MCCLATCHY CO
Form DEF 14A
April 04, 2017

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

Filed by the Registrant
Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement
Confidential, for Use of the Commission Only (as permitted by 14a-6(e)(2))
Definitive Proxy Statement
Definitive Additional Materials
Soliciting Material Under §

240.14(a)-12

The McClatchy Company
(Name of Registrant as Specified In Its Charter)

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

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(3) Filing Party:

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THE McCLATCHY COMPANY

2100 Q Street

Sacramento, California 95816

April 4, 2017

To our Shareholders:

I am pleased to invite you to attend the 2017 Annual Meeting of Shareholders of The McClatchy Company on Wednesday, May 17, 2017 at 9:00 a.m., local time, in the Vizcaya Pavilion, 2019 21st Street, Sacramento, California 95818.

At this year's meeting, you are being asked to: (i) elect directors for the coming year; (ii) ratify the appointment of Deloitte & Touche LLP as McClatchy's independent registered public accounting firm; (iii) approve, on an advisory basis, the compensation of McClatchy's named executive officers; (iv) hold an advisory vote on the frequency of future advisory votes on the compensation of McClatchy's named executive officers; and (v) approve the amendment and restatement of The McClatchy Company 2012 Omnibus Incentive Plan (the "2012 Incentive Plan") to increase the number of shares of Class A Common Stock authorized for issuance under the 2012 Incentive Plan and to, among other things, re-approve the material terms and conditions relating to performance-based compensation. 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 recommends that you vote in favor of the Board's recommendations on the five (5) proposals included in the Proxy Statement.

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,

Craig I. Forman
President and Chief Executive Officer

THE McCLATCHY COMPANY

2100 Q Street

Sacramento, California 95816

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS OF
THE McCLATCHY COMPANY

TO BE HELD MAY 17, 2017

To our Shareholders:

The 2017 Annual Meeting of Shareholders of The McClatchy Company will be held on Wednesday, May 17, 2017 at 9:00 a.m., local time, in the Vizcaya Pavilion, 2019 21st 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 2017 fiscal year;

3.To approve, on an advisory basis, the compensation of McClatchy's named executive officers;

4.To hold an advisory vote on the frequency of future advisory votes on the compensation of McClatchy's named executive officers; and

5.To approve the amendment and restatement of The McClatchy Company 2012 Omnibus Incentive Plan (the "2012 Incentive Plan") to increase the number of shares of Class A Common Stock authorized for issuance under the 2012 Incentive Plan and to, among other things, re-approve the material terms and conditions relating to performance-based compensation.

The Board of Directors has chosen the close of business on March 24, 2017, 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 made available to shareholders on or about April 4, 2017.

By Order of the Board of Directors

Billie S. McConkey, Corporate Secretary

April 4, 2017

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 2017 Annual Meeting of Shareholders to be held on Wednesday, May 17, 2017 at 9:00 a.m., local time, in the Vizcaya Pavilion, 2019 21st Street, Sacramento, California 95818.

This Proxy Statement contains important information regarding McClatchy's 2017 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 24, 2017, the record date, there were outstanding 5,152,875 shares of McClatchy's Class A Common Stock and 2,443,191 shares of McClatchy's Class B Common Stock. The Board is first making available this Proxy Statement and form of proxy to shareholders on or about April 4, 2017.

Classes of Stock and Voting Rights

In accordance with McClatchy's 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 Class A 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 submitting a 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 24, 2017, 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. Simply attending the meeting will not revoke your proxy.

Voting by Proxy

If you do not plan or are unable to attend the meeting and vote in person, you may still have your shares voted by authorizing another to vote on your behalf in accordance with your directions. If you are a record owner, you may submit a 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 proxy, when properly executed, 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; FOR the ratification of the appointment of Deloitte & Touche LLP as McClatchy's independent registered public accounting firm; FOR the approval on an advisory basis of the compensation of McClatchy's named executive officers; FOR the "Three Years" with respect to how frequently the future advisory shareholder votes to approve the compensation of Company's named executive officers should occur; and FOR the approval of the amendment and restatement of The McClatchy Company 2012 Omnibus Incentive Plan (the "2012 Incentive Plan") to increase the number of shares of Class A common stock authorized for issuance under the 2012 Incentive Plan and to make other changes to the terms of the 2012 Incentive Plan. In addition, 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.

Submitting Proxy 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.

Submitting Proxy by Telephone. To submit a proxy by telephone, please follow the instructions included on your proxy card. If you submit a proxy by telephone, you do not need to complete and mail your proxy card.

Submitting Proxy on the Internet. To submit a proxy on the internet, please follow the instructions included on your proxy card. If you submit a proxy 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 have your shares voted 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 on that matter. 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 vote on Items 1, 3, 4 and 5 of this Proxy Statement. Your broker, bank or other nominee will have discretion to vote any uninstructed shares on 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.

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 seven 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 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. With respect to Items 2, 3 and 5 in this proxy statement, under the Delaware General Corporation Law and applicable New York Stock Exchange (“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;
- contacting our Investor Relations department at (916) 321-1931; or
- viewing our Current Report on Form 8-K on the SEC's website at 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 17, 2017. This Proxy Statement and our Annual Report on Form 10-K for the year ended December 25, 2016 are available at https://materials.proxyvote.com/579489.

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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 2017 Annual Meeting of Shareholders, ten (10) directors are to be elected to serve until the 2018 Annual Meeting of Shareholders and until their successors are elected or appointed and qualified or until their earlier resignation or removal. In addition to the nine (9) directors currently serving on the Board, the Nominating Committee has nominated Dr. Theodore R. Mitchell to stand for election as a Class B director at the 2017 Annual Meeting of Shareholders. All of the nominees for election, with the exception of Dr. Mitchell and Ms. Maria Thomas, are directors of McClatchy who were elected by shareholders at the 2016 Annual Meeting of Shareholders. A member of the Nominating Committee recommended Ms. Thomas to the Board of Directors shortly after Ms. Kate Feldstein's retirement. Dr. Mitchell had served as a director of the Board from September 2001 until May 2014, when he left the Company to serve as the Under Secretary of the United States Department of Education. In connection with Mr. Frederick Ruiz's announced retirement from the Board, Dr. Mitchell was nominated to serve on the Board by the recommendation of several other directors on the Board based on his previous service as a director. If any director nominee is unable or declines to serve as a director at the time of the annual 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 seven 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.

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

Nominees for Class A Director

Elizabeth Ballantine, 68, 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 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.

Clyde W. Ostler, 70, 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. 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. 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.

Maria Thomas, 53, has been a director of McClatchy since August 2016. In 2016, Ms. Thomas served as the interim CEO and strategic advisor to Glamsquad, a NYC-based startup offering beauty services on demand. From February 2013 to August 2015, Ms. Thomas served as Chief Marketing and Consumer Officer for SmartThings, a pioneer in the consumer Internet of Things arena. She helped SmartThings navigate its two year journey from launch on Kickstarter to a $200 million sale to Samsung. From 2008 to 2010, Ms. Thomas was the first non-founder CEO at Etsy, where under her leadership, Etsy became a trusted global brand with seven million customers and a trusted e-commerce platform serving hundreds of thousands of sellers with gross merchandise sales of more than $300 million. From 2001 to 2008, she was SVP and GM of NPR Digital. She was a driving force behind NPR’s successful transformation from a radio-only company to a best-in-class , multimedia enterprise. Ms. Thomas currently serves on the board of the privately held digital textile printing and e-commerce company, Spoonflower. Ms. Thomas started her career on Wall Street as a financial analyst and spent seven years with World Bank Group as an Investment Officer with the

International Finance Corporation, the World Bank's private sector arm. Ms. Thomas' deep digital management and product experience, her work with investors and venture capitalists, and background in media make her uniquely suited to helping McClatchy develop new business models for public service journalism.

Nominees for Class B Director

Leroy Barnes, Jr., 65, 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 Graduate School of Business. Mr. Barnes is also a member of the boards of directors of Frontier Communications, Inc. since May 2005, and Principal Funds, Inc. and Principal Variable Contracts, Inc., each since March 2012. He has also been a trustee of Principal ETF, Inc. since December 2014. 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,[1] 64, 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, 55, has been President and Chief Executive Officer of McClatchy since January 2017 and a director of McClatchy since July 2013. Prior to his appointment as President and Chief Executive Officer, Mr. Forman was a private investor and entrepreneur. From 2006 until 2009, Mr. Forman served as president of consumer access and audience business of the Atlanta-based internet services provider Earthlink. Earlier, Mr. Forman 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 led internet and new media divisions at Time Warner, a cable television company, 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, a publishing and financial information firm. 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 merger with Appia, Inc. in March 2015, Mr. Forman was appointed to Digital Turbine, Inc.'s board of directors; he resigned from the Digital Turbine board upon his appointment as McClatchy's President and Chief Executive Officer. Mr. Forman has served 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, until it was 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 focused on helping companies successfully navigate and thrive in the digital landscape, and extensive knowledge of the Company, make him a valuable asset to the Company. This experience and his knowledge of the Company's day to day operations as President and Chief Executive Officer put him in a position to work proactively with the Board to develop and implement the Company's business strategy in the coming years.

Brown McClatchy Maloney,[1] 61, has been a director of McClatchy since September 2004. Mr. Maloney is the owner of Radio Pacific and the operator of KONP radio, an ABC affiliate, and two additional radio stations in western Washington State. Mr. Maloney is also the owner of Olympic View Properties and Cedar Ridge Properties, both Washington state real estate companies. In addition, Mr. Maloney serves as a member of the board of directors of The Seattle Times 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,1 54, 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 A's, 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,1 55, has been a director of McClatchy since September 2004. Mr. McClatchy is an entrepreneur, journalist and currently a real estate investor. He 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.

Theodore R. Mitchell, 61, was the Under Secretary of the United States Department of Education from May 2014 until January 2017, responsible for all post-secondary and adult education policy programs as well as the $1.3 trillion Federal Student Aid Portfolio. Prior to his federal service, Dr. Mitchell served for ten years as CEO of the NewSchools Venture Fund, a national investor in education technology from September 2005 to May 2014. He served, as well, as President of the California State Board of Education, President of Occidental College, and in a variety of leadership roles at UCLA, including Vice Chancellor. Dr. Mitchell was deputy to the President and to the Provost at Stanford University and began his career as a professor at Dartmouth College where he also served as Chair of the Department of Education. Dr. Mitchell served as a McClatchy Director from September 2001 until May 2014. Dr. Mitchell's experience as a leader in education, business and public policy provides the Board with valuable insights into the needs of McClatchy's communities and its business development strategy.

