

ADVO, INC.
COMPENSATION COMMITTEE CHARTER

Organization

This charter governs the operations of the Compensation Committee. The committee will be composed entirely of directors who satisfy the definition of “independent” under the listing standards of the New York Stock Exchange. The committee members will be appointed by the board of directors, on the recommendation of the Nominating/Corporate Governance Committee and may be removed by the board of directors in its discretion. The committee shall have the authority to delegate any of its responsibilities to subcommittees as the committee may deem appropriate, provided that the subcommittees are composed entirely of independent directors.

The committee may act only by majority vote.

The committee will meet at least twice a year to carry out its responsibilities. The Company Secretary shall serve as the secretary to the committee. The Chief Executive Officer and Senior Human Resources Officer shall be advisors to the committee and may be delegated such responsibilities as the committee deems appropriate.

The committee shall make regular reports to the board of directors.

Statement of Policy and Purpose

The purpose of the committee shall be to: (i) provide leadership by effectively and appropriately using compensation to motivate performance that is consistent with the Company’s business goals and tie executives’ financial interests to those of the stockholders; (ii) assure that the Chief Executive Officer’s annual objectives are consistent with the Company’s business goals, are explicit, and that performance against these objectives is reviewed annually; and (iii) define, oversee and ensure that the Company develops and maintains a program of management succession planning, particularly with respect to the position of Chief Executive Officer.

Responsibilities and Procedures

1. Establishing a total compensation philosophy and policy for the Company that fairly rewards performance benefiting the stockholders and which effectively attracts and retains the human resources necessary to successfully lead and manage the Company;
2. Reviewing and approving goals and objectives relevant to the compensation for the Chief Executive Officer, evaluating the Chief Executive Officer’s performance in light of those goals and objectives and determining and approving the compensation level of the Chief Executive Officer based upon this evaluation and competitive market data;
3. Making recommendations to the board with respect to the compensation, incentive compensation plans and equity-based plans for executives other than the Chief Executive Officer;

4. Approving and monitoring cash incentive and deferred compensation plans for executives (including any modifications to such plans), and annually establishing the performance objectives for the incentive plans;
5. Preparing an annual report for inclusion in the Company's annual proxy statement or Annual Report on Form 10-K summarizing top executives' compensation levels and explaining the relationship of executive compensation to the Company's performance, as required by the Securities and Exchange Commission;
6. Reviewing periodically executive supplementary benefits and, as appropriate, the Company's retirement, benefit, and special compensation programs involving significant cost;
7. Reviewing director compensation on at least a bi-annual basis, and making recommendations to the board with respect to the form and amount of such compensation;
8. Participating in the development of, reviewing and approving management succession planning recommendations; and
9. Hiring independent consultants and commissioning special surveys if the committee deems them advisable.

Evaluation of the Charter and Committee Performance

The committee shall review and reassess the charter at least annually and obtain the approval of the board for any proposed changes to the charter. The committee shall evaluate its own performance on an annual basis.