relied on the benchmarking data from the then most recent overall compensation review. Our chief executive officer and the compensation committee review the base salaries of our NEOs (other than our chief executive officer) for potential increases on an annual basis or in connection with a significant change in duties of an NEO.

For 2011, our senior management recommended no changes in base salaries for our NEOs, and the compensation committee accepted the recommendation. As a result, the base salaries of our NEOs remained unchanged from 2010.

Annual Cash Incentive Compensation

In March 2011, the compensation committee identified the performance measures that would be used to measure corporate performance under our annual incentive compensation program for 2011. These measures were the following:

- Adjusted EBITDA, with a target of $700 million.
- Adjusted EBITDA Margin, with a target of 15%.
- Net sales, with a target of $4.664 billion.
- Return on invested capital compared to cost of capital, with a target of 6%.
- Recurring Free Cash Flow, with a target of $289 million.

In addition, the compensation committee identified strategic objectives for the year, consisting of the following:

- Customer retention, satisfaction and growth.
- Future growth opportunities.
- Working capital reduction.
- Reduction in balance sheet risk and leverage.
- Driving a culture of continuous improvement and being a low cost producer.
- Streamlining our organizational structure and ensuring effective succession.

As in previous years, these performance measure and strategic objectives were to be evaluated by our compensation committee as a whole in determining payments under the annual incentive compensation program, without any specific weight being assigned to any of the measures or objectives, and without any of the objectives alone being decisive in the compensation committee's decisions. Adjusted EBITDA is defined as net earnings (loss) plus interest expense, income tax expense, depreciation and amortization, restructuring, impairment and transaction-related charges, loss on debt extinguishment, and loss from discontinued operations, net of tax. Adjusted EBITDA

Margin is defined as Adjusted EBITDA divided by net sales. Recurring Free Cash Flow is defined as net cash provided by operating activities plus non-recurring (restructuring and bankruptcy) payments less purchases of property, plant and equipment.

In March 2011, the compensation committee also set potential payment levels under our annual cash incentive program for 2011, consisting of a "threshold" level, a "target" level and a "maximum" level, expressed as a percentage of base salary. These levels were based on recommendations from our senior management for executive officers other than themselves. For a group of six individuals, including each of our NEOs except Mr. Fowler, these potential payment levels were also subject to a separate cap pursuant to which payments at any level would be made only if the total payments to the covered individuals did not exceed 2% of our EBITDA for 2011. The compensation committee evaluated the recommendations of management in the context of 2010 compensation levels, overall target compensation, its views on internal pay equity, the benchmarking data from Meridian and its objective of offering target payment levels approximately equal to the 50th - 60th percentile of the comparable companies for similar positions. Based on its subjective assessment of these considerations, the compensation committee accepted the recommendations of management and set the target, threshold and maximum bonus levels for our NEOs for 2011 indicated in the "Grants of Plan-Based Awards" Table below.

In December 2011, the compensation committee determined that the level of performance required for payment of bonuses at the previously identified threshold levels had been satisfied. The committee nevertheless elected to exercise its negative discretion to pay bonuses below the threshold levels based on its subjective evaluation of our company's overall performance with respect to the performance measures and strategic objectives identified above as a whole, without particular reliance on any individual measure or objective. The committee noted the projected below-target performance (ranging from 85% to 99% of the target) as measured by the performance goals, strong performance as measured by some of the strategic objectives and under-performance as measured by others, and concluded that payment of bonuses equal to 67% of the previously identified threshold levels was appropriate. The bonus amounts actually paid to our NEOs for 2011 are indicated in the Summary Compensation Table under the column titled "Non-Equity Incentive Plan Compensation."