Other Executive Officers

Terrance (Terry) Geiger, 54, has been Vice President, Technology of McClatchy since July 27, 2015. He joined McClatchy in 1983 as an IT computer operator for The Fresno Bee. From 2013 to 2015, Mr. Geiger oversaw the creation of an organization that combined the separate corporate and individual newspaper IT teams as well as the creation of the McClatchy technology team, which now encompasses all aspects of technology throughout McClatchy. In 2006, Mr. Geiger was named corporate IT director of McClatchy and oversaw the development of enterprise application teaMs. In 2002, he oversaw the creation of an IT team that serviced McClatchy's newspaper operations in California. In all, Mr. Geiger has led four reorganizations of Information Technology groups within McClatchy over his career.

Tim Grieve, 52, has been Vice President, News of McClatchy since October 4, 2016. Mr. Grieve began his professional journalism career as a reporter at The Sacramento Bee from 1986 to 1992. He graduated from law school at Georgetown University in 1995, then clerked on the U.S. Court of Appeals for the D.C. Circuit and practiced law in California. Mr. Grieve returned to journalism in 2003 as a senior writer for Salon. In 2008, he moved to POLITICO, where he served in a number of senior editorial positions, including managing editor of POLITICO and founding editor-in-chief of POLITICO Pro, a premium, subscription-based news service. Mr. Grieve left POLITICO in 2013 to lead the reinvention of Atlantic Media's National Journal. He returned to McClatchy in 2015 as the head of news strategies. Mr. Grieve's early initiatives at McClatchy have led to substantial year-over-year gains in digital readership. He is currently leading an effort to position McClatchy's newsrooms for continued journalistic excellence and sustained digital growth.

Christian A. Hendricks, 54, has been Vice President, Strategic Initiatives of McClatchy since February 24, 2017. Mr Hendricks served as the Company's Vice President, Products, Marketing and Innovation from 2015 to 2017. Prior to June 2015, he was the 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 oversees audience development, product management, marketing, corporate communications, and external partnerships. In March 2017, Mr. Hendricks announced that he will retire from the Company effective November 30, 2017

1Molly 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.

Elaine Lintecum, 61, has been Vice President, Finance and Chief Financial Officer and Treasurer 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, was named assistant treasurer and director of treasury services in 2000 and became Treasurer in 2002. 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, 46, was named General Counsel and Corporate Secretary on May 30, 2015 and has been Vice President, Human Resources of McClatchy since March 2015. Ms. McConkey worked with McClatchy as special employment counsel from 2006 until March 2015. Previously, from 2000 to 2006, Ms. McConkey was special labor counsel for Knight Ridder, Inc. 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.

Andrew Pergam, 38, has been Vice President, Video and New Ventures at McClatchy since November 1, 2016. Mr. Pergam completed his undergraduate studies at Johns Hopkins University and his graduate work in journalism at Columbia University. He began his professional career as an on-air television reporter in Connecticut in 2001. He transitioned into management in 2008, leading digital efforts at an NBC-owned property. In 2010, he returned to Washington, D.C. as editorial director of a journalism institute based at American University. The following year he joined The Washington Post, where as a senior editor and head of video, he helped reshape the operation and launch a number of new initiatives. Mr. Pergam joined McClatchy in 2014 to develop a comprehensive video strategy across all markets with responsibilities in editorial, product and revenue areas. In his current role, Mr. Pergam continues to build the video operation and has taken on business development and corporate development functions, including management and growth of the company's portfolio of strategic investments. He sits on the board of Matter, a venture fund and media accelerator, and advises a number of other startups.

Mark Zieman, 56, has been Vice President, Operations of McClatchy since June 2011, and has assumed additional responsibilities in his role as Vice President, Operations since June 30, 2015, overseeing McClatchy's 30 local media properties, the corporate digital revenue development team and the corporate production team. Prior to his corporate appointment, Mr. Zieman served as president and publisher of The Kansas City Star from March 2008 to June 2011, and as editor, managing editor and an investigative reporter at The Kansas City Star from 1986 to 2008.

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 31, 2017. 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 2016 and 2015:

	2016	2015
Audit Fees(1)	$ 2,907,000	$ 2,932,000
Audit-Related Fees(2)	110,000	135,400
Tax Fees	—	—
All Other Fees	—	—
Total	$ 3,017,000	$ 3,067,400

(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").

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 or by the chairman of the Audit Committee if the fees for services involved are less than $50,000.

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.

Item 3. Advisory Vote on Executive Compensation

In accordance with the requirements of Section 14A of the Exchange Act (which was added by the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”)) and the related rules of the SEC, we are including in these proxy materials a separate resolution subject to shareholder vote to approve, in an advisory vote, the compensation of our named executive officers, as disclosed in this Proxy Statement.

Our compensation philosophy and framework have resulted in compensation for our named executive officers that reflects McClatchy’s financial results and the other performance factors described in the “Compensation Discussion and Analysis.” McClatchy employs a strong pay-for-performance philosophy for our executive team, including our named executive officers. As discussed below in “Compensation Discussion and Analysis,” our compensation philosophy for our named executive officers is as follows:

- 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;

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

- by awarding long-term incentive awards to our executives, we focus our senior management on the long-term operating performance of the Company; 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.

In considering their vote, shareholders may wish to review with care the information on McClatchy’s compensation policies and decisions regarding the named executive officers presented in the “Compensation Discussion and Analysis” section beginning on page 33, as well as the discussion regarding the Compensation Committee beginning on page 24, in this Proxy Statement.

The text of the resolution in respect of this Item 3 is as follows:

“RESOLVED, that the Company’s shareholders approve, on an advisory basis, the compensation of the Company’s named executive officers, as disclosed in the Company’s Proxy Statement for the 2017 Annual Meeting of

Shareholders pursuant to the compensation disclosure rules of the SEC, including the "Compensation Discussion and Analysis," the Summary Compensation Table and the other related tables and disclosure."

The vote on this proposal is advisory and, therefore, not binding on the Company, the Compensation Committee or our Board of Directors. However, the Compensation Committee, which is responsible for designing and administering the Company's executive compensation program, values the opinions expressed by shareholders in their vote on this proposal and to the extent there is any significant vote against the executive compensation program as disclosed in this Proxy Statement, will consider our shareholders' concerns and will evaluate whether any actions are necessary to address those concerns.

THE BOARD RECOMMENDS THAT YOU VOTE "FOR" THE APPROVAL ON AN ADVISORY BASIS OF THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS.

Item 4. Advisory Vote on the Frequency of Future Advisory Votes on Executive Compensation

In accordance with the requirements of Section 14A of the Exchange Act (which was added by the Dodd-Frank Act) and the related rules of the SEC, we are including in these proxy materials a separate advisory vote to hold future advisory votes approving the compensation of our named executive officers (that is, votes similar to the advisory vote in Item 3 on page 11) every three years.

We believe a three-year frequency is most consistent with McClatchy's approach to compensation. Our reasons include:

- We seek a consistent compensation approach from year to year across our executive team. Because we believe that an effective compensation program should incentivize performance over a multi-year horizon, we do not make frequent changes to our programs.

- We believe the best way for shareholders to evaluate McClatchy's performance is over a multi-year period because our compensation program is designed to incent and reward performance over a multi-year period. For example, long-term incentive and equity incentive programs are based on multiyear performance periods.

For these reasons, we believe that a three-year time horizon is appropriate in order to provide shareholders with a more comprehensive view of whether our named executive officer compensation programs are achieving their objectives.

The text of the resolution in respect of Item 4 is as follows:

"RESOLVED, that the shareholders approve an advisory vote every three years to approve future advisory votes on the compensation of the Company's named executive officers."

Shareholders are not voting to approve or disapprove the recommendation of the Board that the non-binding advisory vote on the compensation of the Company's named executive officers should occur every three years. For the purposes of the advisory vote on this Item 4, the Company will take into consideration the shareholder vote on each of the alternatives set forth in the proxy card with respect to this Proposal.

THE BOARD RECOMMENDS THAT YOU VOTE FOR "THREE YEARS" WITH RESPECT TO HOW FREQUENTLY AN ADVISORY SHAREHOLDER VOTE TO APPROVE THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS SHOULD OCCUR.

Item 5. To approve the amendment and restatement of the 2012 Incentive Plan to increase the number of shares of Class A Common Stock authorized for issuance under the 2012 Incentive Plan and to, among other things, re-approve the material terms and conditions relating to performance-based compensation.

We are asking our shareholders to consider and to approve the amendment and restatement of The McClatchy Company 2012 Omnibus Incentive Plan (the "2012 Incentive Plan") and to, among other things, re-approve certain material terms and conditions relating to performance-based compensation under the 2012 Incentive Plan.

Upon recommendation of the Compensation Committee, on March 23, 2017, the Board adopted the amendment and restatement of the 2012 Incentive Plan, subject to approval by the shareholders at this annual meeting. If approved by our shareholders, the amendment and restatement of the 2012 Incentive Plan, would among other things:

(i) Increase the number of shares of our Class A Common Stock reserved for issuance under the 2012 Incentive Plan by 500,000 shares;
(ii) Expand the types of eligible grantees to include certain consultants and advisors to the Company and its affiliates;
(iii) Prohibit the payment of dividends on restricted stock or the payment of dividend equivalent rights on restricted stock units until the underlying shares of restricted stock or restricted stock units, as applicable, vest; and
(iv) Expand the list of applicable performance measures for use under the 2012 Incentive Plan.

In addition, we are asking that our shareholders re-approve the material terms and conditions for performance-based compensation intended to qualify under Section 162(m) of the Internal Revenue Code of 1986, as amended (the “Code”) included in the 2012 Incentive Plan. The material terms and conditions of performance-based compensation are (i) eligibility for awards, (ii) the maximum amount of performance-based compensation that may be paid under the 2012 Incentive Plan during a specified period to any eligible person, and (iii) the performance measures that may be used under the 2012 Incentive Plan to establish performance goals as a condition to the payment of the performance-based awards, each as described further below under “Re-approval of Material Terms and Conditions Relating to Performance-Based Compensation” (together, the “Performance Terms”).

The purpose of the 2012 Incentive Plan is to (i) provide incentives to eligible persons to motivate them to expend maximum effort to improve the business result and earnings of the Company by providing an opportunity to acquire or increase a direct proprietary interest in the operations and future success of the Company and (ii) provide a means of recruiting, rewarding, and retaining key personnel. To this end, the 2012 Incentive Plan provides for the grant of stock options, stock appreciation rights, restricted stock, restricted stock units (including deferred stock units), unrestricted stock, dividend equivalent rights, performance shares, other performance-based awards, and cash incentive awards.

If the shareholders fail to approve the amendment and restatement of the 2012 Incentive Plan, the 2012 Incentive Plan will continue and remain as is without any changes thereto. As of March 23, 2017, there were 534,674 shares of our Class A Common Stock subject to outstanding grants and 48,825 shares available for future grants under the 2012 Incentive Plan (without giving effect to additional shares that may become available upon the future expiration, forfeiture, or cancellation of outstanding awards). The Board and the Compensation Committee believe that, if the amendment and restatement is not approved, our ability to align the interests of key personnel with shareholders through equity-based compensation would be compromised, disrupting our compensation program and impairing our ability to recruit, retain, and reward key personnel, or requiring us to shift our compensation plan to include more cash compensation.

