

BOOKS A MILLION INC
Form DEF 14A
May 01, 2015
Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
SCHEDULE 14A
(RULE 14a-101)
INFORMATION REQUIRED IN
PROXY STATEMENT

SCHEDULE 14A INFORMATION

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

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

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

Definitive Proxy Statement

Definitive Additional Materials

.. Soliciting Material Pursuant to §240.14a-12

BOOKS-A-MILLION, INC.

(Name of Registrant as Specified in its Charter)

N/A

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

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(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

Table of Contents

May 1, 2015

Dear Stockholder:

You are cordially invited to attend the 2015 Annual Meeting of Stockholders (the Annual Meeting) of Books-A-Million, Inc. (the Company), which will be held at 11:00 a.m., Central Daylight Saving Time, on May 29, 2015, at our corporate office annex located at 121 West Park Drive, Birmingham, Alabama 35211. Formal notice of the Annual Meeting, a proxy statement, and a proxy card accompany this letter. Also enclosed is our Annual Report to Stockholders for fiscal 2015.

The principal business of the meeting will be to (i) elect three directors to serve three-year terms expiring in 2018; (ii) ratify the appointment of Grant Thornton LLP as the Company's independent registered public accounting firm for fiscal 2016; (iii) approve on an advisory basis the compensation of our named executive officers; and (iv) transact such other business as may properly come before the meeting. During the meeting, we will also review the results of the past fiscal year.

Your vote is important. Regardless of whether you plan to attend the meeting, we hope you will vote as soon as possible. You may vote over the Internet, by telephone, or by mailing the enclosed proxy card in the postage-prepaid envelope provided so that your shares will be voted at the meeting. If you decide to attend the meeting, you may, of course, revoke your proxy and personally cast your votes. Please review the instructions on each of your voting options described in the proxy statement.

We look forward to seeing you at the meeting.

Sincerely yours,

Terrance G. Finley
Chief Executive Officer and President

Table of Contents

BOOKS-A-MILLION, INC.

402 INDUSTRIAL LANE

BIRMINGHAM, ALABAMA 35211

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

You are cordially invited to attend the 2015 Annual Meeting of Stockholders (the Annual Meeting) of Books-A-Million, Inc. (the Company), which will be held at 11:00 a.m., Central Daylight Saving Time, on May 29, 2015, at our corporate office annex located at 121 West Park Drive, Birmingham, Alabama 35211. Directions to attend the meeting, where you may vote in person, can be found on our website: www.booksamillioninc.com. The meeting is called for the following purposes:

- (1) To elect three directors for three-year terms expiring in 2018;
- (2) To ratify the appointment of Grant Thornton LLP as the Company s independent registered public accounting firm for fiscal 2016;
- (3) To approve on an advisory basis the compensation of our named executive officers; and
- (4) To transact such other business as may properly come before the meeting.

The above matters are described in detail in the proxy statement. Regardless of whether you plan to attend the meeting, you are urged, after reading the proxy statement, to vote your shares by proxy using one of the following methods: (a) vote by telephone or via the Internet using the instructions on your proxy card, or (b) complete, sign, date, and return your proxy card in the postage-paid envelope provided. If you attend the meeting, you may revoke your proxy and vote your shares personally if you desire to do so.

The Board has fixed the close of business on April 6, 2015, as the record date for the purpose of determining the stockholders who are entitled to notice of and to vote at the meeting and any adjournment or postponement thereof.

By Order of the Board of Directors,

Clyde B. Anderson
Executive Chairman of the Board of Directors

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Stockholders to be held on May 29, 2015: The Company s Proxy Statement and Annual Report to Stockholders are available at <http://www.booksamillioninc.com/report>.

Table of Contents

PROXY STATEMENT

TABLE OF CONTENTS

	Page
<u>INFORMATION ABOUT THE ANNUAL MEETING</u>	1
<u>SHARES ENTITLED TO VOTE</u>	1
<u>PROPOSAL 1 ELECTION OF DIRECTORS</u>	3
<u>CORPORATE GOVERNANCE AND BOARD MATTERS</u>	6
<u>REPORT OF THE AUDIT COMMITTEE</u>	9
<u>BENEFICIAL OWNERSHIP OF COMMON STOCK</u>	10
<u>TRANSACTIONS WITH RELATED PERSONS</u>	14
<u>EXECUTIVE COMPENSATION</u>	16
<u>COMPENSATION PROGRAM OBJECTIVES</u>	16
<u>NO EMPLOYMENT AND SEVERANCE AGREEMENTS</u>	16
<u>CONSIDERATION OF PRIOR STOCKHOLDER ADVISORY VOTE ON EXECUTIVE COMPENSATION</u>	16
<u>ELEMENTS OF COMPENSATION</u>	17
<u>SUMMARY COMPENSATION TABLE</u>	20
<u>OUTSTANDING EQUITY AWARDS AT FISCAL 2015 YEAR-END</u>	21
<u>POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE IN CONTROL</u>	21
<u>DIRECTOR COMPENSATION</u>	25
<u>PROPOSAL 2 - RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u>	27
<u>PROPOSAL 3 ADVISORY VOTE TO APPROVE NAMED EXECUTIVE OFFICER COMPENSATION</u>	28
<u>OTHER MATTERS</u>	29
<u>SOLICITATION OF PROXIES</u>	29
<u>STOCKHOLDER PROPOSALS FOR 2016 ANNUAL MEETING</u>	29
<u>ANNUAL REPORT</u>	29