Long-Term Incentive Compensation

2011 Annual Stock Option Grants. In December 2010, following our overall review of our executive compensation program in connection with the consummation of the acquisition of World Color Press and becoming a publicly-traded company, the compensation committee determined that it would make our annual equity awards for 2011 to our senior management one-third in the form of restricted shares and two-thirds in the form of stock options to focus the recipients on building shareholder value. Accordingly we granted stock options and restricted shares to our executive officers, including our NEOs, under our 2010 Plan in January 2011. The compensation committee set a target value for each of our NEOs' total equity awards (including stock options and restricted shares) that approximated the 50th to 60th percentile range of the equity compensation offered by comparable companies for similar positions, and allocated two-thirds of the target value to stock options and one-third to restricted shares. The number of shares covered by stock options and the number of restricted shares were determined on the basis of the Black-Scholes method and the closing sale price of a share of our Common Stock as of December 13, 2010, respectively. The stock options had an exercise price equal to the closing sale price of a share of our Common Stock as of December 31, 2010 (the last trading day prior to the date of grant), and were granted initially subject to forfeiture, becoming vested and exercisable in installments of one-third of the total number of option shares on each of the second, third and fourth anniversaries of the date of grant, contingent on the NEO's continued employment until the applicable vesting date. The restricted shares were granted initially subject to forfeiture and will cliff-vest on the third anniversary of the date of grant, provided that the NEO remains continuously employed until that date.

The number of shares of Common Stock covered by the options granted to each of our NEOs in 2011 is reflected in the Grants of Plan-Based Awards table below. The compensation committee intends to continue to

award long-term incentive awards to our executives on an annual basis in the future, although more frequent awards may be made at the discretion of the compensation committee on other occasions, such as in the case of promotions or newly hired executives.

Termination of 409A Options and One-Time Grant of New Options. In 2011, as previously disclosed in a Current Report on Form 8-K filed on November 22, 2011, we took action to terminate certain stock options granted in prior years to some of our employees, including our NEOs. We refer to these options as the "409A Options." The 409A Options were all granted between the years 1990-2010, before our company became publicly traded.

Two significant features of the 409A Options were: (1) they were granted with an exercise price that was lower than the fair market value of a share of our Common Stock on the date of grant and (2) dividends paid on the Common Stock had the effect of reducing the exercise price of the options. The first 409A Options were granted prior to the enactment of Section 409A of the Code, which we refer to as "Section 409A." However, once Section 409A was added to the Code, the features described above, among other things, subjected the 409A Options to Section 409A, and required the 409A Options to be amended to provide for fixed exercise dates and other restrictions on the timing of exercise.

In 2011, we concluded that the 409A Options, due to the restrictions imposed by Section 409A (including the requirement that an optionee must elect to exercise his option more than a year in advance and remain subject to stock price volatility risk during that period), no longer fulfilled our executive compensation goals and were difficult and burdensome for us to administer.

Therefore, to better allow participants to exercise freely and realize value in a manner and time consistent with traditional public company stock options, to strengthen the perceived value of holding equity in our company and being a long-term employee, to improve and simplify administrative requirements and to ensure that options appropriately motivate and retain key employees, we took action to:

(1) Terminate and liquidate the 409A Options in compliance with Section 409A.

(2) Grant new options to the 409A Option holders from our 2010 Plan equal to the number of terminated 409A Options held by them. All of the new options were granted at an exercise price equal to or greater than $13.47, the fair market value of a share of our Common Stock on the date of grant, and, if the exercise price of an option holder's 409A Options was greater than $13.47, the new options were issued at such greater price. Therefore, none of the new options were granted with an exercise price below the fair market value of a share of our Common Stock on the date of grant and all of the new options were granted at an exercise price equal to or greater than the corresponding 409A Option that was terminated.

(3) Amend the 2010 Plan to allow for the grant of the new options by increasing the number of shares of Common Stock authorized for issuance under the Plan by 3,571,652 shares, and permitting dividend equivalent rights to be granted solely in connection with the one-time grant of the new options.

The new options are not being granted in substitution for the 409A Options, since the 409A Options are being terminated and liquidated and are not being forfeited in exchange for the new options. In addition, the new options do not represent a repricing of the 409A Options.

