

DUN & BRADSTREET CORP/NW
Form DEF 14A
March 24, 2005

**UNITED STATES
SECURITIES AND EXCHANGE
COMMISSION**
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**Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No.)**

Filed by the Registrant **X**
Filed by a Party other than the Registrant **O**

Check the appropriate box:

- O** Preliminary Proxy Statement
- O** **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- X** Definitive Proxy Statement
- O** Definitive Additional Materials
- O** Soliciting Material Pursuant to Rule §240.14a-12

The Dun & Bradstreet Corporation

(Name of Registrant as Specified In Its Charter)

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

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- X** No fee required.
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March 24, 2005

Dear Shareholder:

You are cordially invited to attend the 2005 Annual Meeting of Shareholders of The Dun & Bradstreet Corporation on Tuesday, May 3, 2005, at 8:00 a.m. at The Ritz-Carlton New York, Central Park, 50 Central Park South, New York, New York.

The Notice of Annual Meeting and Proxy Statement accompanying this letter more fully describe the business to be acted upon at the meeting. The Annual Report on Form 10-K for the year ended December 31, 2004 is also enclosed.

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

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

Sincerely,

ALLAN Z. LOREN
Chairman of the Board

STEVEN W. ALESIO
Chief Executive Officer and President

Notice of 2005 Annual Meeting of Shareholders

The 2005 Annual Meeting of Shareholders of The Dun & Bradstreet Corporation will be held on Tuesday, May 3, 2005, at 8:00 a.m. at The Ritz-Carlton New York, Central Park, 50 Central Park South, New York, New York. The purpose of the meeting is to:

1. Elect four Class II directors for a three-year term;
2. Ratify the appointment of independent auditors;
3. Vote upon proposals to amend and restate The Dun & Bradstreet Corporation 2000 Stock Incentive Plan and to amend the 2000 Dun & Bradstreet Corporation Non-Employee Directors Stock Incentive Plan; and
4. Transact such other business as may properly come before the meeting. The Company knows of no other business to be brought before the meeting.

Only shareholders of record at the close of business on March 14, 2005 will be entitled to vote at the meeting.

By Order of the Board of Directors,

DAVID J. LEWINTER
General Counsel and Corporate Secretary

Dated: March 24, 2005

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PROXY STATEMENT

GENERAL INFORMATION

The Board of Directors of The Dun & Bradstreet Corporation (D&B, the Company or we) is soliciting your proxy for use at the Annual Meeting of Shareholders to be held on May 3, 2005. These proxy materials are being mailed to shareholders beginning on or about March 24, 2005. The principal executive offices of D&B are located at 103 JFK Parkway, Short Hills, New Jersey 07078-2708, and the Company s main telephone number is 973.921.5500. D&B is listed on the New York Stock Exchange (NYSE) with the ticker symbol DNB.

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

Annual Meeting Admission

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

Who Can Vote

Only shareholders of record at the close of business on March 14, 2005 are eligible to vote at the meeting. As of the close of business on that date, D&B had outstanding 68,632,081 shares of Common Stock.

List of Shareholders

The names of registered shareholders of record entitled to vote at the meeting will be available for inspection at the Annual Meeting and, for 10 days prior to the meeting, at the office of the Corporate Secretary of the Company, 103 JFK Parkway, Short Hills, New Jersey 07078-2708.

How to Vote

In addition to voting in person at the meeting, shareholders of record can vote by proxy by calling a toll-free telephone number, by using the Internet or by mailing their signed proxy cards. The telephone and Internet voting procedures are designed to authenticate shareholders' identities, to allow shareholders to give their voting instructions and to confirm that shareholders' instructions have been recorded properly. We have been advised that the Internet and telephone procedures that have been made available to you are consistent with the requirements of applicable law. Shareholders voting via the Internet and by telephone should understand that there may be costs associated with voting in these manners, such as usage charges from Internet access providers and telephone companies, that must be borne by the shareholder.

Specific instructions for shareholders of record who wish to use the telephone or Internet voting procedures are set forth below and can also be found on the enclosed proxy card.

Registered Shareholders

Vote by Telephone. Registered shareholders can vote by calling toll-free 1.800.690.6903. Easy-to-follow voice prompts allow you to vote your shares and confirm that your instructions have been properly recorded.

Vote on the Internet. Registered shareholders can vote on the Internet at the Web site www.proxyvote.com. As with telephone voting, you can confirm that your instructions have been properly recorded.

Vote by Mail. Registered shareholders can vote by mail by simply indicating your response on your proxy card, dating and signing it, and returning it in the postage-paid envelope provided. If the envelope is missing, please mail your completed proxy card to The Dun & Bradstreet Corporation, c/o Automatic Data Processing, Inc. (ADP), 51 Mercedes Way, Edgewood, NY 11717.

Beneficial Holders

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

Revocation of Proxies

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

Consolidation of Your Vote

You will receive only one proxy card for all of the D&B shares you hold in your name in the Employee Stock Purchase Plan (the ESPP) and in the D&B Common Stock Fund of the D&B or Moody's Profit Participation Plan (collectively, the PPP). If you are a current or former employee of the Company who currently has D&B shares in the ESPP or PPP, you are entitled to give voting instructions for the shares held in your account. Your proxy card will serve as a voting instruction card for the plans' trustees.

For the PPP, if you do not vote your shares or specify your voting instructions on your proxy card, the plans' trustee will vote your shares in the same proportion as the shares for which voting instructions have been received from other participants of the PPP, except as otherwise required by law. For the ESPP, the plans' trustee will only submit voting instructions for the shares for which voting instructions have been received. To allow sufficient time for voting by the trustees of the plans, your voting instructions must be received by the applicable trustee by April 28, 2005.

Householding Information

We have adopted a procedure approved by the Securities and Exchange Commission (SEC) called "householding." Under this procedure, shareholders of record who have the same address and last name and do not participate in electronic delivery of proxy materials will receive only one copy of our Proxy Statement and Annual Report, unless one or more of the shareholders at that address notifies us that they wish to continue receiving individual copies. We believe this procedure provides greater convenience to our shareholders and saves money by reducing our printing and mailing costs and fees.

If you and other shareholders of record with whom you share an address and last name currently receive multiple copies of our Proxy Statement and Annual Report and would like to participate in our householding

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program, please contact ADP by calling toll-free at 800.542.1061, or by writing to ADP, Householding Department, 51 Mercedes Way, Edgewood, NY 11717. Alternatively, if you participate in householding and wish to revoke your consent and receive separate copies of future Proxy Statements and Annual Reports, please contact ADP as described above.

A number of brokerage firms have instituted householding. If you hold your shares in street name, please contact your bank, broker or other holder of record to request information about householding.

Proxy Solicitation

Directors, officers and employees of D&B may solicit proxies on behalf of the Company by communicating with shareholders personally or by telephone, facsimile, e-mail, telegraph or mail. D&B also has retained the firm of MacKenzie Partners, Inc. to assist in the solicitation of proxies for a fee estimated at \$12,500 plus expenses. D&B will pay all expenses related to such solicitations of proxies. D&B and MacKenzie will request banks and brokers to solicit proxies from their customers, where appropriate, and will reimburse them for reasonable out-of-pocket expenses.

Quorum and Voting Requirements

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

independent auditors.

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

Ratification of the selection of independent auditors (Proposal No. 2) shall be determined by the affirmative vote of the majority of the voting power represented at the meeting and entitled to vote on the matter. Approval of the amended and restated The Dun & Bradstreet Corporation 2000 Stock Incentive Plan (Proposal No. 3) and amendments to the 2000 Dun & Bradstreet Corporation Non-Employee Directors' Stock Incentive Plan (Proposal No. 4) shall be determined by the majority of the votes cast on the matters, provided that a majority of the outstanding shares on March 14, 2005 actually cast votes on the applicable matter. If a shareholder abstains from voting or directs the shareholder's proxy to abstain from voting on the matter, the shares are considered present at the meeting for such matter, but since they are not affirmative votes for the matter, they will have the same effect as votes against the matter. On the other hand, shares resulting in broker non-votes are considered present at the meeting for such matter and, therefore, have the practical effect of reducing the number of affirmative votes required to achieve a majority for such matter by reducing the total number of shares from which the majority is calculated.

Shareholder Account Maintenance

Our transfer agent is EquiServe Trust Company, N.A. All communications concerning accounts of registered shareholders of record, including address changes, name changes, inquiries as to requirements to transfer shares of Common Stock and similar issues, can be handled by calling EquiServe's toll-free number, 800.254.5196 (foreign holders dial 816.843.4299; hearing-impaired holders dial 781.575.2692), or by fax at 781.828.8813. In addition, you can access your account at EquiServe's Web site www.equiserve.com.

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CORPORATE GOVERNANCE

Corporate Governance Principles, Committee Charters and Code of Conduct

The objective of our Board of Directors is to conduct our business activities so as to enhance shareholder value. Our Board of Directors believes that good corporate governance practices support successful business performance and thus the creation of shareholder value. To institutionalize the Board's view of governance, our Board has adopted Corporate Governance Principles and charters for each Committee of our Board. Our Corporate Governance Principles, Code of Conduct and the charters of our Audit, Board Affairs and Compensation & Benefits Committees are available on our Web site (www.dnb.com) and are also available in print, without charge, to any shareholder upon request to the Corporate Secretary of the Company, whose address is 103 JFK Parkway, Short Hills, New Jersey 07078-2708.

We have adopted a Code of Conduct that applies to all of our directors, officers and employees (including our chief executive officer, chief financial officer and corporate controller) and have posted the Code of Conduct on our Web site, which address is listed above. We intend to satisfy the disclosure requirement under Item 5.05 of Form 8-K relating to amendments to or waivers from any provision of our Code of Conduct applicable to our chief executive officer, chief financial officer and corporate controller by posting this information on our Web site.

Independence of the Board and Committees

D&B's Corporate Governance Principles require that at least two-thirds of the Board of Directors meet the criteria for independence established by the NYSE and other applicable laws. Additionally, all members of the Audit Committee, the Compensation & Benefits Committee and the Board Affairs Committee of the D&B Board of Directors are required to be independent.