Table of Contents

BOOKS-A-MILLION, INC.
402 INDUSTRIAL LANE
BIRMINGHAM, ALABAMA 35211
PROXY STATEMENT
FOR
ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD MAY 29, 2015
INFORMATION ABOUT THE ANNUAL MEETING

This Proxy Statement is furnished by and on behalf of the Board of Directors (the **Board**) of Books-A-Million, Inc. (the **Company**) in connection with the solicitation of proxies for use at the Annual Meeting of Stockholders of the Company to be held at 11:00 a.m., Central Daylight Saving Time, on May 29, 2015, at our corporate office annex located at 121 West Park Drive, Birmingham, Alabama 35211, and at any adjournments or postponements thereof (the **Annual Meeting**). This Proxy Statement and the enclosed proxy card will be first mailed on or about May 1, 2015 to the Company's stockholders of record at the close of business on April 6, 2015.

SHARES ENTITLED TO VOTE

You can vote either in person at the Annual Meeting or by proxy without attending the Annual Meeting. The shares of common stock, \$0.01 par value per share (**Common Stock**), represented at the Annual Meeting by a properly executed proxy will be voted as you direct. If you sign your proxy card but do not give voting instructions, the shares represented by that proxy will be voted as recommended by the Board. The Board recommends a vote **FOR** the election as directors of the nominees listed in this Proxy Statement, **FOR** the ratification of Grant Thornton LLP as the Company's independent registered public accounting firm for fiscal 2016, and **FOR** the advisory approval of the compensation of our named executive officers.

To vote by proxy, you must do one of the following:

Vote by Telephone. You can vote your shares by telephone by calling the toll-free number listed on the enclosed proxy card on a touch-tone telephone 24 hours a day through 12:00 p.m., Central Time, on May 28, 2015. Easy-to-follow voice prompts enable you to vote your shares and confirm that your instructions have been properly recorded. If you are a beneficial owner, or you hold your shares in **street name**, please check your voting instruction card or contact your bank, broker, or nominee to determine whether you will be able to vote by telephone.

Vote by Internet. You can also vote via the Internet through 12:00 p.m., Central Time, on May 28, 2015 by following the instructions on the enclosed proxy card. The website address for Internet voting is indicated on the enclosed proxy card. Internet voting is available 24 hours a day. If you are a beneficial owner, or you

hold your shares in street name, please check your voting instruction card or contact your bank, broker, or nominee to determine whether you will be able to vote by Internet.

Vote by Mail. If you choose to vote by mail, complete, sign, date, and return your proxy card in the postage-paid envelope provided. Please promptly mail your proxy card to ensure that it is received prior to the Annual Meeting.

If you want to vote in person at the Annual Meeting, and you hold your Common Stock in street name (that is, through a bank, broker or other nominee), you must obtain a proxy from your bank, broker or other nominee and bring that proxy to the Annual Meeting.

Voting by proxy will not affect a stockholder's right to attend and to vote in person at the Annual Meeting. A proxy may be revoked by a stockholder at any time before it is voted by (i) filing with the Secretary of the Company either a written revocation or an executed proxy bearing a later date, (ii) a later vote via the Internet or by telephone, or (iii) attending and voting in person at the Annual Meeting.

Table of Contents

Only holders of record of Common Stock as of the close of business on April 6, 2015 (the Record Date) will be entitled to vote at the Annual Meeting. As of the close of business on the Record Date, there were 15,442,042 shares of Common Stock outstanding. Holders of shares authorized to vote are entitled to cast one vote per share on all matters. The holders of a majority of the shares entitled to vote must be present or represented by proxy at the Annual Meeting to constitute a quorum.

Under Delaware law and the Company s Amended and Restated Bylaws, directors are elected by the affirmative vote, in person or by proxy, of a plurality of the shares entitled to vote in the election at a meeting at which a quorum is present. Only votes actually cast will be counted for the purpose of determining whether a particular nominee received more votes than the persons, if any, nominated for the same seat on the Board of Directors. The ratification of the appointment of the Company s independent registered public accounting firm (Proposal 2) requires for adoption the affirmative vote of the holders of a majority of shares of Common Stock present in person or represented by proxy and entitled to vote on the proposal at the Annual Meeting. Proposal 3 is a non-binding advisory vote regarding executive compensation, although the Board will take into account the outcome of the vote when considering future executive compensation arrangements. Proposal 3 requires for adoption the affirmative vote of the holders of a majority of shares of Common Stock present in person or represented by proxy and entitled to vote on the proposal at the Annual Meeting.

Abstentions, votes withheld and, unless a broker s authority to vote on a particular matter is limited, shares held in street name that are not voted, are counted in determining the votes present at a meeting and entitled to vote, such as for quorum purposes. Abstentions will be counted as present for purposes of determining the existence of a quorum but will be counted as not voting on any proposal brought before the Annual Meeting. Since the election of directors (Proposal 1) is determined by a plurality of the votes cast at the Annual Meeting, abstentions will not affect the outcome of this matter. An abstention as to the ratification of the appointment of the independent registered public accounting firm (Proposal 2) or the advisory vote on executive compensation (Proposal 3) will have the same effect as voting against such proposals.

