

Veritiv Corp  
Form DEF 14A  
March 01, 2019

Use these links to rapidly review the document

[TABLE OF CONTENTS](#)

[Table of Contents](#)

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**SCHEDULE 14A**

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

Filed by the Registrant

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 under §240.14a-12

**Veritiv Corporation**

---

(Name of Registrant as Specified In Its Charter)

---

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

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
  - (1) Title of each class of securities to which transaction applies:
  - (2) Aggregate number of securities to which transaction applies:
  - (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

Edgar Filing: Veritiv Corp - Form DEF 14A

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

o Fee paid previously with preliminary materials.

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

(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

---

Table of Contents

## 2019 PROXY STATEMENT

Notice of 2019 Annual Meeting  
of Shareholders to be held on April 24, 2019

---

Edgar Filing: Veritiv Corp - Form DEF 14A

Table of Contents

Veritiv Corporation  
1000 Abernathy Road NE  
Building 400, Suite 1700  
Atlanta, Georgia 30328  
www.veritivcorp.com

March 1, 2019

To Our Shareholders,

You are cordially invited to attend the Veritiv Corporation 2019 Annual Meeting of Shareholders to be held on Wednesday, April 24, 2019 at 9:00 a.m., Eastern Time, at the Ritz-Carlton Hotel, 181 Peachtree Street NE, Atlanta, Georgia 30303.

The accompanying Notice of Meeting and Proxy Statement describe the matters to be acted upon at the Annual Meeting and the nominees for election as directors. Please take the time to carefully read each of the proposals described in the attached Proxy Statement.

Your vote is important. You may cast your vote in person at the meeting, over the Internet, by telephone, or by mail. Your vote will ensure your representation at the Annual Meeting regardless of whether or not you attend in person.

Thank you for your continued support of Veritiv.

Sincerely,

Mary A. Laschinger  
*Chairman of the Board and Chief Executive Officer*

---

Table of Contents

## NOTICE OF 2019 ANNUAL MEETING OF SHAREHOLDERS

- Date:** Wednesday, April 24, 2019
- Time:** 9:00 a.m., Eastern Time
- Place:** Ritz-Carlton Hotel, 181 Peachtree Street NE, Atlanta, Georgia 30303
- Purpose:**
1. To elect as directors the eight nominees named in the proxy statement and recommended by the Board of Directors to serve for a one year term expiring at the 2020 annual meeting of shareholders and until their successors are elected and qualified;
  2. To ratify the appointment of Deloitte & Touche LLP as the Company's independent registered public accounting firm for 2019;
  3. To approve, on an advisory basis, the Company's executive compensation; and
  4. To consider and act upon any other matter that may properly come before the annual meeting, or any postponements or adjournments thereof.
- Who Can Vote:** Shareholders of record at the close of business on February 25, 2019.
- How Can You Vote:** You may cast your vote electronically via the Internet or by telephone by following the instructions on your proxy card, voting instruction form or Notice of Internet Availability of Proxy Materials. If you received your proxy materials by mail, you may vote by completing and submitting a proxy card or voting instruction form. You may also vote in person at the annual meeting.
- Who Can Attend:** All shareholders are invited to attend the annual meeting. If you plan to attend the meeting in person, you must provide proof of share ownership, such as an account statement, and a form of personal identification to be admitted.

By Order of the Board of Directors,

Mark W. Hianik  
*Senior Vice President, General Counsel & Corporate Secretary*

### IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON APRIL 24, 2019

Our Proxy Statement for the 2019 Annual Meeting of Shareholders and our Annual Report to Shareholders for the year ended December 31, 2018 are available at

<http://www.veritivcorp.com/2018annualreport>.

Table of Contents

**PROXY STATEMENT**  
**FOR THE ANNUAL MEETING OF SHAREHOLDERS**  
**TO BE HELD ON APRIL 24, 2019**

Veritiv Corporation (the Company, Veritiv, we, us or our) is furnishing this proxy statement to you in connection with the solicitation by the Board of Directors of the Company (Board) of the enclosed form of proxy for the Company's 2019 annual meeting of shareholders.

The Company pays for the preparation and mailing of the Notice of Annual Meeting, this proxy statement and our annual report, and the Company has also made arrangements with brokerage firms and other custodians, nominees and fiduciaries for the forwarding of this proxy statement and other proxy materials to the beneficial owners of shares of its common stock at the Company's expense. This proxy statement is dated March 1, 2019 and is first being mailed to the Company's shareholders on or about March 1, 2019.

---

Table of Contents

## TABLE OF CONTENTS

<u>Questions and Answers About the Annual Meeting and Voting</u>	<u>1</u>
<u>Security Ownership of Certain Beneficial Owners and Management</u>	<u>6</u>
<u>Proposal 1 - Election of Directors</u>	<u>8</u>
<u>Corporate Governance</u>	<u>13</u>
<u>Audit and Finance Committee Report</u>	<u>21</u>
<u>Principal Accountant Fees and Services</u>	<u>23</u>
<u>Proposal 2 - Ratification of Appointment of Independent Registered Public Accounting Firm</u>	<u>24</u>
<u>Executive Compensation</u>	<u>25</u>
<u>Proposal 3 - Advisory Vote to Approve Executive Compensation</u>	<u>58</u>
<u>Additional Information</u>	<u>59</u>
<u>Financial Information</u>	<u>59</u>
<u>Shareholder Proposals for the 2020 Annual Meeting</u>	<u>59</u>
<u>Householding of Proxy Materials</u>	<u>59</u>
<u>Other Matters</u>	<u>59</u>

---

Table of Contents

**Why am I receiving these proxy materials?**

These materials are being furnished to you because the Board is soliciting your proxy to vote at the annual meeting, and at any postponements or adjournments of the annual meeting. This proxy statement describes the matters on which you, as a shareholder, are entitled to vote. It also provides information that is intended to assist you in making an informed vote on the proposals described in this proxy statement.

**What is a proxy?**

A proxy is your legal designation of another person to vote the shares you own at the annual meeting. If you are a shareholder of record, you can designate a proxy by completing and submitting a proxy card. By completing and submitting a proxy card, which identifies the persons authorized to act as your proxy, you are giving each of those persons authority to vote your shares as you have instructed. If your shares are held by a broker, bank, trustee or other nominee (i.e., in street name), you may instead receive a voting instruction form. By completing and submitting a voting instruction form, you are giving your broker, bank, trustee or other nominee authority to vote your shares as you have instructed. We strongly encourage you to instruct your broker or other nominee how you wish to vote. By voting via proxy, each shareholder is able to cast his or her vote without having to attend the annual meeting in person.

**Why did I receive more than one proxy card or voting instruction form?**

You will receive multiple proxy cards or voting instruction forms if you hold your shares in different ways (e.g., trusts, custodial accounts, joint tenancy) or in multiple accounts. It is important that you complete, sign, date and return each proxy card or voting instruction form you receive, or vote using the Internet or by telephone as described in the instructions included with your proxy card(s), voting instruction form(s) or in the Notice of Internet Availability of Proxy Materials.

**Why didn't I receive paper copies of the proxy materials?**

The Company is furnishing proxy materials to our shareholders via the Internet instead of mailing printed copies of those materials, as permitted by rules adopted by the U.S. Securities and Exchange Commission (SEC). This option allows the Company to provide our shareholders with information they need, while reducing our use of natural resources, and cutting back on potentially unwanted materials in our shareholders' mail boxes.

If you received a Notice of Internet Availability of Proxy Materials by mail, you will not receive a printed copy of the proxy materials unless you request one in accordance with the instructions provided in the notice. The Notice of Internet Availability of Proxy Materials provides instructions on how you may access and review the proxy materials on the Internet.

**What is the record date and what does it mean?**

The Board established February 25, 2019 as the record date for the annual meeting. Shareholders who own shares of the Company's common stock at the close of business on the record date are entitled to notice of and to vote at the annual meeting or any postponements or adjournments of the annual meeting.



Table of Contents

**How many shares are entitled to vote at the annual meeting?**

As of the close of business on the record date, there were 15,901,416 shares of our common stock outstanding and entitled to vote at the annual meeting. Each share of common stock is entitled to one vote on each proposal to properly come before the meeting.

**What is the difference between a shareholder of record and a beneficial owner?**

Most of our shareholders hold their shares beneficially through a broker, bank, trustee or other nominee rather than of record directly in their own name with Computershare Inc., our transfer agent. As summarized below, there are some differences in the way to vote shares held of record and those owned beneficially.

If your shares are registered directly in your name with our transfer agent, you are considered the shareholder of record of those shares, and proxy materials are being sent directly to you. As a shareholder of record, you have the right to grant your voting proxy directly to the persons named as proxy holders or to vote in person at the annual meeting.

If your shares are held in a stock brokerage account or by a bank or other nominee, you are considered the beneficial owner of the shares held in street name, and proxy materials are being forwarded to you by your broker or other nominee who is considered the shareholder of record of those shares. As the beneficial owner, you have the right to direct your broker or other nominee on how to vote and you are also invited to attend the annual meeting. However, because you are not the shareholder of record, you may not vote those shares in person at the annual meeting unless you have a proxy, executed in your favor, from the holder of record of your shares. Your broker or other nominee has enclosed a voting instruction form for you to use in directing your broker or other nominee as to how to vote your shares.

**How many votes must be present to hold the annual meeting?**

We must have a quorum to conduct the annual meeting. A quorum is a majority of the voting power of the shares entitled to vote at the meeting, present in person or by proxy. Properly signed proxies that are marked abstain are known as abstentions. Shares that are held in street name and not voted on one or more of the items before the annual meeting, but are otherwise voted on at least one item, are known as broker nonvotes. Both abstentions and broker non-votes are counted as present for the purpose of determining the presence of a quorum. Abstentions are also counted as shares represented and entitled to be voted. Broker non-votes, however, are not counted as shares entitled to be voted with respect to the matter on which the broker has expressly not voted.

**Who will count the votes?**

A representative from Computershare Inc. will determine if a quorum is present, tabulate the votes and serve as the Company's inspector of election at the annual meeting.

**What vote is required to approve each proposal?**

*Proposal 1: Election of directors.* In order to be elected, a director nominee must receive the affirmative vote of the holders of a majority in voting power of the shares of stock entitled to vote and represented in person or by proxy at the annual meeting. Shareholders do not have a right to cumulate their votes for the election of directors. Abstentions will be counted as represented and entitled to vote on the proposal and will therefore have the same effect as a vote against Proposal 1. Broker non-votes will not be counted as represented and entitled to vote and will therefore have no impact on the election of director nominees.

Table of Contents

*Proposal 2: Ratification of Deloitte & Touche LLP as the Company's independent registered public accounting firm for 2019.* The affirmative vote of the holders of a majority in voting power of the shares of stock entitled to vote on the proposal and represented in person or by proxy at the annual meeting is required to ratify the appointment of our independent registered public accounting firm for 2019. Abstentions will be counted as represented and entitled to vote on the proposal and will therefore have the same effect as a vote against Proposal 2.

*Proposal 3: Advisory vote on executive compensation.* The affirmative vote of the holders of a majority in voting power of the shares of stock entitled to vote on the proposal and represented in person or by proxy at the annual meeting is required to approve, on an advisory basis, the Company's executive compensation. Abstentions will be counted as represented and entitled to vote on the proposal and will therefore have the effect of a vote against Proposal 3. Broker non-votes will not be counted as represented and entitled to vote on the proposal and will therefore have no effect on the outcome of the proposal.

Any other matter that properly comes before the meeting will require the approval of the affirmative vote of the holders of a majority of the shares having voting power represented in person or by proxy at the annual meeting.

**How do I vote my shares?**

You can vote your shares in one of the following manners:

by using the Internet;

by telephone;

by mail; or

by attending the annual meeting and voting in person.

If you are a shareholder of record, please refer to the specific instructions set forth in the Notice of Internet Availability of Proxy Materials or, if you received your proxy materials by mail, on the proxy card(s).

If you are a beneficial owner of shares held in street name, your broker, bank, trustee or other nominee will provide you with instructions for voting your shares.

**Can I change my vote after I vote by mail, by telephone or using the Internet?**

Yes, if you are a shareholder of record, you can change your vote in any one of the following ways:

send a written notice to the Corporate Secretary of the Company at 1000 Abernathy Road NE, Building 400, Suite 1700, Atlanta, Georgia 30328 stating that you revoke your proxy, so long as it is received prior to the annual meeting;

if you received your proxy materials by mail, sign and mail a proxy card bearing a later date, so long as it is received prior to the annual meeting;

vote again by using the Internet or by telephone; or

attend the annual meeting and vote in person.

Your mere presence at the annual meeting will not revoke your proxy. You must take affirmative action in order to revoke your proxy.



Table of Contents

If you are a beneficial owner of shares held in street name, you must contact your broker, bank, trustee or other nominee in order to revoke your proxy.

**How will my proxy be voted?**

If you are a shareholder of record and you complete, sign, date and return your proxy card(s), or vote by using the Internet or by telephone, your shares will be voted in accordance with your instructions. If you sign and date your proxy card(s), but do not indicate how you want to vote, your shares will be voted in accordance with the Board's recommendation.

If you are a beneficial owner, your broker or other nominee will vote your shares with respect to Proposals 1 and 3 **only** if you instruct your broker or other nominee how to vote. If you do not provide your broker or other nominee with instructions, your broker or other nominee will not be authorized to vote your shares with respect to Proposals 1 and 3. Your broker or other nominee may, but is not required to, vote your shares with respect to Proposal 2 if you do not instruct your broker or other nominee how to vote.

**What are the Board's recommendations on how I should vote my shares?**

The Board unanimously recommends that you vote your shares as follows:

Proposal 1 **FOR** the election of the eight director nominees named in this proxy statement to serve for a one-year term expiring at the 2020 annual meeting of shareholders and until their successors are elected and qualified.

Proposal 2 **FOR** the ratification of the appointment of Deloitte & Touche LLP as the Company's independent registered public accounting firm for 2019.

Proposal 3 **FOR** the approval, on an advisory basis, of the Company's executive compensation.

**What do I need to do if I plan to attend the meeting in person?**

If you plan to attend the annual meeting in person, you must provide proof of your ownership of our common stock and a form of personal identification for admission to the meeting. If you hold shares in street name and you also wish to be able to vote at the meeting, you must also obtain a proxy, executed in your favor, from your broker or other nominee. All current shareholders are invited to attend the meeting, even if you did not hold shares on the record date.

**Who is bearing the cost of this proxy solicitation and how is the solicitation effected?**

We will bear the cost of soliciting proxies, including expenses in connection with preparing and distributing this proxy statement. Our directors, officers and employees may solicit proxies on our behalf in person or by mail or telephone and no additional compensation will be paid for such solicitation. We have engaged Innisfree M&A Incorporated to assist us in the solicitation of proxies. We expect to pay Innisfree approximately \$10,000 for these services, plus expenses. In addition, we will reimburse banks, brokers and other custodians, nominees and fiduciaries for expenses incurred in forwarding proxy materials to beneficial owners of our stock and obtaining their proxies.

## Edgar Filing: Veritiv Corp - Form DEF 14A

### Table of Contents

#### Who can answer my questions?

If you need additional copies of the proxy materials, have questions about the proxy materials or the annual meeting, or need assistance in voting your shares, you should contact:

Innisfree M&A Incorporated  
501 Madison Avenue, 20<sup>th</sup> Floor  
New York, New York 10022  
Shareholders call toll-free at (888) 750-5834  
Banks and brokers can call collect at (212) 750-5833

You may also contact us at the following address:

Veritiv Corporation  
1000 Abernathy Road NE  
Building 400, Suite 1700  
Atlanta, Georgia 30328  
Attention: Corporate Communications  
Telephone: 844-VERITIV or (844) 837-4848

Table of Contents

The following table sets forth the number of shares of the Company's common stock beneficially owned as of February 15, 2019 (based on a total of 15,901,416 shares of our common stock outstanding as of February 15, 2019) by (i) each of the Company's directors, (ii) each of the named executive officers, (iii) all directors and executive officers of the Company as a group and (iv) owners of more than 5% of the outstanding shares of the Company's common stock. In accordance with SEC rules, beneficial ownership includes: (i) all shares the shareholder actually owns beneficially or of record; (ii) all shares over which the shareholder has or shares voting or dispositive control; and (iii) all shares the shareholder has the right to acquire within 60 days of February 15, 2019. Except as indicated in the footnotes to the table, the Company believes the persons named in the table have sole voting and investment power with respect to all shares beneficially owned by them.

