Quad/Graphics, Inc.
Form DEF 14A
April 10, 2019

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 Pursuant to §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)
Payment of Filing Fee (Check the appropriate box):

ý No fee required.
¨ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

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

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

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

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

(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

QUAD/GRAPHICS, INC.

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

Time and Date:
Monday, May 20, 2019 at 10:00 a.m. Central Time

Place:
Quad/Graphics, Inc., N61 W23044 Harry's Way, Sussex, Wisconsin 53089

Matters to be Voted On:
1. To elect all nine director nominees to serve for a one-year term and until their successors are duly elected and qualified;
2. To approve an amendment to our Amended and Restated Articles of Incorporation to increase the total number of authorized shares of our class A common stock;
3. To approve an amendment to the Quad/Graphics, Inc. 2010 Omnibus Incentive Plan, as amended; and
4. To consider and act upon such other business as may properly come before the meeting or any adjournment or postponement thereof.

Who Can Vote:
Holders of Quad/Graphics, Inc. class A and class B common stock at the close of business on March 14, 2019.
We are pleased to take advantage of Securities and Exchange Commission rules that allow companies to furnish their proxy materials (i.e., proxy statement, 2018 annual report to shareholders and proxy card) over the internet. On or about April 10, 2019, we will commence mailing to the holders of our class A common stock entitled to vote at the Annual Meeting a Notice of Internet Availability of Proxy Materials (the "Notice"). We believe this process will expedite the receipt of proxy materials by our shareholders, ensure that proxy materials remain easily accessible to our shareholders, lower costs and reduce the environmental impact of our Annual Meeting.
The Notice contains clear instructions on how holders of our class A common stock can access our proxy materials and how such holders can vote via the internet, by telephone, by mail, or in person at our 2019 Annual Meeting of Shareholders. In addition, the Notice contains instructions on how to obtain printed proxy materials.
Holders of our class B common stock will continue to receive hard copies of our proxy materials, and we will commence mailing on or about April 10, 2019.
Your vote is very important to us, regardless of how many shares you own. Even if you plan to attend the meeting, please complete, date and sign the proxy card and submit the proxy card via the internet, by telephone, or by mail in accordance with the instructions provided on the proxy card. You may revoke your previously submitted proxy and vote your shares in person at the meeting.

By Order of the Board of Directors
Jennifer J. Kent
Executive Vice President of Administration
General Counsel and Secretary
April 10, 2019

Important notice regarding the availability of proxy materials for the shareholders' meeting to be held on May 20, 2019: The proxy statement and 2018 Annual Report to Shareholders are available at: http://investors.qg.com.

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PROXY SUMMARY

This summary highlights certain information that is described in more detail elsewhere in this proxy statement. This summary does not contain all the information you should consider before voting on the matters at our annual meeting, so we ask that you read the entire proxy statement carefully. Page references are provided to help you quickly find further information.

2019 Annual Meeting of Shareholders
Date and Time: May 20, 2019

Place: N61 W23044 Harry's Way
Sussex, Wisconsin 53089

Eligibility to Vote

You can vote at the 2019 annual meeting if you were a holder of record of our class A common stock or class B common stock at the close of business on March 14, 2019.

Governance Highlights

We are dedicated to high standards of corporate governance. Our Board of Directors is committed to acting in the long-term best interests of our shareholders and continually reviews our policies with those interests in mind, as well as in light of recent trends in corporate governance. Below is a summary of our corporate governance highlights with respect to our Board of Directors.

- Five out of our nine directors are independent.
- We maintain a fully independent Audit Committee.
- Our Board of Directors meets at regularly scheduled executive sessions, both without members of management present and also without non-independent directors present.
- Our Board of Directors and executive officers are prohibited from hedging our stock, and are required to obtain prior approval of any pledge of our stock.
- Our Board of Directors and executive officers are subject to stock ownership guidelines.
- We hold annual board and committee evaluations.
- We require approval of certain related party transactions and annual Audit Committee review of any such transactions.

Additional information about our corporate governance policies and practices can be found at pages 22-27 of this proxy statement.

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Voting Matters

Proposal		Vote Required	Board Recommendation
Proposal 1:	Election of Directors	Plurality	FOR all nominees
Proposal 2:	Approve an Amendment to the Amended and Restated Articles of Incorporation to Increase the Authorized Shares of Class A Common Stock	Votes For Exceed Votes Against(1)	FOR
Proposal 3:	Approve an Amendment to the Quad/Graphics, Inc. 2010 Omnibus Incentive Plan, as amended	Majority of Votes Cast	FOR

(1) The votes cast for approval must exceed votes cast against by both (a) the holders of our class A common stock and class B common stock, voting together as a single voting group, and (b) the holders of our class A common stock, voting separately as an independent voting group.

Election of Directors

We elect our directors on an annual basis. The Board of Directors currently consists of nine directors.

Director Nominee	Age	Director Since	Independent
J. Joel Quadracci	50	2003	
Kathryn Quadracci Flores	51	2013	
Mark A. Angelson	68	2015	X
Douglas P. Buth	64	2005	X
John C. Fowler	68	2016	
Stephen M. Fuller	58	2016	X
Christopher B. Harned	56	2005	
Jay O. Rothman	59	2017	X
John S. Shiely	66	1996	X

Proposal to Approve an Amendment to the Amended and Restated Articles of Incorporation

Our Board of Directors has approved, and is recommending to our shareholders for approval, an amendment to our Amended and Restated Articles of Incorporation (sometimes referred to as the Articles) to increase the number of authorized shares of class A common stock from 80,000,000 to 105,000,000 and a corresponding increase to the number of authorized shares of capital stock from 180,500,000 to 205,500,000. The proposed amendment would not increase the authorized number of shares of class B common stock, class C common stock or preferred stock. Our Board of Directors believes that it is advisable and in the best interests of our shareholders to increase the number of authorized shares of our class A common stock to provide a sufficient reserve of shares for our future business and financial needs.

Proposal to Approve an Amendment to the 2010 Omnibus Incentive Plan

Our Board of Directors has approved, and is recommending to our shareholders for approval, an amendment to the Quad/Graphics, Inc. 2010 Omnibus Incentive Plan, as amended (sometimes referred to as the 2010 Plan) to increase the number of shares of class A common stock authorized for issuance under the 2010 Plan by 1,800,000 shares. The proposed amendment will allow us to continue to attract and retain outstanding individuals to serve as officers, directors, employees and consultants, and our Board of Directors believes that the proposed amendment to the 2010 Plan strikes an appropriate balance between rewarding performance and limiting shareholder dilution, while providing us with the flexibility to meet changing compensation needs.

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Director Tenure

We have added four new directors since 2015, three of whom are independent.

Committee Membership

There are three standing committees of the Board of Directors - the Audit Committee, the Finance Committee and the Compensation Committee. Current members of the committees are listed in the table below.
Additional information about our director nominees and executive officers can be found at pages 6-8 of this proxy statement.

Compensation Highlights

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:

- Pay for performance—A substantial fraction of total compensation for our named executive officers is tied to the operating performance of our Company.
- Salary increases, bonuses and equity awards must be earned—We do not guarantee salary increases, bonuses or equity awards for our executive officers.
- No option repricing—Our equity compensation plan does not permit repricing of stock options.
- Compensation risk management—We periodically review our pay practices to ensure that they do not encourage excessive risk taking.
- Stock ownership—We maintain stock ownership guidelines for our directors and executive officers, including our named executive officers.

