

ENNIS, INC.  
Form DEF 14A  
May 26, 2011

**Table of Contents**

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
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 Section 240.14a-12.

**Ennis, Inc.**

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-12.
- (1) Title of each class of securities to which transaction applies:
  - (2) Aggregate number of securities to which transaction applies:
  - (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):
  - (4) Proposed maximum aggregate value of transaction:
  - (5) Total fee paid:
- Fee paid previously with preliminary materials.
- Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.
- (1) Amount Previously Paid:
  - (2) Form, Schedule or Registration Statement No.:
  - (3) Filing Party:
  - (4) Date Filed:
-

**Table of Contents**

**Ennis, Inc.**

2441 Presidential Parkway

Midlothian, TX 76065

**NOTICE OF 2011 ANNUAL MEETING OF SHAREHOLDERS**

**To Be Held Thursday, June 30, 2011**

To our shareholders:

We will hold the Annual Meeting of Shareholders of Ennis, Inc. on Thursday at the Midlothian Community Center located at One Community Circle, Midlothian, Texas 76065 (the Annual Meeting ), June 30, 2011 at 10:00 a.m., local time. At the Annual Meeting, we will ask you to vote on the following proposals:

The election of three Directors to serve as Directors for a three-year term or until their successors are duly elected and qualified;

Ratify the appointment of the independent registered public accountants;

Approval of an amendment to the 2004 Long-Term Incentive Plan of Ennis, Inc. as amended and restated, to provide an additional 1,000,000 shares and to extend the expiration date of the Plan through June 30, 2021;

Approve a non-binding advisory vote on executive compensation;

Approve a non-binding vote on the frequency of holding the non-binding advisory vote on executive compensation; and

To transact such other business as may properly come before the Annual Meeting and any adjournment or postponement thereof.

If you were a shareholder of record as of the close of business on May 2, 2011, you are eligible to vote. You may either vote at the meeting or by proxy, which allows your shares to be voted at the meeting even if you are not able to attend. If you choose to vote by proxy:

Please carefully review the enclosed proxy statement and proxy card.

Select your preferred method of voting, including by telephone, Internet or signing and mailing the proxy card.

You can withdraw your proxy and vote your shares at the meeting if you decide to do so.

Every vote is important, and you are urged to vote your shares as soon as possible.

We look forward to seeing you at the meeting.

By Order of the Board of Directors

/s/ Richard L. Travis, Jr.

Richard L. Travis, Jr.

*Corporate Secretary*

Midlothian, Texas

June 1, 2011

**Important notice regarding availability of proxy materials for 2011 Annual Meeting of Shareholders:  
The proxy statement and 2011 Annual Report to Shareholders are available at  
[www.ennis.com/investor\\_relations/index.html](http://www.ennis.com/investor_relations/index.html).**

**Table of Contents**

**PROXY STATEMENT  
TABLE OF CONTENTS**

	Page
<u>NOTICE OF ANNUAL MEETING OF SHAREHOLDERS PROXY STATEMENT</u>	1
<u>Annual Report</u>	1
<u>Recommendation of the Board of Directors</u>	1
<u>QUESTIONS AND ANSWERS:</u>	2
<u>Why did I receive this Proxy Statement?</u>	2
<u>I may have received more than one Proxy Statement. Why?</u>	2
<u>How does the Board recommend that I vote my shares?</u>	2
<u>What will occur at the Annual Meeting?</u>	2
<u>How many votes are necessary to elect the nominees for director?</u>	3
<u>How are votes counted for the election of directors?</u>	3
<u>How many votes are necessary to ratify the selection of Grant Thornton LLP?</u>	3
<u>How many votes are necessary to approve the amendment to the 2004 Long-Term Incentive Plan to provide an additional 1,000,000 shares and to extend the expiration date of the Plan through June 30, 2021?</u>	3
<u>How many votes are necessary to approve non-binding advisory votes on executive compensation or the frequency of the vote on executive compensation?</u>	3
<u>How will my non-binding advisory vote as to the frequency of future votes on executive compensation be counted?</u>	4
<u>What if a nominee is unwilling or unable to serve?</u>	4
<u>How do I vote?</u>	4
<u>What if I want to change my vote?</u>	4
<u>Will my shares be voted if I don't provide my proxy and don't attend the Annual Meeting?</u>	5
<u>What if I return my proxy but don't vote for some of the matters listed on my proxy card?</u>	5
<u>How do I raise an issue for discussion or vote at the next Annual Meeting?</u>	5
<u>Who will pay for the cost of this solicitation?</u>	5
<u>Where can I find the voting results of the Annual Meeting?</u>	5
<u>How can I access the Company's proxy materials and Annual Report electronically?</u>	5
<u>PROPOSALS</u>	6
<u>Approval of election of each of the three director nominees</u>	6
<u>Ratification of independent registered public accounting firm</u>	7
<u>Approval of amendment No. 1 to the 2004 Long-Term Incentive Plan, as amended and restated, to increase the share reserve by 1,000,000 shares and to extend the expiration date of the Plan through June 30, 2021</u>	8
<u>Advisory vote on executive compensation</u>	12
<u>Frequency of future advisory votes on executive compensation</u>	13
<u>CORPORATE GOVERNANCE MATTERS</u>	14
<u>General</u>	14
<u>Board Size</u>	14
<u>Director Independence</u>	14
<u>Criteria for Membership on the Board</u>	14
<u>Director Nomination Process</u>	14
<u>Board Responsibilities</u>	15
<u>Board Leadership Structure, Board Meetings and Executive Sessions</u>	16
<u>Committees of the Board</u>	16
<u>Director Access to Management and Independent Advisors</u>	16
<u>Board Self-Evaluation</u>	16
<u>Director Orientation and Education</u>	16

<u>Non-Employee Director Compensation and Stock Ownership</u>	16
<u>Code of Business Conduct and Ethics</u>	17
<u>Risk Oversight</u>	17
<u>Communication with the Board</u>	17

---

**Table of Contents**

	Page
<u>DIRECTORS</u>	18
<u>Term</u>	18
<u>Director Independence and Qualifications</u>	18
<u>Summary of Our Independent Directors</u>	18
<u>Attendance</u>	20
<u>Committee Membership</u>	20
<u>Audit Committee</u>	20
<u>Compensation Committee</u>	21
<u>Nominating and Corporate Governance Committee</u>	21
<u>Compensation Committee Interlocks and Insider Participation</u>	21
<u>EXECUTIVE OFFICERS</u>	22
<u>Summary of Our Executive Officers</u>	22
<u>SECURITY OWNERSHIP</u>	24
<u>Security Ownership of the Board of Directors and Executive Officers</u>	24
<u>Security Ownership of Certain Beneficial Owners</u>	25
<u>AUDIT-RELATED MATTERS</u>	26
<u>Audit Committee Report</u>	26
<u>Policy Regarding Pre-Approval of Services Provided by the Independent Auditors</u>	27
<u>Independent Auditor's Services and Fees</u>	27
<u>COMPENSATION</u>	28
<u>Director Compensation</u>	28
<u>Equity Ownership Policy for Independent Directors</u>	29
<u>Executive Compensation</u>	29
<u>Compensation Discussion and Analysis</u>	29
<u>Compensation Committee Report</u>	39
<u>Summary Compensation Table</u>	40
<u>Grants of Plan-Based Awards</u>	41
<u>Outstanding Equity Awards at Fiscal Year End</u>	43
<u>Option Exercises and Stock Vested</u>	44
<u>Pension Benefits</u>	44
<u>Nonqualified Defined Contribution and Deferred Compensation in Last Fiscal Year</u>	45
<u>Potential Payments Upon Termination or Change in Control</u>	45
<u>SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLAN</u>	48
<u>CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR</u>	
<u>INDEPENDENCE</u>	48
<u>SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE</u>	48
<u>OTHER MATTERS</u>	48
<u>APPENDIX A</u>	49

---

**Table of Contents**

**Ennis, Inc.**

2441 Presidential Parkway

Midlothian, TX 76065

**PROXY STATEMENT**

This Proxy Statement is being furnished in connection with the solicitation of proxies by the Board of Directors of Ennis, Inc., a Texas corporation ( Ennis, the Company, we, us, or our ), for use at the Annual Meeting of Shareholders of Ennis, Inc. ( Annual Meeting ) to be held on Thursday, June 30, 2011, at One Community Circle, Midlothian, Texas 76065, commencing at 10:00 am, local time, and at any adjournment or postponement, for the purpose of considering and acting upon the matters set forth in the accompanying Notice of Annual Meeting of Shareholders.

This Proxy Statement and accompanying forms of proxy and voting instructions are first being mailed on or about June 3, 2011 to shareholders entitled to vote at the Annual Meeting. For information about shareholders' eligibility to vote at the Annual Meeting, shares outstanding on the record date and the ways to submit and revoke a proxy, please see *What will occur at the Annual Meeting* and *How do I vote* sections below.

**Annual Report**

A copy of the Company's Annual Report to shareholders for the fiscal year ended February 28, 2011 has been sent simultaneously with this Proxy Statement. Our Annual Report on Form 10-K as filed with the Securities and Exchange Commission is available without charge to shareholders upon written request to Investor Relations Department, Ennis, Inc. P.O. Box 403, Midlothian, Texas 76065-0403 or via the Internet at [www.ennis.com](http://www.ennis.com).

**Recommendation of the Board of Directors**

The Board of Directors recommends a vote FOR the Board's proposal to elect the nominated Directors, FOR the proposal to ratify Grant Thornton LLP as our independent registered public accounting firm for fiscal year 2012, FOR the approval of an amendment to the 2004 Long-Term Incentive Plan, as amended and restated, to provide for an additional 1,000,000 shares and to extend the expiration date of the Plan through June 30, 2021, FOR the approval of our policies and practices for executive compensation of our named executive officers, and FOR 3 years with respect to the frequency of the holding non-binding votes on executive compensation.

**Table of Contents**

**QUESTIONS AND ANSWERS**

**Why did I receive this Proxy Statement?**

We are providing these proxy materials in connection with the solicitation by the Board of Directors of Ennis, Inc. of proxies to be voted at our 2011 Annual Meeting of Shareholders ( Annual Meeting ).

You are invited to attend our Annual Meeting on June 30, 2011 at 10:00 a.m., local time. The Annual Meeting is open to all holders of our Common Stock. Each shareholder is permitted to bring one guest. The meeting will be held at the Midlothian Community center located at One Community Circle, Midlothian, Texas 76065.

The Notice of 2011 Annual Meeting of Shareholders, Proxy Statement, form of proxy and voting instructions are being mailed on or about June 3, 2011.

**I may have received more than one Proxy Statement. Why?**

If you received more than one Proxy Statement, your shares are probably registered differently or are in more than one account. Please vote each proxy card that you received.

**How does the Board recommend that I vote my shares?**

Unless you give other instructions on your proxy card, the persons named as proxy holders on the proxy card will vote in accordance with the recommendations of the Board. The Board's recommendation can be found with the description of each item in this Proxy Statement. In summary, the Board recommends a vote:

***FOR, the Board's proposal to elect the nominated Directors,***

***FOR, the Board's proposal to ratify the selection of Grant Thornton LLP as our independent registered public accounting firm,***

***FOR, the amendment to the 2004 Long-Term Incentive Plan, as amended and restated, to provide an additional 1,000,000 shares and to extend the expiration date of the Plan through June 30, 2021,***

***FOR, the Company's policies and practices for executive compensation of our named executive officers,***

***FOR, a 3 year frequency period of holding non-binding advisory votes on executive compensation.***

**What will occur at the Annual Meeting?**

We will determine whether enough shareholders are present at the meeting to conduct business. Your shares are counted as present at the Annual Meeting if you attend the meeting and vote in person or if you properly return a proxy by mail. In order for us to hold our meeting, holders of a majority of our outstanding shares of our Common Stock as of May 2, 2011 must be present in person or by proxy at the meeting. This is referred to as a quorum. Absentions and broker non-votes will be counted for purposes of establishing a quorum at the meeting.

All shareholders of record at the close of business on May 2, 2011 will be entitled to vote on matters presented at the meeting or any adjournment thereof. On May 2, 2011, there were 26,044,350 shares of our Common Stock issued and outstanding. The holders of a majority, or 13,022,176 of the shares of our Common Stock entitled to vote at the meeting, must be represented at the meeting in person or by proxy to have a quorum for the transaction of business at the meeting and to act on the matters specified in the Notice.

If a quorum of shareholders are present at the meeting to conduct business, then we will vote to elect as members of our Board of Directors for a three-year term the following individuals: Keith S. Walters, Irshad Ahmad and Frank D. Bracken, ratify the selection of Grant Thornton LLP as our independent registered public accounting firm for fiscal year 2011, vote on the amendment to our 2004 Long-Term Incentive Plan, tabulate the non-binding votes relating to say on pay and say when on pay (Proposals 4 and 5), and any other business properly coming before the meeting.

After each proposal has been voted on at the meeting, we will discuss and take action on any other matter that is properly brought before the meeting. We have hired Computershare Investor Services, LLC, our transfer agent, to



**Table of Contents**

count the votes represented by proxies cast by ballot. Employees of Computershare Investor Services, LLC and our legal counsel will act as Inspectors of election.

We know of no other matters that will be presented for consideration at the Annual Meeting. If, however, other matters or proposals are presented and properly come before the meeting, the proxy holders intend to vote all proxies in accordance with their best judgment in the interest of Ennis, Inc. and our shareholders.

A representative of Grant Thornton LLP, our independent registered public accounting firm, is expected to be present at the Annual Meeting and will be afforded an opportunity to make a statement, if such representative so desires, and to respond to appropriate questions.

**How many votes are necessary to elect the nominees for director?**

The nominees for election as directors at the Annual Meeting who receive the highest number of FOR votes will be elected as directors provided a quorum is present. This is called plurality voting. Unless you indicate otherwise on your proxy card, the persons named as your proxies will vote your shares FOR all the nominees for director named in this Proxy Statement. Brokers are no longer permitted to vote for the election of directors, unless you provide specific instructions to them by completing and returning the Voting Instruction Form or following the instructions provided to you by your broker for voting your shares by telephone or the Internet.

With respect to the election of directors, shareholders have cumulative voting rights, which means that each shareholder entitled to vote (a) has the number of votes equal to the number of shares held by such shareholder multiplied by the number of directors to be elected and (b) may cast all such votes for one nominee or distribute such shareholder's votes among the nominees as the shareholder chooses. The right to cumulate votes may not be exercised until a shareholder has given written notice of the shareholder's intention to vote cumulatively to the corporate secretary on or before the day preceding the election. If any shareholder gives such written notice, then all shareholders entitled to vote or their proxies may cumulate their votes. Upon such written notice, the persons named in the accompanying form of proxy may cumulate their votes. As a result, the Board also is soliciting discretionary authority to cumulate votes.

**How are votes counted for the election of directors?**

In the election of directors, you may vote FOR all of the nominees or your vote may be WITHHELD with respect to one or more of the nominees. Votes that are withheld will be counted for purposes of determining the presence or absence of a quorum but will have no other effect on the election of directors.

**How many votes are necessary to ratify the selection of Grant Thornton LLP?**

The ratification of the selection of Grant Thornton LLP, as our independent registered public accounting firm, requires the affirmative vote of a majority of votes cast by shareholders entitled to vote. Abstentions will have the same effect as a vote against this proposal. Brokers holding shares for beneficial owners have discretionary voting power to vote such shares in favor of this proposal, unless instructed otherwise.

**How many votes are necessary to approve the amendment to the 2004 Long-Term Incentive Plan to provide an additional 1,000,000 shares and to extend the expiration date of the Plan through June 30, 2021?**

Approval of the amendment to the 2004 Long-Term Incentive Plan requires the affirmative vote of a majority of the shares present or represented by proxy at the Annual Meeting and entitled to vote on the proposal. Abstentions will have the same effect as votes against the proposal. Shares representing broker non-votes will not be considered entitled to vote on this proposal.

**How many votes are necessary to approve non-binding advisory votes on executive compensation or the frequency of the vote on executive compensation?**

Approval of the non-binding advisory vote on executive compensation and the frequency of the vote on compensation will require an affirmative vote of a majority of the shares present or represented by proxy at the Annual Meeting and entitled to vote on the proposal. Abstentions will have no effect on the vote on compensation

**Table of Contents**

or the frequency of the vote on compensation. Brokers will not have discretionary voting power on this proposal and are not permitted to vote on this proposal, unless you provide specific instructions to them by completing and returning the Voting Instruction Form or following the instructions provided to you by your broker for voting your shares by telephone or the Internet. As your vote is advisory, it will not be binding upon the Board. However, the Compensation Committee and the Board will take the outcome into account when considering future executive compensation arrangements.

**How will my non-binding advisory vote as to the frequency of future votes on executive compensation be counted?**

The option of one year, two years, or three years that receives the most votes by shareholders will be deemed the preferred frequency for the advisory vote on executive compensation that has been selected by the shareholders. However, because this vote is advisory, and not binding on the Board or Ennis in any way, the Board may decide that it is in the best interests of the Company's shareholders and the Company to hold an advisory vote on executive compensation more or less frequently than the preferred frequency selected by the shareholders.

**What if a nominee is unwilling or unable to serve?**

The persons nominated for election to our Board of Directors have agreed to stand for election. However, should a nominee become unable or unwilling to accept nomination or election, the proxies will be voted for the election of such other person as the Board may recommend. Our Board of Directors has no reason to believe that the nominees will be unable or unwilling to serve if elected, and to the knowledge of the Board, the nominees intend to serve the entire term for which election is sought.

**How do I vote?**

If you are a registered shareholder (that is, you hold Ennis stock directly in your name), you may vote by telephone, Internet or mail or by attending the Meeting and voting in person.

**To vote by telephone or Internet:** Please follow the instructions on the proxy card. The deadline for voting by telephone or Internet is 1:00 a.m., Central Time, on June 30, 2011.

**To vote by mail:** Please complete, sign and date the accompanying proxy card and return it in the enclosed postage-paid envelope. Only cards received and processed before 10:00 a.m., Central Time, on June 30, 2011 will be voted.