Under the NYSE listing standards, to be considered independent, the Board of Directors must affirmatively determine that a director has no material relationship with D&B (either directly or as a partner, shareholder or officer of an organization that has a relationship with D&B). After considering all relevant facts and circumstances, D&B's Board of Directors has determined that each of its members, except Allan Z. Loren and Steven W. Alesio, are independent under the NYSE listing standards. It has also determined that each member of the Audit Committee, the Compensation & Benefits Committee and the Board Affairs Committee is independent under the NYSE standards.

Board Meetings

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The Board of Directors of the Company held seven meetings in 2004, with no director attending fewer than 75% of the aggregate meetings of the Board and of the Committees of the Board on which he or she served.

The Chairman of the Board and the Corporate Secretary of the Company draft the agenda for each Board meeting and distribute it in advance of each meeting to the Board. Each Board member is encouraged to suggest items for inclusion on the agenda.

Information and data that are important to the Board's understanding of the business and of scheduled agenda items are distributed sufficiently in advance of each Board meeting to give the directors a reasonable opportunity for review. Generally, directors receive Board materials no less than three days in advance of a meeting.

D&B's non-management directors meet in regularly scheduled executive sessions without members of management. The Chair of the Board Affairs Committee (the presiding director) presides over these executive sessions. The presiding director is currently Michael R. Quinlan. The non-management directors held six executive sessions in 2004.

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Committees And Meetings

There are three standing committees of the Board of Directors: Audit, Board Affairs and Compensation & Benefits.

The table below provides the current membership information for each of the Board's committees.

Name	Audit	Board Affairs	Compensation & Benefits
John W. Alden		X	X
Christopher J. Coughlin	X		
James N. Fernandez	X		
Ronald L. Kuehn, Jr.	X		X*
Victor A. Pelson	X*		X
Sandra E. Peterson		X	X
Michael R. Quinlan		X*	X
Naomi O. Seligman	X	X	
Michael J. Winkler		X	
2004 Committee Meetings	9	9	6

* Committee Chair

The Audit Committee. Under the terms of its charter, the Audit Committee's primary function is to appoint annually the independent auditors and to assist the Board in the oversight of: (1) the integrity of the financial statements of the Company, (2) the independent auditors' qualifications and independence, (3) the performance of the Company's internal audit function and independent auditors, and (4) the compliance by the Company with legal and regulatory requirements. A copy of the Audit Committee's Charter, which was amended and restated by the Board of Directors in December 2004, is attached as Exhibit A. The Report of the Audit Committee can be found under the "Audit Committee Information" section of this Proxy Statement.

All of the members of the Audit Committee are independent within the meaning of SEC regulations and NYSE listing standards. The Board of Directors has determined that all members of the Audit Committee are "financially literate" within the meaning of NYSE regulations.

D&B's Board of Directors has reviewed the qualifications and experience of each of the Audit Committee members and determined that Christopher J. Coughlin and James N. Fernandez each qualifies as an "audit committee financial expert" as that term has been defined by rules of the SEC and have "accounting or related financial management expertise" within the meaning of the NYSE listing standards.

The Board Affairs Committee. Under the terms of its charter, the Board Affairs Committee's primary responsibilities include: (1) identifying individuals qualified to become Board members, (2) recommending candidates to fill Board vacancies and newly created director positions, (3) recommending whether incumbent directors should be nominated for reelection to the Board upon expiration of their terms, (4) developing and recommending to the Board a set of corporate governance principles applicable to the Board and the Company's employees, and (5) overseeing the evaluation of the Board.

In accordance with the Company's Corporate Governance Principles and its Board Affairs Committee Charter, the Board Affairs Committee oversees the entire process of selection and nomination of Board nominees, including screening candidates for directorships in accordance with the Board-approved criteria described below. The Committee, with input from the Chairman of the Board, will identify individuals believed to be qualified to become Board members. The Committee solicits candidates from its current directors and, if deemed appropriate, retains for a fee, a third-party search firm to identify and help evaluate candidates. The Committee will recommend candidates to the Board to fill new or vacant positions based on such factors as it deems appropriate, including independence, professional experience, personal character,

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diversity, outside commitments (e.g., service on other Boards) and particular areas of expertise—all in the context of the needs of the Board. The Committee uses the same criteria to evaluate nominees recommended by the Company's shareholders. Mr. Michael J. Winkler, who was elected to the Board effective March 17, 2005 and who is standing for election at the 2005 Annual Meeting of Shareholders, was identified as a candidate to join our Board by a third-party search firm.

The Board Affairs Committee will also consider nominees recommended by D&B shareholders. Any shareholder wishing to propose a nominee for consideration by the Board Affairs Committee may nominate persons for election to the Board of Directors if such shareholder complies with the notice procedures set forth in the Bylaws and summarized under the Shareholder Proposals for the 2006 Annual Meeting section of this Proxy Statement.

No individuals were validly proposed for nomination by any shareholders in connection with this Proxy Statement or the 2005 Annual Meeting of Shareholders.

The Compensation & Benefits Committee. Under the terms of its charter, the Compensation & Benefits Committee's primary function is to discharge the Board's responsibilities relating to compensation of the chief executive officer and other executive officers of the Company. Among other things, the Committee: (1) evaluates the chief executive officer's performance and reviews with the chief executive officer the performance of other executive officers, (2) establishes and administers the Company's policies, programs and procedures for compensating its executive officers, (3) has oversight responsibility for the administration of the Company's employee benefits plans and (4) oversees the evaluation of management. The Report of the Compensation & Benefits Committee can be found in the Compensation of Executive Officers and Directors section of this Proxy Statement.

Communications with the Board and Audit Committee

D&B has a process in place that permits shareholders and other interested persons to communicate with D&B's Board of Directors through the presiding director, Michael R. Quinlan, and the Audit Committee through its chair. To report complaints about D&B's accounting, internal accounting controls or auditing matters, shareholders and other interested persons should write, care of our third party compliance vendor, to the D&B Audit Committee Chair, c/o Listen Up Reports, Post Office Box 274, Highland Park, Illinois 60035. To report all other concerns to the non-management board of directors, shareholders and other interested persons should write, care of our third party compliance vendor, to the D&B Board Affairs Committee Chair (presiding director), at the address noted above. Communications that are not specifically addressed to either of the chairpersons listed above will be provided to the Chairman of D&B's Board Affairs Committee. Concerns can be reported anonymously (by not including a name and/or contact information) or confidentially (by marking the envelope containing the communication as Confidential). Copies of all communications will be simultaneously provided to D&B's Compliance Officer unless marked as Confidential. These instructions can also be found in the Corporate Governance information maintained in the Investors section of D&B's Web site (www.dnb.com).

Attendance at Annual Meetings

The Company has a policy of director attendance at its Annual Meeting of Shareholders. All directors are expected to attend the 2005 Annual Meeting. All directors attended the 2004 Annual Meeting.

Service on Multiple Audit Committees

The D&B Corporate Governance Principles prohibit D&B Audit Committee members from serving as members of more than two other public company audit committees without the Board's approval. Any determination by the Board of Directors approving of service on more than two other public company audit committees will be disclosed in the Company's annual Proxy Statement. No Audit Committee member currently serves on more than one other audit committee of a public company.

AUDIT COMMITTEE INFORMATION

Report of the Audit Committee

The Board of Directors has determined that each member of the Audit Committee is independent within the meaning of the rules of the SEC and the NYSE. The Audit Committee selects the Company's independent auditors. Management has the primary responsibility for the Company's financial reporting process, including its system of internal controls, and for the preparation of consolidated financial statements in compliance with generally accepted accounting principles, applicable laws and regulations. The Company's independent auditors are responsible for performing an independent audit of the financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States), expressing an opinion as to the conformity of such financial statements with generally accepted accounting principles and auditing management's assessment of the effectiveness of internal control over financial reporting. It is not the Audit Committee's duty or responsibility to conduct auditing or accounting reviews or procedures.

Management has represented to the Audit Committee that the Company's financial statements were prepared in accordance with generally accepted accounting principles, and the Audit Committee has reviewed and discussed the financial statements with management and the independent auditors in the course of performing its oversight role.

The Audit Committee has discussed with the independent auditors the matters required to be discussed by Statement on Auditing Standards No. 61 (Communication with Audit Committees). In addition, the Audit Committee has received from the independent auditors the written disclosures required by Independence Standards Board No. 1 (Independence Discussions with Audit Committees) and discussed with them their independence from the Company and its management. The Audit Committee also considered whether the independent auditors' provision of non-audit services to the Company is compatible with the auditors' independence.

Based on the reviews and discussions referred to above, the Audit Committee recommended to the Board of Directors, and the Board has approved, that the audited financial statements be included in the Company's Annual Report on SEC Form 10-K for the year ended December 31, 2004 for filing with the SEC.

Audit Committee

Victor A. Pelson, *Chairman*
Christopher J. Coughlin
James N. Fernandez
Ronald L. Kuehn, Jr.
Naomi O. Seligman

March 8, 2005

Audit Committee Pre-Approval Policy

In 2003, the Audit Committee of the Board of Directors adopted the D&B Audit Committee Pre-Approval Policy (the Policy). In accordance with this Policy, the Audit Committee must pre-approve the engagement terms and fees, and any changes to those terms and fees, of all audit and non-audit services performed by PricewaterhouseCoopers LLP. All pre-approval requests submitted to the Audit Committee are required to be accompanied by detailed backup documentation and an opinion from PricewaterhouseCoopers LLP and D&B's chief financial officer that the services will not impair auditor independence. The Policy does not include any delegation of the Audit Committee's responsibilities to management. The Audit Committee may delegate its authority to one or more of its members, subject to an overall annual limit. Pre-approvals by the delegated member or members must be reported to the Audit Committee at its next scheduled meeting.

