

ACXIOM CORP
Form DEF 14A
June 19, 2008
ACXIOM CORPORATION

601 East Third Street

Little Rock, Arkansas 72201

501.252.1000

www.acxiom.com

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To Be Held August 5, 2008

Please join us for the 2008 Annual Meeting of Stockholders of Acxiom Corporation. The meeting will be held on August 5, 2008, at 10:00 a.m. CDT at the Acxiom River Market Building, 601 East Third Street, Little Rock, Arkansas for the following purposes:

1. To elect as directors the four nominees named in the attached proxy statement for a three-year term expiring in 2011.
2. To approve an amendment to the 2005 Equity Compensation Plan to increase the Internal Revenue Code 162(m) limits.
3. To ratify the selection of KPMG LLP as the Company's independent registered public accountant for fiscal 2009.
4. To transact any other business that may properly come before the meeting or any adjournment thereof.

Details regarding admission to the meeting and the business to be conducted are more fully described in the accompanying Proxy Statement.

Only holders of the Company's common stock of record at the close of business on June 12, 2008 are entitled to notice of and to vote at the meeting or any adjournment thereof.

By Order of the Board of Directors

/s/ Catherine L. Hughes

Catherine L. Hughes

Corporate Governance Officer

& Secretary

Little Rock, Arkansas

June 20, 2008

YOUR VOTE IS IMPORTANT. WHETHER OR NOT YOU PLAN TO ATTEND THIS MEETING, PLEASE SIGN, DATE, AND RETURN THE ACCOMPANYING PROXY CARD IN THE ENCLOSED ENVELOPE OR VOTE ON THE INTERNET OR BY TELEPHONE IN ACCORDANCE WITH THE INSTRUCTIONS SET FORTH ON THE ENCLOSED PROXY CARD OR VOTING INSTRUCTIONS CARD.

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Appendix A 2005 Equity Compensation
Plan A-1

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QUESTIONS AND ANSWERS

Q: Why am I receiving these materials?

A: The board of directors of Acxiom Corporation, a Delaware corporation (sometimes referred to as the Company or Acxiom), is providing these proxy materials for you in connection with Acxiom's annual meeting of stockholders, which will take place on August 5, 2008. As a stockholder, you are invited to attend the meeting and are entitled to and requested to vote on the proposals described in this proxy statement.

Q: What should I do now?

A: Please read this proxy statement carefully and then vote your shares promptly by telephone, by Internet, or by signing, dating and returning the enclosed proxy card.

Q: What proposals will be voted on at the annual meeting?

A: There are three proposals to be voted on at the annual meeting. The first item is the election of the four directors named in this proxy statement. The board of directors of Acxiom has nominated existing directors William T. Dillard II, Thomas F. McLarty, III, Jeffrey W. Ubben and R. Halsey Wise for re-election to the board. The directors will serve for three-year terms or until their respective successors are elected and qualified.

The second voting item is an amendment to the Company's 2005 Equity Compensation Plan to increase the number of equity grants of the Company's common stock that may be issued to any one individual in any one year. For Internal Revenue Code 162(m) purposes, the plan currently specifies that no more than 200,000 stock options and no more than 50,000 restricted stock units or other similar equity awards may be issued to any individual in one-year period. We are requesting that these limits each be increased to 400,000.

The third voting item is the ratification of the audit committee's selection of KPMG LLP (KPMG) as the Company's independent registered public accountant for fiscal 2009.

Any action related to these proposals may be considered at the annual meeting at the time and on the date specified above or at any time and date to which the annual meeting may be properly adjourned or postponed.

Other than the election of directors, the amendment to the 2005 Equity Compensation Plan and the ratification of KPMG as the Company's independent registered public accountant for fiscal 2009, we are not aware of any other proposals that have been properly brought before the meeting. In the event that other matters are properly brought the meeting, the persons named in the accompanying proxy will vote the shares represented by it in accordance with their best judgment.

Q: How does the board recommend I vote on the proposals?

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A: The board recommends a vote FOR the re-election of the four nominees to serve on the board of directors, FOR the proposed amendment to the 2005 Equity Compensation Plan and FOR the ratification of KPMG as the Company's independent registered public accountant for fiscal 2009.

Q: Who can vote?

A: If you owned any shares of Acxiom common stock at the close of business on June 12, 2008, the record date for the annual meeting, you are entitled to vote the shares of Acxiom common stock owned as of that date. These shares include (1) shares held directly in your name as the stockholder of record, and (2) shares

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held for you as the beneficial owner in street name through a stockbroker or bank or shares purchased through Acxiom's Retirement Savings Plan and/or stock purchase plan.

Q: What is the difference between holding shares as a stockholder of record and as a beneficial owner in street name ?

A: Most Acxiom stockholders hold their shares through a stockbroker, bank or other nominee rather than directly in their own name. As summarized below, there are some distinctions between shares held of record and those owned beneficially.

Stockholder of Record

If your shares are registered directly in your name with Acxiom's transfer agent, Computershare Investor Services, you are considered, with respect to those shares, the stockholder of record, and these proxy materials are being sent directly to you by Acxiom. As the stockholder of record, you have the right to grant your voting proxy directly to Acxiom or to vote in person at the meeting. Acxiom is providing a proxy card for your use.

Beneficial Owner

If your shares are held in a stock brokerage account or by a bank or other nominee, you are considered the beneficial owner of shares held in street name, and these proxy materials are being forwarded to you by your broker or nominee which is effectively considered, with respect to those shares, the stockholder of record. As the beneficial owner, you have the right to direct your broker how to vote and are also invited to attend the meeting. However, since you are not the stockholder of record, you may not vote these shares in person at the meeting unless you obtain a signed proxy from your broker or nominee giving you the right to vote the shares. Your broker or nominee has provided a voting instruction form for you to use to direct the voting of your shares.

Q: Can I vote my shares without attending the meeting?

A: Whether you hold shares directly as the stockholder of record, beneficially in street name, or as a participant in Acxiom's Retirement Savings Plan, you may direct your vote without attending the meeting. You may vote by granting a proxy or, for shares held in street name, by submitting voting instructions to your broker or nominee, or, for shares held in Acxiom's Retirement Savings Plan, the plan trustee. In most instances, you will be able to do this over the Internet, by telephone or by mail. Please refer to the summary instructions below and those included on your proxy card or voting instruction form.

BY INTERNET - If you have Internet access, you may submit your proxy from any location in the world by following the **Vote by Internet** instructions on the proxy card.

BY TELEPHONE - You may also submit your proxy by following the **Vote by Phone** instructions on the proxy card.

BY MAIL - You may submit your proxy by mail by signing, dating and returning your proxy card or voting instruction form in the postage-paid envelope provided. If you provide specific voting instructions, your shares will be voted as you instruct. If you sign the proxy card but do not provide instructions, your shares will be voted as your board of directors recommends.

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Please note that if you are a participant in Acxiom's Retirement Savings Plan, you must submit your vote to the Plan's trustee no later than July 30, 2008, i.e., three business days prior to the meeting date, in order to allow sufficient time for your vote to be tabulated by the trustee.

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Q: How can I vote my shares in person at the meeting?

A: Shares held directly in your name as the stockholder of record may be voted in person at the annual meeting. If you are a beneficial owner holding in street name, you must provide a proxy from the record holder of your shares in order to vote your shares in person at the meeting. Due to the tabulation requirements of the plan administrator, participants in Acxiom's Retirement Savings Plan may not vote their shares in person at the meeting.

The annual meeting is scheduled to begin at 10:00 a.m., local time, and check in will begin at 9:30 a.m., local time.

EVEN IF YOU CURRENTLY PLAN TO ATTEND THE ANNUAL MEETING, WE RECOMMEND THAT YOU ALSO SUBMIT YOUR PROXY CARD AS DESCRIBED ABOVE SO THAT YOUR VOTE WILL BE COUNTED IF YOU LATER DECIDE NOT TO ATTEND THE MEETING.

Q: Can I change my vote?

A: You may change your proxy instructions at any time prior to the vote at the annual meeting. For shares held directly in your name, you may change your vote by signing and returning a proxy bearing a later date or by attending the annual meeting and voting in person. Attendance at the meeting will not cause your previously granted proxy to be revoked unless you specifically so request. If you hold your shares in street name, you may change your vote by submitting new voting instructions to your broker or nominee in accordance with the instruction on your voting instruction form.

Q: How many shares can I vote?

A: You may vote as many shares of common stock as you hold as of the record date. Each share of common stock is entitled to one vote. As of June 12, 2008, our record date, 77,504,280 shares of common stock were issued and outstanding and eligible to vote. A list of our stockholders will be available for review at our principal offices, 601 East Third Street, Little Rock, Arkansas 72201, for at least 10 days prior to the 2008 annual meeting.

Q: Who will count the votes?

A: A representative of Computershare Investor Services will count the votes and will act as the inspector of the election.

Q: What does it mean if I receive more than one proxy card or voting instruction form?

A: If your shares are registered differently, or if they are in more than one account, you may receive more than one proxy card or voting instruction form. Please follow the instructions on each proxy card or voting instruction form to ensure that all of your shares are represented at the meeting. Please sign each proxy card exactly as your name or names appear on the card. For joint accounts, each owner should sign the proxy card. When signing as executor, administrator, attorney, trustee or guardian, etc., please print your full title on the proxy card.

Q: What vote is required to pass an item of business?

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A: A majority of the holders of our outstanding common stock must be present in person or represented by proxy to hold the meeting. A majority of the votes cast at the annual meeting is required to elect directors, to amend the 2005 Equity Compensation Plan, and to ratify the selection of KPMG as the Company's independent registered public accountant for fiscal 2009.

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Q: Who can help answer my questions?

A: If you have any questions about the annual meeting or how to vote your shares, please contact:

The Proxy Advisory Group

18 East 41st Street, Suite 2000

New York, New York 10017

888.337.7699 or 888.33.PROXY (U.S.)

212-616-2180 (International)

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PROXY STATEMENT

This proxy statement is furnished in connection with the solicitation of proxies by the board of directors of Acxiom Corporation (referred to as the Company or Acxiom) to be used at its 2008 Annual Meeting of Stockholders to be held on August 5, 2008, and at any postponement or adjournment thereof. Shares represented by properly executed proxies will be voted at the meeting. If a choice is specified by a stockholder, the proxy will be voted in accordance with that choice. Any proxy may be revoked at any time if it has not already been exercised.

This proxy statement is being mailed to stockholders beginning on June 20, 2008.

The close of business on June 12, 2008, has been fixed as the record date for the determination of stockholders entitled to notice of and to vote at the meeting or any adjournment thereof. On the record date, there were outstanding and entitled to vote 77,504,280 shares of common stock. On all matters to be acted upon at the meeting, each share of common stock is entitled to one vote per share. Except as provided below, the presence, in person or by proxy, of holders of shares of common stock having a majority of the votes entitled to be cast at the meeting shall generally constitute a quorum.

VOTING PROCEDURES

Election of Directors. Article III, Section 2(b) of the Company's bylaws provides that in an uncontested election for directors each director will be elected by the vote of a majority of the votes cast at the meeting, either in person or by proxy. A majority of votes cast means that the number of shares cast for a director's election exceeds the number of votes cast against that director. In an election in which the number of nominees exceeds the number of directors to be elected (a contested election), the directors will be elected by the vote of a plurality of the votes cast at the meeting, either in person or by proxy. In an uncontested election, a nominee who does not receive a majority of the votes cast will not be elected. In this case, the board of directors has established procedures under which any nominee who fails to receive a majority of the votes cast will tender his or her resignation to the board. The board will act upon a tendered resignation within ninety days of the date on which the election results were certified and will promptly make public disclosure of the results of its actions. If the board accepts a director's resignation, or if a nominee for director is not elected and the nominee is not an incumbent director, then the board may fill the resulting vacancy on the board. To fill a vacancy on the board, the governance/nominating committee of the board will identify and recommend the new director candidate to the full board in accordance with its policies and procedures. To be elected to the board, the new candidate must be approved by the affirmative vote of the remaining directors then in office.

Approval of Equity Compensation Plan Amendment. Approval of the proposed amendment to the Company's 2005 Equity Compensation Plan will require the affirmative vote of a majority of shares of common stock present or represented at the meeting and entitled to vote, provided a quorum is present in person or by proxy.

Ratification of KPMG. Ratification of the KPMG as the Company's independent registered public accountant for fiscal 2009 requires an affirmative vote of the majority of shares of common stock present or represented at the meeting and entitled to vote. If the stockholders fail to ratify this appointment, the audit committee will reconsider whether to retain KPMG and may retain that firm or another firm without resubmitting the matter to our stockholders.

Abstentions and Broker Non-Votes. A stockholder who abstains from voting on any or all proposals, also known as an abstention, will be included in the number of stockholders present at the meeting for the purpose of determining the presence of a quorum. Abstentions will have no impact on the proposals contained in this proxy statement because they are not considered votes cast for voting purposes. A broker non-vote

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occurs when a bank, broker or other holder of record holding shares for a beneficial owner does not vote on a particular proposal because that holder does not have discretionary voting power for that particular item and has not received instructions from the beneficial owner. In those instances, if a beneficial holder does not give the broker or nominee specific voting instructions, the holder's shares may not be voted on those matters and a broker non-vote will occur. Because brokers or nominees may vote on each of the three proposals contained in this proxy statement without specific voting instructions from the beneficial owner, no broker non-votes will occur with respect to the voting on any of these proposals at the annual meeting.

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ELECTION OF DIRECTORS

(Proposal No. 1 of the Proxy Card)

The Acxiom board of directors currently consists of eleven members divided into three classes. William T. Dillard II, Thomas F. McLarty, III, Jeffrey W. Ubben and R. Halsey Wise, whose terms expire in 2008, are the board's nominees for election at the 2008 Annual Meeting for terms ending at the 2011 Annual Meeting of Stockholders or at such time as their respective successors are duly elected and qualified. The other current directors are Michael J. Durham, Ann Die Hasselmo, William J. Henderson and John A. Meyer, whose terms expire at the 2009 Annual Meeting or at such time as their respective successors are duly elected and qualified, and Mary L. Good, Stephen M. Patterson and Kevin M. Twomey, whose terms expire at the 2010 Annual Meeting or at such time as their respective successors are duly elected and qualified. Unless otherwise directed, the individuals named in the accompanying form of proxy will vote that proxy for the election of the nominees, with each to hold office for a term of three years until the 2011 Annual Meeting or until their respective successors are duly elected and qualified. In case a nominee is unable to serve, the persons named in the form of proxy may vote for another nominee of their choice. For each nominee and each director who will continue to serve after the Annual Meeting, there follows a brief listing of his/her principal occupations for at least the past five years, other major affiliations, year first elected to the board, age, and educational background.