David E. Flitman	6,650	*
Daniel T. Henry	15,040	*
Liza K. Landsman	6,827	*
Tracy A. Leinbach	20,040	*
William E. Mitchell	10,040	*
Michael P. Muldowney	10,040	*
Charles G. Ward, III	30,040	*
John J. Zillmer	10,040	*
Mary A. Laschinger	145,852	*
Stephen J. Smith	44,523	*
Salvatore A. Abbate	0	
Thomas S. Lazzaro	44,756	*
Daniel J. Watkoske	19,956	*
All executive officers and directors as a group (17 persons)	410,090	2.6%

## Edgar Filing: Veritiv Corp - Form DEF 14A

The Baupost Group, L.L.C., Baupost Group GP, L.L.C. and Seth A. Klarman (3)	3,564,439	22.4%
UWW Holdings, LLC (4)	2,783,840	17.5%
BlackRock, Inc. (5)	1,816,840	11.4%
Dimensional Fund Advisors LP (6)	1,213,433	7.6%

---

\*

Less than 1%.

(1)

Amounts in this column include fully-vested shares of phantom stock (each equivalent in value to one share of the Company's common stock) awarded to non-employee directors as follows: 6,650 shares for Mr. Flitman and 6,827 shares for each of Ms. Landsman, Mr. Mitchell, Mr. Muldowney and Mr. Ward.

Table of Contents

- (2) Amounts in this column include fully-vested stock settled deferred share units (each equivalent in value to one share of the Company's common stock) awarded to non-employee directors as follows: 3,213 units for each of Mr. Henry, Ms. Leinbach, Mr. Mitchell, Mr. Muldowney, Mr. Ward and Mr. Zillmer.
- (3) Based on the information provided pursuant to the Schedule 13G/A filed by The Baupost Group, L.L.C. (Baupost), Baupost Group GP, L.L.C. (BG GP) and Seth A. Klarman with the SEC on February 13, 2019. Baupost, BG GP, and Mr. Klarman each reported that, as of December 31, 2018, it or he has shared voting and dispositive power with respect to 3,564,439 shares of Company common stock. Baupost is a registered investment adviser and acts as an investment adviser and general partner to various private investment limited partnerships. BG GP, as the Manager of Baupost, and Mr. Klarman, as the sole owner and Managing Member of BG GP and a controlling person of Baupost, may be deemed to have beneficial ownership under Section 13 of the Securities Exchange Act of 1934, as amended, of the securities beneficially owned by Baupost. Each of Baupost, BG GP and Mr. Klarman has a business address of 10 St. James Avenue, Suite 1700, Boston, Massachusetts 02116.
- (4) Based on the information provided pursuant to the Schedule 13D/A filed by UWW Holdings, LLC (UWW Schedule 13D/A) with the SEC on September 26, 2018. UWW Holdings, LLC reported that, as of September 25, 2018, it has sole voting and dispositive power with respect to 2,783,840 shares of Company common stock. The UWW Schedule 13D/A indicates that voting and dispositive power with respect to the shares of common stock held by UWW Holdings, LLC is exercised through a three-member board of managers acting by majority vote. Bain Capital Fund VII, L.P. (Fund VII) and Bain Capital VII Coinvestment Fund, L.P. (Coinvestment VII) have the right to appoint two of the three members of the board of managers of UWW Holdings, LLC. Bain Capital Investors, LLC (BCI) is the general partner of Bain Capital Partners VII, L.P., which is the general partner of each of Fund VII and Coinvestment VII (collectively, BCI and its investment funds advised or managed by it, Bain Capital). In addition, certain investment funds associated with Bain Capital collectively hold common equity interests of UWW Holdings, LLC (together with Fund VII and Coinvestment VII, the Bain Capital Funds). Each of BCI, the Bain Capital Funds and UWW Holdings, LLC has a business address c/o Bain Capital Investors, LLC, 200 Clarendon Street, Boston, Massachusetts 02116.
- (5) Based on the information provided pursuant to the Schedule 13G/A filed by BlackRock, Inc. (BlackRock) with the SEC on January 31, 2019. BlackRock reported that, as of December 31, 2018, it has sole voting power with respect to 1,784,819 shares and sole dispositive power with respect to 1,816,840 shares. BlackRock has a business address of 55 East 52nd Street, New York, New York 10055.
- (6) Based on the information provided pursuant to the Schedule 13G filed by Dimensional Fund Advisors LP (Dimensional) with the SEC on February 8, 2019. Dimensional reported that, as of December 31, 2018, it has sole voting power with respect to 1,168,255 shares of Company common stock and sole dispositive power with respect to 1,213,433 shares of Company common stock. Dimensional is a registered investment adviser and serves as an investment manager or sub-adviser to certain other commingled funds, group trusts and separate accounts (such investment companies, trusts and accounts, collectively referred to as the Funds). In certain cases, subsidiaries of Dimensional may act as an adviser or sub-adviser to certain Funds. In its role as investment adviser, sub-adviser and/or manager, Dimensional or its subsidiaries may possess voting and/or investment power over the shares that are owned by the Funds, and may be deemed to be the beneficial owner of the shares held by the Funds. However, all of the shares of Company common stock are owned by the Funds. Dimensional disclaims beneficial ownership of such shares. Dimensional has a business address of Building One, 6300 Bee Cave Road, Austin, Texas 78746.

**Section 16(a) Beneficial Ownership Reporting Compliance**

Under the U.S. securities laws, the Company's directors, executive officers and beneficial owners of more than 10% of our common stock are required to report their initial ownership of shares and any subsequent changes in that ownership to the SEC and the New York Stock Exchange (NYSE). Due dates for the reports are specified by those laws, and the Company is required to disclose in this proxy statement any failure in the past year to file by the required dates. Based solely upon our review of the copies of such forms received by us or written representations that no other forms were required from reporting persons, we believe that all such reports were submitted on a timely basis during 2018.



Table of Contents

At the 2019 annual meeting of shareholders, the eight nominees named in this proxy statement are standing for re-election as directors of the Company for a one-year term. Liza K. Landsman, a current director of the Company, is not standing for re-election, and the Board has reduced its size to eight members effective as of the date of the 2019 annual meeting. Proxies for the 2019 annual meeting cannot be voted for greater than the number of director nominees named in this proxy statement.

Each director nominee will be elected if he or she receives more "FOR" votes than "AGAINST" votes. Each nominee elected as a director will continue in office until the 2020 annual meeting of shareholders and until his or her successor has been duly elected and qualified or until his or her earlier resignation or removal.

The Nominating and Governance Committee of the Board of Directors is responsible for making recommendations to the Board concerning nominees for election as directors and nominees for Board vacancies. When assessing a director candidate's qualifications, the Nominating and Governance Committee will consider the candidate's independence, skills, current and previous occupations, other board memberships and professional experiences in the context of the needs of the Board. The Nominating and Governance Committee has adopted Director Qualification Criteria and Independence Standards, which, in general, require that director candidates have ample experience and a proven record of professional success, leadership and the highest level of personal and professional ethics, integrity and values. The Nominating and Governance Committee seeks qualified candidates with diverse backgrounds including, but not limited to, such factors as race, gender and ethnicity. Our Corporate Governance Guidelines provide that the Nominating and Governance Committee will consider director candidates recommended by shareholders, provided such recommendations comply with the process set forth in our bylaws. In assessing such candidates, the Nominating and Governance Committee will consider the same criteria described above. See our Corporate Governance Guidelines and our Director Qualification Criteria and Independence Standards, which may be viewed in the governance section of our website at <http://ir.veritivcorp.com>, for additional information on the selection of director candidates.

Each nominee named in this proxy statement has consented to being named in this proxy statement and to serve if elected. If any nominee becomes unable to serve, proxies will be voted for the election of such other person as the Board may designate, unless the Board chooses to reduce the number of director seats. However, the Company has no reason to believe that any nominee will be unable to serve.

The following are descriptions of the business and public company director experience of our director nominees, including their current principal positions, terms of office, and ages as of March 1, 2019. We have been advised that there are no family relationships among any of our executive officers and directors.

Table of Contents

*Background*

Independent  
Director

Age: 54

Director Since:  
July 2017

Board  
Committees:

Audit and Finance

Compensation and  
Leadership  
Development

Mr. Flitman is the President and Chief Executive Officer of BMC Stock Holdings, Inc., a leading provider of diversified building products, services and innovative building solutions in the U.S. residential construction market, a position he assumed in September 2018. From January 2015 to September 2018, he served as the Executive Vice President of Performance Food Group Company, a family of leading foodservice distributors, and President and Chief Executive Officer of its Performance Foodservice division. From January 2014 to December 2014, Mr. Flitman served as Chief Operating Officer and President USA and Mexico of Univar Corporation, a global chemical distributor. Mr. Flitman joined Univar in December 2012 as President USA with additional responsibility for Univar's Global Supply Chain and Export Services teams. From November 2011 to September 2012, he served as Executive Vice President and President Water and Process Services at Ecolab, the global leader in water, hygiene and energy technologies and services. From August 2008 to November 2011, Mr. Flitman served as Senior Executive Vice President of Nalco until it was acquired by Ecolab. He also served as President of Allegheny Power from February 2005 to July 2008. Formerly, Mr. Flitman spent nearly 20 years in operational, commercial, and global business leadership positions at DuPont.

*Attributes and Skills*

Mr. Flitman brings to the Board of Directors strong global business leadership and executive management skills, extensive commercial distribution industry experience, and experience managing newly public companies.

*Other Directorships*

Mr. Flitman also serves as a director of BMC Stock Holdings, Inc.

*Background*

Independent  
Director

Age: 69

Mr. Henry served as the Chief Financial Officer of American Express Company, a global financial services company, from October 2007 until his retirement in August 2013 and as its Executive Vice President from February 2007 until his August 2013 retirement. While at American Express, Mr. Henry was responsible for leading the company's finance

Edgar Filing: Veritiv Corp - Form DEF 14A

Director Since: organization and representing American Express to investors, lenders and rating agencies.  
June 2014 Mr. Henry joined American Express in 1990 and served in a variety of senior finance roles including Comptroller. Prior to joining American Express, Mr. Henry was a Partner with Ernst & Young LLP.

Board  
Committees:

*Attributes and Skills*

Audit and Finance Mr. Henry brings to the Board of Directors substantial experience and expertise with  
(Chair) respect to complex financial systems, public company financial management and reporting, and financial and strategic planning.

*Other Directorships*

Compensation and Mr. Henry also serves as a director of The Hanover Insurance Group and formerly served  
Leadership on the board of directors of Groupon, Inc.  
Development

Table of Contents

Chairman and  
CEO

*Background*

Age: 58

Director Since:  
July 2014

Ms. Laschinger has served as Chairman and Chief Executive Officer of the Company since July 2014. Ms. Laschinger served as Senior Vice President of International Paper Company, a global packaging and paper manufacturing company, from 2007 to July 2014 and as President of its xpedx distribution business from January 2010 to July 2014. She previously served as President of International Paper's Europe, Middle East, Africa and Russia business, Vice President and General Manager of International Paper's Wood Products and Pulp businesses and in other senior management roles at International Paper in sales, marketing, manufacturing and supply chain. Ms. Laschinger joined International Paper in 1992. Prior to joining International Paper, Ms. Laschinger held various positions in sales, marketing and supply chain at James River Corporation and Kimberly-Clark Corporation.

*Attributes and Skills*

Ms. Laschinger brings to the Board of Directors significant knowledge and executive management experience running domestic and international manufacturing and distribution businesses as well as a deep understanding of Veritiv and the industry in which it operates.

*Other Directorships*

Ms. Laschinger also serves as a director of Kellogg Company and the Federal Reserve Bank of Atlanta.

Independent  
Director

*Background*

Age: 59

Director Since:  
June 2014

Ms. Leinbach served as Executive Vice President and Chief Financial Officer of Ryder System, Inc., a global leader in supply chain, warehousing and transportation management solutions, from March 2003 until her retirement in February 2006. Ms. Leinbach served as Executive Vice President of Ryder's Fleet Management Solutions from March 2001 to March 2003, Senior Vice President, Sales and Marketing from September 2000 to March 2001, and Senior Vice President, Field Management from July 2000 to September 2000. Since beginning her career at Ryder in 1985, Ms. Leinbach

Edgar Filing: Veritiv Corp - Form DEF 14A

Board  
Committees:

served in various finance, operations and sales positions of increasing responsibility, including serving Ryder Transportation Services as Managing Director-Europe, Senior Vice President and Chief Financial Officer, Senior Vice President, Business Services and Senior Vice President, Purchasing and Asset Management. Prior to her career with Ryder, Ms. Leinbach, a former licensed CPA, worked in public accounting for Price Waterhouse.

Compensation and  
Leadership  
Development

*Attributes and Skills*

Ms. Leinbach brings to the Board of Directors particular knowledge, expertise and perspectives in corporate finance, operations, sales and logistics, strategic planning and risk management, issues regarding the management of a multinational corporation, and financial reporting, and accounting issues for large public companies.

Nominating and  
Governance  
(Chair)

*Other Directorships*

Ms. Leinbach also serves as a director of Hasbro, Inc. and formerly served on the board of directors of Forward Air Corporation.

Table of Contents

Independent  
Director

*Background*

Age: 74

Director Since:  
June 2014

Presiding Director

Mr. Mitchell is the managing partner of Sequel Capital Management, LLC, an investment management firm he founded in 2010. Mr. Mitchell served as Chairman of the Board of Directors of Arrow Electronics, Inc., a global electronic components and computer products distributor, from May 2006 to December 2009, and also served as Arrow's Chief Executive Officer from February 2003 to May 2009 and as Arrow's President from February 2003 to February 2008. Prior to that, Mr. Mitchell was President of Solectron Global Services, Inc. from 1999 to 2003 and was Chairman, President and Chief Executive Officer of Sequel, Inc. from 1995 to 1999 until its acquisition by Solectron.

*Attributes and Skills*

Mr. Mitchell brings to the Board of Directors extensive experience as president and chief executive officer of a global distribution company, extensive knowledge of international business operations, and significant experience in the governance of large publicly-traded corporations.

*Other Directorships*

Mr. Mitchell currently serves as a director of Humana, Inc. In addition to formerly serving as Chairman of Arrow Electronics, Inc., Mr. Mitchell formerly served on the board of directors of Brown-Forman Corporation, National Semiconductor Corporation, Spansion, Inc. and Rogers Corporation.

Independent  
Director

*Background*

Age: 55

Director Since:  
June 2014

Mr. Muldowney is the Chief Executive Officer of Foxford Capital, LLC, a strategic financial advisory and investment management firm he founded in 2012. From June 2014 to December 2018, Mr. Muldowney served as Chief Financial Officer of Gordon Brothers Group, a global advisory, restructuring and investment firm. From 2007 to 2011, Mr. Muldowney served as the Executive Vice President and Chief Financial Officer of Houghton Mifflin Harcourt Company, a global educational publishing company. From March 2011 to September 2011, Mr. Muldowney also served as Houghton Mifflin Harcourt Company's Interim Chief Executive Officer. Houghton Mifflin Harcourt

Edgar Filing: Veritiv Corp - Form DEF 14A

Board  
Committees: Company filed for voluntary reorganization under Chapter 11 of the U.S. Bankruptcy Code in May 2012 and emerged with a confirmed plan in June 2012. Previously, Mr. Muldowney served in various capacities, including as Chief Operating Officer, Chief Financial Officer, President and Director, at Nextera Enterprises, Inc., a consulting firm. Early in his career, Mr. Muldowney held various management positions with Marsh & McLennan Companies, including Corporate Controller and Principal of the Mercer Management Consulting subsidiary.

Audit and Finance

*Attributes and Skills*

Compensation and  
Leadership  
Development Mr. Muldowney, a former Certified Public Accountant, brings to the Board of Directors a broad-based business background and significant financial expertise and leadership skills.

*Other Directorships*

None.

Table of Contents

*Background*

Independent Director	Mr. Ward was a partner at Perella Weinberg Partners, a global, independent advisory and asset management firm, from March 2012 until his retirement in December 2015. From October 2010 to December 2011, Mr. Ward served as Chief Investment Officer for Arcapita Inc., a private equity firm. Arcapita filed for voluntary reorganization under Chapter 11 of the U.S. Bankruptcy Code in March 2012 and emerged with a confirmed plan in September 2013. From 2002 to 2010, Mr. Ward was President of Lazard Ltd., a leading financial advisory and investment management firm. Prior to that, Mr. Ward served as Global Head of Investment Banking and Private Equity for Credit Suisse First Boston and as a Co-Founder and member of the board of directors of Wasserstein Perella Group, a U.S. investment bank.
Age: 66	
Director Since: June 2014	
Board Committees:	

*Attributes and Skills*

Audit and Finance	Mr. Ward brings to the Board of Directors significant financial expertise and extensive investment banking, capital markets, and private equity experience.
-------------------	---

Nominating and Governance	<i>Other Directorships</i>  None.
------------------------------	---

*Background*

Independent Director	Mr. Zillmer is the retired Executive Chairman of Univar Inc., a leading global distributor of industrial and specialty chemicals and related services, which position he held from May 2012 to December 2012. Mr. Zillmer served as President and Chief Executive Officer of Univar Inc. from October 2009 to May 2012. Prior to joining Univar Inc., Mr. Zillmer was Chairman and Chief Executive Officer of Allied Waste Industries, Inc., the nation's second-largest waste management company, from May 2005 until December 2008, when Allied Waste Industries, Inc. merged with Republic Services, Inc. Previously, Mr. Zillmer spent 18 years at Aramark Corporation, a leading foodservice, facilities and uniforms provider, in roles of increasing responsibility, the last of which was President, Food and Support Services.
Age: 63	
Director Since: June 2014	
Board Committees:	

*Attributes and Skills*



Edgar Filing: Veritiv Corp - Form DEF 14A

Compensation and Leadership Development (Chair) Mr. Zillmer brings to the Board of Directors strong leadership skills, broad experience with public and private boards of directors, and extensive knowledge in the areas of strategy development and execution, operational efficiencies, management of global operations, capital investments, and executive compensation.

