

INFOSPACE INC
Form DEF 14A
May 02, 2011

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

SCHEDULE 14A INFORMATION
PROXY STATEMENT PURSUANT TO SECTION 14(a)
OF THE SECURITIES EXCHANGE ACT OF 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

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

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

INFOSPACE, INC.

(Name of Registrant as Specified In Its Charter)

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

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INFOSPACE, INC.

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To be held on June 8, 2011

TO THE STOCKHOLDERS:

Notice is hereby given that the annual meeting of stockholders of InfoSpace, Inc., a Delaware corporation, will be held on June 8, 2011, at 2:00 p.m., local time, at the principal executive offices of InfoSpace, Inc., located at 601 108th Avenue NE, Suite 1200, Bellevue, Washington 98004, for the following purposes:

1. To elect the two Class III directors nominated by the Board of Directors of the Company to serve for their ensuing class term and until their successors are duly elected;
2. To ratify the appointment of Deloitte & Touche LLP as the independent registered public accounting firm for InfoSpace for 2011;
3. To conduct an advisory vote on the approval of the compensation of the Company's Named Executive Officers, as disclosed in this Proxy Statement;
4. To conduct an advisory vote on the frequency of future advisory votes on the approval of the compensation of the Company's Named Executive Officers; and
5. To transact such other business as may properly come before the meeting or any adjournment or postponement thereof.

The foregoing items of business are more fully described in the Proxy Statement accompanying this notice.

The Board of Directors has fixed the close of business on April 11, 2011, as the record date for the determination of stockholders entitled to notice of this meeting and the right to vote.

All stockholders are cordially invited to attend the meeting in person. However, to save us the expense of additional solicitation, you are urged to vote online, by telephone, or by signing, dating, and returning the enclosed proxy card or voting instruction card as promptly as possible. For specific instructions regarding voting online, by telephone, or by mail, please see the enclosed proxy card or voting instruction card. Any stockholder attending the meeting may vote in person even if the stockholder has previously returned a proxy. Please see Information Concerning Proxy Solicitation and Voting Questions and Answers in the Proxy Statement for more details on voting in person at the meeting.

By Order of the Board of Directors,

Alesia Pinney

General Counsel and Secretary

Bellevue, Washington

May 2, 2011

YOUR VOTE IS IMPORTANT. WHETHER OR NOT YOU PLAN TO ATTEND THIS MEETING, PLEASE VOTE ONLINE, BY TELEPHONE, OR SIGN, DATE, AND RETURN THE ACCOMPANYING PROXY CARD IN THE ENCLOSED ENVELOPE OR

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VOTE IN ACCORDANCE WITH THE INSTRUCTIONS SET FORTH ON THE ENCLOSED VOTING INSTRUCTION CARD.

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INFOSPACE, INC.

PROXY STATEMENT FOR

2011 ANNUAL MEETING OF STOCKHOLDERS

INFORMATION CONCERNING PROXY SOLICITATION AND VOTING

Our Board of Directors is soliciting proxies for the 2011 annual meeting of stockholders and any adjournment or postponement of such meeting. This Proxy Statement contains important information for you to consider when deciding how to vote on the matters brought before the meeting. Please read it carefully.

The annual meeting will be held on June 8, 2011, at 2:00 p.m., local time, at our principal executive offices, located at 601 108th Avenue NE, Suite 1200, Bellevue, Washington 98004. All proxies are solicited for the purposes set forth herein and in the notice of annual meeting of stockholders that accompanies this Proxy Statement. Voting materials, which include the Proxy Statement, form of proxy, and Annual Report on Form 10-K for the year ended December 31, 2010, will be sent or otherwise distributed to stockholders of record on or about May 2, 2011.

Important Notice Regarding the Availability of Proxy Materials for Stockholders Meeting to be Held on June 8, 2011

This Proxy Statement and the Annual Report on Form 10-K for the year ended December 31, 2010 are also available at www.proxyvote.com.

Stockholders of record (defined below) and beneficial owners may access the form of proxy on the Internet by following the instructions on the proxy card or voting instruction card. Please note that you will not be required to provide any personal information, other than the identification number provided on the proxy card or voting instruction card, to execute a proxy.

This solicitation of proxies is made on behalf of InfoSpace, and we will pay for all related costs. In addition, we will reimburse brokerage firms and other persons representing beneficial owners of shares for their expenses in forwarding solicitation material to such beneficial owners. Proxies may also be solicited by certain of our directors, officers, and regular employees, without additional compensation, personally or by telephone.

