

MCCLATCHY CO  
Form DEF 14A  
March 31, 2015

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**SCHEDULE 14A**

**PROXY STATEMENT PURSUANT TO SECTION 14(A) OF THE**  
**SECURITIES EXCHANGE ACT OF 1934**

(AMENDMENT NO. )

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

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

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to § 240.14a-12

**THE MCCLATCHY COMPANY**

(Name of Registrant as Specified in its Charter)

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

Payment of Filing Fee (Check the appropriate box):

No fee required.

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(1) Amount Previously Paid:

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(3) Filing Party:

(4) Date Filed:

**THE McCLATCHY COMPANY**

**2100 Q Street**

**Sacramento, California 95816**

March 31, 2015

To our Shareholders:

I am pleased to invite you to attend the 2015 Annual Meeting of Shareholders of The McClatchy Company on Thursday, May 14, 2015 at 9:00 a.m., local time, in the Vizcaya Pavilion, 2019 21<sup>st</sup> Street, Sacramento, California 95818.

At this year's meeting, you are being asked to: (i) elect directors for the coming year and (ii) ratify the appointment of Deloitte & Touche LLP as McClatchy's independent registered public accounting firm. The notice of meeting and Proxy Statement that follow this letter describe these items in detail. Please take the time to read these materials carefully.

Your Board of Directors unanimously believes that the two (2) items proposed by the Board are in the best interests of McClatchy and its shareholders and recommends that you vote in favor of the Board's recommendations on these proposals.

In addition to the items of business noted above, I will report to you at the meeting on McClatchy's financial position and results of operations and respond to comments and answer questions of general interest to shareholders.

Whether or not you plan to attend, it is important that your shares be represented. Even if you plan to attend the meeting in person, please complete, sign, date and return the enclosed proxy card or submit your proxy by telephone or over the internet to ensure that your shares will be represented at the meeting. If you vote by proxy and then attend the meeting and vote in person, your vote in person at the meeting will revoke votes by proxy previously submitted, and only your meeting ballot will be counted for purposes of determining shareholder approval. If you are the beneficial owner of shares held through a broker or other nominee, you may vote in accordance with the instructions provided by your broker or nominee.

Thank you.

Sincerely,

Patrick J. Talamantes



**THE McCLATCHY COMPANY**

**2100 Q Street**

**Sacramento, California 95816**

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS OF**

**THE McCLATCHY COMPANY**

**TO BE HELD MAY 14, 2015**

To our Shareholders:

The 2015 Annual Meeting of Shareholders of The McClatchy Company will be held on Thursday, May 14, 2015, at 9:00 a.m., local time, in the Vizcaya Pavilion, 2019 21<sup>st</sup> Street, Sacramento, California 95818, for the following purposes:

1. To elect directors to serve until the next annual meeting and until their successors are elected or appointed and qualified or until their earlier resignation or removal;
2. To ratify the appointment of Deloitte & Touche LLP as McClatchy's independent registered public accounting firm for the 2015 fiscal year; and
3. To transact such other business as may properly come before the meeting.

The Board of Directors has chosen the close of business on **March 17, 2015**, as the record date to identify those shareholders entitled to notice of and to vote at the annual meeting. This notice, the attached Proxy Statement and the enclosed proxy card for the meeting are first being mailed to shareholders on or about March 31, 2015.

By Order of the Board of Directors  
Karole Morgan-Prager, Corporate Secretary

March 31, 2015

**YOUR VOTE IS IMPORTANT!**

**WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING, PLEASE COMPLETE, SIGN, DATE AND RETURN THE ENCLOSED PROXY IN THE ENCLOSED REPLY ENVELOPE OR SUBMIT YOUR PROXY BY TELEPHONE OR OVER THE INTERNET AS DIRECTED ON YOUR PROXY. THE SUBMISSION OF YOUR PROXY WILL NOT LIMIT YOUR RIGHT TO**

**ATTEND OR VOTE AT THE MEETING.**

**THE McCLATCHY COMPANY**

**2100 Q Street**

**Sacramento, California 95816**

**PROXY STATEMENT**

**GENERAL INFORMATION**

The enclosed proxy is solicited on behalf of the Board of Directors of The McClatchy Company, a Delaware corporation, with its principal executive offices at 2100 Q Street, Sacramento, California 95816. This proxy is for use at McClatchy's 2015 Annual Meeting of Shareholders to be held on Thursday, May 14, 2015, at 9:00 a.m., local time, in the Vizcaya Pavilion, 2019 21<sup>st</sup> Street, Sacramento, California 95818.

This Proxy Statement contains important information regarding McClatchy's 2015 Annual Meeting of Shareholders, the proposals on which you are being asked to vote, information you may find useful in determining how to vote and voting procedures.

As of the close of business on March 17, 2015, the record date, there were outstanding 62,756,051 shares of McClatchy's Class A Common Stock and 24,585,962 shares of McClatchy's Class B Common Stock. The Board is first sending this Proxy Statement and form of proxy to shareholders on or about March 31, 2015.

**Classes of Stock and Voting Rights**

In accordance with McClatchy's Amended and Restated Certificate of Incorporation, the Company is authorized to issue shares of two classes of Common Stock: Class A Common Stock, par value \$0.01 per share, and Class B Common Stock, par value \$0.01 per share. Class A shareholders have the right, voting as a separate class, to elect that number of directors constituting 25% (or the nearest larger whole number) of the total number of members of the Board of Directors and to remove any director elected by the Class A shareholders. On all matters other than the election and removal of directors, each share of Class A Common Stock entitles the holder to one-tenth (1/10) of a vote.

Class B shareholders have the right, voting as a separate class, to elect that number of directors not elected by the Class A shareholders and to remove any director elected by the Class B shareholders. On all matters each share of Class B Common Stock entitles the holder to one vote.

**Form of Ownership**

For each share that you own, regardless of the class from which it issues, your name or the name of someone appointed by you (for example, a broker or other nominee) appears in the Company's records as the owner of that share. If your name appears in the Company's records, you are considered the record owner of that share. If the name of someone appointed by you appears in the Company's records, you are considered the beneficial owner of that share. Because ownership status is determined by reference to a particular share, a shareholder who owns more than one share may be both a shareholder of record and a beneficial owner.

**Methods of Voting**

You may vote in person at the meeting or by proxy through the mail, by telephone or over the internet.

***Voting in Person at the Meeting***

If you were the record owner of at least one share of McClatchy's Class A or B Common Stock as of the close of business on March 17, 2015, the record date, or if you hold a valid proxy from the record owner of at



least one share of McClatchy's Class A or B Common Stock as of the close of business on the record date, you are entitled to attend the meeting and vote in person. Shareholders who attend the meeting and wish to vote in person will be provided with a ballot at the meeting.

If you plan to attend the meeting and vote in person, please be prepared to present photo identification for admittance. If you are the record owner of your shares, prior to granting you admission to the meeting, the Company will verify your name against a list of record owners as of the close of business on the record date. If you are the beneficial owner of shares held through a broker or other nominee and wish to attend the meeting and vote in person, you will need to obtain a properly executed, valid proxy from your broker or nominee (the record owner) authorizing you to vote such shares. Please be prepared to present such a proxy for admittance. Similarly, if you are a proxy holder, please be prepared to present the properly executed, valid proxy that you hold.

Even if you plan to attend the meeting, the Board of Directors encourages you to complete, sign, date and submit a proxy card. You may revoke your proxy at any time prior to the close of voting at the meeting (see the section entitled "Revoking Your Proxy" below). If you attend the meeting and vote in person, your completed ballot will revoke any proxies previously submitted.

#### ***Voting by Proxy***

If you do not plan or are unable to attend the meeting and vote in person, you may still vote by authorizing another to vote on your behalf in accordance with your directions. If you are a record owner, you may vote by proxy in any or all of the methods described below. The proxy last executed by you and submitted prior to the close of voting at the meeting will revoke all previously submitted proxies.

**If you authorize the McClatchy proxy holders to vote on your behalf, your shares will be voted in accordance with your directions. If you do not provide voting directions, your shares will be voted FOR each of the Class A nominees for director proposed by the Board of Directors if you hold Class A shares; FOR each of the Class B nominees for director proposed by the Board of Directors if you hold Class B shares; and FOR the ratification of the appointment of Deloitte & Touche LLP as McClatchy's independent registered public accounting firm. Whether or not you provide voting directions, your proxy, when properly executed, will be voted in the discretion of the proxy holders upon such other matters as may properly come before the meeting and postponement or adjournment thereof.**

If you are the beneficial owner of shares held through a broker or other nominee, your broker or nominee should provide you with information regarding the methods by which you can direct your broker or nominee to vote your shares. Your broker or nominee might send you, for example, a voting instruction card, similar to the Company's proxy card, to be completed, signed, dated and returned to your broker or nominee by a date in advance of the meeting, and/or information on how to communicate your voting instructions to your broker or nominee by telephone or over the internet.

***Voting by Mail.*** By completing, signing, dating and returning the proxy card in the enclosed prepaid and addressed envelope, you are authorizing the individuals named on the proxy card to vote your shares at the meeting in the manner you indicate. We encourage you to sign and return the proxy card even if you plan to attend the meeting. In this way, your shares will be voted if you are unable to attend the meeting. If you received more than one proxy card, it is a likely indication that your shares are held in multiple accounts. Please sign and return all proxy cards to ensure that all of your shares are voted.

***Voting by Telephone.*** To vote by telephone, please follow the instructions included on your proxy card. If you vote by telephone, you do not need to complete and mail your proxy card.

*Voting on the Internet.* To vote on the internet, please follow the instructions included on your proxy card. If you vote on the internet, you do not need to complete and mail your proxy card.

### **Revoking Your Proxy**

You may revoke your proxy at any time prior to the close of voting at the meeting by doing any one of the following:

complete, sign, date and submit another proxy (a properly executed, valid proxy will revoke any previously submitted proxies);

provide written notice of the revocation to McClatchy's corporate secretary; or

attend the meeting and vote in person.

### **Quorum Requirement**

A quorum, which under McClatchy's By-Laws, as Amended and Restated, is a majority of the voting power of the issued and outstanding capital stock of the Company, must be present in person or represented by proxy in order to hold the meeting and to conduct business. Shares are counted as being present at the meeting if you appear in person at the meeting or if you vote your shares by proxy, either through the mail, by telephone or over the internet. If any broker non-votes (as described below) are present at the meeting, they will be counted as present for the purpose of determining a quorum.

### **Broker Non-Votes**

If you are the beneficial owner of shares held through a broker, bank or other nominee, and your broker, bank or other nominee transmits proxy materials to you, but you do not return voting instructions, applicable regulations of the New York Stock Exchange ( NYSE ) permit your broker, bank or other nominee to vote your shares on certain routine matters without your instruction. Such regulations also list various non-routine matters as to which your broker, bank or other nominee may not vote your shares without your instruction. A vote that your broker, bank or other nominee does not have authority to cast pursuant to applicable regulations is known as a broker non-vote. To the extent that broker non-votes are applicable with respect to matters at the annual meeting, they will be treated as shares present for purposes of determining a quorum, but will not be treated as shares present and entitled to vote. If you hold your shares through a broker, bank or other nominee it is critical that you cast your vote if you want it to count in the election of directors (Item 1 of this Proxy Statement). Your broker, bank or other nominee will have discretion to vote any uninstructed shares on the ratification of the appointment of the Company's independent registered public accounting firm (Item 2 of this Proxy Statement).

### **Votes Required for the Proposals**

Only Class A shareholders are entitled to vote on the nominees for Class A director. If you are a Class A shareholder, with respect to each nominee for Class A director, you may vote for the nominee or you may withhold your vote. If you withhold your vote with respect to any or all nominees for Class A director, your vote will be counted as present for purposes of determining a quorum but will not be counted as a vote in favor of the proposal. The three nominees for Class A director receiving the highest number of votes from Class A shareholders, in person or by proxy, will be elected as the Class A directors.

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Only Class B shareholders are entitled to vote on the nominees for Class B director. If you are a Class B shareholder, with respect to each nominee for Class B director, you may vote for the nominee or you may withhold your vote. If you withhold your vote with respect to any or all nominees for Class B director, your vote will be counted as present for purposes of determining a quorum but will not be counted as a vote in favor of the proposal. The eight nominees for Class B director receiving the highest number of votes from Class B shareholders, in person or by proxy, will be elected as the Class B directors.

In accordance with McClatchy's Amended and Restated Certificate of Incorporation, each share of Class A Common Stock entitles the holder to one-tenth (1/10) of a vote, and each share of Class B Common Stock entitles the holder to one vote, on all matters other than the election of directors presented at the meeting. If you

abstain from voting with respect to a particular proposal, your vote will be counted as present for purposes of determining a quorum and present at the meeting and entitled to vote on the subject matter. Pursuant to the Company's By-Laws, as Amended and Restated, and subject to Delaware General Corporation Law and applicable NYSE rules, shareholder approval requires the affirmative vote of the majority of shares present in person or represented by proxy at the meeting and entitled to vote on the subject matter. Therefore, with respect to proposals other than the election of directors, under the Delaware General Corporation Law and applicable NYSE rules, an abstention has the same effect as a vote against the proposal. With respect to the election of directors, abstentions will have no effect on the outcome of the proposal since director nominees are elected by a plurality of the votes cast by the applicable class of McClatchy common shareholders.

### **Voting Confidentiality**

Proxies, ballots and voting tabulations are handled on a confidential basis to protect your voting privacy. Information will not be disclosed except as required by law.

### **Voting Results**

Final voting results will be announced at the meeting and will be filed with the Securities and Exchange Commission (the SEC) in a Current Report on Form 8-K within four business days of the annual meeting. After the report is filed, you may obtain a copy by:

visiting our website at [www.mcclatchy.com](http://www.mcclatchy.com);

contacting our Investor Relations department at (916) 321-1844; or

viewing our Current Report on Form 8-K on the SEC's website at [www.sec.gov](http://www.sec.gov).

### **Proxy Solicitation Costs**

McClatchy will bear the entire cost of solicitation, including the preparation, assembly, printing and mailing of the proxy materials. McClatchy will reimburse brokerage houses and other custodians, nominees and fiduciaries for their reasonable out-of-pocket expenses for forwarding proxy and solicitation material to McClatchy shareholders. Employees of McClatchy and its subsidiaries may also solicit proxies personally and by telephone. The expense for this would be nominal.

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE SHAREHOLDER MEETING TO BE HELD ON MAY 14, 2015. This Proxy Statement and our Annual Report on Form 10-K for the year ended December 28, 2014 are available at [www.RRDEZProxy.com/2015/TheMcClatchyCompany](http://www.RRDEZProxy.com/2015/TheMcClatchyCompany).**

## PROPOSALS

### Item 1. Election of Directors

#### *Overview*

In accordance with McClatchy's Amended and Restated Certificate of Incorporation, Class A shareholders have the right, voting as a separate class, to elect that number of directors constituting 25% (or the nearest larger whole number) of the total number of members of the Board of Directors. Class B shareholders have the right, voting as a separate class, to elect that number of directors not elected by the Class A shareholders. Only Class A shareholders are entitled to vote on the nominees for Class A director, and only Class B shareholders are entitled to vote on the nominees for Class B director.

At the 2015 Annual Meeting of Shareholders, 11 directors are to be elected to serve until the 2016 Annual Meeting and until their successors are elected or appointed and qualified or until their earlier resignation or removal. All of the nominees for election are presently directors of McClatchy who were elected by shareholders at the 2014 Annual Meeting of Shareholders. If any director nominee is unable or declines to serve as a director at the time of the meeting, the Board may, by resolution, provide for a lesser number of directors or designate a substitute director to fill the vacancy.

A brief biography for each nominee for director, grouped by class, appears below. In addition, certain individual qualifications and skills of our directors that contribute to the Board's effectiveness as a whole are described below. Following the biographies of director nominees, the section entitled "Other Executive Officers" contains a brief biography for each of McClatchy's non-director executive officers. Although the biographies of McClatchy's non-director executive officers are presented under the section entitled "Proposals," no action with respect to McClatchy's non-director executive officers is sought from, or is to be taken by, the shareholders. The biographies of McClatchy's non-director executive officers are presented under this section merely for convenient reference.

#### *Voting Matters*

Only Class A shareholders are entitled to vote on the nominees for Class A director. If you are a Class A shareholder, with respect to each nominee for Class A director, you may vote for the nominee or you may withhold your vote. If you withhold your vote with respect to any or all nominees for Class A director, your vote will be counted as present for purposes of determining a quorum but will not be counted as a vote in favor of the proposal. The three nominees for Class A director receiving the highest number of votes from Class A shareholders, in person or by proxy, will be elected as the Class A directors.

Only Class B shareholders are entitled to vote on the nominees for Class B director. If you are a Class B shareholder, with respect to each nominee for Class B director, you may vote for the nominee or you may withhold your vote. If you withhold your vote with respect to any or all nominees for Class B director, your vote will be counted as present for purposes of determining a quorum but will not be counted as a vote in favor of the proposal. The eight nominees for Class B director receiving the highest number of votes from Class B shareholders, in person or by proxy, will be elected as the Class B directors.

Abstentions and broker non-votes will have no effect on the outcome of Item 1 since the director nominees are elected by a plurality of the votes cast by the applicable classes of McClatchy common shareholders.

If you authorize the McClatchy proxy holders to vote on your behalf, your shares will be voted in accordance with your directions. If you do not provide voting directions and you are a shareholder of record, your shares will be voted, as applicable based on the class or classes of shares you hold, FOR each of the Class A nominees for director proposed by the Board of Directors and/or FOR each of the Class B nominees for director proposed by the Board of Directors. Whether or not you provide voting directions, your proxy, when properly executed, will be voted in the discretion of the proxy holders upon such other matters as may properly come before the meeting and postponement or adjournment thereof.