In addition, on February 23, 2017, the Compensation Committee approved the grant of 45,000 RSUs under the amendment and restatement of the 2012 Incentive Plan to Mr. Zieman, Ms. Lintecum, Mr. Hendricks, Ms. McConkey and three other executive officers, subject to the Board's adoption and then our shareholders' approval of the amendment and restatement. These RSUs form part of the Company's retention program for senior executives following the Company's chief executive officer transition in January 2017 and will vest in full on January 25, 2019, subject to the executive's continued service through such date. If the Company's shareholders do not approve the amendment and restatement of the 2012 Incentive Plan within 12 months of the Board's adoption of the amendment and restatement of the 2012 Incentive Plan, these RSU awards will terminate and be forfeited, except to the extent such awards could have been made under the 2012 Incentive Plan prior to the amendment and restatement, as determined and provided by the Compensation Committee.

If the shareholders re-approve the Performance Terms, compensation paid to the Company's covered employees upon achievement of performance goals based on one or more of the performance measures set forth in the 2012 Incentive Plan, subject to the Company's satisfaction of the other requirements of Section 162(m) of the Code, may continue to be fully deductible by the Company under Section 162(m) of the Code until such time as the Company is required to obtain shareholder re-approval of such terms and conditions at our annual meeting of shareholders in 2022. If the shareholders fail to re-approve the Performance Terms, the Compensation Committee will be permitted to continue granting performance-based awards using the performance measures set forth in the 2012 Incentive Plan, but such awards will not be eligible to be fully deductible by the Company under Section 162(m) of the Code.

Re-approval of Material Terms and Conditions Relating to Performance-Based Compensation

Shareholder approval of this proposal is intended to permit the awards paid to the Company's covered employees under the 2012 Incentive Plan to constitute "qualified performance-based compensation" for purposes of Section 162(m) of the Code and to enable the Company to deduct such compensation for U.S. federal income tax purposes if the requirements of Section 162(m) in addition to shareholder approval are satisfied. Shareholder approval of this proposal will constitute approval of the Section 162(m) performance-based compensation terms and conditions described below, which we refer to as Performance Terms and which consist of provisions relating to (i) eligibility for awards, (ii) the maximum amount of performance-based compensation that may be paid under the 2012 Incentive Plan during a specified period to any eligible person, and (iii) the performance measures that may be used under the 2012 Incentive Plan to establish performance goals as a condition to the payment of the performance-based awards. Even if this proposal is approved, the Company may exercise its discretion to award compensation under the 2012 Incentive Plan that would not qualify as "qualified performance-based compensation" under Section 162(m) of the Code.

Section 162(m) of the Internal Revenue Code. Section 162(m) of the Code limits publicly-held companies, such as the Company, to an annual deduction for U.S. federal income tax purposes of $1 million for compensation paid to each of their covered employees. For this purpose, "covered employees" include the Company's chief executive officer and the Company's other three highest compensated executive officers (other than the chief financial officer). However, performance-based compensation is excluded from the $1 million limitation. The 2012 Incentive Plan is designed to permit the Compensation Committee to grant awards that qualify as performance-based for purposes of satisfying the conditions of Section 162(m) of the Code, but it is not required under the 2012 Incentive Plan that awards qualify for this exception.

To qualify as performance-based:

- The compensation must be paid solely on account of the attainment of one or more pre-established, objective performance goals;
- The performance goal under which compensation is paid must be established by a committee comprised solely of two or more directors who qualify as outside directors for purposes of the exception;
- The material terms of the performance goal under which the compensation is to be paid must be disclosed to and subsequently approved by shareholders of the Company before payment is made; and
- The Compensation Committee must certify in writing, before payment of the compensation, that the performance goals and any other material terms were in fact satisfied.

Under the Code, a director is an “outside director” of the Company if he or she is not a current employee of the Company; is not a former employee who receives compensation for prior services (other than under a qualified retirement plan); has not been an officer of the Company; and does not receive, directly or indirectly (including amounts paid to an entity that employs the director or in which the director has at least a five percent ownership interest), remuneration from the Company in any capacity other than as a director.

In the case of compensation attributable to options or stock appreciation rights, the performance goal requirement (summarized in the first bullet above) is deemed satisfied, and the certification requirement (summarized in the fourth bullet above) is inapplicable, if (i) the grant or award is made by the Compensation Committee; (ii) the plan under which the option or stock appreciation right is granted states the maximum number of shares with respect to which such awards may be granted during a specified period to an employee; and (iii) under the terms of the option or stock appreciation right, the amount of compensation is based solely on an increase in the value of the Class A Common Stock after the date of grant.

Eligibility. All of our employees and the employees of our subsidiaries and affiliates are eligible to receive awards under the 2012 Incentive Plan. In addition, our non-employee directors and certain consultants and advisors to the Company and its affiliates may receive awards under the 2012 Incentive Plan, other than incentive stock options.

Award Limitations. The 2012 Incentive Plan contains limitations on the maximum number of shares available for issuance with respect to specified types of awards. Subject to adjustments for changes in the Company’s capitalization:

- The maximum number of shares of Class A Common Stock subject to options or stock appreciation rights that may be granted under the 2012 Incentive Plan to any person in a calendar year is 150,000 shares;
- The maximum number of shares subject to awards other than options or stock appreciation rights that may be granted under the 2012 Incentive Plan to any person in a calendar year is 150,000 shares; and
- The maximum amount that may be paid for a single cash-settled performance-based award for any performance period is $5 million.

Performance Measures. The performance goals for performance-based awards under the 2012 Incentive Plan must be established in writing by the Compensation Committee before the 90th day after the beginning of any performance period applicable to such award and while the outcome is substantially uncertain, or at such other date as may be required or permitted for performance-based compensation under Section 162(m) of the Code. Under the 2012 Incentive Plan, the performance goals upon which the payment or vesting of a performance-based award to a covered employee that is intended to qualify as performance-based compensation under Section 162(m) of the Code will be limited to the following performance measures, with or without adjustment:

(a) net earnings or net income;

(b) operating earnings;

(c) pre-tax earnings;

(d) pre-tax earnings per share;

(e) earnings per share;

(f) share price, including growth measures and total shareholder return;

(g) earnings before interest and taxes;

(h) earnings before interest, taxes, depreciation, and/or amortization;

(i) earnings before interest, taxes, depreciation, and/or amortization, as adjusted to exclude any one or more of the following: (i) stock-based compensation expense, (ii) income from discontinued operations, (iii) gain on cancellation of debt, (iv) debt extinguishment and related costs, (v) restructuring, separation, and/or integration charges and costs, (vi) reorganization and/or recapitalization charges and costs, (vii) impairment charges, (viii) merger-related events, (ix) gain or loss related to investments, (x) sales and use tax settlements; and (xi) gain on non-monetary transactions;

(j) sales or revenue growth, targets, or diversification, whether in general or by type of product, service, or customer;

(k) gross or operating margins;

(l) return measures, including return on assets, capital, investment, equity, sales, or revenue;

(m) cash flow (as defined by the compensation committee), including (i) operating cash flow, (ii) free cash flow, (iii) cash flow return on equity, and (iv) cash flow return on investment;

(n) productivity ratios;

(o) expense targets;

(p) market or market segment share or penetration;

(q) working capital targets;

(r) completion of acquisitions of businesses or companies;

(s) completion of divestitures and asset sales;

(t) debt repayment targets and debt/equity ratios;

(u) costs, reduction in costs, and cost control measures;

(v) funds from operations;

(w) employee hiring, retention, growth in population, and diversity;

(x) employee or customer satisfaction measurements;

(y) execution of contractual arrangements or satisfaction of contractual requirements or milestones;

(z) product development achievements; and

(aa) any combination of any of the foregoing business criteria.

Under the 2012 Incentive Plan, the Compensation Committee may provide in any performance-based award that any evaluation of performance may include or exclude any of the following events that occur during a performance period:

· asset write-downs;

· litigation or claims, judgments, or settlements;

· the effect of changes in tax laws, accounting principles, or other laws or provisions affecting reported results;

· any reorganization or restructuring events or programs;

· extraordinary, non-core, non-operating, or non-recurring items and items that are either of an unusual nature or of a type that indicates infrequency of occurrence as a separate component of income from continuing operations;

· acquisitions or divestitures;

· foreign exchange gains and losses;

· impact of shares of common stock purchased through share repurchase programs;

· tax valuation allowance reversals;

· impairment expense; and

· environmental expense.

Performance under any of the foregoing performance measures may be used to measure the performance of (i) the Company and our subsidiaries and other affiliates as a whole; (ii) the Company, any subsidiary, and/or any other affiliate or any combination thereof; or (iii) any one or more business units of the Company, any subsidiary, and/or any other affiliate, as the Compensation Committee deems appropriate. In addition, performance under any of the performance measures may be compared to the performance of one or more other companies or one or more published or special indices designated or approved by the Compensation Committee. The Compensation Committee may select performance under the performance measure of stock price for comparison to performance under one or more stock market indices designated or approved by the Compensation Committee. The Compensation Committee has the authority to provide for accelerated vesting of any performance-based award based on the achievement of performance goals pursuant to the performance measures. The Compensation Committee has the discretion to adjust awards that are intended to qualify as performance-based compensation, either on a formula or discretionary basis, or on any combination thereof, as the Compensation Committee determines in a manner consistent with the requirements of Section 162(m) of the Code.

Summary of the Material Terms of the Amendment and Restatement of the 2012 Incentive Plan

A summary of the material terms of the amendment and restatement of the 2012 Incentive Plan is set forth below. This summary is qualified in its entirety by the detailed provisions of the amendment and restatement of the 2012 Incentive Plan, a copy of which is attached as Appendix A to this Proxy Statement and which is incorporated by reference into this proposal. We encourage our shareholders to read and refer to the complete plan document in Appendix A for a more complete description of the amendment and restatement of the 2012 Incentive Plan.

Amendment Date; Amendment, Suspension, and Termination. The 2012 Incentive Plan originally became effective as of January 24, 2012 (the “Effective Date”), and the amendment and restatement of the 2012 Incentive Plan became effective on March 23, 2017 (the “Amendment Date”) as of the Board’s adoption of the amendment and restatement, subject to approval by our shareholders within one year thereafter. Unless terminated sooner in accordance with the terms of the 2012 Incentive Plan or extended with shareholder approval, the 2012 Incentive Plan will terminate on the day before the tenth anniversary of the Effective Date, January 23, 2022. Our Board may amend, suspend, or terminate the 2012 Incentive Plan at any time; provided that no amendment, suspension, or termination may impair the rights or obligations under outstanding awards, without the consent of the grantee. Our shareholders must approve any amendment to the 2012 Incentive Plan to the extent determined by the Board or if such approval is required under applicable law or NYSE regulations. Our shareholders also must approve any amendment that changes the no re-pricing, option pricing, and stock appreciation right pricing provisions of the 2012 Incentive Plan.