We do not expect any matters not listed in the Proxy Statement to come before the annual meeting. For stockholders of record, if any other matter is presented, your signed proxy card or submission of your proxy by telephone or via the Internet gives the individuals named as proxy holders the authority to vote your shares to the extent authorized by Rule 14a-4(c) under the Securities Exchange Act of 1934, as amended (the *Exchange Act*). If any other matters come before the meeting, it is the intention of the persons named in the accompanying proxy card to vote the shares they represent as the Board of Directors may recommend.

Important Note Regarding Discretionary Voting by Brokers

If you hold your shares in a brokerage or bank account in your broker's or bank's name (this is called *Street Name*), it is critical that you cast your vote if you want it to count in the election of directors (Proposal One), in the advisory vote on the approval of the compensation of the officers discussed in the Compensation Discussion and Analysis and Compensation of Named Executive Officers sections below (the *Named Executive Officers*) (Proposal Three), or in the advisory vote on the frequency of future advisory votes on the approval of the compensation of the Company's Named Executive Officers (Proposal Four). Due to regulatory changes in recent years, no votes will be cast on your behalf in the election of directors, on the approval of named executive officer compensation, or on the frequency of future named executive officer compensation votes if you hold your shares in Street Name and you do not instruct your bank or broker how to vote. In such a case, your shares will be considered broker non-votes with regard to such proposals because the broker or bank will not have discretionary authority to vote such shares.

Your broker or bank will, however, continue to have discretion to vote any uninstructed shares on the ratification of the appointment of the Company's independent registered public accounting firm (Proposal Two).

Questions and Answers

Q: Who is entitled to vote?

A: All stockholders who owned InfoSpace common stock at the close of business on the record date of April 11, 2011, are entitled to receive notice of the annual meeting and to vote the shares they own as of the record date. Each stockholder is entitled to one vote for each share of common stock held on all matters properly brought before the meeting to be voted on.

36,835,133 shares of our common stock were outstanding and entitled to vote on April 11, 2011. Shares of our common stock were held of record by 753 stockholders on the record date. If your shares are registered directly in your name with the Company's transfer agent, BNY Mellon Shareowner Services, you are considered the stockholder of record with respect to those shares. The number of holders of record does not include beneficial owners of our common stock who hold their shares through brokers, banks, or other holders of record.

Q: How many votes do you need at the meeting to transact business?

A: A majority of InfoSpace's outstanding shares as of the record date must be present at the meeting in order to hold the meeting and conduct business. This is called a quorum. Shares that are voted on any matter or voted "abstain", as well as broker non-votes (defined below), will be considered present at the meeting for purposes of establishing a quorum.

Your shares are counted as present at the meeting if you are present and vote in person at the meeting, or if you have properly submitted a proxy card or voting instruction card, or voted by telephone or via the Internet.

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

A: There are four proposals scheduled to be voted on at the meeting:

Proposal One: Election of the two Class III directors nominated by the Board of Directors of the Company to serve for their ensuing class term and until their successors are duly elected;

Proposal Two: Ratification of the appointment of Deloitte & Touche LLP as the Company's independent registered public accounting firm for 2011;

Proposal Three: Approval, on an advisory basis, of the compensation of the Company's Named Executive Officers, as disclosed in this Proxy Statement; and

Proposal Four: Approval, on an advisory basis, of the frequency of future advisory stockholder votes on the compensation of the Company's Named Executive Officers.

Q: What are InfoSpace's voting recommendations?

A: Our Board of Directors recommends that you vote your shares *FOR* each nominee to the Board of Directors listed in this Proxy Statement, *FOR* the ratification of Deloitte & Touche LLP as InfoSpace's independent registered public accounting firm, *FOR* the approval of the compensation of the Company's Named Executive Officers, as disclosed in this Proxy Statement, and a frequency of

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EVERY ONE YEAR for future advisory stockholder votes on the compensation of the Company's Named Executive Officers.

Q: What is the voting requirement to approve each of the proposals?

A: For the election of directors, the two Class III nominees of the Board of Directors of the Company who receive the greatest number of votes from shares present and entitled to vote at the meeting will be elected. Withheld votes and broker non-votes will have no effect on the outcome of the vote.