A share that is held in street name that is not voted because the broker s authority to vote on that matter is limited and the broker did not receive direction on how to vote the share on that matter from the beneficial owner (a broker non-vote) is not considered entitled to vote and is thus not calculated as a vote cast at a meeting (either for or against the proposal). Accordingly, broker non-votes, if any, will not have an effect on the approval of Proposals 1 or 3. Your broker will continue to have discretion to vote uninstructed shares on the ratification of the appointment of the independent registered public accounting firm (Proposal 2).

If any other matters are properly presented at the Annual Meeting for consideration, the persons named as proxies in the enclosed proxy card will have discretion to vote on those matters for you in a manner deemed by the proxy representatives named therein to be in the best interests of the Company and its stockholders. On the date on which we filed this Proxy Statement with the Securities and Exchange Commission, the Board did not know of any other matter to be raised at the Annual Meeting.

Table of Contents

PROPOSAL 1 ELECTION OF DIRECTORS

The Board of Directors of the Company is divided into three classes of directors serving staggered terms of office. Upon the expiration of the term of office of a class of directors, the nominees for that class are elected for a term of three years to serve until the election and qualification of their successors. The current terms of Messrs. Clyde B. Anderson, Ronald G. Bruno, and Ronald J. Domanico expire at the Annual Meeting. The Board has nominated Mr. Anderson, Mr. Bruno, and Mr. Domanico for re-election to the Board at the Annual Meeting, to serve until the 2018 annual meeting of stockholders or until their successors are duly elected and qualified.

All shares represented by properly executed proxies received in response to this solicitation will be voted in the election as specified therein by the stockholders. Unless otherwise specified in the proxy, it is the intention of the persons named on the enclosed proxy card to vote FOR the election of Mr. Anderson, Mr. Bruno and Mr. Domanico to the Board. Mr. Anderson, Mr. Bruno and Mr. Domanico have each consented to serve as a director of the Company if elected. If at the time of the Annual Meeting, Mr. Anderson, Mr. Bruno or Mr. Domanico is unable or declines to serve as a director, the discretionary authority provided in the enclosed proxy card will be exercised to vote for a substitute candidate designated by the Board. The Board has no reason to believe that Mr. Anderson, Mr. Bruno, or Mr. Domanico will be unable or will decline to serve as a director.

Set forth below is certain information furnished to the Company by Mr. Anderson, Mr. Bruno, and Mr. Domanico and by each of the incumbent directors whose terms will continue following the Annual Meeting.

NOMINEES FOR ELECTION TERM TO EXPIRE IN 2018

CLYDE B. ANDERSON

Age: 54

Clyde B. Anderson has served as the Executive Chairman of the Board of Directors of the Company since March 2012. Mr. Anderson served as Chairman and Chief Executive Officer of the Company from May 2009 to March 2012, when Mr. Terrance G. Finley was elected to the position of Chief Executive Officer of the Company. On August 20, 2009, Mr. Anderson was re-elected to the position of President, which position he held until August 23, 2011 when Mr. Finley was promoted to the position of President and Chief Operating Officer of the Company. Mr. Anderson served as the Executive Chairman of the Board of Directors from February 2004 to March 2009. He has served as a director of the Company since August 1987. Mr. Anderson has served as the Chairman of the Board of Directors since January 2000 and also served as the Chief Executive Officer of the Company from July 1992 until February 2004. Mr. Anderson also served as the President of the Company from November 1987 to August 1999. From November 1987 to March 1994, Mr. Anderson served as the Company's Chief Operating Officer. Mr. Anderson served on the board of directors of Hibbett Sports, Inc., a sporting goods retailer, from 1987 to 2008. Mr. Anderson is the brother of Terry C. Anderson, a member of the Company's Board of Directors. Mr. Anderson is not an independent director under the listing standards of the Nasdaq Stock Market (Nasdaq).

The Company believes that Mr. Anderson's qualifications to serve on the Board include his 29 years of experience in the retail bookstore industry, including 26 years in the leadership roles of President, Chief Executive Officer, or Executive Chairman of the Company.

RONALD G. BRUNO

Age: 63

Ronald G. Bruno has served as the President of Bruno Capital Management Corporation, an investment company, since 1995 and as the Chairman of Bruno Event Team, LLC, a sports marketing firm, since 1996. He has served as a director of the Company since September 1992. Formerly, Mr. Bruno served as the Chairman and Chief Executive Officer of Bruno's Supermarkets, Inc., a supermarket retailing chain. He also served on the board of directors for Russell Corporation from 1992 to 2006 and the board of directors for SouthTrust Bank, N.A. from 1986 to 2004. Mr. Bruno has been determined to be independent by the Board as defined by Nasdaq listing standards.

Table of Contents

The Company believes that Mr. Bruno's qualifications to serve on the Board include Mr. Bruno's experience from his prior service as the Chairman and Chief Executive Officer of Bruno's Supermarkets, Inc., a publicly traded retail grocery store chain, his prior service on the public company boards of directors of SouthTrust Bank, N.A. and Russell Corporation, and his service on the Company's Board since 1992.