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**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE FOR EACH OF THE NOMINEES.**

*Nominees for Class A Director*

*Elizabeth Ballantine*, 66, has been a director of McClatchy since March 1998. Prior to joining the Board of Directors, Ms. Ballantine was a director of Cowles Media Company, a position she had held since 1993. Since 1999, Ms. Ballantine has been president of EBA Associates, a consulting firm. From 1993 to 1999, she was an attorney in the Washington, D.C. law firm of Dickstein, Shapiro, Morin and Oshinsky LLP. From 1990 until 1993, she worked as a private consultant advising clients on international business investments. Ms. Ballantine is a life trustee of Grinnell College in Iowa and was chair of the Governing Board of the National Cathedral School in Washington, D.C. Since December 2004, Ms. Ballantine has been a director of the mutual funds of the Principal Financial Group of Des Moines, Iowa. She also serves on the board of directors of the Durango Herald, Inc. of Durango, Colorado. Ms. Ballantine has significant experience and knowledge of media and publishing stemming from her service on the board of directors of Cowles Media Company as well as her involvement with her family-owned newspaper in Durango, Colorado.

*Kathleen Foley Feldstein*, 73, has been a director of McClatchy since 2006, joining the Board of Directors upon the close of McClatchy's acquisition of Knight-Ridder, Inc. on June 27, 2006. Ms. Feldstein served on the Knight-Ridder board of directors from 1998 to the date of the acquisition. Since 1987, she has been president of Economics Studies, Inc., a private consulting firm in Massachusetts. She has served on the board of directors of BlackRock Closed End Funds since 2005, and was chairman of the board of directors of McLean Hospital in Belmont, Massachusetts, from 2000 to 2008. She is a director of Catholic Charities of Boston, a social not-for-profit company. With her previous experience as a director of Knight-Ridder, extensive background as an economist, and former and current service on the boards of other public and not-for-profit companies, Ms. Feldstein brings to the Board expertise in corporate strategy development as well as financial and business acumen.

*Clyde W. Ostler*, 68, has been a director of McClatchy since May 2013. In March 2011, Mr. Ostler retired from Wells Fargo and Company as a Group Executive Vice President, Vice Chairman of Wells Fargo Bank California and President of Wells Fargo Family Wealth. During his 40-year tenure with Wells Fargo, Mr. Ostler served in a number of capacities including Vice Chairman in the Office of the President, Chief Financial Officer, Chief Auditor, Head of Retail Branch Banking, Head of Information Technology, Head of Institutional and Personal Investments and Head of Internet Service. Mr. Ostler was a member of Wells Fargo's management committee for over 25 years. He has served on a number of for-profit and not-for-profit boards. He is currently a member of the board of directors and chair of the Audit Committee of EXLService Holdings, Inc., since December 2007 and is a member of the advisory council of FTV Capital, a private global investment company. From May 2002 to November 2006, Mr. Ostler served on the board of directors of Mercury Interactive Corporation and from November 1999 to November 2004, was a member of the board of directors of BARRA, Inc. Mr. Ostler is currently on the Scripps Institution of Oceanography Directors' Advisory Council and is a member of the University of Southern California Athletic Department's Board of Counselors. Mr. Ostler has extensive experience serving on boards of directors of public companies and his years of senior executive experience at a large financial institution give him significant executive leadership, management and financial oversight experience. His experience and background qualify him to serve as one of the Board's audit committee financial experts as defined by Item 407(d)(5)(ii) of Regulation S-K.



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**Nominees for Class B Director**

*Leroy Barnes, Jr.*, 63, has been a director of McClatchy since September 2000. Mr. Barnes is the retired vice president and treasurer of PG&E Corporation, a position he held from 2001 to 2005. From 1997 to 2001, Mr. Barnes was vice president and treasurer of Gap, Inc. Prior to that, Mr. Barnes held various executive positions with Pacific Telesis Group/SBC Communications. Earlier in his career, Mr. Barnes was a consultant at Touche Ross & Co., a predecessor of Deloitte & Touche LLP. Mr. Barnes received his bachelor's and master's degrees from Stanford University and his MBA from Stanford Business School. Mr. Barnes is also a member of the boards of directors of Frontier Communications, Inc. (formerly Citizens Communications, Inc.), since May 2005, and Principal Funds, Inc. and Principal Variable Contracts, Inc., each since March 2012. Mr. Barnes had also served as a member of the board of directors of Herbalife, Ltd. from December 2004 to February 2015. Mr. Barnes' experience as a finance executive at other publicly-traded companies as well as his service on other boards position him to critically review and oversee various managerial, strategic, financial and compliance-based considerations applicable to McClatchy. Mr. Barnes' expertise also qualifies him to serve as an audit committee financial expert as defined by Item 407(d)(5)(ii) of Regulation S-K.

*Molly Maloney Evangelisti*,<sup>1</sup> 62, has been a director of McClatchy since July 1995. She worked in various capacities for *The Sacramento Bee* from October 1978 to December 1996, including the oversight of special projects. As a longtime McClatchy employee, with nearly 20 years of hands-on experience at *The Sacramento Bee*, Ms. Evangelisti has an extensive knowledge of the Company's people and business.

*Craig I. Forman*, 53, has been a director of McClatchy since July 2013. Mr. Forman is a private investor and entrepreneur, a former media, technology and telecommunications executive and former *Wall Street Journal* bureau chief and foreign correspondent. Mr. Forman's most recent executive management role was with the Atlanta-based internet services provider Earthlink in 2009, where he was president of the company's consumer access and audience business. Mr. Forman previously served as the vice president and general manager for Yahoo's media and information divisions, overseeing Yahoo! News, Yahoo! Sports and Yahoo! Finance. Mr. Forman has led internet and new media divisions at Time Warner, was the vice president for product development and editor at the search engine Infoseek, and was the director and editor of international business information services for Dow Jones. Since 2009, Mr. Forman has served as a director on a variety of public and private company boards. Until March 2015, Mr. Forman was the executive chairman of the board of Appia, Inc., a Durham, N.C., based mobile-applications marketer and distributor. In connection with the completion of Digital Turbine, Inc.'s stock-for-stock merger with Appia, Inc. in March 2015, Mr. Forman was appointed to Digital Turbine, Inc.'s board of directors on March 9, 2015. Mr. Forman also serves on the board of Yellow Media, Inc., a Canadian publisher of print and digital business directories, since 2012. Previously, Mr. Forman served as executive chairman of WHERE, Inc., a leading mobile-advertising technology network acquired by eBay Inc. in 2011. Mr. Forman began his career as a foreign correspondent and editor for *The Wall Street Journal*. He worked as a deputy bureau chief in *The Wall Street Journal*'s London bureau and later served as bureau chief in the newspaper's Tokyo bureau. Mr. Forman's digital, business and media experience, which have most recently focused on helping companies successfully navigate and thrive in the digital landscape, provides the Board with valuable insight as it pursues McClatchy's digital media transition.

*Brown McClatchy Maloney*,<sup>1</sup> 59, has been a director of McClatchy since September 2004. Mr. Maloney is the owner of Radio Pacific and the owner of KONP radio, an ABC affiliate in western Washington State. Mr. Maloney is also the owner of Olympic View Properties, a Washington state real estate company. From 1988 through November 2011, he was the owner of Olympic View Publishing, publisher of the *Sequim Gazette* and *Forks Forum*. From 1974 to 1987, prior to his ownership of Olympic View Publishing and Radio Pacific, Mr. Maloney held various circulation and advertising positions at the *Anchorage Daily News*, *The Sacramento Bee* and *The Fresno Bee*. He served as the president of the Washington Newspaper Publishers Association from 1996 to 1997 and is the former president of the Washington Newspaper Publishers Association Foundation. Mr. Maloney's ownership of various newspapers and radio stations provides him with valuable insight into McClatchy's business strategy and industry challenges. He also has valuable executive leadership, management and entrepreneurial experience.

*Kevin S. McClatchy*,<sup>1</sup> 52, has been a director of McClatchy since September 1998, and non-executive Chairman of the Board since May 2012. From 1996 to 2007, he was the managing general partner and chief executive officer of the Pittsburgh Pirates Major League Baseball team. From 1994 to 1995, he was president of the Northern California Sports Development Group and The Modesto Athletics, a minor league baseball team. Mr. McClatchy held various positions with McClatchy from 1990 to 1994, including serving as sales director for The Newspaper Network, Inc., advertising director at the *Amador Ledger Dispatch* and sales representative for *The Sacramento Bee*. As a former senior executive officer of a professional and minor league sports franchise, Mr. McClatchy has demonstrated leadership capability and extensive knowledge of the complex financial, operational and personnel issues facing large organizations. In addition, his years of experience working at McClatchy have given him extensive knowledge of its business.

*William McClatchy*,<sup>1</sup> 53, has been a director of McClatchy since September 2004. Mr. McClatchy is an entrepreneur, journalist and co-founder of Index Investing, LLC. He currently is a real estate investor and formerly managed Index Investing's ETFzone.com, a website supplying content concerning exchange-traded index funds. In 1999, Mr. McClatchy co-founded indexfunds.com, a website for index investing content. From 1987 through 1991, Mr. McClatchy served in a variety of editorial positions for computer magazines, including staff writer at *PC Week* and *MAC Week*, and microcomputing editor at *Information Week*. From 1993 to 1996, Mr. McClatchy worked as a reporter for *The Fresno Bee*. Mr. McClatchy's founding of a financial and investing website, in conjunction with his continued involvement in the digital world as editor of ETFzone.com, positions him to offer unique knowledge and perspective of McClatchy's digital business and assets.

*Patrick J. Talamantes*, 50, has been a director and President and Chief Executive Officer of McClatchy since May 2012. Prior to this appointment, Mr. Talamantes served as Vice President, Finance, and Chief Financial Officer of McClatchy since April 2001 and also oversaw the Company's operations in Florida beginning in May 2011. Prior to joining McClatchy, he was with Sinclair Broadcast Group, Inc., a television broadcasting company, from 1996 to 2001, and served the last two years as chief financial officer. Mr. Talamantes was treasurer of River City Broadcasting LP, a broadcasting company located in St. Louis, from 1995 to 1996, and spent nine years in various banking positions with Chemical Bank of New York. Mr. Talamantes' proven operating experience and extensive knowledge of the Company make him a valuable asset to the Company. This experience and knowledge put him in a position to work proactively with the Board to develop and implement the Company's business strategy in the coming years.

*Frederick R. Ruiz*, 71, has been a director of McClatchy since July 1993. He serves on the board of directors of Ruiz Foods, Inc., a privately-held frozen food company, and was president and chief executive officer of that company from 1990 to 2008. Mr. Ruiz currently serves on the boards of directors of the University of California Board of Regents and the California Chamber of Commerce. He is a member of the Board of Trustees, University of California Merced and the President's Advisory Board, California State University, Fresno. Mr. Ruiz's leadership skills and experience with his family-owned company provide him with expertise in corporate strategy development and organizational issues.

#### ***Other Executive Officers***

*Anders Gyllenhaal*, 63, has been McClatchy's Vice President, News and Washington editor since November 2010. Before his corporate appointment, Mr. Gyllenhaal was the senior vice president and executive editor of *The Miami Herald* from 2007 to 2010. He has led two other McClatchy newsrooms over his career: from 2002 to 2007 he was editor and senior vice president of the Minneapolis *Star Tribune* under McClatchy ownership and from 1997 to 2007 he was executive editor of *The News & Observer* in Raleigh, North Carolina. Mr. Gyllenhaal served as chairman of the Pulitzer Prize Board from 2009 to 2010 and was a member of the Pulitzer Prize Board from 2001 to 2010.

<sup>1</sup> Molly Maloney Evangelisti and Brown McClatchy Maloney are siblings. Kevin S. McClatchy and William McClatchy are cousins to each other and to Ms. Evangelisti and Mr. Maloney.



*Christian A. Hendricks*, 52, has been Vice President, Interactive Media of McClatchy since August 1999. He joined McClatchy in 1992 as advertising manager, marketing for *The Fresno Bee*. From 1993 to 1994 he served as marketing director for *The Fresno Bee*. In 1994 he was named manager of technology for McClatchy. He held this position until 1996 when he was promoted to president and publisher of Nando Media (now known as McClatchy Interactive), McClatchy's interactive publishing and software development operation, where he served until August 1999. Mr. Hendricks serves on the Newspaper Association of America board of directors. On February 12, 2015, the Company announced that Mr. Hendricks will assume new responsibilities and a new title, effective June 30, 2015, as vice president of products, marketing and innovation. Mr. Hendricks will assume oversight of audience development, business development, product management, mobile initiatives, marketing, corporate communications, and external partnerships and will continue his oversight of the Company's Tru Measure subsidiary.

*Elaine Lintecum*, 59, has been Vice President, Finance and Chief Financial Officer of McClatchy since May 2012, prior to which she was Treasurer of McClatchy since December 2002. Ms. Lintecum joined McClatchy in 1988 as the corporate analyst responsible for external financial reporting and for SEC compliance. She was promoted to investor relations manager in 1993 and was named assistant treasurer and director of treasury services in 2000. Prior to joining McClatchy, Ms. Lintecum worked for Deloitte, Haskins & Sells, a predecessor of Deloitte & Touche LLP, as a certified public accountant.

*Billie S. McConkey*, 44, has been Vice President, Human Resources of McClatchy since March 2015. Ms. McConkey worked with the Company, on a contract basis, as special employment counsel since 2006. Prior to March 2015, from 2000 to 2006, Ms. McConkey was special labor counsel for Knight Ridder and from 1998 to 2000, Ms. McConkey was vice president, labor and employment counsel for Central Newspapers, Inc. Ms. McConkey was also an associate at the law firms, Brown & Bain P.A. (a subsidiary of Perkins Coie LLP) and Bryan Cave LLP from 1995 to 1998.

*Karole Morgan-Prager*, 52, has been General Counsel and Corporate Secretary of McClatchy since July 1995 and was named Vice President in May 1998. In May 2012 she was also named Vice President, Corporate Development. From 1992 to 1995, she was associate general counsel of The Times Mirror Company. She was an associate with the law firm of Morrison & Foerster LLP from 1987 to 1992. Ms. Morgan-Prager is a member of the board of directors of the Media Law Resource Center and serves as Chair of the Legal Affairs Committee of the Newspaper Association of America.

*Robert J. Weil*, 64, has been Vice President, Operations of McClatchy since September 1997, overseeing McClatchy's operations in California, the Northwest, Texas, Kentucky and Pennsylvania. He was named to this position after 17 years as a newspaper publisher. Mr. Weil joined McClatchy as publisher of *The Fresno Bee* in 1994. From 1992 to 1994, he was president and chief operating officer of Persis Media, a privately held company with newspapers in Washington and Tennessee. Mr. Weil held other senior management positions with Persis and Gannett Co. from 1973 to 1992. He currently serves as chairman of the board of trustees of the American Press Institute. He is also a member of the board of trustees for the Southern Newspaper Publishers' Association and is president-elect of that organization. In addition, Mr. Weil is on the board of the Newspaper Association of America and serves on its executive committee. On January 15, 2015, the Company announced that Mr. Weil will retire from the Company, effective June 30, 2015. Thereafter, he will provide consulting services to the Company for a period of time.

*Mark Ziemann*, 54, has been Vice President, Operations of McClatchy since June 2011, overseeing 16 McClatchy markets in the Midwest, Florida and Southeast. Prior to his corporate appointment, Mr. Ziemann served as president and publisher of *The Kansas City Star* from March 2008 to June 2011, and held various editorial positions at *The Kansas City Star* from 1986 to 2008. On February 12, 2015, the Company announced that Mr. Ziemann will assume new responsibilities in his role as vice president of operations, effective June 30, 2015, where he will oversee the Company's 29 local media properties, the corporate digital revenue development team and the corporate production team.

**Item 2. Ratification of Deloitte & Touche LLP as McClatchy's Independent Registered Public Accounting Firm***Overview*

The Audit Committee of the Board of Directors has appointed, subject to ratification by the shareholders, Deloitte & Touche LLP as its independent registered public accounting firm for the fiscal year ending December 27, 2015. Representatives of Deloitte & Touche LLP will be present at the annual meeting and will have an opportunity to make a statement if they desire. They will also be available at the annual meeting of shareholders to respond to appropriate questions.

*Fees Billed to McClatchy by Deloitte & Touche LLP*

The following table shows the fees paid or accrued by McClatchy for the audit and other services provided by Deloitte & Touche LLP for fiscal 2014 and 2013.

	2014	2013
Audit Fees <sup>(1)</sup>	\$ 3,380,000	\$ 3,208,000
Audit-Related Fees <sup>(2)</sup>	\$ 125,000	\$ 125,000
Tax Fees		
All Other Fees		
<b>Total</b>	<b>\$ 3,505,000</b>	<b>\$ 3,333,000</b>

- (1) Audit fees represent fees for professional services provided in connection with the audit of our financial statements and our controls over financial reporting and review of our quarterly financial statements and audit services provided in connection with other statutory or regulatory filings.
- (2) Audit-related fees consisted primarily of accounting consultations, employee benefit plan audits and other attestation services.

In considering the services provided by Deloitte & Touche LLP, the Audit Committee discussed the nature of the services with the independent auditors and management and determined that the services were compatible with the provision of independent audit services permitted under the rules and regulations of the SEC and the Sarbanes-Oxley Act of 2002. All of the amounts reflected in the table above were approved according to the Audit Committee's pre-approval policy described below.

*Audit Committee Pre-approval Policy*

To ensure the independence of our independent accountants and to comply with applicable securities laws, the NYSE Listed Company Rules, and the Audit Committee charter, the Audit Committee is responsible for reviewing, deliberating and, if appropriate, pre-approving all audit, audit-related, and non-audit services to be performed by the independent accountants. For that purpose, the Audit Committee has established a policy and related procedures regarding the pre-approval of all audit, audit-related, and non-audit services to be performed by our company's independent accountants (the Pre-Approval Policy).

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The Pre-Approval Policy provides that our company's independent accountants may not perform any audit, audit-related, or non-audit service for McClatchy, subject to those exceptions that may be permitted by applicable law, unless: (1) the service has been pre-approved by the Audit Committee; or (2) subject to the procedure established by the Audit Committee, by the chairman of the Audit Committee if the fees for services involved are less than \$50,000.

