

RIMAGE CORP
Form DEF 14A
April 16, 2013
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 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 Pursuant to § 240.14a-12

Rimage 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
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1) Amount Previously Paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

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Rimage Corporation

7725 Washington Avenue South
Edina, Minnesota 55439
(952) 683-7900

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
To Be Held May 21, 2013**

**TO THE SHAREHOLDERS OF
RIMAGE CORPORATION:**

NOTICE IS HEREBY GIVEN that the Annual Meeting of Shareholders of Rimage Corporation, a Minnesota corporation, will be held on Tuesday, May 21, 2013, at 2:30 p.m. (Minneapolis, Minnesota time), at 4200 IDS Center, 80 South Eighth Street, Minneapolis, Minnesota 55402, for the following purposes:

1. To elect eight (8) directors to serve until the next Annual Meeting of the Shareholders or until their respective successors have been elected and qualified;
2. To approve a stock option exchange for our non-executive employees;
3. Advisory vote to approve named executive officer compensation; and
4. To ratify and approve the appointment of KPMG LLP as the independent registered public accounting firm for Rimage Corporation for the year ending December 31, 2013.

Only holders of record of Rimage Corporation's common stock at the close of business on April 1, 2013 are entitled to notice of and to vote at the Annual Meeting or any adjournments thereof.

Each of you is invited to attend the Annual Meeting in person. Whether or not you plan to attend in person, please mark, date and sign the enclosed proxy, and mail it promptly. A return envelope is enclosed for your convenience.

By Order of the Board of Directors

Sherman L. Black
President and Chief Executive Officer

April 16, 2013

WHETHER OR NOT YOU EXPECT TO ATTEND THE ANNUAL MEETING,
PLEASE VOTE YOUR SHARES IN ONE OF THE WAYS
DESCRIBED IN THE PROXY STATEMENT AS PROMPTLY AS POSSIBLE.

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**IMPORTANT NOTICE REGARDING AVAILABILITY
OF PROXY MATERIALS FOR THE
2013 ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD ON TUESDAY, MAY 21, 2013**

We are making our proxy materials available electronically via the Internet. You may access the following proxy materials at www.rimagecorp.com by following the link for Investors and then Annual Meeting Materials :

Notice of 2013 Annual Meeting of Shareholders to be held on Tuesday, May 21, 2013;

Proxy Statement for 2013 Annual Meeting of Shareholders to be held on Tuesday, May 21, 2013; and

Annual Report on Form 10-K for the year ended December 31, 2012.

These proxy materials are available free of charge and will remain available through the conclusion of the Annual Meeting. Additionally, we will not collect information, such as cookies, that would allow us to identify visitors to the site.

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Rimage Corporation

7725 Washington Avenue South
Edina, Minnesota 55439
(952) 683-7900

PROXY STATEMENT

Solicitation of Proxies

The accompanying Proxy is solicited on behalf of the Board of Directors of Rimage Corporation (we or Rimage) for use at the Annual Meeting of Shareholders to be held on May 21, 2013, at 2:30 p.m. (Minneapolis, Minnesota time) at 4200 IDS Center, 80 South Eighth Street, Minneapolis, Minnesota 55402, and at any postponements or adjournments thereof (the Annual Meeting). The mailing of this proxy statement to our shareholders commenced on or about April 16, 2013.

Cost and Method of Solicitation

This solicitation of proxies to be voted at the Annual Meeting is being made by our Board of Directors. The cost of this solicitation of proxies will be borne by us. In addition to solicitation by mail, our officers, directors and employees may solicit proxies by telephone or in person. We may also request banks and brokers to solicit their customers who have a beneficial interest in our common stock registered in the names of nominees and will reimburse such banks and brokers for their reasonable out-of-pocket expenses.

Voting

The total number of shares outstanding and entitled to vote at the Annual Meeting as of April 1, 2013 consisted of 8,667,071 shares of common stock, \$0.01 par value. Each share of common stock is entitled to one vote. Only shareholders of record at the close of business on April 1, 2013 will be entitled to vote at the Annual Meeting.

All shareholders are cordially invited to attend the Annual Meeting in person. Whether or not you expect to attend the Annual Meeting, please complete, date, sign and return the enclosed proxy as promptly as possible (or follow instructions to grant a proxy to vote by means of telephone or internet) in order to ensure your representation at the Annual Meeting. A return envelope (which is postage prepaid if mailed in the United States) is enclosed for that purpose. Even if you have given your proxy, you may still vote in person if you attend the Annual Meeting. Please note, however, that if your shares are held of record by a broker, bank or other nominee and you wish to vote at the Annual Meeting, you must bring to the Annual Meeting a letter from the broker, bank or other nominee confirming your beneficial ownership of the shares. Additionally, in order to vote at the Annual Meeting, you must obtain from the record holder a proxy issued in your name.

Differences Between Shareholder of Record and Beneficial Owners

You are a shareholder of record if at the close of business on the record date your shares were registered directly in your name with Wells Fargo Shareowner Services, our transfer agent.

You are a beneficial owner if at the close of business on the record date your shares were held by a bank, brokerage firm or other nominee and not in your name. Being a beneficial owner means that, like many of our shareholders, your shares are held in street name. As the beneficial owner, you have the right to direct your broker or nominee how to vote your shares by following the voting instructions your broker or other nominee provides. If you do not provide your broker or nominee with instructions on how to vote your shares, your broker or nominee will be able to vote your shares with respect to only one of the proposals being presented to shareholders at the Annual Meeting.

Record holders should review the additional information below under Casting Your Vote as a Record Holder.

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Street name holders should review the additional information below under Casting Your Vote as a Street Name Holder.

Quorum and Voting Requirements

A quorum, consisting of a majority of the shares of common stock entitled to vote at the Annual Meeting, must be present, in person or by proxy, before action may be taken at the Annual Meeting.

Proposal 1 relates to the election of directors. Directors are elected by a plurality of the votes cast at the Annual Meeting by holders of common stock voting for the election of directors. This means that since shareholders will be electing eight directors, the eight nominees receiving the highest number of votes will be elected. You may either vote FOR or WITHHOLD authority to vote for each nominee for the Board of Directors. If you withhold authority to vote for the election of one of the directors, it has the same effect as a vote against that director.

The affirmative vote of the holders of the majority of the shares present, in person or by proxy, and entitled to vote is required for approval of:

Proposal 2: Approval of a Stock Option Exchange for Non-Executive Employees,

Proposal 3: Advisory Vote to Approve Named Executive Officer Compensation, and

Proposal 4: Ratification of Independent Registered Public Accounting Firm.

You may vote FOR, AGAINST or ABSTAIN on Proposals 2, 3 and 4.

Abstentions will be counted for purposes of calculating whether a quorum is present at the Annual Meeting, but are not counted for the purposes of determining whether shareholders have approved that matter. Therefore, if you abstain from voting on Proposals 2, 3 or 4, it has the same effect as a vote against that proposal. A broker non-vote occurs when a broker or other nominee does not receive voting instructions from the beneficial owner and does not have the discretion to direct the voting of the shares. Broker non-votes will be counted for purposes of calculating whether a quorum is present at the Annual Meeting, but will not be counted for purposes of determining the number of votes present in person or represented by proxy and entitled to vote with respect to a particular proposal. Thus, a broker non-vote will not affect the outcome of the vote on a proposal that requires a plurality of votes cast (Proposal 1) or the approval of a majority of the votes present in person or represented by proxy and entitled to vote (Proposals 2, 3 and 4).