The amount of the liquidation payment received by each NEO as a result of the termination of the 409A Options will be equal to the product of (1) the number of shares subject to the 409A Options held by the NEO and (2) the excess, if any, of (A) $13.47, which represents the volume-weighted average price of a share of the Common Stock on the New York Stock Exchange for the five consecutive trading days ending on November 18, 2011, over

(B) the exercise price per share of the 409A Options less the amount of any deferred compensation and dividend credits that had accrued with respect to the 409A Options as of November 18, 2011. As required by Section 409A, no liquidation payments will be made until 12 months after November 18, 2011 (other than payments that would be payable absent the termination), and all liquidation payments will be made within 24 months of November 18, 2011.

The total expected liquidation payment to be paid is $20.0 million, with $2.9 million, or 15%, of such amount paid to our directors and our executive officers. The liquidation payment may be paid in cash, Common Stock or combination. The liquidation payments will be made in 2012, and the amounts realized by our NEOs as a result will be disclosed in the “Option Exercises and Stock Vested in 2012” table in the proxy statement for the 2013 annual meeting of shareholders.

The new options have vesting schedules ranging from one to three years and terms ranging from one to ten years, depending on the remaining vesting schedules and terms of the 409A Options. Recipients of the new options also will receive dividend equivalent rights with respect to the shares of Common Stock subject to the new options. The dividend equivalent rights are not a new benefit for the recipients of the new options. Rather, they are similar to the dividend credit feature found in the terminated 409A Options.

The amendments to the 2010 Plan are subject to shareholder approval, and the grants of the new options are subject to the approval by the Company's shareholders of the amendments to the 2010 Plan.

Synergy Rewards Program

The target award opportunities established under the SRP were subjectively determined by our board of directors based on the individual NEO's annual bonus target. The target award opportunity was determined in a fashion that reflected amounts commensurate with the value that could be created for shareholders if the anticipated synergies are achieved. Accordingly, our compensation committee decided that the target award opportunity for our NEOs under the SRP will be from one times the NEO's annual bonus target, for achievement of the threshold synergy savings level, to four times the NEO's annual bonus target, for achievement of the maximum level, with incremental amounts for achievement of synergy savings levels between the threshold and the maximum. The SRP will take into account costs to achieve synergies through adjustments by the compensation committee to the award amounts of plus or minus 25%.

To receive payment of any award under the SRP, our NEOs must remain continuously employed by us or our affiliates until the payment date, which will occur on or before March 15, 2013. We currently expect to make payments under the SRP as early as December 2012 to the extent the applicable synergy savings levels have been achieved. Awards under the SRP also remain subject to adjustment by our board of directors in its discretion.

Retirement and Other Benefits

Welfare and Retirement Benefits

As part of a competitive compensation package, we sponsor welfare benefit plans that offer health, life, disability and other insurance coverage to participating employees. We also provide our NEOs with an Executive Medical Plan under which our executives and their families are entitled to reimbursement for up to $20,000 (per family) in medical costs per year. Amounts reimbursed in 2011 under Quad/Graphics' Executive Medical Plan are reflected in the Summary Compensation Table below.

To help our salaried employees prepare for retirement, we sponsor the Quad/Graphics Inc. Employee Stock Ownership Plan and the Quad/Graphics Diversified Plan. The Employee Stock Ownership Plan holds profit sharing contributions of our common stock, which are made at the discretion of our board of directors. The Diversified Plan is comprised of participant directed 401(k) contributions, a company matching contribution (at a rate of 30% of the first 6% of a participant's taxable earnings that the participant contributes) and profit sharing-contributions. Our

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NEOs participate in the Employee Stock Ownership Plan, the Diversified Plan and our broad-based welfare plans on the same basis as our other salaried employees.