*Other Directorships*

Nominating and Governance Mr. Zillmer also serves as a director of CSX Corporation, Ecolab Inc. and Performance Food Group Company and formerly served on the board of directors of Reynolds American, Inc.

**OUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE "FOR" EACH OF THE NOMINEES NAMED IN THIS PROXY STATEMENT FOR ELECTION TO THE BOARD**

Table of Contents

**Corporate Governance Principles**

Our business is managed under the direction of our Board of Directors pursuant to the Delaware General Corporation Law and our bylaws. The Board has responsibility for establishing broad corporate policies and for the overall performance of our Company. The Board is kept advised of company business through regular written reports and analyses and discussions with the Chairman and CEO and other executive officers, by reviewing materials provided to them and by participating in Board and committee meetings.

The Board has adopted policies and procedures designed to ensure effective governance of the Company. Our corporate governance materials, including our Corporate Governance Guidelines, the charters of each of the standing committees of the Board and our Code of Business Conduct and Ethics, may be viewed in the governance section of our website at <http://ir.veritivcorp.com>. We intend to include on our website information about any amendments to, or waivers from, a provision of the Code of Business Conduct and Ethics that applies to our principal executive officer, principal financial officer, principal accounting officer or controller in accordance with SEC rules.

The Nominating and Governance Committee periodically reviews our Corporate Governance Guidelines and reassesses the adequacy of such guidelines and proposes changes as warranted for approval by the Board.

**Director Independence**

The Company requires that a majority of its directors be independent as defined by the Director Qualification Criteria and Independence Standards adopted by the Board and the rules of the NYSE and the SEC. The Board makes a determination as to the independence of each director upon such director's initial appointment and thereafter on an annual basis. The Board has determined that each of the current members of the Board, except for Mary A. Laschinger, has no material relationship with the Company and satisfies all the criteria for being independent members of our Board within the meaning of the Director Qualification Criteria and Independence Standards and the rules of the NYSE and the SEC.

**Board Composition and Leadership Structure**

The Board currently consists of nine directors, eight of whom are standing for re-election at the annual meeting. With the departure of Ms. Landsman at the end of her current term, the Board has decided to reduce the size of the Board to eight directors effective as of the date of the 2019 annual meeting. Our charter and bylaws provide that the Board may increase or decrease the size of the Board and fill any vacancies. Our Corporate Governance Guidelines provide that a director must retire effective December 31 of the year in which the director attains the age of 75; however, the Board, in its discretion, may decide to recommend a retiring director for an additional year of service.

Ms. Laschinger serves as the Chairman of the Board and CEO of the Company. Our Board has concluded that combining the roles of CEO and Chairman of the Board is the most effective leadership structure for the Company at the present time as it promotes unified leadership and direction for the Company, allowing for a single, clear focus for management to execute the Company's strategic and business plans. In coming to this conclusion, the independent directors

Table of Contents

considered Ms. Laschinger's vast experience within the Company's industry that affords her a broad and uniquely well-informed perspective on the Company's business, as well as substantial insight into the trends and opportunities that may affect the Company's future. The combination of the Chairman and CEO roles is balanced by a supermajority of our Board being comprised of independent directors, as well as the election of a Presiding Director by our independent directors. As discussed further below, the Presiding Director is responsible for providing leadership to our Board when circumstances arise in which the joint role of the Chairman and CEO may be, or may be perceived to be, in conflict and chairing those Board sessions that are attended only by independent directors. Our Board believes that having a Presiding Director as part of its leadership structure promotes greater management accountability and ensures that directors have an independent contact on matters of concern to them.

**Board Meetings, Executive Sessions and Presiding Director**

During 2018, the Board met six times and each director attended at least 75% of the total number of Board meetings and of the meetings of the standing committees on which he or she then served. Our independent directors meet at regularly scheduled executive sessions at least semiannually without management representatives or non-independent directors present. Executive sessions generally coincide with regularly scheduled meetings of the Board. As provided in the Company's Corporate Governance Guidelines, executive sessions are chaired by the Presiding Director.

The responsibilities of the Presiding Director include:

in consultation with the Nominating and Governance Committee, determining a schedule and agenda for regular executive sessions attended by independent directors without management participation and presiding over such sessions;

convening meetings of independent directors;

in consultation with the Compensation and Leadership Development Committee, organizing the process pursuant to which the independent directors shall evaluate the performance of the Chairman and CEO;

coordinating, developing agenda items, moderating and maintaining a record of all meetings of independent directors;

consulting with the Chairman and CEO regarding agenda items and other logistics for Board meetings;

serving as a liaison between non-management directors and the Chairman and CEO and other leadership team members, particularly with respect to sensitive matters; and

participating in the director recruitment process along with the Chairman and CEO and the Nominating and Governance Committee.

The Presiding Director is also available to receive direct communications from shareholders through Board approved procedures and may periodically, as directed by our Board, be asked to speak for the Company or perform other responsibilities.

**Annual Meeting Attendance**

Our Corporate Governance Guidelines provide that members of the Board are expected to attend annual shareholders meetings and all but one of the directors attended the 2018 annual shareholders meeting.

Table of Contents

**Board Committees**

The standing committees of the Board are the Audit and Finance Committee, the Compensation and Leadership Development Committee and the Nominating and Governance Committee. All of the standing committees are comprised entirely of independent directors in accordance with the NYSE listing standards. The table below shows the current members of each of the committees and the number of meetings each committee held in 2018:

David E. Flitman	ü	ü	
Daniel T. Henry	Chair	ü	
Liza K. Landsman			ü
Tracy A. Leinbach		ü	Chair
Michael P. Muldowney	ü	ü	
Charles G. Ward, III	ü		ü
John J. Zillmer		Chair	ü

***Audit and Finance Committee***

The principal functions of the Audit and Finance Committee include:

reviewing and discussing with the independent auditors of the Company the scope and thoroughness of the independent auditors' examination and reports, and judgments made, and considering recommendations of the independent auditors;

reviewing and discussing with management of the Company analyses prepared, the scope and thoroughness of review, and judgments made;

appointing the independent auditor and pre-approving all services and related fees for the year;

preparing and approving the committee report required by the rules of the SEC for inclusion in the Company's annual proxy statement and annual report to shareholders;

reviewing the independent auditor's qualifications, performance and independence;

## Edgar Filing: Veritiv Corp - Form DEF 14A

reviewing the sufficiency and effectiveness of the Company's system of internal controls, including compliance with legal and regulatory requirements;

reviewing and discussing the Company's quarterly and annual filings on Form 10-Q and Form 10-K, respectively;

reviewing periodically the Company's antifraud programs and controls;

evaluating enterprise financial risk exposures and risk management policies;

reviewing financing and capital structure plans;

reviewing and recommending approval authority for capital expenditures, financings, acquisitions and divestments; and

Table of Contents

performing other functions or duties deemed appropriate by the Board.

Our Board has determined that each member of the Audit and Finance Committee satisfies all applicable financial literacy requirements, each member meets the definition of an audit committee financial expert as defined by the SEC and each member is independent as defined by the listing standards of the NYSE.

The Audit and Finance Committee charter is posted in the governance section of the Company's website at <http://ir.veritivcorp.com>.

*Compensation and Leadership Development Committee*

The principal functions of the Compensation and Leadership Development Committee include:

establishing, periodically reviewing and implementing the Company's compensation philosophy and overseeing the development and implementation of the compensation programs for the executive officers;

determining the corporate and individual performance measures and objectives of the Company's executive officers;

assuring that the total compensation paid to the Company's executive officers is fair, equitable and competitive, based on an internal review and comparison to survey data;

approving and administering the terms and policies of the Company's long-term incentive compensation programs for executive officers;

approving and administering the terms and policies of the Company's short-term incentive compensation programs for executive officers;

approving the Company's performance achievement as measured against its incentive compensation plan metrics and the resulting payouts;

reviewing and approving employment agreements, severance agreements and change in control agreements, and any additional special or supplemental benefits for executive officers;

reviewing and approving retirement and benefit plans for executive officers;

reviewing at least annually senior management succession planning and policies and programs for the development of leadership personnel;

preparing and approving the report of the compensation committee required by the rules of the SEC for inclusion in the Company's annual proxy statement and annual report to shareholders; and

performing other functions or duties deemed appropriate by the Board.

The Compensation and Leadership Development Committee charter is posted in the governance section of the Company's website at <http://ir.veritivcorp.com>.



Table of Contents

*Nominating and Governance Committee*

The principal functions of the Nominating and Governance Committee include:

developing qualifications/criteria for selecting and evaluating director nominees and evaluating current directors;

considering and proposing director nominees for election to the Board;

selecting candidates to fill Board vacancies as they may occur;

making recommendations to the Board regarding the committees' memberships;

reviewing and making recommendations with respect to the compensation (including equity-based compensation) of non-employee directors, including the Presiding Director;

developing and generally monitoring the Company's Corporate Governance Guidelines and procedures;

addressing possible and actual conflicts of interest and any other potential issues concerning a director's compliance with the Company's Code of Business Conduct and Ethics;

administering the annual evaluation of the Board; and

performing other functions or duties deemed appropriate by the Board.

The Nominating and Governance Committee charter is posted in the governance section of the Company's website at <http://ir.veritivcorp.com>.

**Communications with the Board**

Interested parties who wish to communicate with members of the Board as a group, with non-employee or independent directors as a group, or with any individual directors, including with the Presiding Director, may do so by writing to Board Members c/o Corporate Secretary, Veritiv Corporation, 1000 Abernathy Road NE, Building 400, Suite 1700, Atlanta, Georgia 30328. The directors have requested that the Corporate Secretary act as their agent in processing any communications received. All communications that relate to matters that are within the scope of responsibilities of the Board and its committees will be forwarded to the appropriate directors. Communications relating to matters within the responsibility of one of the committees of the Board will be forwarded to the chair of the appropriate committee. Communications relating to ordinary business matters are not within the scope of the Board's responsibility and will be forwarded to the appropriate officer at the Company. Solicitations, advertising materials, and frivolous or inappropriate communications will not be forwarded.

**Related Person Transaction Policy**

The Board recognizes that transactions with Related Persons (as defined below) present a potential for conflict of interest (or the perception of a conflict) and, together with the Company's senior management, the Board has enforced the conflict of interest provisions set forth in the Company's Code of Business Conduct and Ethics. All employees and members of the Board are subject to the Company's Code of Business Conduct and Ethics. Additionally, we have adopted a written policy regarding review and approval or ratification of related party transactions by the Audit and Finance Committee (Related Person Transaction Policy). The Related Person Transaction Policy is posted in the governance section of the Company's website at <http://ir.veritivcorp.com>. The Company's Related





Table of Contents

Person Transaction Policy defines a Related Person as any person who is, or at any time since the beginning of our last fiscal year was:

a director or executive officer of the Company or a nominee to become a director of the Company;

any person who is known to the Company to be the beneficial owner (within the meaning of Rule 13d-3 under the Exchange Act) of more than 5% of the Company's common stock; and

any immediate family member of any of the foregoing persons, which means any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law of the director, executive officer, nominee or more than 5% beneficial owner, and any person (other than a tenant or employee) sharing the household of such director, executive officer, nominee or more than 5% beneficial owner.

For purposes of the Related Person Transaction Policy, a Related Person Transaction is a transaction, arrangement or relationship (or any series of similar transactions, arrangements or relationships) in which the Company (including any of its subsidiaries) was, is or will be a participant and the amount involved exceeds \$120,000, and in which any Related Person had, has or will have a direct or indirect material interest.

The Board has considered certain types of potential Related Person Transactions and preapproved them as not presenting material conflicts of interest. These transactions include (i) compensation paid to directors and executive officers that has been approved by the Board or the Compensation and Leadership Development Committee; (ii) transactions with another company in which the Related Person's interest derives solely from his or her service as a director of the other company that is a party to the transaction; (iii) transactions with another company in which the Related Person's interest derives solely from his or her direct or indirect ownership of less than 10% of the equity interest in another person (other than a general partnership interest) who is a party to the transaction; (iv) transactions where the Related Person's interest arises solely from the ownership of Company common stock and all holders of such common stock receive the same benefit on a pro rata basis (e.g., dividends); and (v) any transaction where the rates or charges are determined by competitive bids.

Pursuant to the terms of the Related Person Transaction Policy, any Related Person Transaction is required to be reported to the General Counsel, who will then determine whether it should be submitted to our Audit and Finance Committee for consideration (or if it is not practicable or desirable for the Company to wait until the next regularly scheduled Audit and Finance Committee meeting, to the Chair of the Audit and Finance Committee). The Audit and Finance Committee, or where submitted to the Chair of the Audit and Finance Committee, the Chair, must then review and decide whether to approve any Related Person Transaction. The Audit and Finance Committee (or the Chair) shall approve only those Related Person Transactions that are in, or are not inconsistent with, the best interests of the Company. When applicable, the Chair of the Audit and Finance Committee shall report to the Audit and Finance Committee at its next meeting any approval under the policy pursuant to the Chair's delegated authority. There were no Related Person Transactions from January 1, 2018 through the date of this proxy statement.

**Board Role in Risk Oversight**

Management is responsible for identifying and prioritizing enterprise risks facing the Company. The Board, in turn, is responsible for ensuring that material risks are managed appropriately. The Board

Table of Contents

and its committees regularly review material strategic, operational, financial, compensation and compliance risks with management.

The Audit and Finance Committee is responsible for discussing our overall risk assessment and risk management practices, as set forth in the Audit and Finance Committee charter. The Audit and Finance Committee also performs a central oversight role with respect to financial and compliance risks, and periodically reports on its findings to the full Board. In addition, the Audit and Finance Committee is responsible for assessing risk, including internal control over financial reporting, related to our capital structure and significant financial exposures, and regularly evaluates financial risks associated with such programs.

The Compensation and Leadership Development Committee oversees risk management as it relates to our compensation plans, policies and practices in connection with structuring our executive compensation programs and reviewing our incentive compensation programs for other employees and has reviewed with management whether our compensation programs may create incentives for our employees to take excessive or inappropriate risks which could have a material adverse effect on us.

The Nominating and Governance Committee oversees risks related to our governance structure and processes, including whether they are successful in preventing illegal or improper liability-creating conduct.

**Director Compensation**

*2018 Cash Compensation.* Each of our non-employee directors received an annual cash retainer of \$85,000. The director who served as chair of the Audit and Finance Committee received an additional annual cash retainer of \$25,000, the director who served as chair of the Compensation and Leadership Development Committee received an additional annual cash retainer of \$15,000, and the director who served as chair of the Nominating and Governance Committee received an additional annual cash retainer of \$12,000. Our Presiding Director received an additional annual cash retainer of \$25,000. We do not provide any per-meeting compensation to any of our directors. All members of our Board are reimbursed for their reasonable costs and expenses incurred in attending our Board meetings.

*2018 Stock-Based Compensation.* Each of our non-employee directors received an annual stock award with a grant date fair value of \$140,000. The stock awards granted to our directors were made pursuant to the Veritiv Corporation 2014 Omnibus Incentive Plan. These awards of common stock may, at the director's option, be deferred into fully-vested shares of phantom stock.

*2018 Director Compensation Table.* The following table summarizes the compensation that we paid or awarded to our non-employee directors during 2018. Ms. Laschinger did not receive compensation for her service as a director. Information regarding compensation for Ms. Laschinger can be found in the Executive Compensation section of this proxy statement.