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

PROXY STATEMENT
For
ANNUAL MEETING OF SHAREHOLDERS
To Be Held May 20, 2019

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, we, our, us or similar terms), beginning on or about April 10, 2019. 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 20, 2019, 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.

If you are a shareholder of record, you may vote via the internet, by telephone, by mail using your proxy card, or in person at the Annual Meeting. To vote via the internet, follow the instructions provided on the Notice or on your proxy card. To vote by telephone, follow the instructions provided on your proxy card. To vote by mail, simply complete your proxy card, date and sign it, and return it in accordance with the instructions provided on the proxy card. Even if you vote via the internet, by telephone, or complete and mail your proxy card, you may nevertheless revoke your proxy at any time prior to the Annual Meeting by sending us written notice, voting your shares in person at the Annual Meeting or submitting a later-dated proxy. If a bank, broker or other nominee holds your Company common stock for your benefit but not in your own name, such shares are in "street name." In that case, your bank, broker or other nominee will send you a voting instruction form to use for your shares. The availability of internet voting instruction depends on the voting procedures of your bank, broker or other nominee. Please follow the instructions on the voting instruction form they send you.

A proxy which is properly executed, duly returned to the Company and not revoked, or a valid vote via the internet or by telephone, 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 nine persons nominated for election as directors referred to in this proxy statement;
- FOR the approval of an amendment to the Articles to increase the number of authorized shares of class A common stock;
- FOR the approval of an amendment to the 2010 Plan; and
- on such other business or matters that may properly come before the Annual Meeting in accordance with the best judgment of the persons named as proxies in the form of proxy.

Other than the election of nine directors, the proposed amendment to the Articles and the proposed amendment 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.

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Only holders of record of the Company's class A common stock and class B common stock (sometimes referred to collectively as the Common Stock) at the close of business on March 14, 2019 are entitled to vote at the Annual Meeting. On that date, the Company had outstanding and entitled to vote: (a) 37,759,868 shares of class A common stock, each of which is entitled to one vote per share, with an aggregate of 37,759,868 votes; and (b) 13,556,858 shares of class B common stock, each of which is entitled to ten votes per share, with an aggregate of 135,568,580 votes. The presence of a majority of the votes entitled to be cast shall constitute a quorum for the purpose of transacting business at the Annual Meeting, other than for the purpose of voting on the proposed amendment to the Articles. The presence of the majority of the votes entitled to be cast by (1) the holders of class A common stock, voting as an independent voting group, and (2) the holders of the class A common stock and class B common stock, voting as a single group, will constitute a quorum for the purpose of voting on the proposed amendment to the Articles. Abstentions and broker non-votes will be considered present for purposes of determining whether a quorum exists.

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ELECTION OF DIRECTORS

The Board currently consists of nine directors. At the Annual Meeting, the shareholders will elect all nine directors to one-year terms—to hold office until the 2020 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 nine 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 and class B common stock vote together as a single class on the election of directors.

The following sets forth certain information, as of March 14, 2019, about the Board's nominees for election at the Annual Meeting.

J. Joel Quadracci, 50, has been a director of Quad 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 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 has served as the President of the board of trustees of the Milwaukee Art Museum since December 2018. In March 2019, he was elected as a director of the National Association of Manufacturers. He also serves on the board of directors for Rise Interactive Media & Analytics, LLC; Skidmore College; the Metropolitan Milwaukee Association of Commerce; Pixability, Inc.; Road America, Inc.; and the Smithsonian National Postal Museum Advisory Council. Mr. Quadracci received a Bachelor of Arts in Philosophy from Skidmore College in 1991. Mr. Quadracci is the brother of Kathryn Quadracci Flores, M.D., a director of the Company, and the brother-in-law of Christopher B. Harned, a director of the Company. Quad believes that Mr. Quadracci's experience in the printing industry and in leadership positions with the Company qualifies him for service as a director of the Company.

Kathryn Quadracci Flores, M.D., 51, has been a director of Quad since December 2013 and is a member of the Finance Committee. Dr. Flores serves as President and director of the Windhover Foundation and as Secretary of the board of trustees for the Collegiate School of New York. Dr. Flores previously served on the board of directors for the Brown University Sports Foundation and the board of trustees for the Marymount School of New York. Dr. Flores received her Bachelor of Arts and Bachelor of Science degrees from Brown University in 1990 and her Doctor of Medicine from Columbia University School of Physicians and Surgeons in 1995. Dr. Flores is the sister of J. Joel Quadracci, the Company's Chairman, President and Chief Executive Officer, and the sister-in-law of Christopher B. Harned, a director of the Company. Quad believes that Dr. Flores' knowledge of the Company, her education and her business and board experience qualifies her to serve as a director of the Company.

Mark A. Angelson, 68, has been a director of Quad since March 2015 and previously served as a director from the July 2010 acquisition of World Color Press Inc. (sometimes referred to as World Color Press) until April 2011. He was elected Chairman of NewPage Corporation, North America's largest manufacturer of coated papers, in December 2012 and led its January 2015 merger with Verso Corporation. From February 2011 until September 2012, Mr. Angelson served sequentially as a member of Mayor-elect Rahm Emmanuel's transition team and then as Deputy

Mayor of the City of Chicago and Chairman of the Mayor's Economic, Budgetary and Business Development Council. Mr. Angelson served as Chairman and/or CEO of a variety of public companies from 1996 to July 2010, including RR Donnelly & Sons Company (Chicago), Moore

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Corporation (Toronto), Moore Wallace Incorporated (New York) and World Color Press (Montreal). Mr. Angelson was one of the leaders of the transformation and consolidation of the printing industry. Mr. Angelson is a trustee and the vice chairman of the Institute of International Education (sometimes referred to as IIE) and Chairman of IIE's Scholar Rescue Fund. Mr. Angelson is a longstanding trustee of Northwestern University and, since 2010, adjunct professor of mergers and acquisitions at Northwestern's Kellogg School of Management. In July 2014, Mr. Angelson was appointed as the Richard D. Heffner Public Service Professor at Rutgers University. Later that year, Mr. Angelson was appointed as a member of the Rutgers University Board of Governors, and in 2017 was elected to be its Vice Chairman. He is also Vice Chairman of the Joseph Biden Foundation. Quad believes that Mr. Angelson's career as an executive and board director of various providers of print and related services, and the role he has played in transactions in the printing industry, qualify him for service as a director of the Company.

Douglas P. Buth, 64, has been a director of Quad since 2005 and is the Chair of the Audit Committee and also is a member of the Compensation and Finance Committees. Mr. Buth retired as Chairman and Chief Executive Officer 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, 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 investment committee and the audit committee. 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 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.

John C. Fowler, 68, has been a director of Quad since July 2016 and is a member of the Compensation Committee. Mr. Fowler served as the Company's Vice Chairman and Executive Vice President of Global Strategy and Corporate Development from March 2014 until December 2017. Prior thereto, he served as the Company's Executive Vice President and Chief Financial Officer from July 2010 to March 2014, as Senior Vice President and Chief Financial Officer from May 2005 to July 2010 and as Vice President and Controller from when he joined Quad in 1980 (which at the time was the Company's top financial position) until May 2005. Prior to joining Quad, Mr. Fowler worked for Arthur Andersen LLP for six years. In November 2018, Mr. Fowler was elected as a director of Mandel Group, Inc. He also serves on the boards of directors of Manipal Technologies Ltd., the L'Eft Bank Wine Company, is chairman of the board of TAI Diagnostics, Inc. and is a past board member of several private and venture capital companies that were successfully sold. Mr. Fowler attended Tufts University and Iowa State University, graduating summa cum laude with bachelor degrees in both economics and accounting. Quad believes that Mr. Fowler's experience in the printing industry and in leadership positions with the Company and on several boards of directors qualifies him for service as a director of the Company.