Administration of the 2012 Incentive Plan. The 2012 Incentive Plan generally is administered by a committee consisting of two or more directors of the Company. Each such director is required to qualify as an “independent director” under the New York Stock Exchange listing rules, a “non-employee director” within the meaning of Rule 16b-3 under the Exchange Act, and an “outside director” within the meaning of Section 162(m) of the Code. At this time, the committee is the Compensation Committee and may be a subcommittee of the Compensation Committee that satisfies the foregoing requirements. The Board is also authorized to appoint one or more committees of the Board consisting of one or more directors of the Company who need not be non-employee directors. Any such committees would be authorized to administer the 2012 Incentive Plan with respect to participants in the 2012 Incentive Plan who are not Company “officers” within the meaning of Rule 16a-1(f) under the Exchange Act or Company directors and, in this capacity, would be authorized to grant awards under the 2012 Incentive Plan to such participants and to determine all terms of such awards. The Compensation Committee may delegate to a designated officer the power and authority to grant awards to non-executive employees. References below to the Compensation Committee include a reference to the Board, another committee appointed by the Board, or designated officer for those periods in which the Board, such other committee appointed by the Board, or designated officer is acting.

Eligibility. All of our employees and the employees of our subsidiaries and affiliates are eligible to receive awards under the 2012 Incentive Plan. In addition, our non-employee directors and certain consultants and advisors to the Company and its affiliates may receive awards under the 2012 Incentive Plan, other than incentive stock options. Approximately eight executive officers, nine non-employee directors, and 4,867 employees of the Company and its subsidiaries are eligible to participate in the 2012 Incentive Plan.

Share Authorization and Limits. If the amendment and restatement of the 2012 Incentive Plan is approved by our shareholders, an additional 500,000 shares of Class A Common Stock will be reserved for issuance under the 2012 Incentive Plan. The maximum number of shares of Class A Common Stock that may be issued under the amendment and restatement of the 2012 Incentive Plan, consisting of authorized but unissued shares or issued shares that have been reacquired by the Company, will be equal to the sum of (i) 1,000,000 shares of Class A Common Stock (which includes the original share pool of 500,000 shares plus the new share pool of 500,000 shares), plus (ii) the number of shares of Class A Common Stock available for future awards under the prior plan as of May 16, 2012, plus (iii) the number of shares of Class A Common Stock related to awards outstanding under the prior plan as of May 16, 2012 that thereafter terminate by expiration or forfeiture, cancellation, or otherwise without the issuance of such shares of Class A Common Stock. The maximum number of shares of Class A Common Stock available for issuance pursuant to incentive stock options granted under the Plan will be the same as the number of shares of common stock available for issuance under the Plan.

Shares of Class A Common Stock that are subject to awards will be counted against the 2012 Incentive Plan's share limit as of the date of grant as one share for every one share subject to the award. If any awards terminate, expire, or are canceled, forfeited, exchanged, or surrendered without having been exercised or paid or if any awards are forfeited or expire or otherwise terminate without the delivery of any shares of Class A Common Stock or are settled in cash in lieu of shares of Class A Common Stock, the shares subject to such awards will again be available for purposes of the 2012 Incentive Plan. However, the number of shares of Class A Common Stock available for issuance under the 2012 Incentive Plan will not be increased by the number of shares of common stock (i) tendered, withheld, or subject to an award surrendered in connection with the exercise of an option, (ii) deducted or delivered from payment of an award payment in connection with the Company's tax withholding obligations, (iii) purchased by the Company with proceeds from option exercises, or (iv) not issued upon the net settlement or net exercise of a stock-settled stock appreciation right.

The maximum number of shares of Class A Common Stock subject to options or stock appreciation rights that may be granted under the 2012 Incentive Plan to any person in a calendar year is 150,000 shares. The maximum number of shares subject to awards other than options or stock appreciation rights that may be granted under the 2012 Incentive Plan to any person in a calendar year is 150,000 shares. The maximum amount that may be paid for a single cash-settled performance-based award for any performance period is $5 million.

The number and kinds of shares of common stock for which awards may be made under the 2012 Incentive Plan, including the limits described above, and the number of shares and exercise prices of outstanding awards will be adjusted proportionately and accordingly by the Compensation Committee if the number of outstanding shares of Class A Common Stock is increased or decreased or the shares of Class A Common Stock are changed into or exchanged for a different number of shares or kind of capital stock or other securities of the Company on account of any recapitalization, reclassification, stock split, reverse stock split, spin-off, combination of stock, exchange of stock, stock dividend, or other distribution payable in capital stock, or other increase or decrease in shares of common stock effected without receipt of consideration by the Company.

Fair Market Value Determination. For so long as our Class A Common Stock remains listed on the NYSE (or listed on any other established securities exchange or traded on any other securities market), the fair market value of a share of Class A Common Stock will be the closing price for a share as quoted on such exchange or market for such date. If there is no reported closing price on such date, the fair market value of a share of Class A Common Stock will be the closing price of the Class A Common Stock on the last preceding date for which such quotation exists. If our Class A Common Stock is not listed on an established securities exchange or traded on an established securities market, the Compensation Committee will determine the fair market value in good faith by reasonable application of a reasonable valuation method, in a manner consistent with Section 409A of the Code. On March 24, 2017, the closing price of our Class A Common Stock as reported on the NYSE was $9.79 per share.

Options. The 2012 Incentive Plan authorizes our Compensation Committee to grant incentive stock options (as defined in Section 422 of the Code) and options that do not qualify as incentive stock options (“non-qualified options”). To the extent that the aggregate fair market value of shares of Class A Common Stock determined on the date of grant with respect to which incentive stock options are exercisable for the first time during any calendar year exceeds $100,000, the option will be treated as a non-qualified option. The exercise price of each option will be determined by the Compensation Committee, provided that the exercise price will be equal to or greater than 100% of the fair market value of the shares of Class A Common Stock on the date of grant. If we were to grant incentive stock options to any 10 percent shareholder, the exercise price may not be less than 110% of the fair market value of our Class A Common Stock on the date of grant.

The term of an option cannot exceed ten years from the date of grant. If we were to grant incentive stock options to any 10 percent shareholder, the term cannot exceed five years from the date of grant. The Compensation Committee determines at what time or times each option may be exercised and the period of time, if any, after retirement, death, disability, or termination of employment during which options may be exercised. Options may be made exercisable in installments. The vesting and exercisability of options may be accelerated by the Compensation Committee. Awards of options are nontransferable, except for transfers by will or the laws of descent and distribution.

Stock Appreciation Rights. The 2012 Incentive Plan authorizes our Compensation Committee to grant stock appreciation rights that provide the grantee with the right to receive, upon exercise of the stock appreciation right, cash, shares of Class A Common Stock, or a combination of the foregoing. The amount that the recipient will receive upon exercise of the stock appreciation right generally will equal the excess of the fair market value of our Class A Common Stock on the date of exercise over the stock appreciation right's exercise price, which must be equal to or greater than 100% of the fair market value of our Class A Common Stock on the date of grant. Stock appreciation rights will become exercisable in accordance with terms determined by our Compensation Committee. Stock appreciation rights may be granted in tandem with an option grant or independently from an option grant. The term of a stock appreciation right cannot exceed ten years from the date of grant. Awards of stock appreciation rights are nontransferable, except for transfers by will or the laws of descent and distribution.

Restricted Stock and Restricted Stock Units. The 2012 Incentive Plan also authorizes the Compensation Committee to grant restricted stock and restricted stock units (including deferred stock units). Subject to the provisions of the 2012 Incentive Plan, the Compensation Committee will determine the terms and conditions of each award of restricted stock and restricted stock units, including the restricted period for all or a portion of the award, the restrictions applicable to the award, and the purchase price (if any) for the shares of Class A Common Stock subject to the award. Restricted stock and restricted stock units may vest solely by the passage of time and/or pursuant to achievement of performance goals, and the restrictions and/or the restricted period may differ with respect to each award of restricted stock and restricted stock units. An award will be subject to forfeiture if events specified by the Compensation Committee occur before the lapse of the restrictions. During the period, if any, when shares of restricted stock and restricted stock units are non-transferable or forfeitable or prior to the satisfaction of any other restrictions prescribed by the Compensation Committee, a grantee is prohibited from selling, transferring, assigning, pledging, or otherwise encumbering or disposing of his or her shares of restricted stock or restricted stock units.

A grantee of restricted stock will have all the rights of a shareholder, including the right to vote the shares and receive dividends or distributions on the shares, except to the extent limited by the Compensation Committee or the 2012 Incentive Plan. Grantees of restricted stock units will have no voting or dividend rights or other rights associated with share ownership, although the Compensation Committee may award dividend equivalent rights on such units. Grantees will not vest in dividends paid on restricted stock or in dividend equivalent rights paid on restricted stock units unless the underlying awards vest.

Dividend Equivalent Rights. The 2012 Incentive Plan authorizes our Compensation Committee to grant dividend equivalent rights, which are rights entitling the grantee to receive credits for dividends or distributions that would be paid if the grantee had held a specified number of shares of Class A Common Stock underlying the right. The

Compensation Committee may grant dividend equivalent rights to a grantee in connection with an award under the 2012 Incentive Plan, or without regard to any other award, except that no dividend equivalent rights may be granted in connection with, or related to, an option or stock appreciation right. Dividend equivalent rights may be settled in cash, shares of Class A Common Stock, or a combination of the foregoing, in a single installment or in multiple installments, as determined by the Compensation Committee. A dividend equivalent right granted as a component of another award may provide that the dividend equivalent right will be settled upon exercise, settlement, or payment of, or lapse of restrictions on, the other award, and that the dividend equivalent right will expire or be forfeited or annulled under the same conditions as the other award, and a dividend equivalent right granted as a component of another award also may contain terms and conditions that are different from the terms and conditions of the other award, except in each case that dividend equivalent rights credited as a component of another award may not vest unless the underlying award vests.

Performance-Based Awards. The 2012 Incentive Plan authorizes the Compensation Committee to grant performance-based awards, ultimately payable in shares of Class A Common Stock or cash, in such amounts and upon such terms as determined by the Compensation Committee. Each grant of a performance-based award will have an initial cash value or an actual or target number of shares of Class A Common Stock that is established by the Compensation

Committee at the date of grant. The Compensation Committee may set performance goals in its discretion that, depending on the extent to which they are met, will determine the value and/or number of performance-based awards that will be paid out to a grantee. The performance goals generally will be based on one or more of the Performance Measures described above. The Compensation Committee will establish the performance periods for these performance-based awards. As described above, the 2012 Incentive Plan is designed to permit the Compensation Committee to grant awards that qualify as performance-based for purposes of satisfying the conditions of Section 162(m) of the Code.