Even if you plan to attend the meeting, we encourage you to vote your shares by proxy. If you plan to vote in person at the Annual Meeting, and you hold your Company stock in street name, you must obtain a proxy from your broker and bring that proxy to the meeting.

If you hold your stock through the Company's employee benefit plans, you will receive a proxy card with instructions to vote, which are the same as any other shareholder.

**What if I want to change my vote?**

You can change or revoke your vote at any time before the polls close at the Annual Meeting. You can do this by:

- Signing another proxy card with a later date and returning it to us prior to the meeting, or
- Sending our Corporate Secretary a written document revoking your earlier proxy, or
- Voting again at the meeting.

**Table of Contents**

**Will my shares be voted if I don't provide my proxy and don't attend the Annual Meeting?**

If you do not provide a proxy or vote your shares held in your name, your shares will not be voted.

If you hold your shares through one of the Company's employee benefit plans and do not vote your shares, your shares (along with all other shares in the plan for which votes are not cast) will be voted pro rata by the trustee in accordance with the votes directed by other participants in the plan who elect to act as a fiduciary entitled to direct the trustee of the applicable plan on how to vote the shares.

**What if I return my proxy but don't vote for some of the matters listed on my proxy card?**

If you return a signed card without indicating your vote, your shares will be voted FOR the nominee directors listed on the card.

**How do I raise an issue for discussion or vote at the next Annual Meeting?**

Under SEC rules, a shareholder who intends to present a proposal, including the nomination of directors, at the 2012 Annual Meeting of Shareholders and who wishes the proposal to be included in the Proxy Statement for that meeting must submit the proposal in writing to our Corporate Secretary. The proposal must be received no later than February 2, 2012.

All written proposals should be directed to Investor Relations Department, Ennis, Inc., P.O. Box 403, Midlothian, Texas 76065-0403.

The Nominating and Corporate Governance Committee is responsible for selecting and recommending director candidates to our Board, and will consider nominees recommended by shareholders. If you wish to have the Nominating and Corporate Governance Committee consider a nominee for director, you must send a written notice to the Company's Corporate Secretary at the address provided above and include the information required by the Nominating and Corporate Governance Committee Charter as discussed in the section entitled *Director Nominating Processes* of this Proxy Statement.

**Who will pay for the cost of this solicitation?**

Our Board has sent you this Proxy Statement. Our directors, officers, and employees may solicit proxies by mail, by telephone or in person. Those persons will receive no additional compensation for any solicitation activities. We will request banking institutions, brokerage firms, custodians, trustees, nominees and fiduciaries to forward solicitation materials to the beneficial owners of our Common Stock held of record by those entities, and we will, upon the request of those record holders, reimburse reasonable forwarding expenses. We will pay the costs of preparing, printing, assembling and mailing the proxy materials used in the solicitation of proxies.

**Where can I find the voting results of the Annual Meeting?**

We will announce the voting results at the Annual Meeting and will publish the results in our current report on Form 8-K. We will file that report with the Securities and Exchange Commission on or before July 7, 2011. This Form 8-K will be available without charge to shareholders upon written request to Investor Relations Department, Ennis, Inc., P.O. Box 403, Midlothian, Texas 76065-0403 or via the Internet at [www.ennis.com](http://www.ennis.com).

**How can I access the Company's proxy materials and Annual Report electronically?**

The Company's 2011 Annual Report on Form 10-K as filed with the Securities and Exchange Commission is available on our website at [www.ennis.com](http://www.ennis.com) in the Investor Relations section.

**Table of Contents**

**PROPOSAL NO. 1**

**APPROVAL OF ELECTION OF EACH OF THE THREE DIRECTOR NOMINEES**

The number of directors who shall constitute the Company's Board of Directors is currently set at nine. The Board of Directors consists of three classes serving staggered three-year terms. Directors for each class are elected at the Annual Meeting of Shareholders held in the year in which the term for their class expires.

Our Board of Directors proposes the election of Keith S. Walters, Irshad Ahmad and Frank D. Bracken as directors, to hold office for a term of three years, expiring at the close of our Annual Meeting of Shareholders to be held in 2014, or until their successors are duly elected and qualified. It is the Board's opinion that because of the candidates' business experience and/or their tenure as directors of the Company, they are sufficiently familiar with the Company and its business to be able to competently direct the Company's business affairs. Biographical information on Mr. Bracken is set forth in Directors' Summary of Our Independent Directors and on Mr. Walters and Mr. Ahmad is set forth in Summary of Our Executive Officers.

If Mr. Walters, Mr. Ahmad, or Mr. Bracken becomes unavailable for election, which is not anticipated, the proxies will be voted for the election of such other person as the Board may recommend.

***The Board of Directors recommends that shareholders vote FOR the Nominees for Director set forth above.***

**Table of Contents**

**PROPOSAL NO. 2**

**RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

Grant Thornton LLP served as the Company's independent registered public accounting firm for fiscal 2011 and has reported on our financial statements. The Audit Committee of the Board of Directors has selected Grant Thornton LLP as the Company's independent registered public accounting firm for fiscal 2012. The Board of Directors is asking shareholders to ratify this selection. Although SEC regulations and the NYSE listing requirements require the Company's independent registered public accounting firm to be engaged, retained and supervised by the Audit Committee, the Board of Directors considers the selection of an independent registered public accounting firm to be an important matter to shareholders and considers a proposal for shareholders to ratify such appointment to be an opportunity for shareholders to provide input to the Audit Committee and the Board of Directors on a key corporate governance issue.

Representatives of Grant Thornton LLP are expected to be present at the Annual Meeting and will have an opportunity to make a statement if they so desire and are expected to be available to respond to appropriate questions. *The Board of Directors recommends a vote FOR the proposal to ratify the selection of the Company's independent registered public accounting firm for fiscal year 2012.*

**Table of Contents**

**PROPOSAL NO. 3**

**APPROVAL OF AMENDMENT NO. 1 TO THE 2004 LONG-TERM INCENTIVE PLAN, AS AMENDED AND RESTATED, TO INCREASE THE SHARE RESERVE BY 1,000,000 SHARES AND TO EXTEND THE EXPIRATION DATE OF THE PLAN THROUGH JUNE 30, 2021**

**Introduction**

The Company's Long-Term Incentive was adopted by our shareholders effective June 17, 2004, and was amended and restated effective May 14, 2008 (the Plan). The initial share reserve under the Plan in 2004 was 500,000 shares, plus 635,900 shares that remained under the prior plan, for a collective share reserve of 1,135,900 shares. We have made more than six years of grants under the Plan, and as of May 25, 2011 only 97,854 shares remain available for grant.

As discussed more fully below, we believe additional shares are needed to replenish shares granted over the prior six years. Additionally, our Plan is set to expire on April 15, 2014. We therefore ask our shareholders to approve Amendment No. 1 to the Plan to increase the share reserve by 1,000,000 shares and to extend the expiration date of the Plan through June 30, 2021.

**Increase in Available Shares**

The share reserve under the Plan has not been increased in more than six years. On April 21, 2011, our Board of Directors approved the proposed increase in the share reserve, subject to approval by our shareholders. Our Board of Directors believes that approval of Amendment No. 1 is in the best interests of our Company and its shareholders for the following reasons:

continuation of our equity award program is important to our compensation philosophy;

our shareholders benefit when we make equity grants to certain employees and directors because equity compensation motivates key employees and directors;

equity grants also provide an incentive to produce a superior return to our shareholders by offering an opportunity to participate in such gains;

equity grants facilitate stock ownership and reward the achievement of a high level of performance; and

equity compensation grants also assist us in our ability to attract, retain and motivate highly qualified individuals in a competitive market.

Our Board of Directors understands that our shareholders are concerned about stock issuances that result in dilution. For this reason our Board of Directors is requesting an increase in the reserve equal to only 3.8% of our Company's outstanding shares on a fully diluted basis as of May 2, 2011. We believe that the benefits provided by being able to grant equity awards to employees will outweigh the costs of additional dilution. In addition, as further described below, our Plan includes features to limit the dilutive impact of the increased shares, such as:

administration of the Plan by a committee composed entirely of independent directors;

a fixed number of shares available for grant that will not automatically increase because of an evergreen feature;

a holding period requirement under which 50% of the shares acquired for a specified holding period following the exercise, vesting or lapsing of restrictions on the award must be held by the participant;

a prohibition against repricing;

a prohibition against reload option grants;

a requirement that exercise prices of stock options must be at least 100% of fair market value on the date the stock option is granted;

the flexible nature of the Plan provides us the ability to respond to market trends by enabling us to grant a wide variety of awards and adjust the mix of awards between options and restricted stock; and

the Plan authorizes the compensation committee to include claw back provisions in grants.

## **Table of Contents**

### **Extending Effectiveness and Term of the Plan**

The Plan is set to expire and terminate on April 15, 2014, unless action is taken to extend the effectiveness and term of the Plan. An approval of Amendment No. 1 to the Plan by our shareholders would extend the effectiveness and term of the Plan through June 30, 2021. Our Board believes that maintaining the effectiveness of the Plan is important towards aligning the interests of the employees and shareholders of our Company.

### **Material Features of the Plan**

The following summary of the principal terms of the Plan is qualified in its entirety by the full text of the Plan, which has been filed as an exhibit to this Proxy Statement that was filed electronically with the Securities and Exchange Commission and can be reviewed on the Securities and Exchange Commission's website at [www.sec.gov](http://www.sec.gov). You may also obtain, free of charge, a copy of the Plan by writing to our Corporate Secretary at P.O. Box 403, Midlothian, Texas 76065-0403.

**Purpose.** The purpose of the Plan is to attract and retain employees and certain members of our Board of Directors by providing them with additional incentives, and to promote the success of our Company's business.

**Administration.** The Compensation Committee of our Board of Directors will administer the Plan. Within certain restrictions to satisfy tax and securities laws, the Compensation Committee may delegate some or all of its power under the Plan to our Chief Executive Officer or other executive officer of our Company. (The appropriate acting body, be it our Compensation Committee or an officer within his or her delegated authority, is referred to in this summary as the Committee.) The Committee determines the number of shares that are subject to awards and the terms and conditions of such awards, including the price (if any) to be paid for the shares or the award. Along with other authority granted to the Committee under the Plan, the Committee may (i) determine fair market value, (ii) select recipients of awards, (iii) determine the number of shares subject to awards, (iv) determine the terms and conditions of awards, and (v) amend outstanding awards.

**Eligibility.** Persons eligible to receive awards under the Plan include our officers, employees, and non-employee directors. The Committee determines from time to time the participants to whom awards will be granted.

**Authorized Shares; Limits on Awards.** The maximum number of common shares that may be issued or transferred pursuant to awards under the Plan equals 1,097,854, all of which may be subject to incentive stock option treatment. The total number of shares that may be issued for awards to any single participant during a calendar year is 100,000, and for cash awards is \$3 million.

**Adjustments or Changes in Capitalization.** In the event of any change in the outstanding shares of common stock by reason of a reorganization, merger, consolidation, combination, separation, exchange or other relevant change in capitalization, the Committee shall provide for a substitution or an adjustment in the (i) number and class of securities subject to outstanding awards, (ii) the consideration to be received upon exercise or vesting of an award, (iii) the exercise price of options, (iv) the aggregate number and class of securities for which awards may be granted under the Plan, and/or (v) the maximum number of securities with respect to which an employee may be granted awards during any calendar year.

**Incentive Awards.** The Plan authorizes options, phantom options, stock appreciation rights (SARs), restricted stock, restricted units, performance awards, as well as other incentive awards (described in the Plan) that are responsive to changing developments in management compensation. The Plan retains the flexibility to offer competitive incentives and to tailor benefits to specific needs and circumstances. Any award may be paid or settled in cash. An option or SAR will expire, or other award will vest in accordance with the schedule set forth in the applicable award agreement.

**Option.** An option is the right to purchase common shares at a future date at a specified price per share generally equal to, but no less than, the fair market value of a share on the date of grant. An option may either be an Incentive Stock Option (ISO) or a nonqualified stock option (NQSO). ISO benefits are taxed differently from NQSOs, as described under Federal Income Tax Treatment of Awards under the Plan, below. ISOs also are subject to more restrictive terms and are limited in amount by the Code and the Plan. Full payment for shares



**Table of Contents**

purchased on the exercise of any option must be made at the time of such exercise in a manner approved by the Committee.

*SARs.* A SAR is the right to receive payment of an amount equal to the excess of the fair market value of a common share on the date of exercise of the SAR over the base price of the SAR. The base price will be established by the Committee at the time of grant of the SAR but will not be less than the fair market value of a share on the date of grant. SARs may be granted in connection with other awards or independently.

*Restricted Stock.* A restricted stock award is typically for a fixed number of common shares subject to restrictions. The Committee specifies the price, if any, the participant must pay for such shares and the restrictions (which may include, for example, continued service and/or performance standards) imposed on such shares. A stock bonus may be granted by the Committee to any eligible person to reward exceptional or special services, contributions or achievements in the manner and on such terms and conditions (including any restrictions on such shares) as determined from time to time by the Committee. The number of shares so awarded shall be determined by the Committee and may be granted independently or in lieu of a cash bonus.

*Restricted Units.* A restricted unit is similar to a SAR except that it entitles the recipient to receive an amount equal to the fair market value of a common share.

*Performance Awards.* The payment of the value of a performance award is conditioned upon the achievement of performance goals set by the Compensation Committee at the time of granting the performance award and may be paid in cash, shares of our common stock, or a combination thereof. The maximum value of the cash that may be paid to a participant pursuant to a performance award granted in any year is \$3 million.

*Other Incentive Awards.* The Plan also provides for grants of other incentive-based awards with terms determined by the Committee.

**Transfer Restrictions.** Subject to certain exceptions, awards under the Plan are not transferable by the recipient other than by will or the laws of descent and distribution and are generally exercisable, during the recipient's lifetime, only by him or her.

**Termination of or Changes to the Plan.** Our Board of Directors may amend, alter or discontinue the Plan at any time. No such amendment or termination, however, may impair the rights of any holder of outstanding awards without his or her consent, and no award may be amended or otherwise subject to any action that would be treated, for accounting purposes, as a repricing of such award.

**Federal Income Tax Treatment of Awards under the Plan**

Federal income tax consequences relating to awards under the Plan are summarized in the following discussion. This summary is not intended to be exhaustive and, among other considerations, does not describe the deferred compensation provisions of Section 409A of the U.S. Internal Revenue Code to the extent an award is subject to and does not satisfy those rules, nor does it describe state, local, or international tax consequences.

For NQSOs, our Company is generally entitled to deduct (and the optionee recognizes taxable income in) an amount equal to the difference between the option exercise price and the fair market value of the shares at the time of exercise. For ISOs, our Company is generally not entitled to a deduction nor does the participant recognize income at the time of exercise. The current federal income tax consequences of other awards authorized under the Plan generally follow certain basic patterns: SARs are taxed and deductible in substantially the same manner as NQSOs; nontransferable restricted stock subject to a substantial risk of forfeiture results in income recognition equal to the excess of the fair market value over the price paid (if any) only at the time the restrictions lapse (unless the recipient elects to accelerate recognition as of the date of grant); bonuses and performance share awards are generally subject to tax at the time of payment; cash-based awards are generally subject to tax at the time of payment; and compensation otherwise effectively deferred is taxed when paid. Our Company will generally have a corresponding deduction at the time the participant recognizes income. However, as for those awards subject to ISO treatment, our Company would generally have no corresponding compensation deduction.

**Table of Contents**

If an award is accelerated under the Plan in connection with a change in control (as this term is used under the Code), our Company may not be permitted to deduct the portion of the compensation attributable to the acceleration ( parachute payments ) if it exceeds certain threshold limits under the Code (and certain related excise taxes may be triggered). Furthermore, the aggregate compensation in excess of \$1,000,000 attributable to awards which are not performance-based within the meaning of Section 162(m) of the Code may not be permitted to be deducted by our Company in certain circumstances.

**New Plan Benefits**

Awards are subject to the discretion of the Committee. Therefore, it is not possible to determine the benefits that will be received in the future by participants in the Plan.

*Our Board of Directors recommends that you vote FOR approval of Amendment No. 1 to the Plan.*

**Table of Contents**

**PROPOSAL NO. 4**  
**ADVISORY VOTE ON EXECUTIVE COMPENSATION**

Ennis shareholders have the opportunity at the annual meeting to vote on an advisory resolution on our executive compensation package, otherwise known as Say-on-Pay, to approve the compensation of Ennis's named executive officers, as described in the Executive Compensation section of this proxy statement. Because your vote is advisory, it will not be binding upon the Board; however, the Compensation Committee and the Board will take the outcome into account when considering future executive compensation arrangements.

Our Compensation Committee is committed to creating an executive compensation program that enables us to attract and retain a superior management team that has targeted incentives to build long-term value for our shareholders. The company's compensation package utilizes a mixture of cash and equity awards to align executive compensation with our annual and long-term performance. These programs reflect the Committee's philosophy that executive compensation should provide rewards for superior performance, as well as accountability for underperformance. At the same time, we believe our programs do not encourage excessive risk-taking by our management team. The Board believes that our philosophy and practices have resulted in executive compensation decisions that are appropriate and that have benefited the Company over time.

For these reasons, the Board requests our shareholders approve the Company's executive compensation policies and practices for our named executive officers as described in this proxy statement pursuant to the SEC disclosure rules, including the Compensation Discussion and Analysis, the executive compensation tables and the related footnotes and narrative accompanying the tables.

***The Board of Directors recommends that you vote FOR the Company's policies and practices on executive compensation for our named executive officers.***

**Table of Contents**

**PROPOSAL NO. 5**

**FREQUENCY OF FUTURE ADVISORY VOTES ON EXECUTIVE COMPENSATION**

Pursuant to recently adopted Section 14A of the Exchange Act, we are asking shareholders to vote on whether future advisory votes on executive compensation of the nature reflected in the Proposal on "Say-on-Pay" above should occur every year, every two years, or every three years.