Stephen M. Fuller, 58, has been a director of Quad since 2016 and is a member of the Audit Committee. Mr. Fuller served as Senior Vice President and Chief Marketing Officer for L.L.Bean Inc. of Freeport, Maine from 2001 until his retirement in 2016. In this former role, he led all marketing functions for L.L.Bean, including branding, advertising, customer satisfaction, e-commerce, partnerships, database analytics and marketing operations. In addition to his CMO role, Mr. Fuller had full P&L responsibility for L.L.Bean's international efforts since 2008. Mr. Fuller received his undergraduate degree from Bates College in Lewiston, Maine, and his MBA from Boston College. He also attended Harvard Business School's Advanced Management Program. Currently, he is a member of the board of directors of Boyne Resorts, a trustee at Bates College and is a frequent speaker at Dartmouth College's Tuck School of Business. Mr. Fuller is a former member of L.L.Bean's board of directors. He also has been on the boards of several environmental and outdoor organizations. Quad believes that Mr. Fuller’s leadership in marketing and board experience qualifies him to serve as a director of the Company.

Christopher B. Harned, 56, has been a director of Quad since 2005 and is the Chair of the Finance Committee. In September 2016, Mr. Harned joined Arbor Investments as a Partner and Head of the New York office. Prior to joining Arbor Investments, he was a Managing Director and Head of Consumer Products-Americas for Nomura Securities International, Inc. Starting in January 2012, he served as a Managing Director of the Investment Banking Group M&A team at Robert W. Baird & Co., Inc. He previously 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. During 2018, Mr. Harned joined the Board of Directors of Red Collar Pet Foods, a privately-held company. Mr. Harned is a former member of the board of directors of FreshPet, Inc., a pet food company, where he served on the audit and compensation committees. Mr. Harned is also a former member of the board of directors of bswift, Danka Business Systems PLC, The Meow Mix Company, Stone Canyon Entertainment, Brand Connections LLC and Philadelphia Media Network. Mr. Harned earned 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 brother-in-law of Kathryn Quadracci Flores, M.D., a director of the Company. Quad 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.

Jay O. Rothman, 59, has been a director of Quad since May 2017. He has served as the Chairman and Chief Executive Officer of Foley & Lardner LLP, a national law firm, since June 2011, has been a member of the firm’s Management Committee since February 2002 and has been a partner since February 1994. He joined Foley & Lardner LLP in October 1986. Mr. Rothman serves as director of Mayville Engineering Company. Mr. Rothman received a Bachelor of Arts from Marquette University in 1982 and a Juris Doctor from Harvard Law School in 1985. Quad believes that Mr. Rothman’s career as an executive and as a business attorney qualifies him to serve as a director of the Company.

John S. Shiely, 66, has been a director of Quad since 1996 and is the Chair of the Compensation Committee and a member of the Audit Committee. Mr. Shiely is the retired Chairman and Chief Executive Officer of Briggs & Stratton Corporation, a producer of air cooled gasoline engines for outdoor power equipment. 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, BMO Harris Bank N.A. since 2012, The Scotts Miracle-Gro Company from 2007 to 2013 and of Oshkosh Corporation since 2012, and served as a director of Marshall & Ilsley Corporation from 1999 until its 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 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, OR OTHERWISE VALIDLY VOTED, BUT UNMARKED PROXIES, WILL BE VOTED “FOR” SUCH NOMINEES.

AMENDMENT TO THE ARTICLES INCREASING AUTHORIZED CLASS A COMMON STOCK

The Company currently has 180,500,000 shares of capital stock authorized, consisting of 80,000,000 shares of class A common stock, 80,000,000 shares of class B common stock, 20,000,000 shares of class C common stock and 500,000 shares of preferred stock. The Board has approved, and is recommending to our shareholders for approval, an amendment to the Articles to increase the number of authorized shares of class A common stock from 80,000,000 to 105,000,000 and a corresponding increase to the number of authorized shares of capital stock from 180,500,000 to 205,500,000. The proposed amendment would not increase the authorized number of shares of class B common stock, class C common stock or preferred stock (no shares of class C common stock or preferred stock are currently outstanding).

The Company's class A common stock is the only class of the Company's stock that is publicly traded and available for issuance in acquisitions like the pending acquisition of LSC Communications, Inc. ("LSC"), which is expected to close in mid-2019, and under the 2010 Plan. In addition, each share of the Company's class B common stock is convertible at any time, at the option of the holder, into one (1) share of the Company's class A common stock and the Articles require that Quad reserve and keep available for issuance enough shares of class A common stock to fully allow any such conversion. As of March 14, 2019, 37,759,868 shares of class A common stock were outstanding, with 13,556,858 additional shares reserved for issuance upon conversion of the outstanding shares of class B common stock and 2,384,019 additional shares currently reserved for issuance under the 2010 Plan. Upon consummation of the acquisition of LSC, Quad will issue approximately 21,600,000 shares of class A common stock to the former LSC stockholders and, assuming the amendment to the 2010 Plan is approved by the shareholders at the Annual Meeting, there will be a an additional 1,800,000 shares of class A common stock reserved for issuance under the 2010 Plan. As a result, a total of 77,100,745 shares of class A common stock will either be outstanding or reserved for issuance, leaving approximately 2,899,255 shares of class A common stock available for issuance for future purposes. In light of the foregoing, the Board of Directors deems it advisable to increase the authorized shares of the Company's class A common stock. The adoption of the proposed amendment would provide for an additional 25,000,000 shares of class A common stock for future issuance.

The Board believes that it is advisable and in the best interests of the Company's shareholders to increase the number of authorized shares of class A common stock to provide a sufficient reserve of shares for future business and financial needs of the Company. These additional authorized shares would provide the Company greater flexibility in the consideration of future (i) stock dividends or stock splits, (ii) sales of class A common stock or convertible securities to enhance capital and liquidity, (iii) possible future acquisitions, (iv) grants and awards pursuant to our equity compensation plans and agreements, and (v) other corporate purposes. Having these shares available for issuance allows shares to be issued without the expense and delay of a shareholders' meeting unless such action is required by applicable law or the NYSE. The NYSE requires shareholder approval prior to issuing shares in certain instances, such as where the number of shares to be issued would exceed 20% of the number of shares outstanding prior to issuance and any increase in shares reserved for issuance under equity compensation plans.

The additional shares of class A common stock, if and when issued, would have the same rights and privileges as the shares of class A common stock currently authorized. Approval of this proposal and the issuance of additional authorized shares of class A common stock would not affect the rights of the holders of currently outstanding shares of our class A or class B common stock, except for the effects incidental to increasing the number of shares outstanding (such as dilution of voting power of existing shareholders, decreasing earnings per share, and, depending on the price at which they are issued, could be dilutive to our existing shareholders). Existing holders of the outstanding shares of our class A common stock and class B common stock have no preemptive rights under the Articles to purchase any additional shares of class A common stock issued by the Company. We have no current plans, written or otherwise, to issue these additional shares of class A common stock at this time.

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The Board has not proposed the increase in the authorized number of shares of class A common stock with the intention of using the additional shares for anti-takeover purposes, although an issuance of additional shares could, in certain circumstances, make an attempt to acquire control of the Company more difficult. The Board is not at this time aware of any such attempts and is not proposing this increase in response to any third-party effort to acquire control of the Company.