Pursuant to an agreement dated March 18, 2013 (the Dolphin Agreement) between us and Dolphin Limited Partnership III, L.P., Dolphin Associates III, LLC, and Dolphin Holdings Corp. III (collectively, Dolphin), Dolphin will vote all of the shares of our common stock that it beneficially owns in favor of the election of each nominee named in Proposal 1 and in accordance with the recommendations of our Board of Directors with respect to all other proposals presented to shareholders at the Annual Meeting. See Corporate Governance Agreement with Dolphin below for a summary of the Dolphin Agreement.

So far as our management is aware, no matters other than those described in this proxy statement will be acted upon at the Annual Meeting. In the event that any other matters properly come before the Annual Meeting calling for a vote of shareholders, the persons named as proxies in the enclosed form of proxy will vote in accordance with their best judgment and in accordance with the Dolphin Agreement on such other matters.

Casting Your Vote as a Record Holder

If you are the shareholder of record of your shares and you do not vote by proxy card, by telephone, via the Internet or in person at the Annual Meeting, your shares will not be voted at the Annual Meeting. If you are a record holder and you vote your shares, the individuals named on the proxy card will vote your shares as you have directed. If you just sign and submit your proxy without voting instructions, your shares will be voted FOR each director nominee identified in Proposal 1, FOR each of Proposals 2, 3 and 4.

Casting Your Vote as a Street Name Holder

If you are a street name holder and you do not vote by proxy card, by telephone, via the Internet or in person at the Annual Meeting, your broker or nominee may vote your shares only on those proposals on which it has discretion to vote. Your broker is entitled to vote in its discretion on Proposal 4, the ratification of KPMG LLP as our independent registered public accounting firm for 2013.

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If you hold your shares in street name and do not vote or do not provide voting instructions to your broker or nominee, your shares will not be voted on any proposal on which your broker does not have discretionary authority to vote. This is sometimes called a broker non-vote. Brokers and nominees do not have discretionary authority to vote on:

Proposal 1: Election of Directors,

Proposal 2: Approval of a Stock Option Exchange for Non-Executive Employees, or

Proposal 3: Advisory Vote to Approve Named Executive Officer Compensation.

As a result, if you hold your shares in street name and do not vote or do not provide voting instructions to your broker or nominee, no votes will be cast on your behalf on Proposals 1, 2 or 3. Because of these broker voting rules, all street name holders are urged to provide instructions to their brokers or nominees on how to vote their shares at the Annual Meeting.

Make your vote count! Instruct your broker how to cast your vote!

If you hold your shares in street name, your broker will continue to have discretion to vote any uninstructed shares on Proposal 4: Ratification of Independent Registered Public Accounting Firm.

Revoking a Proxy

You may change your vote and revoke your proxy at any time before it is voted by:

Sending a written statement to that effect to the Secretary of Rimage Corporation;

Submitting a properly signed proxy card with a later date;

If you voted by telephone or through the Internet, by voting again either by telephone or through the Internet prior to the close of the voting facility; or

Voting in person at the Annual Meeting.

All shares represented by valid, unrevoked proxies will be voted at the Annual Meeting and any adjournment(s) or postponement(s) thereof. Our principal offices are located at 7725 Washington Avenue South, Edina, Minnesota 55439, and our telephone number is (952) 683-7900.

Annual Meeting and Special Meetings; Bylaw Amendments

This 2013 Annual Meeting of Shareholders is a regular meeting of our shareholders and has been called by our Board of Directors in accordance with our bylaws. Under our bylaws, special meetings of our shareholders may be held at any time and for any purpose and may be called by our President, Treasurer, two or more directors or by a shareholder or shareholders holding 10% or more of the voting power of all shares entitled to vote on the matters to be presented to the meeting, except that a special meeting for the purpose of considering any action to directly or indirectly facilitate or affect a business combination, including any action to change or otherwise affect the composition of the Board of Directors for that purpose, must be called by 25% or more of the voting power of all shares entitled to vote. The business transacted at a special meeting is limited to the purposes as stated in the notice of the meeting. For business to be properly brought before a regular meeting of shareholders, a written notice containing the required information must be timely submitted. For more information, please review our bylaws and the section of this proxy statement entitled Shareholder Proposals for 2014 Annual Meeting.

Our bylaws may be amended or altered by a vote of the majority of the whole Board at any meeting. The authority of the Board is subject to the power of our shareholders, exercisable in the manner provided by Minnesota law, to adopt or amend, repeal bylaws adopted, amended, or repealed by the Board. Additionally, the Board may not make or alter any bylaws fixing a quorum for meetings of shareholders, prescribing procedures for removing directors or filling vacancies in the Board of Directors, or fixing the number of directors or their classifications, qualifications, or terms of office, except that the Board may adopt or amend any bylaw to increase their number.

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The following table sets forth certain information as of April 1, 2013 with respect to our common stock beneficially owned by (i) each director and each nominee for director, (ii) each person known to us to beneficially own more than five percent of our common stock, (iii) each executive officer named in the Summary Compensation Table (the named executive officers), and (iv) all current executive officers and directors as a group.

| Name and Address of Beneficial Owner | Number of Shares Beneficially Owned (1) | Percent of Outstanding |
|---|--|------------------------|
| FMR LLC (2) 82 Devonshire Street Boston, MA 02109 | 1,077,292 | 12.4% |
| Dolphin Limited Partnership III, L.P. (3) c/o 96 Cummings Point Road Stamford, CT 06902 | 560,500 | 6.5% |
| Sherman L. Black (4)(5)(6) | 337,200 | 3.8% |
| James L. Reissner (4)(5) | 117,229 | 1.3% |
| Lawrence M. Benveniste (4)(5) | 76,500 | * |
| Thomas F. Madison (4)(5) | 72,000 | * |
| Kimberly K. Nelson (4)(5) | 8,500 | * |
| Robert F. Olson (4)(5) | 13,500 | * |
| Justin A. Orlando (4) | 0 | * |
| Steven M. Quist (4)(5)(7) | 70,017 | * |
| James R. Stewart (5) | 64,928 | * |
| Samir Mittal (5) | 80,178 | * |
| Christopher A. Wells (5)(8) | 13,600 | * |
| Raymond R. Hood (5)(8) | 22,750 | * |
| All current executive officers and directors as a group (10 persons) | 876,402 | 9.5% |