## Edgar Filing: Veritiv Corp - Form DEF 14A

### Table of Contents

David E. Flitman	\$85,000	\$140,000	\$225,000
Daniel T. Henry	\$110,000	\$140,000	\$250,000
Liza K. Landsman	\$85,000	\$140,000	\$225,000
Tracy A. Leinbach	\$97,000	\$140,000	\$237,000
William E. Mitchell	\$110,000	\$140,000	\$250,000
Michael P. Muldowney	\$85,000	\$140,000	\$225,000
Charles G. Ward, III	\$85,000	\$140,000	\$225,000
John J. Zillmer	\$100,000	\$140,000	\$240,000

(1) The amounts disclosed in the "Stock-based Awards" column represent the aggregate grant date fair value of stock awards granted during 2018 as determined pursuant to Financial Accounting Standards Board Accounting Standards Codification Topic 718, Compensation - Stock Compensation (FASB ASC Topic 718). The reported amount represents the annual stock-based compensation target of \$140,000 for 2018. See Note 15 to the Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2018 for a discussion of the relevant assumptions used in calculating the amounts reported.

(2) As of December 31, 2018, each non-employee director held the following number of deferred share units and shares of phantom stock:

David E. Flitman		6,650	6,650
Daniel T. Henry	8,649		8,649
Liza K. Landsman		6,827	6,827
Tracy A. Leinbach	8,649		8,649
William E. Mitchell	8,649	6,827	15,476
Michael P. Muldowney	8,649	6,827	15,476
Charles G. Ward, III	8,649	6,827	15,476
John J. Zillmer	8,649		8,649

*Director Stock Ownership Guidelines.* Our director stock ownership guidelines require each of our non-employee directors to retain Veritiv common stock received in the form of equity awards until such time as he or she achieves and maintains an aggregate value of Veritiv common stock equal to five times his or her then current annual cash retainer. For purposes of these guidelines, stock holdings will be deemed to include deferred share units, notional share units for stock awards deferred pursuant to the Veritiv Deferred Compensation Plan and/or outright stock

grants. Ms. Laschinger is subject to the executive stock ownership guidelines described later in this proxy statement.

Table of Contents

The Audit and Finance Committee of the Board of Directors serves as the representative of the Board for general oversight of our financial accounting and reporting practices, systems of internal control, audit process, and monitoring compliance with laws and regulations and standards of business conduct. The Board has adopted a written charter for the Audit and Finance Committee. Management has responsibility for preparing our financial statements as well as for our financial reporting process. Deloitte & Touche LLP (Deloitte), acting as independent accountant, is responsible for expressing an opinion on the conformity of our audited financial statements with generally accepted accounting principles in the United States.

In connection with its oversight function, the Audit and Finance Committee is directly responsible for the appointment, retention and termination, evaluation and compensation of the Company's independent registered public accounting firm, and such firm reports directly to the Audit and Finance Committee. In selecting Deloitte to serve as our independent registered public accounting firm for 2019, the Audit and Finance Committee considered a number of factors, including:

Deloitte's performance during 2018 and in previous years, including the quality of Deloitte's services, the sufficiency of Deloitte's resources and the quality of the Audit and Finance Committee's ongoing discussions with Deloitte, including the professional resolution of accounting and financial reporting matters with Deloitte's national office;

the professional qualifications of Deloitte, the lead audit partner and other key engagement partners;

Deloitte's independence program and its processes for maintaining its independence;

Deloitte's tenure as the Company's independent registered public accounting firm and the depth of its understanding of our business, accounting policies and practices and internal control over financial reporting;

the appropriateness of Deloitte's fees for audit and non-audit services (on both an absolute basis and as compared to its peer firms);

consideration of Deloitte's known legal risks and significant proceedings that may impair their ability to perform our annual audit; and

the results of management's and the Audit and Finance Committee's annual evaluations of the qualifications, performance and independence of Deloitte.

Additionally, when the audit engagement partner is due to rotate off the Company's audit team following five years of service, the Audit and Finance Committee is involved in the selection of the audit engagement partner.

In this context, the Audit and Finance Committee hereby reports as follows:

- (1) The Audit and Finance Committee has reviewed and discussed the audited financial statements for fiscal year 2018 with management.

## Edgar Filing: Veritiv Corp - Form DEF 14A

### Table of Contents

- (2) The Audit and Finance Committee has discussed with Deloitte the matters required to be discussed by the applicable requirements of the Public Company Accounting Oversight Board and the SEC.
- (3) The Audit and Finance Committee has received the written disclosures and the letter from Deloitte required by applicable requirements of the Public Company Accounting Oversight Board regarding Deloitte's communications with the Audit and Finance Committee concerning independence and has discussed with Deloitte its independence.
- (4) Based on the review and discussion referred to in paragraphs (1) through (3) above, the Audit and Finance Committee recommended to the Board, and the Board has approved, that the audited financial statements be included in the Annual Report on Form 10-K for the year ended December 31, 2018, for filing with the SEC.

This Audit and Finance Committee Report shall not be deemed to be "filed" with the SEC or subject to Section 18 of the Exchange Act.

#### **AUDIT AND FINANCE COMMITTEE**

Daniel T. Henry, Chair

David E. Flitman

Michael P. Muldowney

Charles G. Ward, III

22

---

Table of Contents

Generally, the Audit and Finance Committee approves each year the specific types and estimated amounts of all audit and non-audit services that are contemplated to be performed by our independent registered public accounting firm during that calendar year, before any such work commences. The Chair of the Audit and Finance Committee may approve other services not prohibited by applicable law or regulation and not previously approved by the Audit and Finance Committee up to \$250,000 at any one time. The Chair may also approve services previously approved by the Audit and Finance Committee at amounts up to \$250,000 higher than previously approved by the Audit and Finance Committee. In either case, the Chair will report his or her approval of such additional services and/or amounts to the Audit and Finance Committee at its next scheduled meeting or at a special meeting, which may be called in the absolute discretion of the Chair, and such amounts are subject to Committee ratification. The Chair may also defer to the Audit and Finance Committee with respect to any such additional services or amounts. The Chair and/or the Audit and Finance Committee is authorized to approve such additional non-audit services without limit after they determine that such services will not impair the independence of the independent registered public accounting firm.

Aggregate fees for professional services rendered by Deloitte for the years ended December 31, 2018 and 2017 were as follows:

Audit Fees	\$ 3,587,500	\$ 4,206,400
Audit-Related Fees	409,685	383,637
Tax Fees		
All Other Fees	91,245	

**Audit Fees.** Audit fees for the years ended December 31, 2018 and 2017 were for professional services rendered by Deloitte for the audits of the consolidated financial statements of the Company as of and for the years ended December 31, 2018 and 2017 and reviews of the financial statements included in the Company's Quarterly Reports on Form 10-Q.

**Audit-Related Fees.** Audit-Related fees for the year ended December 31, 2018 consisted of services in connection with a secondary offering of Company common stock, accounting advisory services in connection with the Company's assessment of adoption and implementation of Accounting Standards Codification 842, Leases, statutory audits of certain of the Company's international subsidiaries and subscription to Deloitte's Accounting Research Tool. Audit-Related fees for the year ended December 31, 2017 consisted of reviews of the Company's Registration Statement on Form S-8, services in connection with a secondary offering of Company common stock, advice and recommendations regarding internal control design, statutory audits of certain of the Company's international subsidiaries and subscription to Deloitte's Accounting Research Tool.

**Tax Fees.** There were no tax fees for the years ended December 31, 2018 and 2017.

**All Other Fees.** All other fees for the year ended December 31, 2018 consisted of advisory services in connection with the Company's assessment of business activities and processes for robotic process automation. There were no other fees billed for the year ended December 31, 2017.



Table of Contents

Our Audit and Finance Committee, pursuant to its charter, has appointed Deloitte as our independent registered public accounting firm for 2019. Deloitte has served in this capacity since 2013.

While the Audit and Finance Committee is responsible for the appointment, compensation, retention, termination and oversight of the independent registered public accounting firm, the Audit and Finance Committee and our Board are requesting, as a matter of good corporate governance, that the shareholders ratify the appointment of Deloitte as our independent registered public accounting firm. The Audit and Finance Committee is not required to take any action as a result of the outcome of the vote on this proposal. However, if the shareholders do not ratify the appointment, the Audit and Finance Committee may investigate the reasons for shareholder rejection and may consider whether to retain Deloitte or to appoint another independent registered public accounting firm. Furthermore, even if the appointment is ratified, the Audit and Finance Committee in its discretion may direct the appointment of a different independent registered public accounting firm at any time during the year if it determines that such a change would be in the best interests of our shareholders or the Company.

A formal statement by representatives of Deloitte is not planned for the annual meeting. However, Deloitte representatives are expected to be present at the meeting and available to respond to appropriate questions.

**OUR BOARD OF DIRECTORS AND THE AUDIT AND FINANCE COMMITTEE UNANIMOUSLY  
RECOMMEND A VOTE "FOR" THE RATIFICATION OF THE APPOINTMENT OF  
DELOITTE & TOUCHE LLP AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING  
FIRM FOR 2019**

Table of Contents

**EXECUTIVE SUMMARY**

***Who we are***

Veritiv is a Fortune 500® company and a leading North American business-to-business distributor of packaging, facility solutions, print and publishing products and services, and also a provider of logistics and supply chain management solutions. Approximately 8,700 employees strong, we are driven by our Values: *Integrity, One Team, People Commitment, Customer Focus, Operational Excellence, and Passion for Results.*

We put decades of industry knowledge, expertise, and proven supply chain ingenuity to work for our customers in a wide range of industries and a variety of businesses including more than half of Fortune 500® companies. With approximately 160 distribution centers across the U.S., Canada and Mexico, our focus is on the success of our customers' businesses and their brands. Driven by our innovative people, our values and providing exceptional service, helping to shape our customers' business success is at the heart of everything we do.

**COMPENSATION PROGRAM DESCRIPTION**

***What We Pay and Why: Elements of Compensation***

Our executive compensation program has three elements: base salary, annual bonus and long-term incentive.



Table of Contents

The majority of our target compensation is performance-based. Performance-vested equity awards comprise the largest component of both the CEO's and the NEOs' target compensation.

Veritiv CEO Target Compensation Mix

Veritiv NEO Target Compensation Mix

*The Veritiv Journey*

**Formation (2014).** Veritiv commenced operations as a new public company on July 1, 2014 following the spin-off of International Paper Company's xpedx business and subsequent merger with UWW Holdings, Inc. (Unisource). The merger created a North American market-leading distributor better able to serve our customers and provide growth opportunities for suppliers.

**Integration (2015-2018).** Combining two organizations with different cultures and operating platforms required us to build foundational capabilities and consolidate our systems and footprint, while focusing on value creation by recognizing synergies and developing strategies for each segment (Packaging, Facility Solutions, Print and Publishing). 2018 was a year of critical achievements in our ongoing journey to integrate two companies, invest in growth businesses and build a broader service platform to better serve our customers and their evolving needs.

We substantially completed a large multi-year information systems integration to better manage and measure data.

We onboarded a Chief Commercial Officer, to drive customer focus and growth through leading strategy and marketing.

**Moving forward: Optimization (2018+).** The wind down of our multi-year integration positions us well as we shift focus to the optimization elements of our long-term strategy, which began last year with the Print business model changes. In this phase, we are focusing on improving revenue trends, margins and cash flow, reducing costs, and driving growth. The evolution of our pay programs reflects this focus. For example, for 2018, we introduced free cash flow as a metric in our annual incentive award to focus on working capital improvement.

*Unique Compensation Challenges*

Our evolution brings some unique challenges from an executive compensation perspective.

**Higher stock price volatility due to shareholder base.** We became a public company nearly five years ago and our stock is relatively closely held and thinly traded; these factors

Table of Contents

result in greater volatility in our stock price impacting the value of our long-term incentive (LTI) compensation.

**Limited number of pay and performance comparators.** We are evolving to a company focused on packaging solutions, which currently creates challenges in finding companies that are good comparators for us both for compensation benchmarking and for the relative Total Shareholder Return (TSR) metric used in our LTI program.

**Our focus has been on building a new company rather than short-term financial results.** Our journey of integrating two companies primarily focused on print, an industry in structural decline, into a new public company and evolving to a packaging solutions business has significant change management and systems and people integration challenges that are not reflected in our financial results.

**Our ability to set long-term goals has been limited.** As a relatively new company, our ability to predict long-term financial performance has been limited, which is why we tie the majority of our incentives to annual performance. As we continue to mature, we are assessing the feasibility of including additional multi-year performance measures in our incentive programs.

**SHAREHOLDER ENGAGEMENT AND 2018 SAY ON PAY VOTE**

At our 2018 Annual Meeting of Shareholders, 74.9% of the votes cast were voted in favor of our executive compensation program. These vote results were lower than the support our say on pay proposals have historically received and we wanted to better understand and address our shareholders' concerns. In April 2018 and January 2019, we invited our top ten shareholders, representing more than 70% of our shareholder base, to participate in discussions regarding executive compensation and governance issues to hear their views on the program design and disclosure.

Requests for more detail around our compensation programs and practices generally and greater transparency into some of our compensation payment and award decisions.

We expanded descriptions of our programs and explained in greater detail how discretionary adjustments and awards tie to company strategy, business goals and financial performance.

Executives should not receive multi-year guaranteed bonuses.

We avoided multi-year guaranteed bonuses for executive officer level hires.

Annual and long-term incentive metrics should be differentiated.

We added free cash flow as a metric to the annual incentive program for 2018 (and kept it for 2019).

Include greater transparency into special award decisions.

We limited use of special awards and described the rationale for the awards that were made (two special LTI awards made in January 2018 and sign-on awards as part of Mr. Abbate's offer).

**OUR NAMED EXECUTIVE OFFICERS**

In January 2019, we simplified our organization structure to drive optimization and growth, increase focus on packaging solutions and facilitate succession planning. These changes are designed to clarify decision authority and drive accountability. These changes to some of our Named Executive

## Edgar Filing: Veritiv Corp - Form DEF 14A

### Table of Contents

Officers (NEOs) are described in this narrative and will be shown in the tables in next year's proxy. Shown below are our NEOs and their current titles.

Mary A. Laschinger	Chairman and Chief Executive Officer
Stephen J. Smith	SVP and Chief Financial Officer
Thomas S. Lazzaro	SVP, Sales
Daniel J. Watkoske	SVP, Print
Salvatore A. Abbate	SVP, Chief Commercial Officer

### ***Base Salary***

We provide base salary, a fixed element in our compensation program, to attract and retain talent. The Compensation and Leadership Development Committee (Committee) determines a base salary for each executive officer based on the scope and complexity of the role, internal relativity, external competitiveness, input from the Committee's independent compensation consultant and individual performance.

The Committee did not increase the salary for our Chairman and Chief Executive Officer (CEO) in 2018. Our other NEOs, with the exception of Mr. Abbate who joined the company in April 2018, received nominal increases in the range of 2% - 2.5% during the regular merit process. Shown below are NEO base salaries for 2018.

Ms. Laschinger	\$1,025,000
Mr. Smith	\$575,025
Mr. Lazzaro	\$563,750
Mr. Watkoske	\$472,781
Mr. Abbate	\$460,000

The Committee increased base salaries for Mr. Watkoske and Mr. Abbate to \$560,000 for 2019 based on an increase in their responsibilities and informed by compensation benchmarking of similar roles at comparable companies. In the new organization structure implemented in 2019, Mr. Watkoske plays a critical role in leading our Print business, in an industry in structural decline, to optimize cash to fuel growth in our Packaging and other businesses. Mr. Abbate has taken on a broader role, assuming responsibility for our Packaging and Facility Solutions segments, in addition to his current responsibilities for strategy, marketing, sales operations and pricing. We will disclose the compensation impact of these changes in the executive compensation tables in next year's proxy. Mr. Smith and Mr. Lazzaro will receive salary increases of 3% and 2%, respectively, in the regular merit process; these increases will be effective July 1, 2019.

### ***Annual Incentive Program***

Our Annual Incentive Program (AIP) provides awards based on individual and company performance. We believe earnings and healthy working capital are key drivers in creating long-term shareholder value. For this reason, our AIP motivates executives to focus on optimizing profitable



Table of Contents

revenue, reducing costs and maximizing efficiency of resources. We use adjusted earnings before interest, taxes, depreciation and amortization (Adjusted EBITDA) and Free Cash Flow to measure earnings and working capital improvement.

We define Adjusted EBITDA as earnings before interest, income taxes, depreciation and amortization and other adjustments as may be permitted in determining the Company's "Consolidated EBITDA" pursuant to the Company's asset based lending facility.

We define Free Cash Flow as net cash flow from / used for operating activities adjusted for capital expenditures, changes in bank overdrafts, cash payments relating to other adjustments as may be permitted in determining the Company's "Consolidated EBITDA" pursuant to the Company's asset based lending facility and adjustments for any extraordinary items as determined by the Committee.