The proposed ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm requires the affirmative *FOR* vote of a majority of the shares cast at the meeting and entitled to vote with respect to such proposal in order for it to be approved. Abstentions will have no effect on the outcome of the vote. Although stockholder approval of such appointment is not required by law and is not binding on the Company, the Audit Committee will take your vote on this proposal into consideration when appointing our independent registered public accounting firm in the future. Even if you ratify the appointment of Deloitte & Touche LLP, the Audit Committee may in its sole discretion terminate such engagement and direct the appointment of another independent registered public accounting firm at any time during the year, although it has no current intention to do so.

The approval, on an advisory basis, of the compensation of the Company's Named Executive Officers, as disclosed in this Proxy Statement, requires the affirmative *FOR* vote of a majority of the shares cast at the meeting and entitled to vote with respect to such proposal in order for it to be approved. Abstentions and broker non-votes will have no effect on the outcome of the vote. Although stockholder approval of compensation is not binding on the Company, the Board of Directors and the Compensation Committee expect to consider the outcome of the vote when considering future executive compensation decisions to the extent they can determine the cause or causes of any significant negative voting results.

For the advisory vote on the frequency of future advisory votes on the approval of the compensation of the Company's Named Executive Officers, the frequency approved by the stockholders will be the choice (*i.e.*, *EVERY ONE YEAR*, *EVERY TWO YEARS*, or *EVERY THREE YEARS*) that receives the greatest number of votes. Abstentions and broker non-votes will have no effect on the outcome of the vote. Although the frequency approved by the stockholders is not binding on the Company, the Board and the Compensation Committee expect to consider the outcome of the vote when considering the frequency of future advisory votes on Named Executive Officer compensation.

Q: What if I do not vote for some of the items listed on my proxy card or voting instruction card?

A: In the election of the directors (Proposal One), you may vote *FOR* each of the nominees or your vote may be *WITHHELD* with respect to any nominee. You may vote *FOR*, *AGAINST*, or *ABSTAIN* on the ratification of the appointment of Deloitte & Touche LLP as InfoSpace's independent registered public accounting firm. You may vote *FOR*, *AGAINST*, or *ABSTAIN* on the approval of the compensation of the Company's Named Executive Officers. You may vote *EVERY ONE YEAR*, *EVERY TWO YEARS*, *EVERY THREE YEARS*, or *ABSTAIN* on the frequency of future advisory votes on the approval of the compensation of the Company's Named Executive Officers. If you provide specific voting instructions, your shares will be voted as you have instructed.

If you are a stockholder of record, execute the proxy card, and do not provide voting instructions on certain matters, your shares will be voted in accordance with the Board's recommendations. If you hold your shares in street name and do not provide voting instructions, no vote will be recorded for you in the election of directors (Proposal One), in the advisory vote on the approval of the compensation of the Company's Named Executive Officers (Proposal Three), or in the advisory vote on the frequency of future advisory votes on the approval of the compensation of the Company's Named Executive Officers (Proposal Four).

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

A: Shares held directly in your name as the stockholder of record may be voted in person at the meeting. If you hold your shares through a bank, broker, or other holder of record, and you wish to vote at the meeting, you must present a legal proxy from your broker or other holder of record in order to vote at the meeting. If you choose to attend the meeting, please bring proof of identification for entrance to the meeting. If you hold your shares through a bank, broker, or other holder of record, please also bring your proof of ownership, such as a brokerage statement. Even if you currently plan to attend the annual meeting, we recommend that you submit your proxy card or voting instruction card as described above so that your vote will be counted if you later decide not to attend the meeting.

Q: How can I vote my shares without attending the meeting?

A: Whether you hold shares directly as a stockholder of record or beneficially through a broker, bank, or other nominee, you may vote without attending the meeting. You may vote by granting a proxy or, for shares held through a broker, bank, or other nominee, by submitting voting instructions to your broker, bank, or other nominee. In most cases, you will be able to do this by telephone, via the Internet, or by mail. For stockholders of record, please refer to the summary instructions included on your proxy card. For shares held through a broker, bank, or other nominee, please refer to the voting instruction card that will be provided by your broker, bank, or other nominee.

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

BY TELEPHONE OR THE INTERNET If you have telephone or Internet access, you may submit your vote by following the instructions on the proxy card or voting instruction card.

BY MAIL You may submit your proxy by mail by signing your proxy card or, for shares held through a broker, bank, or other nominee, by following the voting instruction card included by your broker, bank, or other nominee and mailing it in the enclosed, postage-paid envelope.

Q: How can I change my vote?

A: You may change your vote at any time before the final vote at the meeting.