### *Voting Matters*

If you authorize the McClatchy proxy holders to vote on your behalf, your shares will be voted in accordance with your directions. If you do not provide voting directions, your shares will be voted FOR

ratification of the appointment of Deloitte & Touche LLP as McClatchy's independent registered public accounting firm. Whether or not you provide voting directions, your proxy, when properly executed, will be voted in the discretion of the proxy holders upon such other matters as may properly come before the meeting and postponement or adjournment thereof.

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE FOR RATIFICATION OF THE APPOINTMENT OF DELOITTE & TOUCHE LLP AS MCCLATCHY'S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM.**

## CORPORATE GOVERNANCE AND BOARD MATTERS

### General Board Matters

The Board of Directors is responsible for overseeing the Company's affairs for the benefit of McClatchy's shareholders. The principal functions of the Board and its Committees are described in our Corporate Governance Guidelines, which are available on our website at [www.mcclatchy.com](http://www.mcclatchy.com).

In addition, we have also adopted a written code of business conduct and ethics that applies to all of our officers, directors and employees, as well as a code of ethics for senior officers that applies to our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. Our code of business conduct and ethics prohibits our officers, directors and employees from engaging in any hedging transactions involving the Company's stock or any options to purchase Company stock or stock appreciation rights (SARs) related to the Company's stock. Our codes of business conduct and ethics can be found on our website at [www.mcclatchy.com](http://www.mcclatchy.com). Any waivers of the code of ethics for senior officers or directors will be posted on our website.

### Board Independence

The Board has determined that each of the current director nominees, other than Mr. Talamantes, President and Chief Executive Officer, has no material relationship with the Company and is independent within the meaning of the NYSE listing standards, as currently in effect. In making its independence determination with respect to the directors who are members of the McClatchy family, the Board considered the overall nature of these familial relationships and concluded that these relationships were not material with respect to the independence of the directors who are members of the McClatchy family. Furthermore, the Board has determined that each of the members of the Audit Committee, the Compensation Committee, the Committee on the Board and the Nominating Committee is independent within the meaning of the NYSE listing standards, as currently in effect.

### Board Structure and Committee Composition

As of the date of this Proxy Statement, our Board has 11 directors. The Board has the following five committees: (1) Audit Committee, (2) Compensation Committee, (3) Committee on the Board, (4) Nominating Committee and (5) Pension and Savings Plans Committee. The membership and function of these committees are described below. Each committee operates under a written charter that has been approved by the Board. These charters are available on our website at [www.mcclatchy.com](http://www.mcclatchy.com) and are also available in print to any shareholder requesting copies.

The Board of Directors met seven (7) times during fiscal 2014. No director attended fewer than 75% of the aggregate number of meetings of the Board and any committee on which such director served (during the period he or she was a member). All directors attended the 2014 Annual Meeting of Shareholders. The Board has no formal policy regarding attendance at the Company's annual meetings of shareholders.

### *Leadership Structure*



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Our Board is committed to adopting governance policies and practices that promote the most effective and ethical management of the Company. In that regard, the Board believes that it is important to retain maximum flexibility to determine the Company's optimal leadership structure and to choose the best qualified person(s) to serve in the roles of Chief Executive Officer and Chairman of the Board. Accordingly, the Company's By-Laws, as Amended and Restated, and Corporate Governance Guidelines grant the Board discretion in combining or separating the positions of Chairman of the Board and Chief Executive Officer, as the Board deems appropriate in light of the Company's prevailing circumstances. Currently, the Board believes that it is in the best interests of the Company to separate the roles of Chairman of the Board and Chief Executive Officer.

The Board has determined that the designation of Mr. Kevin McClatchy, as an independent, non-executive Chairman is the current optimal leadership structure for the Company because it provides the Board with independent leadership and allows Mr. Talamantes, the Company's current President and Chief Executive Officer, to concentrate on the Company's business operations. This leadership structure has no impact on the Board's oversight of risk.

### *Compensation Committee*

Leroy Barnes, Jr. serves as the chairman and Molly Maloney Evangelisti, Craig Forman and Clyde Ostler serve as members of the Compensation Committee. Craig Forman joined the Compensation Committee after the Company's Board meeting in May 2014. As set forth in its charter, the Compensation Committee reviews and approves goals and objectives relevant to Chief Executive Officer compensation and evaluates the Chief Executive Officer's performance in light of those goals and objectives. The Compensation Committee also determines the compensation of the Chief Executive Officer and the other executive officers and recommends to the Board compensation of the non-employee directors, administers McClatchy's incentive compensation and equity-based plans, oversees and assists in preparing the Compensation Discussion and Analysis for inclusion in the Proxy Statement, provides a description of the processes and procedures for the consideration and determination of executive and director compensation for inclusion in the Proxy Statement, prepares a Compensation Committee report for inclusion in the Company's Proxy Statement, and annually reviews the Compensation Committee charter and performance. The report of the Compensation Committee is included in this Proxy Statement on page 23.

The Compensation Committee meets in September each year to consider compensation trends and best practices in compensation policies and their applicability to McClatchy. The Compensation Committee generally meets again in December each year to determine the salary and bonus targets for the executive officers for the following fiscal year, although in determining 2015 salaries and bonus targets, the Committee met in early January 2015 rather than December 2014. The Chief Executive Officer then determines the particular bonus goals for the other executive officers within the targets established by the Committee. In January, the Compensation Committee meets to determine the bonus award for the prior fiscal year for the Chief Executive Officer and to set the bonus formula for his bonus for the current fiscal year. In addition, in January the Chief Executive Officer reviews the estimated bonus awards for the other executive officers with the Committee and with input from the Committee determines the amount of the bonus paid to the other executive officers for the prior fiscal year based on whether the goals have been attained. The Compensation Committee makes all equity and other long-term incentive grants to executive officers, including the named executive officers (NEOs), at its February meeting each year. For additional information on the Chief Executive Officer's role in the executive compensation setting process for our NEOs in 2014, see the Compensation Discussion and Analysis below.

For assistance and objective data in determining the compensation of the executive officers, the Compensation Committee engaged Exequity, an independent outside executive compensation consultant, to analyze general market trends in executive compensation and the compensation of the Company's executive officers, including the NEOs, compared to competitive information pulled from the Towers Watson Executive Compensation Data Bank Media Survey, a comprehensive survey of the compensation paid by other media companies, as well as compensation reported in the proxy statements of our peers. The Compensation Committee also engaged Exequity in 2014 to review the Company's executive compensation disclosure and discuss best practices for such disclosure, advise the Company on its compensation programs for executives and whether any modifications to the Company's peer group should be made.

Exequity does not determine or recommend the amount or form of executive officer or non-employee director compensation, but instead provides requested data and advice to the Compensation Committee, as more fully described in the Compensation Discussion and Analysis below. The Compensation Committee believes that the work of Exequity did not raise a conflict of interest and did not impair Exequity's ability to provide independent advice to the Compensation Committee concerning executive compensation matters. In making this

determination, the Compensation Committee considered, among other things, the following factors: (1) other services provided to us by Exequity; (2) fees paid by us as a percentage of Exequity's total revenue; (3) policies or procedures maintained by Exequity that are designed to prevent a conflict of interest; (4) any business or personal relationships between Exequity consultants involved in the engagement and a member of the Compensation Committee; (5) any Company stock owned by the individual Exequity consultants involved in the engagement; and (6) any business or personal relationships between our executive officers and Exequity or the individual consultants involved in the engagement.

Pursuant to a delegation by the Compensation Committee during 2014, the Chief Executive Officer had the authority to grant a limited number of restricted stock units ( RSUs ) under the McClatchy 2012 Omnibus Incentive Plan (the Omnibus Plan ) to non-executive employees. The Compensation Committee determines the total number of RSUs and other awards that the Chief Executive Officer is permitted to grant annually. The grants to such non-executive employees are made at the discretion of the Chief Executive Officer.

The Compensation Committee is comprised solely of non-employee directors of McClatchy, all of whom are independent pursuant to the NYSE listing rules. The Compensation Committee held three (3) meetings during fiscal 2014.

#### ***Audit Committee***

Kathleen Foley Feldstein serves as the chairwoman and Leroy Barnes, Jr., Clyde Ostler and Frederick R. Ruiz serve as members of the Audit Committee. Mr. Barnes also serves on the audit committees of Frontier Communications, Inc. (formerly Citizens Communications, Inc.), Herbalife, Ltd., Principal Funds, Inc. and Principal Variable Contracts, Inc. The Board has made an affirmative determination that service on such other audit committees does not impair Mr. Barnes' ability to serve effectively on McClatchy's Audit Committee. The Board has designated Mr. Barnes and Mr. Ostler, who qualify as independent within the meaning of the NYSE listing standards, as currently in effect, as audit committee financial experts as defined by Item 407(d)(5)(ii) of Regulation S-K. The Audit Committee has been established in accordance with Section 10A(m)(1) and Rule 10A-3 of the Securities Exchange Act of 1934, as amended. Among other things, the Audit Committee appoints, evaluates and determines the compensation of McClatchy's independent auditors; reviews and approves the scope of the annual audit, and the financial statements; reviews McClatchy's disclosure controls and procedures, internal controls, information security policies, internal audit function, and corporate policies with respect to financial information and (if provided by the company) earnings guidance, oversees investigations into complaints concerning financial matters; reviews other risks that may have a significant impact on McClatchy's financial statements; prepares the Audit Committee report for inclusion in the annual proxy statement; and annually reviews the Audit Committee charter and the Committee's performance. The Audit Committee works closely with management and oversees McClatchy's independent auditors. The Audit Committee has the authority to obtain advice and assistance from, and receive appropriate funding from McClatchy for outside legal, accounting or other advisers as the Audit Committee deems necessary to carry out its duties. The Audit Committee regularly meets separately with members of management, the director of internal audit and McClatchy's independent auditors. The Audit Committee held twelve (12) meetings during fiscal 2014. The report of the Audit Committee is included in this Proxy Statement on page 45.

#### ***Committee on the Board***

Kevin S. McClatchy serves as the chairman and Elizabeth Ballantine, Leroy Barnes, Jr. and Molly Maloney Evangelisti serve as members of the Committee on the Board. The Committee on the Board advises the Board of Directors with respect to corporate governance issues and such other matters relating to directors as may be deemed appropriate, including development of corporate governance principles applicable to McClatchy, evaluation of the composition and organization of the Board and its committees, and recommendation of qualifications, expertise and characteristics for potential Board members. The Committee on the Board annually reviews its charter and performance. The Committee on the Board held two (2) meetings during fiscal 2014.

### *Nominating Committee*

Brown McClatchy Maloney serves as the chairman and Elizabeth Ballantine and Craig Forman serve as members of the Nominating Committee. Craig Forman joined the Nominating Committee after the Company's Board meeting in May 2014. The Nominating Committee conducts searches and evaluates and proposes nominees for election to the Board based on criteria approved by the Board. The Nominating Committee evaluates and recommends the proposal for the board slate for election by the shareholders and will consider recommendations from shareholders for director candidates, as described below. The Nominating Committee annually reviews its charter and the Committee's performance. The Nominating Committee held one (1) meeting during fiscal 2014.

### *Pension and Savings Plans Committee*

Leroy Barnes, Jr. serves as the chairman and William McClatchy and Clyde Ostler serve as members of the Pension and Savings Plans Committee. Kevin McClatchy and Patrick Talamantes left the Pension and Savings Plans Committee after the Company's Board meeting in May 2014, whereupon Clyde Ostler joined the committee.

The Pension and Savings Plans Committee reviews McClatchy's pension funding policy and objectives, monitors the investment of the assets in McClatchy's 401(k) and Pension Plans, and recommends appropriate related action to the Board of Directors. The Pension and Savings Plans Committee annually reviews its charter and the Committee's performance. The Pension and Savings Plans Committee held two (2) meetings during fiscal 2014.

### **Board of Director's Role in Risk Oversight**

The Board has an active role, as a whole and also at the committee level, in overseeing management of the Company's risks. The Board regularly reviews information regarding the Company's credit, liquidity and operations, as well as the risks associated with each. Various committees of the Board also have responsibility for risk management. In particular, the Audit Committee focuses on assessing and mitigating financial risk, including internal controls, and receives an annual risk assessment report from the Company's internal auditors. The Compensation Committee is responsible for overseeing the management of risks relating to the Company's executive compensation plans and arrangements.

With respect to the Company's compensation plans and arrangements, the Company believes that its compensation policies and practices for its employees are not reasonably likely to have a material adverse effect on the Company. In evaluating whether the Company's compensation policies and practices for employees generally are reasonably likely to have a material adverse effect on the Company, the Compensation Committee considered all of the components of our compensation program.

With respect to executives, as described in the Compensation Discussion and Analysis section beginning on page 24, certain objectives serve as the foundation of our compensation program, including (i) basing compensation on the performance of the executives in managing our Company; (ii) avoiding compensation based on short-term performance of our stock, whether favorable or unfavorable; (iii) focusing our senior management on long-term operating performance of the Company by awarding stock and other long-term incentive awards; and (iv) while focusing on the long-term success of the Company, recognizing that annual business and individual performance goals are essential components within our executive compensation program. The Company compensates its executives through a mix of annual base salary, annual cash incentives based on performance objectives of an individual and unit and/or company-wide basis; long-term cash and equity incentives; retirement benefits and health and welfare benefits. We believe these components have been structured so that inappropriate risk-taking is not encouraged or incentivized, and that the overall design of our compensation program aligns the interests of the Company's employees with those

of our shareholders. As outlined in the Compensation Discussion and Analysis section beginning on page 24, the Company utilizes clear performance metrics for our executive compensation programs, which we believe are consistent with industry practice and designed to be simple, understandable and transparent to all.

For our non-management employees generally, annual base salary, retirement benefits and health and welfare benefits constitute the primary sources of compensation, except that our advertising salespeople receive commission compensation based predominately on advertising revenue. Management employees may additionally be eligible for annual cash incentives based on performance objectives of the individual and unit and Company financial goals. As is the case with our executive incentive compensation programs, the Company has in place internal controls to ensure that management cash incentives are paid based on actual business results. As a result, the Company believes that for employees at large, our compensation program has not been structured to encourage or incentivize inappropriate risk-taking.

The Committee on the Board and the Nominating Committee assist the Board in fulfilling its oversight responsibilities with respect to the management of risks associated with Board organization, membership and structure, succession planning and corporate governance. In addition, the Committee on the Board manages risks associated with the independence of the Board of Directors and potential conflicts of interest. While each committee is responsible for evaluating certain risks and overseeing the management of such risks, the entire Board of Directors is regularly informed through committee reports about such risks.

### **Consideration of Director Nominees**

#### *Shareholder Nominees*

Any shareholder nominations proposed for consideration by the Nominating Committee for Board membership should include the nominee's name and qualifications and should be addressed to:

Corporate Secretary

The McClatchy Company

2100 Q Street

Sacramento, CA 95816

#### *Director Qualifications*

Under our Corporate Governance Guidelines, the Committee on the Board is responsible for reviewing with the Board the appropriate skills and characteristics of Board members, as well as the composition of the Board as a whole. In assessing a candidate, the Nominating Committee will consider skills; diversity; age; independence; experience in areas such as operations, journalism, finance, interactive media and marketing; geography and the general needs of the Board. The Nominating Committee does not have a formal policy with respect to diversity; however, the Board and the Nominating Committee believe that it is essential that the Board members represent diversity, such as diversity of gender; race and national origin; education; professional experience; and differences in viewpoints and skills. The Nominating Committee does not assign specific weights to particular criteria and no particular criterion is necessarily applicable to all nominees. The Nominating Committee believes that the current directors, considered as a group, provide a significant composite mix of diversity that allows the Board to fulfill its responsibilities.

#### *Identifying and Evaluating Nominees for Directors*

The Nominating Committee utilizes a variety of methods for identifying and evaluating nominees for director. In the event vacancies are anticipated or otherwise arise, the Nominating Committee considers various potential candidates for director. Candidates may come to the attention of the Nominating Committee through current Board members, professional search firms, shareholders or other persons. These candidates are evaluated at meetings of the Nominating Committee and may be considered at any point during the course of the year. The Nominating Committee will consider properly submitted nominees of shareholders, as discussed above. The nominees standing for election at the 2015 Annual Meeting of Shareholders were recommended by the Nominating Committee in early 2014.

**Executive Sessions**

Executive sessions of non-management directors are held at each regular meeting of the Board. In addition, at least once each year, the independent directors meet in executive session. The executive sessions of the Board were scheduled and chaired by the Chairman of the Board, Kevin McClatchy. Any non-management director may also request that additional executive sessions be scheduled.

**Communication with the Board**

Individuals may communicate with the Board by addressing correspondence to:

The Board of Directors

The McClatchy Company

*c/o* Corporate Secretary

2100 Q Street

Sacramento, CA 95816

All communication received will be reviewed and processed by the corporate secretary and communicated to the Board of Directors as appropriate. If you wish to contact only non-management directors, please direct correspondence to the chairperson of the Committee on the Board at the address above.



## PRINCIPAL SHAREHOLDERS

### Class A Common Stock

The following table shows information about the beneficial ownership of shares of Class A Common Stock as of March 17, 2015, by each director and nominee for director; McClatchy's Chief Executive Officer; McClatchy's Chief Financial Officer; each of McClatchy's three most highly compensated executive officers other than the Chief Executive Officer or Chief Financial Officer; all directors, nominees for director and executive officers of McClatchy as a group; and each person known by McClatchy to beneficially own more than 5% of the outstanding shares of the Class A Common Stock.