AIP Financial Goal Setting

Each year, the Committee sets Company performance goals to fund the AIP bonus pool. The Committee sets target goals for Adjusted EBITDA and Free Cash Flow at the beginning of the year based on input from management regarding our expected performance in the upcoming year.

		<b>Threshold (25% Target)</b>	<b>Target</b>	<b>Maximum (200% Target)</b>
Adjusted EBITDA	75%	\$158 Million	\$192 Million	\$211 Million
Free Cash Flow	25%	\$30 Million	\$65 Million	\$100 Million

AIP Calculation

Our 2015 Annual Incentive Plan governs our AIP. The Committee may adjust an award up or down to reflect the Committee's assessment of each NEO's performance, contributions to our performance for the year and achievements in areas that are not as readily quantifiable (such as integration results).

We calculated our 2018 AIP awards as shown below:



## Edgar Filing: Veritiv Corp - Form DEF 14A

### Table of Contents

#### AIP Award Targets

Each year, the Committee determines an AIP target for each executive officer based on the scope and complexity of the role, internal relativity, external competitiveness and input from the Committee's consultant. Shown below are 2018 AIP target opportunities for each of our NEOs.

Ms. Laschinger	\$1,025,000	130%	\$1,332,500
Mr. Smith	\$575,025	85%	\$488,800
Mr. Lazzaro	\$563,750	75%	\$422,800
Mr. Watkoske	\$472,781	70%	\$331,000
Mr. Abbate	\$460,000	70%	\$322,000

*Mr. Abbate joined Veritiv on April 16, 2018; his annual AIP target is shown above. Mr. Abbate's AIP payout for 2018 will be prorated based on his service with the Company in 2018.*

#### 2018 Company Performance

Our actual overall AIP funding based on Adjusted EBITDA and Free Cash Flow performance for 2018 was 65%.

Adjusted EBITDA	\$192M	\$185	75%	86%
Free Cash Flow	\$65M	(\$44M)	25%	0%
Company Performance Factor				65%

#### Individual Performance Adjustment and Actual Payouts

The Committee retains the ability to exercise discretion to modify individual award payments to differentiate for individual performance. The Committee made individual performance adjustments for Ms. Laschinger and Messrs. Smith and Lazzaro based on our below target financial

## Edgar Filing: Veritiv Corp - Form DEF 14A

results. A performance adjustment was made for Mr. Watkoske, which resulted in a 20% increase to his calculated AIP to recognize the critical role he played in driving the print business model changes and optimization benefits realized in 2018. In addition, as part of his employment offer, Mr. Abbate received a \$100,000 cash payment paid at the same time as the AIP payment, which we describe in

## Edgar Filing: Veritiv Corp - Form DEF 14A

### Table of Contents

the section entitled "Offer Letter" below. Shown below are actual 2018 AIP payouts for each of our NEOs.

Ms. Laschinger	\$1,332,500	65%	\$866,125	90%	\$779,513
Mr. Smith	\$488,800	65%	\$317,720	85%	\$270,062
Mr. Lazzaro	\$422,800	65%	\$274,820	95%	\$261,079
Mr. Watkoske	\$331,000	65%	\$215,150	120%	\$258,180
Mr. Abbate	\$229,370	65%	\$149,091	100%	\$149,091

### Updates for 2019

The Committee increased AIP targets for Mr. Watkoske and Mr. Abbate to 75% of salary for 2019 based on an increase in their responsibilities and informed by compensation benchmarking of similar roles at comparable companies. As described above, Mr. Watkoske plays a critical role in leading our Print business to optimize cash to fuel growth in our Packaging and other businesses. Mr. Abbate has taken on a broader role, assuming responsibility for our Packaging and Facility Solutions segments, in addition to his current responsibilities for strategy, marketing, sales operations and pricing. We will disclose the compensation impact of these changes in the executive compensation tables in next year's proxy.

### ***Long-Term Incentive Program***

Our long-term incentive (LTI) program rewards NEOs for creating sustained shareholder value, encourages ownership of Veritiv common stock, drives strong financial results and helps retain and motivate executives by aligning their interests with those of our shareholders.

Performance stock units (PSUs) comprise 80 percent of our NEOs long-term incentives. Time-vested RSUs comprise the remaining 20 percent. PSUs vest based on Adjusted EBITDA results and Total Shareholder Return (TSR) relative to a peer group of companies as well as continued service. We grant all awards under the Veritiv Corporation 2014 Omnibus Incentive Plan.

Our NEOs received the same mix of PSUs and RSUs with the same performance terms and other conditions as other equity-eligible U.S. grantees. Dividends are not paid or accrued on unvested, unearned or unpaid RSUs or PSUs.

Table of Contents[2018 LTI Award Overview for NEOs](#)[LTI Award Targets](#)

We determine LTI target opportunities by the scope and complexity of the role, internal relativity, external competitiveness and input from the Committee's consultant as discussed above. Shown below are the 2018 annual LTI targets and grant values for each of our NEOs.

Ms. Laschinger	\$1,025,000	450%	\$4,612,500
Mr. Smith	\$563,750	200%	\$1,127,500
Mr. Lazzaro	\$550,000	175%	\$962,500
Mr. Watkoske	\$461,250	120%	\$553,500
Mr. Abbate	\$460,000	120%	\$552,000

[Company Performance – Adjusted EBITDA](#)

We deliver fifty percent of the grant value in PSUs that are earned based on the Company's Adjusted EBITDA performance as well as continued service. For the 2018 Adjusted EBITDA PSUs, we will measure Adjusted EBITDA performance over three one-year periods (calendar years 2018, 2019 and 2020) with performance goals set annually. We choose to use annual performance periods because, as a relatively new company, our ability to set long-term goals is limited. We chose to use Adjusted EBITDA in both the short- and long-term incentives because we use Adjusted EBITDA to run our business, it is part of our culture and our leaders understand it and talk about it. One-third of each award is earned

Edgar Filing: Veritiv Corp - Form DEF 14A

for each annual performance period, with ultimate vesting and payout of earned shares following the end of the full three-year performance period.

Table of Contents

Company Performance – Relative TSR

We deliver thirty percent of the grant value in PSUs that are earned based on the Company's TSR relative to peers and continued service. For the 2018 Relative TSR PSUs, we will measure Relative TSR using overlapping one-, two- and three-year cumulative periods, beginning January 1, 2018 and ending December 31, 2018, 2019 and 2020, respectively, with ultimate vesting and payout of earned shares following the end of the full three-year performance period. We target the median TSR performance of the comparator group. Historically, our TSR-based awards have been forfeited or earned below target due to below-median TSR; as such, we believe that this target is both challenging and appropriate for us as we continue to mature as a company. The payout scale based on Veritiv's relative TSR ranking compared to the TSR Performance Peer Group is shown below.

*Veritiv TSR Ranking vs. TSR Performance Peer Group*

90 <sup>th</sup> Percentile or higher	200%
70 <sup>th</sup> Percentile	150%
50 <sup>th</sup> Percentile	100%
25 <sup>th</sup> Percentile	50%
< 25 <sup>th</sup> Percentile	0%

The TSR Performance Peer Group for the 2018 TSR PSU grants was comprised of the publicly traded companies shown below. Each of these companies has at least \$300 million in revenues and is in an industry that is impacted by the same economic factors and trends as Veritiv.

Table of Contents*2018 TSR Performance Peer Group*

Anixter International Inc.*	\$7,927	8,900
Applied Industrial Technologies, Inc.	\$3,073	6,634
Arrow Electronics, Inc.*	\$26,813	18,800
Avery Dennison Corporation	\$6,614	30,000
Avnet, Inc.*	\$17,440	15,700
Bemis Company, Inc.	\$4,046	16,582
Brady Corporation	\$1,174	6,200
Deluxe Corporation	\$1,966	5,886
Domtar Corporation	\$5,157	10,000
Ennis, Inc.	\$370	2,183
Essendant Inc.*	\$5,037	6,400
Fastenal Company*	\$4,391	20,565
Genuine Parts Company*	\$16,309	48,000
Graphic Packaging Holding Company	\$4,404	13,000
InnerWorkings, Inc.	\$1,138	2,000
International Paper Company	\$21,743	56,000
Kaman Corporation	\$1,806	5,297
MSC Industrial Direct Co., Inc.	\$3,204	6,657
Neenah Inc.	\$980	2,612
Office Depot, Inc.*	\$10,240	45,000
P. H. Glatfelter Company	\$1,596	4,175
Packaging Corporation of America	\$6,445	14,600
R. R. Donnelley & Sons Company	\$6,940	42,700

Edgar Filing: Veritiv Corp - Form DEF 14A

Resolute Forest Products, Inc.	\$3,513	7,700
ScanSource, Inc.	\$3,846	2,600
Sealed Air Corporation	\$4,462	15,000
Sonoco Products Company	\$5,037	21,000
W. W. Grainger, Inc.*	\$10,425	25,050
WESCO International, Inc.*	\$7,679	9,100
WestRock Company	\$16,285	44,800
<b>Median</b>	<b>\$4,750</b>	<b>11,500</b>
<b>Veritiv</b>	<b>\$8,365</b>	<b>8,900</b>
<b>Veritiv (Percentile Rank)</b>	<b>75%</b>	<b>42%</b>

---

\*

Also in Compensation Benchmarking Peer Group.



Table of Contents

Additional Awards Made in 2018

To retain two key executives and ensure continuity of leadership as the Company moved into the optimization phase of our long-term strategy, the Committee made special equity awards to Mr. Lazzaro and Mr. Watkoske. These RSU grants were made on January 1, 2018, vest 50% on each of the second and third anniversaries of the grant date and will be paid in stock. We show these awards in the Summary Compensation Table and the Grants of Plan-Based Awards Table.

Mr. Lazzaro received a grant of RSUs with a grant value of \$1,500,000 for the critical role he played in driving the integration and synergy capture in the areas of warehouse consolidation, warehouse management system integration, supply chain restructuring, sales commission restructuring and his role in executing on our long-term strategy and driving growth.

Mr. Watkoske received a grant of RSUs with a grant value of \$1,000,000 for his dual role during 2018 of leading both the Print segment and the Veritiv Services business and his leadership in driving significant cost optimization benefits in the Print business model changes.

Mr. Abbate received a sign-on grant of RSUs with a value of \$500,000 on July 1, 2018 pursuant to his employment offer, which we describe in the section entitled "Offer Letter" below.

Vesting of 2016 LTI Awards

The number of shares delivered to our executives (in February 2019) that resulted from our company performance was 79% of the units granted on January 1, 2016. The value delivered to our executives upon vesting is based on both company performance and our stock price. Using an assumed stock price of \$33.00, the value delivered to our executives in 2019 would be approximately 72% of the value of the LTI grant on January 1, 2016.

Shown below is our performance against Adjusted EBITDA and relative TSR goals for the LTI grant made on January 1, 2016 (paid in 2019) for each of the completed cycles in the performance period.

*2016 Grant*

	2016			2017			2018			Average
Adjusted EBITDA (millions)	\$200	\$192	82%*	\$200	\$174	74%	\$185	\$185.4	103%	86%
	2016			2016 - 2017			2016 - 2018			Average
Relative TSR	50th Percentile	74th Percentile	160%	50th Percentile	10th Percentile	0%	50th Percentile	19th Percentile	0%	53%

\*

Includes negative discretion adjustment reducing percent of target payout earned from 92% to 82%.

*Actual Performance to Date for Unvested PSUs*

Shown below is our performance against Adjusted EBITDA and relative TSR goals for the LTI grant made on January 1, 2017 (to be paid in 2020) for each of the completed cycles in the performance period.

Table of Contents

*2017 Grant*

	<b>2017</b>			<b>2018</b>			<b>2019</b>	<b>Average</b>
Adjusted EBITDA (millions)	\$200	\$174	74%	\$185	\$185.4	103%	\$200	<b>92%</b>
	<b>2017</b>			<b>2017 - 2018</b>			<b>2017 - 2019</b>	<b>Average</b>
Relative TSR	50th Percentile	3rd Percentile	0%	50th Percentile	13th Percentile	0%	50th Percentile	<b>33%</b>

\*

Assumes 100% of target payout for cycles not yet completed.

Shown below is our performance against Adjusted EBITDA and relative TSR goals for the LTI grant made on January 1, 2018 (to be paid in 2021) for each of the completed cycles in the performance period.

*2018 Grant*

	<b>2018</b>			<b>2019</b>			<b>2020</b>	<b>Average</b>
Adjusted EBITDA (millions)	\$185	\$185.4	103%	\$200				<b>101%</b>
	<b>2018</b>			<b>2018 - 2019</b>			<b>2018 - 2020</b>	<b>Average</b>
Relative TSR	50th Percentile	73rd Percentile	158%	50th Percentile		50th Percentile		<b>119%</b>

\*

Assumes 100% of target payout for cycles not yet completed.

[Updates for 2019](#)

Our NEOs also received an annual grant on January 1, 2019, which we will show in the executive compensation tables in next year's proxy. The Committee increased LTI targets for Mr. Watkoske and Mr. Abbate for 2019 to 140% of salary based on an increase in their responsibilities and informed by compensation benchmarking of similar roles at comparable companies. As stated previously, Mr. Watkoske plays a critical role in the new organization structure in driving our Print business for cash optimization to fuel our growth in Packaging, which requires unique leadership in an industry in structural decline. Mr. Abbate has taken on a broader role, assuming responsibility for our Packaging and Facility Solutions segments, in addition to his current responsibilities for strategy, marketing, sales operations and pricing.

***OTHER COMPENSATION AND BENEFIT PROGRAMS***

***Retirement Plans***

Our NEOs participate in the Veritiv Retirement Savings Plan (401(k) Plan), which is the same retirement program provided to our salaried non-union employees. The 401(k) Plan allows eligible participants to contribute up to legal limits and provides a Company matching contribution of 100% on the first 3% of pay contributed plus 50% on the next 2% of pay contributed. We do not maintain any defined benefit plans for our NEOs.

Table of Contents

***Non-qualified Deferred Compensation Plans***

Our NEOs may elect to participate in the Veritiv Deferred Compensation Savings Plan (Deferred Compensation Plan) for eligible participants. Under the Deferred Compensation Plan, participants may elect to defer up to 85% of their base salary or commissions and up to 85% of their annual incentive bonus. None of our NEOs has elected to participate in the Deferred Compensation Plan.

***Benefits***

We provide market-based health and wellness programs designed to attract and retain talent, and to protect our employees against financial catastrophes that result from illness, disability and death. Our NEOs participate in the same benefit programs as our salaried non-union employees. These benefits include medical, dental, life and disability insurance coverage.

***Severance***

We maintain an Executive Severance Plan for our NEOs and approximately 25 executives other than the CEO (who is covered by her employment agreement). We adopted the Executive Severance Plan to provide some certainty of compensation in the event of a separation of employment. The certainty afforded by severance compensation fosters a long-term perspective and permits executives to focus on executing our strategy and enhancing sustainable shareholder value without undue concern or distraction.

We design our severance policies to be market competitive and to aid in attracting and retaining experienced executives. We believe the protection they provide, including the level of severance payments and post-termination benefits, is appropriate in terms of fostering long-term value enhancing performance, and within the range of competitive practice, thereby facilitating recruitment and retention of key talent.

In line with competitive practices, an executive is entitled to enhanced severance payments and benefits should the executive's employment be terminated without cause or if certain senior executives were to terminate for good reason in each case either six months prior to or within two years after a change in control. The Executive Severance Plan provides for salary and limited benefit continuation in the event of a Company-initiated termination of employment without cause or a termination initiated by certain senior executives based on good reason. In the event of a qualifying termination of employment not in connection with a change in control, the NEOs would receive base salary for 18 months and a pro-rata AIP bonus based on actual company and individual performance for the year. In the event of a qualifying termination of employment in connection with a change in control, the NEOs would receive two times the sum of his or her base salary plus AIP target and a pro-rata AIP bonus based on actual company and individual performance for the year.

Under the Executive Severance Plan, we may cease payments to an executive if he or she violates restrictive covenants (including non-competition, non-solicitation of customers or employees, and non-disclosure of confidential information).

We also have change in control provisions in our equity award agreements that apply equally to all plan participants and provide a "double trigger" change in control provision. We do not provide a tax gross-up for any change in control situation.

More information of change in control arrangements is provided in the section entitled "Potential Payments to Named Executive Officers Upon Termination or Change in Control" below.

Table of Contents

**EMPLOYMENT AGREEMENT**

With the exception of Ms. Laschinger, we do not have employment agreements with any of the NEOs.

Ms. Laschinger entered into an employment agreement in January 2014 governing the terms and conditions of her employment as the Company's Chief Executive Officer (the Initial Employment Agreement). On December 29, 2017, in order to maintain continuity of leadership for an extended period, focus Ms. Laschinger on succession planning and anticipate future market pay movement, Ms. Laschinger and the Company entered into an amended and restated employment agreement (the Employment Agreement). Among other things, the Employment Agreement extends the term of Ms. Laschinger's employment with the Company and provides for the treatment of outstanding equity incentive awards upon her retirement.