After careful consideration, the Board of Directors has determined that holding an advisory vote on executive compensation every three years is the most appropriate policy for the Company at this time, and recommends that future shareholder advisory votes on executive compensation occur every three years. The Company's executive compensation program is designed to provide a long-term connection between pay and performance. The executive compensation program is simplistic in design and the current year reflects the first significant change in design in several years. We do not anticipate the necessity to make frequent significant changes to our executive compensation practices in the future and history supports this practice.

Although this is an advisory vote and is non-binding, the Board and the Compensation Committee welcomes shareholder input on our compensation philosophy, policies, and practices as disclosed in our proxy statement.

The option of one year, two years, or three years that receives the most votes by shareholders will be deemed the preferred frequency for the advisory vote on executive compensation that has been selected by the shareholders. However, because this vote is advisory and not binding on the Board or Ennis in any way, the Board may decide that it is in the best interests of the Company's shareholders and the Company to hold an advisory vote on executive compensation more or less frequently than the preferred frequency selected by the shareholders.

***The Board of Directors recommends you vote for a frequency of every three years.***

**Table of Contents**

**CORPORATE GOVERNANCE MATTERS**

**General**

Our Corporate Governance Guidelines address the following matters, among others: director qualifications, director responsibilities, Board Committees, director access to officers, employees and independent advisors, director compensation, Board performance evaluations, director orientation and continuing education, CEO evaluation and succession planning. The Corporate Governance Guidelines also contain categorical standards, which are consistent with the standards set forth in the New York Stock Exchange ( NYSE ) listing standards, to assist the Board in determining the independence of the Company s directors. A copy of these guidelines is available free of charge upon written request to Investor Relations Department, Ennis, Inc., P.O. Box 403, Midlothian, Texas 76065-0403 or via the Internet at [www.ennis.com](http://www.ennis.com).

**Board Size**

The Company s By-laws provide that the number of directors is nine.

**Director Independence**

Our Governance Guidelines provide that the Board of Directors is to be composed of a majority of independent directors. The Board has determined that each non-employee director meets the standards regarding independence set forth in the Corporate Governance Guidelines of the Company and in compliance with NYSE rules and has no material relationship with the Company. The Board of Directors has determined that the independent directors, which consist of Mr. Price, Mr. Pritchett, Mr. Quiroz, Mr. Taylor, Mr. Long, Mr. Schaefer, and Mr. Bracken, after election, constitute a majority of the Board.

**Criteria for Membership on the Board**

When identifying director nominees, the Nominating and Corporate Governance Committee (the Committee ) seeks director candidates with high personal and professional ethics, integrity and values. In addition, the Committee looks for nominees that have outstanding records of accomplishments in their chosen business or profession, and are committed to representing the long-term interest of our shareholders. The Board seeks members reflecting a range of talents, ages, skills, diversity, and expertise, particularly in the areas of accounting and finance, management, domestic and international markets and leadership sufficient to provide sound and prudent guidance with respect to the Company s operations and interests. The Company also requires that its Board members be able to dedicate the time and resources sufficient to ensure the diligent performance of their duties on the Company s behalf, including attending Board and applicable committee meetings.

**Director Nomination Process**

The charter of our Nominating & Corporate Governance Committee (the Nominating Committee ) allows shareholders to recommend to the Nominating Committee candidates for membership on the Board of Directors. To recommend a candidate for director using this process, the shareholder must follow procedures set forth in the Nominating Committee Charter and the candidate must meet the qualification standards set forth in the Company s Corporate Governance Guidelines.

Only shareholders that have owned at least 5% of the outstanding shares of our Common Stock for more than one year from the date of the shareholder s recommendation may submit the name of a candidate for the Nominating Committee to consider for nomination. To propose a candidate, the shareholder must provide the following information in the shareholder s notice:

Name of the candidate;

A resume and brief biographical sketch of the candidate;

Proof that the shareholder owns 5% or more of the outstanding shares of our Common Stock;

**Table of Contents**

Proof that the shareholder has owned at least 5% of the outstanding shares of our Common Stock for more than one year from the date of the shareholder's recommendation; and

The candidate's consent and willingness to serve on the Board if elected.

To include a candidate in any proxy statement for the election of directors, the Company will also need the following information:

The nominee's name, age and business and residence address;

The nominee's principal occupation or employment;

The class and number of shares of our Common Stock, if any, owned by the nominee;

The name and address of the nominating shareholder as they appear on the Company's books;

The class and number of shares of our Common Stock owned by the nominating shareholder as of the record date for the annual meeting (if this date has been announced) and as of the date of the notice;

A representation that the shareholder intends to appear in person or by proxy at the meeting to nominate the candidate specified in the notice;

A description of all arrangements or understandings between the shareholder and the nominee; and

Any other information regarding the nominee or shareholder that would be required to be included in a Proxy Statement relating to the election of directors.

Candidates recommended by the Company's shareholders are evaluated on the same basis as candidates recommended by the Company's directors, CEO, other executive officers, third party search firms or other sources. The Nominating Committee will request and review the resume of any of the candidates based on the qualifications set forth in the Nominating Committee Charter and the Company's Governance Guidelines. There can be no more than one shareholder nominee in our Proxy Statement for any given Annual Meeting.

**Board Responsibilities**

Our business is managed under the direction of the Board. The Board monitors management on behalf of the shareholders. Among the Board's major responsibilities are:

Selection, compensation and evaluation of the Executive Officers and oversight of succession planning for the Chief Executive Officer;

Assurance that processes are in place to promote compliance with law and high standards of business ethics;

Oversight of Ennis's strategic planning;

Approval of all material transactions and financings;

Understanding Ennis's financial statements and other disclosures and evaluating and changing where necessary the process for producing accurate and complete reporting;

Using its experience to advise management on major issues facing Ennis; and

Evaluating the performance of the Board and its committees and making appropriate changes where necessary.

Directors are expected to maintain a good attendance record, and familiarize themselves with any materials distributed prior to each Board or committee meeting. All directors may place items on agendas for Board meetings. The chair of the Committee clears agendas for the meeting of committees of the Board, and committee members may

place items on the agenda.

**Table of Contents**

**Board Leadership Structure, Board Meetings and Executive Sessions**

The Board does not maintain a strict policy regarding the separation of the offices of Chairman and CEO. The Board does review its structure on an annual basis and definitely believes this is a matter that should be part of any succession planning process. We currently believe there is no benefit in separation of the two offices considering the open and effective relationship the Board enjoys with the incumbent CEO.

As discussed in our Corporate Governance Guidelines, we have an established policy for a Committee Chairman to act as lead director to liaison with the CEO, establish agenda items for Board meetings and executive sessions, and moderate the executive sessions. The lead director serves on a pre-established rotating basis with the other Committee Chairs.

The Board of Directors not only holds regular quarterly meetings, but also holds other meetings each year to review the Company's strategy, to approve its annual business plan and annual budget, and to act on the Company's regulatory filings with the SEC. The Board of Directors also communicates informally with management on a regular basis.

Non-employee directors meet by themselves, without management or employee directors present, at every regularly scheduled Board meeting. All Board Committees regularly meet in executive session without management, unless they are expressly invited to attend and provide information.

**Committees of the Board**

The Board has three standing committees: the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee and are comprised entirely of independent directors. Each committee also holds regular executive sessions at which only committee members are present.

**Director Access to Management and Independent Advisors**

All directors are able to directly contact members of management, including, in the case of the Audit Committee, direct access to the head of internal audit. Broad management participation is encouraged in presentations to the Board, and executive management frequently meets with Board members on an individual basis. The Board and its Committees are empowered to hire, at the Company's expense, their own financial, legal and other experts to assist them in addressing matters of importance to the Company.

**Board Self-Evaluation**

The Board of Directors conducts a self-evaluation of its performance annually, which includes a review of the Board's composition, responsibilities, leadership and committee structure, processes and effectiveness. Each committee of the Board conducts a similar self-evaluation with respect to such committee. In addition, annually each member of the Board is individually evaluated by each other member of the Board.

**Director Orientation and Education**

Directors are provided extensive material regarding Ennis upon their initial election to the Board, including a binder containing information regarding Ennis and its policies and various administrative and legal matters. Other orientation procedures include meetings with senior executives of the Company in its major business units. Board meetings are occasionally held outside the corporate office to permit directors to visit operating locations of Ennis subsidiaries.

**Non-Employee Director Compensation and Stock Ownership**

The Board of Directors is responsible for establishing compensation for the Company's non-employee directors. Our Nominating and Corporate Governance Committee also reviews with the assistance of an outside consultant, non-employee director compensation and benefits on an annual basis and makes recommendations to the Board regarding appropriate compensation for their approval. It is the Company's policy that a portion of non-employee



## **Table of Contents**

directors' compensation should be equity-based. For details on the compensation currently provided to non-employee directors, please see *Director Compensation* section of this proxy statement.

In 2011, a stock ownership policy for all non-employee directors was modified and adopted by the Board. This policy requires that all non-employee directors will maintain at all times a minimum ownership investment in the Company's common stock equal to six times their annual retainer with additional ownership investment encouraged. A newly elected non-employee director has five years to satisfy this minimum ownership investment. For additional information of non-employee director stock ownership, please see *Security Ownership of the Board of Directors and Executive Officers* section of this Proxy Statement.

The Company also expects all directors to comply with all federal and state laws regarding trading in securities of the Company and disclosing material, non-public information regarding the Company. The Company has procedures in place to assist directors in complying with these laws.

### **Code of Business Conduct and Ethics**

The Company has adopted a Code of Business Conduct and Ethics for Directors and Employees designed to help Directors and employees resolve ethical issues in an increasingly complex global business environment. Our Code of Business Conduct and Ethics applies to all Directors and employees, including the Chief Executive Officer, the Chief Financial Officer, and all other executive officers. Our Code of Business Conduct and Ethics covers topics including, but not limited to, conflicts of interest, insider trading, competition and fair dealing, discrimination and harassment, confidentiality, payments to government personnel, anti-boycott laws, U.S. embargos and sanctions, compliance procedures and employee complaint procedures. Our Code of Business Conduct and Ethics is posted on our website under the *Corporate Governance* caption in the *Investor Relations* section. A copy of the Code of Business Conduct and Ethics is available free of charge by contacting Investor Relations Department, Ennis, Inc. P.O. Box 403, Midlothian, TX 76065-0403.

### **Risk Oversight**

The Board exercises oversight of the Company's operational, financial, and strategic matters, as well as compliance and legal risk. The Board is responsible for assuring appropriate alignment of its leadership structure and oversight of management. Pursuant to delegated authority as permitted by the Company's By-Laws, Corporate Governance Guidelines, and committee charters, the Board's three standing committees oversee certain risks, and the Audit Committee coordinates the risk oversight role exercised by various committees and management.

### **Communication with the Board**

The Board of Directors maintains a process for shareholders and interested parties to communicate with the Board. Shareholders and interested parties may e-mail, call, or write to the Board, as more fully described on the Company's website under the *Corporate Governance* caption. Communications addressed to individual Board members and clearly marked as shareholder/interested parties communications will be forwarded by the Corporate Secretary unopened to the individual addressed. Any communications addressed to the Board and clearly marked as shareholder and interested parties communications will be forwarded by the Corporate Secretary unopened to Thomas R. Price, Chairman of the Nominating and Corporate Governance Committee.

Table of Contents**DIRECTORS****Term**

The Company's directors consist of three classes serving in staggered three-year terms. Directors for each class are elected at the Annual Meeting of Shareholders held in the year in which the term for their class expires.

**Director Independence and Qualifications**

As set forth in the Company's Corporate Governance Guidelines, in selecting its slate of nominees for election to the Board, the Nominating and Corporate Governance Committee and the Board have evaluated, among other things, each nominee's independence, satisfaction of regulatory requirements, financial literacy, personal and professional accomplishments and experience in light of the needs of the Company, and with respect to incumbent directors, past performance on the Board. See *Corporate Governance Matters-Criteria for Membership on the Board* section of this proxy statement. The Board has determined that all three nominees have no material relationship with the Company either directly or indirectly and are independent within the meaning of the listing requirements of the NYSE. In addition, the Board has determined that each director nominee is financially literate and possesses the high level of skill, experience, reputation, and commitment that is mandated by the Board. Presented below is the biographical information of all our Board members, including nominee (Mr. Bracken).

**Summary of Our Independent Directors**

There is no family relationship among any of our directors and executive officers. The following table, listed in alphabetical order, sets forth the names of our current non-employee directors and nominees for director and their respective ages and positions with the Company.

<b>Directors Name</b>	<b>Age</b>	<b>Director Since</b>	<b>Term Expires</b>	<b>Positions</b>
Frank D. Bracken	70	2008	2011	Director
Godfrey M. Long, Jr.	69	2006	2012	Director
Thomas R. Price	72	1989	2012	Director
Kenneth G. Pritchett	73	1999	2013	Director
Alejandro Quiroz	58	2003	2012	Director
Michael J. Schaefer	60	2007	2013	Director
James C. Taylor	69	1998	2013	Director

Set forth below is a description of the backgrounds of our non-employee directors, including the nominee for director. Information regarding our current employee directors (Messrs. Walters and Magill) can be found under *Executive Officers - Summary of Our Executive Officers* section of this Proxy Statement.

**Frank D. Bracken**, retired. President of Hagggar Clothing Co. from 1994 to 2006. He held various positions with the Company during his 42 year tenure. Mr. Bracken sits on the Chancellor's Advisory Committee at the University of North Texas (UNT) and is a director of the UNT Foundation, the UNT Athletic Board, and the UNT Business Board. He is the past president of the board of directors of Big Brothers Big Sisters of North Texas and Chairman of the Board for the National Big Brothers Big Sisters of America. Mr. Bracken is a member of both the Audit Committee and Compensation Committee. Mr. Bracken's public company experience as a President and board member, along with extensive experience in apparel manufacturing, marketing, branding, sourcing, and product development provide him with strong insight, particularly with regard to apparel manufacturing and marketing matters, and make him an appropriate and valuable member of our Board and of our Audit Committee and Compensation Committee.

**Godfrey M. Long, Jr.**, Business Coach for owners of businesses and key executives focusing on effective management skills and strategic thinking. Mr. Long is a former Consultant and Director of Graphic Dimensions in Atlanta, Georgia, a printing company and forms manufacturer from 2003 to 2008. Mr. Long was Chairman and CEO of Short Run Companies, a forms manufacturer in Newport, Kentucky from 1984 to 2002. Mr. Long is a member of the Compensation Committee and Nominating and Corporate Governance Committee. Mr. Long's extensive experience in manufacturing and his seven years experience as a board member of the DMIA provide him

**Table of Contents**

with strong insight into the manufacturing, marketing and strategic planning challenges facing the print industry today, and make him an appropriate and valuable member of the Board and of our Compensation Committee and Nominating and Corporate Governance Committee.

**Thomas R. Price**, Owner and President of Price Industries, Inc., a real estate and investment company and Price Oil, L.P., a company engaged in oil and natural gas production. Mr. Price has been engaged in his present occupation since 1968. Mr. Price is the chair of the Nominating and Corporate Governance Committee and is a member of the Audit Committee. Mr. Price has served on numerous boards and was the President and CEO of Congress Drive, a power transmission products manufacturing company for 27 years. Mr. Price's strong manufacturing experience and prior Board experience provide him with a strong insight, particularly with respect to manufacturing, finance and corporate governance issues, and make him an appropriate and valuable member of our Board and of our Nominating and Corporate Governance Committee and Audit Committee.

**Kenneth G. Pritchett**, President of Ken Pritchett Properties, Inc. Ken Pritchett Properties, Inc. is a Commercial and Residential Development Corporation in the Dallas/Ft. Worth Metropolitan area since 1968, specializing in small commercial, medical, office parks and exclusive residential development. Mr. Pritchett is a member of the Board of Methodist Hospitals of Dallas and sits on the planning committee for 5 of the hospitals within the network. Mr. Pritchett has served as President of the Homebuilders Association of Dallas/Fort Worth and has been an executive officer of both the Texas and National Homebuilders Associations. Mr. Pritchett holds an MBA from U.C. Berkeley in Economics. Mr. Pritchett currently chairs the Audit Committee of the Company and was the past chair of the Company's Compensation Committee. Mr. Pritchett's extensive experience in finance, architecture and engineering provide him with a strong insight, particularly with regard to finance and construction aspects relating to our new manufacturing facility in Agua Prieta and make him an appropriate and valuable member of our Board and of our Audit Committee.

**Alejandro Quiroz**, Chairman of the Board of NEXT, a Mexican printing company, and President of Presto Capital, a commercial real estate company. Mr. Quiroz has served in his present position for over ten years. Mr. Quiroz, currently a resident of San Antonio, Texas, has been engaged in the printing business in both the United States and Mexico, primarily in an executive capacity, since 1975. Mr. Quiroz is a member of both the Compensation Committee and Nominating and Corporate Governance Committee. Mr. Quiroz was invited to be on the cover page of *Players of Life* business and leisure magazine of December 2010, where an article of his success story in the U.S.A was included. Also, he was named one of the 101 most influential Latino leaders in the U.S.A. by the *Latino Leaders* magazine in 2010. Mr. Quiroz was crucial in putting together a group of investors to form the Leader Graphic Arts Group in Mexico. He was one of the founders and President of the Mexican Franchise Association in Mexico and was one of the founders and President of the Mexican Entrepreneurs Association in San Antonio, Texas. Mr. Quiroz's extensive experience in running businesses in both the United States and Mexico provide him with a strong insight into cross-border, legal and cultural challenges facing United States companies doing business in Mexico. He has been an invaluable liaison between the Company and Mexico's political system in helping the Company build its new apparel manufacturing facility in Agua Prieta, Mexico. His skills and expertise make him an appropriate and valuable member of our Board and of our Compensation Committee and Nominating and Corporate Governance Committee.