Fees Paid to Independent Auditors

The aggregate fees billed to the Company by PricewaterhouseCoopers LLP for the last two fiscal years are as follows:

	Fiscal Year Ended December 31,	
	2004	2003
(In thousands)		
Audit Fees (1)	\$3,141	\$1,905
Audit Related Fees (2)	192	241
Tax Fees (3)	585	683
All Other Fees		
Total Fees	\$3,918	\$2,829

-
- (1) Consists primarily of fees for services provided in connection with the audit of the Company's financial statements and review of its quarterly financial statements. The increase in fiscal year 2004 was primarily driven by \$1,460,000 for work associated with the assessment of the effectiveness of internal controls over the Company's financial reporting in connection with Sarbanes-Oxley compliance.
 - (2) Consists primarily of fees for audit of the Company's employee benefit plans, consultation on financial accounting and reporting standards, and due diligence on acquisitions and dispositions. Also includes services in connection with the review of certain compensation-related disclosures in the Company's Proxy Statement.
 - (3) Consists primarily of foreign and domestic tax planning and structuring, and assistance in the preparation and review of the Company's foreign income tax returns. Fiscal year 2004 also includes \$125,000 the Company agreed to pay PricewaterhouseCoopers LLP in consideration for work performed under a June 9, 1999 engagement letter for which PricewaterhouseCoopers LLP was to receive 33-1/3% of any potential refund derived by the Company from federal communication excise tax refund claims filed by the Company. The Company and PricewaterhouseCoopers LLP have severed this agreement. The Company has no other contingency fee arrangements with PricewaterhouseCoopers LLP.

PROPOSAL NO. 1**ELECTION OF DIRECTORS**

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

Upon recommendation of the Board Affairs Committee, the Board of Directors has nominated Mr. Steven W. Alesio, Mr. Ronald L. Kuehn, Jr., Ms. Naomi O. Seligman and Mr. Michael J. Winkler for election as Class II Directors at the 2005 Annual Meeting for a three-year term expiring at the 2008 Annual Meeting of Shareholders.

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

Steven W. Alesio
Chief Executive Officer and President
The Dun & Bradstreet Corporation

Mr. Alesio, age 50, was named chief executive officer of D&B in January 2005, and was previously elected as president and named to D&B's Board of Directors in May 2002. Prior to that, he served as chief operating officer from May 2002 to December 2004. Mr. Alesio also previously served as D&B's senior vice president of global marketing, strategy implementation, e-business solutions and Asia-Pacific/Latin America from July 2001 to April 2002, with additional leadership responsibility for data and operations from February 2001 to April 2002, and as senior vice president of marketing, technology, communications and strategy implementation from January 2001 to June 2001. Before joining D&B, Mr. Alesio was with the American Express Company for 19 years, most recently serving as president and general manager of the Business Services Group and as a member of that company's Planning and Policy Committee, a position he held from January 1996 to December 2000. Mr. Alesio does not serve on the board of any public company other than D&B.

Ronald L. Kuehn, Jr.
Chairman of the Board
El Paso Corporation

Ronald L. Kuehn, Jr., age 69, has served as a director of D&B since 1996, and is chairman of the Compensation & Benefits Committee and a member of the Audit Committee. Mr. Kuehn was appointed as chairman of the board of El Paso Corporation, a diversified energy company, in March 2003, and also served as El Paso's chief executive officer from March 2003 to September 2003. He previously served as chairman of the board of directors of El Paso from the time of its merger with Sonat Inc. in October 1999 until December 31, 2000. Prior to that, Mr. Kuehn was chairman, president and chief executive officer of Sonat Inc. from 1986 through October 1999. In addition to serving on the board of El Paso, Mr. Kuehn is also a director of the following public companies: AmSouth Bancorporation and Praxair, Inc.

Naomi O. Seligman
Senior Partner
Ostriker von Simson, Inc.

Naomi O. Seligman, age 66, has served as a director of D&B since June 1999, and is a member of the Audit and Board Affairs Committees. Since June 1999, Ms. Seligman has been a senior partner at Ostriker von Simson, Inc., an IT strategy exchange which facilitates a dialogue between the chief information officers of large multinational corporations, premier venture capitalists and computer industry establishment chief executive officers (this is a private forum for discussion and research). Previously, Ms. Seligman was a senior partner of the Research Board, Inc., which she co-founded in 1977 and led until June 1999. Ms. Seligman is also a director of the following public companies: Akamai Technologies, Inc. and Sun Microsystems, Inc.

Michael J. Winkler
Executive Vice President, Customer Solutions Group and Chief Marketing Officer
Hewlett-Packard Company

Michael J. Winkler, age 60, was elected as a director of D&B effective March 17, 2005, and is a member of the Board Affairs Committee. Mr. Winkler has served with Hewlett-Packard Company, a technology solutions provider to consumers, businesses and institutions globally, since May 2002. He became executive vice president and chief marketing officer of Hewlett-Packard in November 2003. Mr. Winkler was previously executive vice president for HP Worldwide Operations from May 2002 to November 2003. Prior to that, Mr. Winkler served as executive vice president, Global Business Units for Compaq Computer Corporation from June 2000 to May 2002. Mr. Winkler also served as senior vice president and general manager of Compaq's Commercial Personal Computing Group from February 1998 to June 2000. Mr. Winkler is also a director of the following public company: Banta Corporation.

Directors with Terms Expiring at the 2006 Annual Meeting

James N. Fernandez
Executive Vice President and Chief Financial Officer
Tiffany & Company

James N. Fernandez, age 49, has served as a director of D&B since December 6, 2004, and is a member of the Audit Committee. Mr. Fernandez has served with Tiffany & Co., a specialty retailer, designer, manufacturer and distributor of fine jewelry, timepieces, sterling silverware, china,

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crystal, stationery, fragrances and accessories, since October 1983. He has held numerous positions with Tiffany & Co., the most recent of which is executive vice president and chief financial officer since January 1998, with responsibility for accounting, treasury, investor relations, information technology, financial planning, business development and diamond operations, and overall responsibility for distribution, manufacturing, customer service and security. Mr. Fernandez does not serve on the board of any public company other than D&B.

Sandra E. Peterson

Former Group President of Government
Medco Health Solutions, Inc.

Sandra E. Peterson, age 46, has served as a director of D&B since September 2002, and is a member of the Board Affairs and Compensation & Benefits Committees. Ms. Peterson served as group president of government for Medco Health Solutions, Inc., a pharmacy benefits manager company, from September 2003 until her resignation in February 2004. Prior to that, Ms. Peterson was senior vice president of Medco's health businesses from April 2001 through August 2003 and senior vice president of marketing for Merck-Medco Managed Care L.L.C. from January 1999 to March 2001. Ms. Peterson is also a director of the following public company: Handleman Company.

Michael R. Quinlan

Chairman Emeritus
McDonald's Corporation

Michael R. Quinlan, age 60, has served as a director of D&B since 1989, and is chairman of the Board Affairs Committee and a member of the Compensation & Benefits Committee. Mr. Quinlan is also the presiding director for the regularly scheduled executive sessions of non-management directors. Mr. Quinlan served as a director of McDonald's Corporation, a global food service retailer, from 1979 until his retirement in 2002. He was the chairman of the board of directors of McDonald's from March 1990 to May 1999 and chief executive officer from March 1987 through July 1998. Mr. Quinlan is also a director of the following public companies: May Department Stores Company and Warren Resources, Inc.

Directors with Terms Expiring at the 2007 Annual Meeting

John W. Alden

Retired Vice Chairman
United Parcel Service, Inc.

John W. Alden, age 63, has served as a director of D&B since December 2002, and is a member of the Board Affairs and Compensation & Benefits Committees. Mr. Alden served with United Parcel Service, Inc. (UPS), the largest express package carrier in the world, for 35 years. His most recent role was as vice chairman of the board of UPS from 1996 until his retirement in 2000. Mr. Alden is also a director of the following public companies: Barnes Group, Inc. and Silgan Holdings, Inc.

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Christopher J. Coughlin

Executive Vice President and Chief Financial Officer
Tyco International Ltd.

Christopher J. Coughlin, age 52, has served as a director of D&B since December 6, 2004, and is a member of the Audit Committee. Mr. Coughlin has served as executive vice president and chief financial officer of Tyco International Ltd., a global, diversified company that provides vital products and services in five business segments (Fire & Security, Electronics, Healthcare, Engineered Products & Services and Plastics & Adhesives), since March 7, 2005. Previously, he served as executive vice president and chief operating officer of Interpublic Group of Companies, Inc. from June 2003 to December 2004. He also previously served as Interpublic's chief financial officer from August 2003 to June 2004, and as a director from July 2003 to July 2004. Prior to that, Mr. Coughlin served as executive vice president and chief financial officer of Pharmacia Corporation from 1998 to 2003. Mr. Coughlin does not serve on the board of any public company other than D&B.

Allan Z. Loren

Chairman of the Board
The Dun & Bradstreet Corporation

Allan Z. Loren, age 66, has served as chairman of the board of D&B since October 2000, and as a director since May 2000. As previously announced by the Company, Mr. Loren is expected to remain as chairman of the board through May 30, 2005, at which time he will retire from

the Company and its Board of Directors. Mr. Loren also served as chief executive officer of D&B from October 2000 through December 2004, and as president of D&B from October 2000 to April 2002. Before our separation from Moody's, Mr. Loren served as chairman and chief executive officer of the Dun & Bradstreet operating company from May 2000 to September 2000. Before joining D&B, Mr. Loren served as executive vice president and chief information officer of the American Express Company from May 1994 to May 2000, and was also a member of that company's Planning and Policy Committee. Mr. Loren does not serve on the board of any public company other than D&B.

Victor A. Pelson
Senior Advisor
UBS Securities LLC

Victor A. Pelson, age 67, has served as a director of D&B since April 1999, and is chairman of the Audit Committee and a member of the Compensation & Benefits Committee. Mr. Pelson has served as senior advisor for UBS Securities LLC, an investment banking firm, and its predecessors since 1996. He was a director and senior advisor of Dillon Read at the time of its merger in 1997 with SBC Warburg. Mr. Pelson was associated with AT&T from 1959 to 1996. At the time of his retirement from AT&T, Mr. Pelson was chairman of global operations and a member of the board of directors. Mr. Pelson is also a director of the following public companies: Eaton Corporation and United Parcel Service.