RONALD J. DOMANICO

Age: 56

Mr. Domanico is recently retired from HD Supply (HDS), where he served as Senior Vice President and Chief Financial Officer. While at HDS, Mr. Domanico played a key role in the company's successful initial public offering in 2013. Prior to HDS, Mr. Domanico was Senior Vice President, Chief Financial Officer, and a member of the board of directors of Caraustar Industries, Inc. from 2002 to 2009. Prior to Caraustar, Mr. Domanico held various senior financial management positions, most notably Senior Vice President and Chief Financial Officer of Nabisco International. Mr. Domanico has been determined to be independent by the Board as defined by Nasdaq listing standards.

The Company believes that Mr. Domanico's qualifications to serve on the Board include Mr. Domanico's experience from his prior service as the Senior Vice President and Chief Financial Officer of HD Supply, as well as his prior service as Senior Vice President and Chief Financial Officer of both Caraustar Industries and Nabisco International.

THE BOARD OF DIRECTORS RECOMMENDS THAT THE STOCKHOLDERS VOTE FOR THE ELECTION AS DIRECTORS OF THE NOMINEES NAMED ABOVE.

Table of Contents

INCUMBENT DIRECTOR TERM TO EXPIRE IN 2016

EDWARD W. WILHELM

Age: 56

Edward W. Wilhelm is currently Executive Vice President, Chief Financial Officer of The Finish Line, Inc., a specialty retailer of athletic shoes, apparel, and accessories, serving in such capacity since March 2009. He has served as a director of the Company since May 2013. Previously, Mr. Wilhelm served as Executive Vice President and Chief Financial Officer of Borders Group, Inc. from 2000 to 2009. From 1997 to 2000, Mr. Wilhelm was Vice President of Planning, Reporting, and Treasury for Borders Group, Inc. and served as Vice President of Finance from 1994 through 1997. Mr. Wilhelm is a Certified Public Accountant. Mr. Wilhelm has been determined to be independent by the Board as defined by Nasdaq listing standards.

The Company believes that Mr. Wilhelm's qualifications to serve on the Board include his experience from his service in his current position with The Finish Line, Inc., and his service in previous positions with Borders Group, Inc., which gives him a wide range of capital markets and public company experience, particularly with respect to the general retail and book industries.

INCUMBENT DIRECTOR TERM TO EXPIRE IN 2017

TERRENCE C. ANDERSON

Age: 57

Terrence C. Anderson has served as a director of the Company since April 1998. Mr. Anderson serves as the Chairman and Chief Executive Officer of American Promotional Events, Inc., an importer and wholesaler of pyrotechnics, a position he has held since July 1988. Mr. Anderson is the brother of Clyde B. Anderson, the Executive Chairman of the Board of Directors of the Company. Mr. Anderson is not an independent director under Nasdaq listing standards.

The Company believes that Mr. Anderson's qualifications to serve on its Board include his service as Chairman and Chief Executive Officer of American Promotional Events, Inc., which gives him unique insights into importing retail items for the Company, and his service on the Board of the Company since 1988.

Table of Contents**CORPORATE GOVERNANCE AND BOARD MATTERS**

Meetings and Attendance. The Company's Board of Directors held twelve meetings during the Company's fiscal year ended January 31, 2015 (fiscal 2015). The Board currently has one committee, the Audit Committee. During fiscal 2015, each director attended at least 75% of the meetings of the Board and the committees of the Board on which he served. Directors are encouraged to attend annual meetings of Books-A-Million stockholders. All of the Company's then current directors were present at the 2014 Annual Meeting of Stockholders.

Controlled Company Status. Under the listing standards of Nasdaq, we are deemed a controlled company by virtue of the fact that Clyde B. Anderson, the Executive Chairman of our Board of Directors, along with certain of Mr. Anderson's family members and certain trusts of which he or a family member acts as trustee or co-trustee, have voting power with respect to more than fifty percent of our outstanding voting stock. Since April 2, 2013, we have elected to take advantage of certain of the corporate governance exemptions available to controlled companies. A controlled company is not required to have a majority of its board of directors comprised of independent directors. Director nominees are not required to be selected or recommended for the board's consideration by a majority of independent directors or a nominating committee comprised solely of independent directors, nor do the Nasdaq listing standards require a controlled company to certify adoption of a formal written charter or board resolution, as applicable, addressing the nominations process. A controlled company is also exempt from Nasdaq requirements regarding the determination of executive officer and director compensation by a majority of independent directors or a compensation committee comprised solely of independent directors of the board. Director nominations and officer and director compensation determinations are now the responsibility of the full Board (with the exception of any compensation decisions relating to the Company's Executive Chairman, Clyde B. Anderson, which decisions are made by the members of the Board other than Mr. Anderson). However, a controlled company is required to have an audit committee comprised of at least three directors, all of whom must be independent as defined under the rules of both the Securities and Exchange Commission and Nasdaq. Nasdaq further requires that all members of the audit committee have the ability to read and understand financial statements and that at least one member of the audit committee possess financial sophistication. The independent directors must also meet at least twice a year in meetings at which only they are present.