* Less than one percent

- (1) Includes the following number of shares that could be acquired within 60 days of April 1, 2013 upon the exercise of stock options: Mr. Black, 254,000 shares; Mr. Reissner, 62,000 shares; Mr. Benveniste, 62,000 shares; Mr. Madison, 57,000 shares; Ms. Nelson, no shares; Mr. Olson, no shares; Mr. Orlando, no shares; Mr. Quist, 62,000 shares; Mr. Stewart, 38,500 shares; Mr. Mittal, 54,750 shares; Mr. Wells, no shares; Mr. Hood, no shares; and all current directors and executive officers as a group, 590,250 shares. Also includes the following number of shares that could be acquired within 60 days of April 1, 2013 upon settlement of restricted stock units previously granted to non-employee directors: Mr. Reissner, 3,500 shares; Mr. Benveniste, no shares; Mr. Madison, 3,500 shares; Mr. Quist, no shares; Mr. Olson, 3,500 shares; Ms. Nelson, 3,500 shares; and all non-employee directors as a group, 14,000 shares.
- (2) Based on an Amendment No. 5 to Schedule 13G filed on February 14, 2013.
- (3) Based on a Schedule 13D filed on March 18, 2013 by Dolphin Limited Partnership III, L.P. (Dolphin III), Dolphin Associates III, LLC, Dolphin Holdings Corp. III (Dolphin Holdings III), Donald T. Netter, Justin A. Orlando, and Daniel J. Englander in which the reporting persons report that Dolphin III holds the shares indicated above. Dolphin III is controlled by Dolphin Associates III, LLC, which is in

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turn controlled by Dolphin Holdings III. Mr. Netter serves as Senior Managing Director of Dolphin Holdings III. In the Schedule 13D, each reporting person specifically disclaims beneficial ownership of the shares reported therein that he or it does not directly own, except to the extent of his or its pecuniary interest therein. See Corporate Governance Agreement with Dolphin below for a summary of our agreement dated March 18, 2013 with Dolphin III, Dolphin Associates III, LLC and Dolphin Holdings III.

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- (4) Currently serves as our director and nominated for election as a director.
- (5) Named executive officer.
- (6) Includes 37,000 shares held by the Cara L. Black Revocable Trust, of which Mr. Black's spouse is the beneficiary and Mr. Black and his spouse are trustees.
- (7) Includes 8,017 shares held by the Steven M. Quist and Nancy L. Quist Revocable Living Trust, of which Mr. Quist and his spouse are trustees.
- (8) Mr. Hood resigned effective November 30, 2012 and Mr. Wells resigned effective June 19, 2012. Information is based on Forms 3 and 4 filed with the Securities and Exchange Commission.

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**PROPOSAL 1:
ELECTION OF DIRECTORS**

Eight directors will be elected at the Annual Meeting to serve until the next Annual Meeting of Shareholders or until their successors have been elected and shall qualify. Pursuant to our bylaws, we have set the number of directors at eight. Proxies cannot be voted for a greater number of persons than the number of nominees named. The Board of Directors has nominated for election the eight persons named below. Each nominee is currently a director of Rimage and all nominees other than Mr. Orlando were elected by the shareholders at our 2012 Annual Meeting.

Mr. Orlando was elected to our Board of Directors effective March 18, 2013 pursuant to an agreement (the *Dolphin Agreement*) between us and Dolphin Limited Partnership III, L.P., Dolphin Associates III, LLC, and Dolphin Holdings Corp. III (collectively, *Dolphin*). See *Corporate Governance Agreement with Dolphin* below for a summary of the *Dolphin Agreement*. In accordance with the *Dolphin Agreement*, we have nominated Mr. Orlando for election to the Board at the Annual Meeting and we will solicit proxies for the election of Mr. Orlando in the same manner as the other nominees standing for election to the Board. The *Dolphin Agreement* further provides that *Dolphin* will vote all of the shares of our common stock that it beneficially owns in favor of the election of each nominee named below and in accordance with the recommendations of our Board of Directors with respect to all other proposals presented to shareholders at the Annual Meeting.

Voting of Proxies

Unless otherwise directed, the persons named in the accompanying proxy card will vote the proxies held by them in favor of Mr. Orlando as described in the *Dolphin Agreement* and intend to vote the proxies held by them in favor of the other nominees named below as directors. Should any nominee for director become unable to serve as a director for any reason, the proxies have indicated they will vote for such other nominee as the Board of Directors may propose or such other nominee as a replacement for Mr. Orlando in accordance with the *Dolphin Agreement*. The Board of Directors has no reason to believe that any candidate will be unable to serve if elected and each has consented to being named a nominee.

Other than the *Dolphin Agreement*, we know of no arrangements or understandings between a director or nominee and any other person pursuant to which he has been selected as a director or nominee. There is no family relationship between any of the nominees, our directors or our executive officers.

Information Regarding Nominees

The process undertaken by the Governance Committee in recommending qualified director candidates is described below under *Corporate Governance Director Nominations* on page 12 of this Proxy Statement. In recommending the following nominees, the Governance Committee found that all of our directors contribute to the Board's effectiveness through their wealth of business experience, high quality backgrounds including demonstrated personal and professional ethics and integrity, commitment to Rimage and the work of the Board, and diversity of talent and experience.

Set forth below are the biographies of each director nominee, as well as a discussion of the specific experience, qualifications, attributes and skills that led to the conclusion that the nominee should serve as a director of Rimage at this time:

Sherman L. Black, age 48, was appointed as our Chief Executive Officer and a director effective January 1, 2010. Mr. Black first joined Rimage as our President and Chief Operating Officer effective April 1, 2009. Prior to joining Rimage, Mr. Black served in a variety of executive positions with Seagate Technology (Nasdaq: STX) over the prior twenty years. Seagate is a world leader in the design, manufacturing and marketing of hard disk drives and storage devices. From September 2008 until joining Rimage, Mr. Black served as Seagate's Senior Vice President, Marketing and Strategy, of the Core Products Business Group. From November 2005 to August 2008, he served as General Manager and Senior Vice President of the Enterprise Storage business unit at Seagate and prior to that, Mr. Black served as Seagate's Vice President of Global OEM Sales, Vice President of Business Development, and Vice President of Enterprise Product Line Management. Mr. Black earned a bachelor's degree in electrical engineering from the University of Arkansas and a master's degree in business administration from the University of Oklahoma. Mr. Black was a director of Compellent Technologies, Inc. (NYSE: CML) from July 30, 2009 until its acquisition by Dell International L.L.C. on February 22, 2011.

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Mr. Black brings to the Board an in depth understanding of the data storage, digital publishing and enterprise video software industry. He has demonstrated executive leadership abilities, as well as a strong background in creating, communicating, executing and sustaining strategic initiatives. Additionally, Mr. Black's role as our Chief Executive Officer gives him unique insights into our challenges, opportunities and operations.

James L. Reissner, age 73, was appointed as a director of Rimage in 1998. Beginning in 2009, Mr. Reissner has served as the Chairman and Chief Executive Officer of Activar, Inc., a private holding company with portfolio companies in the industry segments of construction products, plastic products and industrial products. From January 1996 to 2009, he served as Activar's President and Chief Executive Officer and served as the Chief Financial Officer of Activar from 1992 until becoming President. Mr. Reissner is currently a director of the following privately-held companies: Intek Plastics, Inc., Vermillion State Bank and Activar, Inc. He is also a trustee of Macalester College in St. Paul, Minnesota. Mr. Reissner also served as a director of MagStar Technologies, Inc. from October 2000 until it deregistered as a public company in February 2008.