Nominees for Director

William T. Dillard II

Year First Elected 1988

Age 63

Mr. Dillard has served as a member of the Dillard's, Inc. board of directors since 1968 and currently serves as the chairman of the board and chief executive officer of Dillard's, Inc. of Little Rock, Arkansas, a chain of traditional department stores with approximately 330 retail outlets in 29 states. In addition to Dillard's, Inc., Mr. Dillard is also a director of Barnes & Noble, Inc., a publicly held company, and serves on the J.P. Morgan Chase & Co. national advisory and Texas Regional advisory boards. For the past two years, he has served as the lead independent director of Acxiom. He holds a master's degree in business administration from Harvard University and a bachelor's degree in the same field from the University of Arkansas.

Thomas F. McLarty, III

Year First Elected 1999

Age 62

Mr. McLarty is president of McLarty Associates, an international advisory firm (formerly Kissinger McLarty Associates formed in partnership with former Secretary of State Henry Kissinger), and chairman of the board of the McLarty Companies, a family-owned transportation business. He serves on the board of Union Pacific Corporation and IdleAire Technologies Corporation, both publicly held companies. He is also senior advisor to The Carlyle Group private equity firm and a senior advisor to the law firm of Covington & Burling. Mr. McLarty served in the White House under President Clinton in several key positions including chief of staff, counselor to the president and special envoy for the Americas, with over five years of service in the President's Cabinet and on the National Economic Council. He worked with President Carter as a member of the Democratic National Committee, was appointed to the National Petroleum Council and the National Council on Environmental Quality by President Bush, and served on the St. Louis Federal Reserve Board from 1989 until joining the Clinton administration in 1992. Prior to his tenure in the White House, Mr. McLarty served as chairman of the board of Arkla, a *Fortune* 500 natural gas company. He began his business

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career with the McLarty Companies, where he helped build the business into one of the nation's largest transportation companies. Mr. McLarty is a senior international fellow at the U.S. Chamber of Commerce and a member of the Council on Foreign Relations. He holds a degree in business administration from the University of Arkansas.

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Jeffrey W. Ubben

Year First Appointed 2006

Age 46

Mr. Ubben is a founding member and managing partner of ValueAct Capital. Prior to founding ValueAct Capital in 2000, Mr. Ubben was a managing partner at Blum Capital Partners ("Blum") for more than five years. During his tenure at Blum, the actively managed assets under management grew more than five-fold, from \$336 million to approximately \$1.8 billion. Previously, Mr. Ubben spent eight years at Fidelity Management and Research where he managed two multi-billion-dollar mutual funds, including the Fidelity Value Fund, and served as a research analyst for a variety of industry sectors. Mr. Ubben currently serves as a director of three other publicly held companies: Gartner Group, Inc., Misys, plc, and Omnicare, Inc. He is a former chairman of the board and director of Martha Stewart Living Omnimedia, Inc., a former director of Catalina Marketing Corp., Insurance Auto Auctions, Inc., Mentor Corporation, Per-Se Technologies, Inc., Seitel, Inc., and several other public and private companies. In addition, Mr. Ubben serves as chairman of the national board of The Posse Foundation and is a board member of the American Conservatory Theater. He holds a B.A. degree from Duke University and an M.B.A. from the J. L. Kellogg Graduate School of Management at Northwestern University.

R. Halsey Wise

Year First Appointed 2006

Age 43

Mr. Wise is chairman, chief executive officer and president of Intergraph Corporation, a leading global provider of spatial information management software. He has served since 2003 as a member of the Intergraph board of directors and in 2006 became a director of Intergraph Holding Company, Intergraph's parent company. Prior to joining Intergraph, he served as chief executive officer, North America of Solution 6 Holdings, Ltd., one of Australia's largest software companies and a global leader in the Professional Services Automation (PSA) software market. Prior to that, Mr. Wise was president and chief operating officer of Computer Management Sciences, Inc. (NASDAQ:CMSX), an information technology software and services company that was later acquired by Computer Associates International (NYSE: CA). At Computer Associates, he was general manager, North America for Global Professional Services. Prior to that, Mr. Wise was an investment banker specializing in software and technology services with The Robinson-Humphrey Company. Mr. Wise holds a masters degree in finance and marketing from the J. L. Kellogg Graduate School of Management at Northwestern University and a B.A. degree in history from the University of Virginia.

Directors Terms Ending in 2009

Michael J. Durham

Year First Elected 2006

Age 57

Mr. Durham, non-executive chairman of the Acxiom board of directors, is president and chief executive officer of Cognizant Associates, Inc., a consulting firm based in Dallas, Texas, which he founded in 2000. During the 20 years prior to forming Cognizant Associates, Mr. Durham served at various times as president and chief executive officer of Sabre, Inc.; as senior vice president and treasurer of AMR; and as senior vice president of finance and chief financial officer of American Airlines. He also held various other positions within the finance area at AMR.

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Mr. Durham currently serves as the non-executive chairman of the board of Asbury Automotive Group, Inc.; as a director and audit committee member of Hertz Global Holdings, Inc.; and as a director and chairman of the audit committee of NWA, Inc. All of the foregoing are publicly held companies. He is also a director and chairman of the Audit Committees of Culligan International and SCI Solutions, both privately held companies. Mr. Durham serves on the board of visitors of the University Medical Center in Dallas and is a member of the University of Rochester Honorary Trustees Alumni Council. He holds a master's degree in business administration from Cornell University and a bachelor's degree in economics from the University of Rochester.

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Ann Die Hasselmo, Ph.D.

Year First Elected 1993

Age 63

Dr. Hasselmo is president of the American Academic Leadership Institute (AALI) (formerly Academic Search Consultation Service and the parent company of Academic Search, Inc.) in Washington, D.C. AALI is focused on leadership development for higher education and provides programs and grants that promote the success of college and university presidencies and the institutions they serve. Prior to assuming her current position with AALI/Academic Search, Dr. Hasselmo was vice president and partner in A.T. Kearney, Inc.'s higher education practice. From 1992 - 2001, she served as president of Hendrix College in Conway, Arkansas. She served as a member of the board of visitors of Air University of the U.S. Air Force and as a member of the board of directors of the National Merit Scholarship Corporation. She is past chair of the board of directors for Educational and Institutional Insurance Administrators, the National Association of Independent Colleges and Universities, the National Collegiate Athletic Association (NCAA) Division III President's Council, and the American Council on Education's Council of Fellows. Her memberships have included the American Council on Education board, the Arkansas Repertory Theatre board and the NCAA Executive Committee. She formerly served as dean of H. Sophie Newcomb College and associate provost at Tulane University. Dr. Hasselmo graduated summa cum laude from Lamar University, and holds a master's degree from the University of Houston and a Ph.D. in counseling psychology from Texas A&M University.

William J. Henderson

Year First Elected 2001

Age 61

Mr. Henderson currently works as a consultant. In the past two and one-half years he has served as chief executive officer of Bestline Research and as chief operating officer of Netflix Inc. From 1998 until his retirement in 2001, Mr. Henderson was the 71st postmaster general of the United States Postal Service (USPS) and the fifth career employee to lead the world's largest postal system. From 1994 until his appointment as postmaster general and chief executive officer of the USPS, he served as its chief operating officer. From 1992 to 1994, he served the USPS as vice president of employee relations, then became chief marketing officer and senior vice president. In addition to his service in Washington, D.C., he has served in postal management positions in Chicago, IL; Greensboro, NC; Memphis, TN; and Stockton, CA, among other locations. In 1997, Mr. Henderson received the USPS John Wanamaker Award, and in 1998 he received American University's Roger W. Jones Award for Executive Leadership. In 1998, Mr. Henderson also received an honorary Mailing Excellence Award from the National Postal Forum for his work with the nation's professional mailing industry. Mr. Henderson serves as a director of comScore Networks, a public company. He also serves on the boards of the Committee for Economic Development, the Marrow Donor Foundation and Nature's Best magazine. He is a partner of Signature Systems, and a fellow with the National Academy of Public Administration. Mr. Henderson holds a degree in industrial relations from the University of North Carolina at Chapel Hill and served in the U.S. Army.

John A. Meyer

Year First Elected 2008

Age 51

Mr. Meyer is the Company's chief executive officer and president. Mr. Meyer joined the Company in February 2008 as chief executive officer and president. From 2003 - 2008 he was employed by Alcatel-Lucent, a global communications network firm as president of the Alcatel-Lucent Services Group, in which position he was responsible for more than \$6 billion in annual revenue and the management of more than 20,000 people. The group he led designed, implemented and managed some of the most sophisticated communications networks in the world. Prior to joining Lucent, Mr. Meyer spent nearly 20 years at Electronic Data Systems, Inc. (EDS), where he held a number of positions including head of

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the financial industry business in the United States and President of the Europe, Middle East and Africa region. Mr. Meyer holds an M.B.A. in quantitative methods from the University of Missouri and a bachelor of science degree in management from Pennsylvania State University. He also served in the U.S. Air Force from 1979 to 1983 as a flight commander, achieving the rank of captain.

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Directors Terms Ending in 2010

Mary L. Good, Ph.D.

Year First Elected 2004

Age 77

Dr. Good is the dean of the Donaghey College of Engineering and Information Technology at the University of Arkansas at Little Rock and is the Donaghey University Professor. She is also a managing member for Fund for Arkansas, LLC and Research Solutions, LLC, and serves on the boards of Delta Trust & Bank and St. Vincent Infirmary. She has served previously on the boards of the following public companies: Biogen Idec, Inc.; IDEXX Laboratories, Inc.; Cincinnati Milacron, Inc.; and Ameritech, Inc. Previously, Dr. Good served for four years as the undersecretary for technology for the technology administration in the Department of Commerce in President Clinton's administration, while simultaneously chairing the National Science and Technology Council's Committee on Technological Innovation (NSTC/CTI) and serving on the National Science and Technology Council's Committee on National Security. From 1988 - 1993, Dr. Good served as the senior vice president of technology at Allied Signal, Inc., where she was responsible for technology transfer, corporate research and commercialization support for new technologies. During the eight years prior to that time, she held the positions of president of Allied Signal's Engineered Material Research Center, president of Signal Research Center, Inc., and director of research for UOP, Inc. From 1954 - 1980, Dr. Good was a professor at both the University of New Orleans and at Louisiana State University, where she achieved that University's highest professional rank, Boyd professor. She was appointed to the National Science Board by President Carter in 1980 and again by President Reagan in 1986. She served as chairman of that board until she was appointed in 1991 by President Bush to become a member of the President's Council of Advisors on Science and Technology (PCAST). Dr. Good is an elected member of the National Academy of Engineering, a past president of the American Chemical Society, and past president and a fellow of the American Association for the Advancement of Science. Dr. Good holds a bachelor of science degree in chemistry from the University of Central Arkansas, and M.S. and Ph.D. degrees in inorganic chemistry from the University of Arkansas. She has received numerous awards and honorary degrees from many colleges and universities, including most recently the College of William and Mary, Polytechnic University of New York, Louisiana State University and Michigan State University.

Stephen M. Patterson

Year First Elected 2000

Age 57

Mr. Patterson is the former chief executive officer, president and major stockholder of Leisure Arts, a publishing and direct mail company. Leisure Arts was acquired by Time Warner in 1992. Mr. Patterson is currently president of Patterson Enterprises. He is vice chairman of the board of trustees of Hendrix College. Mr. Patterson served on the board of directors of Worthen Bank and its successor, Bank of America Arkansas, for 12 years. Mr. Patterson holds a bachelor's degree from Hendrix College and an electrical engineering degree and an M.B.A. from Columbia University.

Kevin M. Twomey

Year First Elected 2007

Age 61

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Mr. Twomey was president of The St. Joe Company, a major Florida-based real estate development and operating company, from February 1999 until his retirement in May 2006. He held the posts of chief financial officer of that company from February 1999 to March 2005, and chief operating officer from February 2000 until his retirement. He remained a consultant to the company until December 2006. Mr. Twomey is currently a director and chairman of the audit committee of PartnerRe (NYSE: PRE), an international reinsurance company. He is a director and chairman of the audit committee of Doral Financial Corporation (NYSE:DRL), a diversified financial services company. He previously served as a director of Intergraph Corporation from December 2004 until its sale in November 2006, and of Novelis from May 2006 until its sale in May 2007. Prior to joining The St. Joe Company, Mr. Twomey was vice chairman of the board of directors and chief financial officer of H.F. Ahmanson & Company and its principal subsidiary, Home Savings of America. Prior to joining Ahmanson in 1993, he was chief financial officer at First Gibraltar Bank, a company owned by MacAndrews & Forbes Holdings. Mr. Twomey also held

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management positions with MCorp and Bank of America. He serves on the board of trustees of the University of North Florida and the U.S. Navy Supply Corps Foundation, and is the chairman of the board trustees of the United Way of Northeast Florida.

Board of Directors Recommendation

The board of directors recommends that the stockholders vote **FOR** the election of Messrs. Dillard, McLarty, Ubben and Wise as directors.

Corporate Governance

Our board of directors believes that good corporate governance is important to ensure that Acxiom is managed for the long-term benefit of our stockholders. This section describes key corporate governance practices that we have adopted. Complete copies of the committee charters and codes of conduct described below are available on the Company's website at www.acxiom.com, or you may request a printed copy of them by sending a written request to the Corporate Secretary at Acxiom Corporation, 601 East Third Street, Little Rock, Arkansas, 72201. Acxiom's management and the board of directors closely monitor corporate governance developments and will continue to evaluate their duties and responsibilities with the intention of complying with all applicable laws, rules and regulations.

Board and Committee Matters

Mr. Durham, an independent director, is the non-executive chairman of the board, and independent directors constitute a majority of the board. The board has determined that the following directors currently qualify as independent under the NASDAQ listing standards: Mr. Dillard, Mr. Durham, Dr. Good, Dr. Hasselmo, Mr. Henderson, Mr. Patterson, Mr. Twomey, Mr. Ubben and Mr. Wise. In making these determinations, the board reviewed the directors' relationships, if any, with Acxiom, and determined that there are no relationships which would impair any director's ability to exercise independent judgment in carrying out his or her responsibilities as a director. Additionally, the board has affirmatively determined that there are no other factors involving any of the independent directors which would interfere with their ability to exercise independent judgment in carrying out their responsibilities as directors.

Quarterly meetings of the board are held to review the Company's financial performance and other significant developments and to act on matters requiring board approval. If issues arise which require the full board's attention between regularly scheduled meetings, special meetings are called or action is taken via written consent. Time is allotted at the end of each board and committee meeting for the independent directors to meet in executive session outside the presence of management.