Board Independence. The Board of Directors currently has five members, three of whom have been determined to be independent under Nasdaq listing standards. During the Board's determination of the independence of directors for fiscal 2016, the Board specifically considered relationships between the Company and its affiliates and each director and his immediate family and affiliated entities.

Board Leadership Structure. The Board does not have a policy requiring the separation or combination of the Chief Executive Officer and Chairman roles. From 2004 to 2009, the Company had separate individuals serving as Chairman of the Board and as Chief Executive Officer. During this period, Mr. Clyde B. Anderson, who served as Chief Executive Officer of the Company from 1992 through 2004, continued in an active leadership role of the Company, serving as its Executive Chairman. Upon the resignation of Sandra B. Cochran as President and Chief Executive Officer of the Company in March 2009, the Board reappointed Mr. Anderson to the role of Chief Executive Officer, believing that his more than 28 years of service to the Company, vast industry experience, and close relationship with the Company's management team uniquely qualified him for the role. The Board believed that combining the roles of Chairman and Chief Executive Officer during the period following Ms. Cochran's resignation from March 2009 to March 2012 was in the best interests of the Company. On March 13, 2012, the Board approved the promotion of Terrance G. Finley to the office of Chief Executive Officer, thereby separating the roles of Chairman and Chief Executive Officer. Mr. Anderson continues to serve as Executive Chairman. The Board has determined that this current structure is the most appropriate and effective Board leadership structure for the Company at this time based upon a number of factors, including the experience of the applicable individuals, the current business

environment, the specific needs of the business, and what is in the best interests of the Company's stockholders. However, the Board may reconsider the Company's leadership structure from time to time in the future based on considerations at that time.

Although the Board of Directors has not designated a lead independent director, the independent directors of the Company meet in executive session at least twice during each fiscal year, and a chairman of those executive sessions is elected by the independent directors at each of those executive sessions. In addition, the Chairman of the Audit Committee serves as the director to whom correspondence may be directed on behalf of the Board as described under Communications with Directors on page 8 of this Proxy Statement.

Table of Contents

Board's Role in Risk Oversight. The Board has an active role, as a whole and also at the Audit Committee level, in overseeing management of the Company's risks. The Board regularly reviews information regarding the Company's Enterprise Risk Assessment through reports from the Audit Committee. The Internal Audit Department of the Company works with the Management Executive Committee to perform an overall enterprise risk assessment on an annual basis and provides its Enterprise Risk Assessment report to the Audit Committee. The Enterprise Risk Assessment is used by the Audit Committee and the Internal Audit Department to develop audit plans on an annual basis to safeguard against identified risks. The Audit Committee also specifically oversees and manages financial risks (including risks required to be monitored under the Sarbanes-Oxley Act). The full Board of Directors is regularly informed by the Audit Committee about any risks the oversight of which has been delegated to the Audit Committee. Because the Board currently does not have an active Compensation Committee or Nominating and Corporate Governance Committee, the full Board of Directors is responsible for overseeing the management of risks relating to the Company's compensation plans and arrangements and risks associated with the independence of the Board of Directors and potential conflicts of interest for directors and employees.

Audit Committee of the Board of Directors. The Audit Committee currently consists of Messrs. Edward W. Wilhelm, Chairman, Ronald G. Bruno, and Ronald J. Domanico. The responsibilities of the Audit Committee include, in addition to such other duties as the Board may specify, appointing the Company's independent auditors, reviewing with the independent auditors the scope and results of the audit engagement, reviewing and approving related party activity, reviewing the Company's financial policies and internal control procedures, and reviewing and approving the performance of all non-audit services by the Company's auditors. The Audit Committee held five meetings in fiscal 2015.

The Board of Directors has determined that all of the current members of the Audit Committee are independent directors, as defined by the Company's Audit Committee Charter, Nasdaq listing standards, and Securities and Exchange Commission rules. The Audit Committee acts under a written charter first adopted in 1992 and last reviewed, revised, and approved on March 30, 2015. The Audit Committee Charter is available free of charge on the Company's website at www.booksamillioninc.com. The Board of Directors has determined that Edward W. Wilhelm is qualified as an audit committee financial expert under Securities and Exchange Commission rules. Mr. Wilhelm's business experience positions held are summarized in the section "Incumbent Director - Term to Expire in 2016" on page 5 of this Proxy Statement. The Board of Directors has also determined that Ronald J. Domanico is qualified as an audit committee financial expert under Securities and Exchange Commission rules. Mr. Domanico's business experience and positions held are summarized in the section "Nominees for Election - Term to Expire in 2018" on page 4 of this Proxy Statement.

Identifying and Evaluating Nominees for Directors. The Board utilizes a variety of methods for identifying and evaluating director nominees. The Board regularly assesses the appropriate size of the Board and whether any vacancies on the Board are expected due to retirement or otherwise. In the event that vacancies are anticipated, or otherwise arise, the Board considers various potential candidates for director. Candidates may come to the attention of the Board through current Board members, professional search firms, stockholders, or other persons. These candidates are evaluated at regular or special meetings of the Board and may be considered at any point during the year.