Beneficial ownership is determined in accordance with the rules of the SEC and generally includes voting or investment power with respect to securities. All shares of Class A Common Stock subject to options, SARs or RSUs that are exercisable or vest within 60 days following the record date are deemed beneficially owned by the person holding those options, SARs or RSUs. Also, each holder of Class B Common Stock is deemed to be the beneficial owner of the same number of shares of Class A Common Stock under the SEC rules, on the basis that he or she has the right, subject to the terms of the shareholders' agreement described later in this Proxy Statement, to convert Class B Common Stock into Class A Common Stock. See the section entitled "Agreement Among Class B Shareholders." For purposes of calculating the percentage of outstanding shares of Class A Common Stock beneficially owned by each shareholder, the shares of Class A Common Stock deemed to be owned by each shareholder because of his or her ownership of either Class B Common Stock or options to acquire Class A Common Stock are treated as outstanding only for that shareholder. As a result, the column showing the percentage of deemed beneficial ownership of Class A Common Stock does not necessarily reflect the beneficial ownership of Class A Common Stock actually outstanding as of the close of business on the record date.

Directors and Nominees for Director; Named Executive Officers;  Directors and Executive Officers as a Group; Beneficial Owners of More Than 5% of Total Shares of Class Outstanding <sup>(1)</sup>	Number of Shares of Class A Common Stock	Deemed Beneficial Ownership of Class A Common Stock <sup>(2)</sup>	
		Number of Shares of Class A Common Stock	Percent of Class
Kevin S. McClatchy	71,200	13,928,222 <sup>(3)(5)</sup>	18.18%
William McClatchy	71,690	12,976,690 <sup>(3)(6)</sup>	17.15%
Leroy Barnes, Jr.	71,200	12,571,200 <sup>(3)</sup>	16.70%
Theodore R. Mitchell <sup>(4)</sup>	56,200	12,556,200 <sup>(3)</sup>	16.68%
Molly Maloney Evangelisti	160,075	4,700,877	6.88%
Brown McClatchy Maloney	73,551	4,544,991 <sup>(7)</sup>	6.75%
Elaine Lintecum	23,690	116,190 <sup>(8)</sup>	*
Robert J. Weil	11,706	285,456 <sup>(9)</sup>	*
Patrick J. Talamantes	133,441	765,941 <sup>(10)</sup>	*
Karole Morgan-Prager	8,748	168,248 <sup>(11)</sup>	*
Mark Ziemann	6,953	141,203 <sup>(12)</sup>	*
Elizabeth Ballantine	99,432	99,432	*
Frederick R. Ruiz	99,075	99,075	*
Kathleen Foley Feldstein	73,383	73,383	*
Craig I. Forman	30,000	30,000	*
Clyde W. Ostler	30,000	30,000	*
Contrarius Investment Management Limited	6,493,431	6,493,431 <sup>(13)</sup>	10.35%
Bestinver Gestion S.A., SGIIC	6,162,540	6,162,540 <sup>(14)</sup>	9.82%
Royce & Associates, LLC	4,044,869	4,044,869 <sup>(15)</sup>	6.45%
Morgan Stanley	3,946,445	3,946,445 <sup>(16)</sup>	6.3%
Dimensional Fund Advisors LP	3,831,744	3,831,744 <sup>(17)</sup>	6.11%
BlackRock, Inc.	3,830,321	3,830,321 <sup>(18)</sup>	6.10%
All executive officers and directors as a group (18 persons)	917,001	25,886,663 <sup>(19)</sup>	29.53%

\* Represents less than 1%.

- (1) All addresses are c/o The McClatchy Company, 2100 Q Street, Sacramento, CA 95816, except as follows: (i) Bestinver Gestion S.A., SGIIC, Madrid, Spain, Calle Juan de Mena, no. 8, 28014; (ii) Contrarius Investment Management Limited, 2 Bond Street, St. Helier, Jersey JE2 3NP, Channel Islands; (iii) BlackRock Inc., 40 East 52nd Street, New York, NY 10022; (iv) Dimensional Fund Advisors LP, Palisades West, Building One, 6300 Bee Cave Road, Austin, TX 78746; (v) Morgan Stanley, 1585 Broadway, New York, NY 10036; and (vi) Royce & Associates, LLC, 745 Fifth Avenue, 24th Floor, New York, NY 10151.
- (2) Represents all shares of Class A Common Stock plus all shares of Class A Common Stock subject to options, SARs or RSUs that are exercisable or vest within 60 days following the record date.
- (3) Includes 12,500,000 shares of Class B Common Stock held under three separate trusts, two of which hold 4,166,667 shares and the third which holds 4,166,666 shares. Each of the trusts has different income beneficiaries. Kevin McClatchy, William McClatchy, Leroy Barnes and Theodore R. Mitchell share joint voting and investment control with respect to these trusts. However, each of Leroy Barnes and Theodore R. Mitchell disclaim any beneficial ownership of such shares. In addition, Kevin McClatchy and William McClatchy disclaim beneficial ownership of the shares held in trusts for which they are not beneficiaries.
- (4) Mr. Mitchell resigned as a director effective May 15, 2014.
- (5) Includes 449,527 shares of Class B Common Stock held by a trust of which Kevin McClatchy is one of three trustees but not a beneficiary. Kevin McClatchy has joint voting and investment control with the other trustees with respect to this trust. Kevin McClatchy disclaims beneficial ownership of these shares.
- (6) Includes 405,000 shares of Class B Common stock held by William McClatchy as custodian for his minor child. William McClatchy has sole voting and investment control with respect to these shares. William McClatchy disclaims beneficial ownership of these shares.
- (7) Includes 1,290,660 shares of Class B Common Stock held directly by or in trusts for the benefit of each of Brown McClatchy Maloney's four children. Brown McClatchy Maloney has sole voting and investment control with respect to these trusts. Brown McClatchy Maloney disclaims beneficial ownership of these shares.
- (8) Includes 42,500 shares subject to SARs which are currently exercisable or exercisable within 60 days and 50,000 RSUs which are scheduled to vest within 60 days.
- (9) Includes 223,750 shares subject to SARs which are currently exercisable or exercisable within 60 days and 50,000 RSUs which are scheduled to vest within 60 days.
- (10) Includes 532,500 shares subject to SARs which are currently exercisable or exercisable within 60 days and 100,000 RSUs which are scheduled to vest within 60 days.
- (11) Includes 109,500 shares subject to SARs which are currently exercisable or exercisable within 60 days and 50,000 RSUs which are scheduled to vest within 60 days.
- (12) Includes 84,250 shares subject to SARs which are currently exercisable or exercisable within 60 days and 50,000 RSUs which are scheduled to vest within 60 days.
- (13) Based on a Schedule 13G/A filed on February 5, 2015, by Contrarius Investment Management Limited and Contrarius Investment Management (Bermuda) Limited, each of which has shared voting power with respect to 6,493,431 shares and shared dispositive power with respect to 6,493,431 shares.
- (14) Based on a Schedule 13G filed on November 14, 2014. Bestinver Gestion S.A., SGIIC has sole voting power and sole dispositive power with respect to 6,162,540 shares.
- (15) Based on a Schedule 13G filed on January 15, 2015. Royce & Associates, LLC has sole voting power and sole dispositive power with respect to 4,044,869 shares.
- (16) Based on a Schedule 13G filed on March 23, 2015. Morgan Stanley has sole voting power with respect to 3,930,821 shares, shared voting power with respect to 15,624 shares and shared dispositive power with respect to 3,946,445 shares.
- (17) Based on a Schedule 13G/A filed on February 5, 2015. Dimensional Fund Advisors LP has sole voting power with respect to 3,742,242 shares and sole dispositive power with respect to 3,831,744 shares.
- (18) Based on a Schedule 13G/A filed on January 30, 2015. BlackRock, Inc. has sole voting power with respect to 3,702,440 shares and sole dispositive power with respect to 3,830,321 shares.
- (19) Includes those shares subject to (i) SARs indicated in notes (8) through (12) above and 1,255,500 shares subject to SARs not otherwise included in notes (8) through (12) above, which are currently exercisable or exercisable within 60 days; and (ii) RSUs that are scheduled to vest indicated in notes (8) through (12) above and 400,000 RSUs not otherwise included in notes (8) through (12) above, which are scheduled to vest within 60 days.

**Class B Common Stock**

The following table shows information about the beneficial ownership of shares of Class B Common Stock as of March 17, 2015, if applicable, held by each director and nominee for director; McClatchy's Chief Executive Officer; McClatchy's Chief Financial Officer; each of McClatchy's three most highly compensated executive officers other than the Chief Executive Officer or Chief Financial Officer; all directors, nominees for director and executive officers of McClatchy as a group; and each person known by McClatchy to beneficially own more than 5% of the outstanding shares of the Class B Common Stock. Pursuant to the Shareholders' Agreement described below, only current holders of shares of Class B Common Stock of McClatchy; any lineal descendant of Charles K. McClatchy (1858 to 1936); or a trust for the exclusive benefit of, or in which all of the remainder beneficial interests are owned by, one or more lineal descendants of Charles K. McClatchy may hold shares of Class B Common Stock of McClatchy. Accordingly, other than as listed below, no officer or director beneficially owns shares of the Class B Common Stock.

<b>Directors and Nominees for Director; Named Executive Officers; Directors and Executive Officers as a Group;</b>	<b>Number of Shares of Class B Common Stock Beneficially Owned</b>	<b>Percent of Class</b>
<b>Beneficial Owners of More Than 5% of Total Shares of Class Outstanding<sup>(1)</sup></b>		
Kevin S. McClatchy	13,857,022 <sup>(2)(4)</sup>	56.36%
William McClatchy	12,905,000 <sup>(2)(5)</sup>	52.49%
Leroy Barnes	12,500,000 <sup>(2)</sup>	50.84%
Theodore R. Mitchell <sup>(3)</sup>	12,500,000 <sup>(2)</sup>	50.84%
Molly Maloney Evangelisti	4,528,500	18.42%
Brown McClatchy Maloney	4,467,440 <sup>(6)</sup>	18.17%
All executive officers and directors as a group (18 persons)	23,257,962 <sup>(7)</sup>	94.60%

<sup>(1)</sup> All addresses are c/o The McClatchy Company, 2100 Q Street, Sacramento, CA 95816.

<sup>(2)</sup> Includes 12,500,000 shares of Class B Common Stock held under three separate trusts, two of which hold 4,166,667 shares and the third which holds 4,166,666 shares. Each of the trusts has different income beneficiaries. Kevin McClatchy, William McClatchy, Leroy Barnes and Theodore R. Mitchell share joint voting and investment control with respect to these trusts.

<sup>(3)</sup> Mr. Mitchell resigned as a director effective May 15, 2014.

<sup>(4)</sup> Includes 449,527 shares of Class B Common Stock held by a trust of which Kevin McClatchy is one of three trustees but not a beneficiary. Kevin McClatchy has joint voting and investment control with respect to this trust. Kevin McClatchy disclaims beneficial ownership of these shares.

<sup>(5)</sup> Includes 405,000 shares of Class B Common stock held by William McClatchy as custodian for his minor child. William McClatchy has sole voting and investment control with respect to these shares. William McClatchy disclaims beneficial ownership of these shares.

<sup>(6)</sup> Includes 1,290,660 shares of Class B Common Stock held directly by or in trusts for the benefit of each of Brown McClatchy Maloney's four children. Brown McClatchy Maloney has sole voting and investment control with respect to these trusts. Brown McClatchy Maloney disclaims beneficial ownership of these shares.

<sup>(7)</sup> Includes those shares of Class B Common Stock indicated in notes (2), (4), (5) and (6) above.

**Agreement Among Class B Shareholders**

The holders of shares of Class B Common Stock are parties to an agreement, the intent of which is to preserve control of the Company by the McClatchy family. Under the terms of the agreement, the Class B shareholders have agreed to restrict the transfer of any shares of Class B Common Stock to one or more Permitted Transferees, subject to certain exceptions. A Permitted Transferee is generally any current holder of shares of Class B Common Stock of McClatchy; any lineal descendant of Charles K. McClatchy (1858 to 1936); or a trust for the exclusive benefit of, or in which all of the remainder beneficial interests are owned by, one or more lineal descendants of Charles K. McClatchy.

Generally, Class B shares can be converted into shares of Class A Common Stock and then transferred freely (unless following conversion, the outstanding shares of Class B Common Stock would constitute less than 25% of the total member of all outstanding shares of common stock of the Company). In the event that a Class B shareholder attempts to transfer any shares of Class B Common Stock in violation of the agreement, or upon the happening of certain other events enumerated in the agreement as Option Events, each of the remaining Class B shareholders has an option to purchase a percentage of the total number of shares of Class B Common Stock proposed to be transferred equal to such remaining Class B shareholder's ownership percentage of the total number of outstanding shares of Class B Common Stock. If all the shares proposed to be transferred are not purchased by the remaining Class B shareholders, McClatchy has the option of purchasing the remaining shares. The agreement can be terminated by the vote of the holders of 80% of the outstanding shares of Class B Common Stock who are subject to the agreement. The agreement will terminate on September 17, 2047, unless terminated earlier in accordance with its terms.

## DIRECTOR COMPENSATION

The following tables set forth the annual compensation paid or accrued by McClatchy to or on behalf of our non-employee directors for the fiscal year ended December 28, 2014.

Name (a)	Fees Earned or Paid in Cash (\$) <sup>(1)</sup> (b)	Stock Awards (\$) <sup>(2)</sup> (c)	Option Awards (\$) <sup>(3)</sup> (d)	Non-Equity Incentive Plan Compensation (\$) (e)	Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$) (f)	All Other Compensation (\$) (g)	Total (\$) (h)
Elizabeth Ballantine	\$ 65,500	\$ 54,450					\$ 119,950
Leroy Barnes	\$ 106,000	\$ 54,450					\$ 160,450
Molly Maloney Evangelisti	\$ 70,500	\$ 54,450					\$ 124,950
Kathleen Foley Feldstein	\$ 93,000	\$ 54,450					\$ 147,450
Craig I. Forman	\$ 64,500	\$ 54,450					\$ 118,950
Brown McClatchy Maloney	\$ 72,000	\$ 54,450					\$ 126,450
Kevin S. McClatchy	\$ 123,125	\$ 54,450					\$ 177,575
William McClatchy	\$ 66,000	\$ 54,450					\$ 120,450
Clyde Ostler	\$ 81,000	\$ 54,450					\$ 135,450
Frederick R. Ruiz	\$ 81,000	\$ 54,450					\$ 135,450

(1) Includes annual retainer, committee chair fees and Board and committee meeting fees.

(2) Reflects an award of 15,000 shares of Class A Common Stock to each non-employee director on September 24, 2014.

(3) No director received an option award in fiscal year 2014.

### Director Compensation Arrangements

We use a combination of cash and stock-based compensation to attract and retain qualified individuals to serve on our Board. Generally, the Compensation Committee reviews the compensation of our non-employee directors on a biannual basis with the last review occurring in September 2014. In determining director compensation, we have considered publicly-available data from companies within our industry, data collected by our Human Resources Department regarding trends in director compensation and competitive data prepared by Exequity, our outside compensation consultant. We also consider the significant amount of time that our directors devote to the business of the Company.

The results of Exequity's 2014 director compensation survey were presented to the Compensation Committee at its September 2014 meeting where trends in director compensation were addressed, as well as the varying approaches to directors' compensation among public companies, including the mix of compensation components. Upon the recommendation of the Compensation Committee, the Board approved that director compensation for 2014, including the stock grant of 15,000 Class A shares to the Company's outside directors and the Chairman's fee, would remain the same as 2013 compensation levels.

As such, for 2014, McClatchy paid its outside directors an annual cash retainer of \$45,000 and stock awards of 15,000 shares of Class A Common Stock. In addition, outside directors received \$2,000 per day for in-person attendance at Board meetings (with attendance at regular Board meetings by teleconference compensated at one-half that rate). The Chairman of the Board received an additional \$50,000 per year for his service. Committee chairpersons, other than the chairs of the Audit Committee and the Compensation Committee, received an additional \$7,500

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per year for their services. The Audit Committee Chairperson received an additional \$11,500 per year for her services and the Compensation Committee Chairperson received an additional \$8,500 per year for his services. Committee meeting fees were \$1,500 per meeting. In addition to payments of Board and committee fees, McClatchy reimburses non-employee directors for reasonable expenses incurred by them in connection with the business and affairs of McClatchy.

In December 2012, the Board of Directors enhanced the Company's corporate governance practices by amending the Corporate Governance Guidelines to include director stock ownership guidelines. The Board believes that it is important to align the interests of the non-employee members of the Board with the long-term interests of the Company's shareholders. Accordingly, the guidelines require that each non-management director shall own a minimum of 15,000 shares of the Company's Class A Common Stock. For those directors on the Board as of November 28, 2012 the target date for such ownership was December 31, 2012. For subsequently elected directors, the target date for achieving the desired ownership level is five (5) years from the date that Board service commences. Shares issuable upon vesting of restricted stock or stock units shall count towards achievement of the minimum guideline amount. As of the date of this proxy statement all directors are in compliance with the Company's stock ownership guidelines.

## EXECUTIVE COMPENSATION

### Compensation Committee Report

We have reviewed and discussed with management the Compensation Discussion and Analysis to be included in the Company's 2015 Schedule 14A Proxy Statement, filed pursuant to Section 14(a) of the Securities Exchange Act of 1934 (the Proxy) and the Company's 2014 Annual Report on Form 10-K, filed pursuant to Section 13(a) of the Securities Exchange Act of 1934 (the Form 10-K). Based on this review and discussion, we recommended to the Board of Directors that the Compensation Discussion and Analysis be included in the Company's Proxy and Form 10-K.

Compensation Committee:

Leroy Barnes, Jr., Chairman

Molly Maloney Evangelisti

Craig Forman

Clyde Ostler



## Compensation Discussion and Analysis

Our Compensation Committee is responsible for reviewing and approving the annual compensation for the five (5) executive officers of the Company, which for 2014 include the following named executive officers ( NEOs ) set forth in the Summary Compensation Table below: our President and Chief Executive Officer, Patrick Talamantes; the Vice President, Finance and Chief Financial Officer, Elaine Lintecum; the Vice Presidents of Operations, Robert Weil and Mark Ziemann; and the Vice President, Corporate Development, General Counsel and Secretary, Karole Morgan-Prager.