PROPOSAL NO. 2

RATIFICATION OF APPOINTMENT OF INDEPENDENT AUDITORS

The Audit Committee of the Board of Directors of D&B has appointed PricewaterhouseCoopers LLP as independent auditors to audit the consolidated financial statements of the Company for the year 2005. Although shareholder approval of this appointment is not required, the Audit Committee and the Board of Directors believe that submitting the appointment to the shareholders for ratification is a matter of good corporate governance. If the shareholders do not ratify the appointment, the Audit Committee will review its future selection of independent auditors, but still may retain them. Even if the appointment is ratified, the Audit Committee, in its discretion, may change the appointment at any time during the year if it determines that such a change would be in the best interests of D&B and its shareholders.

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PricewaterhouseCoopers LLP acted as independent auditors for the year 2004. In addition to its audit of the Company's consolidated financial statements, PricewaterhouseCoopers LLP also performed statutory audits required by certain international jurisdictions, audited the financial statements of various benefit plans of the Company, and performed certain non-audit services. Fees for these services are described under the Fees Paid to Independent Auditors section of this Proxy Statement.

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

YOUR BOARD OF DIRECTORS RECOMMENDS A VOTE FOR RATIFICATION OF THE APPOINTMENT OF PRICEWATERHOUSECOOPERS LLP.

PROPOSAL NO. 3

AMENDED AND RESTATED KEY EMPLOYEES STOCK INCENTIVE PLAN

The Board of Directors is seeking shareholder approval to amend and restate The Dun & Bradstreet Corporation 2000 Stock Incentive Plan (SIP). This plan, which provides for grants of stock options and other stock-based awards to key employees of the Company, is an integral part of the Company's pay-for-performance compensation program. This program is more fully described in the Report of the Compensation & Benefits Committee section of this Proxy Statement.

The Board believes that approval of the amended SIP has a number of important benefits to shareholders, including:

Drives Shareholder Value Creation: By amending the SIP, the Company can continue its performance-based restricted stock program discussed in the Report of the Compensation & Benefits Committee. This program delivers value to plan participants only if performance criteria, which the Company believes drive increases in shareholder value, are satisfied;

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Reduces Shareholder Dilution: The amended SIP includes provisions that will result in up to one million fewer shares ultimately being issued under the plan than currently authorized by shareholders, thereby reducing the dilutive impact of the SIP; and

Ensures Tax Deductibility: Shareholder approval of the amended SIP will ensure the continuing deductibility of awards under the SIP under section 162(m) of the Tax Code.

As noted above, the proposed amendment of the SIP will allow for the continued granting of performance-based restricted stock, a form of other stock-based awards under Section 9 of the SIP. When the SIP was approved by shareholders in 2001, the total number of shares of Common Stock issuable under the plan was 9,700,000, with an amount not in excess of 6.75% of that total, or 654,750 Common Stock reserved and available for other stock-based awards (*e.g.*, performance-based restricted stock). As of March 14, 2005, the Company has 2,798,713 total shares of Common Stock remaining in the SIP out of the 2001 authorization of 9,700,000; as of the same date, the Company has 135,236 shares remaining out of the 654,570 available for grants of other stock-based awards.

Prior to 2004, equity grants to the Company's senior leadership team were entirely or predominately stock options. In 2004, the Company revised its long-term incentive program for key employees in two important respects: first, the Company reduced the number of stock options granted annually; and second, the Company introduced performance-based restricted stock awards in lieu of stock option grants, entirely or in part, in keeping with the Company's pay-for-performance principle. In 2004, stock option grants were limited to the senior leadership team of the Company (approximately 60 executives worldwide versus approximately 270 participants in 2003), and 50% of the total equity-based compensation granted to the Company's senior leadership team was in the form of a maximum performance-based restricted stock opportunity. The restricted stock opportunity represented a right to receive restricted Common Stock, provided one or more of the

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performance-based targets (which the Company believes drive shareholder value creation), selected in advance by the Compensation & Benefits Committee, are met or exceeded. For the other participants in the Company's long-term incentive program who are below the senior leadership team level, 100% of the equity-based compensation is in the form of a maximum performance-based restricted stock opportunity. For these participants, too, the maximum award opportunity is earned and converted into a fixed number of restricted shares at the end of the performance period only if the participant meets or exceeds his or her performance-based targets.

The limited number of shares remaining for other stock-based awards pursuant to the SIP would preclude the Company from continuing to award performance-based restricted stock under the current long-term incentive program for key employees. Accordingly, the Board of Directors has proposed amending the SIP, as follows:

First, in order to minimize shareholder dilution, a new provision would be added to provide that each share of Common Stock granted pursuant to an other stock-based award per Section 9 of the SIP and after the date of shareholder approval of the SIP, as amended and restated, would count against the total number of shares remaining available for award under the SIP as 2.6 shares of Common Stock (see example below); and

Second, in order to enable the Company to continue to implement its performance-based restricted stock program, the 6.75% or 654,750 cap on shares reserved and initially available for other stock-based awards would be eliminated.

Example: If a participant is awarded 100 shares of performance-based restricted stock, the total pool of shares available for options, stock appreciation rights (SARs) and all other stock-based awards will be reduced by 260 shares.

The Board of Directors is not requesting an additional authorization of shares under the SIP and, thus, the total number of shares of Common Stock available for grant under the SIP will remain unchanged, as will other key provisions of the SIP. In fact, the Company believes that if this amendment is approved by shareholders, the Company will likely issue up to 1,000,000 fewer shares to employees under the SIP than are currently authorized, as each restricted share that is awarded reduces the remaining authorization by 2.6 shares.

The SIP permits options, SARs and other performance-based awards that may be granted after shareholder approval of the SIP to be considered qualified performance-based compensation as defined under regulations interpreting section 162(m) of the Tax Code. Section 162(m) of the Tax Code limits the deductibility of compensation in excess of \$1 million paid by a publicly traded corporation to certain covered employees unless it is qualified performance-based compensation. Under current regulations interpreting section 162(m), the grant by a

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committee of outside directors of at-the-money options, SARs and other performance-based awards under a shareholder approved plan that expressly limits the amount of such grants that can be made to any individual employee over a specified period of time and, if applicable, sets forth the performance goals that the committee of outside directors may consider, is considered qualified performance-based compensation. Notwithstanding shareholder approval of the amended and restated SIP at the 2005 Annual Meeting, the Company reserves the right to pay its employees, including recipients of awards under the SIP, as amended and restated, amounts that may or may not be deductible under section 162(m) or other provisions of the Tax Code.

If the SIP, as amended and restated, is approved by shareholders at the 2005 Annual Meeting, it will be effective with respect to all awards granted thereafter. If the amended and restated SIP is not approved by shareholders, all awards granted under the SIP will be made in accordance with the terms of the original SIP approved by shareholders at the 2001 Annual Meeting.

In February 2005, the Compensation & Benefits Committee established a performance-based restricted stock opportunity for the Company's senior leadership team and for the balance of participants in the long-term incentive program, subject to shareholder approval of the amended and restated SIP. All awards granted

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relative to that opportunity are fully contingent on 2005 performance against the same goals that drive payout of the annual cash bonus plan (*i.e.*, core revenue growth, earnings per share or operating income growth, employee satisfaction and customer satisfaction goals). Restricted stock awards will be granted, if at all, based on results against the annual performance goals and will then vest over a three-year period. Set forth below is a table indicating the maximum dollar value of the restricted stock that could be granted by the Compensation & Benefits Committee if the annual performance goals were met for each of our five most highly compensated executive officers, all other executive officers as a group and all non-executive officer employees as a group. Non-employee directors of the Company are not eligible for awards under the amended and restated SIP. In accordance with the Company's previously announced executive transition plan and as described in Mr. Loren's amended employment agreement (see the Employment Arrangements section of this Proxy Statement), Mr. Loren will retire effective May 30, 2005 and, accordingly, will not be eligible for any additional equity awards in 2005. In addition, Mr. Alesio's equity grant for 2005 reflects his appointment to chief executive officer effective January 1, 2005, as further described in his employment agreement (see the Employment Arrangements section of this Proxy Statement).

New Plan Benefits

2005 Long-Term Incentive Program

Name	Dollar Value of Maximum Performance-Based Restricted Stock Opportunity
Allan Z. Loren	\$ 0
Steven W. Alesio	\$ 2,000,000
Sara Mathew	\$ 822,500
Cynthia B. Hamburger	\$ 300,000
Michael Pepe	\$ 550,000
All Other Executive Officers Group (12 persons)	\$ 2,570,450
All Non-Executive Officer Employees Group (213 persons)	\$ 8,430,600

The number of restricted shares actually granted for 2005 will depend upon the market value of the Company's Common Stock on the date of grant. The grants of other types of awards (*i.e.*, not other stock-based awards pursuant to Section 9 of the SIP) by the Compensation & Benefits Committee in accordance with the SIP are not subject to, nor dependent on, shareholder approval of the amended and restated SIP.

The following summary of the SIP is subject to the complete terms of the amended and restated plan, a copy of which is attached hereto as Exhibit B and incorporated herein by reference. For your convenience, we have indicated the proposed changes to the SIP in Exhibit B.

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1. *Eligible Participants.* Key employees (but not members of the Compensation & Benefits Committee or any person who serves only as a director) of the Company and its subsidiaries who are from time to time responsible for the management, growth and protection of the business of the Company and its affiliates are eligible to participate in the SIP. Currently, approximately 230 employees are eligible to participate in the SIP.

2. *Shares Subject to Plan; Maximum Award.* Under the 2001 shareholder authorization, the total number of shares of Common Stock that may be awarded under the SIP is 9,700,000. The total number of shares of Common Stock that may be awarded to any participant during a calendar year is 700,000. The issuance of shares or the payment of cash pursuant to an award shall reduce the total number of shares available under the SIP *except* that each share awarded in accordance with Section 9 of the amended and restated SIP (approved as of the 2005 Annual Meeting) will reduce the total number of shares available under the SIP by 2.6 shares. No awards may be granted after October 18, 2010.