Form of Payments. The exercise price for any option or the purchase price (if any) for restricted stock or vested restricted stock units is generally payable (i) in cash or cash equivalents, (ii) to the extent the award agreement provides, by the surrender of shares of common stock (or attestation of ownership of shares of common stock) with an aggregate fair market value, on the date of such surrender, of the exercise price or purchase price, (iii) to the extent permissible by applicable law and to the extent the award agreement provides, by payment through a broker in accordance with procedures set forth by the Company, or (iv) to the extent the award agreement provides and/or unless otherwise specified in an award agreement, any other form permissible by applicable law, including net exercise, net withholding, and service rendered to the Company or our affiliates.

Change in Control. If the Company experiences a change in control: (i) immediately before the change in control, all outstanding options and stock appreciation rights will vest, and all outstanding restricted stock, restricted stock units, and dividend equivalent rights will vest, and all shares of Class A Common Stock and/or cash subject to such awards will be delivered, and (ii) at the Compensation Committee’s discretion, either (a) all options, stock appreciation rights, restricted stock, restricted stock units, and dividend equivalent rights will be terminated and cashed out or redeemed for securities of equivalent value, and/or all options and stock appreciation rights will become exercisable for a period before the change in control, or (b) the Company may make a provision in writing for the assumption and continuation of such awards. Performance-based awards will vest (i) if less than half of the performance period has lapsed, at target or (ii) if half or more of the performance period has lapsed, at actual if determinable or at target if actual is not determinable.

In summary, a change in control occurs under the 2012 Incentive Plan if:

- The sale, lease, conveyance or other disposition of all or substantially all of the Company’s assets to any “person” (as such term is used in Section 13(d) of the Exchange Act), entity, or group of persons acting in concert;

- Any “person” or group of persons (other than any member of the McClatchy family or any entity or group controlled by one or more members of the McClatchy family) becoming the “beneficial owner” (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 50% or more of the total voting power represented by the Company’s then outstanding voting securities;

- A merger or consolidation of the Company with any other corporation, other than a merger or consolidation that would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its controlling entity) at least 50% of the total voting power represented by the voting securities of the Company or such surviving entity (or its controlling entity) outstanding immediately after such merger or consolidation;

· A contest for the election or removal of members of the Board that results in the removal from the Board of at least 50% of the incumbent members of the Board; or

· The occurrence of a "Rule 13e-3 transaction" as such term is defined in Rule 13e-3 under the Exchange Act.

No Repricing. Except in connection with certain corporate transactions involving the Company, we may not: (i) amend the terms of outstanding options or stock appreciation rights to reduce the exercise price of such outstanding options or stock appreciation rights; (ii) cancel outstanding options or stock appreciation rights in exchange for or substitution of options or stock appreciation rights with an exercise price that is less than the exercise price of the original options or stock appreciation rights; or (iii) cancel outstanding options or stock appreciation rights with an exercise price above the current fair market value in exchange for cash or other securities, in each case, unless such action (a) is subject to and approved by the Company's shareholders or (b) would not be deemed to be a repricing under the rules of the NYSE or any established stock exchange or securities market on which our Class A Common Stock is listed or publicly traded.

Summary of U.S. Federal Income Tax Consequences

The U.S. federal income tax consequences of awards under the 2012 Incentive Plan for participants and the Company will depend on the type of award granted. The following summary description of U.S. federal income tax consequences is intended only for the general information of shareholders and is not intended to be exhaustive. A participant in the 2012 Incentive Plan should not rely on this description and instead should consult his or her own tax advisor for the application of federal, state, local, or foreign income, employment, and other taxes to the grantee's own particular circumstances.

Incentive Stock Options. The grant of an incentive stock option will not be a taxable event for the grantee or for the Company. A grantee will not recognize taxable income upon exercise of an incentive stock option (except that the alternative minimum tax may apply), and any gain (or loss) realized upon a disposition of our Class A Common Stock received pursuant to the exercise of an incentive stock option will be taxed as long-term capital gain (or loss) if the grantee holds the shares of Class A Common Stock for at least two years after the date of grant and for one year after the date of exercise (the "holding period requirement"). We will not be entitled to any business expense deduction with respect to the exercise of an incentive stock option, except as discussed below.

For the exercise of an incentive stock option to qualify for the foregoing tax treatment, the grantee generally must be our employee or an employee of our subsidiary from the date the incentive stock option is granted through a date within three months before the date of exercise of the option.

If all of the foregoing requirements are met except the holding period requirement mentioned above, the grantee will recognize ordinary income upon the disposition of the Class A Common Stock in an amount generally equal to the excess of the fair market value of the Class A Common Stock at the time the option was exercised over the option exercise price (but not in excess of the gain realized on the sale). The balance of the realized gain, if any, will be capital gain. We will be allowed a business expense deduction to the extent the grantee recognizes ordinary income, subject to our compliance with Section 162(m) of the Code and to certain reporting requirements.

Non-Qualified Options. The grant of a non-qualified option will not be a taxable event for the grantee or the Company. Upon exercising a non-qualified option, a grantee will recognize ordinary income in an amount equal to the difference between the exercise price and the fair market value of the Class A Common Stock on the date of exercise. Upon a subsequent sale or exchange of shares acquired pursuant to the exercise of a non-qualified option, the grantee will have taxable capital gain or loss, measured by the difference between the amount realized on the disposition and the tax basis of the shares of Class A Common Stock (generally, the amount paid for the shares plus the amount treated as ordinary income at the time the option was exercised).

If we comply with applicable reporting requirements and with the restrictions of Section 162(m) of the Code, we will be entitled to a business expense deduction in the same amount and generally at the same time as the grantee recognizes ordinary income.

A grantee who has transferred a non-qualified option to a family member by gift will realize taxable income at the time the non-qualified option is exercised by the family member. The grantee will be subject to withholding of income and employment taxes at that time. The family member’s tax basis in the shares of Class A Common Stock will be the fair market value of the shares of Class A Common Stock on the date the non-qualified option is exercised. The transfer of vested non-qualified options will be treated as a completed gift for gift and estate tax purposes. Once the gift is completed, neither the transferred options nor the shares acquired on exercise of the transferred options will be includable in the grantee’s estate for estate tax purposes.

In the event a grantee transfers a non-qualified option to his or her ex-spouse incident to the grantee’s divorce, neither the grantee nor the ex-spouse will recognize any taxable income at the time of the transfer. In general, a transfer is made “incident to divorce” if the transfer occurs within one year after the marriage ends or if it is related to the end of the marriage (for example, if the transfer is made pursuant to a divorce order or settlement agreement). Upon the subsequent exercise of such non-qualified option by the ex-spouse, the ex-spouse will recognize taxable income in an amount equal to the difference between the exercise price and the fair market value of the shares of Class A Common Stock at the time of exercise. Any distribution to the ex-spouse as a result of the exercise of the option will be subject to employment and income tax withholding at this time.

Stock Appreciation Rights. The grant of a stock appreciation right will not be a taxable event for the grantee or the Company. Upon exercising a stock appreciation right, a grantee will recognize ordinary income in an amount equal to the difference between the exercise price and the fair market value of the Class A Common Stock on the date of exercise. If we comply with applicable reporting requirements and with the restrictions of Section 162(m) of the Code, we will be entitled to a business expense deduction in the same amount and generally at the same time as the grantee recognizes ordinary income.

Restricted Stock. A grantee who is awarded restricted stock will not recognize any taxable income for U.S. federal income tax purposes in the year of the award, provided that the shares of Class A Common Stock are subject to restrictions (that is, the shares of restricted stock are nontransferable and subject to a substantial risk of forfeiture). However, the grantee may elect under Section 83(b) of the Code to recognize compensation income in the year of the award in an amount equal to the fair market value of the Class A Common Stock on the date of the award (less the purchase price, if any), determined without regard to the restrictions. If the grantee does not make such Section 83(b) election, the fair market value of the Class A Common Stock on the date the restrictions lapse (less the purchase price, if any) will be treated as compensation income to the grantee and will be taxable in the year the restrictions lapse and dividends paid while the Class A Common Stock is subject to restrictions will be subject to withholding taxes. If we comply with applicable reporting requirements and with the restrictions of Section 162(m) of the Code, we will be entitled to a business expense deduction in the same amount and generally at the same time as the grantee recognizes ordinary income.

Restricted Stock Units and Deferred Stock Units. The grant of a restricted stock unit or deferred stock unit will not be a taxable event for the grantee or the Company. A grantee who is awarded restricted stock units or deferred stock units will be required to recognize ordinary income in an amount equal to the fair market value of shares issued, or in the case of a cash-settled award, the amount of the cash payment made, to such grantee at the end of the restriction period or, if later, the payment date. If we comply with applicable reporting requirements and with the restrictions of Section 162(m) of the Code, we will be entitled to a business expense deduction in the same amount and generally at the same time as the grantee recognizes ordinary income.

Dividend Equivalent Rights. Participants who receive dividend equivalent rights will be required to recognize ordinary income in an amount distributed to the grantee pursuant to the award. If we comply with applicable reporting requirements and with the restrictions of Section 162(m) of the Code, we will be entitled to a business expense deduction in the same amount and generally at the same time as the grantee recognizes ordinary income.

New Plan Benefits

On February 23, 2017, the Compensation Committee approved the grant of 45,000 RSUs under the amendment and restatement of the 2012 Incentive Plan to Mr. Zieman, Ms. Lintecum, Mr. Hendricks, Ms. McConkey and three other executive officers, as provided in the table below, subject to the Board's adoption and then our shareholders' approval of the amendment and restatement. These RSUs form part of the Company's retention program for senior executives following the Company's chief executive officer transition in January 2017 and will vest in full on January 25, 2019, subject to the executive's continued service through such date. If the Company's shareholders do not approve the amendment and restatement of the 2012 Incentive Plan within 12 months of the Board's adoption of the amendment and restatement of the 2012 Incentive Plan, these RSU awards will terminate and be forfeited, except to the extent such awards could have been made under the 2012 Incentive Plan prior to the amendment and restatement, as determined and provided by the Compensation Committee. While additional individuals received grants of RSUs on February 23, 2017, such other awards were made under the existing share pool of the 2012 Incentive Plan and are not subject to approval of the amendment and restatement of the 2012 Incentive Plan by our shareholders.