The board currently has five standing committees to assist it in the discharge of its responsibilities. All of the members of the audit, compensation and governance/nominating committees have been determined by the board to be independent under applicable NASDAQ listing standards. A description of each of the standing committees is set forth below:

Audit Committee

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The members of the audit committee currently are Mr. Patterson (Chair), Dr. Hasselmo, Mr. Henderson and Mr. Twomey, each of whom is deemed independent under the NASDAQ listing standards and the rules of the Securities and Exchange Commission.

The audit committee assists the board in overseeing Acxiom's financial statements and financial reporting process; disclosure controls and procedures; systems of internal accounting and financial controls; independent auditors' engagement, performance, independence and qualifications; internal audit function; risk management; and legal, regulatory compliance and ethics programs as established by management and the board. The board has determined that Mr. Patterson and Mr. Twomey are audit committee financial experts as defined in the rules of the Securities and Exchange Commission. The committee's charter is posted on the Company's website.

Compensation Committee

The members of the compensation committee currently are Mr. Dillard (Chair), Dr. Good, Mr. Ubben and Mr. Wise, each of whom is deemed independent under the NASDAQ listing standards.

The compensation committee assists the board in fulfilling its oversight responsibility related to the compensation programs, plans and awards for Acxiom's executive officers, and it administers the Company's equity-based compensation plans. The committee annually reviews and approves goals and objectives for the CEO, evaluates his performance, and makes a recommendation to the full board regarding his compensation. The committee's charter is posted on the Company's website.

Finance Committee

The members of the finance committee currently are Mr. Wise (Chair), Mr. Dillard, Mr. McLarty, Mr. Twomey and Mr. Ubben.

The finance committee monitors all major financial matters pertaining to the Company, assists the board in long-range financial planning, and makes recommendations regarding the Company's capital and debt structure. It recommends and prioritizes capital and financial commitments, monitors related performance measurements, and reviews annual operating and capital budgets and performance measures. It also reviews large capital and unbudgeted expenditures. Proposed acquisitions and divestitures are reviewed by the committee, and it makes recommendations regarding the Company's hedging, dividend and tax policies. The committee's charter is posted on the Company's website.

Governance/Nominating Committee

The members of the governance/nominating committee currently are Mr. Henderson (Chair), Dr. Good, Dr. Hasselmo and Mr. Patterson, each of whom is deemed independent under the NASDAQ listing standards.

This committee is responsible for reviewing and recommending to the board the following: corporate governance principles; management succession plan; structure of board committees; compensation of directors; self-evaluation process for the board; ethics compliance programs; director orientation; and education programs. In addition, the committee is charged with reviewing and approving related-party transactions between Acxiom and any of its officers, directors or affiliates that would be required to be reported in the annual proxy statement under SEC rules and regulations. No related-party transaction will be approved unless it is deemed by the committee to be commercially reasonable and in the best interests of, or not inconsistent with the best interests of, the Company. The committee's charter is posted on the Company's website.

The committee is also responsible for screening and recommending qualified candidates to the board for membership, and for annually recommending to the board the nominees for director to be submitted for election at each annual meeting of stockholders. All nominations or appointments to the board are approved by the full board of directors. When formulating its membership recommendations, the committee considers any advice and recommendations offered by the CEO or by the stockholders. Committee members who are up for reelection recuse themselves from any discussion or votes regarding their own nominations.

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The committee is responsible for assessing the appropriate balance of skills and characteristics required of board members. Nominees for director must meet the qualifications set forth in our corporate governance principles and the governance/nominating committee charter, copies of which are posted in the corporate governance section of our website at www.acxiom.com. Among the various criteria for selection as a board member are the level of a potential candidate's experience, wisdom, integrity, ability to make independent analytical inquiries, understanding of our business environment, willingness to devote

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adequate time to board duties, and a commitment to serve on the board for an extended period of time. Directors should possess the highest personal and professional ethics and values, and be committed to representing the long-term interests of the stockholders. They should have an objective perspective and mature judgment. We endeavor to have a board representing diverse experience at policy-making levels in business, government, education and technology.

Nominees must also comply with the board of directors' code of business conduct and ethics, a copy of which is posted in the corporate governance section of our website at www.acxiom.com. In accordance with the terms of the Company's corporate governance principles, any nominees proposed by stockholders will be evaluated by the governance/nominating committee in the same manner as nominees proposed by other sources. To be considered by the governance/nominating committee, a stockholder nominee must be submitted to the corporate secretary at the address and within the timeframe specified under the section of the Proxy Statement entitled "Stockholder Proposals."

Board Policy on Nominees Recommended by Security Holders. It is the policy of the board that representatives of institutional investors may be considered for board membership so long as the institution (a) does not own or control significant holdings (i.e., more than five percent of the total outstanding shares or other equity units) in businesses that are competitive with the Company; (b) fully discloses, on an ongoing basis, any currently existing and/or reasonably foreseeable conflicts of interest with the Company and/or its other stockholders; and (c) agrees to comply with the Company's stock trading guidelines applicable to directors and senior members of management, as currently in force or as may be in force in the future.

Executive Committee

The members of the executive committee currently are Mr. Meyer (Chair), Mr. Dillard and Mr. Durham.

The executive committee implements the policy decisions of the full board and handles routine matters which arise during the interim periods between board meetings consistent with the authority which has been delegated to the committee by the board.

Other Committees

In addition to the standing committees described above, the board may establish special, single-purpose committees to deal with a particular event or situation. In the past fiscal year, two such committees were formed. In April 2007 a committee (the "special committee") was appointed to negotiate a proposed merger agreement between the Company and Silver Lake Partners and ValueAct Capital. The chairman of this committee was Mr. Durham and its members were Mr. Dillard, Dr. Good and Mr. Wise. The committee was dissolved after the proposed merger agreement was terminated on October 1, 2007. A second committee (the "search committee") was formed in October 2007 for the purpose of recruiting a new chief executive officer for the Company. This committee was chaired by Mr. Wise and its members were Dr. Hasselmo, Mr. McLarty and Charles D. Morgan, the Company's former Company Leader and Chairman of the Board. It was dissolved in January 2008 following the selection of Mr. Meyer as CEO.

Meetings Held During Past Fiscal Year

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During fiscal year, the board met twenty-eight times, the audit committee met four times, the compensation committee met six times, the finance committee met two times, and the governance/nominating committee met seven times. The independent members of the board met one time and the special committee met thirty times. There was one formal meeting of the search committee, after which two of the individual committee members carried out the majority of the work of the committee. Action pursuant to unanimous written consent in lieu of a meeting was taken five times by the compensation committee, four times by the executive committee and two times by the special committee. All of the directors attended at least 75% of the aggregate number of meetings of the board and of the committees on which they served during the past fiscal year. Executive sessions of the independent directors are held at each quarterly board meeting and may be held at any other meeting if the independent directors

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so desire. Directors are expected to attend all board and stockholder meetings whenever possible. At the 2007 Annual Meeting of Stockholders, seven directors were in attendance.

Stockholder Communication with Directors

Stockholders may contact an individual director, the lead independent director, the board as a group, or a specified board committee or group, including the non-employee directors as a group, as follows:

Mail: Acxiom Board of Directors
P.O. Box 250266

Little Rock, AR 72225-0266

E-mail: Directors@acxiom.com

Telephone: 866-513-0188 or 501-342-8888

Each communication should specify the applicable addressee or addressees to be contacted as well as the general topic of the communication. Communications relating to Acxiom's accounting, internal accounting controls, or auditing matters will be referred to members of the audit committee. Incoming messages are monitored by an independent third party who receives and processes the communications before forwarding them to the addressee. Depending on the subject matter, communications may be referred to departments within Acxiom. Communications that are primarily commercial in nature, as well as marketing solicitations, will generally not be forwarded to the directors.

Compensation Committee Interlocks and Insider Participation

No compensation committee interlocks exist with respect to the board's compensation committee, nor do any present or past officers of Acxiom serve on the compensation committee.

PROPOSAL TO AMEND THE 2005 EQUITY COMPENSATION PLAN

(Proposal No. 2 of the Proxy Card)

Under the Company's 2005 Equity Compensation Plan (the "Plan"), the shareholders have previously approved 20.3 million shares for issuance. No increase in the number of shares available under the Plan is currently being sought. On May 23, 2008, the board of directors voted to amend the Plan so as to increase the Internal Revenue Code Section 162(m) limits under the Plan. Section 162(m) requires that a plan state a maximum amount of stock option and performance-based awards that may be granted to a participant in any 12-month period in order for any associated performance-based expense above \$1,000,000 to be deductible by a company. There is no Internal Revenue Code formula or limit to determine what these maximums should be. Most companies determine their plan maximums based upon their anticipated future needs. The Plan previously specified maximums of 200,000 stock options and 50,000 restricted stock units ("RSUs") or other similar performance awards, which the board has determined are no longer adequate. Under the amendment approved by the board, the maximums would be increased to 400,000 for both stock options, RSUs and other similar awards. The board reached this determination based on the advice of its compensation consultant, Hewitt Associates LLC, and upon a review of peer companies' practices.

The Plan has been restated to reflect this amendment, which is now being submitted for approval by the stockholders. A copy of the Plan is attached as Appendix A to this proxy statement. If the stockholders do not approve this proposal, the Plan will remain as it currently is (without the increase in the Section 162(m) limits).

The board of directors is not recommending that there be any increase in the total number of shares available for grant under the Plan at this time, nor is the board recommending that there be any increase in the number of restricted shares or other full value awards that may be granted under the Plan. The proposed amendment pertains only to the Section 162(m) limits in the Plan.

Information About the Plan

The purpose of the Plan is to align long-term incentive compensation with the Company's business strategies and with stockholder and investor interests, and to recruit and retain key individuals. We believe that providing employees with a proprietary interest in Acxiom's business and, therefore, a more direct stake in its continuing welfare, will better align their interests with those of our stockholders. The following summary is a description of the Plan. Stockholders are encouraged to read the entire Plan as set forth in Appendix A for a complete understanding of its provisions.

Stockholders first approved the Plan at the 2000 annual meeting. Until the Plan was amended to include other equity vehicles in 2005, stock options were the only types of equity issued under the Plan. Since 2005 RSUs and performance units have also been issued under the Plan. As of June 6, 2008, of the 20.3 million shares previously approved by the stockholders for issuance under the Plan, there remained 5,271,992 shares available for future issuance. An additional 267,808 shares are available for issuance under other equity plans of the Company, making a total of 5,539,800 shares available for issuance under all plans. Options to purchase 11,256,703 million shares of Acxiom common stock are currently outstanding. These options have a weighted average exercise price of \$22.03 per share and a weighted average remaining contractual life of 7.68 years. As of June 6, 2008 there were 1,820,644 full-value awards outstanding and 77,494,963 shares of common stock outstanding. A total of 1,597,123 RSUs have been granted under the Plan, of which 1,340,006 remain unvested. A total of 480,638 performance units have been granted under the Plan, all of which are unvested. The compensation committee takes external market and regulatory developments into consideration when determining long-term incentive strategies and revises its policies from time to time so as to better align leadership long-term incentive compensation with the Company's business strategies and with stockholder and investor interests.

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Stock Options and Stock Appreciation Rights. Under the Plan, either incentive stock options or stock options that do not qualify as incentive options (non-qualified stock options) may be granted. See the discussion regarding options below under Federal Income Tax Treatment. To date, only non-qualified stock options have been granted under the Plan. Stock appreciation rights (SARs) are also available for grant under the Plan. To date, no SARs have been granted.

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Other Forms of Equity Interests. Restricted stock, RSUs, performance awards and other stock unit awards may be granted under the Plan. These awards may be subject to performance criteria being met either by the Company, by the participant, or both. A minimum vesting period of two years is imposed on such grants, with the exception of a total of 100,000 shares, which may be awarded with no vesting period.

Shares Reserved for Issuance. The total number of shares of the Company's common stock currently approved by the stockholders for issuance under the Plan is 20.3 million. Any shares of Acxiom stock subject to an award that is forfeited, or any shares that are subject to an option that is canceled or unexercised within the exercise period, will be available for re-issuance under the Plan. To the extent any shares of Acxiom common stock subject to an award are not delivered to a participant because the shares are used to satisfy an applicable tax withholding obligation, those shares will again be available for delivery in connection with awards under the Plan. If an optionee delivers previously owned shares to the Company in payment of the exercise price of an option, only the net number of option shares issued to the optionee will be counted against the remaining shares available for grant under the Plan. In the event there is any change in the number of shares of Acxiom stock subject to the Plan resulting from a merger, consolidation, reorganization, recapitalization, stock dividend, stock split or similar occurrence, then the number of shares reserved for issuance, the number of shares for which options may be granted to any one participant, and the number of shares and the price per share subject to outstanding options will be proportionally adjusted.

Administration. The Plan specifies that that it will be administered by the board of directors or the compensation committee of the board, and their lawful designees. The administrator makes determinations such as to whom awards will be made, what type of awards will be made, how many shares will be subject to each grant, the duration and exercise price of stock options, vesting schedules, performance criteria, conditions upon which a grant may be forfeited, and any restriction, limitation, procedure or deferral related to a grant. The compensation committee or the board may establish any rules and regulations it considers necessary to administer the Plan. All determinations of the compensation committee or the board will be final and conclusive for all purposes.

Eligible Participants. Company employees, directors, affiliates, independent contractors and consultants of Acxiom or any subsidiary or affiliated company are eligible to participate in the Plan.

Stock Options. The exercise price for stock options may not be less than 100% of the fair market value of Acxiom common stock on the date of the grant. Without the further approval of the stockholders, no outstanding stock option granted under the Plan may be amended to reduce the exercise price or canceled in consideration for an award having a lower exercise price. This will not, however, prohibit adjustments related to stock splits, stock dividends, recapitalizations and other changes in the corporate structure or shares of Acxiom. The duration of options granted under the Plan, including the duration of options following a participant's termination of employment, death or disability, is determined by the compensation committee or the board in its sole discretion. Non-qualified options granted under the Plan may not be exercised more than 12 years after the date of grant, and incentive options may not be exercised more than ten years after the date of the grant, although each may be granted for a lesser duration. Incentive options granted to a participant owning more than 10% of the total combined voting power of all classes of Acxiom stock may not be exercised more than five years from the date of grant.

At the time of exercise of an option, a participant must pay the full exercise price of the option in cash, by check or electronic funds transfer. Additionally, a participant may pay the exercise price by one of the following additional forms of payment, as may be approved by the compensation committee or board:

- via a broker's cashless exercise (*i.e.*, through the sale of shares, by way of a broker, acquired upon exercise of the option having a fair market value equal to the exercise price pursuant to procedures approved by Acxiom);
- by delivering previously-owned shares of Acxiom common stock owned by the participant for at least six months and having a fair market value equal to the exercise price;
- by authorizing Acxiom to withhold a number of shares of Acxiom common stock otherwise issuable to the participant upon exercise of an option having a fair market value equal to the exercise price; or
- by any combination of the above.