### *Overview of 2014 Compensation Decisions*

At our annual meeting of shareholders held on May 15, 2014, we held an advisory shareholder vote on executive compensation. Although the vote was non-binding, the Compensation Committee has considered and will continue to consider the outcome of the vote when making future compensation decisions for named executive officers. Approximately 99.7% of the shareholders who voted on the say on pay proposal at the 2014 Annual Meeting of Shareholders approved the compensation of our named executive officers, while only approximately 0.2% voted against (with approximately 0.1% abstaining). The Compensation Committee believes that the shareholder vote strongly endorses the compensation philosophy of the Company.

We undertook the following key compensation items for 2014:

We maintained all of our NEOs' base salaries at levels consistent with the salaries that they earned in 2013, except for Ms. Lintecum who received an increase to her base salary of approximately 6.0%;

We paid an annual cash bonus to Mr. Talamantes under the CEO Bonus Plan at 10% of target.

We paid an annual cash bonus to our NEOs, other than Mr. Talamantes, under our Management by Objective Annual Bonus Plan (the MBO Plan ) at 10% of target;

We granted long-term incentive awards to our NEOs. 60% of the long-term incentive award consisted of a cash-settled L-TIP subject to the achievement of a three-year free cash flow performance target. 40% of the long-term incentive award consisted of service-based, stock-settled, RSUs that vest equally over a three-year period. Our long-term incentive program was designed in 2013 to promote pay for performance, alignment with shareholder interests and motivation to achieve the long-term strategic goals of the Company.

The Compensation Committee continues to recognize the difficult operating environment faced by the media industry, and newspaper companies in particular, and the challenges that it creates with respect to executive compensation. The Compensation Committee continues to monitor trends and developments to ensure that the Company provides the appropriate executive compensation incentives and remains competitively positioned for executive talent. The Compensation Committee believes that the total compensation program features an appropriate balance of base salary, cash and equity incentives, individual and companywide pay for performance measures, short- and long-term performance periods and extended vesting schedules. In combination, we believe that these elements tie our executives' compensation to McClatchy's sustained long-term performance.

### *Objectives of Our Compensation Program*

We believe the following objectives serve as the overall foundation of our executive compensation program:

the overall compensation of our executives should be based on the performance of the executives in managing our Company, taking into consideration general economic and specific Company, industry and competitive conditions as appropriate or required and should reward performance in areas targeted by the Company for growth and development;

our executives' compensation should not be based on the short-term performance of our stock, whether favorable or unfavorable, but rather on the belief that the price of our stock will in the long term reflect our operating performance and, therefore, the performance of our executives in managing the Company;

by awarding stock and other long-term incentive awards to our executives, we focus our senior management on the long-term operating performance of McClatchy; and

while focusing on the long-term success of the Company, annual business and individual performance goals are essential components within our executive compensation program, as the consistent achievement of these more immediate goals tracks the trajectory for long-term success.

### *Setting of Executive Compensation*

#### *Review of Market Data.*

To assist in establishing the compensation levels of our NEOs, the Compensation Committee has each year since 2005 retained a nationally recognized executive compensation consulting firm. Since July 2010, the Company has retained Exequity as its independent executive compensation consultant. With respect to those decisions made for 2014, at the request of the Compensation Committee, Exequity analyzed 2013 competitive media compensation data available through the Towers Watson Executive Compensation Data Bank – Media Industry (the Data Bank). The Data Bank provides a summary of compensation paid to senior management at participating media companies. The Data Bank includes more than 100 media company participants, the vast majority of which are not specific to the newspaper segment of the media industry.

Exequity's analysis of the information available from the Data Bank resulted in a customized report (the Executive Compensation Review), comparing McClatchy's compensation for senior management to others in the media industry at the 25<sup>th</sup>, 50<sup>th</sup> and 75<sup>th</sup> percentiles, adjusted to reflect our revenue size compared to other companies using regression analysis. In addition, Exequity reviewed compensation data available in the 2013 proxies of twelve public newspaper, broadcast or media companies for the Chief Executive Officer, Chief Financial Officer and Vice President of Operations positions. These twelve companies, as well as others, are viewed as direct competitors of McClatchy. The proxy review established comparisons between McClatchy's compensation for these positions and the median and average compensation paid at these competing companies. This proxy analysis was included in the Executive Compensation Review.

While the Data Bank and proxy information used in the Executive Compensation Review include newspaper, broadcast and media companies we view as our direct competition, the Compensation Committee does not look exclusively to these companies in setting McClatchy's executive compensation. The Compensation Committee considers both the compensation trends and amounts paid to the wider group of media companies included in the Data Bank, as well as direct competitors, as the Data Bank provides a broader base of information and compensation trends in the media industry as a whole. We do not formally target a certain percentile within the Executive Compensation Review when setting the compensation paid to our NEOs. Other important factors that the Compensation Committee considers include performance, experience in the role, contribution to organization success, internal equity relationships, assumption of new duties and future potential.

With regard to the compensation of Mr. Talamantes, we took into account the compensation levels of the chief executive officers at twelve other newspaper, broadcast or media companies as reported by those companies, given that we consider these companies our primary competitors. These companies include:

A.H. Belo Corp.;

Belo Corporation;

E. W. Scripps;

Gannett Company, Inc.;

Journal Communications;

Lee Enterprises;

LIN Television Corp.;

Media General, Inc.;

Meredith Corp.;

Sinclair Broadcast Group, Inc.;

The New York Times Company; and

The Washington Post Company.

In addition, at the Compensation Committee's request, Exequity prepared a Chief Executive Officer Compensation Assessment (the "CEO Compensation Assessment") that reviewed competitive pay positioning to assist the Compensation Committee in making annual pay decisions. The market compensation comparison data for the CEO Compensation Assessment was gathered from both the Data Bank and pay data from McClatchy's twelve company peer group, as disclosed in each company's proxy statement. The CEO Compensation Assessment informs the Compensation Committee generally of current practices when making compensation decisions. The review of market data provides a starting point for the Compensation Committee's analysis. Based on McClatchy's size, line of business and competitive position in attracting and retaining executives, we benchmark compensation levels at or near the market median. The Compensation Committee does not have any formal guidelines or policies with respect to the mix of base salary, bonus or long-term incentives. The Compensation Committee believes it is helpful in making individual pay decisions to consider compensation information and trends of direct competitors and the media industry, more broadly, as well as other important factors noted previously. The Compensation Committee took this approach in setting Mr. Talamantes' 2014 compensation.

*Internal Analysis.*

In addition to reviewing market data, our Compensation Committee subjectively reviews a number of other factors in order to determine a total compensation package for the NEOs that is intended to reward these executives for their past contributions toward McClatchy's long-term performance and to be a catalyst for continued advancement of McClatchy's long-term success. In this regard, the Compensation Committee reviews, in its subjective discretion, performance indicators such as:

achievement in revenue;

earnings and cash flow;

readership, circulation and digital traffic;

the Company's digital performance and success in introducing new digital products;

product excellence and market acceptance;

strategic planning outcomes and initiatives;

development of new products and services;

interactive and direct marketing initiatives;

management development;

achievement of diversity goals in hiring practices; and

good corporate leadership.

The Compensation Committee annually evaluates the trends within and among these indicators, and, while the Compensation Committee gives more weight overall to financial indicators, no one indicator is specifically weighted more than another. The Compensation Committee also takes into consideration overall individual executive performance, based in part on the subjective assessment provided by the Chief Executive Officer with respect to each officer's performance during the prior year, each officer's pay as compared to other officers and general economic and industry conditions affecting McClatchy. We discuss the material considerations affecting our NEO compensation levels during fiscal year 2014 below.

## Elements of Our Compensation Program

We compensated our NEOs in 2014 through a mix of:

annual base salary;

annual cash incentives under the CEO Bonus Plan and MBO Plan, as applicable, based on achievement of performance objectives on an individual and unit and/or companywide basis, as applicable;

performance-based, long-term cash awards under the 2014 LTIP (described below), based upon pre-determined free cash flow targets over a three year performance period; and

stock-settled RSUs that vest equally over a three-year period based upon continued service.

As stated above, the Compensation Committee does not have any formal guidelines or policies regarding the mix of these pay components from year to year, although we do informally look to data from the median of the companies included in the Data Bank with respect to each officer's base salary, annual cash incentive and total direct compensation. As a result, the Compensation Committee considers each compensation element separately and together as a total compensation package in making decisions to achieve a level of compensation targeted toward the median of the companies within the survey. Based on the Exequity report prepared for our Compensation Committee in December 2013, overall targeted total direct compensation (total cash compensation plus annualized expected value of long-term incentives) for our executives is competitive with the median; however, actual total direct pay is 13% below the median.

### *Base Pay.*

In determining each NEO's base pay, our Compensation Committee generally takes into account Exequity's analysis on current market trends and considers the recommendations of the Chief Executive Officer for the other officers. In recent years, the Compensation Committee also has considered the difficult operating environment for the Company and newspaper companies generally as well as the economic downturn in the markets the Company's newspapers serve.

In December 2013, our Compensation Committee reviewed NEO base salaries and determined that the NEOs, other than Ms. Lintecum, would not receive an annual base salary increase in 2014 consistent with the Company's decision to freeze merit increases for 2014. Ms. Lintecum received a base salary increase of approximately 6.0% (from \$415,000 to \$440,000) in recognition of her promotion to Chief Financial Officer in 2012 as well as the Compensation Committee's desire to bring Ms. Lintecum's compensation closer to the market median.

In January 2015, our Compensation Committee again reviewed NEO base salaries and determined that for 2015 there would be a 2% increase in the base salaries for Messrs. Talamantes and Weil and Ms. Morgan-Prager. Ms. Lintecum received a 2.3% increase and Mr. Zieman received a 2.5% increase.

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On February 12, 2015, the Company announced that in connection with a corporate reorganization coinciding with Mr. Weil's retirement from the Company, Mr. Ziemann will continue in an expanded role as vice president of operations with oversight of the Company's 29 local media properties, the corporate digital revenue development team and the corporate production team. In addition, Mr. Ziemann will oversee an expanded corporate sales department. In connection with Mr. Ziemann's added responsibilities, the Compensation Committee approved an 8.7% increase in his base salary from \$575,000 to \$625,000 effective beginning on July 1, 2015.

### *Annual Cash Bonus.*

The Compensation Committee continues to believe annual cash bonuses incentivize our NEOs to meet our longer-term goals by providing the officers an ability to reach shorter-term goals over which they have more direct control. Mr. Talamantes is eligible to receive annual incentive compensation under the CEO Bonus Plan.



NEOs, other than Mr. Talamantes, are eligible to receive annual incentive compensation under our MBO Plan. Awards under the CEO Bonus Plan and the MBO Plan are based on achievement of financial and non-financial performance goals pre-established by the Compensation Committee. For 2014, each participating NEO target bonus opportunity was subject to upward or downward adjustment based on McClatchy's achievement of operating cash flow goals and subject to Compensation Committee discretion to award 10 points of the target. Subject to the 10 discretionary points, no bonus was payable if operating cash flow was less than \$234 million; 25% of the target bonus was achievable if operating cash flow was at least \$260 million and the entire target bonus was achievable if operating cash flow was over \$286 million. The Company intends to continue to maintain its annual incentive bonus plans for possible future payouts.

*CEO Bonus Plan.*

The Compensation Committee approved the target for Mr. Talamantes' 2014 bonus under the CEO Bonus Plan at 100% of his 2014 base salary. The Compensation Committee approved the formula for the 2014 CEO Bonus Plan in which 100 points would result in receiving a bonus at target.

The 100 points consisted of (i) operating cash flow criteria, in which 50 points were awarded at 110% of budgeted operating cash flow (10 points awarded at 100% of the operating cash flow budget); (ii) non-operating cash flow criteria, in which 50 points (or a corresponding percentage of points) were achievable at 110% of budgeted operating cash flow (15 points achievable (or a corresponding percentage of points earned) at 100% of operating cash flow budget); and (iii) discretionary points, in which 10 points could be awarded at the Compensation Committee's sole discretion. No cash award under the 2014 CEO Bonus Plan could exceed \$3,000,000.

For 2014, the Company's operating cash flow criteria of \$260 million was not met as the Company achieved operating cash flow from continuing operations of \$210.5 million. However, the Compensation Committee determined that it would use its discretion to award Mr. Talamantes the 10 discretionary points which results in a bonus to Mr. Talamantes at 10% of target. The Compensation Committee approved the award of the 10 discretionary points based on an assessment of the Company's achievements in 2014 that were not captured by the operating cash flow metric. Specifically, the Compensation Committee recognized the Company's significant progress in its digital transformation and revenue diversification where nearly two-thirds of the Company's revenues are now derived from sources other than print newspaper advertising. The Compensation Committee also recognized the Company's significant achievement in reducing its debt by \$523 million.

*MBO Plan.*

The Compensation Committee approved the 2014 target for each participating NEO's bonus under the MBO Plan at 70% or 60%, as applicable, of such NEO's 2014 base salary. The awards were subject to the Company achieving at least 90% of its 2014 operating cash flow budget, adjusted for asset sales made during the course of the year. Regardless of whether the operating cash flow budget is met, the MBO Plan provides that the Compensation Committee may approve a payment of up to 10% of target at the Compensation Committee's sole discretion. As discussed above and for the same reasons described under the CEO Bonus Plan, while the Company did not meet its operating cash flow target, the Compensation Committee determined that it would apply its discretion such that each participating NEO would receive a bonus at 10% of target.

*Long-Term Incentives.*

In February 2014, the Compensation Committee approved the 2014 long term incentive program (the 2014 LTIP), which set long-term incentive dollar target values for each NEO. At the same meeting, the Compensation Committee also determined to award each executive cash-settled long-term incentive awards, under the Omnibus Plan, as a means of delivering targeted amounts to NEOs upon achievement of targeted

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performance criteria. The Compensation Committee determined that approximately 60% of the long term incentive target value for the NEOs would consist of cash-settled performance-based awards and that approximately 40% of the long term

incentive target value would consist of equity grants in the form of time-based, stock-settled RSUs. The 2014 LTIP provides long-term incentive compensation to corporate executives that takes into consideration pay for performance, alignment with shareholder interests and motivation to achieve the long-term strategic goals of the Company.

*a) Cash 2014 L-TIP.*

The cash-settled performance-based awards are realizable based upon the Company's level of achievement, as measured by free cash flow (FCF). FCF is defined as earnings before interest, taxes, depreciation and/or amortization excluding unusual items. The Compensation Committee believes FCF is a more predictable metric to use than pre-tax earnings per share, a good strategic measurement of Company performance and well-aligned with shareholder interests. For 2014, eleven FCF levels were established, the achievement of which results in payment from 25% of target to 200% of target based on the level of achievement. The performance period will be a cumulative, three-year period beginning at the start of the 2014 fiscal year and ending at the end of the 2016 fiscal year. In February 2014, the Compensation Committee approved a target value for each NEO's cash-settled performance-based award.

*b) RSUs.*

The Compensation Committee believes that equity compensation is a critical component of a total compensation package that helps McClatchy recruit, retain and motivate the executives needed for the present and future success of the Company. In prior fiscal years our Compensation Committee has awarded its NEOs time vesting RSUs. Although time vesting RSUs have economic value when they vest, even if the stock price declines or stays flat, they also incentivize recipients to build long-term shareholder value, as the overall RSU economic value grows with an improving stock price. Therefore, the Compensation Committee believes RSUs not only serve as a retention device but also further align the interests of Company executives with those of shareholders. For 2014, the Compensation Committee again determined that its NEOs would receive RSUs, in the form of stock-settled awards, to better align NEOs with other executives receiving stock incentive awards, to better promote retention of NEOs and in recognition of the fact that the ongoing volatility of the Company's stock price was resulting in targeted long-term incentive values not being realized.

In February 2014, the Compensation Committee granted RSUs to the Company's NEOs under the Omnibus Plan which shall vest in three annual installments beginning on March 1, 2015 based upon continued service. Mr. Talamantes received 133,500 RSUs. Messrs. Weil and Ziemann each received 44,700 RSUs. Ms. Morgan-Prager received 36,900 RSUs, and Ms. Lintecum received 35,700 RSUs. The RSUs awarded to NEOs in 2014 are reflected in the Summary Compensation Table, the Grants of Plan-Based Awards table and the Outstanding Equity Awards at Fiscal 2014 Year-End table.

*Equity Grant Policies.*

As of 2011, our Compensation Committee makes all regular equity grants to our executive officers, including the NEOs, at its February meeting each year. The grant date of all equity awards is the date of Compensation Committee approval, and the exercise price of all SARs granted (if any), historically and, as applicable, in the future is the closing market price of our Class A Common Stock on the date of grant. For new hires or promotions within the executive officer team, the Compensation Committee approves the awards with a grant date of the executive's first day of employment, appointment to the new position, or, if the hire date or the promotion date is late in the year, the date of the next annual grant.

Pursuant to a delegation by the Compensation Committee during 2014, the Chief Executive Officer had the authority to grant a limited number of RSUs under the Omnibus Plan to non-executive employees. The Compensation Committee determines the total number of RSUs and other

awards that the Chief Executive Officer is permitted to grant annually. The grants to such non-executive employees are made at the discretion of the Chief Executive Officer.

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*2012 Senior Executive Retention Program.*

On May 16, 2012, the Compensation Committee approved the Retention Plan to reward certain senior executive officers including Messrs. Weil and Ziemann and Ms. Morgan-Prager for their continued dedicated service during transition of the Company's leadership. The Retention Plan did not apply to the Company's Chief Executive Officer or Chief Financial Officer. Under the Retention Plan, Messrs. Weil and Ziemann and Ms. Morgan-Prager were eligible to receive payment of a retention award equal to their annual base salary as of May 16, 2012 provided that they remain employees of the Company or a subsidiary of the Company during the period beginning on May 16, 2012 through and including May 16, 2014. Upon satisfaction of the criteria for payment under the Retention Plan as of May 16, 2014, the Company paid the following retention awards: (i) \$573,300 to Mr. Weil; (ii) \$550,000 to Mr. Ziemann; and (iii) \$500,000 to Ms. Morgan-Prager. The Compensation Committee has not proposed putting in place a new retention bonus plan for the Company's executives for fiscal year 2015 but may do so in the future.