2012 Incentive Plan, as amended and restated

Name and Position	Dollar Value ($) (1)	Number of Units
Patrick Talamantes, President and Chief Executive Officer	$ —	—
Elaine Lintecum, Vice President, Finance and Chief Financial Officer	$ 73,425	7,500
Christian Hendricks, Vice President, Products, Marketing and Innovation	$ 48,950	5,000
Billie McConkey, Vice President, Human Resources, General Counsel and Corporate Secretary	$ 73,425	7,500
Mark Zieman, Vice President, Operations	$ 97,900	10,000
Executive Officers as a Group	$ 440,550	45,000
Non-Executive Officer Directors as a Group	$ —	—
Non-Executive Officer Employees as a Group	$ —	—

(1) Dollar value calculated is estimated by multiplying the closing market price of our Class A Common Stock on the record date March 24, 2017 ($9.79 per share), by the number of RSUs to be awarded.

Securities Authorized for Issuance under Equity Compensation Plans

The following table summarizes McClatchy's equity plan information as of December 25, 2016. Pursuant to the provisions of the 2004 Stock Incentive Plan and the 2012 Incentive Plan, the number of shares of Class A Common Stock subject to outstanding stock appreciation rights (SARs) and restricted stock units (RSUs), the per share exercise price of outstanding SARs, and the total number of shares reserved and available for issuance were adjusted in connection with the one-for-ten reverse stock split that occurred on June 7, 2016. Accordingly, the share totals and exercise prices shown in the table below reflect the post-reverse stock split holdings as of December 25, 2016.

Equity Compensation Plan Information

Plan Category	Securities to be Issued upon Exercise of Outstanding Options, Warrants and Rights (#)(1) (a)	Weighted Average Exercise Price of Outstanding Options, Warrants and Rights ($/Share)(3) (b)	Securities Remaining Available for Future Issuance under Equity Compensation Plans (excluding securities reflected in column (a)) (#) (c)
Equity compensation plans approved by shareholders			
2004 Stock Incentive Plan	211,350	$ 59.85	—
2012 Omnibus Incentive Plan	285,545	$ 25.45	194,870

Total	496,895	(2)	194,870

(1) Amount includes RSUs and SARs.

(2) Of this total, outstanding SARs awards total 292,750, and the 204,145 balance consists of outstanding RSU awards. The 292,750 SARs outstanding are underwater (that is, their exercise price is greater than the Company's stock price). No SARs have been issued since 2013. Such SARs have ten-year terms and exercise prices ranging from $17.00 to $425.00.

(3) The weighted average prices relate only to outstanding SARs.

Registration with the SEC

If the amendment and restatement of the 2012 Incentive Plan is approved by our shareholders, we intend to file a Registration Statement on Form S-8 relating to the additional shares available under the 2012 Incentive Plan with the Securities and Exchange Commission pursuant to the Securities Act as soon as is practicable after such approval.

THE BOARD RECOMMENDS THAT YOU VOTE "FOR" THE APPROVAL OF THE AMENDMENT AND RESTATEMENT OF THE 2012 INCENTIVE PLAN TO INCREASE THE NUMBER OF SHARES OF CLASS A COMMON STOCK AUTHORIZED FOR ISSUANCE UNDER THE 2012 INCENTIVE PLAN AND, AMONG OTHER THINGS, THE RE-APPROVAL OF THE TERMS AND CONDITIONS RELATING TO PERFORMANCE-BASED COMPENSATION.

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.

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. 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. Forman, 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. Accordingly, the Board has affirmatively determined that Messrs. Barnes, Maloney, K. McClatchy, W. McClatchy, Mitchell and Ostler, and Mmes. Ballantine, Evangelisti and Thomas are independent within the meaning of the NYSE listing standards. 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 10 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 and are also available in print to any shareholder requesting copies.

The Board of Directors met eight (8) times during fiscal 2016. 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 2016 Annual Meeting of Shareholders. The Board has no formal policy regarding attendance at the Company's annual meetings of shareholders.

Leadership Structure

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 the Company's President and Chief Executive Officer, to concentrate on the Company's business operations. In fiscal year 2016, Mr. Talamantes served as the Company's President and Chief Executive Officer.

Beginning on January 25, 2017, Mr. Forman replaced Mr. Talamantes as President and Chief Executive Officer. In January 2017, the directors considered the Board's leadership structure in connection with Mr. Talamantes' departure and determined that the current leadership structure for the Company continues to be appropriate. 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 and Clyde Ostler serve as members of the Compensation Committee. During fiscal year 2016, Mr. Barnes served on the Compensation Committee as chairman between January 1, 2016 and May 18, 2016 and Mr. Craig Forman served on the Compensation Committee as chairman thereafter. Mr. Forman resigned his role with the Compensation Committee prior to his appointment as President and Chief Executive Officer of the Company in January 2017. 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 33.

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. 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 CEO bonus formula 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 2016, 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 2016 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 2016, the Chief Executive Officer had the authority to grant a limited number of restricted stock units ("RSUs") under the 2012 Incentive 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 six (6) meetings during fiscal 2016.

If elected at the 2017 Annual Meeting of Shareholders, Dr. Theodore R. Mitchell will replace Mr. Leroy Barnes, Jr. on the Compensation Committee in May 2017.

Audit Committee

Leroy Barnes, Jr. serves as the chairman and Elizabeth Ballantine, Clyde Ostler and Frederick R. Ruiz serve as members of the Audit Committee. Mr. Barnes serves on the Audit Committee of the McClatchy Company as well as three investment companies that are part of the Principal Funds, Inc. "fund complex." The Audit Committee reviews and makes a recommendation to the Board as to whether service on these audit committees impairs Mr. Barnes ability to fulfill his duties as a member of the 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 thirteen (13) meetings during fiscal 2016. The report of the Audit Committee is included in this Proxy Statement on page 52.

As a result of Mr. Frederick R. Ruiz's retirement from the Board, the Board of Directors has appointed Ms. Maria Thomas as a new member to the Audit Committee effective in May 2017.

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 four (4) meetings during fiscal 2016.

Nominating Committee

Brown McClatchy Maloney serves as the chairman and Elizabeth Ballantine and Kevin McClatchy serve as members of the Nominating Committee. During fiscal year 2016, Craig Forman served on the Nominating Committee, but Mr. Forman resigned his role with the Nominating Committee prior to his appointment as President and Chief Executive Officer of the Company in January 2017. 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 four (4) meetings during fiscal 2016.

Pension and Savings Plans Committee

Clyde Ostler serves as the chairman and Leroy Barnes, Jr. and William McClatchy serve as members of the Pension and Savings Plans Committee. Prior to leaving the Company in January 2017, Patrick Talamantes also served on the Pension and Savings Plans Committee during fiscal year 2016.

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 2016.

Board of Directors' 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 control compliance manager. 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 33, 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 33, 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; independence; experience in areas such as operations, journalism, finance, digital 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 2017 Annual Meeting of Shareholders were recommended by the Nominating Committee in early 2017.

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 24, 2017, by each director and nominee for director; McClatchy's President and Chief Executive Officer; McClatchy's Chief Financial Officer; each of McClatchy's named 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(1)	Number of Shares of Class A Common Stock	Deemed Beneficial Ownership of Class A Common Stock(2) Number of Shares of Class A Common Stock		Percent of Class	
Elizabeth Ballantine	14,343	14,343		*	
Leroy Barnes, Jr.	13,120	13,120		*	
Molly Maloney Evangelisti	22,007	474,857		8.47	%
Craig Forman (20)	4,500	4,500		*	
Brown McClatchy Maloney	13,355	460,097	(6)	8.22	%
Kevin McClatchy	13,120	1,398,819	(3)(4)	21.39	%
William McClatchy	13,169	1,303,667	(3)(5)	20.23	%
Theodore Mitchell(18)	5,260	1,255,258	(3)	19.60	%

Clyde Ostler	4,500	4,500		*	
Frederick Ruiz (12)	10,407	10,407		*	
Maria Thomas	4,500	4,500		*	
Patrick Talamantes (19)	24,712	135,112	(8)(9)	2.57	%
Elaine Lintecum	10,096	18,346	(7)	*	
Christian Hendricks	8,956	28,556	(10)	*	
Billie McConkey	3,181	3,181		*	
Mark Zieman	7,580	22,755	(11)	*	
Contrarius Investment Management Limited	641,211	641,211	(13)	12.44	%
Bestinver Gestion S.A., SGIIC	308,025	308,025	(14)	5.98	%
Royce & Associates, LLC	639,704	639,704	(15)	12.41	%
Dimensional Fund Advisors LP	363,769	363,769	(16)	7.06	%
All executive officers and directors as a group (18 persons)	169,569	2,650,010	(17)	34.91	%

*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) Dimensional Fund Advisors LP, Palisades West, Building One, 6300 Bee Cave Road, Austin, TX 78746; and (iv) 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 that are exercisable or vest within 60 days following the record date. Applicable percentage of ownership is based on 5,152,875 shares of Class A Common Stock outstanding as of March 24, 2017, for such shareholder or group of shareholders, as applicable.

(3) Includes 1,249,998 shares of Class B Common Stock held under three separate trusts, all of which hold 416,666 shares each. Each of the trusts has different income beneficiaries. Kevin McClatchy, William McClatchy, and Theodore R. Mitchell share joint voting and investment control with respect to these trusts. Kevin McClatchy and William McClatchy disclaim beneficial ownership of the shares held in trusts for which they are not beneficiaries.

(4) Includes 44,952 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.

(5) Includes 40,500 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.

(6) Includes 128,964 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.

(7) Includes 8,250 shares subject to SARs which are currently exercisable or exercisable within 60 days.

(8) Includes 42,900 shares that vested upon Mr. Talamantes' termination of employment without cause on January 25, 2017, but the release of those shares are deferred until August 1, 2017.

(9) Includes 67,500 shares subject to SARs which are currently exercisable or exercisable within 60 days.

(10) Includes 19,600 shares subject to SARs which are currently exercisable or exercisable within 60 days.

(11) Includes 15,175 shares subject to SARs which are currently exercisable or exercisable within 60 days.

(12) Mr. Ruiz will no longer serve as a director after the Annual Meeting.

(13)

Based on a Form 4 filed on March 27, 2017 by Contrarius Investment Management Limited.

(14) Based on a Schedule 13G filed on September 29, 2015. Bestinver Gestion S.A., SGIIC has sole voting power and sole dispositive power with respect to 3,080,257 shares, adjusted to 308,025 shares reflecting the one-for-ten reverse stock split.

(15) Based on a Schedule 13 G/A filed on January 11, 2017. Royce & Associates, LLC has sole voting power and sole dispositive power with respect to 639,704 shares.

(16) Based on a Schedule 13G/A filed on February 9, 2017. Dimensional Fund Advisors LP has sole voting power with respect to 351,988 shares and sole dispositive power with respect to 363,769 shares.

(17) Includes those shares subject to SARs indicated in notes (7), (9), (10) and (11) above.

(18) Dr. Mitchell has been nominated for election as a Class B director at the Annual Meeting.