**Michael J. Schaefer**, Executive Vice President, Chief Financial Officer and Treasurer of Methodist Health System, Dallas, TX (Methodist). Methodist owns and operates acute care hospitals and associated services in the Dallas metropolitan area. Mr. Schaefer has served in his present position with Methodist since 1982 and joined Methodist in 1979. Prior to Methodist, Mr. Schaefer was an audit supervisor with the public accounting firm of Ernst & Ernst (now Ernst & Young) where he worked from 1972 to 1979. Mr. Schaefer is a member of the American Institute of Certified Public Accountants. Mr. Schaefer is a member of the Audit Committee. Mr. Schaefer's extensive experience as a Chief Financial Officer and public company audit experience with Ernst & Young provide him with a strong insight, particularly with regard to accounting, corporate finance, internal/financial control environments and financial and system risks matters, and make him an appropriate and valuable member of our Board and of our Audit Committee.

**James C. Taylor**, retired. Former Principal of The Anderson Group, Inc. from 1989 until 2009, where he served as CEO of four manufacturing firms owned by the Company. Prior to 1989, Mr. Taylor was with United Technologies Automotive for 19 years in various capacities with the last seven years as a Senior Group Vice President of two

separate manufacturing groups. Mr. Taylor is the chairman of the Compensation Committee and a

**Table of Contents**

member of the Nominating and Corporate Governance Committee. Mr. Taylor's extensive experience in manufacturing provides him with a strong insight, particularly with regard to operations, cost systems strategic planning and business management and make him an appropriate and valuable member of our Board and of our Compensation Committee and Nominating and Corporate Governance Committee.

**Attendance**

During fiscal year 2011, the Board of Directors met four times. No incumbent directors attended fewer than 75% of the total number of meetings of the Board of Directors and the committees of which he was a member. In addition, the Directors are encouraged and expected to attend the annual meetings of the Company's shareholders. All of the incumbent directors attended the fiscal 2010 Annual Meeting of Shareholders and are expected to attend the fiscal 2011 meeting.

**Committee Membership**

The Company currently has three standing committees of the Board: Audit Committee, Compensation Committee and the Nominating and Corporate Governance Committee. Each committee currently is comprised of non-employee directors, all of whom are considered independent under NYSE listing standards and our Governance Guidelines. The Board of Directors and the members of each committee meet regularly in executive session without management. The charters for these committees can be found on the Company's website at [www.ennis.com](http://www.ennis.com) under the Corporate Governance caption in the Investor Relations section. A copy of these charters is available free of charge by contacting Investor Relations Department, Ennis, Inc., P.O. Box 403, Midlothian, TX 76065-0403.

The following table details the membership of each of our committees as of February 28, 2011 and the number of times during the year each of these committees met.

<b>Directors Name</b>	<b>Audit</b>	<b>Compensation</b>	<b>Nominating and Corporate Governance</b>
Number of meetings held during fiscal year end February 28, 2011	5	5	1
<b><i>Non-Employee Independent Directors</i></b>			
Frank D. Bracken	X	X	
Godfrey M. Long, Jr.		X	X
Thomas R. Price	X		C
Kenneth G. Pritchett	C		
Alejandro Quiroz		X	X
Michael J. Schaefer	X		
James C. Taylor		C	X

C Committee Chairman

X Committee Member

**Audit Committee**

During fiscal year 2011, the Audit Committee met five times. The Audit Committee (i) discusses with management, the independent auditors, and the internal auditors the integrity of our accounting policies, internal controls, corporate governance, financial statements, financial reporting practices and significant corporate risk exposures, and steps management has taken to monitor, control and report such exposures; (ii) monitors the qualifications, independence and performance of our independent auditors and internal auditors; (iii) monitors our overall direction and compliance with legal and regulatory requirements and corporate governance, including our code of business conduct and ethics; and (iv) maintains open and direct lines of communication with the Board and our management, internal auditors and independent auditors.

**Table of Contents****Compensation Committee**

During fiscal year 2011, the Compensation Committee met five times. The Compensation Committee oversees and administers our executive compensation policies, plans, and practices and assists the Board in discharging its responsibilities relating to the fair and competitive compensation of our executives and other key employees. In particular, the Compensation Committee is charged with assisting the Board in (i) assessing whether the various compensation programs of the Company are designed to attract, motivate and retain the senior management necessary for the Company to deliver consistently superior results and are performance based, market driven and shareholder aligned; (ii) its oversight of specific incentive compensation plans adopted by the Company, with the approval of this Committee, included stock plans, supplemental executive retirement plans and short term and long term incentive compensation plans for members of senior management of the company; (iii) assessing the effectiveness of succession planning relative to senior management of the Company; (iv) its approval, review and oversight of benefit plans of the company; (v) its oversight of the performance and compensation of the Chief Executive Officer of the Company and the other members of the senior management team of the Company. In addition, the Compensation Committee will direct the production of all reports that the SEC rules require be included in the Company's annual proxy statement; and (vi) assessing compensation programs for material risks to the health of the Company. For further information regarding the Compensation Committee's role in determining executive compensation, please see the *Compensation Discussion & Analysis* below.

**Nominating and Corporate Governance Committee**

During fiscal year 2011, the Nominating and Corporate Governance Committee met one time. The Nominating and Corporate Governance Committee identifies, investigates and recommends to the Board director candidates with the goal of creating balance of knowledge, experience and diversity. Generally, the Committee identifies candidates through the personal, business and organizational contacts of the directors and management. Potential directors should possess the highest personal and professional ethics, integrity and values, and be committed to representing the long-term interests of the Company's shareholders. In addition to reviewing a candidate's background and accomplishments, candidates for director nominees are reviewed in the context of the current composition of the Board and the evolving needs of the Company's businesses. It is the Board's policy that at all times at least a majority of its members meets the standards of independence promulgated by the NYSE and the SEC and as set forth in the Company's Corporate Governance Guidelines, and that all members reflect a range of talents, ages, skills, diversity, and expertise, particularly in the areas of accounting and finance, management, domestic and international markets and leadership sufficient to provide sound and prudent guidance with respect to the Company's operations and interests. The Company also requires that its Board members be able to dedicate the time and resources sufficient to ensure the diligent performance of their duties on the Company's behalf, including attending all Board and applicable committee meetings.

The Nominating and Corporate Governance Committee has no specific policy on diversity. However, one factor among the criteria used to evaluate nominees for the Board is diversity of viewpoints, background, experience, accomplishments, education and skills. The Board believes that such diversity provides varied perspectives which promote active and constructive dialogue among Board members and between the Board and management, resulting in more effective oversight of management's formulation and implementation of strategic initiatives. The Board believes this diversity is demonstrated in the varied experience, qualifications and skills of the members of the Board. In the Board's executive sessions and in annual performance evaluation conducted by the Board, the Board from time to time considers whether the Board's composition reflects such diversity and whether such diversity promotes a constructive and collegial environment. In determining whether an incumbent director should stand for re-election, the Committee considers the above factors, as well as that director's personal and professional integrity, attendance, preparedness, participation and candor, as well as the individual's satisfaction of the criteria for nomination of directors as set forth in our Corporate Governance Guidelines and other matters determined by the Board.

**Compensation Committee Interlocks and Insider Participation**

All of the members of the Compensation Committee are non-employee directors of the Company and are not former officers of the Company. During fiscal year 2011, no executive officer of the Company served as a member of the board or compensation committee of a corporation whose executive officers served on the Board or Compensation

Committee of this Corporation

**Table of Contents****EXECUTIVE OFFICERS****Summary of Our Executive Officers**

The following table, listed in alphabetical order, sets forth the names of our executive officers and their respective ages and positions with the Company. For those executive officers on our Board of Directors, it indicates the date they became a board member and when their current term expires. There is no family relationship among any of our directors and executive officers.

<b>Name</b>	<b>Age</b>	<b>On Board Since</b>	<b>Term Expires</b>	<b>Positions</b>
Irshad Ahmad*	43			Vice President Apparel Division and Chief Technology Officer
Ronald M. Graham	63			Vice President Administration
Michael D. Magill	63	2008	2011	Executive Vice President and Director
Richard L. Travis, Jr.	55			CFO, Vice President Finance and Secretary
Keith S. Walters*	61	1997	2011	Chairman of the Board, CEO, President and Director

\* Nominated for election as a director for a term expiring in 2014.

**Set forth below is a description of the backgrounds of our executive officers.**

**Irshad Ahmad**, Vice President Apparel Division and Chief Technology Officer. Mr. Ahmad assumed the additional responsibilities of Vice President Apparel Division in September 2008. In July 2008 Mr. Ahmad became an executive officer of the Company with his appointment to the Chief Technology Officer position. Prior to his promotion, Mr. Ahmad served as Vice President of Corporate Information Technology since 2007. He was the Vice President of IT for Alstyle Apparel (Ennis Apparel Segment) since 2001 and assumed the additional role of Vice President of Operations at Alstyle in 2005 until moving to corporate in 2007. Prior to joining the Company, Mr. Ahmad worked with GoInvest.com as senior database engineer to design and support development of their online trading system and financial search engine. He also served as head of the software development team for Soft Integrated Systems in Pakistan, during which time he was engaged in an ERP development project in the U.S. He has an undergraduate degree in Physics and Math and a Master's of Computer Science.

**Ronald M. Graham**, Vice President Administration. Mr. Graham joined the Company in January 1998 as Director of Human Resources and subsequently was elected to Vice President Administration and Officer in June 1998. Mr. Graham served as a Director from 1998-1999 by appointment and was elected and served as Director from June 2003 until June 2008. Prior to joining the Company, Mr. Graham was with E.V. International, Inc. (formerly Mark IV Industries, Inc.), an electronics manufacturing company, for 17 years as Director Employee Relations and Vice President Administration. Prior to that time, Mr. Graham was with Sheller-Globe Corporation, an automotive manufacturing company, for three years as Director of Labor Relations. Mr. Graham has primarily been responsible for managing the human resource functions and related administration including benefit plans, organizational planning, insurance, labor relations and payroll.

**Michael D. Magill**, Executive Vice President. Mr. Magill joined the Company in 2003 as Vice President and Treasurer and subsequently was elected Executive Vice President in February 2005. Prior to joining the Company, Mr. Magill was President and Chief Executive Officer of Safeguard Business Systems, Inc., a manufacturer and distributor of business forms, for six years. Prior to that time, Mr. Magill was Executive Vice President and CFO of KBK Capital Corporation, a publicly traded finance company. Mr. Magill joined KBK Capital Corporation after ten years with MCorp, a publicly traded bank holding company, where he held various positions beginning as head of corporate finance and ending as CFO during MCorp's bankruptcy.

**Richard L. Travis, Jr.**, Vice President Finance, Chief Financial Officer, and Secretary. Mr. Travis joined the Company in November 2005 as Vice President Finance and Chief Financial Officer. Previously, Mr. Travis was employed as the Chief Financial Officer and Senior Vice President of Human Resources with Peerless Mfg. Co. in Dallas, Texas, a publicly traded manufacturer of filtration/separation and environmental systems for the gas,



petrochemical, refinery and power markets from February 2002 to November 2005. Prior to his experience at Peerless, Mr. Travis served as the Chief Financial Officer at TrinTel Communications, a provider of services to the

**Table of Contents**

wireless industry, from January 1999 to December 2001, as President/Chief Operating and Chief Financial Officer at CT Holdings, Inc., a publicly traded software development and incubation company, from December 1996 to December 1999, and as Executive Vice President and Chief Financial Officer for 10 years at Texwood Industries, Inc., a multi-state/country manufacturer of kitchen cabinets and doors. His 10 years of public accounting experience included positions as a Senior Audit Manager at Grant Thornton LLP as well as audit experience with Laventhol & Horwath and Ernst & Whinney (now Ernst & Young). Mr. Travis is a registered certified public accountant.

**Keith S. Walters**, Chairman of the Board, CEO and President. Mr. Walters joined the Company in August 1997 as Vice President-Commercial Printing Operations and was appointed Vice Chairman of the Board and Chief Executive Officer in November 1997. Prior to joining the Company, Mr. Walters was with Atlas/Soundolier, a division of American Trading and Production Company, a manufacturer of electronic sound and warning systems, from 1989 to 1997, as Vice President of Manufacturing. Prior to that time, Mr. Walters was with the Automotive Division of United Technologies Corporation, an automotive parts and manufacturing company, for 15 years, primarily in manufacturing and operations.

**Table of Contents****SECURITY OWNERSHIP****Security Ownership of the Board of Directors and Executive Officers**

The following table sets forth information regarding the beneficial ownership of our Common Stock as of May 2, 2011 for our Common Stock beneficially owned by each director, each of the executive officers, and all directors and executive officers as a group:

The percentages of shares outstanding provided in the table are based on 26,044,350 voting shares outstanding as of May 2, 2011. Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission and generally includes voting or investment power with respect to securities. Unless otherwise indicated, each person or entity named in the table has sole voting and investment power, or shares voting and investment power with his or her spouse, with respect to all shares of stock listed as owned by that person. The number of shares shown does not include the interest of certain persons in shares held by family members in their own right. Shares issuable upon the exercise of options that are exercisable within 60 days of May 2, 2011 are considered outstanding for the purpose of calculating the percentage of outstanding shares of our Common Stock held by the individual, but not for the purpose of calculating the percentage of outstanding shares held by any other individual. In addition, the following shares have not been pledged by the respective officers or directors, unless otherwise stated in the footnotes following the table. The address of our directors and executive officers listed below is c/o Ennis, Inc., 2441 Presidential Parkway, Midlothian, Texas 76065.

Name/Group	Shares Owned	Vested (1)		Total	Percentage of Outstanding Shares
		Stock Awards	Option Awards		
Irshad Ahmad	15,401		14,966	30,367	*
Frank D. Bracken	7,766	2,222		9,988	*
Ronald M. Graham	54,288		10,200	64,488	*
Godfrey M. Long, Jr. (2)	14,200	1,688		15,888	*
Michael D. Magill	31,124		30,966	62,090	*
Thomas R. Price (3)	110,950	1,688	16,250	128,888	*
Kenneth G. Pritchett (4)	45,950	1,688	11,250	58,888	*
Alejandro Quiroz	13,200	1,688	14,000	28,888	*
Michael J. Schaefer	14,200	1,688		15,888	*
James C. Taylor	38,850	1,688	20,000	60,538	*
Richard L. Travis, Jr.	28,265		14,700	42,965	*
Keith S. Walters	280,556		5,200	285,756	1.1%
All directors and officers, as a group (12 individuals)	654,750	12,350	137,532	804,632	3.1%

\* Denotes ownership of less than 1%

(1) Amounts include those awards that would be vested within 60 days of the Record Date (5/2/11).

(2) Indirect shares attributable to Mr. Long include 1,000 shares held by Mr. Long's wife.

(3) Included in directly owned is 30,000 shares held in irrevocable trust that Mr. Price exercises sole voting control over. Mr. Price disclaims beneficial ownership of his sister-in-law's portion of 20,000 shares jointly owned by her and Mr. Price's wife. Reflected in the table is his wife's interest only (10,000 shares).

(4)

Shares attributable to Mr. Pritchett are held in trust for the benefit of the named director. Mr. Pritchett exercises sole voting rights with respect to such shares.

**Table of Contents****Security Ownership of Certain Beneficial Owners**

The following table gives information regarding all of the persons known by us to own, in their name or beneficially 5% or more of our outstanding Common Stock as of May 2, 2011.

Name and Address of Beneficial Owner	Class	Number of Shares	Percent of Combined Voting Power (1)
<b>Royce &amp; Associates, LLC (2)</b> 745 Fifth Avenue New York, NY 10151	Common	2,071,641	8.0%
<b>Dimensional Fund Advisors, LP (3)</b> 6300 Bee Cave Road, Building One Austin, TX 78746	Common	2,053,295	7.9%
<b>Capital Research Global Investors (4)</b> 333 South Hope Street Los Angeles, CA 90071	Common	1,733,692	6.7%
<b>BlackRock Inc. (5)</b> 40 East 52nd Street New York, NY 10022	Common	1,517,412	5.8%

- (1) Calculated based on number of voting shares outstanding as of May 2, 2011.
- (2) The information is based on a Schedule 13G filed pursuant to Rule 13(d)-1(b) with the Securities and Exchange Commission by Royce & Associates, LLC on January 12, 2011.
- (3) The information is based on a Schedule 13G filed pursuant to Rule 13(d)-1(b) with the Securities and Exchange Commission by Dimensional Fund Advisors LP on February 11, 2011. Dimensional Fund Advisors LP ( Dimensional ), an investment advisor registered under Section 203 of the Investment Advisors Act of 1940, furnishes investment advice to four investment companies registered under the Investment Company Act of 1940, and serves as investment manager to certain other commingled group trusts and separate accounts. Dimensional possesses investment and/or voting power over the securities of the Issuer described in this schedule that are owned by the funds, and may be deemed to be the beneficial owner of the shares of the Issuer held by the funds.
- (4) This information is based on a Schedule 13G filed pursuant Rule 13 d-1(b) with the Securities and Exchange Commission by Capital Research Global Investors on February 11, 2011.
- (5) This information is based on a Schedule 13G filed pursuant to Rule 13(d) with the Securities and Exchange Commission by BlackRock Inc. on February 4, 2011.

**Table of Contents****AUDIT-RELATED MATTERS****Audit Committee Report**

The Audit Committee of the Board (the Audit Committee) is responsible for providing independent, objective oversight of the Company's financial reporting functions and internal control systems. The Audit Committee is currently composed of four non-employee directors. The Board has determined that the members of the Audit Committee satisfy the requirements of the NYSE as to independence, financial literacy and expertise. The Board has determined that at least one member, Michael J. Schaefer, is an audit committee financial expert as defined by the SEC. The responsibilities of the Audit Committee are as set forth in the written charter adopted by the Company's Board and last amended on June 18, 2010. One of the Audit Committee's primary responsibilities is to assist the Board in its oversight of the integrity of the Company's financial statements. To assist it in fulfilling its oversight, the Committee regularly meets separately with the internal auditor, the independent auditors, management and the Company's outside counsel. The following report summarizes certain of the Committee's activities in this regard during the fiscal year ended February 28, 2011.