In addition to the Employee Stock Ownership Plan and the Diversified Plan, we provide our executive officers with a supplemental executive retirement plan (sometimes referred to as the SERP), which is designed to provide a competitive retirement benefit and aid in retention and building long-term commitment to the company. The SERP is described in greater detail following the 2011 Nonqualified Deferred Compensation Table.

Perquisites and Other Personal Benefits
We provide perquisites and other personal benefits that we believe are reasonable and consistent with our overall compensation program to better enable our executives to perform their duties and to enable our company to attract and retain employees for key positions.

Pursuant to his employment agreement, Mr. Quadracci is entitled to personal use of our corporate aircraft. The compensation committee believes that providing this benefit as part of Mr. Quadracci's compensation enhances his and his family's security, minimizes the disruptions and burdens of his personal travel and provides him with additional flexibility and time to attend to company business notwithstanding his personal travel schedule, and thereby benefits our company and our shareholders. Other than Mr. Quadracci, none of our NEOs were permitted to use our corporate aircraft for personal use in 2011. The aggregate incremental cost to our company for personal use of our corporate aircraft by Mr. Quadracci is reflected in the Summary Compensation Table below.

We provide assistance to each of our NEOs with certain financial planning matters and reimbursement of tax preparation fees. We also provide each of our NEOs with an annual car allowance and we reimbursed club membership fees for Messrs. Quadracci and Fowler and approved expenditures related to security for Mr. Quadracci in 2011. We provide the car allowance and reimburse club membership fees primarily for business purposes, though a portion of their use may have a personal aspect. For example, we reimburse club membership fees to encourage Messrs. Quadracci and Fowler to use the memberships for work-related purposes, such as client entertainment, though they may also use the club memberships for personal purposes.

Post-Termination and Change of Control Arrangements
We maintain employment agreements with each of our NEOs (other than Mr. Jaeger) that entitle the covered NEOs to severance benefits if their employment is terminated by us without cause or by the executive for good reason and that obligate the executives to refrain from competing with us for two years following any termination of employment. In addition, our Stock Option Plan and the award agreements under our 2010 Plan provide for the accelerated vesting of stock options and restricted stock upon a change of control of the company. These arrangements are summarized below under “Potential Payments Upon Termination or Change of Control.”

The compensation committee believes the severance and change of control benefits that we provide our NEOs under these arrangements are consistent with its objective of building shareholder value and contain terms that are similar to those offered to executives of comparable companies. In addition to securing the covered NEOs' agreement to the non-compete restriction described above, the purpose of the benefits is to focus our NEOs on taking actions that are in the best interests of our shareholders without regard to whether such action may ultimately have an impact on their job security, and to avoid the loss of key managers that may occur in connection with an anticipated or actual change of control. The severance and change of control benefits that we provide our executive officers fulfill these purposes by generally maintaining the executive officers' expected compensation for a specified period following certain terminations of employment, vesting awards granted prior to a change of control and making the executive officers whole for certain excise taxes that may result from compensation paid and benefits provided in connection with the change of control and any related termination of employment. The compensation committee selected the triggering events for change of control and termination benefits to our executive officers based on its judgment that these events were likely to result in the job security distractions and retention concerns described above. Other than the employment agreements, we have no formal severance program in place for our NEOs.

We also provide our NEOs with an Executive Salary Continuation Plan under which we will continue to pay 60% of the NEO's base salary to the NEO's spouse or dependent children if the NEO dies during the term of the NEO's active employment with our company. The payments will continue through, in the case of an NEO who dies after age 55 but before retirement, the earlier of (i) the date on which the NEO would have reached age 65 or (ii) the later of (a) the 25th birthday of the youngest dependent child or (b) the death of the surviving spouse or, in the case of an NEO who dies before age 55, the earlier of (i) the tenth anniversary of the NEO's death or (ii) the later of (a) the 25th birthday of the youngest dependent child or (b) the death of the surviving spouse. We offer this benefit to the NEOs as part of what we believe is a competitive compensation package and in lieu of a supplemental executive life insurance policy.