Article III of the Articles currently provides that the total number of shares of all classes of stock that the Company is authorized to issue is 180,500,000, which includes 80,000,000 shares of class A common stock. The proposed amendment to the first sentence of the first paragraph of Article III and to clause (a) in the first sentence of the first paragraph of Article III of the Articles would delete the existing provisions and in their place insert the following:

“The aggregate number of shares which the corporation shall have authority to issue is two hundred five million five hundred thousand (205,500,000) shares, divided into four (4) classes consisting of:

(a) one hundred five million (105,000,000) shares designated as “Class A Common Stock,” with a par value of Two and One-Half Cents ($.025) per share;”

If approved, this amendment will become effective upon the filing of articles of amendment to our Articles with the State of Wisconsin, which we would do promptly after the Annual Meeting.

Vote Required

Under Wisconsin law, the following two “voting groups” must approve the proposed amendment to our Articles: (1) the holders of our class A common stock and class B common stock, voting together as a single voting group; and (2) the holders of our class A common stock, voting separately as an independent voting group. Assuming a quorum of each voting group is present at the Annual Meeting, the number of votes cast within the voting group for the approval of the amendment to the Articles must exceed the number of votes cast against it. Abstentions and broker non-votes will have no effect on the outcome of the vote.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" ADOPTION OF THE AMENDMENT TO THE ARTICLES. SHARES OF THE COMPANY'S COMMON STOCK REPRESENTED AT THE ANNUAL MEETING BY EXECUTED BUT UNMARKED PROXIES WILL BE VOTED “FOR” THE ADOPTION OF THE AMENDMENT TO THE ARTICLES.

APPROVAL OF AN AMENDMENT TO THE QUAD/GRAPHICS, INC. 2010 OMNIBUS INCENTIVE PLAN, AS AMENDED

Background

The Board is seeking approval from the Company's shareholders of an amendment to the 2010 Plan to increase the number of shares of class A common stock authorized for issuance under the 2010 Plan by 1,800,000 shares. The proposed amendment will allow the Company to continue to attract and retain outstanding individuals to serve as officers, directors, employees and consultants, and the Company believes that the proposed amendment to the 2010 Plan strikes an appropriate balance between rewarding performance and limiting shareholder dilution, while providing the Company with the flexibility to meet changing compensation needs. The 2010 Plan was originally approved and ratified by the Company's shareholders at the 2011 annual meeting. Amendments to the 2010 Plan relating to the termination of certain stock options granted in prior years to some of the Company's employees (sometimes referred to as the 409A Options) and the grant of new options (sometimes referred to as the 2011 Options) were approved by the Company's shareholders at the 2012 annual meeting. Amendments to the 2010 Plan authorizing the issuance of an additional 2,000,000 and 3,000,000 shares of class A common stock were approved by the Company's shareholders at the 2013 and 2016 annual meetings, respectively.

The compensation committee recommended to the Board that 1,800,000 additional shares of class A common stock be authorized under the 2010 Plan. In determining the number of shares of class A common stock to recommend for addition to the 2010 Plan, the compensation committee and the Board considered the shares remaining available under the 2010 Plan (which totaled 1,169,410 shares prior to the grant of the awards described below under “New Plan Benefits”), the projected share use under the 2010 Plan, the impact of the pending LSC acquisition and other transactions, the dilution represented by the Company's existing and proposed equity awards, the overhang represented by such awards and the Company's run rates. The dilution represented by projected share use under the 2010 Plan was estimated at approximately 7.5%. The projected overhang was estimated at 10.9%, and the projected run rate was estimated at approximately 3.3%. The compensation committee and the Board were satisfied that the Company's projected dilution, overhang and run rates were at an acceptable level.

Because the precise amount and timing of specific equity awards in the future is not currently determinable, except as disclosed under “New Plan Benefits” below, it is not possible to calculate with certainty the number of years of awards that will be available and the amount of subsequent dilution that may ultimately result from such awards. The compensation committee and the Board expect that the 1,800,000 additional shares will be sufficient for one additional year of awards based upon the historic rates of awards by the compensation committee under the 2010 Plan. The 2010 Plan will expire by its terms in 2020, and the committee and the Board therefore expect to seek shareholder approval of a replacement Omnibus Incentive Plan at the annual meeting in 2020.

The current rationale and practices of the compensation committee with respect to equity awards and other incentives is set forth in the “Compensation Discussion and Analysis.” The following is a summary of the material provisions of the 2010 Plan as proposed to be amended. The summary is qualified in its entirety by reference to the full text of the 2010 Plan, as proposed to be amended, which is attached to this proxy statement as Appendix A.

Purpose

The two complementary goals of the 2010 Plan are to attract and retain outstanding individuals to serve as officers, directors, employees and consultants to Quad and to increase shareholder value. Through the 2010 Plan, the Board seeks to provide a direct link between shareholder value and compensation awards by granting awards of shares of the Company's class A common stock, monetary payments based on the value of the Company's class A common stock and other incentive compensation awards that are based on the Company's financial performance and individual performance.

Administration and Eligibility

The 2010 Plan is administered by the compensation committee of the Board or a subcommittee thereof (sometimes referred to in this section as the Committee), which has the authority to interpret the provisions of the 2010 Plan; make, change and rescind rules and regulations relating to the 2010 Plan; and make changes to, or reconcile any inconsistency in, any award or agreement covering an award. The Committee may designate any of the following as a participant under the 2010 Plan: any officer or other employee of the Company or its affiliates or individuals engaged to become an officer or employee, consultants who provide services to the Company or its affiliates and non-employee directors of the Company. The Company and its affiliates currently have a total of approximately 20,600 full-time equivalent employees and eight non-employee directors, as well as various consultants.

Types of Awards

Awards under the 2010 Plan may consist of incentive awards, stock options, stock appreciation rights, performance shares, performance units, shares of class A common stock, restricted stock, restricted stock units, deferred stock units or other stock-based awards as determined by the Committee. The Committee may grant any type of award to any participant it selects, but only employees of the Company or its subsidiaries may receive grants of incentive stock options. Awards may be granted alone or in addition to, in tandem with, or in substitution for any other award (or any other award granted under another plan of the Company or any affiliate). In addition, the Committee is authorized to provide or make awards in a manner that complies with the requirements of Section 409A of the Internal Revenue Code of 1986, as amended (sometimes referred to as the Code), so that the awards will avoid a plan failure as described in Section 409A(a)(1) of the Code. The Committee's authorization includes the authority to defer payments or wait for specified distribution events, as provided in Section 409A(a)(2) of the Code.

Shares Reserved under the 2010 Plan

The 2010 Plan currently provides that an aggregate of 10,871,652 shares of class A common stock are reserved for issuance under the 2010 Plan (subject to adjustment as described below), including 3,571,652 shares related solely to the termination of the 409A Options and the grant of the 2011 Options. The 409A Options had previously been granted under a prior plan, so the grant of the 2011 Options and the 3,571,652 shares underlying the 2011 Options were not newly reserved shares, and their addition to the 2010 Plan did not represent any net increase in the number of shares reserved under the Company's equity plans. If the proposed amendment to the 2010 Plan is approved by shareholders, an additional 1,800,000 shares of class A common stock will be reserved for issuance under the 2010 Plan, making the total number of shares of class A common stock reserved for issuance under the 2010 Plan 12,671,652 (including the 3,571,652 shares related solely to the termination of the 409A Options and the grant of the 2011 Options), subject to adjustment as described below. Prior to the grant of the awards described below under "New Plan Benefits," there were 1,169,410 shares remaining available for future grants.