Restricted Stock and Restricted Stock Units. Restricted stock awards comprise shares of Acxiom common stock that are forfeitable until the restrictions imposed by the board or the compensation committee lapse. Awards of RSUs provide the right to receive either shares, cash or a combination thereof upon the lapse of restrictions imposed by the board or the compensation committee. Awards of restricted stock and RSUs may be subject to time-based restrictions, performance-based restrictions, or both.

Performance Awards. The Plan also authorizes the award of performance awards, in the form of either performance shares or performance share units, on any terms and conditions that the board or compensation committee deem desirable. Performance awards may be paid in cash, in shares, or a combination thereof, as determined by the board or the compensation committee.

The board or the compensation committee may set performance goals that, depending on the extent to which they are met during a performance period applicable to an award, will determine the number of performance shares or units that will be delivered to a participant at the end of the performance period. The performance goals may be set at threshold, target, and maximum performance levels, and the number of performance shares or units to be delivered may be tied to the degree of attainment of the various performance levels specified under the various performance goals during the performance period. No payment may be made with respect to a performance award if any specified threshold performance level is not attained.

If performance awards are intended to satisfy the conditions for deductibility under Section 162(m) of the Internal Revenue Code as performance-based compensation, the awards will contain pre-established objective performance goals for each performance period using one or more of the following performance measures:

earnings (either in the aggregate or on a per-share basis, reflecting dilution of shares as the compensation committee deems appropriate and, if the compensation committee so determines, net of or including dividends) before or after interest and taxes (EBIT) or before or after interest, taxes, depreciation, and amortization (EBITDA);
gross or net revenue or changes in annual revenues;

cash flow(s) (including operating, free or net cash flows);

financial return ratios;

total stockholder return, stockholder return based on growth measures or the attainment by the shares of a specified value for a specified period of time;

share price, or share price appreciation;

earnings growth or growth in earnings per share;

return measures, including return or net return on assets, net assets, equity, capital, investment, or gross sales;

adjusted pre-tax margin;

pre-tax profits;

operating margins;

operating profits;

operating expenses;

dividends;

net income or net operating income;

growth in operating earnings or growth in earnings per share;

value of assets;

market share or market penetration with respect to specific designated products or product groups and/or specific geographic areas;

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aggregate product price and other product measures;

expense or cost levels, in each case, where applicable, determined either on a company-wide basis or in respect of any one or more specified divisions;

reduction of losses, loss ratios or expense ratios;

reduction in fixed costs;

operating cost management;

cost of capital;
debt reduction;
productivity improvements;
satisfaction of specified business expansion goals or goals relating to acquisitions or divestitures;
customer satisfaction based on specified objective goals or an Acxiom-sponsored customer survey; or
employee diversity goals.

The compensation committee will designate individuals eligible for an award of performance shares within the first 90 days of a year (or in the case of a performance period other than a year, no later than the date on which 25 percent of the performance period has lapsed) if such award is intended to qualify as performance-based compensation under Section 162(m) of the Internal Revenue Code.

Performance goals may be applied to Acxiom as a whole (or a division, organization, or other business unit thereof), a subsidiary, an affiliated company, or of an individual participant, and may be set at a specific level or expressed as a relative percentage to the comparable measure at comparison companies or a defined index. Performance goals shall, to the extent applicable, be based upon generally accepted accounting principles, but may be adjusted by the compensation committee to take into account the effect of the following: (a) changes in accounting standards that may be required by the Financial Accounting Standards Board (or any applicable successor entity) after the performance goal is established; (b) realized investment gains and losses; (c) extraordinary, unusual, non-recurring, or infrequent items; (d) non-GAAP financial measures that have been included in Acxiom's quarterly earnings releases and disclosed to investors in accordance with SEC regulations; and (e) any other items as the compensation committee determines to be required so that the operating results shall be computed on a comparative basis from period to period. Determinations made by the compensation committee shall be based on relevant objective information and/or financial data, and will be final and conclusive with respect to all affected parties.

Other Awards. Other awards of shares and other awards that are valued in whole or in part by reference to, or are otherwise based on, shares of Acxiom common stock or other property may be granted under the Plan to participants, either alone or in addition to other awards under the Plan. Other stock awards may be paid in shares, cash or any other form of property as the compensation committee or the board may determine. Subject to the provisions of the Plan, the compensation committee or the board shall have sole and complete authority to determine who will receive such an award, the times at which such awards shall be made, the number of shares to be granted, and all other terms and conditions of such awards.

Amendment and Termination. The compensation committee or the board may amend the Plan and/or the terms of outstanding awards or grants; provided, however, that if an amendment would (i) materially increase the benefits to participants under the Plan, (ii) increase the aggregate number of shares that may be issued under the Plan, or (iii) materially modify the requirements for participation in the Plan by materially increasing the class or number of persons eligible to participate, then stockholder approval must be obtained. To the extent necessary to comply with applicable laws and regulations, certain other amendments to the Plan or to any outstanding grant may require stockholder approval. Any amendment that would impair the rights of a participant may not be made without the participant's consent. The Plan may be terminated at any time by the board. No termination, however, will adversely affect the terms of any outstanding awards under the Plan.

Change of Control. In connection with a change of control, which may include a merger or consolidation of Acxiom, a sale of all or substantially all of its assets, the acquisition of a significant percentage of the voting power of the Company or similar occurrence, the committee or board may determine that: (1) any outstanding options may become immediately exercisable; (2) any outstanding options may terminate within a specified number of days after notice to the affected participants, and the participant will receive an amount of cash equal to the excess of the fair market value of the shares immediately prior to the occurrence of the change of control (which shall be no less than the value being paid for such shares in the transaction) over the exercise price of the option; (3) restrictions and deferral limitations applicable to any restricted stock or RSU awards may become free of all restrictions and become fully vested and transferable; (4) all performance awards may be considered to be prorated, and any deferral or other restriction may lapse and such awards may be immediately settled or distributed; (5) the restrictions and deferral limitations and other conditions applicable to any other stock unit awards or any other types of awards

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granted under the Plan may lapse, and such awards may become free of all restrictions, limitations or conditions and become fully vested and transferable to the full extent of the Award not previously forfeited or vested.

Federal Income Tax Treatment. The following discussion generally outlines certain U.S. federal income tax consequences of participating in the Plan and is based on current U.S. laws and regulations, all of which are subject to change. This summary does not constitute tax advice and does not attempt to describe all of the possible tax consequences that could result from the acquisition, holding, exercise or disposition of any equity award made under the Plan or any of the underlying shares of common stock. Because of the variety of awards that may be made under the Plan and the complexities of the tax laws, participants are encouraged to consult a tax advisor as to their individual circumstances.

Non-Qualified Stock Options. There are currently no federal income tax consequences to either the participant or Acxiom upon the grant of a non-qualified option. Upon the exercise of a non-qualified option, the participant will recognize ordinary compensation income in an amount equal to the excess of the fair market value of each share on the date of exercise over the option price, and Acxiom generally will be entitled to a federal income tax deduction in the same amount. Special rules apply to a participant who exercises a non-qualified option by paying the exercise price, in whole or in part, by the transfer of shares of previously-owned Acxiom common stock.

Incentive Stock Options. There are currently no federal income tax consequences to either the participant or Acxiom upon the grant of an incentive option. The participant will not have to recognize any income upon the exercise of an incentive option, and Acxiom will not be allowed any deduction, as long as the participant does not dispose of the shares within two years from the date the incentive option was granted or within one year from the date the shares were transferred to the participant. Upon the sale of the shares after the holding period requirement is satisfied, the participant will recognize a long-term capital gain (or loss) measured by the excess (or deficit) of the amount realized from the sale over the exercise price of the shares, but no deduction will be allowed to Acxiom. If a participant disposes of shares before the holding period is satisfied, the participant will recognize ordinary income in the year of the disposition, and Acxiom will be entitled to a corresponding deduction, in an amount equal to the lesser of (1) the excess of the fair market value of the shares on the date of exercise over the exercise price of the shares, or (2) the excess of the amount realized from the disposition over the exercise price of the shares. Where shares are sold before the holding period is satisfied, the participant will also recognize a capital gain to the extent that the amount realized from the disposition of the shares exceeded the fair market value of the shares on the date of exercise.

Other Equity Incentives. In general, upon the grant of stock appreciation rights and certain performance shares, a participant would recognize no taxable income and Acxiom would receive no deduction. Generally, at the time a participant receives payment under any of these other equity incentive awards, the participant will recognize compensation taxable as ordinary income in an amount equal to the cash or fair market value of the common stock received, and Acxiom would be entitled to receive a corresponding deduction.

A participant will not be taxed upon the grant of an equity award, including restricted stock and RSUs, if such award is subject to a substantial risk of forfeiture, as defined in the Internal Revenue Code. When the shares of common stock that are subject to such an award are no longer subject to a substantial risk of forfeiture, however, the participant will recognize compensation taxable as ordinary income in an amount equal to the fair market value of the stock subject to the award, less any amount paid for the stock, and the Company will then be entitled to a corresponding deduction. If a participant so elects at the time of receipt of such an award, he or she may include the fair market value of the stock subject to the award, less any amount paid for the stock, in income at that time, and the Company will be entitled to a corresponding deduction at that time.

American Jobs Creation Act of 2004. The American Jobs Creation Act of 2004 added Section 409A to the Internal Revenue Code, generally effective January 1, 2005. The IRS has so far issued only limited guidance on the interpretation of this new law. Section 409A covers most programs that defer the receipt of compensation to a succeeding year. It provides strict rules for elections to defer (if any) and for

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timing of payouts. There are significant penalties placed on an individual participant for failure to comply with Section 409A. However, it does not impact Acxiom's ability to deduct deferred compensation. Certain awards may be granted under the Plan which allow for deferral of compensation.

Code Section 162(m). Awards granted under the Plan may qualify as performance-based compensation under Section 162(m) of the Internal Revenue Code in order to preserve our federal income tax deductions with respect to annual compensation required to be taken into account under Section 162(m) that is in excess of \$1 million and paid to one of our five most highly compensated executive officers. To so qualify, awards must be granted under the Plan by a committee consisting solely of two or more outside directors (as defined under Section 162 regulations) and satisfy the Plan's limit on the total number of shares that may be awarded to any one participant during any calendar year. In addition, for awards (other than certain stock options) to qualify, the grant, issuance, vesting or retention of the award must be contingent upon satisfying one or more of the performance criteria set forth in the Plan, as established and certified by a committee consisting solely of two or more outside directors.

New Plan Benefits

Future awards under the Plan to any participant or groups of participants are made at the discretion of our board of directors and/or the compensation committee. At this time, therefore, the benefits that may be received by any participant or groups of participants under the Plan if our stockholders approve the proposed amendment cannot be determined.

Securities Authorized for Issuance Under Equity Compensation Plans

The following table contains information about our common stock which may be issued upon the exercise of options under our existing equity compensation plans as of the end of fiscal 2008 (March 31, 2008):

Plan category	Number of securities	Weighted-average	Number of securities
	to be issued upon	exercise price of	available for future issuance
	exercise of	exercise price of	under equity compensation
	outstanding options,	outstanding options,	plans (excluding securities
	warrants and rights	warrants and rights	reflected in column (a))
	(a)	(b)	(c)
Equity compensation plans approved by stockholders	10,480,650 ¹	\$21.58	6,568,555
Equity compensation plans not approved by stockholders	380,000 ²	11.19	145,000

¹ This figure represents stock options issued under approved stock option plans, 219,807 of which options were assumed in connection with our acquisitions of May & Speh, Inc. in 1998 and Digital Impact, Inc. in 2006.

² Issued pursuant to the Company's 2008 Nonqualified Equity Compensation Plan described below, which does not require stockholder approval under the exception provided for in NASDAQ Marketplace Rule 4350(i)(1)(A).

Equity Compensation Plans Not Approved By Security Holders

The Company adopted the 2008 Nonqualified Equity Compensation Plan of Acxiom Corporation (the "2008 Plan") to promote the interests of the Company and its stockholders by enabling grants of awards to provide a material inducement for new key executives to join the Company. These awards include stock options, stock appreciation rights, restricted stock awards, RSU awards, performance awards, performance shares, performance units, qualified-performance based awards, or other stock unit awards. In order to receive such an award, a person

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must be newly employed with the Company with the award being provided as an inducement material to their employment, provided such award is first properly approved by the board of directors or an independent committee of the board. The board of directors and its compensation committee are the administrators of the 2008 Plan, and as such, determine all matters relating to awards granted under the 2008 Plan, including the eligible recipients, whether and to what extent awards are to be granted, the number of shares to be covered by each grant and the terms and conditions to the awards. A maximum of 525,000 shares of Common Stock were reserved for issuance under the 2008 Plan during fiscal 2008. The 2008 Plan has not been approved by the Company's shareholders.

Board of Directors Recommendation

The board of directors recommends that the stockholders vote **FOR** the proposal to amend to the 2005 Equity Compensation Plan to increase the Internal Revenue Code Section 162(m) limits regarding the number of awards that may be made to any one person in any one year from 200,000 stock options to 400,000, and from 50,000 RSUs or other similar award to 400,000. Pursuant to the terms of the Plan and under applicable Delaware law, approval of the proposal requires the affirmative vote of the holders of a majority of the outstanding shares of the Company's common stock present in person or by proxy and entitled to vote at the annual meeting.

RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTANT*(Proposal No. 3 of the Proxy Card)*

The audit committee has selected KPMG to serve as our independent auditor for fiscal 2009, and the stockholders are being asked to ratify this action. We anticipate that a representative of KPMG will be present at the 2008 Annual Meeting of Stockholders and will have the opportunity to make a statement at the meeting if he or she desires to do so and to respond to appropriate questions.

Fees Billed For Services Rendered by Independent Auditor

The following table presents fees for professional audit services rendered by KPMG for the audits of the Company's annual financial statements for the fiscal years ended March 31, 2008 and March 31, 2007, and fees billed for other services rendered by KPMG.

	2008	2007
Audit Fees (including quarterly reviews) ¹	\$ 3,082,000	\$ 3,846,680
Audit-Related Fees ²	51,200	722,072
Tax Fees ³	293,000	356,000
All Other Fees	0	0
Total	\$ 3,426,200	\$ 4,924,752

¹ Audit fees relate to professional services rendered in connection with the audit of our annual financial statements, the audit of our internal control over financial reporting, quarterly reviews of financial statements included in our Form 10-Q's and 10-K, and audit services provided in connection with other statutory and regulatory filings.

² Audit-related fees include professional services related to the audit of our financial statements, SAS 70 reviews of our data centers, reporting on compliance with debt covenants, and audits of employee benefit plans.