If you are a stockholder of record, you may change your vote by signing and submitting a new proxy card with a later date, voting by telephone or via the Internet as instructed above (only your latest telephone or Internet proxy is counted), or by attending the meeting and voting in person (as described above). Attending the meeting will not revoke your proxy unless you specifically request it.

If you hold your shares through a broker, bank, or other nominee, you should contact your broker, bank, or other nominee prior to the time such voting instructions are exercised.

Q: Where can I find the voting results of the meeting?

A: The preliminary voting results will be announced at the meeting. The final results will be published in a Current Report on Form 8-K within four business days of the end of the meeting, which will be filed with the Securities and Exchange Commission and will also be available at www.infospaceinc.com. If final results are not available within four business days of the end of the meeting, preliminary results will be published in a Current Report on Form 8-K at that time, and the final results will be published in an amended Current Report on Form 8-K/A when they are available.

Q: Is a list of registered stockholders available?

A: The Company's list of stockholders as of April 11, 2011, will be available for inspection for 10 days prior to the 2011 annual meeting and at the annual meeting for any purpose reasonably relevant to the meeting. If you want to inspect the stockholder list, please call the office of the General Counsel at (425) 201-6100 to schedule an appointment.

Householding of Proxy Materials

We have adopted a procedure approved by the U.S. Securities and Exchange Commission called householding. Under this procedure, stockholders of record who have the same address and last name and who do not participate in electronic delivery of proxy materials will receive only one set of our proxy materials,

unless one or more of these stockholders notifies us that they wish to continue receiving individual copies. We believe this will provide greater convenience for our stockholders, as well as cost savings for us by reducing the number of duplicate documents that are mailed.

Stockholders who participate in householding will continue to receive separate proxy cards. Householding will not in any way affect your rights as a stockholder.

If you are eligible for householding, but you and other stockholders of record with whom you share an address currently receive multiple copies of our proxy materials, or if you hold stock in more than one account, and in either case you wish to receive only a single copy of each of these documents for your household, please contact Broadridge, either by calling toll-free (800) 542-1061, or by writing to Broadridge Financial Solutions, Inc., Household Department, 51 Mercedes Way, Edgewood, New York 11717.

If you participate in householding and wish to receive a separate copy of our Annual Report on Form 10-K for the year ended December 31, 2010, or this Proxy Statement, or if you do not wish to participate in householding and prefer to receive separate copies of these documents in the future, please contact Broadridge as indicated above.

Beneficial stockholders can request information about householding from their banks, brokers, or other holders of record.

PROPOSAL ONE

ELECTION OF DIRECTORS

General

The Board of Directors has set the size of the Board at nine members, with three members in each class serving staggered three-year terms. A director serves in office until his or her respective successor is duly elected and qualified unless the director resigns or by reason of death or other cause is unable to serve in the capacity of director. There are currently eight members, with two members in Class III, leaving one vacancy. The Board is currently in the process of seeking a stockholder nominee to fill this vacancy, in accordance with procedures set forth in the Director Nomination Policy and Corporate Governance Guidelines, which are available on our corporate website at www.infospaceinc.com. If a director resigns before the end of his or her term, the Board of Directors may appoint a director to fill the remainder of that term or leave the position vacant. Stockholder election of directors may only take place at the annual meeting at which the three-year term of that director would expire or at a special meeting of stockholders called for such purpose.

Nominees for Directors

Two Class III directors are to be elected at the annual meeting for three-year terms ending in 2014. The Board of Directors has nominated Jules Haimovitz and Elizabeth J. Huebner for re-election as Class III directors. The Board of Directors has affirmatively determined that Mr. Haimovitz and Ms. Huebner are independent directors as defined in the NASDAQ rules. For further information on the director nominees, see [Information Regarding the Board of Directors and Committees](#) below. For further information on the process of director nominations and criteria for selection of director nominees, see [Director Nomination Process](#) below.

Unless otherwise instructed, the proxy holders will vote the proxies received by them *FOR* the two nominees listed in this Proxy Statement. Each of the director nominees have consented to be named in this Proxy Statement and agreed to continue to serve as a director if elected by stockholders. In the event that any of these nominees to the Board of Directors is unable or declines to serve as a director at the time of the annual meeting, the proxies will be voted for a nominee who may be designated by the present Board of Directors to fill the vacancy. It is not expected that any of the nominees will be unable or will decline to serve as a director. Alternatively, the Board of Directors may reduce the size of the Board of Directors or maintain such vacancy.