***Independent Auditors and Internal Audit Matters***

The Audit Committee has discussed with the Company's independent auditors their plan for the audit of the Company's annual consolidated financial statements, including the independent auditors' evaluation of the effectiveness of the Company's internal control over financial reporting, as well as reviews of the Company's quarterly financial statements. During fiscal 2011, the Audit Committee met regularly with the independent auditors, with and without management present, to discuss the results of their audits and reviews, as well as their evaluations of the Company's internal control over financial reporting and the overall quality of the Company's accounting principles. In addition, the Audit Committee has received the written disclosures and the letter from the independent auditors required by the Independence Standards Board Standard No. 1 (Independence Discussions with Audit Committees) and discussed with the independent auditors the auditors' independence from the Company and its management. In determining that the auditors are independent, the Committee also considered whether the provision of any of the non-audit services described in *Independent Auditor's Services and Fees* section of this proxy is compatible with maintaining their independence. The Audit Committee has also appointed Grant Thornton LLP as the Company's independent auditors for fiscal year 2012, and the Board concurred in its appointment.

The Audit Committee has reviewed and approved the annual internal audit plan and has met regularly with the Company's internal auditor, with and without management present, to review and discuss the internal audit reports, including reports relating to operational, financial and compliance matters.

***Financial Statements for the Fiscal Year Ended February 28, 2011***

Management has the primary responsibility for the financial statements and the reporting process, including the systems of internal and disclosure controls (including internal control over financial reporting). The independent auditors are responsible for performing an independent audit of the Company's consolidated financial statements and internal control over financial reporting and expressing opinions on (i) the conformity of the consolidated financial statements with U.S. generally accepted accounting principles and (ii) the effectiveness of the Company's internal control over financial reporting.

In this context, the Audit Committee has met and held discussions with management and the independent auditors with respect to the Company's audited financial statements for the fiscal year ended February 28, 2011. Management represented to the Audit Committee that the Company's consolidated financial statements were prepared in accordance with U.S. generally accepted accounting principles.

In connection with its review of the Company's year-end financial statements, the Audit Committee has reviewed and discussed with management and the independent auditors the consolidated financial statements, management's assessment of the effectiveness of the Company's internal control over financial reporting and the independent auditors' evaluation of the effectiveness of the Company's internal control over financial reporting. The Audit Committee also discussed with the independent auditors matters required to be discussed by Statement on Auditing Standards No. 61 (Communications with Audit Committees), as amended, including the quality and acceptability of the Company's accounting policies, financial reporting processes and controls.



**Table of Contents**

In performing its functions, the Audit Committee acts only in an oversight capacity and necessarily relies on the work and assurances of the Company's management and independent auditors, which, in their reports, express opinions on the conformity of the Company's annual financial statements with U.S. generally accepted accounting principles and the effectiveness of the Company's internal control over financial reporting. In reliance on the reviews and discussions referred to in this Report and in light of its role and responsibilities, the Audit Committee recommended to the Board of Directors, and the Board approved, that the audited financial statements of the Company be included in the Company's Annual Report on Form 10-K for the fiscal year ended February 28, 2011 for filing with the SEC.

**THE ENNIS, INC. AUDIT COMMITTEE**Kenneth G. Pritchett, *Chairman*

Frank D. Bracken

Thomas R. Price

Michael J. Schaefer

**Policy Regarding Pre-Approval of Services Provided by the Independent Auditors**

The Audit Committee pre-approves all audit and permissible non-audit services provided by the independent registered public accounting firm. These services may include audit services, audit-related services and tax services and may include, to a very limited extent, specifically designated non-audit services, which in the opinion of the Audit Committee, will not impair the independence of the registered public accounting firm. Pre-approval is generally provided for up to one year, and any pre-approval is detailed as to the particular service or category of services and is generally subject to a specific budget. The independent registered public accounting firm and management are required to periodically report to the Audit Committee regarding the extent of services provided by the independent registered public accounting firm in accordance with this pre-approval, and the fees for the services performed to date. In addition, the Audit Committee may, as required, also pre-approve particular services on a case-by-case basis.

**Independent Auditor's Services and Fees**

Grant Thornton LLP served as our independent registered public accounting firm during our fiscal years ended February 28, 2011 and February 28, 2010. For the fiscal year ended 2011 and 2010, we were billed the following fees by Grant Thornton LLP:

	<b>Fiscal 2011</b>	<b>Fiscal 2010</b>
Audit Fees (1)	\$ 688,145	\$ 685,714
Tax Fees (2)	354,627	90,721
	<b>\$ 1,042,772</b>	<b>\$ 776,435</b>

(1) Aggregate fees for professional services billed for the audit of the Company's consolidated financial statements, including internal control over financial reporting, review of the interim consolidated financial statements included in quarterly reports and services that are normally provided by the independent registered public accounting firm in conjunction with statutory and regulatory filings or engagements.

(2) Fees for tax services, tax advice, and state, federal and international tax consultation.

The Audit Committee has concluded that the provision of the non-audit services listed above is compatible with maintaining the independence of Grant Thornton LLP.



**Table of Contents****COMPENSATION****Director Compensation**

The Company compensates its non-employee directors using a mix of compensation, including: an annual cash retainer, meeting fees and committee chair fees and stock option and restricted stock grants. Directors who are Company employees receive no additional compensation for serving on the Board.

**Cash Compensation**

All non-employee directors received \$30,000 annual cash compensation (the retainer) and \$2,000 per Board meeting fee. All retainers are paid monthly and meeting fees are paid as incurred. Non-employee directors serving in specified committee positions also received the following additional cash compensation.

\$6,000 Chair of the Audit Committee

\$6,000 Chair of the Compensation Committee

\$6,000 Chair of the Nominating and Corporate Governance Committee

\$1,500 All other Committee members per meeting fee

**Equity Compensation**

In addition to cash compensation, all non-employee directors receive annual stock grants, which can take the form of stock options or restricted stock units. Stock option and restricted stock grants typically vest ratably over four years and three years, respectively. Options are granted with an exercise price equal to the fair market value of the Company's stock on the date of grant. In addition, new Board members, upon their initial election, receive either a grant of stock options or restricted stock. During fiscal year 2011, the Board adopted a policy of value defined equity awards for all non-employee directors. Each non-employee director received an award capped at \$40,000 in the form of restricted stock.

The following table sets forth the information regarding compensation earned by the Company's non-employee directors during the year ended February 28, 2011:

Directors Name	Fees Earned or Paid in Cash (\$)	Stock Awards (\$)(1)	Option Awards (\$)	Pension Value and Non-Equity Nonqualified			Total
				Incentive Plan Compensation	Deferred Compensation	All Other Compensation	
Frank D. Bracken	\$51,000	\$40,002	\$	\$	\$	\$	\$91,002
Godfrey M. Long, Jr.	\$43,500	\$40,002	\$	\$	\$	\$	\$83,502
Thomas R. Price	\$51,000	\$40,002	\$	\$	\$	\$	\$91,002
Kenneth G. Pritchett	\$49,500	\$40,002	\$	\$	\$	\$	\$89,502
Alejandro Quiroz	\$49,500(2)	\$40,002	\$	\$	\$	\$	\$89,502
Michael J. Schaefer	\$43,500	\$40,002	\$	\$	\$	\$	\$83,502
James C. Taylor	\$49,500	\$40,002	\$	\$	\$	\$	\$89,502

(1) The aggregate grant date fair value for stock awards granted in the applicable year. The assumptions used to calculate these values are set forth in Note 10 to our consolidated financial statements, which are included in our Annual Report on Form 10-K for the year ended February 28, 2011. Presented below are the grant date fair value of each stock award granted in fiscal year 2011 and the aggregate number of stock and option awards outstanding on February 28, 2011. No option awards were granted during fiscal year 2011.

(2)

Edgar Filing: ENNIS, INC. - Form DEF 14A

Includes \$6,000 authorized by the Board to be paid to Mr. Quiroz for his services in connection with the construction of the new manufacturing facility in Agua Prieta, Mexico.

28

---

**Table of Contents**

The following table sets forth the information regarding stock awards granted during and outstanding as of February 28, 2011 with respect to the Company's non-employee directors:

<b>Directors Name</b>	<b>Date of Grant</b>	<b>Restricted Stock Units Awarded</b>	<b>Grant Date Fair Value</b>	<b>Total Stock Awards Outstanding</b>	<b>Total Option Awards Outstanding</b>
Frank D. Bracken	6/30/2010	2,665	\$40,002	5,599	
Godfrey M. Long, Jr.	6/30/2010	2,665	\$40,002	5,065	
Thomas R. Price	6/30/2010	2,665	\$40,002	5,065	16,250
Kenneth G. Pritchett	6/30/2010	2,665	\$40,002	5,065	12,500
Alejandro Quiroz	6/30/2010	2,665	\$40,002	5,065	14,000
Michael J. Schaefer	6/30/2010	2,665	\$40,002	5,065	
James C. Taylor	6/30/2010	2,665	\$40,002	5,065	20,000

**Equity Ownership Policy for Independent Directors**

All independent directors are required to acquire and maintain ownership of company shares of stock equal to not less than six times their annual cash retainer. Unvested stock awards do not count in the calculation. This level must be reached in a time period of not more than five years from date of election to the Board. Ownership over the minimum amount is highly encouraged.

**Executive Compensation****Compensation Discussion and Analysis**

The following section describes our compensation structure and programs for our named executive officers. The discussion primarily focuses on the compensation elements and decisions during our fiscal year ended February 28, 2011. We address why we believe the elements of our program are right for our Company and our shareholders as we explain how compensation is determined.

Ennis currently has five named executive officers. They have the broadest job responsibilities and policy authority in the Company. They are held accountable for the Company's performance and for maintaining a culture of strong ethics and integrity. The details of compensation for our CEO, CFO and three other named executive officers can be found in the tables within this section.

**Executive Summary**

Results for fiscal 2011 substantially exceeded the budgeted plan as to sales, profits, and EPS. This was achieved in spite of building and initiating the launch of a new world-class Apparel manufacturing facility and substantial raw material cost escalation. Many factors contributed to the positive results; exceptional management and direction by our top executive team being the primary contributor. Operational cost containment, manufacturing efficiencies, timely pricing and buying decisions as well as the successful launching of improved operations control systems were all factors.

In 2009-2010 the executive compensation program was approved by the Board, placing less emphasis on base salaries in favor of more at risk incentives for the top executives. The structure of this program incorporated several factors resulting from analysis and recommendations of an independent outside compensation consultant. Pay for performance is heavily emphasized as a key philosophy in our compensation programs.

The metrics of measurement for incentive bonus awards include Operating Profits, Sales Revenue, Return on Capital, and a newly added Personal Goal Achievement.

A greater emphasis has been placed on long-term incentives ( LTI ) to bring the at risk elements of our compensation program more in line with shareholder interests for long term results. To coincide with the LTI emphasis the stock ownership policy for named executives was modified to require the following stock ownership guidelines: 4 times base salary for Mr. Walters, 2.5 times base salary for Mr. Magill and Mr. Ahmad, and 2 times

**Table of Contents**

base salary for Mr. Travis and Mr. Graham. The value of LTI awards is equal to median to 75 percentile of our peer grouping, with a specified percentage of equity awards including Non Qualified Stock Options, which vest ratably over a 3 year period, and Restricted Stock Awards which vest either ratably over 3 years or vest at the end of the three year period.

An expanded peer group was adopted in 2010 including companies involved in Printing and Apparel manufacturing as well as others in general manufacturing. We also subscribe to a compensation database incorporating the compensation information for several thousand companies. This information coupled with analysis provided by our outside consultant (Hewitt Associates, LLC) provides us with a measurement base to establish our competitive position regarding specific and overall executive compensation. Our targets as stated in percentiles is to compensate in the median to 75 percentile range for all elements of executive compensation, both more immediate and long term.

Our modified payout measurement structure allows for 50% at 85% achievement of Plan, 100% at Target, and 200% at 115% of Plan. Individual percentage factors range from 80% to 45%, thereby placing a cap on maximum non-equity awards (performance bonuses).

We have determined our compensation programs pose no material risk to the company. Factors considered were a balanced pay mix incorporating features for both short and long-term incentives, well balanced and capped metrics for earning performance pay, ability to recognize and access actions not reflecting the Company's conservative management philosophy, no excessive commission programs, ability to assess competitiveness of our compensation programs, stock ownership policies, adherence to the Company's ethics policies. We plan to incorporate a clawback policy to adhere to SEC requirements when released.

**Overview**

**Who is responsible for determining the compensation of executive officers?**

The Compensation Committee (the Committee) of our Board of Directors determines compensation for all executive officers, including named executive officers. The Committee consists entirely of independent directors who are determined by the Nominating and Corporate Governance Committee of the Board of Directors. The Committee reviews the performance of the Company, assesses the performance of the individuals, and will from time to time retain the services of an independent consulting firm, obtaining best practice advice as well as research of compensation plans for comparable executives within the manufacturing industry and more specifically the printing and apparel sectors. During 2009-2010, the Committee retained the services of Hewitt Associates, LLC as an independent compensation advisor. The independent advisor provided assessments and recommendations relating to the compensation programs for the named top executives. Hewitt Associates, LLC performs no other services for our Company.

The ability of the Committee members to judge performance effectively is enhanced by the exposure they get to Ennis operations as members of our Board of Directors. The Board participates in regular updates on our business priorities, strategies and results through attendance at regularly scheduled Board meetings. The independent Directors participate in frequent interviews with all key executives during the course of the year and have frequent interaction with and open access to all executive officers as well as other members of our management team. This gives them considerable opportunity to ask questions and assess the performance of individual executives and the Company. The CEO provides regular input relating to the performance of individual executives and is invited to attend portions of most Compensation Committee meetings.

The Committee has taken action where appropriate and possible, to preserve the deductibility of compensation paid to the named executive officers in compliance with Internal Revenue Code Section 162(m), which requires, among other things, that executive compensation must qualify as performance-based compensation to qualify for and preserve tax deductibility.

**What are the objectives of our compensation program for executive officers and what is it designed to reward?**

The objective of the compensation program for our executive officers is to hold them accountable for the financial and competitive performance of the Company and their individual contributions toward successful

## **Table of Contents**

Company results. While the design and structuring of our executive compensation program is performance based and will ultimately include a larger at risk percentage of overall compensation, we do not believe it encourages excessive risk-taking. We believe the combination of compensation elements in the program provides the Named Executive Officers with the appropriate incentives to create long-term value for our shareholders by taking thoughtful and prudent actions to properly manage the Company for the ultimate benefit of all stakeholders. The compensation program is based on the following principles:

1. Pay for performance – pay better than the market median for performance that is superior to competitors.
2. Provide rewards that motivate executives to think and act in the best interest of our shareholders and insure they consider themselves a meaningful part of that group.

The Committee judges performance based on four specific measures: revenue goals, operating margin and return on capital. Additionally, each executive including the CEO provides a list of predetermined personal objectives to be accomplished during the next fiscal year. These goals are submitted to and reviewed for approval by the Compensation Committee each year. The accomplishment level of these personal goals is provided to the Committee by the CEO in agreement with the executive group. This agreed to accomplishment level provides the fourth area of measurement for each executive. The Committee considers and assesses the Company's progress in key strategic areas such as new markets served and acquisitions and the executive's contribution in these key areas.

### **What are the elements of our executive compensation?**

Our executive compensation consists of four basic elements:

1. Cash compensation, consisting of base salary and performance bonus.
2. Long-term compensation awarded as equity, consisting generally of stock options and restricted stock units.
3. Basic Company benefits, consisting of standard benefits as offered to other employees, including retirement benefits, health and life insurance.
4. Perquisites, consisting of auto allowance, opportunity to defer cash compensation, supplemental retirement contributions and company-paid supplemental life insurance.

### **Why do we choose to pay each element and how do we decide how much to pay or include as compensation?**

We believe the combination of cash compensation and long-term equity compensation creates the right balance between performance, reward, retention and promotion of shareholders' interests.

The Committee determines the combination and amount of each of these elements when setting the levels of our executive's compensation. Executive compensation is reviewed annually at the first quarterly Board meeting following the conclusion of our fiscal year. From time to time the Committee may meet to consider any off cycle changes that it deems appropriate because of changes in job responsibility or regulatory requirements.

The specifics of each element are as follows:

#### **Cash Compensation**

Cash compensation is a combination of base salary and performance bonus. Our objective is to deliver total cash compensation that reflects the Company's performance as well as the executive's individual contribution to that performance. If the Company and individual perform better than competitors, the goal is to deliver total cash compensation that is generally above the market median. If performance is below expectation, the total cash compensation will be generally below the market median.

**Base Salary** This is the least variable form of compensation intended to compensate the executive officers for the job duties assigned. The Company generally pays base salaries between the median and 75<sup>th</sup> percentile of the market for officers performing comparable jobs as indicated by market studies performed by outside independent consultants hired by and reporting only to the Compensation Committee. The base salary of executive officers can vary depending on the individual's qualifications, experience, and performance and is at the Committee's discretion.

**Table of Contents**

The Committee determines the target range for executive positions by gathering specific information about base salaries and total cash compensation for similar positions in the relevant study category as specified by the Committee. The relevant study category typically includes matching positions at manufacturing companies within our industry and other companies of a similar size. This information is compiled and supplied to the Committee by the independent compensation consultant selected by the Committee and similarly assessed utilizing an independent compensation database subscribed to by the company. The Committee may or may not adjust base salaries based upon its analysis of the study data and performance. A summary of this analysis and relevant information is included in the *Discussion of Performance and Compensation Committee Actions for Fiscal Year 2010 and 2011*, section of this report.

**Performance Bonuses** This element is variable and depends upon the Company's performance and the executive officers' contribution toward that performance. The Committee has full discretion to determine the participation in, and the allocation of, any developed bonus pool for the named executive officers.