The Board of Directors believes that it is necessary for each of the Company's directors to possess many qualities and skills. When searching for new candidates, the Board considers the evolving needs of the Board and searches for candidates that fill any current or anticipated gap. The Board also believes that all directors must possess a considerable amount of business management and educational experience. The Board first considers a candidate's management experience and then considers issues of judgment, background, stature, conflicts of interest, integrity, ethics, and commitment to the goal of maximizing stockholder value when considering director candidates. The Board also focuses on issues of diversity, such as diversity of gender, race and national origin, education, professional

experience, and differences in viewpoints and skills. The Board does not have a formal policy with respect to diversity; however, the Board believes that it is essential that the Board members represent diverse viewpoints. In considering candidates for the Board, the Board considers the entirety of each candidate's credentials in the context of these standards. With respect to the nomination of continuing directors for re-election, the

Table of Contents

individual s contributions to the Board are also considered. Certain individual qualifications and skills of our directors that contribute to the Board s effectiveness as a whole are described in the individual biographies of each director under the heading PROPOSAL 1 ELECTION OF DIRECTORS beginning on page 3 of this Proxy Statement.

Director Nominees Proposed by Stockholders. The Board will consider suggestions from stockholders for nominees for election as directors. The Amended and Restated Bylaws of the Company provide that any stockholder entitled to vote on the election of directors at a meeting called for such purpose may nominate persons for election to the Board by following the procedures set forth in the section of the Amended and Restated Bylaws titled Notice of Stockholder Nominees. Stockholders who wish to submit a proposed nominee to the Company should send written notice to Ms. Catherine L. Hogewood, Secretary of the Board of Directors and General Counsel, Books-A-Million, Inc., 402 Industrial Lane, Birmingham, Alabama 35211.

Such notice should set forth all information relating to such nominee as is required to be disclosed in solicitations of proxies for elections of directors pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended, including such person s written consent to being named in the proxy statement as a nominee and to serve as a director if elected, the name and address of such stockholder or beneficial owner on whose behalf the proposed nomination is being made, and the class and number of shares of the Company owned beneficially and of record by such stockholder or beneficial owner. The Board will consider nominees suggested by stockholders on the same terms as nominees provided by search firms or other parties. The Board seeks to achieve a balance of knowledge, experience, and capability on the Board and believes that nominees for election to the Board must possess certain minimum qualifications and attributes. The nominee: (1) must exhibit strong personal integrity, character and ethics, and a commitment to ethical business and accounting practices, (2) must not be involved in ongoing litigation with the Company or be employed by an entity which is engaged in such litigation, and (3) must not be the subject of any ongoing criminal investigations, including investigations for fraud or financial misconduct.

Communication with Directors. Individuals may communicate with the Board by submitting the communication to the Company s executive offices at 402 Industrial Lane, Birmingham, Alabama 35211. The communication should be directed to the attention of the Internal Auditor. The Company s Internal Auditor reports directly to the Audit Committee of the Board and will immediately communicate the information to the Chairman of the Audit Committee and the Audit Committee and/or all members of the Board.

Code of Business Conduct and Ethics. The Company has adopted a Code of Business Conduct and Ethics for all directors, officers (including the Company s principal executive officer, principal financial officer, and controller), and employees. The Company s Code of Business Conduct and Ethics is available free of charge on the Company s website at www.booksamillioninc.com. The Company intends to make available on the Company s website any amendments to or waivers from the Company s Code of Business Conduct and Ethics within four business days of such amendment or waiver. Stockholders may also request a free copy of the Code of Business Conduct and Ethics by writing to the attention of Investor Relations at the Company s executive offices at 402 Industrial Lane, Birmingham, Alabama 35211.

Table of Contents

REPORT OF THE AUDIT COMMITTEE

The members of the Audit Committee are Messrs. Edward W. Wilhelm (Chairman), Ronald G. Bruno, and Ronald J. Domanico. The Board has determined that Messrs. Wilhelm and Domanico are audit committee financial experts under the Securities and Exchange Commission rules. The primary function of the Audit Committee is to provide advice with respect to the Company's financial matters and to assist the Board of Directors in fulfilling its oversight responsibilities regarding (i) the quality and integrity of the Company's financial statements, (ii) the Company's compliance with legal and regulatory requirements, (iii) the qualifications and independence of the independent registered public accounting firm serving as auditors of the Company, and (iv) the performance of the Company's internal audit function and the Company's independent registered public accounting firm.

Management is responsible for the Company's internal controls and the financial reporting process. The independent registered public accounting firm is responsible for performing an independent audit of the Company's consolidated financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States) and issuing a report thereon. The Audit Committee's responsibility is to monitor and oversee these processes. It is not the duty of the Audit Committee to conduct auditing or accounting review procedures.

The Audit Committee held five meetings during fiscal 2015, including regular meetings in conjunction with the close of each fiscal quarter during which the Audit Committee reviewed and discussed the Company's financial statements with management and Grant Thornton LLP, the Company's independent registered public accounting firm for the fiscal year ended January 31, 2015.

The Audit Committee has reviewed and discussed the audited financial statements of the Company for the fiscal year ended January 31, 2015 with the Company's management, and management represented to the Audit Committee that the Company's financial statements were prepared in accordance with accounting principles generally accepted in the United States of America. The Audit Committee has discussed with Grant Thornton LLP the matters required to be discussed by Auditing Standard No. 16, Communications with the Audit Committee, as adopted by the Public Company Accounting Oversight Board.