Required Vote; Election of Directors

If a quorum is present, the two Class III nominees receiving the highest number of votes will be elected to the Board of Directors. Votes withheld from any nominee and broker non-votes will be counted for purposes of determining the presence or absence of a quorum, but will not otherwise have an effect on the outcome of the vote. Proxies cannot be voted for a greater number of persons than the number of nominees named in this proxy statement and on the proxy card or the voting instruction card.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE FOR THE NOMINEES NAMED HEREIN

INFORMATION REGARDING THE BOARD OF DIRECTORS AND COMMITTEES

The Director Nominees and Continuing Directors sections below set forth the business experience during at least the past five years for each nominee and each of the directors whose term of office will continue after the 2011 annual meeting of stockholders. In addition, these sections include a brief discussion of the specific experience, qualifications, attributes, and skills that led to the conclusion that each of the directors and nominees should continue to serve on the Board of Directors at this time. The Board of Directors nominates candidates for election after receiving recommendations from the Nominating and Governance Committee, which bases its recommendations on the criteria set forth in our Director Nomination Policy, as described below under Director Nomination Process. The Board of Directors believes that the directors and nominees have an appropriate balance of knowledge, experience, attributes, skills, and expertise as a whole to ensure the Board of Directors appropriately satisfies its oversight responsibilities and acts in the best interests of stockholders.

Director Nominees**Class III Terms expiring in 2011**

The names of our Class III directors, whose terms expire in 2011, and certain information about them are set forth below:

Name of Director	Age	Positions with InfoSpace	Director Since
Jules Haimovitz	60	Director	2005
Elizabeth J. Huebner	53	Director	2009

Jules Haimovitz has served as a director of InfoSpace since October 2005. Since July 2007, he has served as President of Haimovitz Consulting, a media consulting firm. From July 2002 to July 2007, Mr. Haimovitz served as Vice Chairman and Managing Partner of Dick Clark Productions, Inc., a producer of programming for television, cable networks, and syndicators. From June 1999 to July 2004, Mr. Haimovitz served in various capacities at Metro Goldwyn Mayer Inc., including President of MGM Networks Inc., Executive Consultant to the CEO, and Chair of the Library Task Force. Mr. Haimovitz's career has also included experience as a director and CEO of VJN, Inc., executive and director at Spelling Entertainment, Inc., executive at King World Productions and Viacom, Inc., and director of Orion Pictures Corporation and Onstage Entertainment. Mr. Haimovitz served as a director of Imclone, Inc. from May 2007 to November 2008 when the company was acquired. As a director of Imclone, Mr. Haimovitz served as Chair of the Audit Committee and Chair of the special committee formed to oversee the sale of Imclone. Mr. Haimovitz is currently a director of Blockbuster, Inc., where he has served since May 2006.

Relevant Qualifications and Experience: Mr. Haimovitz has a strong background in the management of publicly traded companies, both as an executive and director. He also has extensive experience in mergers and acquisitions of both public and private companies. In addition, the Board of Directors has determined that he is qualified as an Audit Committee Financial Expert under the SEC's rules, and that expertise assists the Board in complying with its Audit Committee membership requirements and also enables him to provide significant insight on public accounting and financial statement matters. The Board believes that Mr. Haimovitz's extensive management and board experience, knowledge of and experience with mergers and acquisitions, and financial expertise provides insight and guidance that assists the Board in its oversight and strategy obligations.

Elizabeth J. Huebner has served as a director of InfoSpace since May 2009. Ms. Huebner retired from a 26-year career in the finance sector in 2006. Prior to retiring, Ms. Huebner was Chief Financial Officer from 2000 to 2006 at Getty Images, Inc., a provider of visual content and rights services. Prior to her service as Chief Financial Officer of Getty Images, Ms. Huebner was Chief Financial Officer of Primus Knowledge Solutions, Inc.

Relevant Qualifications and Experience: Ms. Huebner has significant experience as an executive in the technology industry, and a very strong background in finance. The Board of Directors has determined that she is qualified as an Audit Committee Financial Expert under the SEC's rules, and that expertise assists the Board in complying with its Audit Committee membership requirements and also enables her to provide significant insight on public accounting and financial statement matters. The Board believes that Ms. Huebner's experience in management and finance provides insight and guidance that assists the Board in its oversight, financial review, and risk management obligations.