3. *Administration.* The Committee selects participants and the number of options or other types of awards to be granted to each participant, and has the authority to administer and interpret the SIP. Members of the Committee are non-employee directors within the meaning of Rule 16b-3 of the Securities Exchange

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Act of 1934, as amended (the Exchange Act), and outside directors within the meaning of section 162(m) of the Tax Code.

4. *Types of Awards.* Stock options, SARs, limited stock appreciation rights (LSARs) and other equity-based awards (including, but not limited to, restricted stock) may be awarded under the SIP.

5. *Stock Options.* Options granted under the plan may be non-qualified or incentive for federal income tax purposes and will be subject to the following terms and conditions:

A. *Option Price.* The option price or purchase price per share of Common Stock underlying an option will be determined by the Committee, but may not be less than 100% of the arithmetic mean of the high and low trading prices of a share of Common Stock on the date of grant.

B. *Exercisability.* An option will be exercisable at such time and upon such terms and conditions as may be determined by the Committee, but in no event shall an option be exercisable more than ten years after the date of grant.

C. *Payment.* Payment in full for all shares purchased upon exercise of an option must be made at the time of exercise in cash, in shares of Common Stock held for at least six months, or partly in cash and partly in such shares. The Committee may permit a participant to elect to have a portion of the shares deliverable upon exercise of the option withheld to provide for payment of applicable federal, state or local withholding taxes. Otherwise, withholding taxes will be payable in cash or shares of Common Stock at the time of exercise.

D. *Termination of Employment by Death or Disability.* If a participant's employment terminates by reason of death or disability after the first anniversary of the date of grant of an option, the option shall immediately vest in full, and thereafter may be exercised during the five years after the date of death or disability or the remaining stated term of the option, whichever period is shorter.

E. *Termination of Employment by Retirement.* If a participant's employment terminates by reason of retirement after the first anniversary of the date of grant of an option, the option thereafter may be exercised during the five years after the date of retirement or the remaining stated term of the option, whichever period is shorter (the Post-Retirement Exercise Period), but only to the extent such option was exercisable at the time of retirement or becomes exercisable during such Post-Retirement Exercise Period; provided that if the participant dies during the fourth year after retirement, the Post-Retirement Exercise Period is extended through the first anniversary of the date of death unless the option expires earlier by its stated term.

F. *Other Termination of Employment.* If a participant's employment terminates for any reason (other than death, disability or retirement after the first anniversary of the date of grant), each option then held by the participant may be exercised through the 30th day after the date of such termination, but only to the extent such option was exercisable at the time of termination. Notwithstanding the foregoing, the Committee may, in its sole discretion, accelerate the vesting of options held by a participant if such participant is terminated by the Company without cause (as defined by the Committee).

6. *Stock Appreciation Rights.* A SAR entitles a participant to a cash payment equal to the excess of the fair market value of a share of Common Stock on the date on which the SAR is exercised over the exercise price per share of Common Stock of the SAR. The exercise price

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will be determined by the Committee, but may not be less than 100% of the arithmetic mean of the high and low trading price of a share of Common Stock on the date of grant. SARs may be granted in tandem with stock options or independently.

7. *Other Stock-Based Awards.* The Committee may grant awards of shares of unrestricted or restricted Common Stock and awards that are valued in whole or in part by reference to the fair market value of such shares. The terms and conditions of these other equity-based awards may be set by the Committee, and such awards may be granted in a manner intended to result in a deduction by the Company under section 162(m) of

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the Tax Code (Performance-Based Awards). Any such Performance-Based Awards will be subject to the following additional terms and conditions:

A. *Maximum Individual Award.* The maximum dollar amount of a Performance-Based Award to any participant for any fiscal year of the Company shall be \$5,000,000.

B. *Performance Goals.* A participant's Performance-Based Award shall be determined based on the attainment of written performance goals approved by the Committee for a performance period established by the Committee: (i) while the outcome for that performance period is substantially uncertain and (ii) no more than 90 days after the commencement of the performance period to which the performance goal relates or, if less, the number of days that is equal to 25 percent of the relevant performance period. The performance goals, which must be objective, shall be based upon one or more of the following criteria: (i) earnings before or after taxes (including earnings before interest, taxes, depreciation and amortization); (ii) net income; (iii) operating income; (iv) earnings per share; (v) book value per share; (vi) return on stockholders' equity; (vii) expense management; (viii) return on investment before or after the cost of capital; (ix) improvements in capital structure; (x) profitability of an identifiable business unit or product; (xi) maintenance or improvement of profit margins; (xii) stock price; (xiii) market share; (xiv) revenues or sales; (xv) costs; (xvi) cash flow; (xvii) working capital; (xviii) changes in net assets (whether or not multiplied by a constant percentage intended to represent the cost of capital); and (xix) return on assets. These criteria may relate to the Company or one or more of its subsidiaries, divisions, units, minority investments, partnerships, joint ventures, product lines or products or any combination of the foregoing, and may be applied on an absolute basis or be relative to one or more peer group companies or indices, or any combination thereof, all as the Committee determines. To the degree consistent with section 162(m) of the Tax Code, the performance goals may be calculated without regard to extraordinary items or accounting changes.

C. *Payment.* The Committee determines whether the applicable performance goals have been met and certifies and ascertains the amount of the award. At the discretion of the Committee, the amount of the Performance-Based Award actually paid may be less than the amount determined by the applicable performance goal formula. The amount payable in respect of an award shall be paid at such time as determined by the Committee in its sole discretion after the end of such performance period.

8. *Transferability.* Awards under the SIP are not transferable otherwise than by will or by the laws of descent or distribution, except that the Committee may, in its discretion, authorize stock options to be on terms that permit irrevocable transfer for no consideration by the participant to: (i) any child, stepchild, grandchild, parent, stepparent, grandparent, spouse, sibling, parent-in-law, child-in-law or sibling-in-law, including adoptive relationships, of the participant (Immediate Family Members); (ii) any trust for the exclusive benefit of the participant and/or any Immediate Family Member; (iii) any entity owned solely by such persons; or (iv) any other entity or person in respect of which such transfer would conform to the coverage rules of Form S-8 under the Securities Act of 1933 or any comparable Form from time to time in effect. In addition, the Committee in its sole discretion may waive the non-transferability provisions of the SIP to the extent that such provisions are not required under any law, rule or regulation applicable to the Company.

9. *Changes in Capital and Other Events.* In the event of any change in the outstanding shares of Common Stock by reason of any stock dividend or split, reorganization, recapitalization, merger, consolidation, spin-off, combination or exchange of stock or other corporate exchange, or any distribution to shareholders other than regular cash dividends, the Committee shall make such substitution or adjustment, if any, as it, in its sole discretion, deems equitable. In the event of a Change in Control (as defined in the SIP), awards granted under the plan shall accelerate as follows: (i) each stock option and SAR shall become immediately vested and exercisable, subject to the right of the Committee to make adjustments in certain circumstances; (ii) restrictions on restricted shares shall lapse; and (iii) performance-based awards shall become payable as if targets for the current period were satisfied at 100%.

10. *Amendments.* The SIP may be amended by the Board of Directors or the Committee, except that, without the approval of the shareholders, the Board may not, except upon a change in capital or other event

described in paragraph 9 above: (i) increase the total number of shares reserved or change the maximum number of shares that may be granted to any participant; or (ii) approve actions that result in any option being repriced either by lowering the option price of any outstanding option or granting a replacement option with a lower option price. With respect to participants who reside outside of the U.S. and who are not expected to be Covered Employees (as defined in section 162(m) of the Tax Code), the Committee may, in its sole discretion, amend the terms of the plan or awards granted thereunder in order to conform such terms with the requirements of local law.

11. *Consideration.* Consideration for the issuance of shares under the plan upon exercise of a stock option will consist of the payment of the option price.

12. *Effectiveness.* If the SIP, as amended and restated, is approved by shareholders at the 2005 Annual Meeting, it will be effective with respect to all awards granted thereafter. If the amended and restated SIP is not so approved by shareholders, all awards granted under the plan will be made in compliance with the original SIP approved by shareholders at the 2001 Annual Meeting.

13. *Federal Income Tax Consequences.* The following is a brief discussion of certain federal income tax consequences relevant to participants and to the Company. It is not intended to be a complete description of all possible tax consequences with respect to awards granted under the SIP.

A. *Non-Qualified Stock Options.* A participant who is granted a non-qualified option will not recognize income at the time the option is granted. Upon the exercise of the option, however, the difference between the fair market value of the Common Stock on the date of exercise and the option price will be treated as ordinary income to the participant, and the Company will generally be entitled to a deduction for income tax purposes in the same year in an amount measured by the amount of ordinary income recognized by the participant. The participant will have a basis in the shares received as a result of the exercise, for purposes of computing capital gain or loss, equal to the fair market value of those shares on the exercise date, and the participant's holding period of the shares received will commence on the day following the date of exercise. Upon a subsequent sale of such stock, the participant will recognize a short-term or long-term capital gain or loss, depending upon his or her holding period for such stock.

B. *Incentive Stock Options.* A participant who is granted an incentive stock option satisfying the requirements of the Tax Code will not recognize income at the time the option is granted or exercised. The excess of the fair market value of the stock on the date of exercise over the option price is, however, included in determining the participant's alternative minimum tax as of the date of exercise. If the participant does not dispose of shares received upon exercise of the option less than one year after exercise or two years after grant of the option (the Holding Period), upon the disposition of such shares the participant will recognize a long-term capital gain or loss based on the difference between the option exercise price and the fair market value of shares on the date of disposition. In such event, the Company is not entitled to a deduction for income tax purposes in connection with the exercise of the option. If the participant disposes of the shares received upon exercise of the incentive stock option without satisfying the Holding Period requirement, the participant must generally recognize ordinary income equal to the lesser of: (i) the fair market value of the shares at the date of exercise of the option over the option price; or (ii) the amount realized upon the disposition of such shares over the option price. Any further appreciation, if any, is taxed as a short-term or long-term capital gain, depending on the participant's holding period. In such event, the Company would be entitled to a deduction for income tax purposes in the same year in an amount measured by the amount of ordinary income taxable to the participant.