³ Tax fees include professional services rendered in connection with tax compliance and preparation relating to our tax audits, and international tax compliance and tax consulting. We do not engage KPMG to perform personal tax services for our executive officers.

Audit Committee Pre-Approval Policy

The audit committee has adopted a policy for the pre-approval of engagements for audit, audit-related and non-audit services by our independent auditor. The policy requires that the committee pre-approve all audit services and audit-related services to be performed by the independent auditor. For non-audit services, the principal financial officer must provide a written explanation to the audit committee of the scope of the services, the estimated costs, and other pertinent information, and then the audit committee or a designated member of the committee must pre-approve the proposed engagement. The requirement for pre-approval of an engagement for non-audit services may be waived only if (i) the aggregate amount of all such non-audit services provided is less than five percent of the total amount paid by the Company to the independent auditor during the fiscal year when the services are provided; (ii) the services were not deemed by management at the time of the engagement to be non-audit services; and (iii) the services are promptly brought to the attention of the audit committee and approved after the fact. All audit and non-audit services reflected in the table above were pre-approved by the audit committee in accordance with the policy.

Board of Directors Recommendation

The board of directors recommends that the stockholders vote **FOR** the ratification of KPMG as the Company's independent registered accountant. If the stockholders fail to ratify this appointment, the audit committee will reconsider whether to retain KPMG and may retain that firm or another firm without resubmitting the matter to our stockholders. Even if the appointment is ratified, the audit committee may, in its discretion, direct the appointment of a different independent auditor at any time during the year if it determines that such change would be in the Company's best interests and in the best interests of our stockholders.

STOCK OWNERSHIP

The following table sets forth information as of June 6, 2008 with respect to the beneficial ownership of our common stock by:

each of our directors, nominees and executive officers individually;

all of our directors, nominees and executive officers as a group; and

each person who is known to us to beneficially own more than 5% of our common stock.

Unless otherwise indicated, the address of each person named in the table below is c/o Acxiom Corporation, 601 East Third Street, Little Rock, AR 72201, and each beneficial owner named in the table has sole voting and sole investment power with respect to all shares beneficially owned. The percentage listed in the column entitled "Percentage of Class" is calculated based on 77,494,963 shares of our common stock outstanding on June 6, 2008. This number excludes 36,996,236 shares held in treasury. The amounts and percentages of common stock beneficially owned are reported on the basis of regulations of the SEC governing the determination of beneficial ownership of securities. Under the rules of the SEC, a person is deemed to be a beneficial owner of a security if that person has or shares voting power, which includes the power to vote or to direct the voting of such security, or investment power, which includes the power to dispose of or to direct the disposition of such security. A person is also deemed to be a beneficial owner of any securities of which that person has a right to acquire beneficial ownership within 60 days. Under these rules, more than one person may be deemed a beneficial owner of the same securities and a person may be deemed to be a beneficial owner of securities as to which such person has no economic interest.

Beneficial Owner	Shares Beneficially Owned	Percentage of Class
John A. Adams	0	*
Cindy K. Childers	99,390 ¹	*
William T. Dillard II	53,127 ²	*
Michael J. Durham	6,801	*
Mary L. Good	13,321	*
Ann Die Hasselmo	32,356 ²	*
William J. Henderson	30,081 ²	*
Richard K. Howe	138,323 ³	*
Jerry C. Jones	330,793 ⁴	*
Thomas F. McLarty, III	22,047 ²	*
John A. Meyer	15,885	*

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Stephen M. Patterson	64,544 ²	*
Kevin M. Twomey	14,146	*
Jeffrey W. Ubben	8,502	*
R. Halsey Wise	10,990	*
Christopher W. Wolf	51,025 ⁵	*
All directors, nominees and executive officers as a group (16 people)	891,331 ⁶	1.1 %

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Glenhill Advisors, LLC 598 Madison Avenue, 12 th Floor New York, NY 10022	4,108,463 ⁷	5.3%
O.S.S. Capital Management LP 598 Madison Avenue New York, NY 10022	4,134,900 ⁸	5.3%
ValueAct Capital Master Fund, L.P. 435 Pacific Avenue, Fourth Floor San Francisco, CA 94133	10,329,711 ⁹	13.3%

* Denotes less than 1%.

¹ Includes 92,164 shares subject to options which are currently exercisable or exercisable within 60 days, of which none are in the money.

² Includes 5,400 shares subject to options which are currently exercisable, of which 2,900 are in the money.

³ Includes 115,000 shares subject to options which are currently exercisable or exercisable within 60 days, of which none are in the money.

⁴ Includes 320,775 shares subject to options which are currently exercisable or exercisable within 60 days, of which 32,603 are in the money.

⁵ Includes 37,500 shares subject to options which are currently exercisable or exercisable within 60 days, of which none are in the money.

⁶ Includes 592,439 shares subject to options which are currently exercisable or exercisable within 60 days, of which 47,103 are in the money.

⁷ This information is based solely upon information contained in a Schedule 13G filed on May 27, 2008. Represents shares owned by two investment funds, Glenhill Capital LP and Glenhill Capital Overseas Master Fund, LP. These shares are beneficially owned by Glenhill Advisors, LLC, Glenn J. Krevlin and Glenhill Capital Management, LLC. Glenn J. Krevlin is the managing member and control person of Glenhill Advisors, LLC. Glenhill Advisors, LLC is the managing member of Glenhill Capital Management, LLC. Glenhill Capital Management, LLC is the general partner and investment advisor of Glenhill Capital LP and sole shareholder of Glenhill Capital Overseas GP, Ltd. Glenhill Capital Overseas GP, Ltd. is general partner of Glenhill Capital Overseas Master Fund, LP.

⁸ This information is based solely upon information contained in a Schedule 13G filed on January 11, 2008. Of the 4,134,900 shares reported, (i) O.S.S. Capital Management LP may be deemed to beneficially own 4,134,900 shares; (ii) Oscar S. Schafer & Partners I LP may be deemed to beneficially own 161,782 shares; (iii) Oscar S. Schafer & Partners II LP may be deemed to beneficially own 1,827,303 shares; (iv) O.S.S. Overseas Fund Ltd. may be deemed to beneficially own 2,145,815 shares; (v) O.S.S. Advisors LLC may be deemed to beneficially own 1,989,085 shares as a result of its voting and dispositive power over 1,989,085 shares owned by Oscar S. Schafer & Partners I LP and Oscar S. Schafer & Partners II LP; (vi) Schafer Brothers LLC may be deemed to beneficially own 4,134,900 shares as a result of its voting and dispositive power over 4,134,900 shares owned by Oscar S. Schafer & Partners I LP and Oscar S. Schafer & Partners II LP, O.S.S. Overseas Fund Ltd. and a separately managed account; and (vii) Oscar S. Schafer may be deemed to beneficially own 4,134,900 shares by virtue of his voting and dispositive power over 4,134,900 shares owned by Oscar S. Schafer & Partners I LP and Oscar S.

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Schafer & Partners II LP, O.S.S. Overseas Fund Ltd. and a separately managed account.

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- 9 This information is based solely upon information contained in a Schedule 13D/A filed February 1, 2008 and includes 10,329,711 shares that are directly owned by ValueAct Capital Master Fund, L.P. These shares also may be deemed to be beneficially owned by (a) VA Partners I, LLC, as general partner of ValueAct Capital Master Fund, L.P., (b) ValueAct Capital Management, L.P., as the manager of ValueAct Capital Master Fund, L.P., (c) ValueAct Capital Management, LLC, as general partner of ValueAct Capital Management, L.P., (d) ValueAct Holdings, L.P., as the sole owner of the limited partnership interests of ValueAct Capital Management, L.P. and the membership interests of ValueAct Capital Management, LLC and as the majority owner of the membership interests of VA Partners I, LLC, and (e) ValueAct Holdings GP, LLC, as general partner of ValueAct Holdings, L.P. (collectively, the ValueAct Master Fund Persons). Excludes 25,500 shares (representing less than 1% of Acxiom's outstanding common stock) that are directly owned by ValueAct SmallCap Master Fund, L.P., an entity in which an affiliate of the ValueAct Master Fund Persons has a minority investment. Also excludes 8,502 shares reported as beneficially owned by Jeffrey W. Ubben. Mr. Ubben is a member of the Management Board of ValueAct Holdings GP, LLC and disclaims beneficial ownership of these shares, except to the extent of his pecuniary interest.

EXECUTIVE COMPENSATION

COMPENSATION DISCUSSION AND ANALYSIS

The purpose of this Compensation Discussion and Analysis is to provide information about our philosophy and principles regarding the compensation program for our Chief Executive Officer, Chief Financial Officer, Interim Chief Financial Officer, and the three other executive officers who were the most highly compensated in fiscal 2008 (the Named Executive Officers or NEOs).

The following individuals constitute the Named Executive Officers for fiscal 2008:

John A. Meyer, Chief Executive Officer & President

Christopher W. Wolf, Chief Financial Officer & Executive Vice President

Rodger S. Kline, former Chief Administrative Leader and Interim Chief Financial Officer

L. Lee Hodges, former Services Division Leader

Martin D. Sunde, Senior Vice President

Jerry C. Jones, Chief Legal Officer & Senior Vice President

Charles D. Morgan is also considered a Named Executive Officer even though he was not an executive officer at the end of fiscal 2008. Mr. Morgan is included because he served as the Company's principal executive officer during a portion of fiscal 2008.

Summary of Key Events in Fiscal 2008

The following is a chronological summary of key events affecting executive compensation for certain NEOs in fiscal 2008:

On May 16, 2007, Acxiom entered into a merger agreement pursuant to which Acxiom agreed, subject to certain conditions, to be acquired by two private equity firms, Silver Lake Partners and ValueAct Capital. On the following day the compensation committee met for the purpose of setting compensation for fiscal 2008. In light of the pending merger, the compensation committee determined not to make any changes to the base salaries of any NEOs from their respective fiscal 2007 levels and not to make any new stock option or RSU grants to any NEO.

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On May 24, 2007, Christopher W. Wolf was hired by the Company as Chief Financial Officer. Pursuant to the terms of the offer letter Mr. Wolf executed with the Company, he will receive an annual salary of \$400,000 and potential cash incentive payments of up to 65% of his annual base pay subject to the Company meeting certain defined thresholds. Per the letter he was also issued 50,000 RSUs and 150,000 stock options, which vest in equal increments over a four-year period. Vesting of the RSUs will be accelerated in the event there is a change of control within 24 months of Mr. Wolf's date of hire and his employment is terminated other than for cause as a result of the change in control. For a more detailed description of the terms of Mr. Wolf's employment with Acxiom, see Offer Letter with Christopher W. Wolf below.

On October 1, 2007, Acxiom announced that it had agreed with Silver Lake Partners and ValueAct Capital to terminate the merger agreement.

Also on October 1, 2007, Acxiom announced that Charles Morgan, Acxiom's Chairman of the Board and Company Leader, would retire. His retirement became effective on November 13, 2007. In connection with Mr. Morgan's retirement, he and Acxiom entered into a transition agreement under which he agreed to serve as Interim Company Leader until his successor was identified and elected by the Company's board of directors. Mr. Morgan also agreed to provide consulting services to Acxiom for three years following the election of his successor. During his service as Interim Company Leader, Mr. Morgan continued to be paid at his previous rate of pay which was \$815,000 annually, and he received other compensation to which he was entitled (other than cash bonuses). As compensation for his consulting services, Mr. Morgan will receive \$500,000 per year for three years, and he received a one-time payment of \$3,000,000 which was paid on November 13, 2007. For a more detailed description of the terms of Mr. Morgan's transition agreement, see Transition Agreement with Charles D. Morgan below.

On October 4, 2007, following termination of the merger agreement, the compensation committee approved the grant of stock options to certain members of the executive team, including Messrs. Wolf, Hodges, Sunde and Jones. The purpose of the grants was to provide incentives to these officers to stay with the Company following the termination of the merger.

On January 14, 2008, Acxiom entered into an employment agreement with John Meyer under which Mr. Meyer became Chief Executive Officer (CEO) and President effective February 4, 2008. Mr. Meyer will receive an initial base salary of \$700,000 per year and will be eligible to receive a target cash bonus in an amount equal to 100% of his base salary and a maximum cash bonus of up to 200% of his base salary during each year of his employment agreement. Per the agreement, in fiscal 2008 Mr. Meyer received a grant of nonqualified stock options for 465,000 shares of common stock and RSUs for 115,000 shares of common stock; in fiscal 2009 he received performance share units in respect of 195,000 shares of common stock. As an inducement to enter into the employment agreement and to replace benefits lost by Mr. Meyer in connection with his job change, Mr. Meyer received a cash signing bonus of \$700,000 upon joining Acxiom. For a more detailed description of the terms of Mr. Meyer's employment agreement, see Employment Agreement with John A. Meyer below.

On March 6, 2008, Rodger Kline announced he would retire from the Company effective May 31, 2008.

On March 27, 2008, Lee Hodges announced he would retire from the Company effective June 30, 2008.

Compensation Philosophy and Objectives

Acxiom is known for its innovation and leadership in creating customer and information management solutions for many of the largest and most respected companies in the world. We believe our compensation programs are an integral part of maintaining this reputation in the industry and

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achieving high levels of business performance over the long term. Our general compensation philosophy is that compensation should be designed to

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attract, retain and motivate the right people in the right places at the right time to help our clients build valuable relationships with their customers. In keeping with this philosophy, the key objectives of our compensation programs are to:

align leadership compensation with our business strategy, values and management initiatives,

align Company executives' interests with our stockholders' interests,

motivate executives to achieve the highest level of performance,

provide a strong link between pay and performance, and

attract and retain the best executives through competitive, market-based plans.

The following discusses how the Company uses compensation awards and a number of other steps to achieve these objectives.

How We Determine Compensation

Role of the Compensation Committee and Executive Officers. The compensation committee oversees the design, development and implementation of the Company's executive compensation program. It annually reviews and approves the compensation of the executive officers of the Company (including the NEOs) and the incentive compensation plans and applicable equity-based compensation plans. The compensation committee also periodically reviews the Company's change of control, severance, retirement, deferred compensation programs, senior leadership benefits and perquisites to assure they are competitive and appropriate.

The Company's Sr. Vice President of Human Resources assists the compensation committee by providing internal and external market information and analyses discussed below under the heading "Compensation Benchmarking" and by providing the compensation committee a tally sheet detailing the CEO's compensation.

The CEO is responsible for recommending compensation actions involving the executive officers to the compensation committee for final determination and approval. The CEO does not participate in any of the compensation committee's decisions regarding his own compensation.