The Annual Performance Bonus Plan is designed to reward executives for the attainment of Company performance measures. Each executive is assigned a percentage of base salary eligibility for reaching targeted performance. A threshold is established at 85% of targeted performance before a bonus is considered. Executives are eligible for up to 200% of their assigned target percentage should targeted goals be reached or exceed 115%. These percentages are based upon the Committee's determination of level of responsibility. The current percentages of base salary eligibility for the named executive officers are:

	<b>Threshold 85% of Target</b>	<b>Target</b>	<b>Maximum 115% of Target</b>
Keith S. Walters	40%	80%	160%
Richard L. Travis, Jr.	28%	55%	110%
Michael D. Magill	28%	55%	110%
Ronald M. Graham	23%	45%	90%
Irshad Ahmad	28%	55%	110%

A bonus pool is generated based upon these percentages if predetermined goals are met in the areas of profit, return on capital, sales and personal goals. These are weighted by importance at 30% profit, 30% return on capital, 20% sales growth, and 20% personal goals. These goals are established and approved by the Board at the beginning of the fiscal year based upon the approved business plan. The business plan is presented to the Board for approval after review and analysis, to assure that the plan meets or exceeds strategic objectives for the year. *Profit* as used in this calculation is equal to our net earnings before the after tax impact of all bonus awards. *Return on capital* is computed by dividing our *profit* by our average shareholders' equity during the fiscal year.

When the year-end audited financials are available, the bonus pool is finalized by Management and presented to the Committee. The Committee analyzes the performance of the executive officers and the performance of the Company against the predetermined goals to determine the extent of bonus to be awarded. The Committee arrives at its own conclusions as to the level of bonus awards. In 2011 the bonus awards were made strictly by formula with no discretionary adjustments. The Committee presents the recommendations to the Board for discussion and approval. Only independent directors vote on the final awards.

The Board may determine any discretionary bonus awards for the prior fiscal year period at the April quarterly meeting. Discretionary bonuses may be awarded to executives for exceptional performance that was not anticipated by the business plan used in establishing the annual performance goals. An example would be a successful acquisition of a business during the previous year. Another could be the successful sale of a business during the year. The independent directors have the sole authority in determining and awarding any discretionary bonus. All bonuses awarded during the fiscal year were performance based. A summary and discussion of Committee actions on performance bonuses is included in the *Discussion of Performance and Compensation Committee Actions for Fiscal Year 2010 and 2011*, section of this report.



**Table of Contents****Equity Awards**

Equity awards for our named executive officers have been granted from our 2004 Long-Term Incentive Plan of Ennis, Inc., as amended and restated on May 14, 2008, formerly the 1998 Option and Restricted Stock Plan amended and restated as of June 17, 2004. All previously granted awards are disclosed in the Outstanding Equity Awards at Fiscal Year End Table.

When granted, equity awards are meant to align the interests of named executive officers with our shareholders, and to motivate and reward our executive officers to increase the shareholder value of the Company over the long term. The 2004 Long-Term Incentive Plan, as approved by shareholders, allocated 500,000 shares of stock to be available to management and non-employee directors in the form of options (either incentive stock options or non-qualified stock options), restricted stock grants, stock appreciation rights, restricted unit grants, phantom stock options or other incentive awards. The Compensation Committee determines eligible employees, the timing of options and award grants, the number of shares granted, vesting schedules, option prices and duration and other terms of any stock options and other awards.

We also believe that long-term incentive awards are a key element in retaining key individuals. The Committee believes it is important to retain a strong, capable executive team that has aligned interests with the Company's shareholders. To further promote alignment of interests with shareholders, the Committee has recommended guidelines for Executive Stock Ownership (See Corporate Governance Guidelines). The types of equity awards granted under the 2004 Long-Term Incentive Plan include:

**Incentive Stock Options** Each stock option represents the right to purchase a specified number of shares of our Common Stock at the set exercise price subject to the terms of an option agreement. The exercise price is the fair market value of the Company's stock on the day the Committee grants the option. As a result, any value that an executive receives from a stock option is solely the result of increases in the value of the stock. Any increase in the value of the stock benefits all our shareholders, which aligns the executive and shareholder interests. These options generally vest ratably over three to five years. They have a term of ten years.

**Non-Qualified Stock Options** This type of option is similar to the Incentive Stock Option and is typically used only when Incentive Stock Options are limited by the plan or IRS limitations.

**Restricted Stock Grants** The Committee can also grant awards of restricted stock to the executive officers. Any granted shares are typically granted with a restrictive vesting schedule, which renders the shares subject to substantial risk of forfeiture if or when an executive terminates employment prior to vesting. The stock is granted at the fair market value of the Company's stock on the day the Committee awards the grant. The recipient of a grant is entitled to dividends on the shares beginning on the grant date. These grants typically vest ratably at 33 1/3 percent per year.

There are additional methods of rendering stock value to recipients under the terms of the shareholder approved Long-Term Incentive Plan including, stock appreciation rights, phantom stock options and dividend equivalent rights. The Committee has determined that these methods will not be used at this time.

**Perquisites**

The fourth basic element of compensation for the named executive officers is perquisites. The named executive officers typically enjoy the same benefit as all salaried employees; however, the Committee has determined that the named executive officers will receive an auto allowance as follows::

Mr. Walters	\$12,000	Annually
Mr. Travis	\$ 8,000	Annually
Mr. Magill	\$ 8,000	Annually
Mr. Graham	\$ 8,000	Annually
Mr. Ahmad	\$ 8,000	Annually



**Table of Contents****Other Benefits****Retirement Plans**

All named executive officers participate in the Pension Plan for the Employees of Ennis, Inc. This is a Company funded defined benefit plan which promises a certain benefit to the eligible named executive officers upon normal retirement. Normal retirement is defined as the first day of the month of the latter of his 65th birthday or the fifth anniversary of participation if hired after age 60. This does not imply mandatory retirement at age 65. The pension plan provides for retirement benefits on a formula based on the average pay of the highest five consecutive compensation years during active employment, integration of certain Social Security benefits, years of service and reaching a normal retirement age of 65.

The Internal Revenue Code limits the maximum annual compensation covered by the plan. The limit for 2010 is \$245,000. This limitation as well as the limitation on highly compensated participants in the Ennis 401(k), significantly limits the retirement benefit for the named executive officers. A supplemental executive retirement plan (SERP) under the Ennis Deferred Compensation Plan was established to make-up some of the retirement benefits lost due to the imposed limitations. Actuarial projections for the supplemental retirement plan (SERP) indicated all named executives with the exception of the CEO are currently sufficiently funded, assuming current salary levels, to provide the planned levels of benefits. The CEO was granted a \$400,000 funding to partially bring his level of benefits closer to the planned level. Similar grants may be necessary over the next 3 years. The named executive officers were granted the following non-qualified deferred benefits during fiscal year 2011.

	<b>Supplemental Retirement Benefit</b>	<b>Deferred 401(k) Match (non- qualified)</b>
Mr. Walters	\$ 165,444	\$ 2,500
Mr. Travis	\$ 60,924	\$ 3,609
Mr. Magill	\$ 78,937	\$
Mr. Graham	\$ 45,994	\$ 2,724
Mr. Ahmad	\$ 55,776	\$ 3,981

All the named executive officers were eligible to participate in the Ennis 401(k) Plan, which is a qualified plan that allows all employees of the Company to save up to allowed limits on a before tax basis. The named executive officers did not receive any matching Company contributions under the qualified plan.

All named executive officers were eligible to defer cash compensation under the Ennis Deferred Compensation Plan, which is a non-qualified plan that allows deferral of compensation until retirement or termination. The amounts deferred by the named executive officers are indicated in the above table.

The named executive officers receive an annual non-qualified match of 25% limited to \$5,000 for savings in the Company's 401(k) Plan. The match would accumulate in the Company's Non-qualified Deferred Compensation Plan.

The named executive officers are eligible for Company paid supplemental term life insurance at the following benefit amounts:

Mr. Walters	\$ 1,000,000
Mr. Travis	\$ 500,000
Mr. Magill	\$ 500,000
Mr. Graham	\$ 500,000
Mr. Ahmad	\$ 500,000

The Company's contribution paid for this benefit is imputed as income to the executive and the named executive does not receive a tax gross up for this benefit.

In 2009, the Compensation Committee established certain company stock ownership guidelines covering its executive officers. The guidelines were modified during the last fiscal year and currently are as follows:



**Table of Contents**

<b>Name</b>	<b>Multiple of Base Salary</b>
Mr. Walters	4.0 X
Mr. Magill	2.5 X
Mr. Travis	2.0 X
Mr. Graham	2.0 X
Mr. Ahmad	2.5 X

It is the expectation that each executive officer will reach and maintain this minimum level of ownership commitment within the later of 5 years from the adoption of this guideline or 5 years from the date of their appointment as an executive officer.

**Employment Agreements**

The Committee has determined that it is in the best interests of the Company and its shareholders to enter into employment agreements with each of the named executive officers. The current agreements have initial terms, ranging from 1 to 3 years beginning January 1, 2009 and are automatically extended on a year-to-year basis after the initial term unless notification of non-renewal is given 60 days in advance of the agreement current expiration date. The employment contracts are referenced as exhibits to our Annual Report on Form 10K. We entered into these agreements to ensure the retention of covered executives and provide encouragement to perform their roles for an extended period of time with focus on annual and multiple year objectives.

The agreements establish the beginning base salary, eligibility for bonuses, benefits, perquisites, as well as, certain non-compete, non-solicitation, and confidentiality covenants that protect the Company.

Compensation upon termination is outlined in the agreements and described in detail below. If one of the named executive officers is terminated without cause or within two years after a change of control, or if the executive terminates the agreement for good reason, as defined in the agreement, then the executive would receive a multiple of current base salary and the prior year's bonus as set forth in the following table.

	<b>Without Cause</b> (base salary + bonus)	<b>With Cause</b> (base salary)	<b>Change of Control</b> (base salary + bonus)
Mr. Walters	1X	0	2.99 X
Mr. Travis	1X	0	2.50 X
Mr. Magill	1X	0	2.50 X
Mr. Graham	1X	0	2.50 X
Mr. Ahmad	1X	0	2.50 X

In addition to these cash severance amounts, the named executive officer would be eligible for continuation of basic employee group benefits if terminated without cause, upon a change of control triggering event or resigns for good reason and would also vest for all qualified plan benefits and be eligible to receive either pay or reimbursement for employee costs and expenses for outplacement services, as is customary and reasonable in the Dallas area for the executive's level of responsibility. The basic benefit continuation period is three months for all named executive officers.

Definitions for Types of Termination Summarized from Employment Agreements.

Termination by the Company includes termination at death, total disability of 90 days or more in any 12 month period or retirement. There would be no requirement for severance payment for these reasons.

Termination for cause is defined to mean:

- (i) conduct by Executive constituting a material act of willful misconduct in connection with the performance of duties, including without limitation, violations of Company's policies on sexual harassment, ethics, or any other policies then in effect; misappropriation of funds or property of Company or any of its affiliates other

**Table of Contents**

than the occasional, customary and de minimis use of Company property for personal purposes; or other willful misconduct that is below normal industry standards, as determined in the sole discretion of the Company;

- (ii) continued willful and deliberate non-performance by Executive of his duties where non-performance continues for more than ten (10) days following written notice of such non-performance, unless ten (10) days notice would be futile in correcting issues related to non-performance;
- (iii) Executive refuses or fails to follow lawful directives and such refusal or failure has continued for more than ten (10) days following written notice, unless the ten (10) days notice would be futile in correcting issues related to non-performance;
- (iv) any criminal or civil conviction of Executive, a plea of nolo contendere, or other conduct by the Executive that has resulted in or would result in material injury to the reputation of the Company including, without limitation, conviction or fraud, theft, embezzlement or crime involving moral turpitude;
- (v) a material breach by Executive of any of the provisions of the employment agreement;
- (vi) alcohol/drug addiction and failure by Executive to successfully complete a recovery program; or
- (vii) intentional wrongful disclosure of confidential information of Company or engaging in wrongful competitive activity with Company.

Termination without cause is defined, generally, as any termination of Executive's employment by the Company for any reason other than those specified above prior to the end of the term of the agreement.

Termination by Executive. The Executive can terminate his employment for good reason as defined below and after providing thirty (30) days written notice to the Company. Good reason means any of the following:

- (i) Executive is removed from his position other than due to termination of the term of the employment agreement, discharge for cause, change of control, death, disability or retirement; or
- (ii) Company fails to make payment to the Executive required to be made by the employment agreement.

**Severance Payment After Change of Control**

If any of the named executive officers is terminated within 90 days prior to or within two years after a change of control as defined by the employment agreements, the executive will be entitled to a lump sum severance payment and immediate vesting of benefits and long-term incentive awards and options. The value of these payments and benefits is set forth in the Potential Payments Upon Termination or Change in Control section.

Under the terms of the current employment agreements the named Executives are entitled to a Tax Gross Up in connection with a termination and severance as a result of change of control. If the Executive becomes subject to taxes of any state, local or federal taxing authority that would not have been imposed on such payments but for the occurrence of a change of control, including any excise tax under Section 4999 of the Code and any successor or comparable provision, then, in addition to any other benefits provided under or pursuant to the Agreement the Company shall pay to the Executive an amount equal to the amount of any such taxes imposed or to be imposed on the Executive. In addition the Company will Gross Up this amount in an additional amount equal to the aggregate amount of taxes that are or will be payable by the Executive as a result of this gross up payment. The amount of these gross up payments will be determined by a nationally recognized accounting firm selected by the Company.

**Discussion of Performance and Compensation Committee Actions for Fiscal Years 2010 and 2011**

The Committee met five times during fiscal year 2010-2011 for the purpose of considering overall compensation for the named executive officers of the Company. At those meetings, the members discussed and considered each officer's performance and relative contribution toward the performance of the Company during the fiscal year. The Committee also discussed the bonus generated for the fiscal year and the performance factors that contributed to the pool. There were discussions about the competitive positioning for the year, the named executive officers' 2010-2011

total compensation and all respective elements as compared to the compensation study supplied by the Committee's independent compensation consultant, Hewitt Associates, LLC. Hewitt Associates, LLC was selected and appointed by the Compensation Committee. They report directly to the Committee. Hewitt Associates, LLC does not perform any other services for the Company. The Consultant's study compared the named executive officers' compensation elements to those of direct competitors and similar sized general industrial companies. The industry competitors used in the study were:

**Table of Contents****Competitors:****Name of Company**

Cenveo, Inc.  
 Standard Register, Inc.  
 Delta Apparel, Inc.  
 American Apparel, Inc.  
 Bowne & Co. Inc.  
 Consolidated Graphics Inc.  
 Gildan Activewear Inc.  
 Deluxe Corporation

**Business**

Print Manufacturing  
 Print Manufacturing  
 Apparel Manufacturing  
 Apparel Manufacturing  
 Print Manufacturing  
 Print Manufacturing  
 Apparel Manufacturing  
 Print Manufacturing

**General Manufacturing:****Name of Company**

Enpro Industries Inc.  
 Federal Signal Inc.  
 Neenah Paper Inc.  
 Viad Corp.

**Business**

General Industry  
 General Industry  
 General Industry  
 General Industry

A summary of the trended earlier study results comparing current base salaries is presented in the following table:

<b>Executive Officers</b>	<b>Base Salary</b>	<b>50th Percentile</b>	<b>75th percentile</b>
Mr. Walters	\$854,760	\$ 735,000	\$ 819,000
Mr. Travis	\$362,100	\$ 341,250	\$ 382,410
Mr. Magill	\$469,200	\$ 420,000	\$ 510,300
Mr. Graham	\$273,360	\$ 266,280	\$ 312,165
Mr. Ahmad	\$400,000	\$ 355,950	\$ 417,480

The Committee reviewed and considered the performance of the Company relative to the competitors and made the determination that the Company performed better than its direct competitors and that the executive management of the Company had performed at or above expectations. However, considering the relative level of current salaries and the decision to place more emphasis on at risk and pay for performance compensation in the future, the Committee decided no increases would be granted for the 2011-2012 fiscal year. An exception was made for Mr. Ahmad who has the dual role of managing the apparel operations and the Company's information technology department. Mr. Ahmad received a 6.7% increase in base salary which was made effective as of February 28, 2011.

<b>Executive Officers</b>	<b>From</b>	<b>To</b>	<b>%</b>
Mr. Walters	\$854,760	\$854,760	0.0%
Mr. Travis	\$362,100	\$362,100	0.0%
Mr. Magill	\$469,200	\$469,200	0.0%
Mr. Graham	\$273,360	\$273,360	0.0%
Mr. Ahmad	\$375,000	\$400,000	6.7%

The Committee reviewed and considered the performance of the Company relative to the goals established in the annual incentive plan in order to determine the appropriate annual incentive awards for the named executive officers.

For the year ending February 28, 2011, the performance bonus targets were established as part of the annual planning process. Each operational division of the Company submits its business plans for review to the executive officers of the Company. This review includes the consideration of the market circumstances, material cost, operational challenges and the appropriate level of task. All of the divisional plans and corporate expenses are combined to determine the overall business plan for the Company. The sales, profit before bonus, and return on capital goals are determined and recommended by executive management as the targets for the business year. After review

and discussion the Board adjusts or approves the business plan targets. The result is established as the  
37

---



**Table of Contents**

business plan for the year with predetermined targets for sales, profit before bonus, and return on capital. The business plan targets for the year ended February 28, 2011 were:

Sales	\$538,785,000
Profit before bonus	\$ 31,221,000
Return on Capital	9.1%

Reaching these targets would result in the generation of 100% bonus pool for the named executive officers. The Committee evaluates the performance of the individual named officers and determines the amount of bonus to be awarded from the bonus pool. For the year ended February 28, 2011, the following performance was achieved:

Sales	\$549,999,000
Profit before bonus	\$ 46,573,000
Return on Capital	14.1%

Based on the results for the fiscal year, the following Achieved Multiple % factors were obtained.

	% of Target	Achieved Multiple %
Sales	102%	114%
Profit before bonus	149%	200%
Return on Capital	146%	200%

Based on the business plan achieved multiple percentage results and the achievement of individual goals the following percentages were earned by each executive officer during the fiscal year.