Other Policies and Considerations

Stock Ownership Guidelines

We have implemented stock ownership requirements for certain executive officers, including our NEOs, to underscore the importance of linking executive compensation and shareholder interests. Executive officers subject to these stock ownership requirements are encouraged to own a certain dollar value amount of our stock. The stock ownership policy requires our chief executive officer to hold shares with a value five times his base salary. For our executive vice presidents, the ownership threshold is three times base salary and for all vice presidents and group presidents the ownership threshold is two times base salary. All of the following count toward the ownership applicable thresholds under the policy:

1. Shares held outright (including through trusts for the benefit of the executive officer or of the executive officer's family members) or in retirement plans;
2. Restricted stock, restricted stock units and deferred stock units; and
3. With respect to vested new stock options granted to the 409A Option holders in November 2011, the excess of the fair market value of the underlying shares over the exercise price. No other stock options count toward the ownership threshold under these guidelines.

Tax and Accounting Considerations

In setting compensation for our NEOs, the compensation committee considers the deductibility of compensation under the Internal Revenue Code. As a private company, we have historically been able to deduct all compensation that we paid to our NEOs as long as it was reasonable. As a public company, we are subject to the provisions of Section 162(m) of the Internal Revenue Code (subject to certain transition rules). Section 162(m) prohibits our company from taking a tax deduction for compensation in excess of $1.0 million that is paid to our chief executive officer and our NEOs, excluding our chief financial officer, and that is not considered “performance-based” compensation under Section 162(m). Prior to this year's annual shareholders meeting, transition rules under Section 162(m) generally permitted us to exclude certain compensation from the $1.0 million cap, such as (i) the compensation resulting from the exercise of stock options that were granted prior to becoming a public company; (ii) the compensation payable under bonus arrangements that were in place prior to becoming a public company; and (iii) compensation resulting from the exercise of stock options and stock appreciation rights, or the vesting of restricted stock, that we may grant during a transition period pursuant to a plan adopted prior to becoming a public company. The transition period began on the date we became a public company and ends on the date of this year's annual shareholders meeting. Our 2010 Plan was intended to permit us to grant certain awards during the transition period that were not subject to the $1.0 million cap under Section 162(m).

As noted above, our compensation committee has established a subcommittee for the purposes of, among other things, adopting performance goals and determining whether the goals have been met in accordance with Section 162(m). The compensation committee may, however, approve compensation that will not meet the requirements of Section 162(m) in order to ensure competitive levels of total compensation for our executive officers. Because of ambiguities and uncertainties as to the application and interpretation of Section 162(m) and the regulations issued thereunder, moreover, no assurance can be given, notwithstanding our intentions, that compensation intended to satisfy the requirements for deductibility under Section 162(m) will do so.

2011 SUMMARY COMPENSATION TABLE

The following table summarizes the compensation that our NEOs earned for the years indicated.

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards(1) ($)	Option Awards(1) ($)	Non-Equity Incentive Plan Compensation ($)	All Other Compensation(2) ($)	Total ($)
J. Joel Quadracci Chairman, President and Chief Executive Officer	2011	975,000	—	777,503	1,741,528	399,750	335,746	4,229,527
	2010	932,000	200,000	—	2,836,500	1,071,800	481,535	5,521,835
	2009	889,000	—	—	1,643,000	—	248,038	2,780,038
John C. Fowler Executive Vice President and Chief Financial Officer	2011	600,000	—	222,350	587,452	222,000	73,763	1,705,565
	2010	560,000	200,000	—	814,950	476,000	117,032	2,167,982
	2009	520,000	—	—	437,700	—	52,094	1,009,794
Thomas J. Frankowski Executive Vice President of Manufacturing & Operations and President of Europe	2011	450,000	—	155,509	465,591	166,500	37,965	1,275,566
	2010	407,500	200,000	—	378,200	346,375	55,159	1,387,234
	2009	365,000	—	—	492,900	—	17,109	875,009
David A. Blais Executive Vice President of Sales and Client Services	2011	450,000	—	155,509	504,821	166,500	44,254	1,321,085
	2010	407,500	200,000	—	567,300	346,375	60,762	1,581,937
	2009	365,000	—	—	328,500	—	19,893	713,393
Steven D. Jaeger President of QuadDirect and Vice President of Information Technology	2011	350,000	—	77,734	337,999	119,000	39,444	924,177