In general, (a) if an award granted under the 2010 Plan lapses, expires, terminates or is canceled without the issuance of shares under, or the payment of other compensation with respect to shares covered by, the award, (b) if it is determined during or at the conclusion of the term of an award that all or some portion of the shares with respect to which the award was granted will not be issuable, or that other compensation with respect to shares covered by the award will not be payable, (c) if shares are forfeited under an award, or (d) if shares are issued under any award and the Company reacquires them pursuant to rights reserved by the Company upon the issuance of the shares, then such shares may again be used for new awards under the 2010 Plan. However, no shares subject to the 2011 Options, no shares that are purchased by the Company using proceeds from option exercises, no shares tendered or withheld in payment of the exercise price of options and no shares tendered or withheld to satisfy federal, state or local tax withholding obligations may be re-credited to the reserve of shares available for future awards under the 2010 Plan.

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No participant may be granted awards under the 2010 Plan that could result in such participant:

- receiving options or stock appreciation rights for more than 750,000 shares of class A common stock during any fiscal year of the Company;
- receiving awards of restricted stock, restricted stock units and/or deferred stock units with an aggregate fair market value of more than $10,000,000, determined as of the grant date, during any fiscal year of the Company;
- receiving, with respect to an award of performance shares and/or an award of performance units the value of which is based on the fair market value of a share of class A common stock, payment of more than $10,000,000 in respect of any fiscal year of the Company;
- receiving, with respect to an annual incentive award in respect of any fiscal year of the Company, a cash payment of more than $8,000,000;
- receiving, with respect to a long-term incentive award and/or an award of performance units the value of which is not based on the fair market value of a share of class A common stock, a cash payment of more than $10,000,000 in respect of any given fiscal year of the Company; or
- receiving other stock-based awards with an aggregate fair market value of more than $10,000,000, determined as of the grant date, during any fiscal year of the Company.

Each of these limitations is subject to adjustment as described below.

Options

Pursuant to the 2010 Plan, the Committee has the authority to grant stock options and to determine all terms and conditions of each stock option. Stock options are granted to participants at such time as the Committee determines. The Committee also determines the number of options granted, whether an option is to be an incentive stock option or non-qualified stock option and the grant date for the option, which may not be any date prior to the date that the Committee approves the grant. The Committee fixes the option price per share of class A common stock, which may never be less than the fair market value of a share of class A common stock on the date of grant. The Committee determines the expiration date of each option except that the expiration date may not be later than ten years after the date of grant. Options are exercisable at such times and be subject to such restrictions and conditions as the Committee deems necessary or advisable. The 2011 Options receive dividend equivalent rights with respect to the shares of class A common stock subject to the 2011 Options, but no other options under the 2010 Plan entitle participants to receive dividend payments or dividend equivalent payments with respect to shares of class A common stock underlying the options.

Stock Appreciation Rights

Pursuant to the 2010 Plan, the Committee has the authority to grant stock appreciation rights. A stock appreciation right granted under the 2010 Plan generally confers on the participant holder a right to receive, upon exercise thereof, the excess of (a) the fair market value of one share of class A common stock on the date of exercise over (b) the grant price of the stock appreciation right as specified by the Committee, which may not be less than 100% of the fair market value of a share of class A common stock on the date of grant. The Committee determines all terms and conditions of each stock appreciation right, including the grant price (subject to the foregoing sentence), term, methods of exercise, methods of settlement (including whether the holder of a stock appreciation right will be paid in cash, shares of class A common stock or other consideration), and any other conditions or restrictions on the exercise of any stock appreciation right as it may deem appropriate. Under the 2010 Plan, participants do not have a right to receive dividend payments or dividend equivalent payments with respect to shares of class A common stock subject to an outstanding stock appreciation right. No stock appreciation rights have been granted under the 2010 Plan to date.

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Performance and Stock Awards

Pursuant to the 2010 Plan, the Committee has the authority to grant awards of shares of class A common stock, restricted stock, restricted stock units, deferred stock units, performance shares or performance units. Restricted stock means shares of class A common stock that are subject to a risk of cancellation and/or restrictions on transfer, which may lapse upon the achievement or partial achievement of corporate, subsidiary or business unit performance goals established by the Committee and/or upon the completion of a period of service. Restricted stock unit or deferred stock units means the right to receive cash and/or shares of class A common stock, the value of which is equal to the fair market value of one share to the extent corporate, subsidiary or business unit performance goals established by the Committee are achieved or upon completion of a period of service or other event. Performance shares means the right to receive shares of class A common stock to the extent corporate, subsidiary or business unit performance goals established by the Committee are achieved. Performance units means the right to receive cash and/or shares of class A common stock valued in relation to a unit that has a designated dollar value or the value of which is equal to the fair market value of one or more shares of class A common stock, to the extent corporate, subsidiary or business unit performance goals established by the Committee are achieved.

The Committee determines all terms and conditions of the awards including (i) the number of shares of class A common stock and/or units to which such award relates, (ii) whether performance goals must be achieved for the participant to realize any portion of the benefit provided under the award, (iii) the length of the vesting and/or performance period, if any, and, if different, the date that payment of the benefit will be made, (iv) with respect to performance units, whether to measure the value of each unit in relation to a designated dollar value or the fair market value of one or more shares of class A common stock, and (v) with respect to performance shares, performance units, restricted stock units and deferred stock units, whether the awards will settle in cash, in shares of class A common stock, or in a combination of the two.

For purposes of the 2010 Plan, performance goals mean any goals the Committee establishes that relate to one or more of the following with respect to the Company or any one or more of its subsidiaries, affiliates or other business units: net earnings; net earnings attributable to common shareholders; operating income; income from continuing operations; net sales; cost of sales; gross income; earnings (including before taxes, and/or interest and/or depreciation and amortization); net earnings per share (including diluted earnings per share); price per share; cash flow; net cash provided by operating activities; net cash provided by operating activities less net cash used in investing activities; net operating profit; pre-tax profit; ratio of debt to debt plus equity; return on shareholder equity; total shareholder return; return on capital; return on assets; return on equity; return on investment; return on revenues; operating working capital; working capital as a percentage of net sales; cost of capital; average accounts receivable; economic value added; performance value added; customer satisfaction; customer loyalty and/or retention; employee safety; employee engagement; market share; system reliability; cost structure reduction; regulatory outcomes; diversity; cost savings; operating goals; operating margin; profit margin; sales performance; internal sales growth; and synergy savings. In addition, in the case of awards that the Committee determines will not be considered “performance-based compensation” under Code Section 162(m), the Committee may establish other performance goals not listed in the 2010 Plan.

As to each performance goal, the relevant measurement of performance shall be computed in accordance with generally accepted accounting principles, but, unless otherwise determined by the Committee and to the extent consistent with Code Section 162(m), will exclude the effects of the following, if the amount is over $500,000 in the aggregate: (i) charges for reorganizing and restructuring; (ii) discontinued operations; (iii) asset write-downs; (iv) gains or losses on the disposition of a business; (v) mergers, acquisitions or dispositions; and (vi) extraordinary, unusual and/or nonrecurring items of gain or loss, that in all of the foregoing the Company identifies in its audited financial statements, including footnotes, or the Management's Discussion and Analysis section of the Company's annual report.