C. *Stock Appreciation Rights.* Upon exercise of a SAR, a participant will recognize taxable income in the amount of the aggregate cash received. The Company will be entitled to a deduction for income tax purposes in the amount of such taxable income recognized by the participant.

D. *Other Stock-Based Awards.* A participant who is granted a stock-based award other than an option or a SAR will generally recognize, in the year of grant, ordinary income equal to the fair market value of the property received. If such other stock-based award is subject to restrictions, the participant will

not recognize ordinary income until the restrictions lapse, unless the participant makes an election pursuant to section 83(b) of the Tax Code.

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The Company would be entitled to a deduction for income tax purposes in the same year in an amount measured by the amount of ordinary income taxable to the participant.

14. *Other Information.* The proposal does not relate to ratification or approval of any prior awards. As of March 14, 2005, the number of shares that have been awarded under the plan is as follows:

Total Number of Shares Awarded Less Forfeitures	6,381,773
Total Number of Other Stock-Based Awards Granted Less Forfeitures	519,514
Total Number of Shares Remaining from 2001 Authorization	2,798,713
Total Number of Other Stock-Based Awards Available for Grant	135,236

The closing market price of Dun & Bradstreet Common Stock on March 14, 2005 was \$62.69.

Required vote. Approval of the amended and restated SIP requires the favorable vote of a majority of the votes cast on this matter, provided that the total votes cast on this matter represent a majority of the shares outstanding on March 14, 2005 and entitled to vote.

YOUR BOARD OF DIRECTORS RECOMMENDS A VOTE FOR APPROVAL OF THE AMENDED AND RESTATED KEY EMPLOYEES STOCK INCENTIVE PLAN.

PROPOSAL NO. 4

AMENDMENT TO THE NON-EMPLOYEE DIRECTORS STOCK INCENTIVE PLAN

The Board of Directors is seeking shareholder approval for amendments to the 2000 Dun & Bradstreet Corporation Non-Employee Directors Stock Incentive Plan (DSIP). This plan, which provides for grants of stock options and other stock-based awards to non-employee directors of the Company, is an integral part of the Company's compensation program for non-employee directors. This program is more fully described in the Compensation of Directors section of this Proxy Statement.

The Board believes that approval of the amended DSIP has a number of important benefits to shareholders, including:

Aligns the Interests of Directors with Shareholders: By amending the DSIP, the Board can continue to award restricted stock units to non-employee directors, and directors will continue to have the opportunity to convert the cash portion of their retainers into restricted stock units. This will enable the Board to implement its compensation principle of further aligning the interests of non-employee directors with those of shareholders through equity-based compensation that balances stock options with restricted stock units; and

Reduces Shareholder Dilution: The amended DSIP will result in fewer shares ultimately being issued under the plan than currently authorized by shareholders, thereby reducing the dilutive impact of the DSIP.

The purpose of the proposed amendment to the DSIP is to allow for the continued granting of other stock-based awards. For purposes of the DSIP, other stock-based awards are awards such as restricted stock units that are valued in whole or in part by reference to, or are otherwise based on, the fair market value of shares of Common Stock. As noted above and further described below, the ability to issue these types of awards is fundamental to aligning the interests of non-employee directors with those of shareholders through equity-based compensation that balances stock options with restricted stock units.

When the DSIP was approved by shareholders in 2001, the total number of shares of Common Stock issuable under the plan was 300,000, with an amount not in excess of 15% of that total, or 45,000 shares of Common Stock reserved and available for other stock-based awards pursuant to Section 7 of the DSIP. As of

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March 14, 2005, the Company had 85,477 total shares of Common Stock remaining in the DSIP out of the 2001 authorization of 300,000; as of the same date, the Company had no shares remaining out of the 45,000 reserved and available for grants of other stock-based awards.

The lack of shares remaining for other stock-based awards in the DSIP would preclude the Board of Directors from implementing the equity-based component of the non-employee directors' compensation program. In December 2004, the Board of Directors approved a resolution revising the equity-based component of the non-employee directors' compensation program effective 2005. Prior to 2005, the equity-based component of the non-employee directors' compensation program consisted of an annual grant of stock options valued at \$80,000 (two-thirds of the total value of \$120,000) and an annual grant of restricted stock units valued at \$40,000 (one-third of the total value of \$120,000). Starting in 2005, the mix of the equity-based component was modified in that the stock option portion was reduced to \$60,000 (one-half of the total value) and the restricted stock unit portion was increased to \$60,000 (also, one-half of the total value). In addition, the cash component of the non-employee directors' compensation program (including a \$50,000 annual cash retainer and, where applicable, a \$15,000 annual chairperson fee) may be converted, by election, to additional restricted stock units at a 10% premium. This opportunity to convert cash retainers into additional restricted stock units is designed to further align the interests of non-employee directors with those of shareholders.

The Board of Directors believes that an emphasis on equity-based compensation that balances stock options with full-value shares such as restricted stock units is in keeping with trends in non-employee director compensation and good governance practices and appropriately aligns the interests of non-employee directors with those of shareholders. To underscore the importance of alignment between shareholder interests and non-employee director compensation, non-employee directors are required to hold 50% of all equity awarded to them under the DSIP during their term of service.

The Board of Directors has proposed amending the DSIP, as follows:

First, in order to minimize shareholder dilution, a new provision would be added to provide that each share of Common Stock granted pursuant to an other stock-based award to non-employee directors pursuant to Section 7 of the DSIP would count against the total number of shares remaining available for award under the DSIP as 2.6 shares of Common Stock (see example below); and

Second, the 15% or 45,000 cap on shares reserved and available for other stock-based awards would be eliminated to enable the Board to continue to further align the interests of non-employee directors with those of shareholders via an equity-based program that is balanced between stock options and restricted stock units and that affords non-employee directors the opportunity to convert the cash portion of their retainers into additional restricted stock units.

Example: If a non-employee director is awarded 100 restricted stock units (with each unit representing the right to receive one share of Common Stock), the pool of shares available for options, SARs and all other types of awards will be reduced by 260 shares.

Please note that the Board of Directors is not requesting an additional authorization of shares under the DSIP and, thus, the total number of shares of Common Stock issuable under the DSIP will remain unchanged, as will other key provisions of the DSIP. In fact, the Company believes that if this amendment is approved by shareholders, the Company will likely issue up to approximately 60,000 fewer shares to non-employee directors under the DSIP than are currently authorized, as each restricted stock unit that is awarded reduces the remaining authorization by 2.6 shares.

If the amended DSIP is approved by shareholders at the 2005 Annual Meeting, it will be effective with respect to all awards granted thereafter. If the amended DSIP is not approved by shareholders, all awards granted under the DSIP will be made in accordance with the terms of the original DSIP approved by shareholders at the 2001 Annual Meeting.

On March 1, 2005, the non-employee directors were granted restricted stock units in respect of 7,402 shares of Common Stock, representing one-half of their 2005 annual director retainer payment in the form of

restricted stock units; the grant of the second half of the restricted stock units is scheduled to occur on July 1, 2005. The restricted stock units (the value of which was approved by the Board of Directors in 2004 as part of the 2005 non-employee directors' compensation program) are conditioned on shareholder approval of the proposed amendment to the DSIP at the 2005 Annual Meeting and will be null and void if the amendment to the DSIP is not so approved. No executive officers or other employees of the Company are eligible to participate in the DSIP.

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The following summary of the DSIP is subject to the complete terms of the amended plan, a copy of which is attached hereto as Exhibit C and incorporated herein by reference. For your convenience, we have indicated the proposed changes to the DSIP in Exhibit C.

1. *Eligible Participants.* Any director of the Company who is not an employee of the Company or any subsidiary of the Company as of the date that an award is granted is eligible to participate in the DSIP. There are currently nine non-employee directors eligible to participate in the DSIP.
 2. *Shares Subject to Plan.* The total number of shares that may be issued under the DSIP is 300,000; this represents the original authorization as approved by shareholders in 2001. The issuance of awards shall reduce the total number of shares available under the DSIP *except* that each share awarded pursuant to Section 7 of the amended DSIP (approved as of the 2005 Annual Meeting) will reduce the total number of shares available under the DSIP by 2.6 shares.
 3. *Administration.* The DSIP shall be administered by the Board of Directors, which may delegate its duties and powers in whole or in part to any subcommittee. The Board of Directors has the authority to interpret the DSIP, establish, amend and rescind any rules and regulations relating to the plan, and make any other determinations that it deems necessary or desirable for the administration of the plan.
 4. *Types of Awards.* Stock options or other stock-based awards that are valued in whole or in part by reference to, or are otherwise based on the fair market value of, shares may be awarded under the DSIP.
 5. *Stock Options.* Options granted under the plan will be non-qualified stock options for federal income tax purposes and will be subject to the following terms and conditions:
 - A. *Option Price.* The option price will be determined by the Board of Directors, but will not be less than 100% of the arithmetic mean of the high and low trading prices of the Common Stock on the date the option is granted.
 - B. *Exercisability.* Options will be exercisable at such time and upon such terms and conditions as may be determined by the Board of Directors, but in no event shall an option be exercisable more than ten years after the date it is granted.
 - C. *Payment.* The purchase price for the shares as to which an option is exercised shall be paid to the Company in full at the time of exercise in cash, in shares having a fair market value equal to the aggregate option price for the shares being purchased, or partly in cash and partly in shares.
 - D. *Termination of Service by Death.* If a participant's service with the Company terminates by reason of death after the first anniversary date on which options are granted, the options shall immediately vest in full and thereafter be exercised during the shorter of the remaining term of the options or five years after the date of death.
 - E. *Termination of Service by Disability or Retirement.* If a participant's service with the Company terminates by reason of disability or retirement after the first anniversary date on which options are granted, the options thereafter may be exercised during the shorter of the remaining term of the options or five years after the date of such termination of service. However, if a participant dies within a period of five years after termination of service, the unexercised portion of the options shall immediately vest in full and may thereafter be exercised, during the shorter of the remaining term of the options or the period that is the longer of five years after the date of such termination of service or one year after the date of death.
 6. *Other Stock-Based Awards.* Other stock-based awards may be granted alone or in addition to any other awards granted under the DSIP. Subject to the provisions of the plan, the Board of Directors shall determine to whom and when stock awards will be made; the number of shares subject to such award; whether such awards shall be settled in cash, shares or a combination of cash and shares; and all other terms and conditions of such awards.
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7. *Transferability.* Options shall not be transferable by the participant otherwise than by will or by the laws of descent and distribution and, during the lifetime of the participant, an option shall be exercisable only by the participant. The Board of Directors may, in its discretion, authorize all or a portion of the options previously granted or to be granted to a participant to be on terms that permit irrevocable transfer for no consideration by such participant to any child, stepchild, grandchild, parent, stepparent, grandparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, including adoptive relationships, of the participant, trusts for the exclusive benefit of such person or persons, and any other entity owned solely by these persons. The Board of Directors may, in its discretion, amend the definition of eligible transferees to conform to the coverage rules of Form S-8 under the Securities Act of 1933 or any comparable Form from time to time in effect.