Process for Determining CEO Compensation. In setting the CEO's compensation the compensation committee reviews and approves relevant goals and objectives. The compensation committee annually evaluates the CEO's performance in light of those goals and objectives and sets the CEO's compensation based on this evaluation. In determining the long-term incentive component the compensation committee considers objective criteria, including the Company's performance and relative shareholder return, the value of incentive awards made to CEOs at comparable companies, and the awards given to the CEO in past years. For all elements of the CEO's compensation, the compensation committee also reviews a tally which provides the committee with information necessary to evaluate the total compensation picture for the CEO, rather than viewing isolated incremental changes, and to validate its strategy as it relates to the CEO's total compensation. The tally sheet is also used by the compensation committee to inform the full board of directors of the CEO's total compensation. The compensation committee's review of the tally sheet may lead to changes in certain elements of the CEO's compensation if the committee determines changes are appropriate. Any decisions

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regarding the CEO's compensation are submitted by the compensation committee to the full board of directors for final approval.

Role of Compensation Consultant. The compensation committee periodically engages executive compensation consultants to provide advice and ongoing recommendations regarding executive compensation. For fiscal 2008, Hewitt Associates LLC (Hewitt), a compensation consulting firm, was engaged to review the long-term incentive component of Acxiom's pay program and to make recommendations for fiscal 2009 long-term incentive programs. The compensation committee also received compensation benchmarking information from Hewitt in connection with the Company's negotiations of an employment agreement with Mr. Meyer. Other than providing the advice described above, Hewitt did not provide any other services to the Company or the compensation committee in fiscal 2008. In the future, the Company or the compensation committee may engage

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Hewitt or other compensation consultants to review and make recommendations on other components of compensation.

Compensation Benchmarking. Our compensation programs and practices are benchmarked each year against (a) group of companies from a variety of high-tech industries (the High-Tech Group), and (b) a group of companies in the information services industry (the Peer Group and, collectively with the High Tech Group, the Comparison Group), with each group consisting mostly of companies with similar revenues as Acxiom. Because we compete for executive talent from a variety of industries, the companies in the High-Tech Group represent a cross section of high-tech industries, other than the information services industry. For benchmarking against the High-Tech Group we utilize the following industry-recognized surveys:

IPAS Global Salary Survey for Technology Companies published by ICR Limited, L.C.

Radford Executive Survey published by Aon Consulting

For benchmarking against companies in the Peer Group, we utilize publicly available proxy information and we participate in a private industry survey published by Hewitt. The following companies comprise the Peer Group:

Arbitron, Inc.

ChoicePoint, Inc

The Corporate Executive Board Company

The Dun and Bradstreet Corporation

Equifax, Inc.

FactSet Research Systems, Inc.

Fair Isaac Corporation

Gartner, Inc.

Getty Images, Inc.

IHS, Inc.

John Wiley & Sons, Inc.

The McGraw-Hill Companies, Inc.

Moody's Corporation

Proquest Company

The Thomson Corporation

The Company's Sr. Vice President of Human Resources is responsible for compiling the Comparison Group data for presentation to the compensation committee. All components of Acxiom's executive compensation package, as well as the aggregate total direct compensation (the sum of base salary, cash incentives and long-term incentives) levels for the Named Executive Officers, are targeted at the median for similarly situated employees of companies in the Comparison Group. Variation above or below the median target is allowed when, in the judgment of the compensation committee, the value of an executive's experience, performance, scope and/or specific skills, together with his or her ability to impact business results, justifies the variation.

In determining Mr. Meyer's compensation, the compensation committee asked Hewitt to provide data regarding compensation levels of chief executive officers at companies in the Peer Group. However, the compensation committee instructed Hewitt to exclude The McGraw-Hill

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Companies, Inc. and The Thomson Corporation from its report because they are much larger than Acxiom in terms of annual revenues. Because of this revenue discrepancy, the compensation committee believed that including these companies' information in the benchmarking data would be inappropriate for determining CEO compensation for companies comparable in size to Acxiom.

Components of Compensation

The compensation program for our senior leadership team consists of:

base salary

short-term cash incentives

long-term incentives

retirement benefits

broad-based employee benefits

Compensation Mix. Because of the ability of executive officers to directly influence the overall performance of the Company, and consistent with our philosophy of linking pay to performance, it is our goal to allocate a significant portion of compensation paid to our executive officers through performance-based incentive programs. We also strive to allocate total direct compensation in a manner that is competitive with our peer groups. The chart below illustrates the mix of total compensation for all NEOs as a group, excluding Messrs. Meyer and Morgan, based on compensation paid in 2008. Messrs. Meyer and Morgan are not included in the table below because their fiscal year 2008 compensation was significantly affected by their employment status which produces atypical results for purposes of demonstrating the Company's goals regarding the total mix of compensation paid to executive officers.

Compensation Element	2008 Total Compensation Mix
Base salary	43.3%
Short-term cash incentive	6.7%
Long-term incentive	48.6%
Retirement benefits	0.8%
Broad-based employee benefits	0.8%

Short-term cash incentive represented only 6.3% of the total compensation mix for these NEOs in fiscal 2008, which is a lower percentage as compared to previous years. Short-term cash incentives were lower in fiscal 2008 because, as discussed below, the Company failed to meet the key financial goals for payment of bonuses under our cash bonus plan. As a result, a limited amount of cash incentive bonuses were paid during the fiscal year.

Base Salary. Base salaries are based on the executives' responsibilities, demonstrated performance, internal pay equity and the benchmarking data discussed above. Base salaries for executive officers are targeted at the median level for similarly situated employees of companies in the Comparison Group. Base salary is intended to provide a fixed, baseline level of compensation that is not contingent upon Acxiom's performance, although performance does influence salary adjustments. Acxiom believes that providing a competitive base salary is essential to attracting and retaining qualified and valued executives. The base salaries of the CEO and the executive officers are reviewed and subject to adjustment approximately every 12 months. Base salary increases normally take place in May of each year. Base salaries are not increased, however, if the compensation committee believes other elements of compensation are more appropriate or if an increase is not necessary or appropriate under the circumstances at the time of review. Each executive officer's performance for the prior year is reviewed by the CEO or, with respect to the

performance of the CEO, by the compensation committee.

As noted above, because the merger agreement with Silver Lake Partners and ValueAct Capital had been signed immediately prior to the time the compensation committee met for the purpose of setting compensation for fiscal 2008, the committee determined not to make any changes to the base salary of any of the Named Executive Officers from their fiscal 2007 levels.

Base salaries for Mr. Meyer and Mr. Wolf for fiscal 2008 were \$700,000 and \$400,000, respectively. These amounts were determined based on negotiations with these officers prior to their employment. In setting the

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base salary for Mr. Meyer, the compensation committee considered the benchmarking data provided by Hewitt, as discussed above. Mr. Meyer's base salary was set below the median level of base salaries for CEOs at the companies used in the benchmarking data. However, other elements of Mr. Meyer's compensation (as discussed below) were set above the median level. Taken as a whole, Mr. Meyer's total direct compensation is at the median level for CEO compensation based on the benchmarking data provided by Hewitt. Mr. Wolf's base salary was set at the median level for other chief financial officers at companies in the Comparison Group based on the benchmarking data prepared by Acxiom's Sr. Vice President of Human Resources.

Cash Incentives. Most of Acxiom's executive officers participate in the Acxiom Leadership Cash Incentive Plan (the "Cash Incentive Plan") which provides them with an opportunity to receive quarterly and annual cash incentive payments. Payment opportunities under the Cash Incentive Plan are established as a percentage of base salary and are targeted at the average of the median cash incentive opportunities available for similarly situated employees of companies in the Comparison Group. For fiscal 2008, the target opportunity under the Cash Incentive Plan for each Named Executive Officer, expressed as a percentage of his individual target base salary, was as follows: Mr. Wolf - 65%, Mr. Kline - 75%, Mr. Hodges - 75%, Mr. Sunde - 75%, Mr. Jones - 65% and Mr. Morgan - 100%. The maximum payment opportunity for these individuals for fiscal 2008 was 110% of their respective target opportunity. Because Mr. Meyer joined the Company in February 2008, less than two months prior to the end of the fiscal year, he did not participate in the fiscal 2008 Cash Incentive Plan. Pursuant to the terms of his employment agreement, Mr. Meyer will be eligible to receive a target cash bonus up to 200% of his base salary beginning in fiscal 2009.

The purpose of the Cash Incentive Plan is to both retain our Named Executive Officers and to reward performance during the year based on the achievement of certain financial performance goals. Generally, no bonuses are paid under the Cash Incentive Plan unless the Company achieves the designated financial performance goals. Under the plan the compensation committee can, however, recommend to the full board of directors that bonuses be awarded notwithstanding the fact that the Company may have failed to achieve the performance goals. This compensation committee did not make any such recommendations in fiscal 2008, however.

In fiscal 2008, the performance measure utilized in the Cash Incentive Plan for all participating NEOs, except for Messrs. Sunde and Hodges as discussed below, was Company operating income. The threshold operating income amount was set at \$179,156,000, the target amount was \$188,585,000, and the maximum amount was \$207,444,000. The target operating income amount was calibrated to the midpoint of the Acxiom Financial Roadmap that was in place at the time.

As illustrated by the table below, accrual of bonuses was scheduled to begin when operating income reached the threshold level of \$179,156,000, which represents 95% of the target operating income amount. For every tenth of a percent increase in operating income beyond the 95%, there was a 2% increase in funding until it reached 100%, or the target amount. After that, funding increased 1% for every 1% that operating income increased, up to the 110% maximum.

Operating Income Amount	Percentage of Attainment of Target Amount	Percentage of Opportunity/Payout
\$207,444,000 (maximum)	110%	110%
\$188,585,000 (target)	100%	100%
\$186,699,000	99%	80%
\$184,813,000	98%	60%
\$182,927,000	97%	40%
\$181,042,000	96%	20%
\$179,156,000 (threshold)	95%	0%

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For fiscal 2008, operating income for the Company was less than the threshold amount of \$179,156,000. Therefore, except as noted below with respect to Messrs. Sunde and Hodges, no cash bonuses were awarded for attaining Company operating income under the Cash Incentive Plan.

We employ additional performance measures for participants in the Cash Incentive Plan who are principally responsible for a particular business unit. The performance measures for these individuals include the financial goal applicable to all other participants in the Cash Incentive Plan but also incorporate the performance of each individual's business unit. The compensation committee sets the specific business unit performance targets at such levels it believes are attainable, though not assured and that are adequate to motivate these executives toward achievement of the goals. We believe this practice is consistent with our philosophy of linking pay to performance and providing motivation to our executives. Because Mr. Sunde was principally responsible in fiscal 2008 for our Acxiom Infrastructure Management (AIM) Division, his bonus opportunity under the Cash Incentive Plan was also based on the performance of the AIM Division as well as Company operating income. Likewise, because Mr. Hodges was principally responsible in fiscal 2008 for our Services Division, his bonus opportunity under the Cash Incentive Plan was based on the performance of the Services Division. For fiscal 2008, Mr. Sunde's bonus opportunity under the Cash Incentive Plan was based 30% on Company operating income (calculated in the same manner as for all other NEOs as described above), 35% on the AIM Division's operating income, and 35% on the AIM Division's return on investment capital (ROIC). For fiscal 2008, Mr. Sunde received a \$209,475 bonus under the Cash Incentive Plan for attainment of the AIM Division's operating income and ROIC targets. For fiscal 2008, Mr. Hodges's bonus opportunity under the Cash Incentive Plan was based 30% on Company operating income, 35% on the Services Division's profits, and 35% on the Services Division's revenues. For fiscal 2008, the Services Division's revenues and profits were below the threshold amount set by the compensation committee. As a result, Mr. Hodges did not receive a bonus under the Cash Incentive Plan.

Long-Term Incentives. The Company grants RSUs and stock option awards to senior executives pursuant to its 2005 Equity Compensation Plan (the 2005 Plan), and also grants stock options under the Amended and Restated 2000 Associate Stock Option Plan (the 2000 Plan). The amount of RSUs and stock options granted are based on the compensation committee's evaluation of a number of factors which include each recipient's responsibilities and demonstrated performance, internal pay equity, accumulated wealth analysis, analysis of the benchmarking data discussed above, and retention considerations. Equity awards are approved by the compensation committee when granted. Acxiom has a policy of not backdating, re-pricing, or granting equity awards retroactively. For stock options, the exercise price is the closing price of the Company's common stock on the date the compensation committee approves the grant. In fiscal 2008 the compensation committee did not have a formal ongoing plan for granting equity awards to senior executives. The compensation committee's decisions regarding whether to make equity grants to senior executives varies based upon business conditions and recruiting and retention activity during the year.

From April 2008 through September 2008, the compensation committee did not make any new stock option or RSU grants to any senior executives due to the anticipated merger with Silver Lake Partners and ValueAct Capital as discussed above. Following the termination of the merger agreement on October 1, 2008, the compensation committee approved the grant of stock options to certain members of the executive team, including Messrs. Wolf, Hodges, Sunde and Jones as an incentive for them to remain employed by the Company following the termination of the merger agreement.

As noted above, in connection with the hiring of Mr. Meyer as CEO, the compensation committee granted 465,000 stock options and 115,000 RSUs to him effective as of February 7, 2008, each of which vests in equal increments over a four-year period. Of the stock options, 200,000 were granted out of the 2005 Plan and 265,000 were granted out of the Company's 2008 Nonqualified Equity Compensation Plan (the Inducement Plan) which was adopted by the board of directors in connection with Mr. Meyer's hiring. The RSUs were granted out of the Inducement Plan. In fiscal 2009, pursuant to the terms of the employment agreement, the compensation committee granted performance share units to Mr. Meyer in respect of 195,000 shares of common stock, 50,000 of which were granted out of the 2005 Plan and 145,000 of which were granted out of the Inducement Plan. These performance share units vest at the end of three years, contingent upon achievement by the Company of fiscal 2009 financial goals as specified by the compensation committee.

In connection with the hiring of Mr. Wolf as Chief Financial Officer (CFO) in May 2007, the compensation committee approved a grant of 150,000 stock options out of the 2000 Plan and 50,000 RSUs out of the 2005 Plan pursuant to Mr. Wolf's offer letter. In October 2007, the compensation committee approved a

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retention grant to Mr. Wolf of 150,000 stock options out of the 2000 Plan. Mr. Wolf's stock options and RSUs vest in equal increments over a four-year period following the date of grant.

The amount of the equity grants made by the compensation committee to Messrs. Meyer and Wolf (with the exception of the retention grant made to Mr. Wolf in October 2008) were determined based on negotiations with each individual prior to their employment. In determining the grants for Mr. Meyer, the compensation committee reviewed benchmarking data provided by Hewitt (as discussed above). Mr. Meyer was granted equity incentive awards above the median level of similar long-term incentive awards for CEOs at the companies used in the benchmarking data. However, Mr. Meyer's base salary (as discussed above) was set below the median level. Taken as a whole, Mr. Meyer's total direct compensation was at the median level for CEO compensation based on the benchmarking data provided by Hewitt. The amount of Mr. Wolf's equity incentive awards was at the median level for other chief financial officers at companies in the Comparison Group based on the benchmarking data prepared by the Company's Sr. Vice President of Human Resources.