Continuing Directors

Class I Terms expiring in 2012

The names of our Class I directors, whose terms expire in 2012, and certain information about them are set forth below:

Name of Director	Age	Positions with InfoSpace	Director Since
John E. Cunningham, IV	53	Chairman	1998
Lewis M. Taffer	63	Director	2001
William J. Ruckelshaus	46	President and Chief Executive Officer	2007

John E. Cunningham, IV has served as a director of InfoSpace since July 1998 and as the Chairman of the Board of Directors since January 1, 2011. Mr. Cunningham also served as Lead Independent Director of InfoSpace from February 2010 through December 31, 2010.

Mr. Cunningham has been a general partner of Clear Fir Partners, L.P., a venture capital investment partnership, since February 1998. Previously, he served as Chief Executive Officer of RealCom Office Communications Inc., a national telecom services company. From July 2006 to June 2008, he served as a board member of Citel Technologies, Inc., a telecommunications company, and also served as its non-executive Chairman from January 2004 to July 2006. Currently, Mr. Cunningham serves as a board member of Audience Science, Inc. and as an advisor to Petra Growth Fund II and to Qliance, Inc.

Relevant Qualifications and Experience: Mr. Cunningham has extensive experience in, and a significant knowledge of, the technology industry from his work with various technology companies as an executive, investor, advisor, and director. Mr. Cunningham also has significant experience with InfoSpace gained through 13 years as a director. The Board believes that Mr. Cunningham's extensive experience as a venture capitalist in multiple industries, as an executive, and as a board member and advisor to public and private companies and non-profit organizations provides insight and guidance that assists the Board in its oversight obligations and makes him a valued advisor to the Board and management.

Lewis M. Taffer has served as a director of InfoSpace since June 2001. Mr. Taffer is Chief Marketing Officer of iGPS Company LLC, an operator of pallet rental service that provides all-plastic pallets with embedded RFID tags. Prior to joining iGPS, Taffer was an operating advisor to Pegasus Capital Advisors, a New York-based private equity fund. The bulk of Mr. Taffer's career (1979-2001) was spent at American Express Company, where he headed the American Express Gold Card, launched the Membership Rewards program, and developed the ShopAmex online commerce platform. He has also served as Executive Vice President of America Online, Inc. and as an independent consultant specializing in marketing, business development, and strategic partnerships.

Relevant Qualifications and Experience: Mr. Taffer has extensive experience in advertising, direct marketing, and online commerce, developed as an executive of, and consultant to, various technology companies. Mr. Taffer also has significant familiarity with InfoSpace gained through 10 years as a director. The Board believes that Mr. Taffer's experience with marketing and development of online consumer services provides valuable knowledge and insight relevant to the Company's business and that his experience as an executive and board member allows him to contribute to the Board's oversight role.

William J. Ruckelshaus has served as a director of InfoSpace since May 2007. Mr. Ruckelshaus has also served as President and Chief Executive Officer of InfoSpace since November 11, 2010. Prior to his appointment as President and Chief Executive Officer of InfoSpace, Mr. Ruckelshaus served as Chief Financial Officer of AudienceScience, Inc. (formerly known as RevenueScience, Inc.), a digital advertising, technology, and services company, from May 2006 to November 2010. Mr. Ruckelshaus also served as Chief Operating Officer of AudienceScience for two years. From July 2002 to April 2006, he served as Senior Vice President, Corporate Development at Expedia, Inc., an online travel agency, where he oversaw Expedia's mergers and acquisitions and led the corporate strategic planning effort.

Relevant Qualifications and Experience: Mr. Ruckelshaus has relevant experience as an executive in the technology industry and a strong background in finance, strategy, and mergers and acquisitions. Mr. Ruckelshaus also has significant familiarity with InfoSpace as the Company's President and Chief Executive Officer. His day-to-day leadership of the Company gives him critical insights into the Company's operations, strategy, and competition, and allows him to facilitate the Board's ability to perform its critical oversight function. The Board believes that Mr. Ruckelshaus's experience as an executive and director provides him with insight into the Board's oversight role, and that as the Company's President and Chief Executive Officer, Mr. Ruckelshaus plays an important role in the Board's processes.

Class II Terms expiring in 2013

The names of the nominees of the Board of Directors and certain information about them are set forth below:

Name of Director	Age	Positions with InfoSpace	Director Since
Richard D. Hearney	71	Director	2001
Steven W. Hooper	58	Director	2011
James F. Voelker	60	Director	2002

Richard D. Hearney has served as a director of InfoSpace since September 2001. General Hearney is a retired United States Marine Corps four-star general who served as the Assistant Commandant of the United States Marine Corps from 1994 to 1996. In 2002, General Hearney founded RDM Strategies, Inc., and he currently serves on its board of advisors. General Hearney served as President and Chief Executive Officer of Business Executives for National Security, an organization focusing on national security policy, from December 2000 to April 2002. From 1996 to 1999, General Hearney was an executive with McDonnell Douglas Corporation, and then its acquirer, the Boeing Company.