(1) Amounts are based on the aggregate grant date fair value of the awards to our NEOs under our 2010 Plan, or, in the case of the termination and liquidation of our 409A options and grant of new options in November 2011 described under the heading "Termination of 409A Options and One-Time Grant of New Options" above, the incremental fair value with respect to the awards as of the modification date, in each case as determined in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718 (sometimes referred to as

ASC 718). For the assumptions used in the valuation of the awards, please see Note 22 to our consolidated financial statements in our Annual Report on Form 10-K for the year ended December 31, 2011.

(2) Amounts for each of our NEOs reflect an automobile allowance and reimbursement for medical expenses. They also reflect the following for individual NEOs: For Mr. Quadracci—club dues of $10,948; $8,600 for a portion of the salary paid to an employee of our company attributable to time spent on personal business for Mr. Quadracci, $154,639 for personal use of our corporate aircraft (includes the aggregate incremental cost to our company of fuel, repairs, landing fees, incremental pilot expenses, catering and hangar/parking attributable to personal use), $79,283 for personal and family security services, $8,185 for the cost of assistance with tax preparation, a matching contribution of $4,410 on 401(k) contributions, a profit sharing contribution of $9,851, car allowance of $8,000, executive medical at a cost of $8,900 and a contribution of $42,930 to Mr. Quadracci's SERP account. For Mr. Fowler—club dues of $8,852, a matching contribution of $4,410 on 401(k) contributions, a profit sharing contribution of $9,851, car allowance of $8,000, executive medical at a cost of $20,000, imputed income of $724 from the interest-free loan under the voting trust purchase plan described under "--Certain Relationships and Related Party Transactions" and a contribution of $21,926 to Mr. Fowler's SERP account. For Mr. Frankowski—$300 for assistance with tax preparation, a matching contribution of $4,410 on 401(k) contributions, a profit sharing contribution of $9,851, car allowance of $8,000, executive medical at a cost of $1,287 and a contribution of $14,117 to Mr. Frankowski's SERP account. For Mr. Blais—$1,250 for assistance with tax preparation, a matching contribution of $4,410 on 401(k) contributions, a profit sharing contribution of $9,851, car allowance of $8,000, executive medical at a cost of $6,626 and a contribution of $14,117 to Mr. Blais' SERP account. For Mr. Jaeger—$300 for assistance with tax preparation, $800 for assistance with estate planning, $1,500 for a scholarship, a matching contribution of $4,410 on 401(k) contributions, a profit sharing contribution of $9,851, car allowance of $8,000, executive medical at a cost of $6,071 and a contribution of $8,512 to Mr. Jaeger's SERP account. (Perquisites are discussed further under the heading "Perquisites and Other Personal Benefits" above.)

GRANTS OF PLAN BASED AWARDS IN 2011

The following table contains information concerning the plan-based equity and non-equity awards that were granted to our NEOs in 2011. The amounts shown in the Estimated Future Payouts Under Non-Equity Incentive Plan awards columns represent potential future payments at the time of grant only. At the time of grant, whether these amounts (or any portion thereof) would ultimately be received by the NEOs was uncertain because the awards were contingent on the achievement of performance goals and the NEOs' continued employment. The awards in the columns under the heading "Estimated Future Payouts Under Non-Equity Incentive Plan Awards" were granted under our annual cash incentive program for 2011, and payment was contingent on our achievement of a given level of corporate performance, as described above under the heading "Determining the Amount of Each Element of Compensation—Annual Cash Incentive Compensation." The amounts actually earned and paid to our NEOs for 2011 under these awards are shown in the Non-Equity Incentive Plan Compensation column in the Summary Compensation Table above.