Executive Name	Sales* (20%)	Profit before bonus* (30%)	Return on Capital* (30%)	Individual Goals (20%)	Total (100%) A	Earned Actual	
						% at Target B	Earned % A x B
Mr. Walters	23%	60%	60%	20%	163%	80%	130%
Mr. Travis	23%	60%	60%	9%	152%	55%	84%
Mr. Magill	23%	60%	60%	12%	155%	55%	85%
Mr. Graham	23%	60%	60%	19%	162%	45%	73%
Mr. Ahmad	23%	60%	60%	20%	163%	55%	90%

\* Indicated % in the table are derived by taking the Indicated (%) for each category times corresponding Achieved Multiple %.

Based on the achievement the Committee recommended and the Board approved incentive plan bonuses for the named executives according to formula and no adjustments were made. The following bonuses were awarded April 21, 2011:

Mr. Walters	\$1,113,239
Mr. Travis	\$ 302,318
Mr. Magill	\$ 401,025
Mr. Graham	\$ 199,525
Mr. Ahmad	\$ 360,000

**Table of Contents**

In addition to any base salary adjustments and incentive plan bonus payments, the Committee determined that the following stock awards would be granted to the named executive officers and priced based on the opening market price of the Company's common stock on April 21, 2011:

Mr. Walters	22,059	Restricted Stock Grants (1)
Mr. Walters	25,394	Restricted Stock Grants (2)
Mr. Travis	23,641	Non-Qualified Options
Mr. Travis	5,397	Restricted Stock Grants (2)
Mr. Magill	29,551	Non-Qualified Options
Mr. Magill	6,818	Restricted Stock Grants (2)
Mr. Graham	4,706	Restricted Stock Grants (1)
Mr. Graham	4,071	Restricted Stock Grants (2)
Mr. Ahmad	29,551	Non-Qualified Options
Mr. Ahmad	6,985	Restricted Stock Grants (2)

These grants are made by the Committee under the terms of the Company's Long Term Incentive Plan. The non-qualified options vest 1/3 annually commencing on the first anniversary date of grant. All options/grants were priced based on the opening market price of the Company's stock on April 21, 2011 (\$17.57). The restricted stock grants vest either 1/3 annually (1), or have a 3 year cliff vesting in which they vest 100% 3 years from the date of grant (2).

**Compensation Committee Report**

The Compensation Committee has reviewed and discussed with management this Compensation Discussion and Analysis section of the Company's 2011 Proxy Statement. Based on its review and discussions with management, the Compensation Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in the Company's Proxy Statement for 2011 and its Annual Report on Form 10-K for the fiscal year ended February 28, 2011.

**THE ENNIS, INC. COMPENSATION COMMITTEE**

Frank D. Bracken

Godfrey M. Long, Jr.

Alejandro Quiroz

James C. Taylor, Chairman

**Table of Contents****Summary Compensation Table**

The following table sets forth fiscal year end 2011 compensation information regarding the Company's Chief Executive Officer, Chief Financial Officer and the three remaining most highly paid executive officers during the year ended February 28, 2011, collectively, the named executive officers.

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards (1)	Option Awards (2)	Change in Pension Value and Non-Equity Nonqualified Incentive Deferred All			Total
						Plan Compensation (3)	Earnings Compensation (4)	Other Compensation (5)	
Keith S. Walters Chairman of the Board, President and Chief Executive Officer	2011	\$854,760	\$	\$553,800	\$	\$1,113,239	\$220,959	\$182,364	\$2,925,122
	2010	\$838,000	\$	\$232,440	\$	\$540,696	\$486,487	\$182,363	\$2,279,986
	2009	\$827,802	\$	\$309,800	\$	\$105,000	\$(373,820)	\$232,180	\$1,100,962
Richard L. Travis, Jr. Vice President - Finance, Chief Financial Officer and Secretary	2011	\$362,100	\$	\$36,920	\$50,220	\$302,318	\$74,603	\$74,248	\$900,409
	2010	\$355,000	\$	\$	\$23,745	\$152,703	\$97,046	\$74,188	\$702,682
	2009	\$348,884	\$	\$130,116	\$	\$26,500	\$(54,248)	\$95,965	\$547,217
Michael D. Magill Executive Vice President	2011	\$469,200	\$	\$27,690	\$66,960	\$401,025	\$49,555	\$88,487	\$1,102,917
	2010	\$460,000	\$	\$	\$31,660	\$197,868	\$155,502	\$88,494	\$933,524
	2009	\$450,075	\$	\$151,802	\$	\$30,000	\$(107,608)	\$114,550	\$638,819
Ronald M. Graham Vice President - Administration	2011	\$273,360	\$	\$73,840	\$25,110	\$199,525	\$86,280	\$59,723	\$717,838
	2010	\$268,000	\$	\$17,880	\$7,915	\$115,280	\$145,521	\$59,679	\$614,275
	2009	\$264,333	\$	\$91,081	\$	\$21,500	\$(43,859)	\$78,505	\$411,560
Irshad Ahmad (6) Vice President - Apparel Division, Chief Technology Officer	2011	\$375,000	\$	\$27,690	\$66,960	\$360,000	\$32,983	\$68,321	\$930,954
	2010	\$325,000	\$	\$	\$31,660	\$139,798	\$35,798	\$64,340	\$596,596
	2009	\$253,842	\$	\$21,686	\$	\$30,000	\$(13,242)	\$35,081	\$327,367

(1) The amounts in this column represent the aggregate grant date fair value, computed in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 718, of restricted stock units granted during fiscal year 2011, 2010 and 2009. All of the amounts in this column are consistent with the estimate of aggregate compensation expense to be recognized over the applicable vesting. The assumptions used to calculate these values are set forth in Note 10 to our consolidated financial statements, which are included in our Annual Report on Form 10-K for the year ended February 28, 2011.

(2) The amounts in this column reflect the aggregate grant date fair value, computed in accordance with ASC Topic 718, for awards of stock options granted during the fiscal years ended 2011, 2010 and 2009. All of the amounts in this column are consistent with the estimate of aggregate compensation expense to be recognized over the applicable vesting period. The assumptions used to calculate these values are set forth in Note 10 to our

consolidated financial Statements, which are included in our Annual Report on Form 10-K for the year ended February 28, 2011.

- (3) The amounts awarded for fiscal years ended February 28, 2011 and February 28, 2010 represent amounts paid under the Company's Bonus Plan (the Plan) for the accomplishment of pre-set performance goals. In these years, the Company exceeded predetermined combined performance goals for profit, return on capital and sales. The incentive awards reflect this performance and awards are at or slightly above the named executive officers' target award levels. The amounts for the fiscal year ended February 28, 2009 represent discretionary bonus amounts paid under the Company's Plan.
- (4) The actuarial increase in the present value of the named executive officer's benefits under the Company's pension plan using the actuarial process specified by the pension plan. For named executive officers who leave and have not completed five years vesting service, amounts assume vesting in all cases and retirement at age of

**Table of Contents**

65. In addition, the earnings on Company contributions in the Deferred Compensation Plan are reflected in the column. The Company contributions are invested in an array of mutual funds held in a Rabbi Trust. The investment returns are consistent with the type of funds available for retirement funds and are similar to the funds available in the Company's 401(k) Plan. Mr. Walters, also, has 20,000 share units of phantom stock in the Company Deferred Compensation Plan. The amount in this column for Mr. Walters includes the increase (decrease) in value and dividends accrued during this year.

(5) Information regarding the amount included in this column is as follows:

	<b>Company Contribution to Benefit Plans (a)</b>	<b>Perquisites and Other Personal Benefits (b)</b>	<b>Other (c)</b>	<b>Total</b>
Keith S. Walters	\$167,944	\$12,000	\$2,420	\$182,364
Richard L. Travis, Jr.	\$ 64,533	\$ 8,000	\$1,715	\$ 74,248
Michael D. Magill	\$ 78,937	\$ 8,000	\$1,550	\$ 88,487
Ronald M. Graham	\$ 48,718	\$ 8,000	\$3,005	\$ 59,723
Irshad Ahmad	\$ 59,757	\$ 8,000	\$ 564	\$ 68,321

(a) The contributions made to the Ennis Deferred Compensation Plan for supplemental retirement benefits. The amounts are awarded by the Compensation Committee on an annual basis. The actual contributions were as follows: Mr. Walters, \$165,444; Mr. Travis, \$60,924; Mr. Magill, \$78,937; Mr. Graham, \$45,994; and Mr. Ahmad, \$55,776. In addition, each of the named executive officers was eligible for an additional 25% match to any savings in the Company's 401(K) Plan. The match contributions were: Mr. Walters, \$2,500; Mr. Travis, \$3,609; Mr. Magill, \$0; Mr. Graham, \$2,724; and Mr. Ahmad, \$3,981.

(b) The amount received by the named executive officers for auto allowance.

(c) The amount paid for supplemental executive life insurance premiums during this fiscal year for Mr. Walters, Mr. Travis, Mr. Magill, Mr. Graham and Mr. Ahmad.

**Grants of Plan-Based Awards**

The following table provides information on stock option grants to the named executive officers during fiscal year ended February 28, 2011.

	<b>Date of Grant</b>	<b>Number of Shares Awarded</b>	<b>Grant Date Fair Value of Awards (b)</b>
Richard L. Travis, Jr.	04/29/2010	15,000	\$ 50,220
Michael D. Magill	04/29/2010	20,000	\$ 66,960
Ronald M. Graham	04/29/2010	7,500	\$ 25,110
Irshad Ahmad	04/29/2010	20,000	\$ 66,960

(a) Stock options have ten-year terms and vest in equal annual installments on successive anniversaries over 3 years. The exercise price of all options is the closing price of the Company's stock on the grant date. The stock options are awarded as part of the Company's Long-Term Incentive Program.

(b)

The grant date fair value of options is based on the Black-Scholes value at the time of grant times the number of shares awarded.

**Table of Contents**

The following table provides information on restricted stock grants to the named executive officers during fiscal year ended February 28, 2011.

	<b>Date of Grant</b>	<b>Number of Shares Awarded (a)</b>	<b>Grant Date Fair Value of Awards (b)</b>
Keith S. Walters	04/29/2010	30,000	\$ 553,800
Richard L. Travis, Jr.	04/29/2010	2,000	\$ 36,920
Michael D. Magill	04/29/2010	1,500	\$ 27,690
Ronald M. Graham	04/29/2010	4,000	\$ 73,840
Irshad Ahmad	04/29/2010	1,500	\$ 27,690

(a) 10,000 of the 30,000 restricted stock grants awarded to Mr. Walters vested immediately. All of the remaining awards of restricted stock granted vest in equal annual installments on successive anniversaries over 3 years. The restricted stock grants are awarded as part of the Company's Long-Term Incentive Program.

(b) Calculated based on the closing market price of the Company's common stock as of the date of grant \$18.46. For the value of these grants as of 2/28/11 see the following table.

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

The following table provides information regarding stock options and restricted stock held by the named executive officers as of February 28, 2011.

Executives Name	Date of Option Grant	Option Awards				Stock Awards (2)	
		Number of Securities Underlying	Number of Securities Underlying	Option Exercise Price	Option Expiration Date	Stock Awards Number	Market Value of
						Shares or Units of Stock Awards That Have Not Vested	Shares or Units of Stocks That Have Not Vested (3)
Keith S. Walters	2/27/2006	5,200		\$19.69	2/27/2016		
	4/23/2008					6,668	\$108,355
	4/29/2010					20,000	\$325,000
Richard L. Travis, Jr.	2/27/2006	5,200		\$19.69	2/27/2016		
	4/29/2009	2,500	11,250	\$8.94	4/29/2019		
	4/29/2010		15,000	\$18.46	4/29/2020		
	4/23/2008					2,800	\$45,500
Michael D. Magill	4/29/2010					2,000	\$32,500
	6/17/2004	13,700		\$15.64	6/17/2014		
	2/27/2006	2,600		\$19.69	2/27/2016		
	4/29/2009	3,000	15,000	\$8.94	4/29/2019		
	4/29/2010		20,000	\$18.46	4/29/2020		
Ronald M. Graham	4/23/2008					3,268	\$53,105
	4/29/2010					1,500	\$24,375
	2/27/2006	5,200		\$19.69	2/27/2016		
	4/29/2009	1,250	3,750	\$8.94	4/29/2019		
	4/29/2010		7,500	\$18.46	4/29/2020		
Irshad Ahmad	4/23/2008					1,960	\$31,850
	4/29/2010					4,000	\$65,000
	2/27/2006	1,300		\$19.69	2/27/2016		
	4/29/2009	5,000	15,000	\$8.94	4/29/2019		
	4/29/2010		20,000	\$18.46	4/29/2020		
	4/23/2008					468	\$7,605
	4/29/2010					1,500	\$24,375

(1) The stock option awards granted on April 29, 2009 and April 29, 2010 vest in equal annual installments over 4 years and 3 years, respectively.

(2) The awards of restricted stock granted vest in equal annual installments over 3 years.

(3) Calculated using the NYSE closing price of \$16.25 per share of our Common Stock on February 28, 2011.





**Table of Contents****Option Exercises and Stock Vested**

The following table provides information as to each of the named executive officers information on exercises of stock options and the vesting of restricted stock awards during fiscal year ended February 28, 2011, including: (i) the number of shares of Common Stock underlying options exercised during fiscal year ended February 28, 2011; (ii) the aggregate dollar value realized upon the exercise of such options; (iii) the number of shares of our Common Stock received from the vesting of awards of restricted stock during fiscal year ended February 28, 2011; and (iv) the aggregate dollar value realized upon such vesting on February 28, 2011, which is the vesting date of the restricted stock awards reflected in the table.

Executives Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#) (1)	Value Realized on Exercise (\$) (2)	Number of Shares Acquired on Vesting (#) (3)	Value Realized on Vesting (\$) (3)
Keith S. Walters	25,000	\$ 215,498	34,466	\$ 632,552
Richard L. Travis, Jr.	1,250	\$ 8,563	4,800	\$ 84,240
Michael D. Magill	2,000	\$ 17,700	5,600	\$ 98,280
Ronald M. Graham	5,000	\$ 42,600	4,360	\$ 77,948
Irshad Ahmad		\$	800	\$ 14,040

- (1) Mr. Walters exchanged 10,580 shares of Ennis common stock for 21,990 shares of Ennis common stock. The value of the shares being exchanged was used to acquire the 21,990 options being exercised.
- (2) The amount realized equals the difference between the fair market value of Common Stock on the date of exercise and the exercise price, multiplied by the number of shares acquired on exercise.
- (3) The amount realized is based on the market value of the stock at date of vesting.

**Pension Benefits**

We have a noncontributory retirement plan that covers approximately 14% of our employees. The plan provides for retirement benefits on a formula based on the average pay of the highest five consecutive compensation years during active employment, integration of certain Social Security benefits, length of service and a normal retirement age of sixty-five. All forms of remuneration, including overtime, shift differentials and bonuses, are covered by the plan. However, due to restrictions imposed by the Internal Revenue Code, effective January 1, 2002, the maximum annual compensation covered by the plan is limited to \$205,000. Future years maximum can be increased for inflation (for 2011, the maximum is \$245,000).

The following table shows the present value as of February 28, 2011 of the benefit of the named executive officers under our qualified defined benefit pension plan.

Name	Plan	Number of Years Credited Service (1)	Change in Present Value of Accumulated Benefit During the Year	Present Value of Accumulated Benefit (2)	Payments During Fiscal 2011

Keith S. Walters	Ennis, Inc. DB Pension Plan	13.5	\$	56,972	\$	322,232	\$
Richard L. Travis, Jr.	Ennis, Inc. DB Pension Plan	5.2	\$	24,850	\$	87,039	\$
Michael D. Magill	Ennis, Inc. DB Pension Plan	7.2	\$	44,553	\$	192,414	\$
Ronald M. Graham	Ennis, Inc. DB Pension Plan	13.0	\$	62,185	\$	353,849	\$
Irshad Ahmad	Ennis, Inc. DB Pension Plan	4.0	\$	11,253	\$	32,826	\$

- (1) Credited service began on the date the named executive became eligible to participate in the plan. Participation began on January 1 following the year of employment. Accordingly, each of the named executives has been employed by Ennis for longer than the years of credited service shown above.
- (2) The assumptions and valuation methods used to calculate the present value of the Accumulated Pension Benefits shown are the same as those used by Ennis for financial reporting purposes and are described in Note 11 to Ennis Annual Report on Form 10-K for the year ended February 28, 2011.

**Table of Contents****Nonqualified Defined Contribution and Deferred Compensation in Last Fiscal Year**

The following table shows the information about the contributions and earnings, if any, credited to the accounts maintained by the named executive officers under nonqualified defined contribution and deferred compensation agreements, any withdrawals or distributions from the accounts during fiscal year 2010, and the account balances on February 28, 2011.

<b>Executives Name</b>	<b>Executive Contribution in Fiscal Year 2011 (1)</b>	<b>Registrant Contribution in Fiscal Year 2011 (2)</b>	<b>Aggregate Earnings in Fiscal Year 2011 (3)</b>	<b>Aggregate Withdrawals/ Distribution</b>	<b>Aggregate Balance at February 28, 2011</b>
Keith S. Walters	\$ 120,000	\$ 167,944	\$ 163,987	\$	\$ 4,140,200
Richard L. Travis, Jr.	\$ 150,925	\$ 64,533	\$ 49,753	\$	\$ 925,284
Michael D. Magill	\$	\$ 78,937	\$ 5,002	\$	\$ 575,634
Ronald M. Graham	\$	\$ 48,718	\$ 24,095	\$	\$ 399,489
Irshad Ahmad	\$ 10,000	\$ 59,757	\$ 21,730	\$	\$ 231,727

- (1) The named executive officers are able to defer a percentage of their salary and bonus upon voluntary elections made by them into the Ennis Deferred Compensation Plan. The amounts indicated represent the portions so deferred by each named executive last fiscal year. The amounts indicated have been included in the salary column of the *Summary Compensation Table* on page 40.
- (2) Amounts represent contributions to be made by the Company for the 2011 fiscal year to the Ennis Deferred Compensation Plan for Supplemental Retirement Benefits. The amounts are awarded each year by the Compensation Committee. In addition, amounts indicated include the Company's 401(K) Plan match of the following amounts: Mr. Walters, \$2,500; Mr. Travis, \$3,609; Mr. Magill, \$0; Mr. Graham, \$2,724 and Mr. Ahmad, \$3,981. Amounts indicated have been included in the All Other Compensation column of the *Summary Compensation Table* on page 40.
- (3) Amounts represent earnings on Company contributions during the year on each named executives' deferred compensation account. Mr. Walters' amount also includes \$30,000 gained during the year on his 20,000 shares of phantom stock. These earnings have been included in Change in Pension Value and Non Qualified Deferred Compensation Earnings column of the *Summary Compensation Table* on page 40.