Mr. Reissner brings strong executive management and financial management experience to the Board. In addition, the Board benefits from Mr. Reissner's deep understanding of our business and our products, which he has acquired over thirteen years of service on our Board. Mr. Reissner is also an audit committee financial expert as that term is defined under the rules of the Securities and Exchange Commission.

Steven M. Quist, age 67, was appointed as a director of Rimage in 2000. From 1998 to 2003, he was the President and Chief Executive Officer of CyberOptics Corporation (Nasdaq: CYBE) and a director of CyberOptics from 1991 to 2004. From 1992 to 1998, Mr. Quist was President of Rosemount, Inc., a subsidiary of Emerson Electric Company (NYSE: EMR). Mr. Quist was a director of Data I/O Corporation (Nasdaq CM: DAIO) from 2001 until his retirement in January 2013. Mr. Quist is also a director for S2 Corporation, which is privately-held. He served as a director of another privately-held company, Nervonix Inc., from April 2004 until his retirement in December 2012.

Mr. Quist has held a variety of senior management positions in 28 years at Emerson Electric in the areas of engineering, advanced technology and product development and general management of a major international division/subsidiary. He has served as a Chief Executive Officer of a public company for 5 years. The Board has benefited from Mr. Quist's significant business management experience, which includes extensive experience in technology and new product development, marketing, compensation and human resources, and corporate governance matters.

Thomas F. Madison, age 77, was appointed as a director of Rimage in 2001. Since November 1, 2012, Mr. Madison is Chairman of the Board and Interim Chief Executive Officer of Digital River, Inc. (Nasdaq GS: DRIV), an e-commerce software company headquartered in Minneapolis. Mr. Madison has served on the board of directors of Digital River, Inc. since 1996. Since January 1993, Mr. Madison has been the President and Chief Executive Officer of MLM Partners, a consulting and small business investment company. In 1994 and 1995, he was the Vice Chairman and Chief Executive Officer of Minnesota Mutual Life Insurance Company. From 1989 to 1993, Mr. Madison was the President of US West Communications - Markets. He was also the President and Chief Executive Officer of Northwestern Bell from 1985 to 1989. He recently rejoined the Board of Trustees of the University of St. Thomas, previously serving from 1981 until 1992. Mr. Madison also served as a director of Valmont Industries, Inc. (NYSE: VMI) from 1987 until his retirement in May 2010; as a director of CenterPoint Energy, Inc. from 2003 until his retirement in May 2011; and as a trustee on the board of trustees of Delaware Group Adviser Funds from May 1997 until his retirement in August 2011. He is also a director of two privately-held companies.

Mr. Madison's extensive service as a director for public companies over the last twenty years, including serving as a lead director, committee chair and committee member, allows him to bring to our Board significant experience in public company governance and effective Board practices. Mr. Madison is also an audit committee financial expert as that term is defined under the rules of the Securities and Exchange Commission.

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Lawrence M. Benveniste, age 62, has been a director of Rimage since 2003. Mr. Benveniste has been the Dean of Goizueta Business School of Emory University since July 2005. He was the Dean of the Carlson School of Management at the University of Minnesota from December 2001 to July 2005. From 2000 to 2001, he was Associate Dean for Faculty and Research at the Carlson School of Management and from 1999 to 2000, he was Chair of the Finance Department of the Carlson School of Management. Mr. Benveniste was the US Bancorp Professor of Finance from 1996 to 1999. Mr. Benveniste has served as a director of Alliance Data Systems Corporation (NYSE: ADS) since 2004. Mr. Benveniste holds a bachelor's degree from the University of California at Irvine and a Ph.D. in mathematics from the University of California at Berkeley.

Mr. Benveniste has been studying, teaching and researching various aspects of public companies for over twenty years and this experience allows him to share with the Board his deep understanding of the capital markets and their interaction with public companies. Mr. Benveniste is also an audit committee financial expert as that term is defined under the rules of the Securities and Exchange Commission.

Robert F. Olson, age 56, has been a director of Rimage since January 7, 2012. Since February 2010, Mr. Olson also has owned and operated a winery in California. From December 2008 until its sale in July 2012, Mr. Olson was the Chairman and primary investor in Swift Knowledge, LLC, a business analytics software company focused on the banking and finance markets. In 1991, Mr. Olson founded Stellent, Inc., an enterprise content management software company that was publicly-traded until it was sold to Oracle Corporation in 2006. Mr. Olson served as Stellent's Chief Executive Officer from October 2000 to July 2001 and as its President and Chief Executive Officer from 1990 to October 2000 and from April 2003 until it was sold.

Mr. Olson's previous work experience, particularly as the Chief Executive Officer of Stellent, Inc., contribute to the Board's understanding of the development and management of growing technology companies, particularly as we continue to expand into growing areas of technology. Mr. Olson is also an audit committee financial expert as that term is defined under the rules of the Securities and Exchange Commission.

Kimberly K. Nelson, age 45, has been a director of Rimage since March 26, 2012. Ms. Nelson has served as the Executive Vice President and Chief Financial Officer of SPS Commerce, Inc. since November 2007. Prior to joining SPS Commerce, Ms. Nelson served as the Finance Director, Investor Relations for Amazon.com from June 2005 through November 2007. From April 2003 until June 2005, she served as the Finance Director, Worldwide Application for Amazon.com's Technology group. Ms. Nelson also served as Amazon.com's Finance Director, Financial Planning and Analysis from December 2000 until April 2003.

Ms. Nelson's qualifications to serve on our board include her management and leadership team experience in publicly-held technology companies SPS Commerce and Amazon.com. In particular, Ms. Nelson brings to the Board business experience in the software-as-a-service model. Ms. Nelson is also an audit committee financial expert as that term is defined under the rules of the Securities and Exchange Commission.

Justin A. Orlando, age 42, has been a director of Rimage since March 18, 2013. Mr. Orlando is a managing director of Dolphin Limited Partnerships, a private investment management firm focused on investing in undervalued public companies across a diverse set of industries, where he has worked since 2002. Previously, from 1999 to 2002, Mr. Orlando was a member of the healthcare investment banking group of Merrill Lynch, Pierce, Fenner & Smith Incorporated where he was involved in advisory work, financings, and control transactions. Since May 2009, Mr. Orlando has served on the Board of Directors of Multimedia Games Holding Company, Inc. (Nasdaq: MGAM), a developer and distributor of gaming technology. Mr. Orlando received a B.A. in history from the University of Chicago and a Juris Doctor degree from the Columbia University School of Law.

Our Board of Directors believes that Mr. Orlando's will bring a deep level of investing and capital markets experience and will provide the Board with the perspective of a large shareholder through his affiliation with Dolphin Limited Partnerships.