**Retirement Benefits**

The Company maintains The McClatchy Company Retirement Plan, a qualified defined benefit plan (the Pension Plan) and our supplemental executive retirement plan (the SERP). The Company also continued to maintain the Knight Ridder, Inc. Benefit Restoration Plan (the KR BRP) after the Company acquired Knight-Ridder, Inc. (KR) for legacy KR employees. We offered the Pension Plan, in which all of our eligible employees participated on an equal basis, in order to provide our employees a comprehensive retirement savings plan based on years of service. Legacy KR employees participated in the KR pension formula within the Pension Plan. We offered the SERP or the KR BRP to our senior executives depending on their eligibility status, including each of the NEOs, as we believed it was fair and appropriate to provide post-retirement income to these officers commensurate with their years of service to McClatchy and taking into consideration each officer's actual income levels, regardless of the income limitations pursuant to the Pension Plan, as provided by IRS limitations.

Consistent with market trends, upon the recommendation of the Pension and Savings Plans Committee and approval of the Board of Directors, benefit accruals under the Pension Plan were frozen effective March 31, 2009. Similarly, upon action of the Compensation Committee, benefit accruals under the SERP and the KR BRP were frozen effective February 4, 2009. In addition, the Company announced on February 5, 2009, that effective March 31, 2009, it would temporarily suspend the Company's matching contribution under The McClatchy Company 401(k) Plan (the 401(k) Plan) in light of the continuing economic downturn. Prior to the freeze, the SERP and the KR BRP operated in tandem with the Pension Plan.

Under the legacy McClatchy sections of the Pension Plan, benefits accrue at a rate of 1.3% of average monthly earnings times years of benefit service up to a maximum of 35 years. For purposes of the Pension Plan, average monthly earnings means the monthly base pay averaged over the five consecutive calendar years as of March 31, 2009 that produces the highest average. Under the legacy KR sections of the Pension Plan, a projected normal retirement benefit is calculated and accrues over the number of years a participant has until normal retirement age. Though based on final average earnings, the projected normal retirement benefit was not based on a uniform percentage. Rather, the projected normal retirement benefit was based on years of service and whether final average earnings exceeded the covered compensation level, where the projected benefit earned in a year could range from 0.5% to 2.0% of final average earnings.

The Company maintained the SERP and the KR BRP in order to provide post-retirement income commensurate with years of service to the Company and taking into consideration the NEO's actual income levels. The Internal Revenue Code (the Code) limits the maximum benefit that may be paid under the Pension Plan, by subjecting annual earnings that can be taken into account in the pension formula to a cap (for 2014, \$260,000) and by limiting the amount of benefit that can be paid from the plan (for 2014, an annuity at normal retirement age cannot exceed \$210,000). Accordingly, the SERP and KR BRP benefits are determined

without regard to the compensation limit applicable to the Pension Plan and without regard to the maximum annuity payout limit applicable to the Pension Plan. The overall SERP or KR BRP benefit, as applicable, is offset by the benefit accrued under the Pension Plan.

The SERP also provided an enhanced pension formula, under which benefits accrued at normal retirement age equal to 1.5% of enhanced average monthly earnings multiplied by years of Pension Plan benefit service, up to a maximum of 35 such years. For purposes of the SERP, enhanced average monthly earnings take into account both base salary and the annual incentive compensation. The monthly average is determined for the three years of Pension Plan participation as of February 4, 2009 that produces the highest monthly average.

Pursuant to the Company's freeze of the SERP and the KR BRP, benefits remain at the amount accrued as of February 4, 2009. This means that no NEO received a benefit under the SERP or the KR BRP attributable to any increase in earnings after February 4, 2009, or to service to the Company and its affiliates after February 4, 2009.

For additional information on the Pension Plan and SERP in effect during fiscal year 2014, see the Pension Benefits Table and accompanying narrative below.

*The McClatchy Company Benefit Restoration Plan and The McClatchy Company Bonus Recognition Plan*

The Compensation Committee adopted in 2009, and later amended and restated in 2011, two executive supplemental retirement plans to provide benefits at significantly reduced levels compared to the SERP:

The McClatchy Company Benefit Restoration Plan (the Benefit Restoration Plan); and

The McClatchy Company Bonus Recognition Plan (the Bonus Recognition Plan and together with the Benefit Restoration Plan, the Plans).

The benefits under the Plans remain consistent with the 2013 fiscal year and are described below. The NEOs participate in both of these Plans, under which contributions are conditioned upon matching contributions or supplemental contributions under the 401(k) Plan. Because there were no matching contributions or supplemental contributions under the 401(k) Plan in 2014, no contributions were made under the Plans for 2014.

*The McClatchy Company Benefit Restoration Plan, as Amended*

An employee of the Company and its affiliates whose compensation in any calendar year exceeds the applicable limit of annual earnings that can be taken into account in a pension formula (\$260,000 for 2014) automatically becomes a participant in the Benefit Restoration Plan. Each NEO is eligible to participate in the Benefit Restoration Plan.

The Benefit Restoration Plan provides that, for each calendar year for which the Company makes a matching contribution to salaried employees under the 401(k) Plan generally, the Company will make a matching contribution under the Benefit Restoration Plan to each participant who

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remains employed by the Company or its affiliates on the last day of such calendar year or who terminated employment during the calendar year on account of retirement on or after age 55, death or disability. The matching contribution under the Benefit Restoration Plan will equal the rate of any matching contribution applied under the 401(k) Plan for such calendar year, multiplied by the participant's base salary for the calendar year without regard to any IRS compensation or maximum annuity payout limits, minus the maximum matching contribution allocable to the participant under the 401(k) Plan for the calendar year. So long as there is no matching contribution for employees under the 401(k) Plan, there is no matching contribution made for any participant under the Benefit Restoration Plan.

In addition, the Benefit Restoration Plan provides that for each year for which the Company makes a supplemental contribution to salaried employees under the 401(k) Plan generally, the Company may make a supplemental contribution under the Benefit Restoration Plan to each participant who remains employed by the

Company or its affiliates on the last day of such calendar year or who terminated employment during the calendar year on account of retirement on or after age 55, death or disability. The supplemental contribution under the Benefit Restoration Plan will equal the supplemental contribution percentage applied under the 401(k) Plan for such year, if any, multiplied by the participant's base salary for the calendar year, minus the maximum profit-sharing contribution allocable to the participant under the 401(k) Plan for the calendar year. If there is no supplemental contribution made for employees under the 401(k) Plan, there is no supplemental contribution made for any participant under the Benefit Restoration Plan.

Any Company contributions under the Benefit Restoration Plan will be credited to a participant's bookkeeping account, which account will be adjusted to reflect increases or decreases based on the allocation of the account in one or more investment indexes selected by the plan administrator. As with the Company's 401(k) Plan, a participant is vested in the Benefit Restoration Plan after three years of employment with the Company. All of the NEOs are vested in the Benefit Restoration Plan.

*The McClatchy Company Bonus Recognition Plan, as Amended*

The Bonus Recognition Plan contains provisions that are identical to the Benefit Restoration Plan except that participation in the Bonus Recognition Plan is limited to those executives of the Company and its affiliates who are designated from time to time to participate in the plan. In addition, the rate of Company matching contributions and supplemental contributions, if any, will be applied to a participant's annual incentive payment. As with the Benefit Restoration Plan, if there are no matching contributions or supplemental contributions under the 401(k) Plan, there are no matching or supplemental contributions under the Bonus Recognition Plan. Each NEO is eligible to participate and is vested in the Bonus Recognition Plan.

**Tax Considerations.**

We structure our compensation programs for the most part to comply with the Code Section 162(m). Code Section 162(m) limits the deduction available to McClatchy for compensation paid to the Chief Executive Officer and, based on IRS interpretive guidance, the three most highly compensated executive officers other than the Chief Financial Officer to the extent the compensation paid to any such person exceeds \$1,000,000, unless such compensation was based on performance goals determined by a compensation committee consisting solely of two or more non-employee directors and the performance goals are approved by the shareholders prior to payment. The annual bonuses paid to our NEOs are intended to qualify as performance-based compensation and thus are intended to be deductible by McClatchy under Code Section 162(m). In 2014, retention bonus payments to certain NEOs resulted in payments in excess of the limitation under Code Section 162(m). We may at any time determine to pay compensation to the executive officers, including the Chief Executive Officer, which may not be deductible under Code Section 162(m).



**Summary Compensation Table.** The following tables set forth the annual compensation paid or accrued by McClatchy for the NEOs for the fiscal year ended December 28, 2014.

### Summary Compensation Table

Name and Principal Position (a)	Year (b)	Salary (\$) (c)	Bonus (\$) (d) <sup>(1)</sup>	Stock Awards (e) <sup>(2)</sup>	Option Awards (\$) (f) <sup>(3)</sup>	Non-Equity Incentive Plan Compensation (\$) (g) <sup>(4)</sup>	Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$) (h) <sup>(5)</sup>	All Other Compensation (\$) (i) <sup>(6)</sup>	Total (\$) (j)
Patrick J. Talamantes President and Chief Executive Officer	2014	\$ 825,000	\$	\$ 640,800	\$	\$ 82,500	\$ 171,334	\$ 19,934	\$ 1,739,568
	2013	\$ 822,115	\$	\$	\$ 453,385	\$	\$	\$ 19,886	\$ 1,295,386
	2012	\$ 660,846	\$	\$ 373,000	\$ 167,468	\$ 270,000	\$ 165,254	\$ 19,236	\$ 1,655,804
Elaine Lintecum Vice President, Finance and Chief Financial Officer	2014	\$ 439,038	\$	\$ 171,360	\$	\$ 26,342	\$ 201,404	\$ 5,097	\$ 843,241
	2013	\$ 413,462	\$	\$	\$ 129,539	\$	\$	\$ 4,997	\$ 547,998
	2012	\$ 319,442	\$	\$ 172,700	\$ 41,867	\$ 78,000	\$ 185,709	\$ 3,165	\$ 800,883
Robert J. Weil Vice President, Operations	2014	\$ 585,000	\$ 573,300	\$ 214,560	\$	\$ 40,950	\$ 268,351	\$ 21,809	\$ 1,703,970
	2013	\$ 584,550	\$	\$	\$ 175,802	\$	\$	\$ 19,217	\$ 779,569
	2012	\$ 573,083	\$	\$ 255,500	\$ 167,468	\$ 136,000	\$ 251,572	\$ 18,704	\$ 1,402,327
Mark Ziemann Vice President, Operations	2014	\$ 561,000	\$ 550,000	\$ 214,560	\$	\$ 39,270	\$ 193,487	\$ 19,244	\$ 1,577,561
	2013	\$ 560,577	\$	\$	\$ 175,802	\$	\$	\$ 146,212	\$ 882,591
	2012	\$ 543,154	\$	\$ 255,500	\$ 167,468	\$ 131,000	\$ 191,570	\$ 184,526	\$ 1,473,218
Karole Morgan-Prager Vice President, Corporate Development, General Counsel and Secretary	2014	\$ 510,000	\$ 500,000	\$ 177,120	\$	\$ 30,600	\$ 226,060	\$ 5,347	\$ 1,449,127
	2013	\$ 509,615	\$	\$	\$ 144,343	\$	\$	\$ 5,346	\$ 659,304
	2012	\$ 481,000	\$	\$ 255,500	\$ 125,601	\$ 125,000	\$ 238,882	\$ 5,251	\$ 1,231,234

- (1) Amounts shown in column (d) reflect the amounts earned by each of Messrs. Weil and Ziemann and Ms. Morgan-Prager under the Retention Plan.
- (2) Values of stock awards reflect the aggregate grant date fair value computed in accordance with FASB ASC Topic 718 using the assumptions included in footnote 10 to the Company's audited financial statements contained in its Form 10-K for the year ended December 28, 2014. No RSUs were awarded to the NEOs during the 2013 fiscal year.
- (3) Amounts shown in column (f) reflect the dollar amount recognized for financial statement reporting purposes for each respective fiscal year for SARs awarded in 2013 and 2012. Values of these awards reflect the aggregate grant date fair value computed in accordance with FASB ASC Topic 718 using the assumptions included in footnote 10 to the Company's audited financial statements contained in its Form 10-K for the year ended December 28, 2014. No SARs were awarded to the NEOs during the 2014 fiscal year.
- (4) Amounts shown in column (g) reflect the amounts earned as annual cash incentives under the CEO Bonus Plan with respect to Mr. Talamantes and the MBO Plan for the other NEOs.
- (5) Amounts represent solely the aggregate change in the actuarial present value of the NEOs' accumulated benefit under the Pension Plan and the SERP (or, for Mr. Ziemann, the KR BRP) from the measurement date used for financial statement reporting purposes from 2013 to 2014, 2012 to 2013, and 2011 to 2012, respectively. These plans were frozen to new accruals effective as of March 31, 2009 and February 4, 2009, respectively, and no participants in these plans, including the NEOs, have received additional benefits or enhancements since 2008. Although we did not make any changes in our pension plans (including our SERP and the KR BRP) to increase the amount of the pension benefits payable under the plans, and, in fact, froze our pension plans (including our SERP and the KR BRP) early in 2009 so that participants, including the NEOs, do not earn any additional benefits due to additional years of service or additional compensation, there was a significant increase in value shown in the table above for 2011 to 2012 and 2013 to 2014, due in part to declining interest rates. For 2012 to 2013, because of an increase in the interest rates used to calculate the present value of the benefit, the change in pension value was negative.



For 2014, the present value of the aggregate accumulated benefit was determined using the RP 2014 mortality table and interest rates of 4.25% for the Pension Plan, 4.24% for the SERP, and 4.16% for the KR BRP. For 2013, the present value of the aggregate accumulated benefit was determined using the RP 2000 mortality table and interest rates of 5.06% for the Pension Plan, 5.04% for the SERP, and 4.90% for the KR BRP. For 2012, the present value of the aggregate accumulated benefit was determined using the RP 2000 mortality table and interest rates of 4.18% for the Pension Plan, 4.13% for the SERP, and 4.01% for the KR BRP.

(6) Amounts in column (i) for the 2014 fiscal year include the benefits, received by each NEO, enumerated below. Pursuant to Instruction 4 to Item 402(c)(2)(ix), dollar values for benefits have only been specified below to the extent they are the greater of \$25,000 or 10% of the total amount shown in column (i) for such NEO.

Premiums to continue life insurance coverage under the McClatchy Group Executive Life Insurance Plan at a level not otherwise available under McClatchy's standard life insurance coverage.

Premiums to provide long-term disability coverage at a level greater than that provided under McClatchy's standard long-term disability program.

Company-paid premiums toward the cost of health coverage under McClatchy's group health insurance plan.

For Mr. Weil, the cost of an executive physical examination.

**Grants of Plan-Based Awards.** The following table contains information concerning grants of equity and non-equity compensation to the NEOs during the fiscal year ended December 28, 2014.

#### Grants of Plan-Based Awards

Name (a)	Grant Date (b)	Estimated Future Payouts Under Non-Equity Incentive Plan Awards <sup>(1)</sup>			Estimated Future Payouts Under Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares of Stock or Underlying Units <sup>(2)</sup>	All Other Option Awards: Number of Options <sup>(2)</sup>	Exercise or Base Price of Option Awards (\$/Sh) <sup>(2)</sup>	Grant Date Fair Value of Stock and Option Awards (\$) <sup>(3)</sup>
		Threshold (\$) (c)	Target (\$) (d)	Maximum (\$) (e)	Threshold (#) (f)	Target (#) (g)	Maximum (#) (h)	(i)	(j)	(k)	(l)
Talamantes, Patrick J.	02/20/2014	\$ 225,000	\$ 900,000	\$ 1,800,000				133,500		\$	\$ 640,800
Lintecum, Elaine	02/20/2014	\$ 60,000	\$ 240,000	\$ 480,000				35,700		\$	\$ 171,360
Weil, Robert J.	02/20/2014	\$ 75,000	\$ 300,000	\$ 600,000				44,700		\$	\$ 214,560
Zieman, Mark	02/20/2014	\$ 75,000	\$ 300,000	\$ 600,000				44,700		\$	\$ 214,560
Morgan-Prager, Karole	02/20/2014	\$ 62,500	\$ 250,000	\$ 500,000				36,900		\$	\$ 177,120

(1) Amounts include the 2014 LTIP awards described in the Compensation Discussion and Analysis above.

(2) The RSUs vest in three equal annual installments beginning on March 1, 2015 based on continued service.

(3) Amounts represent the full grant date fair value of the RSUs, as computed in accordance with FASB ASC Topic 718, using the assumptions included in footnote 10 to the Company's audited financial statements contained in its Form 10-K for the year ended December 28, 2014.

**Outstanding Equity Awards at Fiscal 2014 Year End.** The following table sets forth information concerning the outstanding equity awards held by the NEOs as of December 28, 2014.