The Audit Committee has received the written disclosures and the letter from Grant Thornton LLP required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountant's communications with the Audit Committee concerning independence, and the Audit Committee has discussed with Grant Thornton LLP its independence from the Company. The Audit Committee approved all services provided by Grant Thornton LLP for the fiscal year ended January 31, 2015. The total fees paid to Grant Thornton LLP for fiscal 2015 are described on page 27 of this Proxy Statement under Fees and Services.

Based on the Audit Committee's discussions with management and the independent registered public accounting firm, and the Audit Committee's review of the audited financial statements and the written disclosures and letter from the independent registered public accounting firm to the Audit Committee, the Audit Committee recommended to the Board of Directors that the Company's audited financial statements be included in the Company's Annual Report on Form 10-K for the fiscal year ended January 31, 2015 for filing with the Securities and Exchange Commission.

By the Audit Committee of the Board of Directors:

Edward W. Wilhelm, Chairman

Ronald G. Bruno

Ronald J. Domanico

Table of Contents**BENEFICIAL OWNERSHIP OF COMMON STOCK**

The following table sets forth information concerning the beneficial ownership of Common Stock of the Company of (i) those persons known by management of the Company to own beneficially more than 5% of the Company's outstanding Common Stock, (ii) the directors of the Company, (iii) the executive officers named in the Summary Compensation Table on page 21 of this Proxy Statement, and (iv) all current directors and executive officers as a group. Such information is provided as of April 6, 2015. The number of shares of Common Stock of the Company outstanding on April 6, 2015 was 15,442,042. According to rules adopted by the Securities and Exchange Commission, a person is the beneficial owner of securities if he or she has or shares the power to vote them or to direct their investment or has the right to acquire beneficial ownership of such securities within sixty (60) days through the exercise of an option, warrant, right of conversion of a security, or otherwise. Except as otherwise noted, the indicated owners have sole voting and investment power with respect to shares beneficially owned. An asterisk in any of the below columns indicates a number amounting to less than 1% percent of the outstanding Common Stock. Unless otherwise indicated, the address for the following stockholders is c/o Books-A-Million, Inc., 402 Industrial Lane, Birmingham, Alabama 35211.

REPORTING PERSON	NUMBER OF BENEFICIALLY OWNED SHARES	PERCENTAGE OF OUTSTANDING SHARES	PERCENTAGE OF REGISTERED SHARES⁽¹⁾	PERCENTAGE OF OUTSTANDING SHARES
Dimensional Fund Advisors LP ⁽²⁾	856,422	5.6%	856,422	5.6%
Anderson BMM Holdings, LLC ⁽³⁾	8,879,940 ⁽⁴⁾	57.5%	1,513,302 ⁽⁵⁾	9.8%
Charles C. Anderson ⁽⁶⁾	8,879,940 ⁽⁴⁾	57.5%	183,000 ⁽⁷⁾	1.2%
Hilda B. Anderson ⁽⁸⁾	8,879,940 ⁽⁴⁾	57.5%	14,111	*
Joel R. Anderson ⁽⁹⁾	8,879,940 ⁽⁴⁾	57.5%	1,614,874 ⁽¹⁰⁾	10.5%
Charles C. Anderson, Jr. ⁽¹¹⁾	8,879,940 ⁽⁴⁾	57.5%	580,422	3.8%
Charles C. Anderson, III ⁽¹²⁾	8,879,940 ⁽⁴⁾	57.5%	23,794	*
Terrence C. Anderson ⁽¹³⁾	8,879,940 ⁽⁴⁾	57.5%	719,114 ⁽¹⁴⁾	4.7%
Clyde B. Anderson	8,879,940 ⁽⁴⁾	57.5%	3,299,425 ⁽¹⁵⁾	21.4%
Harold M. Anderson ⁽¹⁶⁾	8,879,940 ⁽⁴⁾	57.5%	684,335	4.4%
Kayrita M. Anderson ⁽¹⁷⁾	8,879,940 ⁽⁴⁾	57.5%	20,611	*
Hayley Anderson Milam ⁽¹⁸⁾	8,879,940 ⁽⁴⁾	57.5%	25,380	*
Ashley Ruth Anderson ⁽¹⁹⁾⁽²⁰⁾	8,879,940 ⁽⁴⁾	57.5%	84,000	*
The Ashley Anderson Trust ⁽²⁰⁾⁽²¹⁾	8,879,940 ⁽⁴⁾	57.5%	84,000	*
Irrevocable Trust of Charles C. Anderson, Jr.				
FBO Lauren Artis Anderson ⁽²²⁾	8,879,940 ⁽⁴⁾	57.5%	25,380	*
Olivia Barbour Anderson 1995 Trust ⁽²³⁾	8,879,940 ⁽⁴⁾	57.5%	1,200	*
Alexandra Ruth Anderson Irrevocable Trust ⁽²⁴⁾	8,879,940 ⁽⁴⁾	57.5%	1,200	*
First Anderson Grandchildren's Trust FBO Charles C. Anderson, III ⁽²⁵⁾	8,879,940 ⁽⁴⁾	57.5%	11,224	*
First Anderson Grandchildren's Trust FBO Hayley E. Anderson ⁽²⁵⁾	8,879,940 ⁽⁴⁾	57.5%	11,224	*
	8,879,940 ⁽⁴⁾	57.5%	11,224	*