**Potential Payments upon Termination or Change in Control**

The following tables summarize the estimated payments to be made under certain circumstances to each named executive officer as more completely described in the *Employment Agreements* section in the *Compensation Disclosure and Analysis*. For the purposes of the quantitative disclosure in the following tables, and accordance with SEC regulations, we have assumed that the termination took place on February 28, 2011.

The following table describes payments that would be required to each of our named executive officers in the event of a Change in Control as defined by the Employment Agreements.

**CHANGE IN CONTROL**

<b>Executives Name</b>	<b>Base Salary and Bonus (1)</b>	<b>Group Benefit Plans Continuation (2)</b>	<b>Other Benefits (3)</b>	<b>Pension Benefits (4)</b>	<b>Deferred Compensation (5)</b>	<b>Equity Awards (5)</b>	<b>Total</b>
Keith S. Walters	\$ 4,172,413	\$ 3,251	\$ 20,000	\$ 322,232	\$ 4,140,200	\$ 433,355	\$ 9,091,451
Richard L. Travis, Jr	\$ 1,287,008	\$ 1,354	\$ 271,724	\$ 87,039	\$ 925,284	\$ 178,513	\$ 2,750,922
Michael D. Magill	\$ 1,667,670	\$ 4,261	\$ 20,000	\$ 192,414	\$ 575,634	\$ 217,417	\$ 2,677,396

Edgar Filing: ENNIS, INC. - Form DEF 14A

Ronald M. Graham	\$ 971,600	\$ 3,251	\$ 20,000	\$ 353,849	\$ 399,489	\$ 133,400	\$ 1,881,589
Irshad Ahmad	\$ 1,286,995	\$ 3,942	\$ 293,718	\$ 32,826	\$ 231,727	\$ 178,180	\$ 2,027,388

(1) Amounts indicated in the table are as of February 28, 2011. When termination is a result of change in control as defined in Employment Agreements and qualifies for change in control, severance payment is equal to 2.99

45

---

**Table of Contents**

times Mr. Walters' base salary and prior years' (fiscal year 2010) bonus. All other named executive officers would receive amounts equal to 2.5 times their base salary and prior years' (fiscal year 2010) bonus. All wages and salary, bonuses, fringe benefits, pension benefits and other deferred compensation arising out of the employment relationship are treated as compensation. Transfers of stock options and stock grants are also treated as compensation payments. If current salary and prior years' (fiscal year 2011) bonuses were used (i.e., amounts currently payable), the calculated amounts would be approximately as follows: Mr. Walters, \$5,884,000; Mr. Travis, \$1,661,000; Mr. Magill, \$2,176,000; Mr. Graham, \$1,182,000; and Mr. Ahmad, \$1,900,000.

- (2) All named executive officers receive three months of continued group benefits.
- (3) All named executive officers would receive up to \$20,000 toward outplacement services. Mr. Travis and Mr. Ahmad include tax gross up of \$251,724 and \$273,718 respectively, see Item 6 below.
- (4) Aggregate account value as of February 28, 2011. The amounts shown in the *Nonqualified Defined Contribution and Deferred Compensation in Last Fiscal Year* table on page 45 include the amounts shown in this column.
- (5) Calculated as the (i) difference between the exercise price of all outstanding in-the-money options and the closing price of our common stock as of February 28, 2011 (\$16.25), multiplied by the number of such options as of February 28, 2011 plus (ii) the outstanding stock grants as of February 28, 2011 multiplied by the closing price of our common stock.
- (6) Under the terms of the employment agreements the named executive officers are entitled to a tax gross up in connection with a termination and severance in connection with a change in control. If the executive becomes subject to taxes of any state, local, or federal taxing authority that would not have been imposed on such payments but for the occurrence of a change of control, including any excise tax under Section 4999 of the Code and any successor or comparable provision, then in addition to any other benefits provided under or pursuant to the Agreement the Company shall pay to the executive an amount equal to the amount of any such taxes imposed or to be imposed on the executive. In addition, the Company will gross up this amount in an additional amount equal to the aggregate amount of taxes that are or will be payable by the executive as a result of this gross up payment.

The following table describes payments that would be required to each of our named executive officers in the event of a Without Cause termination as defined by the Employment Agreements.

**WITHOUT CAUSE**

Executives Name	Base Salary and Bonus (1)	Group Benefit Plans Continuation (2)	Other Benefits (3)	Pension Benefits (4)	Deferred Compensation (4)	Equity Awards (5)	Total
Keith S. Walters	\$ 1,395,456	\$ 3,251	\$ 20,000	\$ 322,232	\$ 4,140,200	\$ 433,355	\$ 6,314,494
Richard L. Travis, Jr	\$ 514,803	\$ 1,354	\$ 20,000	\$ 87,039	\$ 925,284	\$ 178,513	\$ 1,726,993
Michael D. Magill	\$ 667,068	\$ 4,261	\$ 20,000	\$ 192,414	\$ 575,634	\$ 217,417	\$ 1,676,794
Ronald M. Graham	\$ 388,640	\$ 3,251	\$ 20,000	\$ 353,849	\$ 399,489	\$ 133,400	\$ 1,298,629
Irshad Ahmad	\$ 514,798	\$ 3,942	\$ 20,000	\$ 32,826	\$ 231,727	\$ 178,180	\$ 981,473

- (1) Amounts indicated in the above table are as of February 28, 2011. When a termination is Without Cause as defined by the Employment Agreements, the severance amounts would be calculated as follows: 1.0 times fiscal

year 2011 base salary and prior years (fiscal year 2010) bonus. If current salary and prior years (fiscal year 2011) bonuses were used (i.e., amounts currently payable), the calculated amounts would be approximately as follows: Mr. Walters, \$1,968,000; Mr. Travis, \$664,000; Mr. Magill, \$870,000; Mr. Graham, \$473,000; and Mr. Ahmad, \$760,000.

- (2) All named executive officers receive three months of continued group benefits.
- (3) All named executive officers would receive up to \$20,000 toward outplacement services.

**Table of Contents**

- (4) Aggregate account value as of February 28, 2011. The amounts shown in the *Nonqualified Defined Contribution and Deferred Compensation in Last Fiscal Year* table on page 45 include the amounts shown in this column.
- (5) Calculated as the (i) difference between the exercise price of all outstanding in-the-money options and the closing price of our common stock as of February 28, 2011 (\$16.25), multiplied by the number of such options as of February 28, 2011 plus (ii) the outstanding restricted stock grants as of February 28, 2011 multiplied by the closing price of our common stock.

The following table describes payments that would be required to each of our named executive officers in the event of a With Cause termination, as defined by the Employment Agreements.

**WITH CAUSE**

Executives Name	Base Salary and Bonus	Group Benefit Continuation Plans	Other Benefits	Pension Benefits	Deferred Compensation (1)	Equity Awards (2)	Total
	Keith S. Walters	\$	\$	\$	\$ 322,232	\$ 4,140,200	\$
Richard L. Travis, Jr	\$	\$	\$	\$ 87,039	\$ 925,284	\$ 18,275	\$ 1,030,598
Michael D. Magill	\$	\$	\$	\$ 192,414	\$ 575,634	\$ 30,287	\$ 798,335
Ronald M. Graham	\$	\$	\$	\$ 353,849	\$ 399,489	\$ 9,138	\$ 762,476
Irshad Ahmad	\$	\$	\$	\$ 32,826	\$ 231,727	\$ 36,550	\$ 301,103

- (1) Aggregate account value as of February 28, 2011. The amounts shown in the *Nonqualified Defined Contribution and Deferred Compensation in Last Fiscal Year* table on page 45 include the amounts shown in this column.
- (2) Calculated as the difference between the exercise price of all vested in-the-money options and the closing price of our common stock as of February 28, 2011 (\$16.25), multiplied by the number of such options as of February 28, 2011.

The following table describes payments that would be required to each of our named executive officers in the event of a disability, or death termination as defined by the Employment Agreements.

Executives Name	TERMINATION DUE TO DISABILITY		TERMINATION DUE TO DEATH
	Compensation	Benefits (1)	Benefits (2)
Keith S. Walters	\$	\$ 240,000	\$ 1,250,000
Richard L. Travis, Jr.	\$	\$ 600,000	\$ 750,000
Michael D. Magill	\$	\$ 120,000	\$ 750,000
Ronald M. Graham	\$	\$ 120,000	\$ 750,000
Irshad Ahmad	\$	\$ 1,320,000	\$ 750,000

- (1) Reflects monthly long term disability benefits of \$5,000 until the age of 65.
- (2) All named executive officers benefits include basic life insurance benefits of \$250,000. Mr. Walters benefits include \$1,000,000 non-qualified life insurance benefits and Mr. Travis, Mr. Magill, Mr. Graham and Mr. Ahmad include \$500,000 non-qualified life insurance benefits.



**Table of Contents****SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLAN****Equity Compensation Plan Table**

The following table provides information about securities authorized for issuance under the Company's equity compensation plan as of February 28, 2011.

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options (a)</b>	<b>Weighted average exercise price of outstanding options (b)</b>	<b>Number of securities available for future issuances under equity compensation plans (excluding securities reflected in column (a)) (c)</b>
Equity compensation plans approved by the security holders (1)	342,723	\$ 14.31	274,556
Equity compensation plans not approved by security holders			
<b>Total</b>	<b>342,723</b>	<b>\$ 14.31</b>	<b>274,556</b>

(1) The 2004 Long-Term Incentive Plan of Ennis, Inc., as amended and restated on May 14, 2008. Includes grants of 80,823 shares of restricted stock.

**CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE**

See Executive Compensation Employment Agreements for a description of employment agreements between us and our named executive officers.

During fiscal year 2011, there were no transactions to be disclosed in which we were a participant and the amount involved exceeded \$120,000 and in which any related person, including our named executives and directors, had or will have a direct or indirect material interest. Any transaction involving a related party or a potential conflict of interest must be reviewed and approved by our Board of Directors prior to being entered into by the Company.

See Corporate Governance Matters Code of Business Conduct & Ethics for a discussion of our policies and procedures related to conflicts of interest.

*Director Independence.* See Corporate Governance Matters Director Independence.

**SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE**

Section 16(a) of the Securities Exchange Act of 1934 requires the Company's directors and executive officers, and persons who own more than 10% of a registered class of the Company's equity securities, to file reports of ownership and changes in ownership of the Company's Common Stock with the SEC and the NYSE, and to furnish the Company with copies of the forms they file. To the Company's knowledge, based solely on a review of the copies of such reports furnished to it and written representations of our officers and directors, during the year ended February 28, 2011, all Section 16(a) reports applicable to its officers and directors were filed on a timely basis.

**OTHER MATTERS**

The Board does not intend to present any other items of business other than those stated in the Notice of Annual Meeting of Shareholders. If other matters are properly brought before the meeting, the persons named as your proxies will vote the shares represented by it in accordance with their best judgment. Discretionary authority to vote on other matters is included in the proxy.

ENNIS, INC.  
AMENDMENT NO. 1

TO  
2004 LONG-TERM INCENTIVE PLAN  
(AS AMENDED AND RESTATED)

THIS AMENDMENT NO. 1 (this Amendment ) to the Ennis, Inc. 2004 Long-Term Incentive Plan, as amended and restated effective May 14, 2008 (the Plan ) is made by Ennis, Inc., a Texas corporation (the Company ), and is as follows:

**WHEREAS**, approximately 97,854 shares remain available for issuance under the Plan as of as of May 25, 2011, which the Board of Directors of the Company (the Board ) has determined will not be sufficient to meet the future needs of attracting and retaining employees of the Company;

**WHEREAS**, Section 15.1 of the Plan provides the Board with the authority and discretion to amend the Plan;

**WHEREAS**, the Board deems it to be in the Company's best interest to amend the Plan to increase the number of shares available therein by 1,000,000 shares;

**WHEREAS**, the Board desires to extend the effectiveness and term of the Plan by an additional ten years from the date this Amendment is approved by the Company's shareholders; and

**WHEREAS**, the rules of the New York Stock Exchange applicable to the Company require that the Company's shareholders approve this Amendment.

**NOW, THEREFORE**, pursuant to the authority granted to the Board in Section 15.1 of the Plan, the Plan is hereby amended as follows:

1. Increase in the Share Reserve. Section 4.1 of the Plan shall be deleted in its entirety and replaced with the following:

**4.1 Available Shares.** Subject to adjustment as provided in Section 4.2, the maximum number of shares of Common Stock that shall be available for grant of Awards under the Plan shall not exceed the sum of (i) 1,097,854 shares, and (ii) any shares of Common Stock that become available under this Plan, including with respect to Awards outstanding under the Superseded Plan as of the Effective Date, as a result of cancellation, termination, expiration, forfeiture or lapse of an Award or as otherwise provided in Section 4.3. The maximum number of shares of Common Stock for which Options, SARs, Restricted Stock and other Awards may be granted under the Plan to any one Participant during a calendar year is 100,000. The maximum aggregate number of shares that may be issued pursuant to Incentive Stock Options is 1,097,854. Shares of Common Stock issued pursuant to the Plan may be shares of original issuance or treasury shares or a combination of the foregoing, as the Committee, in its absolute discretion, shall from time to time determine.

2. Effectiveness and Term. Section 1.3 of the Plan shall be amended for the limited purpose of extending the termination of the Plan to the earlier of: (a) the termination of the Plan by the Board or (b) June 30, 2021. To the extent not inconsistent with the foregoing, the remaining provisions of Section 1.3 of the Plan shall remain in full force and effect.

**Table of Contents**

3. Effect on Plan. Except as otherwise set forth in this Amendment, the Plan shall remain in full force and effect.

4. Effective Date of this Amendment. This Amendment shall become effective on the date the Company's shareholders act to approve the increase in the share reserve at the annual shareholder meeting to be held on June 30, 2011.

IN WITNESS WHEREOF, the Company, by its duly authorized officer, has executed this Amendment No. 1 on this 30th day of June, 2011.

**ENNIS, INC.**

a Texas corporation

/s/ Keith Walters

By:

Keith Walters, President and CEO

50

---

**Table of Contents**

**ENNIS, INC.  
PROXY  
ANNUAL MEETING OF SHAREHOLDERS  
June 30, 2011**

**THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS**

The under hereby appoints Keith S. Walters and Richard L. Travis, Jr., or any one or more of them, as Proxies, each with the power to appoint his substitute, and hereby authorizes them to represent and to vote, as designated on the reverse side, all the shares of Common Stock of Ennis, Inc. held of record by the undersigned at the close of business on May 2, 2011 at the Annual Meeting of Shareholders to be held June 30, 2011 or any adjournment thereof.

**PLEASE MARK, SIGN, DATE AND RETURN THE PROXY CARD PROMPTLY USING THE ENCLOSED POSTAGE-PAID ENVELOPE.**

**THE BOARD RECOMMENDS A VOTE FOR PROPOSAL NO. 1.**

**1. Election of directors with terms ending in 2014**

**For      Withhold**

Frank D. Bracken

Keith S. Walters

Irshad Ahmad

**THE BOARD RECOMMENDS A VOTE FOR PROPOSAL NO. 2.**

**2. Ratification of Grant Thornton LLP as our independent registered public accounting firm for fiscal year 2012.**

\_\_\_ FOR    \_\_\_ AGAINST    \_\_\_ ABSTAIN

**THE BOARD RECOMMENDS A VOTE FOR PROPOSAL NO. 3.**

**3. Approval of an amendment to the 2004 Long-Term Incentive Plan to provide an additional 1,000,000 shares and to extend the expiration date of the Plan through June 30, 2021.**

**THE BOARD RECOMMENDS A VOTE FOR PROPOSAL NO. 4.**

**4. To approve a non-binding advisory vote on executive compensation**

\_\_\_ FOR    \_\_\_ AGAINST    \_\_\_ ABSTAIN

**THE BOARD RECOMMENDS A VOTE FOR 3 YRS REGARDING PROPOSAL NO. 5.**

**5. To approve a non-binding vote on the frequency of holding the non-binding advisory vote on executive compensation.**

\_\_\_ 1 YR    \_\_\_ 2 YRS    \_\_\_ 3 YRS    \_\_\_ ABSTAIN

**Table of Contents**

**THE BOARD RECOMMENDS A VOTE FOR PROPOSAL NO. 6.**

**6. In their discretion, the Proxies are authorized to vote upon such other business as may properly come before the meeting.**

**\_\_\_ FOR \_\_\_ AGAINST \_\_\_ ABSTAIN**

The proxy when properly executed will be voted in the manner directed herein by the undersigned shareholder. **If no direction is made, this proxy will be voted for Proposals 1, 2, 3, 4 and for 3 Yrs in Proposal 5 and in the Proxies discretion on matters arising under 6. This proxy confers discretionary authority upon the Proxies to cumulate votes for the election of the nominees for which proxy authority is given if (a) cumulative voting is in effect and (b) such Proxies determine that such action is necessary to elect as many of management s nominees as possible.**

**Authorized Signatures This section must be completed for your vote to be counted. Date and Sign below.**

Please sign exactly as name appears above. When shares are held by joint tenants, both should sign. When signing as attorney, executor, administrator, trustee or guardian, etc., please give full title as such. If a corporation, please sign in full corporate name by President or other authorized officer. If a partnership, please sign in partnership name by authorized person.

Signature 1 Please keep signature within the box Signature 2 Please keep signature within the box Date (mm/dd/yyyy)

\_\_\_/\_\_\_/\_\_\_\_\_