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Voting Required

Under Minnesota law and our bylaws, directors are elected by a plurality of the votes cast by holders present and entitled to vote on the election of directors at a meeting at which a quorum is present. This means that since shareholders will be electing eight directors, the eight nominees receiving the highest number of votes will be elected. However, in an uncontested election (where, as at the Annual Meeting, the number of nominees does not exceed the number of directors to be elected), any nominee for directors who receives more votes withheld from his or her election than votes for his or her election is required under our Governance Guidelines to promptly tender his or her resignation following certification of the shareholder vote. Votes withheld from a nominee's election do not include broker non-votes. The Governance Committee will consider the resignation offer and recommend to the Board whether to accept it. The Board will act on the Governance Committee's recommendation within 90 days following certification of the shareholder vote. The Board will promptly disclose its decision whether to accept the director's resignation offer (and the reasons for rejecting the resignation offer, if applicable) in a Current Report on Form 8-K filed with the Securities and Exchange Commission. Any director who tenders his or her resignation as described above will not participate in the Governance Committee's recommendation or Board action regarding whether to accept the resignation offer. Proxies will be voted in favor of each nominee unless otherwise indicated.

**The Board of Directors Recommends
Shareholders Vote FOR the Election of Each Nominee
Identified in Proposal 1**

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CORPORATE GOVERNANCE

Board Independence

The Governance Committee undertook a review of director independence in February 2013 as to all seven directors then serving. The Governance Committee also undertook a review of the independence of Justin A. Orlando in connection with his election to the Board in March 2013. As part of that process, the Governance Committee reviewed all transactions and relationships between each director (or any member of his or her immediate family) and Rimage, our executive officers and our auditors, and other matters bearing on the independence of directors. As a result of this review, the Governance Committee recommended and the Board of Directors affirmatively determined that each director is independent according to the independence definition of the Nasdaq Listing Rules, with the exception of Mr. Black. Mr. Black is not independent under the Nasdaq Listing Rules because he was employed by, and served as an executive officer of, Rimage in 2012.

Committees of the Board of Directors and Committee Independence

The Board of Directors has established a Compensation Committee, an Audit Committee and a Governance Committee. The composition and function of these committees are set forth below.

Compensation Committee. The Compensation Committee operates under a written charter and reviews and approves the compensation and other terms of employment of our Chief Executive Officer and other executive officers of our company. Among its other duties, the Compensation Committee oversees all significant aspects of our compensation plans and benefit programs, including succession plans for executive officers. The Compensation Committee annually reviews and approves corporate goals and objectives for the compensation of the Chief Executive Officer and the other executive officers. The Compensation Committee also evaluates the Chief Executive Officer's performance in light of relevant corporate performance goals and objectives, and implements the evaluation process for the Chief Executive Officer that is established by the Governance Committee. The Compensation Committee also administers our 2007 Stock Incentive Plan (the 2007 Plan). In connection with its review of compensation of executive officers or any form of incentive or performance based compensation, the Committee will also review and discuss risks arising from our compensation policies and practices.

The charter of the Compensation Committee requires that this Committee consist of no fewer than two Board members who satisfy the requirements of the Nasdaq Stock Market, the non-employee director requirements of Section 16b-3 of the Securities Exchange Act of 1934, and the outside director requirements of Section 162(m) of the Internal Revenue Code. Each member of our Compensation Committee meets these requirements. A copy of the current charter of the Compensation Committee is available by following the link to Corporate Governance in the Investors section of our website at www.rimagecorp.com.

The members of the Compensation Committee during 2012 were Steven M. Quist (Chair), Lawrence M. Benveniste and Robert F. Olson. Justin A. Orlando joined the Compensation Committee effective March 18, 2013. During 2012, the Compensation Committee met nine times, including one time in executive session without management present.

Governance Committee. The Governance Committee operates under a written charter and is charged with the responsibility of identifying, evaluating and approving qualified candidates to serve as directors of our company, ensuring that our Board and governance policies are appropriately structured, developing and recommending a set of corporate governance guidelines, overseeing Board orientation, training and evaluation, and establishing an evaluation process for the Chief Executive Officer. The Governance Committee is also responsible for the leadership structure of our board, including the composition of the Board and its committees, and an annual review of the position of chairman of the Board. As part of its annual review, the Governance Committee is responsible for identifying individuals qualified to serve as Chairman and making recommendation to the Board of Directors for any changes in such position. The Governance Committee also has responsibility for overseeing our annual process of self-evaluation by members of the committees and the Board of Directors as a whole.

The charter of the Governance Committee requires that this Committee consist of no fewer than two Board members who satisfy the independence requirements of the Nasdaq Stock Market. Each member of our Governance Committee meets these requirements. A copy of the current charter of the Governance Committee is available by following the link to Corporate Governance in the Investors section of our website at www.rimagecorp.com. A copy of our current Governance Guidelines is also available in the Investors section of our website under Corporate Governance. The members of the Governance Committee in 2012 were Thomas F. Madison (Chair), Kimberly K. Nelson, Steven M. Quist and James L. Reissner. Justin A. Orlando joined the Governance Committee effective March 18, 2013. During 2012, the Governance Committee met five times.

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Audit Committee. The Audit Committee assists the Board by reviewing the integrity of our financial reporting processes and controls; the qualifications, independence and performance of the independent auditors; and compliance by us with certain legal and regulatory requirements. The Audit Committee has the sole authority to retain, compensate, oversee and terminate the independent auditors. The Audit Committee reviews our annual audited financial statements, quarterly financial statements and filings with the Securities and Exchange Commission. The Audit Committee reviews reports on various matters, including our critical accounting policies, significant changes in our selection or application of accounting principles and our internal control processes. Under its charter, the Audit Committee exercises oversight of significant risks relating to financial reporting and internal control over financial reporting, including discussing these risks with management and the independent auditor and assessing the steps management has taken to minimize these risks. The Audit Committee also pre-approves all audit and non-audit services performed by the independent auditor.

The Audit Committee operates under a written charter and a copy of the current Audit Committee charter is available by following the link to Corporate Governance in the Investors section of our website at www.rimagecorp.com. The members of the Audit Committee are Lawrence M. Benveniste (Chair), Thomas F. Madison, Kimberly K. Nelson, Robert F. Olson and James L. Reissner. During 2012, the Audit Committee met eight times, including three times in executive session without management present.

The Board of Directors has determined that all members of the Audit Committee are independent directors under the rules of the Nasdaq Stock Market and the rules of the Securities and Exchange Commission. Our Governance Committee and Board of Directors have reviewed the education, experience and other qualifications of each of the members of its Audit Committee. After review, upon recommendation of the Governance Committee, the Board of Directors has determined that each of Messrs. Benveniste, Madison, Olson and Reissner and Ms. Nelson meet the Securities and Exchange Commission definition of an audit committee financial expert. The members of the Audit Committee also meet the Nasdaq Stock Market requirements regarding the financial sophistication and the financial literacy of members of the audit committee. A report of the Audit Committee is set forth below.

Board Leadership Structure

Currently, the leadership structure of Rimage's board consists of a non-executive chairman of the board, currently James L. Reissner, and three standing committees that are each led by a separate chair and consist of only directors that meet the independence requirement under the Nasdaq Listing Rules and the other similar requirements applicable to that committee. The Chief Executive Officer is a director, but does not serve as chairman and does not serve on any committee.