Relevant Qualifications and Experience: General Hearney has extensive experience in leadership and management gained through his military service and his subsequent business ventures, as well as significant familiarity with InfoSpace as a director of the Company for the past 10 years. The Board believes that General Hearney's extensive leadership and management experience, both in the military and in business, makes him a valuable contributor to the Board and provides him with insight and knowledge relevant to the Board's oversight obligations.

Steven W. Hooper was appointed to the Board of Directors of InfoSpace on April 11, 2011. Mr. Hooper is a founding partner of Ignition Partners, a venture capital firm, where he has invested in telecommunications and wireless companies since Ignition's founding in March 2000. From 1999 to 2000, Mr. Hooper served as Chairman and Chief Executive Officer of Nextlink Communications, Inc. From 1998 to 1999, Mr. Hooper served as Chief Executive Officer of Teledesic LLC. From 1994 to 1997, Mr. Hooper served as CEO of AT&T Wireless Services, Inc. Prior to joining AT&T Wireless, Mr. Hooper was an executive with McCaw Cellular Communications, Inc., where he, among other roles, served as CEO for a variety of McCaw-affiliated companies. In addition, Mr. Hooper represents Ignition Partners as a director on the boards of a number of privately-held companies in which Ignition has invested and served as a trustee of Seattle University from 1995 to 2009.

Relevant Qualifications and Experience: Mr. Hooper has extensive experience as a business leader in the technology industry. He has served in management and as a director for numerous technology companies, and brings to the InfoSpace Board of Directors extensive experience, knowledge, and connections that the Board believes will provide valuable assistance to the Company as it pursues strategic opportunities in the technology industry.

James F. Voelker has served as a director since July 2002. He also served as our Chairman of the Board from December 2002 through December 31, 2010, as Chief Executive Officer from December 2002 to February 2009, and as President from December 2002 to April 2003 and from December 2005 to February 2009. Mr. Voelker previously served as President and a director of NEXTLINK Communications, Inc. (now XO Communications, Inc.), a broadband communications company, and as a director of Comdisco Electronics Group, Inc. and 360Networks, Inc.

Relevant Qualifications and Experience: Mr. Voelker has extensive experience and expertise in management, board service, and the technology industry as an executive and director, as well as significant familiarity with InfoSpace as the Company's former President, Chief Executive Officer, and Chairman and as a director for the past nine years. The Board believes that Mr. Voelker's extensive experience as an executive and a director, including his experience as a former Chief Executive Officer and Chairman of the Company, provides insight and guidance that assists the Board in its oversight and strategy roles.

Board of Directors and Committee Information

The Board of Directors has general oversight responsibility for the Company's affairs and, in exercising its fiduciary duties, the Board represents and acts on behalf of the stockholders. Although the Board does not have responsibility for the Company's day-to-day management, it stays regularly informed about its business and provides oversight and guidance to management through periodic meetings and other communications. The Board is significantly involved in, among other things, the Company's strategic planning process, leadership development, and succession planning, as well as other functions carried out through the Board committees as described below.

Leadership Structure. The leadership structure of the Board of Directors of InfoSpace consists of Chairman John Cunningham and the chairs of each of the principal committees of the Board of Directors. In the current structure, the Chairman position is not combined with the Chief Executive Officer position, which is filled by William Ruckelshaus. It is the policy of the Board of Directors that at all times it will either have an independent Chairman or a Lead Independent Director. The Board of Directors believes that the current leadership structure is appropriate for the Company because it balances the operational and day-to-day management leadership of our CEO with the independent oversight provided by our independent Chairman of the Board and the independent chairs of each of the principal committees. This structure ensures that oversight of risk management and the Company's management is distributed among multiple independent directors. The Board of Directors currently believes that this distribution of oversight is the best method of ensuring optimal Company performance and risk management.