8. *Changes in Capital and Other Events.* In the event of any change in the outstanding shares by reason of any share dividend or split, reorganization, recapitalization, merger, consolidation, spin-off, combination or exchange of shares or other corporate exchange, or any distribution to stockholders of shares other than regular cash dividends or any transaction similar to the foregoing, the Board of Directors in its sole discretion and without liability to any person may make such substitution or adjustment, if any, as it deems to be equitable. In the event of a Change in Control as defined in the DSIP, all restrictions on shares of restricted stock shall lapse, all options shall vest and become exercisable, and the Board of Directors may make provision for a cash payment to the holder of an outstanding award in consideration for the cancellation of such award.

9. *Amendments.* The Board of Directors may amend, alter or discontinue the DSIP, but no amendment, alteration or discontinuation shall be made that, without the approval of the stockholders of the Company, would increase the total number of shares reserved for the purposes of the plan or result in any option being repriced either by lowering the option price of any outstanding option or by canceling an outstanding option and granting a replacement option with a lower option price.

10. *Consideration.* Consideration for the issuance of shares under the plan upon exercise of a stock option will consist of the payment of the option price.

11. *Federal Income Tax Consequences.* The following is a brief discussion of certain federal income tax consequences relevant to participants and to the Company. It is not intended to be a complete description of all possible tax consequences with respect to awards granted under the DSIP.

A. *Non-Qualified Stock Options.* A participant who is granted a non-qualified option will not recognize income at the time the option is granted. Upon the exercise of the option, however, the difference between the fair market value of the Common Stock on the date of exercise and the option price will be treated as ordinary income to the participant, and the Company will generally be entitled to a deduction for income tax purposes in the same year in an amount measured by the amount of ordinary income recognized by the participant. The participant will have a basis in the shares received as a result of the exercise, for purposes of computing a capital gain or loss, equal to the fair market value of those shares on the exercise date, and the participant's holding period for the shares received will commence on the day following the

date of exercise. Upon a subsequent sale of such stock, the participant will recognize a short-term or long-term capital gain or loss, depending upon his or her holding period for such stock.

B. *Other Stock-Based Awards.* A participant who is granted a stock-based award will generally recognize, in the year of grant, ordinary income equal to the fair market value of the property received. If such other stock-based award is subject to restrictions, the participant will not recognize ordinary income until the restrictions lapse, unless the participant makes an election pursuant to section 83(b) of the Tax Code. The Company would be entitled to a deduction for income tax purposes in the same year in an amount measured by the amount of ordinary income taxable to the participant.

12. *Effectiveness.* If the amended DSIP is approved by shareholders at the 2005 Annual Meeting, it will be effective with respect to all awards granted thereafter. If the amended DSIP is not so approved by shareholders, all awards granted under the plan will be made in compliance with the original 2001 DSIP approved by shareholders at the 2001 Annual Meeting.

Required vote. Approval of the amended DSIP requires the favorable vote of a majority of the votes cast on this matter, provided that the total votes cast on this matter represent a majority of the shares outstanding on March 14, 2005 and entitled to vote.

YOUR BOARD OF DIRECTORS RECOMMENDS A VOTE FOR APPROVAL OF THE AMENDMENT TO THE NON-EMPLOYEE DIRECTORS' STOCK INCENTIVE PLAN.

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The following table summarizes our equity compensation plan information as of December 31, 2004.

Equity Compensation Plan Information

Plan Category	(A)	(B)	(C)
	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (A))
Equity compensation plans approved by security holders(1)	8,352,348(2)	\$ 28.03	4,647,158(3)

- (1) This table includes information for two equity compensation plans adopted in connection with our separation from Moody's. As of December 31, 2004, a total of 2,466,154 shares of D&B Common Stock were issuable upon exercise of outstanding options and other rights under those two plans. The weighted average exercise price of those outstanding options and other rights is \$14.62 per share. No additional options or other rights may be granted under those two plans.
- (2) Includes options for 8,300,473 shares of D&B Common Stock, restricted stock units for 45,129 shares of D&B Common Stock and deferred performance shares for 6,746 shares of D&B Common Stock. This amount does not include outstanding shares of restricted Common Stock of 122,150.
- (3) Includes shares available for future purchases under our 2000 ESPP. As of December 31, 2004, an aggregate of 1,000,275 shares of D&B Common Stock were available for purchase under the ESPP.

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SECURITY OWNERSHIP OF DIRECTORS, OFFICERS AND OTHERS

The following table shows the number of shares of the Company's Common Stock beneficially owned by each of the directors, each of the executive officers named in the Summary Compensation Table located under the Compensation of Executive Officers and Directors section of this Proxy Statement (the named executive officers), and all present directors and executive officers of D&B as a group, on March 14, 2005. The table also shows the names, addresses and share ownership of the only persons known to D&B to be the beneficial owners (the Owners) of more than 5% of the Company's outstanding Common Stock. This information is based upon information furnished by each such person (or, in the case of the Owners, based upon public filings by such Owners with the SEC). Unless otherwise stated, the indicated persons have sole voting and investment power over the shares listed. Percentages are based upon the number of shares of D&B Common Stock outstanding on March 14, 2005, plus, where applicable, the number of shares that the indicated person or group had a right to acquire within 60 days of such date. The table also sets forth ownership information concerning Stock Units, the value of which is measured by the price of the Company's Common Stock. Stock Units do not confer voting rights and are not considered beneficially owned shares under SEC rules.

Name	Aggregate Number of Shares Beneficially Owned(a)(b)	D&B Stock Units(c)	Percent of Shares Outstanding
John W. Alden	13,508	4,606	*
Christopher J. Coughlin	0	1,023	*
James N. Fernandez	2,000(d)	1,023	*
Ronald L. Kuehn, Jr.	32,994	14,645	*
Victor A. Pelson	30,936(e)	9,888	*
Sandra E. Peterson	13,459	4,777	*
Michael R. Quinlan	32,985	13,503	*

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Name	Aggregate Number of Shares Beneficially Owned(a)(b)	D&B Stock Units(c)	Percent of Shares Outstanding
Naomi O. Seligman	25,641	4,458	*
Michael J. Winkler(f)	0	0	*
Steven W. Alesio	364,799	0	*
Cynthia B. Hamburger	103,752	1,255	*
Allan Z. Loren	1,493,759	0	2.18%
Sara Mathew	100,935	0	*
Michael Pepe	17,495	0	*
All directors and executive officers as a group (26 persons)	2,556,764	55,179	3.81%
Davis Selected Advisers L.P. 2949 East Elvira Road, Suite 101 Tuscon, Arizona 85706	10,247,816(g)	0	14.93%
Harris Associates L.P. and its general partner, Harris Associates Inc. Two North LaSalle Street, Suite 500 Chicago, Illinois 60602-3790	5,296,889(h)	0	7.72%
Harris Associates Investment Trust, 36-4032559 series designated The Oakmark Select Fund Two North LaSalle Street, Suite 500 Chicago, Illinois 60602-3790	3,934,900(i)	0	5.73%

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

- (a) Includes shares of restricted Common Stock as follows: Mr. Alesio, 41,392; Ms. Hamburger, 16,608; Mr. Loren, 87,726; Ms. Mathew, 28,686; Mr. Pepe, 9,995; and all directors and executive officers as a group, 243,973.
- (b) Includes the maximum number of shares of Common Stock that may be acquired within 60 days of March 14, 2005, upon the exercise of vested stock options as follows: Mr. Alden 13,508; Mr. Alesio, 263,620; Ms. Hamburger, 84,729; Mr. Kuehn, 32,267; Mr. Loren, 1,250,000; Ms. Mathew, 71,908; Mr. Pelson, 27,587; Mr. Pepe, 7,500; Ms. Peterson, 13,459; Mr. Quinlan, 32,267; Ms. Seligman, 25,087; and all directors and executive officers as a group, 2,070,084.
- (c) Includes stock units granted to non-employee directors on March 1, 2005 that are subject to shareholder approval, as described in Proposal No. 4 Amendment to the Non-Employee Directors Stock Incentive Plan section of this Proxy Statement, as follows: Mr. Alden, 931; Mr. Coughlin, 931; Mr. Fernandez, 931; Mr. Kuehn, 1,064; Mr. Pelson, 1,064; Ms. Peterson, 931; Mr. Quinlan, 1,064; Ms. Seligman, 486; and all directors as a group, 7,402.
- (d) Includes 2,000 shares as to which Mr. Fernandez has shared voting and shared dispositive power.
- (e) Includes 3,000 shares as to which Mr. Pelson has shared voting and shared dispositive power.
- (f) Mr. Winkler joined the D&B Board of Directors effective March 17, 2005.
- (g) Davis Selected Advisers L.P. (Davis) filed an amended Schedule 13G with the SEC on March 2, 2005. This Schedule 13G reported that Davis, a registered investment adviser, had sole voting and dispositive power over 10,247,816 shares.
- (h) Harris Associates L.P. (Harris) and its general partner, Harris Associates Inc. (Harris Associates), jointly filed a Schedule 13G with the SEC on February 11, 2005. This Schedule 13G shows that Harris, a registered investment adviser, and Harris Associates, a Delaware corporation, had shared voting power over 5,296,889 shares, sole dispositive power over 1,361,989 shares and shared dispositive power over 3,934,900 shares. Harris serves as investment adviser to the Harris Associates Investment Trust (the Trust). The Trust owns 3,934,900 shares (see footnote (i) below), which are included as shares over which Harris has shared voting and dispositive power.
- (i) Harris Associates Investment Trust, 36-4032559 series designated The Oakmark Select Fund (the Fund), filed a Schedule 13G with the SEC on February 11, 2005. This Schedule 13G shows that the Fund, an investment company, had shared voting and dispositive power over 3,934,900 shares.