The term of the Initial Employment Agreement was five years beginning on July 1, 2014. The term of the Employment Agreement began on January 1, 2018 and ends on December 31, 2021, with automatic one-year extensions after the stated term unless either party elects to terminate the Employment Agreement. The Employment Agreement, and Ms. Laschinger's employment with the Company, may terminate earlier, subject to any applicable severance payments provided for in the Employment Agreement and described in the section entitled "Potential Payments to Named Executive Officers Upon Termination or Change in Control".

The Employment Agreement provides that Ms. Laschinger will receive an annual base salary of at least \$1 million and will be eligible for an annual cash incentive bonus with a target-based opportunity of at least 130% of her base salary, earned based on performance, which could result in no payout if the Company does not meet its pre-determined goals. In addition, the Employment Agreement provides for annual long-term incentive grants with an annual grant value of 450% of her base salary, with pro rata vesting upon a qualifying termination of employment and full vesting upon a qualifying termination of employment after a change in control as detailed in the Employment Agreement. Further, if Ms. Laschinger terminates her employment due to a bona fide retirement after a successful implementation of a chief executive officer succession plan, any outstanding equity grants awarded to her six months or more prior to her retirement will become fully vested and the performance goals applicable to any pending performance periods will be deemed to have been achieved at the greater of the actual level of performance or the target level of performance. Finally, the Employment Agreement provides that Ms. Laschinger is eligible to participate in employee benefit plans offered to the broader employee population.

The Employment Agreement also contains restrictive covenants against Ms. Laschinger competing with the Company, soliciting customers or employees of the Company, interfering with the Company's relationships with any vendors, joint venturers or licensors and disparaging the Company, in each case during her employment with the Company and for the two-year period following her termination of employment with the Company for any reason as well as covenants prohibiting Ms. Laschinger from disclosing confidential information relating to the Company and protecting the Company's intellectual property rights.

**OFFER LETTER**

Mr. Abbate joined the Company on April 16, 2018. His offer letter dated February 15, 2018 (Offer Letter) provides for a cash sign-on bonus of \$950,000, payable in three installments: \$350,000 upon hire (which was paid in April 2018), \$350,000 (which was paid in January 2019) and \$250,000 (to be paid in January 2020), provided he remains employed with us. The Offer Letter also provides for a sign-on equity grant of \$500,000 delivered in stock-settled RSUs (in addition to his 2018 annual

Table of Contents

equity grant of \$552,000). One-half of the RSUs vest on July 1, 2020 (the second anniversary of the grant date), 25% vests on July 1, 2021 (the third anniversary of the grant date) and the remaining 25% vests on July 1, 2022 (the fourth anniversary of the grant date), provided he remains employed with us. In addition, the Offer Letter provides for a \$100,000 cash payment, paid at the time the 2018 AIP bonuses are paid (March 15, 2019) as well as Company paid temporary housing and commuting expenses for a limited time period.

In the event of his death or involuntary not-for-cause separation of employment with us, the Offer Letter entitles Mr. Abbate to payment of the any unpaid installments of his cash sign-on bonus and the vesting of one-half of his sign-on equity grant, which would otherwise vest on July 1, 2020.

We believe the Offer Letter provisions were necessary in order to compensate Mr. Abbate for compensation he was forfeiting by leaving his former employer. We designed the payout schedules for the sign-on equity grant and cash bonus to provide a retention benefit to the Company.

***OUR COMPENSATION PHILOSOPHY AND APPROACH***

***Compensation Philosophy***

Our goal is to foster an environment of collaboration, enthusiasm and drive, with a passion for success and an expectation to win, to enable us to create a successful company that meets our commitments to shareholders, customers and employees.

Our priorities are to:

Meet our financial commitments.

Deliver operational excellence.

Focus on our customers.

Develop our team members.

Our compensation philosophy supports our goal and our priorities by:

Being competitive with similar companies to attract and retain key talent and outstanding leaders.

Aligning the interests of our executive officers and other senior leaders with the interests of our shareholders.

Ensuring line-of-sight to key performance measures and financial results to align senior leaders with our long-term vision and growth.

Rewarding employees based on performance and their individual contributions that support our success.

Motivating employees to strive to exceed performance targets by providing creative solutions and tools to fuel our growth.

Being cost-effective and affordable.

***Compensation Process***

## Edgar Filing: Veritiv Corp - Form DEF 14A

The Board evaluates the CEO's performance. The Committee reviews, evaluates and recommends to the Board any changes to the CEO's compensation, including base salary, annual incentive and long-term incentive compensation.



Table of Contents

For other executive officers (including the NEOs), our CEO considers performance and makes individual recommendations to the Committee on base salary, annual incentive and long-term incentive compensation. The Committee reviews, discusses, modifies and approves, as appropriate, these compensation recommendations.

In making these compensation decisions, the Committee considers input from the Committee's independent compensation consultant and uses several resources and tools, including competitive market information.

***Compensation Benchmarking***

Compensation levels are not based solely on peer comparisons or benchmarking. Marketplace information is one of several factors considered in establishing and assessing the reasonableness of compensation. Other factors considered include the scope and complexity of the role, internal relativity and an incumbent's experience and contributions.

Our primary source for executive talent is general industry; we do not look solely at distribution or packaging companies for talent. General industry also is the likely destination for our executive talent when they leave the Company. For these reasons, we benchmark compensation for our NEOs using survey data of general industry companies with revenues of \$3 to \$25 billion (approximately one-third to three times Veritiv's revenues), excluding financial, utility, restaurant and retail. We use statistical regression analysis to derive market compensation values for a company of our size.

To provide additional data for NEO positions, the Committee, with support from its independent compensation consultant, identifies a core group of companies that are:

In similar industries to where Veritiv competes.

Reasonably comparable in revenues (approximately one-third to three times Veritiv's revenues).

Traded in the U.S. on a major exchange.

Table of Contents*Compensation Benchmarking Peer Group*

Anixter International Inc.	\$7,927	8,900
Arrow Electronics, Inc.	\$26,813	18,800
Avnet, Inc.	\$17,440	15,700
CDW Corp.	\$15,192	8,726
Core-Mark Holdings Co., Inc.	\$12,225	8,413
Essendant Inc.	\$5,037	6,400
Fastenal Company	\$4,391	20,565
Genuine Parts Company	\$16,309	48,000
HD Supply Holdings Inc.	\$5,121	11,000
Insight Enterprises Inc.	\$6,704	6,697
LKQ Corporation	\$9,737	43,000
MRC Global Inc.	\$3,646	3,580
Office Depot, Inc.	\$10,240	45,000
SpartanNash Co.	\$8,128	11,950
Synnex Corp	\$17,046	107,400
Tech Data Corp.	\$36,775	14,000
United Natural Foods Inc.	\$10,227	10,000
W. W. Grainger, Inc.	\$10,425	25,050
WESCO International Inc.	\$7,679	9,100
<b>Median</b>	<b>\$10,227</b>	<b>11,950</b>
<b>Veritiv</b>	<b>\$8,365</b>	<b>8,900</b>
<b>Veritiv (Percentile Rank)</b>	<b>40%</b>	<b>30%</b>

*Role of the Committee's Compensation Consultant*

## Edgar Filing: Veritiv Corp - Form DEF 14A

The Committee has retained Meridian Compensation Partners, LLC, (Meridian) as its independent compensation consultant. Meridian provides research, data analyses and design expertise in developing compensation programs for executives and incentive programs for eligible employees and keeps the Committee apprised of regulatory developments and market trends related to executive compensation practices.

In 2018, Meridian consultants attended regular meetings of the Committee at the Committee's request, were available to participate in executive sessions and communicated directly with the Committee without management present.

At least annually, the Committee assesses Meridian's independence, taking into consideration several relevant factors, including the factors specified in the NYSE listing standards. In addition, Meridian annually provides the Committee with confirmation of its independent status. The Committee believes that Meridian has been independent throughout its service and there is no conflict of interest between Meridian and the Committee or the Company.

Table of Contents

**COMPENSATION PRACTICES AND POLICIES**

***Risk Considerations***

The Committee reviews the risks and rewards associated with our compensation programs. The programs are designed with features including capped incentive payouts, multiple performance measures and financial goals set at the corporate level that mitigate risk without diminishing the incentive nature of the compensation. We believe our compensation programs encourage and reward prudent business judgment and appropriate risk-taking over the short-term and the long-term.

Management and the Committee regularly evaluate the risks involved with our compensation programs and do not believe any of our compensation programs create risks that are reasonably likely to have a material adverse impact.

***Best Practices***

The Committee regularly reviews best practices in governance and executive compensation and revises policies and practices as appropriate. Our current compensation practices and policies incorporate and reflect the following:

**Shareholder Engagement**

Welcome and initiate direct engagement with shareholders

Programs designed to align with shareholder interests

**Upon a Change in Control**

No excise tax gross-ups

Require double trigger vesting for change in control related cash severance payments and stock award vestings

**Perquisites Not a Part of Our Executive Total Compensation Program**

No tax gross-ups except for limited expenses relating to relocation

Provide reasonable post-employment severance provisions

No pension or supplemental executive retirement programs (except frozen legacy plans and certain union plans that do not apply to our NEOs)

**Balanced Use of Performance Metrics to Align Pay and Performance**

Added Free Cash Flow as a metric in the AIP

Use three-year relative TSR in LTI program

**Compensation Recovery (Clawback Policy)**

Permit the recapture of both annual and long-term incentive compensation in the event of a material negative restatement

**Stock Ownership and Other Requirements**

## Edgar Filing: Veritiv Corp - Form DEF 14A

Robust stock ownership guidelines for directors and vice presidents and above

Prohibition against hedging transactions or short sales by directors, officers and employees

Restrictions on pledging of company stock by directors, officers and employees

### **Independent Compensation Consultant**

Employ an independent compensation consultant to review and advise the Committee on executive compensation

Prohibit this consultant from performing any other services for Veritiv

Table of Contents

Regularly review the independence of any outside advisors as a component of the Committee's charter

***Executive Stock Ownership Guidelines***

We designed our executive stock ownership guidelines to align our executives' long-term financial interests with those of our shareholders. The ownership guidelines, which cover approximately 30 executives, are as follows:

Chief Executive Officer	5 times salary
Senior Vice Presidents	3 times salary
Vice Presidents	1 times salary

\* Shares are valued based on the closing price of common stock on the last trading day in the calendar year.

Our executives must each hold 50% of the net after-tax award shares (upon the vesting of full value shares) until he or she has achieved compliance with the stock ownership guidelines. The holding requirement does not apply to shares purchased outright or acquired other than by way of an equity grant. We monitor compliance with stock ownership guidelines and report out to the Committee annually.

We count shares owned outright (either purchased or vested), unvested restricted stock, deferred stock and share-equivalent vehicles (including earned performance shares from completed performance periods).

***Restrictive Covenants***

Our executives, including our NEOs, are required to execute agreements containing restrictive covenants. These agreements bind the executive to confidentiality, non-competition, non-disclosure and non-solicitation provisions.

***Clawback Policy (Compensation Recovery)***

Our clawback policy allows us to recapture certain incentive compensation paid to executive officers under certain circumstances. Our clawback policy allows the Committee (in its discretion and to the extent legally permitted) to require the return, repayment or forfeiture of any annual or long-term incentive payment or award made or granted to any current or former executive officer during the 12-month period following the filing with the SEC of financial statements that are later the subject of a material negative restatement if, among other things, the payment or award was predicated upon achieving certain financial results that were subsequently the subject of the restatement and the Committee determines that the executive officer engaged in intentional misconduct that caused the need for the restatement. Additionally, if the Committee determines that the executive officer engaged in intentional misconduct that caused the material negative restatement, the Committee may require the return or repayment of any profits realized by such executive officer on the sale of Veritiv securities received pursuant to any such award granted during such 12-month period.

Table of Contents

In addition, our long-term incentive award agreements provide for clawback of awards in the event of misconduct, as determined by management. Misconduct includes any act detrimental to our business or reputation, any act determined to be a deliberate disregard of our rules or policies, or any violation of any confidentiality, non-solicitation or non-competition restriction applicable to the grantee.

***Trading Controls and Anti-Hedging, Short Sale and Pledging Policies***

In accordance with our insider trading policy, directors, officers (including the NEOs) and certain other designated employees are required to pre-clear with our General Counsel any transactions in Company securities, including purchases, sales, gifts, grants and those involving derivatives. Generally, we permit trading only during announced trading windows. Regardless of whether there is an open trading window, we prohibit trading while in possession of material nonpublic information relating to the Company.

In addition, we prohibit our directors, officers (including our NEOs) and employees from entering into hedging or monetization transactions, such as zero-cost collars and forward sale contracts, that involve the establishment of a short position in the Company's securities, as well as other short sale transactions and transactions in puts, calls and other derivative securities. We also advise our directors, officers (including our NEOs) and employees to exercise caution when pledging Company securities.

Our insider trading policy also restricts transactions by family members residing with the covered person and others living in his or her household, other family members whose transactions in Company securities are directed by the covered person or are subject to his or her influence or control, and legal entities over which the covered person has discretionary control.

***Tax Implications of Compensation***

The Committee considers the tax and accounting implications of compensation, but they are not the only factors considered. In some cases, other important considerations, including our ability to attract, retain and motivate highly qualified executives, outweigh tax or accounting considerations.

Under Section 162(m) of the Internal Revenue Code, compensation paid to any person who is or was the Chief Executive Officer, the Chief Financial Officer or among the three other highest paid executive officers of the Company in excess of \$1 million for any year is generally not deductible for United States income tax purposes, with certain exceptions for agreements that were in effect as of November 2, 2017, including agreements that provided for the payment of performance-based compensation and met certain other requirements. The Committee recognizes the need to retain flexibility to make compensation decisions that may result in the payment of compensation that is not deductible and accordingly reserves the authority to approve potentially non-deductible compensation when deemed appropriate.

**Compensation and Leadership Development Committee Report**

The Compensation and Leadership Development Committee has reviewed and discussed the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K with management. Based on such review and discussions, the Compensation and Leadership Development Committee recommended to the Board of Directors that the Compensation Discussion

Edgar Filing: Veritiv Corp - Form DEF 14A

Table of Contents

and Analysis be included in this proxy and incorporated by reference into the Annual Report on Form 10-K for the year ended December 31, 2018.

COMPENSATION AND LEADERSHIP  
DEVELOPMENT COMMITTEE

John J. Zillmer, Chair

David E. Flitman

Daniel T. Henry

Tracy A. Leinbach

Michael P. Muldowney



Table of Contents**Summary Compensation Table**

The following table provides compensation information concerning our NEOs for fiscal years 2018, 2017 and 2016. The dollar amounts reflected in the table are calculated in accordance with SEC rules. They may not reflect the actual compensation that ultimately will be received by our NEOs and do not reflect the target total direct compensation of our NEOs. Please read the Compensation Discussion and Analysis in conjunction with reviewing this table.