Risk Management. The Board of Directors oversees the Company's risk management, both as a full Board of Directors and through its committees. This oversight is administered primarily through the following:

the Board of Directors' periodic review and approval of management strategic plans, including the projected opportunities and challenges facing the business;

the Board of Directors' oversight of succession planning;

the Board of Directors' oversight of capital spending, cash management, and investment in marketable securities and, if any, financings;

the Audit Committee's quarterly review of financial statements and its oversight of the Company's accounting and financial reporting functions, including internal control over financial reporting, its

discussions with management and the independent accountants regarding the quality and adequacy of internal controls and financial reporting (and related reports to the full Board of Directors), and its oversight of legal and regulatory compliance, compliance with the Code of Business Conduct and Ethics, and any related person transactions;

the Nominating and Governance's oversight of governance policies and the self-evaluation assessments of the Board of Directors and committees; and

the Compensation Committee's review and recommendations or approvals regarding executive officer compensation and its relationship to the Company's business plan, as well its review of compensation plans generally and the related risks and risk mitigants.

Independence. A majority of the members of the Board of Directors must be independent directors. The Board of Directors recently undertook its annual review of director independence in accordance with the applicable rules of NASDAQ. The independence rules include a series of objective tests, including that the director is not employed by the Company and has not engaged in various types of business dealings with the Company. In addition, the Board of Directors is required to make a subjective determination as to each independent director that no relationships exist that, in the opinion of the Board of Directors, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

The Board of Directors has affirmatively determined that each of John Cunningham, Jules Haimovitz, Richard Hearney, Steven Hooper, Elizabeth Huebner, and Lewis Taffer is an independent director as defined in the NASDAQ rules, as was former director Braden Kelly. In determining independence, the Board of Directors considered that Mr. Cunningham's brother is a non-executive, at-will employee of the Company and that a number of directors were parties to the settlement of a derivative lawsuit (see "Transactions with Related Persons" below).

Each of the members of the Audit Committee, Compensation Committee, and Nominating and Governance Committee are independent under the NASDAQ rules. In addition, the Board of Directors has affirmatively determined that each of the members of the Audit Committee qualifies as independent under the audit committee independence rules established by the SEC.

Meeting Attendance. The Board of Directors of InfoSpace held a total of 23 meetings during 2010. For 2010, all directors attended at least 75% of the aggregate number of meetings of the Board of Directors and committees thereof, if any, on which such director served during the period for which he or she has been a director or committee member. Our Board of Directors has not adopted a formal policy regarding directors attendance at our annual meetings of stockholders, and the only director who attended the 2010 annual meeting of stockholders on May 11, 2010 at our corporate offices in Bellevue, Washington was then-CEO and director William Lansing.

Communication with the Board of Directors. The Board of Directors believes that management speaks for InfoSpace. Individual Board members may occasionally meet or otherwise communicate with our stockholders and other constituencies that are involved with InfoSpace, but it is expected that Board members would do this with the advance knowledge of management and at the request of management, absent unusual circumstances or as contemplated by Board committee charters. Stockholders who wish to communicate with the Board of Directors, or with any individual member of the Board of Directors, may do so by sending such communication in writing to the attention of the Corporate Secretary at the address of our principal executive office with a request to forward to the intended recipient. The Corporate Secretary will generally forward such communication to the Board of Directors or the specific Board member. However, the Corporate Secretary reserves the right to not forward any material that is inappropriate. In addition, employees may communicate with the Board through, among other processes, the Company's internal whistleblower hotline process administered under the Code of Business Conduct and Ethics.

Corporate Website. Our corporate website, located at www.infospaceinc.com, contains information regarding our Company, including information regarding our directors, executive officers, and corporate governance documents. That information includes our Certificate of Incorporation, Bylaws, Committee Charters, Director Nomination Policy, Code of Business Conduct and Ethics (which is applicable to all of our employees, executive officers, and members of our Board of Directors), and our Corporate Governance Guidelines. We use our corporate website to provide current information to investors, including information on recent developments and upcoming events.

Committees. The Board of Directors committee structure consists of three principal standing committees (the Audit Committee, the Compensation Committee, and the Nominating and Governance Committee) and several other minor standing or ad hoc committees, the composition, number, and membership of which the Board of Directors may revise from time to time, as appropriate. Copies of our Audit Committee Charter, Compensation Committee Charter, and Nominating and Governance Committee Charter can be found on our corporate website at www.infospaceinc.com. You may also request copies of these documents and other corporate governance documents available on our website from our investor relations department at (425) 201-6100 or (866) 438-4677.

The current membership and leadership of each of the standing committees is set forth in the table below, as is the number of 2010 meetings for those committees:

Standing Committees as of May 2, 2011

Director	Audit Committee	Compensation Committee	Nominating and Governance Committee
John Cunningham	M	M	
Jules Haimovitz	M	C	
Richard Hearney		M	M
Steven Hooper		M	