Retirement Benefits. The Company provides qualified and non-qualified retirement plan benefits and welfare benefits to the Named Executive Officers. The Named Executive Officers participate in the same tax qualified retirement and welfare plans as the Company's other employees. They also receive supplemental retirement and welfare benefits through the Company's non-qualified deferred compensation arrangements. The Company believes these benefits are a basic component in retaining executives. Acxiom's retirement and welfare benefits include the following:

Qualified Retirement Plan Arrangements. The Company maintains the Acxiom Corporation Retirement Savings Plan which is a 401(k) qualified savings plan that is generally available to all employees, including the Named Executive Officers, upon satisfying the plan's eligibility requirements. The plan provides for deferral of compensation with a matching component of \$.50 for each dollar contributed by the participant to the 401(k) plan up to 6% of the participant's compensation. The matching contribution is currently paid in shares of Acxiom common stock. Vesting of Company contributions under the 401(k) plan is 20% after two years of a participant's participation in the plan and 20% each year thereafter until fully vested.

Supplemental Executive Retirement Plan Arrangements. Members of Acxiom's leadership team are eligible to participate in the Company's nonqualified supplemental executive retirement plan (SERP), which was adopted in fiscal 1996, by contributing pretax income into the plan via payroll deductions. As is the case with the 401(k) plan, Acxiom matches contributions at a rate of \$.50 for each dollar contributed by the participant to the SERP up to 6% of the participant's compensation, but only to the extent that the maximum matching contribution has not already been made under the 401(k) plan. The matching contribution is currently paid in shares of Acxiom common stock. Participants may contribute up to 100% of their pretax income to the SERP. The SERP is a nonqualified restoration plan in that it simply restores benefits lost due to certain IRS limitations on highly compensated (as defined by the IRS) employees' participation in the Company's qualified 401(k) retirement plan. All the Company's highly compensated employees are eligible to participate in the SERP. Vesting of Company contributions under the SERP is 20% after two years of a participant's participation in the plan and 20% each year thereafter until fully vested.

Other Employee Benefits. Acxiom maintains certain broad-based employee benefit plans in which the Company's executives are permitted to participate on the same terms as other employees who meet applicable eligibility criteria, subject to legal limitations on the amounts that may be contributed or the benefits that may be payable under the plans.

Fiscal 2008 One-Time Cash Payments

In fiscal 2008, Mr. Meyer received a \$700,000 cash payment as an inducement to enter into his employment agreement and to replace benefits lost by him in connection with his job change. Under the terms of his agreement, if Mr. Meyer is terminated for cause or if he terminates his employment without good reason before December 31, 2008, he will refund to Acxiom an amount equal to the signing payment multiplied by a

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fraction, the numerator of which is the number of days remaining in the 2008 calendar year following his termination and the denominator of which is 365.

Mr. Morgan received a one-time payment of \$3,000,000 which was paid on November 13, 2007 in connection with his retirement from his position as Company Leader and as a member of the board of directors. This payment was consideration for Mr. Morgan's agreement to serve as interim Company Leader prior to the hiring of Mr. Meyer, to provide consulting services to the Company for three years thereafter, and for the performance of other covenants and agreements specified in the transition agreement he entered into with the Company.

Messrs. Wolf, Jones, Hodges and Sunde also received a one-time cash bonus in fiscal 2008. Mr. Wolf and Mr. Jones were awarded \$50,000 each, and Mr. Hodges and Mr. Sunde were awarded \$15,000 each. These bonuses were made in recognition of their work on special projects which were considered above and beyond the normal scope of their duties.

Stock Ownership Requirements

In fiscal 2008, the compensation committee adopted stock ownership requirements for the Company's executive officers to ensure that they have a meaningful stake in the Company. The guidelines are designed to balance an officer's need for portfolio diversification with ensuring that his or her interests are closely aligned with the stockholders' interests. The stock ownership guidelines are set as a multiple of base salary. The CEO has a three times multiple and the other executive officers have a one times multiple. Beginning in May 2007, each current officer who is required to file reports under Section 16 of the Securities Exchange Act of 1934 (Section 16 Officer) has five years to comply with the ownership requirements. Thereafter, any newly appointed Section 16 Officer will likewise have five years from the date of appointment to comply. Until the officers comply with the stock ownership requirements, they are required to retain 50% of any exercised stock option shares or vested RSU shares after payment of taxes and, with respect to stock options, the payment of the exercise price.

Employment Agreements; Transition Agreement

We have entered into employment agreements with each of Messrs. Meyer and Wolf. We also entered into a transition agreement with Mr. Morgan upon his retirement. No other NEO has an employment agreement. A description of each of these agreements follows:

Employment Agreement with John A. Meyer

Effective February 4, 2008, Mr. Meyer became Acxiom's Chief Executive Officer and President pursuant to an employment agreement entered into between the Company and Mr. Meyer on January 14, 2008. The initial term of his employment expires on May 16, 2011. Under the agreement, the term of Mr. Meyer's employment will be renewable by the Company for one-year periods following the initial expiration date. If Mr. Meyer's employment is terminated (a) by Acxiom without cause or if Mr. Meyer resigns for good reason, or (b) by Acxiom without cause within 24 months following a change in control, or if Mr. Meyer terminates his employment for good reason within 24 months following a change in control, subject to Acxiom receiving a general release of claims from him, Mr. Meyer will be entitled to receive (i) all base salary and benefits payable to him through the date of termination, (ii) the amount of any cash bonus related to any contract year ending before the date of termination that has been earned but remains unpaid, (iii) an amount equal to two hundred percent (200%) of his then-current base salary, (iv) an amount equal to two hundred percent (200%) of his then-current target cash bonus, prorated based on the portion of the applicable contract year that he worked for Acxiom before the date of termination, and (v) any other unpaid benefits to which he is entitled under any plan, policy or program of the Company applicable to him as of the date of termination.

If Mr. Meyer's employment is terminated by Acxiom without cause within 24 months following a change in control, or if Mr. Meyer terminates his employment for good reason within 24 months following a change in control, all equity incentive awards, including, without limitation, those granted pursuant to the employment agreement, which are then outstanding, to the extent not then vested, will vest. As used in the employment agreement, the term "cause" is defined as: (i) the willful failure by Mr. Meyer to substantially perform his duties or follow the reasonable and lawful instructions of the board of directors; or (ii) the engaging by Mr. Meyer in willful

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misconduct that is materially injurious to the Company, monetarily or otherwise. As used in the employment agreement, the term "good reason" is defined as (i) a reduction by the Company in Mr. Meyer's title or position, or a material reduction by the Company in his authority, duties or responsibilities (including, without limitation, no longer serving on the Company's board of directors), or the assignment by the Company to Mr. Meyer of any duties or responsibilities that are materially inconsistent with his title, position, authority, duties or responsibilities; (ii) a reduction in his base salary; (iii) any material breach of his employment agreement by the Company; or (iv) the Company's requiring Mr. Meyer to relocate his office location more than fifty (50) miles from his initial office location in Little Rock, Arkansas. The term "good reason" does not include the death or disability of Mr. Meyer. As used in the employment agreement, the term "change in control" means any of the following events:

any person (as defined under applicable securities laws) or persons acting together becomes a beneficial owner of Acxiom voting securities representing twenty percent (20%) or more of the combined voting power of Acxiom's then outstanding voting securities;

the individuals who, on the effective date of Mr. Meyer's employment, constituted the board of directors of the Company cease to constitute a majority of the board of directors as a result of either an actual or threatened election contest or other actual or threatened solicitation of proxies or consents by or on behalf of any person other than the board of directors (unless the election of the individuals are otherwise approved by a majority of the individuals who, on the effective date of Mr. Meyer's employment with the Company, constituted the board of directors);

the consummation of a reorganization, merger, consolidation, statutory share exchange or similar form of corporate transaction involving Acxiom that results in the stockholders of Acxiom immediately before the transaction owning immediately following the transaction less than fifty percent (50%) of the combined voting power of the corporation which survives the transaction;

a sale of all or substantially all of the assets of the Company; or

approval by the stockholders of the Company of a complete liquidation or dissolution of the Company.

If Acxiom does not renew the term of the employment agreement as contemplated thereby, subject to Acxiom receiving a general release of claims from him, Mr. Meyer may resign and will be entitled to receive (i) all base salary and benefits payable to him through the date of termination, (ii) the amount of any cash bonus related to any contract year ending before the date of termination that has been earned but remains unpaid, (iii) an amount equal to one hundred percent (100%) of his then-current base salary, (iv) an amount equal to one hundred percent (100%) of his then-current target cash bonus, pro-rated based on the portion of the applicable contract year that he worked for the Company before the date of termination, and (v) any other unpaid benefits to which he is entitled under any plan, policy or program of the Company applicable to him as of the date of termination.

If Mr. Meyer's employment is terminated due to his death or disability, he (or his estate) will be entitled to receive (i) all base salary and benefits to be paid or provided to him through the date of termination, (ii) any other unpaid benefits (including disability benefits) to which he is otherwise entitled under any plan, policy or program of the Company applicable to him as of the date of termination, (iii) the amount of any cash bonus related to any contract year ending before the date of termination that has been earned but remains unpaid, and (iv) the amount of any target cash bonus to which he would otherwise have been entitled for the contract year in which the date of termination occurs, prorated based on the applicable contract year he worked for the Company before the date of termination.

Finally, if Mr. Meyer's employment is terminated by Acxiom for cause or he resigns without good reason, he will be entitled to payment of his base salary and benefits (including any earned but unpaid cash bonus) through the date of termination and any other unpaid benefits to which he is otherwise entitled under any plan, policy or program of the Company applicable to him as of the date of termination (including, without limitation, the amount of any cash bonus related to any contract year ending before the date of termination that has been earned but remains unpaid).

The employment agreement contains provisions that require Mr. Meyer to comply with restrictions on competition with Acxiom and on solicitation of Acxiom's customers and employees for a period of two years following his termination. If any amount payable under the employment agreement or any other amounts in the nature of compensation to Mr. Meyer result in the imposition of the golden parachute excise tax, Mr. Meyer will receive a tax gross-up payment to offset the tax liabilities created by the excise tax. These gross-up payments will in no event exceed \$4,000,000.

Offer Letter with Christopher W. Wolf

On May 24, 2007, Christopher W. Wolf joined the Company as Chief Financial Officer. Certain terms of Mr. Wolf's employment were set forth in an offer letter from the Company to Mr. Wolf dated May 9, 2007. In addition to compensation described elsewhere in this section, in fiscal 2008 Mr. Wolf received \$48,665 in temporary living expenses, which amount he is obligated to refund if he leaves the Company within 24 months of his hire date. In addition, the offer letter provides that the vesting of Mr. Wolf's 50,000 RSUs will be accelerated in the event there is a change of control at Acxiom within 24 months of his start date and he is subsequently terminated, other than for cause, as a result of the change in control. If Mr. Wolf's employment is terminated for reasons other than a change of control (except for cause), he will be entitled to 12 months base pay, the equivalent of 24 months of COBRA coverage paid in a lump sum, and any earned but unpaid bonuses less applicable taxes and withholdings.

The Company has entered into an executive security agreement with Mr. Wolf. For a description of the terms of this agreement, see [Change in Control Agreements](#) on page 31 below.

Transition Agreement with Charles D. Morgan

On November 13, 2007, Acxiom announced that Charles Morgan had retired as a member of the board of directors and as Company Leader. Acxiom entered into a transition agreement with Mr. Morgan to cover the terms of his retirement, service as interim Company Leader, and consulting services. Pursuant to the transition agreement, Mr. Morgan agreed to serve as Acxiom's interim Company Leader until the date on which his successor was elected by the board of directors. His successor, Mr. Meyer, joined Acxiom on February 4, 2008. During the interim period, Mr. Morgan continued to be paid at his former rate of pay, which was \$815,000 annually. He also received other compensation to which he was entitled, but he waived any rights he may have had to a bonus. On February 4, 2008, Mr. Morgan's employment with the company ended and he ceased to participate in any of Acxiom's compensation, bonus, incentive benefits or perquisite programs. Mr. Morgan will, however, continue to receive benefits under the health plan in which he participated as of his retirement (or a comparable substitute plan) until the end of the three-year consulting term. During the consulting term, Mr. Morgan will receive consulting fees at the annual rate of \$500,000, and he was paid a one-time payment of \$3,000,000 on November 13, 2007. In exchange for the transition and consulting services and for the performance of other covenants and agreements specified in the transition agreement, Mr. Morgan's retirement was treated as a retirement in best standing for purposes of his outstanding stock options, which are fully vested and will remain exercisable for the duration of their original terms. The options (and related gains on sales of the underlying shares) are subject to forfeiture in the event Mr. Morgan breaches the transition agreement.

Mr. Morgan signed a general release of claims in favor of the Company. Under the release, he must return the up-front payment made to him pursuant to the transition agreement if he revokes the release. In addition, Mr. Morgan is subject to non-disclosure, non-competition and non-solicitation agreements until the end of the consulting term. The non-solicitation covenant covers customers, vendors, suppliers and employees. If Mr. Morgan breaches any of these covenants, he must return a portion of his up-front payment to Acxiom equal to \$3,000,000 multiplied by a fraction, the numerator of which is 36 less the number of full months that have elapsed since January 1, 2008, and the denominator of which is 36.

Separation Agreements with Messrs. Kline and Hodges

On March 6, 2008, Mr. Kline announced he would retire from the Company effective May 31, 2008. On March 27, 2008, Mr. Hodges announced he would retire from the Company effective June 30, 2008. Messrs. Kline and Hodges each entered into a Separation and General Release Agreement in connection with their retirements. Under these agreements, upon their retirement from the Company they each will be entitled to a severance payment in the amount of \$490,000. In addition, Mr. Hodges will be entitled to a payment of \$11,850 and Mr. Kline will be entitled to a payment of \$4,500 (which, in each case, represents 18 months of continuing health insurance payments) and all RSUs and/or stock options they hold will become immediately vested and the stock options will remain exercisable through their original exercise periods. Messrs. Hodges and Kline agreed to release Acxiom from all claims, obligations and liabilities except for those arising under their separation agreements, applicable workers' compensation statutes or the Consolidated Omnibus Reconciliation Act. Both agreements contain non-disclosure, non-competition and non-solicitation provisions.

Under Mr. Hodges' agreement, in the event of a change of control occurring between July 1, 2008 and March 31, 2009, he will be entitled to an additional payment of \$490,000. In the event of a change of control occurring between April 1, 2009 and March 31, 2010, or if negotiations prior to March 31, 2010 result in a change in control after that date, Mr. Hodges will be entitled to a payment of \$245,000.