### Outstanding Equity Awards at Fiscal 2014 Year-End

Name (a)	Option Awards					Stock Awards			
	Number of Securities Underlying Unexercised Options (#) Exercisable (b)	Number of Securities Underlying Unexercised Options (#) Unexercisable (c)	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options (#) (d)	Option Exercise Price (\$) (e)	Option Expiration Date (f)	Number of Shares or Units of Stock That Have Not Vested (#) (g)	Market Value of Shares or Units of Stock That Have Not Vested (\$) <sup>(8)</sup> (h)	Equity Plan Awards: Number of Unearned Shares, Other Rights That Have Not Vested (#) (i)	Equity Incentive Market Payout Value of Unearned Shares, Other Rights That Have Not Vested (\$) (j)
Talamantes, Patrick J.	61,250	183,750 <sup>(1)</sup>		\$ 2.46	02/21/2023	133,500 <sup>(6)</sup>	\$ 461,910		
	40,000	40,000 <sup>(2)</sup>		\$ 2.76	02/22/2022	100,000 <sup>(7)</sup>	\$ 346,000		
	56,250	18,750 <sup>(3)</sup>		\$ 4.08	02/23/2021		\$		
	100,000 <sup>(4)</sup>			\$ 3.42	12/15/2019		\$		
	100,000 <sup>(5)</sup>			\$ 1.70	12/16/2018		\$		
	75,000 <sup>(9)</sup>			\$ 13.22	12/11/2017		\$		
Elaine Lintecum		52,500 <sup>(1)</sup>		\$ 2.46	02/21/2023	35,700 <sup>(6)</sup>	\$ 123,522		
		10,000 <sup>(2)</sup>		\$ 2.76	02/22/2022	50,000 <sup>(7)</sup>	\$ 173,000		
		5,000 <sup>(3)</sup>		\$ 4.08	02/23/2021		\$		
	15,000 <sup>(9)</sup>			\$ 13.22	12/11/2017		\$		
Weil, Robert J.		71,250 <sup>(1)(10)</sup>		\$ 2.46	02/21/2023	44,700 <sup>(6)</sup>	\$ 154,662		
		40,000 <sup>(2)(10)</sup>		\$ 2.76	02/22/2022	50,000 <sup>(7)</sup>	\$ 173,000		
	67,500	22,500 <sup>(3)(10)</sup>		\$ 4.08	02/23/2021		\$		
	90,000 <sup>(9)</sup>			\$ 13.22	12/11/2017		\$		
Zieman, Mark		71,250 <sup>(1)</sup>		\$ 2.46	02/21/2023	44,700 <sup>(6)</sup>	\$ 154,662		
		40,000 <sup>(2)</sup>		\$ 2.76	02/22/2022	50,000 <sup>(7)</sup>	\$ 173,000		
		5,500 <sup>(3)</sup>		\$ 4.08	02/23/2021		\$		
	15,000 <sup>(5)</sup>			\$ 1.70	12/16/2018		\$		
	14,000 <sup>(9)</sup>			\$ 9.07	3/6/2018		\$		
	6,000 <sup>(9)</sup>			\$ 13.22	12/11/2017		\$		
Morgan-Prager, Karole		58,500 <sup>(1)</sup>		\$ 2.46	02/21/2023	36,900 <sup>(6)</sup>	\$ 127,674		
		30,000 <sup>(2)</sup>		\$ 2.76	02/22/2022	50,000 <sup>(7)</sup>	\$ 173,000		
		15,000 <sup>(3)</sup>		\$ 4.08	02/23/2021		\$		
	60,000 <sup>(9)</sup>			\$ 13.22	12/11/2017		\$		

<sup>(1)</sup> One-quarter of the SARs award vests on each of March 1, 2014, March 1, 2015, March 1, 2016 and March 1, 2017 based on continued service.

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- (2) One-quarter of the SARs award vests on each of March 1, 2013, March 1, 2014, March 1, 2015 and March 1, 2016 based on continued service.
- (3) One-quarter of the SARs award vests on each of March 1, 2012, March 1, 2013, March 1, 2014 and March 1, 2015 based on continued service.
- (4) One-quarter of the SARs award vested on each of March 1, 2011, March 1, 2012, March 1, 2013 and March 1, 2014.
- (5) One-quarter of the SARs award vested on March 1, 2010, March 1, 2011, March 1, 2012 and March 1, 2013.
- (6) One-third of the RSUs award vests on each of March 1, 2015, March 1, 2016 and March 1, 2017 based on continued service.
- (7) These RSUs vest on May 16, 2015.
- (8) Market value calculated by multiplying the closing market price of our Class A Common Stock on December 26, 2014 (\$3.46 per share) by the number of units of stock. December 26, 2014 was the last trading day of our fiscal year, which ended on December 28, 2014.

- <sup>(9)</sup> One-quarter of the SARs award vested on March 1, 2009, March 1, 2010, March 1, 2011 and March 1, 2012.
- <sup>(10)</sup> Mr. Weil will retire from the Company, effective June 30, 2015. Pursuant to the Stock Appreciation Rights Agreements governing his SARs, his unvested SARs shall become exercisable in full upon his retirement because he has accumulated 10 or more continuous years of service with the Company and will be retiring at a time when he is age 62 or older.

*Option Exercises and Stock Vesting Table***2014 OPTION EXERCISES AND STOCK VESTED**

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)	Number of Shares Acquired on Vesting (#) <sup>(1)</sup>	Value Received on Vesting (\$)
Talamantes, Patrick J.			50,000	265,500
Lintecum, Elaine	62,500	81,000	20,000	106,200
Weil, Robert J.	273,750	499,650	50,000	265,500
Zieman, Mark	102,250	148,740	50,000	265,500
Morgan-Prager, Karole	234,500	365,280	50,000	265,500

<sup>(1)</sup> This column represents the total number of shares that were acquired upon vesting. Actual number of shares received were net of shares withheld to pay taxes.

**Pension Benefits Table.** The following table sets forth the present value of accumulated pension benefits for each of the NEOs under McClatchy's Pension Plan, McClatchy's SERP, and for Mr. Zieman only, the KR BRP during the fiscal year ended December 28, 2014, based on the earliest age at which an NEO is entitled to receive unreduced benefits under the respective plan. Effective March 31, 2009 and February 4, 2009, respectively, benefit accruals under the Pension Plan and under the SERP and the KR BRP were frozen for all participants. Under the SERP, the age of unreduced benefits is age 62 for Mr. Talamantes, Ms. Lintecum and Ms. Morgan-Prager and age 64.58 for Mr. Weil. For Mr. Zieman, who receives nonqualified benefits under the KR BRP, the unreduced benefits age is 65. In the case of Mr. Talamantes, Ms. Lintecum and Ms. Morgan-Prager, the unreduced benefits age is 62 under the Pension Plan. For Mr. Weil and Mr. Zieman, the unreduced benefits age is 64.58 and 65, respectively, under the Pension Plan. The present value calculation reflects the amount of such benefit payable as a lump sum. As further described in the discussion following this table, neither the Pension Plan, SERP, nor the KR BRP benefit is payable as a lump sum benefit. Under the terms of the Pension Plan, the SERP, and the KR BRP, these benefits would be payable as a single life annuity, or a joint and 100% survivor annuity, if the participant was married as of the annuity commencement date. The single life annuity values are set forth below in the footnote to this table.

### 2014 Pension Benefits

Name (a)	Plan Name (b)	Number of Years Credited Service (#) (c)	Present Value of Accumulated Benefit (\$) <sup>(1)</sup> (d)	Payments During Last Fiscal Year (\$) <sup>(e)</sup>
Talamantes, Patrick J.	Supplemental Executive Retirement Plan	7.75	\$ 471,732	\$ 0
	The McClatchy Retirement Plan	7.75	\$ 212,931	\$ 0
Lintecum, Elaine	Supplemental Executive Retirement Plan	20.25	\$ 376,368	\$ 0
	The McClatchy Retirement Plan	20.25	\$ 723,839	\$ 0
Weil, Robert J.	Supplemental Executive Retirement Plan	14.00	\$ 1,682,296	\$ 0
	The McClatchy Retirement Plan	14.00	\$ 605,931	\$ 0
Zieman, Mark	Knight Ridder Benefit Restoration Plan <sup>(2)</sup>	11.00	\$ 256,963	\$ 0
	The McClatchy Retirement Plan	21.92	\$ 515,797	\$ 0
Morgan-Prager, Karole	Supplemental Executive Retirement Plan	12.92	\$ 604,806	\$ 0
	The McClatchy Retirement Plan	12.92	\$ 395,153	\$ 0

<sup>(1)</sup> Amounts represent the present value of the accumulated benefits available to each NEO under each respective pension plan. The valuation method and the material assumptions applied in quantifying the present value of the accrued benefit are the same as referenced in Note 10 to McClatchy's audited financial statements contained in its Form 10-K for the year ended December 28, 2014. Specifically, the assumptions used to determine the present value under the Pension Plan were a 4.25% interest rate and the RP 2014 mortality table, and to determine the present value under the SERP were a 4.24% interest rate (or 4.16% in the case of the KR BRP) and the RP 2014 mortality table. The following are the single life annuity monthly amounts payable to each NEO under the SERP and the Pension Plan, respectively, at the earliest age of unreduced retirement benefit under the respective plan, as described in the narrative above: (a) Mr. Talamantes, \$4,255.63 and \$1,925.00; (b) Ms. Lintecum, \$2,288.71 and \$4,407.41; (c) Mr. Weil, \$10,120.43 and \$3,612.50; (d) Ms. Morgan-Prager, \$4,935.50 and \$3,231.02; and (e) under the KR BRP and the Pension Plan, respectively, for Mr. Zieman, \$2,410.48 and \$4,927.28.

<sup>(2)</sup> The KR BRP is similar to McClatchy's SERP (described below) insofar as it too is designed to provide post-retirement income commensurate with the participant's actual income levels, which cannot otherwise be taken into account under the underlying qualified retirement plan. The KR BRP does so by taking into account excess compensation, including annual incentive compensation that might have been deferred under the Knight-Ridder, Inc. Annual Incentive Deferral Plan, and by taking into account highest final average pay whether or not earned in consecutive periods. Payouts under the KR BRP may also exceed the maximum annuity payout limit applicable to the underlying qualified pension plan formula. Normal retirement age under the KR BRP is age 65.



*Frozen Pension Plan.* Prior to freezing the plan in March 2009, each NEO participated in the Pension Plan. The Pension Plan is a qualified defined benefit pension plan that was open to all eligible employees of McClatchy and other participating subsidiaries who completed an hours and service requirement to become participants in the Pension Plan. Benefits accrued as a lifetime annuity payable monthly commencing at age 65, the normal retirement age under the Pension Plan. Benefits accrued at a rate of 1.3% of average monthly earnings times years of benefits service up to a maximum of 35 such years. For each NEO listed above, the number of years of credited service equals their actual years of credited service with McClatchy or its subsidiaries as of March 2009. Accrued benefits vested after five years of vesting service, or, if earlier and the participant remained an employee at the time, when the participant attains age 65, the normal retirement age for each NEO under the Pension Plan. Each NEO was fully vested in his or her benefits under the Pension Plan as of March 2009. Average monthly earnings means the average monthly base pay averaged over the five consecutive calendar years that produces the highest average. Compensation earned after March 31, 2009, does not count in the determination of average monthly earnings.

Upon termination of employment, each NEO generally may not commence benefits prior to age 55. The Pension Plan provided a subsidized early retirement benefit to any NEO with 20 or more years of eligible service who works until age 55, and pursuant to which the NEO would be eligible to receive an unreduced benefit following termination of employment beginning at age 62. Finally, the Pension Plan provides for benefits to be paid in the following annuity forms: a single life annuity, or either a 50% or 100% joint survivor annuity. Lump sum payment is not available, except for certain de minimis accruals.

The Code limits the maximum benefit that may be paid under the Pension Plan by subjecting annual earnings that can be taken into account in the pension formula to a cap (\$260,000 for 2014) and by limiting the amount of benefit that can be paid from the plan (for 2014, an annuity at normal retirement age cannot exceed \$210,000).

*Supplemental Pension Plan and the Knight-Ridder, Inc. Benefit Restoration Plan.* In order to provide post-retirement income commensurate with years of service to McClatchy and taking into consideration the NEO's actual income levels, McClatchy's SERP and, for Mr. Ziemann only, the KR BRP provided enhanced pension benefits to our NEOs in addition to the amounts that were permitted to accrue under the Pension Plan. Accordingly, the SERP or KR BRP benefit, as applicable, was determined without regard to the compensation limit applicable to the Pension Plan and without regard to the maximum annuity payout limit applicable to the Pension Plan. For each NEO except Mr. Ziemann, the SERP provided a benefit accrued at normal retirement age equal to 1.5% of enhanced average monthly earnings multiplied by years of Pension Plan benefit service, up to a maximum of 35 such years. Enhanced average monthly earnings take into account both base salary and the annual incentive compensation. The monthly average was determined for the three years of Pension Plan participation as of February 4, 2009 that produces the highest monthly average. The overall SERP benefit is offset by the benefit accrued under the Pension Plan. For Mr. Ziemann, the KR BRP provided a benefit accrued at normal retirement age based on final average earnings and years of service, offset by Social Security and other offset amounts.

Normal retirement age under the SERP and the KR BRP, as applicable, is age 65 for each NEO. Under the SERP, an unreduced benefit was payable to a vested participant who terminates employment within three years of normal retirement age. Accordingly, each NEO would be entitled to an unreduced benefit commencing at age 62.

A SERP participant was vested in his or her SERP benefit after five years of benefit service. Accordingly, each of the NEOs was fully vested in his or her SERP benefit as of February 2009. The SERP does not provide for payment as a lump sum, but rather provides for benefit in any form provided under the Pension Plan and at the time specified in the participant's Code Section 409A election.

**Non-Qualified Deferred Compensation.** As described above, McClatchy maintains a Benefit Restoration Plan and Bonus Recognition Plan. Participants are vested in the Benefit Restoration Plan and Bonus Recognition Plan after three years of employment with the Company. All of the NEOs are vested in the Plans. Except in the case of termination of employment due to a participant's death or disability, a participant's eligible benefits under the Plans will be distributed to vested employees following the close of each year in which benefits are earned without interest. In the case of a termination of employment due to a participant's death, the full amount of the participant's account will be paid to the participant's beneficiary in a single lump sum.

### **Potential Payments Upon Termination and Agreements and Change in Control**

Only Mr. Talamantes is entitled to receive severance payments and continued benefits upon certain terminations of employment, as described below, which do not include terminations in connection with a change in control of McClatchy. These provisions were entered into in connection with the negotiation of Mr. Talamantes' employment agreement in 2012, and were what the Compensation Committee believed were competitive and consistent with industry practice at the time. In addition, we believe severance payments upon termination of employment outside of the control of Mr. Talamantes are reasonable and fair given Mr. Talamantes' long-term commitment to McClatchy and our overall performance during the period since he joined the Company.

In addition, upon a change in control of McClatchy, pursuant to the terms of our equity plans, all outstanding unvested equity awards accelerate and vest in full.

#### ***Mr. Talamantes 2012 CEO Employment Agreement***

McClatchy entered into an employment agreement, dated May 16, 2012, with Mr. Talamantes (the "2012 CEO Employment Agreement"). The term of the 2012 CEO Employment Agreement is three years, with an expiration date of May 16, 2015, unless terminated earlier by the Company or Mr. Talamantes under the 2012 CEO Employment Agreement.

#### ***Signing Bonus***

As a signing bonus, Mr. Talamantes received an RSU award covering 100,000 shares of the Company's Class A Common Stock (the "Special Award"). The Special Award shall vest in full on May 16, 2015, subject to Mr. Talamantes' continued service to that date. Such Special Award, however, will vest in full in the event of the termination of Mr. Talamantes' employment by death or disability, or if he is involuntarily terminated by the Company without cause or resigns for good reason (each as defined below).

#### ***Termination***

If Mr. Talamantes is terminated by the Company for any reason other than cause or disability or he resigns for good reason (each as defined below), he will be entitled to (i) his accrued compensation (described below), (ii) a lump sum severance payment equal to one million dollars, and (iii) complete vesting of his Special Award. If Mr. Talamantes had been terminated on December 28, 2014, under circumstances giving rise to severance, the cash severance plus the value of the vesting of his Special Award amount would have been \$1,346,000.

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In the event that Mr. Talamantes' employment is terminated (i) involuntarily by the Company other than without cause (as defined below), (ii) voluntarily by Mr. Talamantes other than for good reason (as defined in below), or (iii) automatically upon Mr. Talamantes' death, he shall be entitled only to his accrued compensation (described below). If Mr. Talamantes had been terminated on December 28, 2014, his accrued compensation would have consisted exclusively of unpaid salary and benefits.

For purposes of the severance benefits described above:

**cause** means (i) Mr. Talamantes' willful failure to substantially perform his duties, other than a failure resulting from complete or partial incapacity due to physical or mental illness or impairment, or (ii) Mr. Talamantes' willful act of gross misconduct that is materially injurious to the Company;

**good reason** means (i) Mr. Talamantes' demotion or a material reduction in his base salary, without his written consent, (ii) the Company's failure to make the Special Award, (iii) a material reduction in his responsibility or authority (including, without limitation, loss of the title or functions of the President and Chief Executive Officer of the Company or its successor), (iv) Mr. Talamantes' removal from the Company's Board, or (v) relocation of the Company's headquarters from Sacramento, California; and

**disability** means Mr. Talamantes' inability, at the time notice is given, to perform his duties under the 2012 CEO Employment Agreement for a period of not less than six consecutive months as a result of an illness or injury, as determined for purposes of the Company's long-term disability income insurance.

#### *Accrued Compensation*

Under Mr. Talamantes' 2012 CEO Employment Agreement, his accrued compensation consists of (i) any unpaid base salary to the date of his termination, (ii) all vested benefits under applicable written plans and programs maintained by the Company subject to the terms and conditions of such plans or programs, (iii) reimbursement of reasonable business expenses and disbursements in accordance with the Company's applicable written policy; and (iv) four weeks of vacation in connection with a termination of employment under the Company's applicable executive vacation policy.

#### ***Mr. Talamantes 2015 CEO Employment Agreement***

On February 6, 2015, the Company and Mr. Talamantes entered into a new employment agreement, effective as of May 16, 2015 (the "2015 CEO Employment Agreement"). The original term of the 2015 CEO Employment Agreement is three years, with an expiration date of May 16, 2018. Absent the Company's or Mr. Talamantes' timely written notice not to extend, the remaining term of the 2015 CEO Employment Agreement will automatically extend for an additional year on each May 16th during the term beginning on May 16, 2016 (so that effective on each such day, the remaining term of employment shall be for a full three-year period). Pursuant to the terms of the 2015 CEO Employment Agreement, Mr. Talamantes' annual base salary will also increase from \$825,000 to \$841,500, subject to any modifications by the Compensation Committee.