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Other Stock-Based Awards

Pursuant to the 2010 Plan, the Committee has the authority to grant other types of awards, which may be denominated or payable in, valued in whole or in part by reference to, or otherwise based on, shares of class A common stock, either alone or in addition to or in conjunction with other awards, and payable in shares of class A common stock or cash. Such awards may include shares of unrestricted class A common stock, which may be awarded, without limitation, as a bonus, in payment of director fees, in lieu of cash compensation, in exchange for cancellation of a compensation right, or upon the attainment of performance goals or otherwise, or rights to acquire shares of class A common stock from the Company. The Committee determines all terms and conditions of such awards, including the time or times at which such award will be made and the number of shares of class A common stock to be granted pursuant to such award or to which such award will relate. Any award that provides for purchase rights must be priced at 100% of the fair market value of a share of class A common stock on the date of the award.

Incentive Awards

Pursuant to the 2010 Plan, the Committee has the authority to grant annual and long-term incentive awards. An incentive award is the right to receive a cash payment to the extent performance goals are achieved. The Committee will determine all terms and conditions of an annual or long-term incentive award, including the performance goals, performance period, the potential amount payable, the type of payment and the timing of payment. The Committee must require that payment of all or any portion of the amount subject to the incentive award is contingent on the achievement or partial achievement of one or more performance goals during the period the Committee specifies. The Committee may specify that performance goals subject to an award are deemed achieved upon a participant's death, disability or change in control of the Company or, in the case of awards that the Committee determines will not be considered performance-based compensation under Code Section 162(m), retirement or such other circumstances as the Committee may specify. The performance period for an annual incentive award must relate to a period of at least one of the Company's fiscal years, and the performance period for a long-term incentive award must relate to a period of more than one of the Company's fiscal years, except, in each case, if the award is made at the time of commencement of employment with the Company or on the occasion of a promotion, then the award may relate to a shorter period. Payment of an incentive award will be in cash except to the extent the Committee determines that payment will be in shares of class A common stock or restricted stock, either on a mandatory basis or at the election of the participant receiving the award, having a fair market value at the time of the payment equal to the amount payable according to the terms of the incentive award.

Dividend Rights

The 2011 Options receive dividend equivalent rights with respect to the shares of class A common stock subject to the 2011 Options. No other options or stock appreciation rights under the 2010 Plan entitle participants to receive dividend payments or dividend equivalent payments with respect to shares of class A common stock underlying the options or stock appreciation rights. The Committee may, however, give participants the right to receive any cash dividends (whether regular or otherwise), stock dividends and other distributions (whether paid in cash or securities), or their equivalents, paid or made with respect to awards other than stock options and stock appreciation rights.

Amendment of Minimum Vesting and Performance Periods

Notwithstanding the requirements for minimum vesting and/or performance period for an award granted under the 2010 Plan, the 2010 Plan provides that the Committee may impose, at the time an award is granted or any later date, a shorter vesting and/or performance period to take into account a participant's hire or promotion, or may accelerate the vesting or deem an award earned, in whole or in part, on a participant's death, disability or retirement or a change in control of the Company, all as defined by the Committee.

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Transferability

Awards are not transferable other than by will or the laws of descent and distribution, unless the Committee allows a participant to (i) designate in writing a beneficiary to exercise the award or receive payment under the award after the participant's death, (ii) transfer an award to the former spouse of the participant as required by a domestic relations order incident to a divorce, or (iii) transfer an award; provided that the participant may not receive consideration for such a transfer of an award.

Adjustments

If (i) the Company is involved in a merger or other transaction in which shares of class A common stock are changed or exchanged, (ii) the Company subdivides or combines shares of class A common stock or declares a dividend payable in shares of class A common stock, other securities or other property, (iii) the Company effects a cash dividend that exceeds 10% of the trading price of the shares of class A common stock or any other dividend or distribution in the form of cash or a repurchase of shares of class A common stock that the Board determines is special or extraordinary or that is in connection with a recapitalization or reorganization, or (iv) any other event shall occur, which in the case of this clause (iv), in the judgment of the Committee necessitates an adjustment to prevent dilution or enlargement of the 45 benefits intended to be made available under the 2010 Plan, then the Committee will, in a manner it deems equitable, adjust any or all of (A) the number and type of shares of class A common stock subject to the 2010 Plan and which may, after the event, be made the subject of awards; (B) the number and type of shares of class A common stock subject to outstanding awards; (C) the grant, purchase or exercise price with respect to any award; and (D) to the extent such discretion does not cause an award that is intended to qualify as performance-based compensation under Code Section 162(m) to lose its status as such, the performance goals of an award. In any such case, the Committee may also provide for a cash payment to the holder of an outstanding award in exchange for the cancellation of all or a portion of the award.

The Committee may, in connection with any merger, consolidation, acquisition of property or stock, or reorganization, and without affecting the number of shares of class A common stock otherwise reserved or available under the 2010 Plan, authorize the issuance or assumption of awards upon terms it deems appropriate.

Term of Plan

Unless earlier terminated by the Board, the 2010 Plan will remain in effect until the earlier of (i) June 24, 2020 or (ii) the date all shares reserved for issuance have been issued. Termination of the 2010 Plan will not affect the rights of participants with respect to previously granted awards, and all unexpired awards will continue until they lapse or are terminated by their own terms and conditions.

Termination and Amendment

The Board or the Committee may amend, alter, suspend, discontinue or terminate the 2010 Plan at any time, subject to the following limitations:

- the Board must approve any amendment to the 2010 Plan if the Company determines such approval is required by prior action of the Board, applicable corporate law or any other applicable law;
- shareholders must approve any amendment to the 2010 Plan if the Company determines that such approval is required by Section 16 of the Securities Exchange Act of 1934, the Code, the listing requirements of any principal securities exchange or market on which the shares of class A common stock are then traded or any other applicable law; and

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- shareholders must approve any amendment to the 2010 Plan that materially increases the number of shares of class A common stock reserved under the 2010 Plan or the limitations stated in the 2010 Plan on the number of shares of class A common stock that participants may receive through an award or that amends the provisions relating to the prohibition on repricing of outstanding options or stock appreciation rights.

The Committee may modify or amend any award, or waive any restrictions or conditions applicable to any award or the exercise of the award, or amend, modify or cancel any terms and conditions applicable to any award, in each case by mutual agreement of the Committee and the award holder, so long as any such action does not increase the number of shares of class A common stock issuable under the 2010 Plan. The Committee need not obtain the award holder's consent for any such action that is permitted by the adjustment provisions of the 2010 Plan or for any such action: (i) to the extent the Committee deems such action necessary to comply with any applicable law or the listing requirements of any principal securities exchange or market on which the class A common stock is then traded; (ii) to the extent the Committee deems such action is necessary to preserve favorable accounting or tax treatment of any award for the Company; or (iii) to the extent the Committee determines that such action does not materially and adversely affect the value of an award or that such action is in the best interest of the award holder.

The authority of the Board and the Committee to terminate or modify the 2010 Plan or awards will extend beyond the termination date of the 2010 Plan. In addition, termination of the 2010 Plan will not affect the rights of participants with respect to awards previously granted to them, and all unexpired awards will continue in force and effect after termination of the 2010 Plan except as they may lapse or be terminated by their own terms and conditions.

Repricing Prohibited

Except as discussed under the subheading "—Adjustments" above, neither the Committee nor any other person may decrease the exercise price for any outstanding stock option or stock appreciation right after the date of grant, cancel an outstanding stock option or stock appreciation right in exchange for cash (other than cash equal to the excess of the fair market value of the shares subject to such stock option or stock appreciation right at the time of cancellation over the exercise or grant price for such shares), or allow a participant to surrender an outstanding stock option or stock appreciation right to the Company as consideration for the grant of a new stock option or stock appreciation right with a lower exercise price.

Certain U.S. Federal Income Tax Consequences

The following summarizes certain U.S. federal income tax consequences relating to the 2010 Plan under current tax law.