Mary A. Laschinger	2018	1,025,000	-	5,015,632	779,513	11,864	6,832,008
Chairman of the Board and	2017	1,025,000	-	3,854,104	758,500	966,713	6,604,317
Chief Executive Officer	2016	1,018,750	1,625,000	3,667,248	1,980,800	41,564	8,333,362
Stephen J. Smith	2018	569,388	-	1,226,043	270,062	11,864	2,077,357
Senior Vice President	2017	563,750	100,000	3,227,841	319,147	11,664	4,222,402
and Chief Financial Officer	2016	560,313	550,000	1,152,529	750,444	11,548	3,024,834
Thomas S. Lazzaro	2018	556,875	-	2,546,614	261,079	11,864	3,376,432
Senior Vice President,	2017	550,000	115,000	1,059,889	366,300	11,664	2,102,853
Sales	2016	550,000	106,926	1,008,494	390,839	11,548	2,067,807
Daniel J. Watkoske	2018	467,016	-	1,601,853	258,180	11,798	2,338,847
Senior Vice President, Print	2017	461,250	80,000	609,487	262,841	11,598	1,425,176
	2016	458,438	80,544	565,779	317,132	11,453	1,433,346

Salvatore A. Abbate Senior Vice President, Chief Commercial Officer	2018	326,746	450,000	1,041,465	149,091	48,620	2,015,921
---	------	---------	---------	-----------	---------	--------	-----------

- 
- (1) The amounts in this column for 2018 represent two payments to Mr. Abbate pursuant to his offer letter. Mr. Abbate received a cash signing bonus of \$350,000 paid at time of hire and will receive a cash payment of \$100,000 on March 15, 2019 (at the time 2018 AIP bonuses are paid).
- (2) The amounts in this column reflect the grant date fair value of equity-based awards calculated in accordance with FASB ASC Topic 718 for each NEO. Refer to Notes 1 and 16 to the Consolidated Financial Statements for the fiscal year ended December 31, 2018 included in our Annual Report on Form 10-K for a discussion of relevant assumptions used in calculating the fair value. A portion of the RSUs granted in fiscal 2018 to Messrs. Lazzaro and Watkoske will vest in January of 2020 and 2021 based on continued service. A portion of the RSUs granted in fiscal 2018 to Mr. Abbate will vest in July of 2020, 2021 and 2022 based on continued service. The RSUs granted in fiscal 2018 to Ms. Laschinger and to Mr. Smith and a portion of the RSUs granted to Messrs. Lazzaro, Watkoske and Abbate will vest after the 2020 fiscal year-end. The grant date value of the RSUs for 2018 were \$922,500 for Ms. Laschinger, \$225,500 for Mr. Smith, \$1,692,500 for Mr. Lazzaro, \$1,110,700 for Mr. Watkoske, and \$610,400 for Mr. Abbate. The PSUs granted in fiscal 2018 will vest after the 2020 fiscal year-end based on Adjusted EBITDA and relative TSR performance for fiscal 2018, 2019 and 2020. The grant date value of the PSUs for 2018 were \$4,093,132 for Ms. Laschinger, \$1,000,543 for Mr. Smith, \$854,114 for Mr. Lazzaro, \$491,153 for Mr. Watkoske, and \$431,065 for Mr. Abbate. Actual awards may range from 0 percent to 200 percent of the target award as shown below in the Grants of Plan-Based Awards table. The value of the PSUs assuming maximum performance for 2018 is \$8,186,264 for Ms. Laschinger, \$2,001,086 for Mr. Smith, \$1,708,228 for Mr. Lazzaro, \$982,306 for Mr. Watkoske, and \$862,130 for Mr. Abbate.
- (3) The amounts in this column for 2018 include the actual Annual Incentive Plan bonus earned for the 2018 fiscal year paid in March 2019.
- (4) All Other Compensation amounts for the January 1, 2018 to December 31, 2018 period are shown on the following table.

Table of Contents

Mary A. Laschinger	11,000	864	-	11,864
Stephen J. Smith	11,000	864	-	11,864
Thomas S. Lazzaro	11,000	864	-	11,864
Daniel J. Watkoske	11,000	798	-	11,798
Salvatore A. Abbate	11,000	530	37,090	48,620

---

(1) Represents the Company's match to the NEO's contribution to the 401(k) Plan from January 1, 2018 to December 31, 2018.

(2) Represents premiums paid for term life insurance attributable to the NEOs from January 1, 2018 to December 31, 2018.

(3) Represents the Company paid temporary housing and commuting expenses pursuant to Mr. Abbate's offer letter. In addition, the Company paid relocation expenses pursuant to the relocation policy applicable to other Company executives on behalf of Mr. Smith (\$18,603 in 2018) and Mr. Abbate (\$26,737 in 2018). The relocation policy for executives includes home sale assistance, temporary housing and movement of household goods.

**Grants of Plan-Based Awards for Fiscal 2018**

During 2018, the Committee granted RSUs and PSUs to our NEOs. The Committee also approved the annual cash incentive opportunities for our NEOs under the 2018 AIP. Information with respect to each of the awards on a grant-by-grant basis is set forth in the table below. For a detailed discussion of each of these awards and their material terms, refer to "Executive Compensation Summary Compensation Table" and "Compensation Discussion and Analysis What We Pay and Why: Elements of Compensation" above.

Table of Contents

*Grants of Plan-Based Awards Table*

<b>erry A. chinger</b>										
Us	1/1/2018								31,920	922,5
TDA	1/1/2018			39,900	79,801	159,602				2,306,
Us										
R PSU	1/1/2018			23,940	47,880	95,760				1,786,
8 AIP(2)		333,125	1,332,500	2,665,000						
<b>ohen J. th</b>										
Us	1/1/2018								7,802	225,5
TDA	1/1/2018			9,753	19,506	39,012				563,7
Us										
R PSU	1/1/2018			5,852	11,704	23,408				436,7
8 AIP(2)		122,200	488,800	977,600						
<b>omas S. zaro</b>										
Us	1/1/2018								58,563	1,692,

Edgar Filing: Veritiv Corp - Form DEF 14A

TDA Js	1/1/2018			8,326	16,652	33,304		481,2
R PSUs	1/1/2018			4,995	9,991	19,982		372,8
8 AIP(2)		105,700	422,800	845,600				
<b>Michael J. Koske</b>								
Js	1/1/2018						38,432	1,110,
TDA Js	1/1/2018			4,788	9,576	19,152		276,7
R PSUs	1/1/2018			2,872	5,745	11,490		214,4
8 AIP(2)		82,750	331,000	662,000				
<b>Matteo Abbate</b>								
Js	7/1/2018						15,317	610,4
TDA Js	7/1/2018			3,462	6,925	13,850		276,0
R PSUs	7/1/2018			2,077	4,155	8,310		155,0
8 AIP(2)		57,342	229,370	458,740				

(1)

Represents the grant date fair value calculated in accordance with FASB ASC Topic 718. Refer to Notes 1 and 16 to the Consolidated Financial Statements for the fiscal year ended December 31, 2018 included in our Annual Report on Form 10-K. The grant date fair value of the RSU and PSU awards will likely vary from the actual value the NEO receives. The actual value the NEO receives for the RSU grants will depend on the price of the Company's common stock on the vesting date. The actual value the NEO receives for the PSU grants will depend on the number of units earned and the price of the Company's common stock when the units vest.

(2)

Represents possible payouts for annual performance cash awards made in 2018 (and paid in March 2019) under the 2018 AIP for each NEO. The AIP is an annual cash incentive opportunity and thus, these awards are earned in the year of grant. See the column captioned "Non-Equity Incentive Plan Compensation" in the Summary Compensation Table for the actual payout amounts related to the 2018 AIP. See also "Compensation Discussion and Analysis Annual Incentive Program" for additional

information about the AIP.

Table of Contents**Outstanding Equity Awards at Fiscal Year-End**

The following equity awards granted to our NEOs were outstanding as of the end of fiscal 2018:

*Restricted Stock Units.* On January 1, 2016, January 1, 2017 and January 1, 2018, each NEO (other than Mr. Abbate) received a grant of RSUs. The awards will vest in full on the third anniversary of the grant date, assuming continued employment. In addition, on May 25, 2017, Mr. Smith received a grant of RSUs that vest on the first, second, third and fourth anniversaries of the grant date, assuming continued employment. On January 1, 2018, Messrs. Lazzaro and Watkoske received a grant of RSUs that vest on the second and third anniversaries of the grant date, assuming continued employment. On July 1, 2018, Mr. Abbate received two grants of RSUs (a 2018 annual grant that will vest in full on the third anniversary of the grant date and a one-time sign on grant that vests on the second, third and fourth anniversaries of the grant date, in both cases, assuming continued employment). Dividends are not paid on unvested awards. If vested, the awards are paid in shares of common stock following the end of the vesting period.

*Performance Share Units.* On January 1, 2016, January 1, 2017 and January 1, 2018, each NEO other than of Mr. Abbate received a grant of PSUs. On July 1, 2018, Mr. Abbate received a grant of PSUs. A portion of these awards (62.5%) vest based on annual Adjusted EBITDA performance during the three-year vesting period and the remaining portion (37.5%) vest based on the Company's TSR performance relative to the TSR Performance Peer Group for the performance periods during the three-year vesting period. Dividends are not paid on unvested awards. The ultimate value of the awards will depend on the number of shares earned and the price of the Company's common stock at the time awards vest. See "Compensation Discussion and Analysis Long-Term Incentive Program" for additional information.

*Stock Awards*

Mary A. Laschinger	64,269	1,604,797	231,479	5,780,031
Stephen J. Smith	51,854	1,294,794	63,414	1,583,448
Thomas S. Lazzaro	67,458	1,684,426	54,517	1,361,289
Daniel J. Watkoske	43,472	1,085,496	31,126	777,216
Salvatore A. Abbate	15,317	382,465	11,952	298,441

(1)

Represents the number of shares that will vest in full during 2019, 2020, 2021 and 2022 assuming continued employment through that date. The shares that vested or will vest assuming continued employment on each of January 1, 2019, January 1, 2020 and January 1, 2021 are: 19,326, 13,023, and 31,920, respectively, for Ms. Laschinger; 6,073, 4,195, and 7,802, respectively, for Mr. Smith; 5,314, 29,532, and 32,612, respectively,

for Mr. Lazzaro; 2,981, 19,360, and 21,131, respectively, for Mr. Watkoske. The shares that will vest assuming continued employment on each of July 1, 2020, July 1, 2021, and July 1, 2022 are 6,273, 5,906, and 3,138 for Mr. Abbate. In addition, for Mr. Smith, the shares that vest are 11,261 on each of May 25, 2019 and May 25, 2020 and are 11,262 on May 25, 2021, assuming continued employment through those dates. RSUs are paid out in shares of common stock to the NEOs.

(2)

Represents the number of restricted stock units multiplied by the closing price of the Company's common stock on December 31, 2018 (the last trading day of fiscal 2018), which was \$24.97.

(3)

Represents the actual number of PSUs that could vest following the end of the performance period. The ultimate number of shares issued under the PSU awards depends on the number of units earned and the price of our common stock on the actual vesting date. For additional information, refer to "Executive Compensation Summary Compensation Table" and "Compensation Discussion and Analysis Long-Term Incentive Program." The performance period ended on December 31, 2018 for the performance share units granted on January 1, 2016. The assumed number of Adjusted EBITDA performance share units was based on 86% actual achievement (82% for one-third, 74% for one-third and 103% for one-third) and the number of TSR performance share units was based on 53% actual achievement (0% for two-thirds and 160% for one-third). The performance period ends on December 31, 2019 for the performance share



Table of Contents

units granted on January 1, 2017 and on December 31, 2020 for the performance share units granted on January 1, 2018. The assumed value of the number of Adjusted EBITDA performance share units is based on 74% for one-third, 103% for one-third and 100% for the remaining third for the grant on January 1, 2017 and is based on 103% for one-third and 100% for the remaining two-thirds for the grant on January 1, 2018. The assumed value of the number of TSR performance share units is based on 0% for two-thirds, and 100% for the remaining third for the grant on January 1, 2017 and is based on 158% for one-third and 100% for the remaining two-thirds for the grant on January 1, 2018.

- (4) Represents the number of performance share units described in footnote 3 multiplied by the closing price of the Company's common stock on December 31, 2018 (the last trading day of fiscal 2018), which was \$24.97.

**Option Exercises and Stock Vested**

There were no option exercises during fiscal 2018. The table below provides information about the vesting of RSUs and PSUs during fiscal 2018. See "Compensation Discussion and Analysis Long-Term Incentive Program" for additional information.

*Stock Awards*

Mary A. Laschinger	49,438	1,403,598
Stephen J. Smith	26,798	814,414
Thomas S. Lazzaro	12,607	357,926
Daniel J. Watkoske	4,801	136,305
Salvatore A. Abbate	-	-

- (1) Represents the total number of shares that vested in full during 2018 before any withholding of shares to pay taxes. The shares that vested include RSUs granted on January 1, 2015 that vested based on continued employment of 13,495 for Ms. Laschinger; 4,241 for Mr. Smith; 3,441 for Mr. Lazzaro and 1,310 for Mr. Watkoske. In addition, the shares that vested for Mr. Smith include 11,261 RSUs that vested on May 25, 2018 based on continued employment. The shares that vested also include PSUs granted on January 1, 2015 that vested on March 1, 2018 based on adjusted EBITDA performance of 30,477 for Ms. Laschinger; 9,578 for Mr. Smith; 7,772 for Mr. Lazzaro and 2,960 for Mr. Watkoske and PSUs that vested based on TSR performance relative to a peer group of companies of 5,466 for Ms. Laschinger; 1,718 for Mr. Smith; 1,394 for Mr. Lazzaro and 531 for Mr. Watkoske. The number of Adjusted EBITDA performance share units vested based on 90% actual achievement (115% for one-third, 82% for one-third and 74% for one-third) and the number of TSR performance share units vested based on 27% actual achievement (0% for two-thirds and 81% for one-third). RSUs and PSUs are paid out in shares of common stock to the NEOs.
- (2) Represents the total number of RSUs and PSUs that vested in full during 2018 multiplied by the closing price of the Company's common stock on the vesting dates of \$28.90 on January 1, 2018, \$28.20 on March 1, 2018 and \$33.15 on May 25, 2018.

**Pension and Supplemental Executive Retirement Plan Benefits and Deferred Compensation**

Edgar Filing: Veritiv Corp - Form DEF 14A

None of our NEOs participate in any pension plan, supplemental executive retirement plan or non-qualified deferred compensation plan.

Table of Contents

**Potential Payments to Named Executive Officers Upon Termination or Change in Control**

*Potential Payments to the CEO Upon Termination or Change in Control*

The separation provisions for Ms. Laschinger provided in her Employment Agreement include the following:

In the event Ms. Laschinger's employment with the Company is terminated due to her death or disability, by the Company for cause or by Ms. Laschinger without good reason, the Company will pay all accrued benefits (as defined in the Employment Agreement) and payment of long-term incentive awards as provided in the Employment Agreement and respective equity award agreements.

In the event Ms. Laschinger's employment with the Company is terminated by the Company without cause (including for non-extension of the Employment Agreement beyond the stated term) or by Ms. Laschinger for good reason, in addition to the accrued benefits, the Company will pay a pro-rata bonus for the year in which the termination occurs, additional cash compensation equal to two times Ms. Laschinger's then-current base salary and target bonus, partial reimbursement of COBRA continuation coverage as provided in the Employment Agreement and payment of long-term incentive awards as provided in the Employment Agreement and respective equity award agreements.

In the event Ms. Laschinger's employment with the Company is terminated due to retirement, defined as age 60 or older with five or more years of service ("Retirement"), in addition to the accrued benefits, the Company will pay a pro-rata bonus for the year in which the termination occurs and payment of long-term incentive awards as provided in the Employment Agreement and respective equity award agreements.

In the event Ms. Laschinger's employment with the Company is terminated due to Retirement following the successful implementation of a chief executive officer succession plan, in addition to the accrued benefits, the Company will pay a prorated bonus for the year in which the Retirement occurs, and any outstanding equity grants awarded to her six months or more prior to her Retirement will become fully vested and the performance goals applicable to any pending performance periods will be deemed to have been achieved at the greater of the actual level of performance or the target level of performance. Ms. Laschinger is not currently eligible for retirement so a retirement column is not included in the chart below.

"Good reason" is defined in the Employment Agreement as: the assignment of duties inconsistent with the CEO position or an adverse alteration in the nature or status of her responsibilities; a diminution in salary or target bonus, or failure to pay any compensation or benefits due; a relocation of the primary work location by more than 50 miles from the metropolitan area of Atlanta, Georgia; the failure to appoint or reappoint Ms. Laschinger as Chairman of the Board; in the event the UWWH Stockholder or Bain Capital acquires a majority of the shares of the Company and if thereafter they replace more than two directors whose appointment is not a replacement of a director previously appointed; or any material failure by the Company to satisfy its obligations under Sections 1 through 6 of the Employment Agreement.

The Company has termination and change in control provisions in its equity award agreements. These provisions apply equally to all plan participants and provide a "double trigger" change in control provision. We do not provide a tax gross-up for any change in control situation.

## Edgar Filing: Veritiv Corp - Form DEF 14A

### Table of Contents

The chart below provides disclosure regarding the benefits that would have been provided to Ms. Laschinger had any of the events referenced below occurred on December 31, 2018, the last day of our most recently completed fiscal year.

#### *Potential Payments Upon Termination or Change in Control for Ms. Laschinger*

2018 AIP Bonus(1)	-	779,513	-	779,513	779,513	779,513
Cash Severance Benefit	-	4,715,000	-	4,715,000	-	-
Long-Term Incentive(2)	-	4,146,545	-	7,384,828	4,146,545	4,146,545
Medical Continuation Benefits(3)	-	7,584	-	7,584	-	-

---

(1) Ms. Laschinger must be employed on the date the bonus is paid in March 2019 except in the event of a company-initiated termination not-for-cause, termination for good reason, change in control or termination due to disability or death.