First Anderson Grandchildren s Trust FBO

Lauren A. Anderson⁽²⁵⁾

Second Anderson Grandchildren s Trust FBO

Alexandra R. Anderson⁽²⁵⁾8,879,940⁽⁴⁾

57.5%

11,224

*

Third Anderson Grandchildren s Trust FBO

Taylor C. Anderson⁽²⁵⁾8,879,940⁽⁴⁾

57.5%

11,224

*

Fourth Anderson Grandchildren s Trust FBO

Carson C. Anderson⁽²⁵⁾8,879,940⁽⁴⁾

57.5%

11,224

*

Fifth Anderson Grandchildren s Trust FBO

Harold M. Anderson⁽²⁵⁾8,879,940⁽⁴⁾

57.5%

11,224

*

Sixth Anderson Grandchildren s Trust FBO

Bentley B. Anderson⁽²⁵⁾8,879,940⁽⁴⁾

57.5%

11,224

*

The Charles C. Anderson Family
Foundation⁽²⁶⁾8,879,940⁽⁴⁾

57.5%

83,000

*

The Joel R. Anderson Family Foundation⁽²⁶⁾8,879,940⁽⁴⁾

57.5%

83,000

*

The Clyde and Summer Anderson
Foundation⁽²⁶⁾8,879,940⁽⁴⁾

57.5%

46,000

*

Terrance G. Finley

463,472⁽²⁷⁾

3.0%

463,472⁽²⁷⁾

3.0%

Ronald G. Bruno

117,735⁽²⁸⁾

*

117,735⁽²⁸⁾

*

Edward W. Wilhelm

32,262⁽²⁹⁾

*

32,262⁽²⁹⁾

*

Table of Contents

REPORTING PERSON	NUMBER	PERCENTAGE	PERCENTAGE
	OF SHARES OWNED	OF OUTSTANDING SHARES	OF REGISTERED OUTSTANDING SHARES ⁽¹⁾
Ronald J. Domanico	24,509 ⁽³⁰⁾	*	24,509 ⁽³⁰⁾ *
R. Todd Noden	272,500 ⁽³¹⁾	*	272,500 ⁽³¹⁾ *
James F. Turner	218,888 ⁽³²⁾	*	218,888 ⁽³²⁾ *
All current directors and executive officers as a group (8 persons) ⁽³³⁾	10,009,305	64.8%	5,101,905 33.0%

- (1) Registered Shares includes only those shares as to which the reporting person claims beneficial ownership, as determined in accordance with Rule 13d-3 under the Securities Exchange Act of 1934 (the Exchange Act), notwithstanding the reporting person's inclusion in the group described in footnote (4) below, if applicable.
- (2) The business address of Dimensional Fund Advisors LP (Dimensional) is Palisades West, Building One, 6300 Bee Cave Road, Austin, Texas 78746. This information is based solely upon our review of a Schedule 13G/A filed by Dimensional with the Securities and Exchange Commission on February 5, 2015, reporting beneficial ownership as of December 31, 2014. The Schedule 13G/A reports that Dimensional, in its role as an investment adviser registered under Section 203 of the Investment Advisors Act of 1940, furnishes investment advice to four investment companies registered under the Investment Company Act of 1940 and serves as investment manager to certain other commingled group trusts and separate accounts (collectively, Funds). The Schedule 13G/A reports that, in certain cases, subsidiaries of Dimensional may act as an adviser or sub-adviser to certain Funds. The Schedule 13G/A reports that, in its role as investment adviser, sub-adviser and/or manager, Dimensional or its subsidiaries possess voting and/or investment power over the shares of the Company that are owned by the Funds and may be deemed to be the beneficial owner of the shares of the Company held by the Funds, even though all shares reported in the Schedule 13G/A are owned by the Funds. Therefore, the Schedule 13G/A reports that Dimensional disclaims beneficial ownership of the shares. Dimensional states that the filing of the Schedule 13G/A shall not be construed as an admission that it or any of its affiliates is the beneficial owner of any shares covered by the Schedule 13G/A for any other purposes than Section 13(d) of the Exchange Act.
- (3) Anderson BMM Holdings, LLC (ABH) is an investment company with its business address at 201 South Court Street, Suite 610, Florence, Alabama 35630. ABH, a limited liability company organized under the laws of the State of Delaware, is managed by a board of directors, which board is given full and complete authority, power, and discretion to manage and control the business, affairs, and properties of ABH and to make all decisions regarding those matters, which gives the board the ultimate voting and investment control over the shares of the Company's Common Stock contributed to ABH by its members. The current board of directors of ABH consists of Charles C. Anderson, Joel R. Anderson, Charles C. Anderson, Jr., Terry C. Anderson, and Clyde B. Anderson. Harold M. Anderson has the right to nominate and elect himself to the board at any time that he owns a membership interest in ABH. Otherwise, the directors are elected by the members of ABH at its annual meeting.
- (4) 8,879,940 shares may be deemed to be beneficially held as a group, as such term is defined in Section 13(d)(3) of the Exchange Act. Each of these persons and entities has filed a