Stock Options

The grant of a stock option will create no income tax consequences to the Company or the recipient. A participant who is granted a non-qualified stock option will generally recognize ordinary compensation income at the time of exercise in an amount equal to the excess of the fair market value of the class A common stock at such time over the exercise price. The Company will generally be entitled to a deduction in the same amount and at the same time as ordinary income is recognized by the participant. Upon the participant's subsequent disposition of the shares of class A common stock received with respect to such stock option, the participant will recognize a capital gain or loss (long-term or short-term, depending on the holding period) to the extent the amount realized from the sale differs from the tax basis, i.e., the fair market value of the class A common stock on the exercise date. In general, a participant will recognize no income or gain as a result of exercise of an incentive stock option (except that the alternative minimum tax may apply). Except as described below, the participant will recognize a long-term capital gain or loss on the disposition of the class A common stock acquired pursuant to the exercise of an incentive stock option and the Company will not be allowed a deduction. If the participant fails to hold the shares of class A common stock acquired

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pursuant to the exercise of an incentive stock option for at least two years from the grant date of the incentive stock option and one year from the exercise date, then the participant will recognize ordinary compensation income at the time of the disposition equal to the lesser of (a) the gain realized on the disposition, or (b) the excess of the fair market value of the shares of class A common stock on the exercise date over the exercise price. The Company will generally be entitled to a deduction in the same amount and at the same time as ordinary income is recognized by the participant. Any additional gain realized by the participant over the fair market value at the time of exercise will be treated as a capital gain. Any payments received pursuant to the dividend equivalent rights associated with the 2011 Options will generally constitute ordinary income to the participant in the year paid and the Company will generally be entitled to a corresponding deduction for such payments.

Stock Appreciation Rights

The grant of a stock appreciation right will create no income tax consequences for the participant or the Company. Upon exercise of a stock appreciation right, the participant will recognize ordinary income equal to the amount of any cash and the fair market value of any shares of class A common stock or other property received, except that if the participant receives an option or shares of restricted stock upon exercise of a stock appreciation right, recognition of income may be deferred in accordance with the rules applicable to such other awards. The Company will generally be entitled to a deduction in the same amount and at the same time as income is recognized by the participant.

Restricted Stock

Generally, a participant will not recognize income and the Company will not be entitled to a deduction at the time an award of restricted stock is made, unless the participant makes the election described below. A participant who has not made such an election will recognize ordinary income at the time the restrictions on the stock lapse in an amount equal to the fair market value of the restricted stock at such time (less the amount, if any, the participant paid for such restricted stock). The Company will generally be entitled to a corresponding deduction in the same amount and at the same time as the participant recognizes income. Any otherwise taxable disposition of the restricted stock after the time the restrictions lapse will result in a capital gain or loss (long-term or short-term, depending on the holding period) to the extent the amount realized from the sale differs from the tax basis, i.e., the fair market value of the class A common stock on the date the restrictions lapse. Dividends paid in cash and received by a participant prior to the time the restrictions lapse will constitute ordinary income to the participant in the year paid and the Company will generally be entitled to a corresponding deduction for such dividends. Any dividends paid in stock will be treated as an award of additional restricted stock subject to the tax treatment described this proxy statement. A participant may, within 30 days after the date of the award of restricted stock, elect to recognize ordinary income as of the date of the award in an amount equal to the fair market value of such restricted stock on the date of the award (less the amount, if any, the participant paid for such restricted stock). If the participant makes such an election, then the Company will generally be entitled to a corresponding deduction in the same amount and at the same time as the participant recognizes income. If the participant makes the election, then any cash dividends the participant receives with respect to the restricted stock will be treated as dividend income to the participant in the year of payment and will not be deductible by the Company. Any otherwise taxable disposition of the restricted stock (other than by forfeiture) will result in a capital gain or loss. If the participant who has made an election subsequently forfeits the restricted stock, then the participant will only be entitled to deduct the amount paid, if any, for the stock. In addition, the Company would then be required to include as ordinary income the amount of any deduction the Company originally claimed with respect to such shares.

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Performance Shares

The grant of performance shares will create no income tax consequences for the Company or the participant. Upon the participant's receipt of shares at the end of the applicable performance period, the participant will recognize ordinary income equal to the fair market value of the shares received, except that if the participant receives shares of restricted stock in payment of performance shares, recognition of income may be deferred in accordance with the rules applicable to restricted stock as described above. The Company will generally be entitled to a deduction in the same amount and at the same time as income is recognized by the participant. Upon the participant's subsequent disposition of the shares, the participant will recognize capital gain or loss (long-term or short-term, depending on the holding period) to the extent the amount realized from the disposition differs from the shares' tax basis, i.e., the fair market value of the shares on the date the participant received the shares.

Performance Units and Restricted Stock Units

The grant of a performance unit or restricted stock unit will create no income tax consequences to the Company or the participant. Upon the participant's receipt of cash and/or shares at the end of the applicable performance or vesting period, the participant will recognize ordinary income equal to the amount of cash and/or the fair market value of the shares received, and the Company will be entitled to a corresponding deduction in the same amount and at the same time. If performance units are settled in whole or in part in shares, upon the participant's subsequent disposition of the shares the participant will recognize a capital gain or loss (long-term or short-term, depending on the holding period) to the extent the amount realized upon disposition differs from the shares' tax basis, i.e., the fair market value of the shares on the date the employee received the shares.

Incentive Awards

A participant who is paid an incentive award will recognize ordinary income equal to the amount of cash paid, and the Company will be entitled to a corresponding deduction in the same amount and at the same time.

Withholding

In the event the Company is required to withhold any federal, state or local taxes or other amounts in respect of any income recognized by a participant as a result of the grant, vesting, payment or settlement of an award or disposition of any shares of class A common stock acquired under an award, the Company may deduct from any payments of any kind otherwise due the participant cash, or with the consent of the Committee, shares of class A common stock otherwise deliverable or vesting under an award, to satisfy such tax obligations. Alternatively, the Company may require such participant to pay to the Company or make other arrangements satisfactory to the Company regarding the payment to the Company of the aggregate amount of any such taxes and other amounts. If shares of class A common stock are deliverable on exercise or payment of an award, then the Committee may permit a participant to satisfy all or a portion of the federal, state and local withholding tax obligations arising in connection with such award by electing to (i) have the Company withhold shares otherwise issuable under the award, (ii) tender back shares received in connection with such award, or (iii) deliver other previously owned shares, in each case having a fair market value equal to the amount to be withheld. However, the amount to be withheld may not exceed the total minimum tax withholding obligations associated with the transaction to the extent needed for the Company to avoid an accounting charge.

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Additional Taxes Under Section 409A

If an award under the 2010 Plan is considered non-qualified deferred compensation and such award is neither exempt from nor compliant with the requirements of Code Section 409A, then the participant will be subject to an additional 20% income tax on the value of the award when it is no longer subject to a substantial risk of forfeiture, as well as interest on the income taxes that were owed from the date of vesting to the date such taxes are paid.

No Guarantee of Tax Treatment

Notwithstanding any provision of the 2010 Plan, the Company does not guarantee that (i) any award intended to be exempt from Code Section 409A is so exempt, (ii) any award intended to comply with Code Section 409A or Section 422 does so comply, or (iii) any award will otherwise receive a specific tax treatment under any other applicable tax law, nor in any such case will the Company or any of its affiliates be required to indemnify, defend or hold harmless any individual with respect to the tax consequences of any award.