(19) Mr. Talamantes left the Company on January 25, 2017. See footnotes 8 and 9 above for information on Mr. Talamantes' beneficial ownership of Class A Common Stock as of January 25, 2017.

(20) Mr. Forman was appointed President and Chief Executive Officer of the Company in January 2017.

Class B Common Stock

The following table shows information about the beneficial ownership of shares of Class B Common Stock as of March 24, 2017, 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.

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(1)	Number of Shares of Class B Common Stock Beneficially Owned		Percent of Class	
Molly Maloney Evangelisti	452,850		18.54	%
Brown McClatchy Maloney	446,742	(6)	18.29	%
Kevin McClatchy	1,385,699	(2(4)	56.72	%
William McClatchy	1,290,498	(2(5)	52.82	%
Theodore Mitchell(3)	1,249,998	(2)	51.16	%
All executive officers and directors as a group (17 persons)	2,325,791	(7)	95.19	%

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

(2) Includes 1,249,998 shares of Class B Common Stock held under three separate trusts, all of which hold 416,666 shares each. Each of the trusts has different income beneficiaries. Kevin McClatchy, William McClatchy, and Theodore R. Mitchell share joint voting and investment control with respect to these trusts.

(3) Dr. Mitchell has been nominated for election as a Class B director at the Annual Meeting.

(4) Includes 44,952 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.

(5) Includes 40,500 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.

(6) Includes 128,964 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.

(7) 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 table sets forth the annual compensation paid or accrued by McClatchy to or on behalf of our non-employee directors for the fiscal year ended December 25, 2016.

Name (a)	Fees Earned or Paid in Cash ($)(1) (b)	Stock Awards ($)(2) (c)	Option Awards ($)(3) (d)	Non Equity Incentive Plan Compensation ($) (e)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($) (f)	All Other Compensation ($) (g)	Total ($) (h)
Elizabeth Ballantine	$ 81,500	$ 67,905	—	—	—	—	$ 149,405
Leroy Barnes, Jr.	$ 111,219	$ 67,905	—	—	—	—	$ 179,124
Molly Maloney Evangelisti	$ 78,500	$ 67,905	—	—	—	—	$ 146,405
Craig Forman (4)	$ 89,567	$ 67,905	—	—	—	—	$ 157,472
Brown McClatchy Maloney	$ 78,500	$ 67,905	—	—	—	—	$ 146,405
Kevin McClatchy	$ 134,500	$ 67,905	—	—	—	—	$ 202,405
William McClatchy	$ 70,000	$ 67,905	—	—	—	—	$ 137,905
Clyde Ostler	$ 95,136	$ 67,905	—	—	—	—	$ 163,041
Frederick Ruiz	$ 80,000	$ 67,905	—	—	—	—	$ 147,905
Maria Thomas	$ 25,988	$ 67,905	—	—	—	—	$ 93,893

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

(2) Reflects the aggregate grant date fair market value of an award of 4,500 shares of Class A Common Stock to each non-employee director on September 29, 2016, computed in accordance with ASC Topic 718. Pursuant to the McClatchy Director Deferral Program, as described below, Messrs. Forman, Ostler and Ruiz elected to defer their 2016 award until which time they terminate from the board of directors.

(3) No director received an option award in fiscal year 2016.

(4) Mr. Forman was appointed President and Chief Executive Officer of the Company in January 2017. Upon his appointment, Mr. Forman no longer received compensation as a non-employee director.

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 2016. 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.

In September 2016, upon the recommendation of the Compensation Committee, the Board approved effective January 1, 2017: the elimination of the Board meeting fees; an increase of the annual retainer amount to $65,000; an increase of the fee for the Chairman of the Board to $65,000; and an annual equity target of $65,000. Also effective January 1, 2017, at the recommendation of the Compensation Committee, the Board approved an increase in the Audit Committee chair fee from $11,500 to $15,000; an increase in the Compensation Committee chair fee from $8,500 to $12,500; and an increase in all other Committee chair fees from $7,500 to $10,000.

For 2016, McClatchy paid its outside directors an annual cash retainer of $45,000 and stock awards of 4,500 shares of Class A Common Stock. The Chairman of the Board received an additional $45,000; per year for his service.

Committee chairpersons, other than the chairs of the Audit Committee and the Compensation Committee, received an additional $8,500 per year for their services. The Audit Committee Chairperson received an additional $11,500 per year for his services and the Compensation Committee Chairperson received an additional $8,500 per year for his services. Committee meeting fees were $1,500 per meeting and board meeting fees were $2,000 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.

Pursuant to the McClatchy Director Deferral Program under the 2012 Incentive Plan, directors may elect to defer receipt of their stock awards until their termination of service on the Board.

The Board adopted director stock ownership guidelines in 2012. 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 1,500 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 restricted 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 2017 Schedule 14A Proxy Statement, filed pursuant to Section 14(a) of the Securities Exchange Act of 1934 (the "Proxy") and the Company's 2016 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., Acting Chairman

Molly Maloney Evangelisti

Clyde Ostler

COMPENSATION DISCUSSION AND ANALYSIS

Our Compensation Committee is responsible for reviewing and approving the annual compensation for the named executive officers (“NEOs”) of the Company, which for 2016 include our former President and Chief Executive Officer (the “CEO”), who left the Company after the 2016 fiscal year end on January 25, 2017, our Chief Financial Officer (the “CFO”), and our three most highly compensated executive officers other than the CEO and CFO. Accordingly, each of the following individuals is considered to be an NEO for this proxy statement:

- Patrick J. Talamantes, our President and Chief Executive Officer for 2016 (who left the Company in January 2017);
- Elaine Lintecum, our Vice President, Finance and Chief Financial Officer;
- Christian Hendricks, our Vice President, Strategic Initiatives;
- Billie McConkey, our Vice President, Human Resources, General Counsel and Corporate Secretary; and
- Mark Zieman, our Vice President, Operations.

Overview of 2016 Compensation Decisions

We undertook the following key compensation items for 2016:

- Based on a peer group and competitive pay analysis, we reviewed and approved an increase in the base salaries for the NEOs for 2016 of approximately 6% except for Ms. McConkey who received an increase of approximately 29% to take into account the expansion of her role and responsibilities from Vice President, Human Resources to Vice President, Human Resources, General Counsel and Corporate Secretary, and to bring her compensation in line with both peer group and market factors for serving in that dual role;

- We paid an annual cash bonus to Mr. Talamantes under the CEO Bonus Plan at 15% 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: 25% of target for Ms. McConkey and Mr. Zieman; at 24.5% of target for Ms. Lintecum; and 20.5% of target for Mr. Hendricks;

- We granted long-term incentive awards to our NEOs with 60-80% of the long-term incentive award consisting of cash-settled performance-based awards subject to the achievement of certain three-year free cash flow performance measures and 20-40% of the long-term incentive award consisting of time-based, stock-settled RSUs that vest equally over a three-year period. Our long-term incentive program was designed to promote pay for performance, alignment with shareholder interests and motivation to achieve the long-term strategic goals of the Company;

- After the end of the fiscal year, in January 2017, we appointed Craig I. Forman to serve as President and Chief Executive Officer 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 retained Exequity as its independent executive compensation consultant. With respect to those decisions made for 2016, at the request of the Compensation Committee, Exequity analyzed 2015 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 65 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 25th, 50th and 75th percentiles, adjusted to reflect our revenue size compared to other companies using regression analysis. In addition, Exequity reviewed compensation data available in the 2015 proxies of sixteen public newspaper, broadcast or media companies for the Chief Executive Officer, Chief Financial Officer, Vice President of Operations and General Counsel positions. These sixteen 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 sixteen other newspaper, broadcast or media companies as reported by those companies, given that we consider these companies our primary competitors. This peer group includes:

- A.H. Belo Corporation;
- The E. W. Scripps Company;

- Gannett Company, Inc.;
- Journal Communications, Inc.;
- Lee Enterprises, Inc.;
- Gray Television Inc.;
- Media General, Inc.;
- Meredith Corporation;
- Sinclair Broadcast Group;
- Nexstar Broadcasting Group, Inc.;
- Scholastic Corporation;

· Scripps Network Interactive, Inc.;

· TEGNA, Inc.;

· Tribune Publishing Company;

· The New York Times Company; and

· John Wiley & Sons, Inc.

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 sixteen-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' 2016 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:

· growth in non-traditional advertising revenues and improvement in revenue diversification;

· growth in digital audience metrics;

· success in new ventures;

- achieving reductions in legacy costs;

- efforts to increase the pace of innovation;

- progress in digital transformation;

- efforts to monetize real estate and other assets for debt reduction and other uses; and

- sustaining the Company's focus on high quality journalism.

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 CEO 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 2016 below.

Elements of Our Compensation Program

We compensated our NEOs in 2016 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 2016 L-TIP (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 NEO'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 2015, overall targeted total direct compensation (total cash compensation plus annualized expected value of long-term incentives) for our NEOs is competitive with the median; however, actual total direct pay is 18% 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 CEO for the other NEOs. 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 serves.

In December 2015, our Compensation Committee reviewed NEO base salaries and determined that for 2016 there would be an approximate 6% increase in the base salaries for our NEOs. For Ms. McConkey, the Compensation Committee increased her base salary by approximately 29% to take into account the expansion of her role from Vice President, Human Resources, to also adding the responsibilities for General Counsel and for Corporate Secretary, and to bring her compensation in line with both peer group and market factors for serving in that dual role.

Officer	2016 Base Salary
Patrick J. Talamantes	$ 900,000
Elaine Lintecum	$ 475,000
Christian Hendricks	$ 465,000
Billie McConkey	$ 440,000
Mark Zieman	$ 675,000

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 was 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 2016, each participating NEO's target bonus opportunity was subject to upward or downward adjustment based on McClatchy's achievement of operating cash flow goals and strategic initiative goals and in Mr. Talamantes' case, subject to Compensation Committee discretion to award an additional 10 points above the target. Subject to the 10 discretionary points for Mr. Talamantes but not for the other NEOs, up to 25% of the target bonus was based on non-financial performance goals.

No portion of the bonus related to financial goals was payable if operating cash flow was less than $177,502 million; only up to 25% of the target bonus was achievable if operating cash flow was at least $177,502 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' 2016 bonus under the CEO Bonus Plan at 100% of his 2016 base salary. The Compensation Committee approved the formula for the 2016 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 25 points were awarded at 100% or more of budgeted operating cash flow (12.5 points awarded at 95% of the operating cash flow budget and 17.5% points awarded at 97% of the operating cash flow budget); (ii) strategic initiatives criteria, in which up to 50 points were available but only if 100% or more of the budgeted operating cash flow is achieved; (iii) non-operating cash flow criteria, in which up to 25 points were available (or a corresponding percentage of points); and (iv) discretionary points, in which 10 points could be awarded at the Compensation Committee's sole discretion. No cash award under the 2016 CEO Bonus Plan could exceed $3,000,000.