Messrs. Hodges and Kline also entered into consulting agreements pursuant to which they agreed to provide consulting services at the Company's request at a rate of \$150 per hour for a period of two years following their retirements.

Change in Control Agreements

Beginning in 2001, the compensation committee authorized the execution of executive security agreements between Acxiom and certain of its key employees. Payments under these agreements would be triggered if an employee covered by an agreement is terminated by the Company or a successor (other than for cause, death or disability) within the three-year period following a change in control or following commencement of discussions with a third-party that results in a change in control, or if he or she resigns for good reason, *e.g.*, a demotion, reduction in salary, relocation, or significant change in responsibilities.

The amount payable to an individual was 2.99 times annualized includible compensation, as defined by Section 280G of the Internal Revenue Code, if termination of employment occurred in the first year after a change in control; two times annualized includible compensation if termination occurred in the second year after a change in control; or one times annualized includible compensation if termination occurred in the third year after a change in control. Payments were to be made in a lump sum within ten (10) days following termination of employment. Covered employees were also entitled to reimbursement of any excise taxes on the change in control payments that are triggered under Section 280G of the Internal Revenue Code, plus a tax gross up payment to offset any income or excise taxes on the reimbursement.

Following the termination of the merger agreement with Silver Lake Partners and ValueAct Capital, the compensation committee re-evaluated the effectiveness of the executive security agreements and determined that other methods existed to limit the risks to the Company of the departure or distraction of senior executives in the event of a change in control. Consequently, on February 12, 2008, the compensation committee approved a phase-out of the executive security agreements over a two-year period. In order to implement this phase-out, the executive security agreements were amended effective April 8, 2008. Except for Mr. Meyer, who has change of control provisions in his employment agreement, all of the Company's current executive officers have an executive security agreement.

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The following table shows the amounts that would be payable under the executive security agreements to Messrs. Wolf, Sunde and Jones if a change in control had occurred on March 31, 2008, both prior to the implementation of the phase-out and following the implementation of the phase out. The table shows what payments would be due if they were terminated pursuant to a qualifying event within one year, two years and three years following a change in control:

Named Executive Officer	Aggregate Amount of			Aggregate Amount of		
	Change in Control Payment			Change in Control Payment		
	(Prior to Implementation of Phase-Out)			(Following Implementation of Phase-Out)		
	1 Year (\$)	2 Years (\$)	3 Years (\$)	1 Year (\$)	2 Years (\$)	3 Years (\$)
Christopher W. Wolf	\$1,451,489	\$970,876	\$485,438	\$970,876	\$485,438	\$242,719
Martin D. Sunde	\$1,863,578	\$1,246,540	\$623,270	\$1,246,540	\$623,270	\$311,635
Jerry C. Jones	\$1,372,798	\$918,260	\$459,130	\$918,260	\$459,130	\$229,565

Messrs. Morgan, Kline and Hodges are not included in the table above because their executive security agreements were terminated in connection with their retirements. Mr. Meyer is not included in the table since he does not have a separate executive security agreement; rather, his employment contract contains change of control provisions. For a description of the payments Mr. Meyer would receive upon a change in control, see the table titled *Potential Payments Upon Termination or Change in Control* on page 40 below.

Tax and Accounting Considerations

Section 162(m) of the Internal Revenue Code generally prevents public corporations from deducting as a business expense that portion of compensation paid to covered employees that exceeds \$1,000,000 unless it qualifies for an exception, such as performance-based compensation, under Section 162(m). The term covered employees refers to the CEO and the next three highest compensated officers (other than the CFO) employed on the last day of the fiscal year and whose compensation is required to be reported in the Summary Compensation Table of the proxy statement. The goal of the compensation committee is to comply with the requirements of Section 162(m), to the extent possible, to avoid losing this deduction. However, the compensation committee may elect to provide compensation outside those requirements when necessary to achieve its compensation objectives. For this and other reasons, the compensation committee will not necessarily limit executive compensation to the amount deductible under Section 162(m). The compensation committee will consider various alternatives to preserve the deductibility of compensation payments and benefits to the extent reasonably practicable and to the extent consistent with its other compensation objectives. For fiscal year 2008, our covered employees were Messrs. Meyer, Hodges, Sunde and Jones. The amount of compensation paid in excess of \$1,000,000 to the covered employees in fiscal 2008 was not material. Therefore, it was unnecessary for the compensation committee to consider alternatives in designing total compensation plans for the Named Executive Officers in fiscal 2008.

Beginning on April 1, 2006, the Company began accounting for equity-based awards included in its long-term incentive program in accordance with the requirements of FAS 123R. The accounting treatment for an award is taken into consideration in the granting of long-term incentive awards. As discussed above, the compensation committee determined to not grant Messrs. Morgan and Kline equity compensation awards in fiscal 2008 based, in part, on the equity award expensing requirements under FAS 123.

COMPENSATION COMMITTEE REPORT

In connection with its function to oversee Acxiom's executive compensation program, the compensation committee has reviewed and discussed the Compensation Discussion and Analysis section of the proxy statement with management. Based on its review and discussions, the compensation committee recommended to the board of directors that the Compensation Discussion and Analysis be included in Acxiom's Annual Report on Form 10-K for the year ended March 31, 2008 (incorporated by reference) and in this proxy statement on Schedule 14A, each for filing with the Securities and Exchange Commission.

Compensation Committee

William T. Dillard II, Chairman
Mary L. Good
Jeffrey W. Ubben
R. Halsey Wise

SUMMARY COMPENSATION TABLE

The following table shows the compensation earned in fiscal 2008 and, as applicable, in fiscal 2007 by John A. Meyer, Chief Executive Officer & President; Christopher W. Wolf, Chief Financial Officer & Executive Vice President; and the three most highly compensated executive officers who were serving as executive officers on March 31, 2008. The table also shows the compensation earned in fiscal 2008 by Charles D. Morgan, former Chairman of the Board and Company Leader, and Rodger S. Kline, former Chief Administrative Leader who also served as Acxiom's Interim Chief Financial Officer in fiscal 2008 prior to the hiring of Mr. Wolf. These individuals are referred to collectively as the Named Executive Officers.

Name and Principal Position	Year	Salary	Bonus	Stock Awards ¹	Option Awards ¹	Non-equity Incentive Plan Compensation	All Other Compensation ⁶	Total
John A. Meyer, CEO & President	2008	\$114,423	\$700,000 ²	\$44,422	\$52,799		\$5,875	\$917,519
Christopher W. Wolf, CFO & Executive Vice President	2008	\$344,102	\$50,000 ³	\$295,271	\$305,401		\$62,036	\$1,056,810
L. Lee Hodges, Former Services Division Leader	2008	\$490,000	\$15,000 ³	\$353,197 ⁴	\$989,146 ⁴		\$19,626	\$1,866,969
Martin D. Sunde, Senior Vice President	2008	\$380,000	\$15,000 ³	\$130,623	\$157,751	\$209,475 ⁵	\$3,619	\$896,468
Jerry C. Jones, Chief Legal Officer & Senior Vice President	2008	\$380,000	\$50,000 ³	\$98,505	\$19,819		\$11,702	\$560,026
Charles D. Morgan, Former Chairman of the Board and Company Leader	2007	\$375,000		\$44,763		\$97,500	\$8,097	\$525,360
Charles D. Morgan, Former Chairman of the Board and Company Leader	2008	\$715,998					\$3,028,441	\$3,744,439
Rodger S. Kline, Former Chief Administrative Leader and Interim CFO	2007	\$796,250				\$318,500	\$36,460	\$1,151,210
Rodger S. Kline, Former Chief Administrative Leader and Interim CFO	2008	\$490,000					\$19,094	\$509,094
Rodger S. Kline, Former Chief Administrative Leader and Interim CFO	2007	\$490,000				\$147,000	\$21,461	\$658,461

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- ¹ These amounts reflect the dollar amount recognized for financial statement reporting purposes for fiscal 2008 in accordance with FAS 123R. The fair value of stock options granted during fiscal 2008 was calculated using a lattice option pricing model with the following weighted-average assumptions: dividend yield of 1.7%; risk-free interest rate of 4.3%; expected option life of 5.8 years, and expected volatility of 26%. For RSUs, the fair value at the date of grant was determined by reference to quoted market prices for the shares, less a small calculated discount to reflect the fact that the RSUs do not pay dividends until they are vested. These values were then expensed over the vesting period.

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- ² Mr. Meyer received a cash signing bonus of \$700,000 upon joining Acxiom as an inducement to enter into his employment agreement and to replace benefits lost by Mr. Meyer in connection with his job change.
- ³ These amounts represent one-time discretionary cash bonuses paid in fiscal 2008 to Messrs. Wolf, Hodges, Sunde and Jones. These bonuses were in recognition of their work on special projects which were considered above and beyond the normal scope of their duties.
- ⁴ In accordance with his retirement agreement, Mr. Hodges received accelerated vesting on his unvested non-qualified stock options and RSUs. This resulted in an additional expense during fiscal 2008 of \$969,327 with respect to his non-qualified stock options and \$156,187 with respect to his RSUs. The amounts shown in the table include that additional expense.
- ⁵ This amount was paid to Mr. Sunde pursuant to the Acxiom Leadership Incentive Plan. For more information regarding how this amount was determined, see the subsection entitled "Cash Incentives" on page 25.
- ⁶ All other compensation consists of the following:

	Mobile Phone Allowance	Temporary Living Expense	401(k) and SERP Matching Contributions	Other	Total
John A. Meyer		\$5,000	\$875		\$5,875
Christopher W. Wolf	\$2,020	\$48,665	\$11,351		\$62,036
L. Lee Hodges	\$1,560		\$16,846	\$1,220 ^a	\$19,626
Martin D. Sunde	\$2,366			\$1,253 ^a	\$3,619
Jerry C. Jones	\$2,704		\$8,998		\$11,702
Charles D. Morgan	\$2,496		\$24,787	\$3,001,158 ^b	\$3,028,441
Rodger S. Kline	\$2,704		\$16,390		\$19,094

^a The amount represents imputed income for spouse airfare to an Acxiom event.

^b This amount includes a \$3,000,000 payment in accordance with Mr. Morgan's transition agreement and \$1,158 of imputed income for spouse airfare to an Acxiom event.

GRANTS OF PLAN-BASED AWARDS

The following table sets forth information concerning grants of plan-based awards made to the Named Executive Officers during fiscal 2008.

Name	Grant Date	Estimated Possible Payouts Under Non-Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares of Stock or Units	All Other Option Awards: Number of Securities Underlying Options	Exercise or Base Price of Option Awards (\$/Sh)	Grant Date Fair Value of Stock and Option Awards ³ (\$)
		Threshold ¹ (\$)	Target (\$)	Maximum ² (\$)				
John A. Meyer	02/07/08	4	4	4	115,000	465,000	\$11.19	\$2,682,500
Christopher W. Wolf	06/01/07	\$4,333	\$216,667	\$238,334				
	05/24/07				50,000	150,000	\$27.71	\$2,467,570
	10/04/07					150,000	\$15.66	\$606,615
L. Lee Hodges	04/01/07	\$7,350	\$367,500	\$404,250				
	10/04/07					40,000	\$15.66	\$161,764
Martin D. Sunde	04/01/07	\$5,700	\$285,000	\$313,500				
	10/04/07					40,000	\$15.66	\$161,764
Jerry C. Jones	04/01/07	\$4,940	\$247,000	\$271,700				
	10/04/07					40,000	\$15.66	\$161,764
Charles D. Morgan	04/01/07	\$16,300	\$815,000	\$896,500				
Rodger S. Kline	04/01/07	\$7,350	\$367,500	\$404,250				

¹ Threshold payments begin after 95% of target is attained.

² Payments above the target award are discretionary and are determined by the compensation committee of the board of directors.

³ The fair value of stock options granted during fiscal 2008 was calculated using a lattice option pricing model with the following weighted-average assumptions: dividend yield of 1.7%; risk-free interest rate of 4.3%; expected option life of 5.8 years, and expected volatility of 26%. For RSUs, the fair value at the date of grant was determined by reference to quoted market prices for the shares, less a small calculated discount to reflect the fact that the restricted shares do not pay dividends until they are vested.

⁴ Mr. Meyer did not participate in the Acxiom Leadership Incentive Plan during fiscal 2008.

NARRATIVE DISCLOSURE TO SUMMARY COMPENSATION TABLE AND GRANTS OF

PLAN-BASED AWARDS TABLE

Acxiom has entered into employment agreements with Messrs. Meyer and Wolf. The compensation earned by, and equity awards granted to, Messrs. Meyer and Wolf in fiscal 2008 and reported on the Summary Compensation Table and Grants of Plan Based Awards Table are consistent with the terms of their respective employment agreements. For a description of the terms of these agreements, please see the section entitled "Employment Agreement with John A. Meyer" on page 28 and the section entitled "Offer Letter with Christopher W. Wolf" on page 30. In connection with his retirement, Mr. Morgan and Acxiom entered into a transition agreement. A description of the terms of the transition agreement is provided under the section entitled "Transition Agreement with Charles D. Morgan" on page 30.

During fiscal 2008, the Company neither repriced nor materially modified the terms of any outstanding equity awards.

With the exception of Mr. Sunde, no Named Executive Officer received actual payments under the Cash Incentive Plan because Acxiom failed to achieve the operating income needed in order to trigger the payment of awards. Because the performance measures with respect to Mr. Sunde also included factors relating to division for which he is principally responsible, and the Company achieved threshold levels with respect to that performance measure in fiscal 2008, Mr. Sunde received \$209,475 in fiscal 2008 under Acxiom's Cash Incentive Plan. For a description of the performance measures and goals utilized by the Company in determining payouts under Acxiom's Cash Incentive Plan, please see the subsection entitled "Cash Incentives" on page 25.

Stock option and RSUs granted in fiscal 2008 vest over a four-year period in equal increments beginning on the first anniversary of the grant date. The exercise price of all stock options granted in fiscal 2008 is the fair market value of our common stock on the grant date.

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR END

Name	Option Awards		Equity Incentive Plan Awards:		Option Expiration	Stock Awards	
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable ¹	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)		Number of Shares or Units of Stock That Have Not Vested ¹ (#)	Market Value of Shares or Units of Stock That Have Not Vested ² (\$)
John A. Meyer		465,000		\$11.19	02/07/2018	115,000	\$1,365,050
Christopher W. Wolf		150,000		\$27.71	05/24/2017	50,000	\$593,500
		150,000		\$15.66	10/04/2017		
L. Lee Hodges	83,649						
	22,390						
	28,760						
	7,500						
	3,750						
	3,750						