Section 162(m) Limit on Deductibility of Compensation

Section 162(m) of the Code limits the Company's tax deduction for compensation, including compensation arising from awards under the 2010 Plan, paid to covered employees to $1 million per person per year. The covered employees for any fiscal year generally include any employee (i) who served as the Company's Chief Executive Officer or Chief Financial Officer at any point during the fiscal year, (ii) whose compensation was otherwise required to be included in the Company's proxy statement by reason of being among the three highest compensated officers for the fiscal year, or (iii) who was a covered employee for any preceding fiscal year beginning after December 31, 2016.

New Plan Benefits

The table below sets forth awards that the Committee approved under the 2010 Plan in early 2019 contingent on shareholder approval of the amendment to the 2019 Plan described above. If the amendment to the 2010 Plan is not approved by our shareholders at the Annual Meeting, then the awards set forth in the table below will be null and void.

Name and position	Restricted Shares
J. Joel Quadracci Chairman, President and Chief Executive Officer	338,165
David J. Honan Executive Vice President and Chief Financial Officer	80,516
Thomas J. Frankowski Executive Vice President of Manufacturing and Chief Operating Officer	140,902
Jennifer J. Kent Executive Vice President of Administration and General Counsel	68,439
Eric N. Ashworth Executive Vice President of Product and Market Strategy	48,310
All executive officers as a group (9 persons)	778,991
All non-employee directors as a group (8 persons) [1]	74,240
All employees, excluding executive officers, as a group (82 persons)	509,689

[1] Amount represents deferred stock units awarded to non-employee directors.

Except as set forth in the table above, the Company currently cannot determine the awards that may be granted under the 2010 Plan in the future to eligible participants. The Committee will make future awards under the 2010 Plan in its discretion from time to time, and the benefits received will depend on the fair market value of the Company's class A common stock at various future dates and the extent to which

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performance goals set by the Committee are met. On March 14, 2019, the closing price per share of class A common stock on the New York Stock Exchange was $12.00.

Securities Authorized for Issuance under Equity Compensation Plans

The following table sets forth information as of December 31, 2018 with respect to equity securities of the Company that may be issued under the Company's existing equity compensation plans. The table does not include employee benefit plans intended to meet the qualification requirements of Section 401(a) of the Code. All equity compensation plans are described more fully in Note 17, “Equity Incentive Programs,” to the Company's consolidated financial statements included in its Annual Report on Form 10-K for the year ended December 31, 2018.

Plan Category	Number of Securities to be Issued Upon the Exercise of Outstanding Options, Warrants and Rights	Weighted Average Exercise Price of Outstanding Options, Warrants and Rights [2]	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in the First Column)
Equity compensation plans approved by security holders [1]	3,621,884	24.31	1,571,841
Total	3,621,884	24.31	1,571,841

(1) Consists of the 2010 Plan.

(2) The weighted average exercise price of outstanding options, warrants and rights only includes stock options.

Vote Required

The affirmative vote of the holders of a majority of the voting power of the shares of the Company's class A common stock and class B common stock, voting together as a single voting group, represented and voted at the Annual Meeting, assuming a quorum is present, is required for approval of the amendment to the 2010 Plan. Abstentions will have the same effect as a vote “against” the amendment to the 2010 Plan, and broker non-votes will have no effect on the outcome of the vote.

THE BOARD RECOMMENDS A VOTE “FOR” THE AMENDMENT TO THE 2010 PLAN. SHARES OF THE COMPANY'S COMMON STOCK REPRESENTED AT THE ANNUAL MEETING BY EXECUTED BUT UNMARKED PROXIES WILL BE VOTED “FOR” THE AMENDMENT TO THE 2010 PLAN.

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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-management directors meet in executive session without the Company's executive officers being present. The non-management directors may also meet without the Company's executive officers present at such other times as they determine appropriate. The corporate governance guidelines also provide that the Company's executive officers and other members of senior 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.QUAD.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 director independence 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.QUAD.com. Based on these standards, the Board determined that Messrs. Angelson, Buth, Fuller, Rothman 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 Dr. Flores and Messrs. Quadracci, Fowler and Harned are not deemed to be independent. In making this determination, with respect to Mr. Rothman, the Board considered his relationship with Foley & Lardner LLP and the fees paid by the Company to such firm during 2016, 2017 and 2018.

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, Inc. Amended and Restated Voting Trust Agreement ("Quad Voting Trust") (see "Stock Ownership of Management and Others—Quad 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.

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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 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 the Company faces and reviews the steps taken by management to manage those risks. With regard to cybersecurity risk, the Board (through the audit committee) conducts an annual review of the Company's cybersecurity program, and the entire Board receives periodic updates on the Company's cybersecurity risk management progress through the Company's general enterprise risk management program described in the foregoing sentence.

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 (including cybersecurity risk) 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 and 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 thirteen (13) meetings in 2018. During the period of the directors' service in 2018, 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.

At each regularly-scheduled Board meeting, the directors also met in executive session without the Company's executive officers present, and the independent directors meet separately in executive session. No presiding director was chosen for these sessions in 2018. An independent director presides over each executive session of the independent directors. The independent director who presides may differ from meeting to meeting, which is dependent on the subject matter of the agenda of the executive session.

Directors are expected to attend the Company's Annual Meeting of Shareholders each year. At the 2018 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 Jennifer J. Kent, Executive Vice President of Administration, General Counsel and Secretary, Quad/Graphics, Inc., N61 W23044 Harry's Way, Sussex, Wisconsin 53089-3995. Ms. Kent will ensure that the communication is delivered to the Board, the specified director or the specified group of directors, as the case may be.

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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.QUAD.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 (chairperson), Fuller and Shiely, each of whom is independent as defined by the rules of the SEC 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 SEC 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.

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, the internal auditors and audit functions and the independence of the independent 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 external auditors; review and discussion with the independent external auditors of the scope of their audit; review and discussion of the financial statements, management's discussion and analysis of financial condition and results of operations included in the Company's periodic filings; review of any reports to shareholders containing financial information, quarterly earnings press releases and other financial information and earnings guidance; discussion with the Company's internal auditors about the audit plan, results of internal audits, review of such accounting principles, policies and practices, reporting policies and practices as it may deem necessary or proper, and the establishment of procedures for receiving "whistleblower" complaints; and establishing policies concerning the provision of non-audit services by the independent external auditors. The audit committee held five meetings in 2018. The audit committee members were offered an opportunity at each audit committee meeting to meet with only the Company's independent external auditors present and did so regularly.

Finance Committee

The finance committee of the Board presently consists of Mr. Harned (chairperson), Mr. Buth and Dr. Flores. 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 two meetings in 2018.

Compensation Committee

The compensation committee of the Board currently consists of Messrs. Shiely (chairperson), Buth and Fowler. Messrs. 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 four meetings in 2018.

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 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 intended to satisfy certain regulatory requirements, including 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 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 2018 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 2018, Meridian advised the compensation committee on general trends in public company compensation arrangements and provided benchmarking data with respect to 2018 executive officer compensation. Meridian did not provide any services to the Company other than pursuant to such engagement by the committee during 2018. For more information regarding the role of the compensation consultant, please see the disclosure later in this proxy statement under the section titled "Compensation of Executive Officers—Compensation Discussion and Analysis."

Compensation Committee Interlocks and Insider Participation

Elizabeth Fowler, Mr. Fowler's daughter, is employed by the Company as a product development & innovation director. Her total compensation for 2018 was $200,104, consisting of base salary, bonus, a 401(k) matching contribution and a profit sharing contribution.

Nominations of Directors

Pursuant to the direction of the Quad 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 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

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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.