The Governance Committee believes that the current Board leadership structure is appropriate for Rimage at this time because it allows the Board and its committees to fulfill their responsibilities, draws upon the experience and talents of all directors, encourages management accountability to the Board, and helps maintain good communication among board members and with management.

Board's Role in Risk Oversight

Rimage faces a number of risks, including financial, technological, operational, strategic and competitive risks. Management is responsible for the day-to-day management of risks we face, while the Board has responsibility for the oversight of risk management. In its risk oversight role, the Board of Directors ensures that the processes for identification, management and mitigation of risk by our management are adequate and functioning as designed.

Our Board is actively involved in overseeing risk management and it exercises its oversight both through the full Board and through the three standing committees of the Board, the Audit Committee, the Compensation Committee and the Governance Committee. The three standing committees exercise oversight of the risks within their areas of responsibility, as disclosed in the descriptions of each of the committees above and in the charters of each of the committees.

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The Board and the three committees receive information used in fulfilling their oversight responsibilities through Rimage's executive officers and its advisors, including our legal counsel, our independent registered public accounting firm, and the compensation consultants we have engaged from time to time. At meetings of the Board, management makes presentations to the Board regarding our business strategy, operations, financial performance, annual budgets, technology and other matters. Many of these presentations include information relating to the challenges and risks to our business and the Board and management actively engage in discussion on these topics. Each of the committees also receives reports from management regarding matters relevant to the work of that committee. These management reports are supplemented by information relating to risk from our advisors. Additionally, following committee meetings, the Board receives reports by each committee chair regarding the committee's considerations and actions. In this way, the Board also receives additional information regarding the risk oversight functions performed by each of these committees.

Director Nominations

The Governance Committee will consider candidates for Board membership suggested by its members, other Board members, as well as management and shareholders. Shareholders who wish to recommend a prospective nominee should follow the procedures set forth in Section 3.14 of our bylaws as described in this Director Nominations section under Shareholder Proposals for Nominees. The Governance Committee has not adopted a formal policy for increasing or decreasing the size of the Board of Directors. Our Governance Guidelines provides that the Board should generally have between six and nine directors. The Governance Committee believes that a eight person Board of Directors is appropriate. At eight directors, the Board of Directors has a diversity of talent and experience to draw upon, is able to appropriately staff the committees of the Board and engage the directors in Board and committee service, all while maintaining efficient function and communication among members. If appropriate, the Board may determine to increase or decrease its size, including in order to accommodate the availability of an outstanding candidate.

Criteria for Nomination to the Board; Diversity Considerations. The Governance Committee is responsible for identifying, evaluating and approving qualified candidates for nomination as directors. The Governance Committee has not adopted minimum qualifications that nominees must meet in order for the Governance Committee to recommend them to the Board of Directors, as the Governance Committee believes that each nominee should be evaluated based on his or her merits as an individual, taking into account the needs of Rimage and the Board of Directors. The Governance Committee evaluates each prospective nominee against the standards and qualifications set out in our Governance Guidelines, including:

Background, including demonstrated high personal and professional ethics and integrity; and the ability to exercise good business judgment and enhance the Board's ability to manage and direct our affairs and our business;

Commitment, including the willingness to devote adequate time to the work of the Board and its committees, and the ability to represent the interests of all shareholders and not a particular interest group;

Board skills needs, in the context of the existing makeup of the Board, and the candidate's qualification as independent and qualification to serve on Board committees;

Business experience, which should reflect a broad experience at the policy-making level in business, government and/or education; and

Diversity, in terms of knowledge, experience, skills, expertise, and other characteristics.

In considering candidates for the Board, including the nominees for election at the Annual Meeting, the Governance Committee considers the entirety of each candidate's credentials with reference to these standards. The Governance Committee also considers such other relevant factors as it deems appropriate.

While the Governance Committee does not have a formal policy with respect to diversity, the Governance Committee does believe it is important that the Board represent diverse viewpoints within the context of these standards. As part of the nominee selection process for the Annual Meeting, the Governance Committee reviewed the knowledge, experience, skills, expertise, and other characteristics of our directors, who are each nominees for election at the Annual Meeting. The Governance Committee considered how each director contributed to the diversity of the Board. Based upon that review, the Governance Committee believes that the overall mix of their backgrounds contributes to a diversity of viewpoints that will enhance the quality of the board's deliberations and decisions.

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In reviewing prospective nominees, the Governance Committee reviews the number of public-company Boards on which a director nominee serves to determine if the nominee will have the ability to devote adequate time to the work of our Board and its committees. Under our Governance Guidelines, non-employee directors generally may not serve on more than four boards of other publicly owned companies, provided that the service does not adversely affect the director's ability to perform his or her duties as a Rimage director.

The Governance Committee will consider persons recommended by the shareholders using the same standards used for other nominees.

Process for Identifying and Evaluating Nominees. The process for identifying and evaluating nominees to the Board of Directors is initiated by identifying a slate of candidates who meet the criteria for selection as a nominee and have the specific qualities or skills being sought based on input from members of the Board and, if the Governance Committee deems appropriate, a third-party search firm. The Governance Committee evaluates these candidates by reviewing the candidates' biographical information and qualifications and checking the candidates' references. One or more Governance Committee members will interview the prospective nominees in person or by telephone. After completing the evaluation, the Governance Committee makes a recommendation to the full Board of the nominees to be presented for the approval of the shareholders or for election to fill a vacancy.

Board Nominees for the 2013 Annual Meeting. The nominees for the Annual Meeting other than Mr. Orlando were selected by the Governance Committee in February 2013 using the standards identified in our Governance Guidelines that are discussed in this section under *Criteria for Nomination to the Board; Diversity Considerations*. In selecting Messrs. Madison and Reissner as nominees, the Governance Committee determined that, because of his demonstrated availability to the Board and valuable contributions as a Board member, it is in the best interests of Rimage and its shareholders to waive the provisions of our Governance Guidelines relating to maximum age of nominees. All nominees other than Mr. Orlando were elected by shareholders at our 2012 Annual Meeting. Mr. Orlando was identified as potential board candidates by a shareholder, Dolphin Limited Partnership III, L.P. Mr. Orlando was evaluated by our Governance Committee in the manner described in *Process for Identifying and Evaluating Nominees* based upon the standards and criteria that are described above in *Criteria for Nomination to the Board; Diversity Considerations*. In connection with the nomination by Dolphin Limited Partnership III, L.P. of Mr. Orlando, we entered into an agreement with Dolphin Limited Partnership III, L.P. and certain of its affiliates that is described below under *Agreement with Dolphin*. Based upon the evaluation of Mr. Orlando by the Governance Committee, the Governance Committee recommended that Mr. Orlando be elected as a director and the Board of Directors elected Mr. Orlando effective March 18, 2013 in accordance with the agreement with Dolphin. We have not engaged a third-party search firm to assist us in identifying potential director candidates, but the Governance Committee may choose to do so in the future.