FINANCIAL PERFORMANCE COMPARISON GRAPH*
SINCE OCTOBER 3, 2000

In accordance with SEC rules, the graph below compares the Company's cumulative total shareholder return against the cumulative total return of the Standard & Poor's MidCap 400 Index and a published industry index starting on October 3, 2000, the date on which the Company's Common Stock commenced regular-way trading on the New York Stock Exchange after the September 30, 2000 Spin-Off from Moody's (as described in the General Information section of this Proxy Statement). As an industry index, the Company chose the S&P MidCap Diversified Commercial Services-Specialized Index, a subset of the S&P 400 MidCap Index that includes companies that provide business-to-business services.

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

COMPENSATION OF EXECUTIVE OFFICERS AND DIRECTORS

Report of the Compensation & Benefits Committee

Overview of Executive Compensation Philosophy and Program

The Compensation & Benefits Committee has responsibility for establishing the compensation of the Company's executive officers, including Allan Z. Loren, its chairman and chief executive officer (Chairman & CEO). The Committee operates pursuant to a written charter and consists solely of independent directors of the Company, in accordance with NYSE listing standards and other applicable regulations. In keeping with its charter¹, the Committee met six times during 2004 to establish, review and administer the Company's executive compensation policies and programs to ensure that they continue to support the Company's Blueprint for Growth strategy and achievement of the Company's strategic priorities.

The Company's 2004 executive compensation program was designed to:

- Attract, motivate and retain top leadership by providing a total compensation opportunity that is competitive with the Company's market for executive talent;
- Ensure both a strong relationship between pay and Company performance and alignment of executive and shareholder interests; and
- Reinforce behaviors that are consistent with the Company's strategy to build a Winning Culture in order to drive superior execution of its business plan.

To meet these objectives, the 2004 compensation program for executive officers consisted of the following four components:

- Base salary;
- Annual cash bonus plan;

Company Scorecard; and

Long-term incentives.

Base Salary. In setting the base salaries of executive officers, a variety of factors were considered, including: individual performance, competencies, skills and prior experience; scope of responsibility and accountability within the organization; and pay levels in the compensation comparison group. The compensation comparison group is a peer group of companies in financial services and business information and technology services selected by an independent third-party consulting organization retained by the Committee. Companies were selected for the compensation comparison group on the basis that they are broadly within the revenue size range of the Company; have executive positions comparable to those of the Company requiring a similar set of management skills and experience; and are representative of organizations that compete with the Company for business or executive talent.

Annual Cash Bonus Plan. Through the annual cash bonus plan, a significant portion (*i.e.*, over 50%) of 2004 total cash compensation was at risk since payment was based on performance against

1. A copy of the Compensation & Benefits Committee Charter is available on the Company's Web site (www.dnb.com) or by contacting the Corporate Secretary of the Company.
2. For a discussion of the Company's Blueprint for Growth strategy, refer to Item 1. Business Our Aspiration and Our Strategy in the Company's Form 10-K for the year ended December 31, 2004.
3. For more information about Winning Culture, refer to Item 1. Business Our Aspiration and Our Strategy *Build a Winning Culture* in the Company's Form 10-K for the year ended December 31, 2004.

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predetermined annual measures. The performance measures for 2004 were set early in the year by the Committee after a detailed review by the Board of Directors of the Company's 2004 business plan.

The Company's executive officers were designated by the Committee as participants in the D&B Covered Employee Cash Incentive Plan (CIP) as approved by shareholders in 2001. Under the CIP, the Committee established on March 2, 2004 a maximum annual cash bonus opportunity of eight-tenths of one percent of D&B's 2004 earnings before taxes for the Chairman & CEO and five-tenths of one percent of D&B's 2004 earnings before taxes for each of the other designated executive officers of the Company. Actual annual cash bonus payouts to the Chairman & CEO and other designated executive officers of the Company may be less than these maximums.

In 2004, D&B's earnings before taxes were \$340.8 million. Therefore, the maximum annual cash bonus opportunity for the Chairman & CEO was \$2,726,400; for other executive officers of the Company, the maximum was \$1,704,000 per participant.

In determining whether to award the maximum annual cash bonus generated by the pre-tax earnings formula, the Committee also considered performance against four measures or goals weighted as follows: 50% to Company-wide core revenue growth; 30% to growth in earnings per share (EPS); 10% to employee satisfaction (an index measured by the Company's Winning Culture Survey, which gauges employee perspectives in a number of important dimensions such as leadership, strategy and work environment); and 10% to customer satisfaction (as measured by the Company's Customer Satisfaction Survey).

A target level of performance was established for each performance goal, which results in a full bonus payout being earned if the target for the measure was achieved. Achievement below the target results in a smaller or no bonus payout for that measure and achievement above the target yields a larger bonus payout.

Under the Company's annual cash bonus plan, payouts to individual executive officers (other than the Chairman & CEO) and other bonus plan participants were subject to a discretionary adjustment of +/-20%. In addition, in recognition of the size and scope of the leadership effort to identify, test, and implement controls to comply fully with the requirements of Sarbanes-Oxley Section 404, the Committee applied discretionary adjustments of up to +30% to selected executive officers and bonus plan participants. The Committee approves all discretionary adjustments with input from the Chairman & CEO. Such adjustments are limited and are based on exceptional cases where an individual's performance positively or negatively impacts Company performance. In no instance will such adjustments exceed the maximum annual cash bonus opportunity generated by the pre-tax earnings formula.

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In 2004, Company results against the four performance measures or goals that the Committee used to evaluate the level of the individual executive officer's annual bonus payout were as follows:

Goal weight of 50%: core revenue growth of 8%², which was at the upper range of the Company's external guidance of 6% to 8%, revised upwards from 3% to 5% at the beginning of the year;

-
1. Refer to Income before Provision for Income Taxes in Item 8. Consolidated Statements of Operations in the Company's Form 10-K for the year ended December 31, 2004.
 2. The Company achieved 2004 total revenue growth of 2% determined in accordance with generally accepted accounting principles (GAAP), down 1% before foreign exchange due to the impact of divested international businesses. See Schedule I to this Proxy Statement for a quantitative reconciliation of total revenue in accordance with GAAP to core revenue for the 2004 and 2003 fiscal years, as well as the effects of foreign exchange on the 2004 core revenue growth rate. See Item 1. Business How We Evaluate Our Performance in the Company's Form 10-K for the year ended December 31, 2004 for a discussion of why the Company uses core revenue growth before the effects of foreign exchange and why management believes this measure provides useful information to investors.

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Goal weight of 30%: EPS growth (before non-core gains and charges) of 17%¹ or \$2.98, which was in the middle of the range of external guidance of 16% to 18% or \$2.94 to \$2.99;

Goal weight of 10%: Employee Satisfaction Index as measured by the Winning Culture Survey (which is tabulated by an independent third-party consulting organization) remained unchanged year-over-year, which was four percentage points below the improvement target; Company-wide employee participation in the survey was at 99% the highest level since the Winning Culture Survey was implemented; and

Goal weight of 10%: customer satisfaction as measured by the Company's Customer Satisfaction Survey decreased over the prior year's score and was below the improvement target set by the Committee.

Company Scorecard. The Company Scorecard is an important part of the Company's annual bonus plan; it ensures that the sum of total awards to all annual cash bonus plan participants (including executive officers and non-executive officers in the plan) is in line with overall Company results.

The Company Scorecard is based on three performance criteria: first, the Company-wide 2004 core revenue growth goal; second, 2004 growth in EPS; and third, a principles-based assessment by the Committee of the Company's overall performance. That assessment included the Company's performance against external guidance to shareholders and leadership as evidenced by the Company's execution of its Blueprint for Growth strategy. Upon review of performance against these criteria, the Committee may increase or decrease the size of the total bonus pool to ensure alignment with overall Company results. However, in no instance will the Company Scorecard increase the maximum annual cash bonus for the Chairman & CEO and other designated executive officers of the Company, as determined by the pre-tax earnings formula noted above.

The Committee's consideration of Company-wide core revenue growth and EPS growth before non-core gains and charges has already been noted above. In addition to these measures, the Committee also considered the following factors to be important in its overall assessment of Company performance:

Free cash flow of \$238.8 million in 2004, which met the Company's external guidance of \$230 million to \$245 million;

Delivery of 82% of Company-wide revenue over the Web in 2004, which represents six percentage points of improvement over year-end 2003;

Achievement of six consecutive quarters of organic revenue growth² (i.e., core revenue growth excluding revenue growth from acquisitions);

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Implementation of full compliance with Sarbanes-Oxley Section 404 regulatory requirements which were completed and certified, while delivering on the Company's 2004 external guidance, financial flexibility and reengineering goals, and effecting a successful executive transition;

Enhancement of the current business through completion of the Company's European strategy, including the formation of strategic partners