The 2015 CEO Employment Agreement also provides for modifications from Mr. Talamantes' 2012 CEO Employment Agreement with respect to the compensation that Mr. Talamantes will receive in the event that he is terminated by the Company for any reason other than **cause** or **disability** or he resigns for **good reason** (each as defined in the 2015 CEO Employment Agreement) or the Company elects not to renew the term of the 2015 CEO Employment Agreement. Mr. Talamantes will be entitled to (i) his accrued compensation (described below) and (ii) subject to his timely execution of a waiver and release, a lump sum severance payment equal to one and one-half (1.5) times his annual base salary in effect on the date of his termination of employment from the Company (without giving effect to any reduction in his annual base salary that would constitute **good reason** (as defined in the 2015 CEO Employment Agreement)).

Mr. Talamantes' accrued compensation consists of (i) any earned but unpaid base salary for services rendered to the date of his termination of employment, (ii) all vested benefits under applicable written plans and programs maintained by the Company subject to the terms and conditions of such plans or programs, (iii) reimbursement of reasonable business expenses and disbursements incurred in accordance with the Company's

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applicable written policy; and (iv) any accrued but unpaid vacation payable in connection with a termination of employment under the Company's applicable vacation policy.

In the event that Mr. Talamantes' employment is terminated (i) involuntarily by the Company for cause (as defined in the 2015 CEO Employment Agreement) or disability, (ii) voluntarily by Mr. Talamantes other than for good reason (as defined in the 2015 CEO Employment Agreement), or (iii) automatically upon Mr. Talamantes' death, he shall be entitled only to his accrued compensation, which is what he would also receive under the 2012 CEO Employment Agreement.

**Potential Walk-Away Payments**

The following table sets forth quantitative information with respect to potential payments to Mr. Talamantes or his beneficiaries upon termination in various circumstances as described above, assuming termination on December 28, 2014.

**Mr. Talamantes Presumed December 28, 2014 Termination Date**

Type of Compensation	Voluntary	Disability	Death	For Cause	Not-for-Cause	Change-in-Control
Cash severance benefit	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,000,000	\$ 0
Restricted Stock Units <sup>(1)</sup>	\$ 0	\$ 461,910	\$ 461,910	\$ 0	\$ 461,910	\$ 461,910
Retention RSUs <sup>(1)</sup>	\$ 0	\$ 346,000	\$ 346,000	\$ 0	\$ 346,000	\$ 346,000
SARs <sup>(2)</sup>	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 211,750
Benefit Restoration/Bonus Recognition	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Pension/SERP Lump Sum <sup>(3)</sup>	\$ 696,000	\$ 680,000	\$ 649,000	\$ 696,000	\$ 696,000	\$ 696,000
Savings Plan benefit <sup>(4)</sup>	\$ 136,245	\$ 136,245	\$ 136,245	\$ 136,245	\$ 136,245	\$ 136,245
Continuation of Insurance Benefits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Survivor Death Benefit	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Tax gross-up	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Cash L-TIP award <sup>(5)</sup>	\$ 0	\$ 300,000	\$ 300,000	\$ 0	\$ 0	\$ 0
<b>Sub-Total</b>	<b>\$ 832,245</b>	<b>\$ 1,924,155</b>	<b>\$ 1,893,155</b>	<b>\$ 832,245</b>	<b>\$ 2,640,155</b>	<b>\$ 1,851,905</b>
Less: accumulated benefit restoration/bonus recognition account and vested pension and savings plan benefits	\$ 832,245	\$ 816,245	\$ 785,245	\$ 832,245	\$ 832,245	\$ 832,245
<b>Amount Triggered due to Termination</b>	<b>\$ 0</b>	<b>\$ 1,107,910</b>	<b>\$ 1,107,910</b>	<b>\$ 0</b>	<b>\$ 1,807,910</b>	<b>\$ 1,019,660</b>

(1) Assumes a \$3.46 stock price (closing price on December 26, 2014). Mr. Talamantes has outstanding RSUs under two separate agreements. On May 16, 2012, Mr. Talamantes received 100,000 RSUs as an inducement to assume the role of CEO (the Retention RSUs). All of these Retention RSUs are currently unvested and will vest on May 16, 2015. On February 20, 2014, Mr. Talamantes received 133,500 RSUs, all of which are currently unvested. These RSUs will vest in three annual installments beginning on March 1, 2015.

(2) Assumes a \$3.46 stock price (closing price on December 26, 2014). Mr. Talamantes has outstanding, unvested in-the-money SARs under two separate agreements. On February 22, 2012, Mr. Talamantes was granted 80,000 SARs, of which 40,000 SARs are currently unvested, with an exercise price of \$2.76 per share. These SARs vest in four annual installments beginning on March 1, 2013 based on continued service. On February 21, 2013, Mr. Talamantes was granted 245,000 SARs, of which 183,750 are currently unvested, with an exercise price of \$2.46 per share. These SARs vest in four annual installments beginning on March 1, 2014 based on continued service.

(3) Represents the lump sum value as of December 28, 2014, using an annual discount rate of 4.24% for the SERP benefits and 4.25% for the Pension Plan benefits.

(4) Includes the matching contribution account and supplemental contribution account balances under the Savings Plan, as of December 28, 2014.



- (5) Represents partial vesting of Mr. Talamantes' 2014 long-term performance-based cash award (the Cash L-TIP). In each of 2013 and 2014, Mr. Talamantes received a Cash L-TIP that has the potential to partially vest if his termination of employment occurs on account of death or disability and certain performance measures are achieved. While the Company did not achieve its 2013 or 2014 free cash flow targets for the 2013 Cash L-TIP, the Company did achieve its 2014 free cash flow target for the 2014 Cash L-TIP.

### Change-in-Control Arrangements

Pursuant to our equity plans, in the event of a change in control of McClatchy, each outstanding unvested equity award held by the NEOs will become fully vested and nonforfeitable. If a change in control had occurred on December 26, 2014 (the last trading day prior to the fiscal year end), the equity awards becoming vested would have consisted of the SARs and RSUs set forth in the following table.

Name	Value of SARs	Value of Restricted	Total
	(\$)	Stock Units (\$)	
Mr. Talamantes	\$ 211,750	\$ 807,910	\$ 1,019,660
Ms. Lintecum	\$ 59,500	\$ 296,522	\$ 356,022
Mr. Weil	\$ 99,250	\$ 327,662	\$ 426,912
Mr. Zieman	\$ 99,250	\$ 327,662	\$ 426,912
Ms. Morgan-Prager	\$ 79,500	\$ 300,674	\$ 380,174

### Securities Authorized for Issuance under Equity Compensation Plans

The following table summarizes McClatchy's equity plan information as of December 28, 2014.

### Equity Compensation Plan Information

Plan Category	Securities to be Issued upon Exercise of Outstanding Options, Warrants and Rights (#) <sup>(1)</sup>	Weighted Average Exercise Price of Outstanding Options, Warrants and Rights (\$/Share) <sup>(3)</sup>	Securities Remaining Available for Future Issuance under Equity Compensation Plans (excluding securities reflected in column (a)) (#)
	(a)	(b)	(c)
<b>Equity compensation plans approved by shareholders</b>			
2004 Stock Incentive Plan	2,946,250 <sup>(2)</sup>	\$ 11.34	
2012 Omnibus Incentive Plan	2,232,050 <sup>(2)</sup>	\$ 2.55	3,838,300
Total <sup>(1)</sup>	5,178,300 <sup>(2)</sup>		3,838,300

(1) Amount includes restricted stock units, options and stock appreciation rights.

(2) Of this total, outstanding options and stock appreciation rights total 3,848,250, and the 1,330,050 balance consists of outstanding restricted stock unit awards. With respect to options and stock appreciation rights, the number includes 1,914,750 in-the-money stock appreciation rights, which have base prices ranging from \$1.70 to \$3.40. The remaining 1,933,500 options and stock appreciation rights outstanding are



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underwater (their exercise price is greater than the Company's stock price). Of these, 1,708,250 were awarded as stock options more than six years ago, have a ten year term and a minimum exercise price of \$9.07. The bulk of these older options were awarded on three grant dates, with 97,500 having an exercise price of \$59.09 set to expire at the end of 2015, 216,000 having an exercise price of \$42.50 set to expire at the end of 2016, and 928,000 having an exercise price of \$13.22 set to expire at the end of 2017.

<sup>(3)</sup> The weighted average prices relate only to outstanding options and stock appreciation rights.

**Compensation Committee Interlocks and Insider Participation**

During 2014, Leroy Barnes, Jr. served as the chairman and Molly Maloney Evangelisti, Craig Forman and Clyde Ostler served as members of the Compensation Committee. None of these individuals was an officer or employee of McClatchy at any time during fiscal year 2014 and none of these individuals has ever been an officer of McClatchy. No executive officer of McClatchy has ever served as a member of the board of directors or compensation committee of any other entity that has or has had one or more executive officers serving as a member of the Board or Compensation Committee of McClatchy.

**Certain Relationships and Related Transactions**

Our Audit Committee is responsible for reviewing and approving the terms of all related party transactions. The Company's policy for the review, approval or ratification of related party transactions states that the Audit Committee must review any related party transaction that meets the minimum threshold for disclosure in the proxy statement under the relevant SEC rules (generally, transactions involving amounts exceeding \$120,000 in which a related person has a direct or indirect material interest). Related persons include executive officers, directors and director nominees of the Company or their immediate family members or shareholders owning 5% or greater of the Company's securities. McClatchy currently has no related party transactions.

**REPORT OF THE AUDIT COMMITTEE**

During 2014, Kathleen Foley Feldstein served as the chairwoman and Leroy Barnes, Jr., Clyde Ostler and Frederick R. Ruiz served as members of the Audit Committee. Each of the members of the Audit Committee were independent (as that term is defined under the NYSE's current listing standards). The Board of Directors designated Mr. Barnes and Mr. Ostler as the 2014 audit committee financial experts as defined by Item 407(d)(5)(ii) of Regulation S-K. The Board of Directors has adopted a written charter for the Audit Committee, which was most recently reviewed on March 19, 2015. Among other things, the Audit Committee:

appoints and oversees the work of the independent auditors and reviews and recommends to the Board the discharge, if necessary, of the independent auditors;

preapproves (or may subsequently approve where permitted under the rules of the SEC) engagements of the independent auditors to perform audit or non-audit services, including by establishing preapproval policies and procedures;

reviews the independence of the independent auditors, including setting hiring policies for employees or former employees of the independent auditors;

discusses with McClatchy's independent auditors the financial statements and audit findings, including discussions with management and McClatchy's independent auditors regarding any significant changes in the audit plan and difficulties or disputes with management encountered during the audit;

reviews with management and the independent auditors McClatchy's annual SEC filings;

reviews with the independent auditors and the director of internal auditing the adequacy of McClatchy's internal accounting controls;

reviews with management and the director of internal auditing significant findings during the year and management's response to those findings, any difficulties encountered in the course of the internal audits and any changes in the scope of the internal audit plan;

generally discusses earnings press releases as well as financial information and earnings guidance, if any, provided to analysts and ratings agencies;

establishes and reviews codes of conduct; and

establishes procedures for receiving, retaining and treating complaints and concerns with regard to accounting, internal accounting controls or auditing matters.

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

it has reviewed and discussed the audited financial statements with management;

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it has discussed with the independent auditors the matters required to be discussed by the Statement on Auditing Standards No. 61, as amended (AICPA, Professional Standards, Vol. 1. AU section 380), as adopted by the Public Company Accounting Oversight Board in Rule 3200T;

it has discussed with the independent auditors the auditors' independence; and

it has received the written disclosures and the letter from the independent auditors required by the applicable requirements of the Public Company Accounting Oversight Board regarding the independent auditors' communications with the Audit Committee concerning independence.

Based on such review and discussions, the Audit Committee recommended to the Board of Directors that the audited financial statements be included in McClatchy's Annual Report on Form 10-K for the year ended December 28, 2014.

Respectfully submitted by the members of the Audit Committee of McClatchy.

KATHLEEN FOLEY FELDSTEIN, *Chairwoman*

LEROY BARNES, JR.

CLYDE OSTLER

FREDERICK R. RUIZ

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

Section 16(a) of the Securities Exchange Act of 1934, as amended (the Exchange Act), requires McClatchy's directors, executive officers, and beneficial owners of more than 10% of McClatchy's Class A Common Stock to file with the SEC initial reports of ownership and reports of changes in ownership of equity securities of McClatchy. Such officers, directors, and greater than 10% beneficial owners are required by SEC regulations to furnish McClatchy with all Section 16(a) forms that they file.

SEC regulations require us to identify in this Proxy Statement anyone who filed a required report late during the most recent fiscal year. To our knowledge, based on our review of the forms that we received or written representations from reporting persons stating that they were not required to file these forms, during the fiscal year ended December 28, 2014, no director, executive officer, or beneficial owner of more than 10% of McClatchy's Class A Common Stock failed to timely file the forms required by Section 16(a) of the Exchange Act.

**OTHER MATTERS**

The Board of Directors does not know of any business to be presented at the annual meeting other than the matters set forth above, but if other matters properly come before the meeting, your proxy holders will vote on the matters in accordance with their best judgment.

**SHAREHOLDERS SHARING AN ADDRESS**

Shareholders sharing an address with another shareholder may receive only one set of proxy materials to that address unless they have provided contrary instructions. Any such shareholder who wishes to receive a separate set of proxy materials now or in the future may write or call the Company to request a separate copy of these materials from:

Investor Relations 2100 Q Street Sacramento, California 95816, (916) 321-1844

Similarly, shareholders sharing an address with another shareholder who have received multiple copies of the Company's proxy materials may write or call the above address and phone number to request delivery of a single copy of these materials.

**SHAREHOLDER PROPOSALS FOR 2016 ANNUAL MEETING OF SHAREHOLDERS**

Shareholder proposals to be presented at McClatchy's 2016 Annual Meeting of Shareholders must be received at the Corporate Secretary's office, 2100 Q Street, Sacramento, California 95816, no later than December 2, 2015, to be considered for inclusion in the proxy statement and form of proxy for that meeting. In addition, we will seek discretionary authority in our proxy for our 2016 Annual Meeting of Shareholders to vote on any matter that may be considered at the meeting as to which we do not have notice prior to February 14, 2016.

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March 31, 2015

By Order of the Board of Directors

Karole Morgan-Prager, *Corporate Secretary*



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To ratify the appointment of Deloitte & Touche LLP as McClatchy's independent registered public accounting firm for the 2015 fiscal year.

**NOTE:** Whether or not you provide voting directions, your proxy, when properly executed, will be voted in discretion of the proxy holders upon such other matters as may properly come before the meeting and any postponement or adjournment thereof.

Please sign exactly as your name(s) appear(s) hereon. When signing as attorney, executor, administrator, or other fiduciary, please give full title as such. Joint owners should each sign personally. All holders must sign. If a corporation or partnership, please sign in full corporate or partnership name by authorized officer.

Signature [PLEASE SIGN WITHIN ~~BOX~~]

Signature (Joint Owners)

Date



**Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting:**

The Notice and Proxy Statement and Annual Report are available at [www.proxyvote.com](http://www.proxyvote.com).

M84432-TBD

**THE MCCLATCHY COMPANY**

**Annual Meeting of Shareholders**

**May 14, 2015 9:00 AM Local Time**

**This proxy is solicited by the Board of Directors**

The shareholder(s) hereby appoint(s) Patrick Talamantes and Karole Morgan-Prager, or any of them, as proxies, each with the power to appoint (his/her) substitute, and hereby authorize(s) them to represent and to vote, as designated on the reverse side of this ballot, all of the shares of Class B Common Stock of THE MCCLATCHY COMPANY that the shareholder(s) is/are entitled to vote at the Annual Meeting of Shareholders to be held at 9:00 AM, Local Time on May 14, 2015, in the Vizcaya Pavilion, 2019 21st Street, Sacramento, California 95818, and any adjournment or postponement thereof.

**This proxy, when properly executed, will be voted in the manner directed herein. If no such direction is made, this proxy will be voted in accordance with the Board of Directors recommendations.**

**Continued and to be signed on reverse side**



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**NOTE:** Whether or not you provide voting directions, your proxy, when properly executed, will be voted in discretion of the proxy holders upon such other matters as may properly come before the meeting and any postponement or adjournment thereof.

Please sign exactly as your name(s) appear(s) hereon. When signing as attorney, executor, administrator, or other fiduciary, please give full title as such. Joint owners should each sign personally. All holders must sign. If a corporation or partnership, please sign in full corporate or partnership name by authorized officer.

Signature [PLEASE SIGN WITHIN ~~BOX~~

Signature (Joint Owners)

Date

**Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting:**

The Notice and Proxy Statement and Annual Report are available at [www.proxyvote.com](http://www.proxyvote.com).

M84434-TBD

**THE MCCLATCHY COMPANY**

**Annual Meeting of Shareholders**

**May 14, 2015 9:00 AM Local Time**

**This proxy is solicited by the Board of Directors**

The shareholder(s) hereby appoint(s) Patrick Talamantes and Karole Morgan-Prager, or any of them, as proxies, each with the power to appoint (his/her) substitute, and hereby authorize(s) them to represent and to vote, as designated on the reverse side of this ballot, all of the shares of Class A Common Stock of THE MCCLATCHY COMPANY that the shareholder(s) is/are entitled to vote at the Annual Meeting of Shareholders to be held at 9:00 AM, Local Time on May 14, 2015, in the Vizcaya Pavilion, 2019 21st Street, Sacramento, California 95818, and any adjournment or postponement thereof.

**This proxy, when properly executed, will be voted in the manner directed herein. If no such direction is made, this proxy will be voted in accordance with the Board of Directors' recommendations.**

**Continued and to be signed on reverse side**