Shareholder Proposals for Nominees. The Governance Committee will consider written proposals from shareholders for nominees for director. Any such nominations should be submitted to the Governance Committee c/o the Secretary of Rimage Corporation and should include the following information: (a) all information relating to such nominee that is required to be disclosed pursuant to Regulation 14A under the Securities Exchange Act of 1934 (including such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected), (b) the name and record address of the shareholder and of the beneficial owner, if any, on whose behalf the nomination will be made, and (c) the class and number of shares of the corporation owned by the shareholder and beneficially owned by the beneficial owner, if any, on whose behalf the nomination will be made. As to each person the shareholder proposes to nominate, the written notice must also state: (a) the name, age, business address and residence address of the person, (b) the principal occupation or employment of the person and (c) the class and number of shares of the corporation's capital stock beneficially owned by the person. To be considered, the written notice must be submitted in the time frame described in our bylaws and in the section of this proxy statement entitled *Shareholder Proposals for 2014 Annual Meeting*.

Summary of Dolphin Agreement

Under the terms of the agreement dated March 18, 2013 (the *Dolphin Agreement*) between us and Dolphin Limited Partnership III, L.P. (*Dolphin III*), Dolphin Associates III, LLC, and Dolphin Holdings Corp. III (collectively, *Dolphin*), we increased the size of our Board of Directors from seven to eight members and to elected Justin A. Orlando to our Board of Directors on March 18, 2013, as well as appointed him to the Compensation Committee and the Governance Committee of the Board. In accordance with the *Dolphin Agreement*, we have also nominated Mr. Orlando for election to the Board at the Annual Meeting and we will solicit proxies for the election of Mr. Orlando in the same manner as the other nominees standing for election to the Board.

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Until the date on which Dolphin has sold shares of our common stock such that it ceases to beneficially own in the aggregate at least 5.0% of the then outstanding common stock, Dolphin has the right to replace Mr. Orlando with a qualified director substitute, with the qualifications and appointment of such substitute director subject to the provisions of the Agreement. Pursuant to the Dolphin Agreement, we also appointed Daniel J. Englander as an observer to the Board of Directors, with the rights and limitations as described in the Dolphin Agreement, until the earlier of the date that is 10 days prior to the nomination deadline for our 2014 Annual Meeting of Shareholders (2014 Annual Meeting) or the date on which Dolphin sells common stock such that it ceases to beneficially own in the aggregate at least 5.0% of the then outstanding common stock. We have also agreed to use our reasonable best efforts to appoint a ninth director to the Board with relevant enterprise software industry experience.

Pursuant to the Dolphin Agreement, Dolphin has irrevocably withdrawn the letter it submitted to us on December 10, 2012, in which Dolphin nominated director candidates to be elected to our Board of Directors at the Annual Meeting. Furthermore, Dolphin will not, nor will it encourage any other person to, nominate any person for election at the 2013 Annual Meeting or submit proposals for consideration at the 2013 Annual Meeting, nor will it engage in certain activities related to withhold or similar campaigns with respect to the 2013 Annual Meeting.

The Dolphin Agreement further provides that Dolphin will vote all of the shares of our common stock that it beneficially owns in favor of the election of each nominee for election to the Board at the Annual Meeting and in accordance with the recommendations of our Board of Directors with respect to all other proposals presented to shareholders at the Annual Meeting.

Dolphin is also subject to a standstill provision under the Dolphin Agreement. Such provisions generally remain in effect until 10 business days prior to the deadline for the submission of shareholder nominations for our 2014 Annual Meeting. Among other things, the standstill provision restricts Dolphin and certain of its affiliates and associates from (i) becoming the beneficial owner of more than 9.90% of our common stock, (ii) engaging in certain proxy solicitations, (iii) seeking additional representation on our Board of Directors or otherwise seeking to control or influence our management, Board or policies or encouraging any third party to do so, (iv) making certain shareholder proposals or public statements relating to certain transactions or activities, (v) soliciting consents from shareholders, or (vi) encouraging or influencing any person with respect to the voting or disposition of our securities at any annual or special meeting of shareholders.

Board Attendance at Board, Committee and Annual Shareholder Meetings

During 2012, the Board of Directors met twelve times. Each nominee for director attended at least 75% of the meetings of the Board and committees on which he or she served during 2012. The Board of Directors regularly meets in executive session without the presence of members of management, including the Chief Executive Officer. We do not have a formal policy on attendance at meetings of our shareholders. However, we encourage all Board members to attend all meetings, including the annual meeting of shareholders. Seven directors then serving attended the 2012 Annual Meeting of Shareholders.

Continuing Education

We have adopted a policy encouraging all Board members to seek out opportunities for further education on governance and public-company matters. During 2012, two members of the Board of Directors attended one or more such programs.

Communications With Directors

Shareholders may communicate with members of the Board by sending an e-mail to chair.director@rimage.com or by directing the communication in care of the Governance Committee Chair c/o Corporate Secretary, at the address set forth on the front page of this proxy statement. All communications will be received and processed by the Corporate Secretary. You will receive a written acknowledgement from the Corporate Secretary upon receipt of your communication.

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Code of Ethics

We have adopted a code of ethics that applies to all directors, officers and employees, including its principal executive officer, principal financial officer and controller. This code of ethics is included in our Code of Ethics and Business Conduct which is publicly available by following the link to Corporate Governance in the Investors section of our website at www.rimagecorp.com.

REPORT OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

The following report of the Audit Committee shall not be deemed to be soliciting material or to be filed with the Securities and Exchange Commission, nor shall such information be incorporated by reference into any future filing under the Securities Act of 1933, as amended, or the 1934 Securities Exchange Act, as amended, except to the extent that we specifically incorporate it by reference in such filing.

In accordance with its Charter, the Audit Committee has reviewed and discussed our audited financial statements with management. The Audit Committee has discussed with KPMG LLP, our independent registered public accounting firm, (i) the matters required to be discussed by SAS No. 61 (Communication with Audit Committees) which includes, among other items, matters related to the conduct of the audit of our financial statements, (ii) the written disclosures required by Independence Standards Board Standard No. 1 (which relates to the firm's independence from us and our related entities), and (iii) the independence of KPMG LLP from us.

Based on the review and discussions referred to above, the Audit Committee recommended to our Board that our audited financial statements be included in our Annual Report on Form 10-K for the year ending December 31, 2012.

By the Audit Committee of the Board of Directors:

Lawrence M. Benveniste (Chair)
Thomas F. Madison
Kimberly K. Nelson
Robert F. Olson
James L. Reissner

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EXECUTIVE OFFICERS

Set forth below is biographical and other information for our current executive officers. Information about Sherman L. Black, our President and Chief Executive Officer, may be found in this proxy statement under the heading Election of Directors.