			Estimated Future Payouts Under Non-Equity Incentive Plan Awards							
Name	Grant Date	Approval or Action Date	Threshold ($)	Target ($)	Maximum ($)	All Other Stock Awards: Number of Shares of Stock (#)	All Other Option Awards: Number of Securities Underlying Options (#)(1)	Exercise or Base Price of Option Awards ($/Share)	Closing Market Price on Date of Grant ($/Share)(2)	Grant Date Fair Value of Stock and Option Awards ($)
J. Joel Quadracci	11/18/11	11/13/11	—	—	—	—	37,348(3)	13.4708	14.94	163,436(3)
	11/18/11	11/13/11	—	—	—	—	150,000(3)	23.37	14.94	(3)
	11/18/11	11/13/11	—	—	—	—	100,000(3)	29.37	14.94	(3)
	11/18/11	11/13/11	—	—	—	—	100,000(3)	15.37	14.94	(3)
	11/18/11	11/13/11	—	—	—	—	150,000(3)	16.62	14.94	(3)
	1/1/11	12/20/11	—	—	—	—	119,643	41.26	41.26	1,578,091
	1/1/11	12/20/11	—	—	—	18,844	—	—	—	777,503
	—	—	585,000(4)	1,121,250(4)	1,950,000(4)	—	—	—	—	—
John C. Fowler	11/18/11	11/13/11	—	—	—	—	34,850(3)	13.4708	14.94	123,572(3)
	11/18/11	11/13/11	—	—	—	—	6,500(3)	19.12	14.94	12,545(3)
	11/18/11	11/13/11	—	—	—	—	318,000(3)	23.37	14.94	(3)
	11/18/11	11/13/11	—	—	—	—	30,000(3)	29.37	14.94	(3)
	11/18/11	11/13/11	—	—	—	—	30,000(3)	15.37	14.94	—(3)
	11/18/11	11/13/11	—	—	—	—	45,000(3)	16.62	14.94	(3)
	1/1/11	12/20/11	—	—	—	—	34,218	41.26	41.26	451,335
	—	—	—	—	—	5,389	—	—	—	222,350
	—	—	330,000(4)	510,000(4)	900,000(4)	—	—	—	—	—
Thomas J. Frankowski	11/18/11	11/13/11	—	—	—	—	33,950(3)	13.4708	14.94	145,336(3)
	11/18/11	11/13/11	—	—	—	—	2,400(3)	19.12	14.94	4,632(3)
	11/18/11	11/13/11	—	—	—	—	40,000(3)	23.37	14.94	(3)
	11/18/11	11/13/11	—	—	—	—	20,000(3)	29.37	14.94	—(3)
	11/18/11	11/13/11	—	—	—	—	30,000(3)	15.37	14.94	(3)

11/18/11	11/13/11	—	—	—	—	20,000(3)	16.62	14.94	(3)
1/1/11	12/20/11	—	—	—	—	23,929	41.26	41.26	315,624
1/1/11	12/20/11	—	—	—	3,769	—	—	—	155,509
—	—	247,500(4)	382,500(4)	675,000(4)	—	—	—	—	—

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Name	Grant Date	Approval or Action Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards Threshold ($)	Target ($)	Maximum ($)	All Other Stock Awards: Number of Shares of Stock (#)	All Other Option Awards: Number of Securities Underlying Options (#)(1)	Exercise or Base Price of Option Awards ($/Share) (2)	Closing Market Price on Date of Grant ($/Share)	Grant Date Fair Value of Stock and Option Awards ($)
David A. Blais	11/18/11	11/13/11	—	—	—	—	45,382(3)	13.4708	14.94	189,198(3)
	11/18/11									