For 2016, the Company's operating cash flow target of $177.5 million was not met as the Company achieved operating cash flow from continuing operations of $160.8 million. Accordingly, no points were awarded for operating cash flow. For the non-operating cash flow criteria, the Compensation Committee granted Mr. Talamantes 15 points out of 25 points in general recognition of his achievements in growing the digital audience metrics, achieving reductions in legacy costs and making progress in the Company's digital transformation, which resulted in an annual bonus of 15% of target for progress as measured against the performance indicators detailed above. Mr. Talamantes received the payment of his fiscal year 2016 annual incentive upon execution (without a subsequent revocation) of a waiver and general release agreement with the Company.

MBO Plan.

The Compensation Committee sets incentive bonus targets under the MBO Plan for non-CEO NEOs for fiscal year 2016 performance. For fiscal year 2016, the annual cash incentive was targeted to a predetermined percentage of the base salary of the participating NEO for 2016, varying from 60% to 75% as set forth in the table below. The Compensation Committee determined these targets based on the recommendation of Mr. Talamantes and the Compensation Committee's review of the Data Bank concerning target bonus levels at other media companies within the Data Bank.

Officer	Target Annual Bonus %	2016 Base Salary	Target Bonus
Elaine Lintecum	60 %	$ 475,000	$ 285,000
Christian Hendricks	60 %	$ 465,000	$ 279,000
Billie McConkey	60 %	$ 440,000	$ 264,000
Mark Zieman	75 %	$ 675,000	$ 506,250

Each participating NEO's target bonus was based on a combination of (i) non-operating cash flow (the "NOCF") objectives worth up to 25 points; (ii) operating cash flow (the "OCF") objectives worth a maximum of 25 points, and (iii) strategic initiatives objectives worth up to 50 points, if, and only if, OCF was achieved. The OCF target for 2016 was $177.5 million. The actual operating cash flow for fiscal year 2016 was $160.8 million and, accordingly, none of the participating NEOs earned OCF-related points or strategic initiatives points for fiscal year 2016. For this purpose, operating cash flow was determined before accruing for the annual bonus. Based on the CEO's and Compensation Committee's scoring of the NOCF goals established for the fiscal year relating to corporate results, business unit results and individual performance, each NEO was eligible to earn up to 25 points.

For fiscal year 2016, Ms. Lintecum earned 24.5 NOCF points which results in an annual bonus of 24.5% of target. In scoring Ms. Lintecum's achievement of NOCF goals, the Compensation Committee noted that the Company successfully completed and began active implementation of the Company's real estate plan and developing and implementing regionalization of the finance function under her leadership.

Mr. Hendricks earned 20.5 NOCF points, resulting in an annual bonus of 20.5% of target. With respect to Mr. Hendricks, the Compensation Committee recognized Mr. Hendricks' achievement in creating and launching the "innovation incubator" process designed to quickly evaluate, create and launch innovative solutions and reviewing and updating corporate logo, brand usage guidelines and the Company website redesign process.

Ms. McConkey earned 25 NOCF points which results in an annual bonus of 25% of target. In scoring Ms. McConkey's fiscal 2016 achievements, the Compensation Committee noted her success in executing corporate reorganizations, a reverse stock split, and developing and implementing regionalization of the Human Resources function.

Mr. Zieman earned 25 NOCF points which results in an annual bonus of 25% of target. In scoring Mr. Zieman's accomplishments in fiscal year 2016, the Compensation Committee noted Mr. Zieman's achievement with growing digital-only advertising revenue, lowering certain legacy expenses and launching new business initiatives.

The table below shows the 2016 bonus target and the actual bonus paid in 2016 to each participating NEO (expressed as a dollar amount and as a percentage of base salary) based on the performance goals discussed above.

Name	MBO Target as a % of Base Salary	Bonus Award for 2016	Bonus Award as a % of Base Salary
Elaine Lintecum	60%	$ 69,825	14.7%
Christian Hendricks	60%	$ 57,195	12.3%
Billie McConkey	60%	$ 66,000	15.0%
Mark Zieman	75%	$ 126,563	18.8%

Long-Term Incentives.

In December 2015, the Compensation Committee approved the 2016 long term incentive program (the "2016 L-TIP"), which set long-term incentive dollar target values for each NEO. The Compensation Committee determined that approximately 60-80% of the long term incentive target value for the NEOs would consist of cash-settled performance-based awards and that approximately 20-40% of the long term incentive target value would consist of equity grants in the form of time-based, stock-settled RSUs. The 2016 L-TIP provides long-term incentive compensation to corporate executives that take into consideration pay for performance, alignment with shareholder interests and motivation to achieve the long-term strategic goals of the Company. In the February 2016 meeting, the Compensation Committee determined to award each executive cash-settled long-term incentive awards and stock-settled RSUs under the 2012 Incentive Plan, as a means of delivering targeted amounts to NEOs upon achievement of targeted performance criteria.

a) Cash L-TIP.

2016 Cash L-TIP Grant.

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 in the L-TIP program as (i) earnings before interest, taxes, depreciation and/or amortization excluding unusual items less (ii)(1) cash interest and (2) capital expenditures. The Compensation Committee believes FCF is a good strategic measurement of Company performance and well-aligned with shareholder interests. For 2016, thirteen FCF levels were established, the achievement of which results in payment from 25% of target to 120% of target based on the level of achievement. The performance period will be a cumulative, three-year period beginning at the start of the 2016 fiscal year and ending at the end of the 2018 fiscal year. In December 2015, the Compensation Committee approved a target value for each NEO's cash-settled performance-based award and in February 2016, the Compensation Committee awarded the 2016 Cash L-TIP grant. The threshold, target, and maximum values of the 2016 Cash L-TIP grants to the NEOs are reflected in the Grants of Plan-Based Awards table.

2014-2016 Performance Period Cash L-TIP Payout.

The cash-settled performance-based awards granted in February 2014 had a three-year performance period ending on December 31, 2016 and had performance measures based on FCF. With respect to the performance period which ended December 31, 2016, McClatchy achieved 60.6% of the FCF target over the three-year period of 2014 to 2016, which resulted in each NEO other than Ms. McConkey (who commenced employment following the grant of the 2014 Cash L-TIP grant) earning a cash payout equal to 25% of the target award previously disclosed for such 2014 Cash L-TIP grant. The amount earned by each NEO as a result of the 2014 Cash L-TIP grant is reflected in the Summary Compensation

Table. Mr. Talamantes received his payment in respect of the Company's 2014 L-TIP upon the execution of a waiver and general release agreement with the Company in connection with his separation from the Company.

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 2016, 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 2016, the Compensation Committee granted RSUs to the Company's NEOs under the 2012 Incentive Plan which shall vest in three annual installments beginning on March 1, 2017 based upon continued service. The RSUs awarded to NEOs in 2016 are reflected in the Summary Compensation Table, the Grants of Plan-Based Awards table and the Outstanding Equity Awards at Fiscal 2016 Year-End table. Mr. Talamantes received 42,900 restricted shares of the Company's Class A Common Stock which represents certain outstanding awards previously granted to him upon the execution of a waiver and general release agreement with the Company.

Equity Grant Policies.

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 2016, the President and Chief Executive Officer had the authority to grant a limited number of RSUs under the 2012 Incentive 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.

Incentive Compensation Recoupment Policy/Clawback Policy.

The Board has adopted a “no-fault” incentive compensation recoupment policy which provides that in the event, (A) the Audit Committee decides to effect an accounting restatement of previously-published financial statements because such financial statements can no longer be relied upon caused by material non-compliance by McClatchy with any financial reporting requirement under the federal securities laws due to fraud, misconduct, negligence, or lack of sufficient oversight on the part of any executive officer; or (B) the Compensation Committee decides that one or more financial reporting measures used for determining previously-paid incentive compensation was incorrectly calculated and if calculated correctly would have resulted in a lower payment to one or more executive officers, with limited exceptions, McClatchy must recoup from any incentive compensation paid or granted to any former or current executive officer in the 3-year period prior to the triggering event the excess amount so paid or granted.

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 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 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. Each of the NEOs except Ms. McConkey participates in the Pension Plan. Each of the NEOs except Ms. McConkey and Mr. Zieman participates in the SERP, and Mr. Zieman participates in the KR BRP. Ms. McConkey commenced employment with the Company in 2015 and does not participate in the Pension Plan, the SERP, or the KR BRP.

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. Prior to the freeze, the SERP and the KR BRP operated in tandem with the Pension Plan. In addition, the Company announced on February 5, 2009, that effective March 31, 2009, it would suspend the Company's matching contribution under The McClatchy Company 401(k) Plan (the "401(k) Plan") in light of the continuing economic downturn.

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 reflects 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 participating 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 2016, $265,000) and by limiting the amount of benefit that can be paid from the plan (for 2016, 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 participating 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 2016, 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").

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The benefits under the Plans in the 2016 fiscal year remain consistent with the 2015 fiscal year and are described below. Each of the NEOs participates 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 2016, no contributions were made under the Plans for 2016.

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 ($265,000 for 2016) 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 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 except Ms. McConkey 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 in the Bonus Recognition Plan, and all of the NEOs except Ms. McConkey are 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 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 2016, payments to our CEO resulted in payments slightly 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 25, 2016.

Summary Compensation Table

Name and Principal Position (a)	Year (b)	Salary ($) (c)	Bonus ($) (d)(1)	Stock Awards (e)(2)	Option Awards ($) (f)	Non-Equity Incentive Plan Compensation ($) (g)(3)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($) (h)(4)	All Other Compensation ($) (i)(5)	Total ($) (j)
Patrick Talamantes	2016	$ 900,000	$ —	$ 244,542	$ —	$ 360,000	$ 64,216	$ 20,918	$ 1,589,676
President and Chief Executive	2015	$ 873,229	$ —	$ 567,522	$ —	$ 168,300	$ —	$ 20,363	$ 1,629,414
Officer	2014	$ 825,000	$ —	$ 640,800	$ —	$ 82,500	$ 171,334	$ 19,934	$ 1,739,568
Elaine Lintecum	2016	$ 475,000	$ —	$ 77,274	$ —	$ 129,825	$ 84,456	$ 4,589	$ 771,144
Vice President, Finance	2015	$ 466,923	$ —	$ 151,290	$ —	$ 70,038	$ —	$ 4,496	$ 692,747
and Chief Financial Officer	2014	$ 439,038	$ —	$ 171,360	$ —	$ 26,342	$ 201,404	$ 5,097	$ 843,241
Christian Hendricks(7)	2016	$ 465,000	$ —	$ 74,412	$ —	$ 112,195	$ 99,282	$ 20,193	$ 771,082
Vice President,	2015	$ 444,062	$ —	$ 153,504	$ —	$ 36,768	$ —	$ 19,494	$ 653,828
Products, Marketing and									

Innovation