James R. Stewart, age 56, joined Rimage on July 26, 2010 and was appointed as our Chief Financial Officer effective August 6, 2010. Prior to joining Rimage, Mr. Stewart served as the Chief Financial Officer of Comm-Works Incorporated, a privately-held provider of voice and data infrastructure services located in Minneapolis Minnesota, since 2006. In his role as the Chief Financial Officer, Mr. Stewart was responsible for the leadership of Comm-Works financial operations, provided financial and strategic planning leadership, and led Comm-Works in various acquisitions and lender refinancing. From 2003 to 2006, Mr. Stewart served as the Senior Vice President Finance H.R. Solutions for Ceridian Corporation, a publicly held information services company principally serving the human resource, transportation and retail markets. While at Ceridian Corporation, Mr. Stewart supervised a large staff and was responsible for finance matters in Ceridian's human resource solutions business segment, including financial planning, analysis, and reporting for that business segment, general accounting, pricing, contracts, billing, accounts receivable and payable, finance systems, and client funds management and facilities. From 2001 to 2003, Mr. Stewart was the Chief Financial Officer of Optical Solutions, Inc., a venture-backed private company that marketed and manufactured passive optical access solutions that was acquired by Calix, Inc. in 2005. While at Optical Solutions, Mr. Stewart led two successful rounds of financing, including providing presentations to investors. He also led an effort to reduce cash utilization, negotiated key manufacturing relationships, developed compensation programs, and established corporate financial policies and procedures. Mr. Stewart has a masters of business administration degree and a bachelor of science degree in accounting and finance, both from the University of Minnesota in Minneapolis, Minnesota.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The following discussion and analysis describes our compensation objectives and policies as applied to the following executive officers who are referred to in this proxy statement as the named executive officers:

Sherman L. Black, who served as our President and Chief Executive Officer during 2012

James R. Stewart, who served as our Chief Financial Officer during 2012

Samir Mittal, who served as our Senior Vice President and Chief Technology Officer during 2012 and who was an executive officer until December 31, 2012

Raymond R. Hood, who served as our Senior Vice President and General Manager, Qumu during 2012 until his resignation effective November 30, 2012

Christopher A. Wells, who served as our Senior Vice President and General Manager, Disc Publishing during 2012 until his resignation effective June 19, 2012

This section is intended to provide a framework within which to understand the actual compensation awarded to, earned or held by each named executive officer during 2012, as reported in the compensation tables and accompanying narrative sections appearing on pages 28 to 34 of this proxy statement.

Table of Contents**Executive Summary**

Our compensation policate of Designations of Special Voting Stock of Newmont Mining Corporation. Incorporated by reference to Exhibit 3.3 to Newmont Mining Corporation's Registration Statement on Form 8-A (File No. 001-31240), relating to the registration of its common stock, filed with the Securities and Exchange Commission on February 15, 2002. 4.4 Certificate of Designations of Series A Junior Participating Preferred Stock of Newmont Mining Corporation. Incorporated by reference to Exhibit 3.1 to Newmont Mining Corporation's Registration Statement on Form 8-A (File No. 001-31240), relating to the registration of its preferred stock purchase rights, filed with the Securities and Exchange Commission on February 15, 2002. 4.5 Certificate of Designations of \$3.25 Convertible Preferred Stock of Newmont Mining Corporation. Incorporated by reference to Exhibit 3.3 to Newmont Mining Corporation's Registration Statement on Form 8-A (File No. 001-31240), relating to the registration of such preferred stock, filed with the Securities and Exchange Commission on February 15, 2002 (which preferred stock was redeemed in full on May 15, 2002). 4.6 Certificate of Amendment to the Certificate of Incorporation of Newmont Mining Corporation. Incorporated by reference to Exhibit 3.4 to Newmont Mining Corporation's Registration Statement on Form 8-A (File No. 001-31240), relating to the registration of its common stock, filed with the Securities and Exchange Commission on February 15, 2002. 4.7 By-Laws of Newmont Mining Corporation. Incorporated by reference to Exhibit 3(g) to Newmont Mining Corporation's Annual Report on Form 10-K for the year ended December 31, 2001. 4.8 Rights Agreement, dated as of February 13, 2002, between Newmont Mining Corporation and Mellon Investor Services LLC (which includes the form of Certificate of Designations of Series B Junior Preferred Stock of Newmont Mining Corporation as Exhibit A, the form of Right Certificate as Exhibit B and the Summary of Rights to Purchase Preferred Shares as Exhibit C). Incorporated by reference to Exhibit 4.1 to Newmont Mining Corporation's Registration Statement on Form 8-A (File No. 001-31240), relating to the registration of its preferred stock purchase rights, filed on February 15, 2002. 4.9 Indenture relating to the Senior Debt Securities, to be dated on or about the date of first issuance of Senior Debt Securities thereunder, among Newmont Mining Corporation, Newmont USA Limited and Citibank, N.A., as trustee ("Citibank"), (including the form of Senior Debt Securities) (the "Senior Indenture"). 4.10 Indenture relating to the Subordinated Debt Securities, to be dated on or about the date of first issuance of Subordinated Debt Securities thereunder, among Newmont Mining Corporation, Newmont USA Limited and Citibank, N.A., as trustee (including the form of Subordinated Debt Securities) (the "Subordinated Indenture"). 4.11 Form of Common Stock Warrant Agreement (including form of Warrant). Incorporated by reference to Exhibit 4.15 to Newmont Mining Corporation's Registration Statement on Form S-3 (No. 33-54249). 5 Opinion of White & Case LLP. 12.1 Computation of Ratio of Earnings to Fixed Charges and Preferred Stock Dividends for the five year period ended December 31, 2001. Incorporated by reference to Exhibit 12 to Newmont Mining Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 2001. 12.2 Computation of Ratio of Earnings to Fixed Charges for the five year period ended December 31, 2001. Incorporated by reference to Exhibit 12 to Newmont Mining Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 2001. 12.3 Computation of Ratio of Earnings to Fixed Charges and Preferred Stock Dividends for the three-month period ended March 31, 2002. Incorporated by reference to Exhibit 12.1 to Newmont Mining Corporation's Quarterly Report on Form 10-Q for the quarter ended December 31, 2002. 12.4 Computation of Ratio of Earnings to Fixed Charges for the three-month period ended March 31, 2002. Incorporated by reference to Exhibit 12.2 to Newmont Mining Corporation's Quarterly Report on Form 10-Q for the quarter ended March 31, 2002. 15 Letter re Unaudited Interim Financial Information. 23.1 Consent of Arthur Andersen LLP.* 23.2 Consent of PricewaterhouseCoopers LLP. 23.3 Consent of Deloitte Touche Tohmatsu. 23.4 Consent of White & Case LLP (included in Exhibit 5). 24.1 Power of Attorney of certain officers and directors of Newmont Mining Corporation.* 24.2 Power of Attorney of certain officers and directors of Newmont USA Limited.* 24.3 Power of Attorney of the principal accounting officer of Newmont Mining Corporation. 24.4 Power of Attorney of the principal accounting officer of Newmont USA Limited. 24.5 Power of Attorney of a director of Newmont USA Limited. 25.1 Form T-1 Statement of Eligibility under the Trust Indenture Act of 1939, as amended, of Citibank, N.A., as Indenture Trustee under the Senior Indenture.* 25.2 Form T-1 Statement of Eligibility under the Trust Indenture Act of 1939, as amended, of Citibank, N.A., as Indenture Trustee under the Subordinated Indenture.* ----- *

Previously filed.