(2) In the event Ms. Laschinger's employment is terminated due to disability, death, company-initiated termination not-for-cause or terminated by Ms. Laschinger for good reason (each a "qualifying termination"), Ms. Laschinger is entitled to payment of the awards, pro-rated for the period of her continuous employment during the period from the grant date through the termination date and the value of the performance share units is calculated based on actual Company performance following the end of the performance period. In the

event of a qualifying termination following a change in control, Ms. Laschinger is deemed to have satisfied 100% of any continued employment requirement and the value of the performance share units is calculated based on actual Company performance. The LTI award values in the table are shown at actual performance achievement for 2016, 2017 and 2018 and at target (100%) performance achievement for future periods. The values of the LTI awards are calculated using the closing price of the Company's common stock on December 31, 2018 (the last trading day of fiscal 2018), which was \$24.97.

(3)

Includes the projected value of payment of medical premiums under COBRA continuation as provided in the employment agreement.

*Potential Payments to the Other NEOs Upon Termination or Change in Control*

For the NEOs other than Ms. Laschinger, benefits due upon a separation of employment are provided by the Executive Severance Plan, which was adopted by the Company in March 2015. In addition, the Company has termination and change in control provisions in its equity award agreements. These provisions apply equally to all plan participants and provide a "double trigger" change in control provision. We do not provide a tax gross-up for any change in control situation.

In general, the Executive Severance Plan provides separation pay and benefits to covered participants (including the NEOs other than Ms. Laschinger) in the event the employee is involuntarily terminated without cause. If provided, the separation pay and benefits available are generally contingent upon the Company receiving a general release of claims from the employee. In the event the Company terminates an NEO's employment not-for-cause, the Company will pay 18 months' base salary and medical coverage continuation. If the termination date occurs on or after July 1 of the year in which the termination occurs, the NEO is entitled to receive a pro-rata bonus for that year. In addition, Messrs. Smith, Lazzaro and Watkoske, having been employed by Veritiv on

Table of Contents

the effective date of the Executive Severance Plan, are entitled to receive a pro-rata portion of unvested Long-Term Incentive Awards.

In the event of an NEO's death, the NEO's beneficiary would be entitled to immediate vesting at target of a portion of unvested Long-Term Incentive Awards pro-rated for service and, in the event the death occurred on or after July 1, the beneficiary would be entitled to receive a pro-rata bonus for the year in which the termination occurs.

In the event of an NEO's disability, the NEO would be entitled to vesting of a portion of unvested Long-Term Incentive Awards pro-rated for service and based on actual Company performance and, in the event the death occurred on or after July 1, the NEO would be entitled to receive a pro-rata bonus for the year in which the termination occurs.

In the event of an NEO's retirement, defined as age 60 or older with five or more years of service, the NEO would be entitled to vesting of a portion of unvested Long-Term Incentive Awards pro-rated for service and based on actual Company performance and a pro-rata bonus for the year in which the retirement occurs. None of the NEOs are eligible for retirement as of the end of the 2018 fiscal year, so a Retirement column is not included in the charts below.

In the event of an employment termination, including a termination for "good reason," within twenty-four months following, or within six months prior to, a change in control, the Executive Severance Plan provides that the NEOs would be entitled to two times the NEO's base salary plus target AIP bonus. In addition, the NEO is entitled to a pro-rata AIP bonus calculated at target (100%) performance and medical coverage for eighteen months. A "change in control" is defined in the Executive Severance Plan and the 2014 Omnibus Incentive Plan to include consummation of certain mergers, the acquisition of more than 50% of the combined voting power of the Company's voting securities, the sale of all or substantially all of the Company's assets, shareholder approval of a complete liquidation or dissolution, and a change in the majority of the Board. Termination for "good reason" under the Executive Severance Plan includes a relocation of an NEO's primary work location exceeding fifty miles from the current location, material diminution in authority, duties or responsibilities or material reduction in salary, target bonus or material failure to satisfy obligations under an NEO's offer letter. In addition, the NEO is entitled to vesting of the Long-Term Incentive Awards without pro-ration for actual service and based on actual company performance for completed periods and target (100% company performance) for future periods in the event of a qualifying employment termination following a change in control.

In addition to the benefits described above, Mr. Abbate's offer letter provides for the following in the event of his death or involuntary not-for-cause separation of employment with the Company: payment of any unpaid installments of his cash sign-on bonus and the vesting of one-half of his sign-on equity grant, which would otherwise vest on July 1, 2020.

Edgar Filing: Veritiv Corp - Form DEF 14A

Table of Contents

The charts below provide disclosure regarding the benefits that would have been provided to Messrs. Smith, Lazzaro, Watkoske and Abbate had any of the events referenced below occurred on December 31, 2018, the last day of our most recently completed fiscal year.

*Potential Payments Upon Termination or Change in Control for Messrs. Smith, Lazzaro and Watkoske*

**Stephen J. Smith**

2018 AIP Bonus (1)	-	270,062	-	488,800	270,062	270,062
Cash Severance Benefit (2)	-	862,538	-	2,127,650	-	-
Long-Term Incentive (3)	-	1,699,894	-	2,878,242	1,920,714	1,699,894
Medical Continuation Benefits (4)	-	31,389	-	31,389	31,389	31,389

**Thomas S. Lazzaro**

2018 AIP Bonus (1)	-	261,079	-	422,800	261,079	261,079
Cash Severance Benefit (2)	-	845,625	-	1,973,100	-	-
Long-Term Incentive (3)	-	1,586,423	-	3,045,716	1,778,325	1,586,423

Medical Continuation Benefits (4)	-	24,269	-	24,269	24,269	24,269
<b>Daniel J. Watkoske</b>						
2018 AIP Bonus (1)	-	258,180	-	331,000	258,180	258,180
Cash Severance Benefit (2)	-	709,172	-	1,607,562	-	-
Long-Term Incentive (3)	-	954,288	-	1,862,712	1,062,750	954,288
Medical Continuation Benefits (4)	-	27,735	-	27,735	27,735	27,735

(1)

Under the 2018 AIP, in the event of death, disability or a company-initiated not-for-cause termination or resignation by the NEO for good reason on or after July 1, 2018, the participant (or his or her heirs) is entitled to a pro-rata AIP award based on actual Company and individual performance. Under the Executive Severance Plan, in the event of a qualifying employment termination following a change in control, the NEO is entitled to a pro-rata AIP award based on target (100%) performance.

(2)

Under the Executive Severance Plan, in the event of a company-initiated not-for-cause termination or resignation by the NEO for good reason, the NEO is entitled to a cash severance payment equal to eighteen months' base salary or in the event of a qualifying employment termination following a change in control the NEO is entitled to two times the sum of base salary and target AIP bonus.

(3)

Under the Veritiv Corporation 2014 Omnibus Incentive Plan, the Executive Severance Plan and the equity award agreements, in the event of disability or company-initiated not-for-cause termination or resignation by the NEO for good reason, Messrs. Smith, Lazzaro and Watkoske, having been employed by Veritiv on the effective date of the Executive Severance Plan, are entitled to vesting of LTI awards pro-rated for the period of service since the grant date and calculated at actual Company performance following the end of the performance period. In the event of an NEO's death, the NEO's heirs are entitled to vesting of LTI awards pro-rated for the period of service since the grant date and calculated at target (100%) performance. The NEO is entitled to full vesting of LTI awards in the event of a qualifying employment termination following a change in control. The LTI award values in the table are shown at actual performance achievement for 2016, 2017 and 2018 and at target (100%) performance achievement for future periods. The values of the LTI awards are calculated using the closing price of the Company's common stock on December 31, 2018 (the last trading day of fiscal 2018) of \$24.97.

(4)

Includes the projected value of payment of medical premiums under COBRA continuation for eighteen months as provided in the Executive Severance Plan.



Table of Contents*Potential Payments Upon Termination or Change in Control for Mr. Abbate*

2018 AIP Bonus (1)	-	149,091	149,091	229,370	149,091	149,091
Cash Severance Benefit (2)	-	690,000	690,000	1,564,000	-	-
2018 Long-Term Incentive (3)	-	156,637	-	367,608	295,245	124,101
Medical Continuation Benefits (4)	-	39,529	39,529	39,529	39,529	39,529
Cash Bonus (5)	-	600,000	-	-	600,000	-

(1)

Under the 2018 AIP, in the event of death, disability or a company-initiated not-for-cause termination or resignation by the NEO for good reason on or after July 1, 2018, the participant (or his or her heirs) is entitled to a pro-rata AIP award based on actual Company and individual performance. Under the Executive Severance Plan, in the event of a qualifying employment termination following a change in control, the NEO is entitled to a pro-rata AIP award based on target (100%) performance.

(2)

Under the Executive Severance Plan, in the event of a company-initiated not-for-cause termination or resignation by the NEO for good reason, the NEO is entitled to a cash severance payment equal to eighteen months' base salary or in the event of a qualifying employment termination following a change in control the NEO is entitled to two times the sum of base salary and target AIP bonus.

## Edgar Filing: Veritiv Corp - Form DEF 14A

(3)

Under the Veritiv Corporation 2014 Omnibus Incentive Plan, the Executive Severance Plan and the equity award agreements, the NEO is entitled to full vesting of LTI awards in the event of a qualifying employment termination following a change in control. In the event of disability, the NEO is entitled to vesting of LTI awards pro-rated for the period of service since the grant date and calculated at actual Company performance following the end of the performance period. In the event of an NEO's death, the NEO's heirs are entitled to vesting of LTI awards pro-rated for the period of service since the grant date and calculated at target (100%) performance. In addition to the benefits described above, in the event of his death or company-initiated not-for-cause termination, Mr. Abbate is entitled to vesting of one-half of his sign-on equity grant (which would otherwise vest on July 1, 2020 assuming continued employment with the Company) pursuant to the terms of his offer letter. The LTI award values in the table are shown at actual performance achievement for 2018 and at target (100%) performance achievement for future periods. The values of the LTI awards are calculated using the closing price of the Company's common stock on December 31, 2018 (the last trading day of fiscal 2018) of \$24.97.

(4)

Includes the projected value of payment of medical premiums under COBRA continuation for eighteen months as provided in the Executive Severance Plan.

(5)

Mr. Abbate's offer letter provides that, in the event of his death or involuntary not-for-cause separation of employment with the Company, the two installments of his cash sign-on bonus (that were unpaid as of December 31, 2018) will be paid to him or his heirs.

Table of Contents

**Equity Compensation Plan**

Information about our equity compensation plan as of December 31, 2018 is as follows:

Equity compensation plans approved by security holders	1,463,468	1,402,599
Equity compensation plans not approved by security holders		
Total	1,463,468	1,402,599

- (1) This column includes unvested restricted stock units and unvested performance share units that may be paid out in common shares. The Company grants a small number of cash-settled units to LTI participants in countries outside the U.S., which are excluded from this column.
- (2) This column includes the number of securities remaining available for issuance under the Veritiv Corporation 2014 Omnibus Incentive Plan.

**Compensation Committee Interlocks and Insider Participation**

During 2018, no Company executive officer or director was a member of the board of directors of any other company where the relationship would be construed to constitute a committee interlock within the meaning of the rules of the SEC.

Table of Contents

**CEO Pay Ratio**

Pursuant to SEC rules adopted according to the Dodd-Frank Wall Street Reform and Consumer Protection Act, the Company is required to disclose the ratio of its median employee's annual total compensation to the annual total compensation of its principal executive officer. The Company's principal executive officer is Mary A. Laschinger, Chairman of the Board and Chief Executive Officer.

Ms. Laschinger had 2018 annual total compensation of \$6,832,008 as reflected in the Summary Compensation Table included in this proxy. Our median employee's annual total compensation for 2018 was \$62,022. As a result, we estimate that Ms. Laschinger's 2018 annual total compensation was approximately 110 times that of our median employee.

As permitted by SEC rules, we used the same median employee for our pay ratio calculation this year as we used for the calculation included in last year's proxy. In determining the median employee last year, a listing was prepared of all employees in the United States, Canada and Mexico as of October 1, 2017 with the exception of Ms. Laschinger. This list includes approximately 8,600 employees including approximately 7,100 employees in the United States, 1,000 employees in Canada and 500 employees in Mexico. Employees in the following countries were excluded from the list: one employee in Austria, six employees in Belgium, 84 employees in China, three employees in Germany, four employees in Malaysia and three employees in the United Kingdom. In addition, approximately 240 employees of All American Containers, which was acquired in 2017, were excluded from the list. Total cash compensation paid from January 1, 2017 to October 1, 2017 was gathered for each employee. Total cash compensation for employees in Canada and Mexico were converted to U.S. dollars using the currency exchange rates of 0.78 for Canadian dollars and 0.055 for Mexican pesos. The median amount was selected from the list.

We calculated the median employee's 2018 compensation as it would appear in the Summary Compensation Table and compared that amount to Ms. Laschinger's 2018 compensation as it appears in the Summary Compensation Table. The pay ratio disclosed is a reasonable estimate calculated in a manner consistent with the applicable SEC disclosure rules.

Table of Contents

As required by Section 14A of the Exchange Act, we are offering our shareholders an opportunity to cast an advisory vote to approve the compensation of our named executive officers, as disclosed in this proxy statement. Although the vote is non-binding, we value continuing and constructive feedback from our shareholders on compensation and other important matters. The Board of Directors and the Compensation and Leadership Development Committee will consider the voting results when making future compensation decisions.

As described in the Compensation Discussion and Analysis section of this proxy statement, we believe that our executive compensation program aligns the interests of the Company's executives and other key employees with those of the Company and its shareholders in order to drive shareholder value over the long term. The executive compensation program designed by our Compensation and Leadership Development Committee is intended to attract, retain and motivate high caliber executive talent to enable the Company to maximize operational efficiency and long-term profitability. Our executive compensation program is also designed to differentiate compensation based upon individual contribution, performance and experience.

We ask for your advisory approval of the following resolution:

"RESOLVED, that the shareholders hereby approve, on an advisory basis, the compensation of Veritiv Corporation's named executive officers, as described in this proxy statement pursuant to the compensation disclosure rules of the Securities and Exchange Commission, which disclosure includes the Compensation Discussion and Analysis, the Summary Compensation Table and the other related disclosure and tables."

**OUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE "FOR" APPROVAL OF  
THE RESOLUTION ABOVE RELATING TO THE COMPENSATION OF THE COMPANY'S NAMED  
EXECUTIVE OFFICERS**

Table of Contents

**Financial Information**

The Company's annual report for the year ended December 31, 2018 is included in the proxy materials that are posted at <http://www.veritivcorp.com/2018annualreport> and referenced in the Notice of Internet Availability of Proxy Materials that has been made available to all shareholders.

**Shareholder Proposals for the 2020 Annual Meeting**

Any shareholder who intends to present a proposal at the Company's 2020 annual meeting of shareholders and who wishes to have the proposal considered for inclusion in the Company's proxy statement and form of proxy for that annual meeting must deliver the proposal to the Corporate Secretary of the Company so that it is received no later than November 2, 2019 and must comply with the additional requirements established by the SEC. In addition, if a shareholder intends to present a proposal (including with respect to director nominations) at the Company's 2020 annual meeting of shareholders without the inclusion of that proposal in the Company's proxy materials, the shareholder proposal must be received at our principal executive offices, 1000 Abernathy Road NE, Building 400, Suite 1700, Atlanta, Georgia 30328, Attention: Corporate Secretary, no sooner than November 2, 2019 and no later than December 2, 2019 and must otherwise comply with the Company's bylaws.

**Householding of Proxy Materials**

We are taking advantage of the SEC's householding rules to reduce the delivery cost of materials. Under such rules, only one Notice of Internet Availability of Proxy Materials or, if you have requested paper copies, only one set of proxy materials is delivered to multiple shareholders sharing an address unless we have received contrary instructions from one or more of the shareholders. If you are a shareholder sharing an address and wish to receive a separate Notice of Internet Availability of Proxy Materials or copy of our proxy materials, you may so request by contacting the Corporate Secretary of Veritiv Corporation at (770) 391-8200 or by mail to 1000 Abernathy Road NE, Building 400, Suite 1700, Atlanta, Georgia 30328. A separate copy will be promptly provided following receipt of your request, and you will receive separate materials in the future. If you currently share an address with another shareholder but are nonetheless receiving separate copies of the materials, you may request delivery of a single copy in the future by contacting the Corporate Secretary at the contact information shown above.

**Other Matters**

We do not know of any matters to be brought before the meeting except as indicated in this notice. However, if any other matters properly come before the meeting for action, it is intended that the persons authorized under solicited proxies may vote or act thereon in accordance with his or her own judgment.

Edgar Filing: Veritiv Corp - Form DEF 14A

Table of Contents

**Whether or not you plan to attend the annual meeting, it is important that your shares are represented at the annual meeting. Accordingly, we urge you to vote your shares by one of the prescribed methods as soon as possible. Thank you for your prompt attention to this important shareholder responsibility.**

By Order of the Board of Directors,

Mark W. Hianik  
*Senior Vice President, General Counsel & Corporate Secretary*

March 1, 2019













