

GANNETT CO INC /DE/  
Form DEF 14A  
March 16, 2015  
[Table of Contents](#)

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

**Washington, D.C. 20549**

**SCHEDULE 14A**

**Proxy Statement Pursuant to Section 14(a) of the**  
**Securities Exchange Act of 1934**

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

Check the appropriate box:

- ☐ Preliminary Proxy Statement
- ☐ **Confidential, for Use of the Commission Only** (as permitted by Rule 14a-6(e)(2))
- ☒ Definitive Proxy Statement
- ☐ Definitive Additional Materials
- ☐ Soliciting Material Pursuant to §240.14a-12

**Gannett Co., Inc.**

---

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

☒ No fee required.

☐ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

☐ Fee paid previously with preliminary materials.

## Edgar Filing: GANNETT CO INC /DE/ - Form DEF 14A

.. Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

**Table of Contents**

March 16, 2015

Dear Shareholder:

On behalf of your Board of Directors and management, we cordially invite you to attend the Annual Meeting of Shareholders to be held on April 29, 2015 at 10:00 a.m. local time at the Company's headquarters located at 7950 Jones Branch Drive, McLean, Virginia 22107.

At this meeting, our shareholders will vote on matters set forth in the accompanying Notice of Annual Meeting and Proxy Statement. We also will provide a report on our Company, including an update on the proposed separation of our publishing business and its affiliated digital platforms from our broadcasting and digital businesses, the accelerated growth of our digital portfolio with the acquisition of the remaining 73% interest in Cars.com and other progress we've made on our strategic plan. We will also entertain questions of general interest to shareholders.

2014 was a transformative year in which we fundamentally changed the composition of our Company through the integration of our new TV stations from Belo Corp. and London Broadcasting, as well as our acquisition of full ownership of Cars.com, creating three businesses with scale (Broadcasting, Digital and Publishing), each highly profitable and a true leader in its respective industry. These changes paved the way for the announcement of our plan to separate our publishing business and its affiliated digital platforms from our broadcasting and digital businesses in order to create two publicly traded companies with impressive scale and financial strength.

At the same time, we continue to build on the strong journalistic traditions so crucial to our business while continuing to enhance and advance the deep connections we have with our audiences and communities—always focusing on delivering value to our shareholders.

We are proud of the successful efforts made by our more than 30,000 employees in driving Gannett's continuing transformation, finding new ways to engage audiences in today's multi-platform environment and enhancing our alignment with the evolving needs of consumers and advertisers.

Thank you for your continued support.

Cordially,

Marjorie Magner

Chairman of the Board

Gracia C. Martore

President and Chief Executive Officer

7950 Jones Branch Drive, McLean, Virginia 22107 (703) 854-6000

**Table of Contents**

---

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**

**To Be Held on April 29, 2015**

---

To Our Shareholders:

The 2015 Annual Meeting of Shareholders of Gannett Co., Inc. will be held at the Company's headquarters, 7950 Jones Branch Drive, McLean, Virginia, at 10:00 a.m. local time on April 29, 2015 for the following purposes:

- (1) to consider and act upon a proposal to elect ten director nominees to the Company's Board of Directors to hold office until the Company's 2016 Annual Meeting of Shareholders;
- (2) to consider and act upon a Company proposal to ratify the appointment of Ernst & Young LLP as the Company's independent registered public accounting firm for the 2015 fiscal year;
- (3) to consider and act upon a Company proposal to amend the Company's Third Restated Certificate of Incorporation to impose certain ownership and transfer restrictions on the Company's stock that are desirable to enhance the Company's ability to remain compliant with FCC regulations;
- (4) to consider and act upon a Company proposal to approve the performance measures specified in the Company's amended and restated 2001 Omnibus Incentive Compensation Plan, as described in the accompanying Proxy Statement;
- (5) to consider and act upon a Company proposal to approve, on an advisory basis, the compensation of our named executive officers;
- (6) to consider a non-binding shareholder proposal regarding vesting of equity awards of senior executives upon a change of control, if properly presented before the Annual Meeting; and
- (7) to transact such other business, if any, as may properly come before the Annual Meeting or any adjournment or postponement of the meeting.

The Board of Directors has set the close of business on March 2, 2015 as the record date to determine the shareholders entitled to notice of and to vote at the Annual Meeting or any adjournment or postponement thereof.

*YOUR VOTE IS IMPORTANT. YOUR SHARES SHOULD BE REPRESENTED AT THE ANNUAL MEETING WHETHER OR NOT YOU PLAN TO ATTEND. IF YOU DO NOT WISH TO VOTE IN PERSON OR IF YOU WILL NOT BE ATTENDING THE ANNUAL MEETING, YOU MAY VOTE BY PROXY. YOU CAN VOTE BY PROXY OVER THE INTERNET OR BY TELEPHONE BY FOLLOWING THE INSTRUCTIONS PROVIDED IN THE NOTICE OF INTERNET AVAILABILITY OF PROXY MATERIALS THAT WAS PREVIOUSLY MAILED TO YOU OR, IF YOU REQUESTED PRINTED COPIES OF THE PROXY MATERIALS, YOU CAN ALSO VOTE BY MAIL, BY TELEPHONE OR ON THE INTERNET AS INSTRUCTED ON THE PROXY CARD IF YOU RECEIVED ONE. YOU MAY REVOKE YOUR PROXY AND VOTE IN PERSON IF YOU DECIDE TO ATTEND THE MEETING.*

**Table of Contents**

An admission ticket is required for attendance at the Annual Meeting. Please see page 2 of the Proxy Statement for instructions about obtaining tickets.

By Action of the Board of Directors,

Todd A. Mayman

Senior Vice President

General Counsel and Secretary

McLean, Virginia

March 16, 2015

This Notice of Annual Meeting and Proxy Statement are first being delivered to shareholders on or about March 16, 2015.



**Table of Contents**

**PROXY STATEMENT**

**2015 ANNUAL MEETING OF SHAREHOLDERS**

**Table of Contents**

<u>GENERAL INFORMATION</u>	1
<u>PROPOSAL 1 ELECTION OF DIRECTORS</u>	6
<u>Your Board of Directors</u>	6
<u>Board Leadership Structure</u>	7
<u>The Board's Role in Risk Oversight</u>	7
<u>Director Independence</u>	8
<u>Compensation Committee Interlocks and Insider Participation; Related Transactions</u>	8
<u>Information About Directors</u>	9
<u>Committees of the Board Of Directors</u>	13
<u>Audit Committee</u>	13
<u>Executive Committee</u>	13
<u>Executive Compensation Committee</u>	13
<u>Nominating and Public Responsibility Committee</u>	15
<u>Transformation Committee</u>	16
<u>Committee Charters</u>	16
<u>Ethics Policy</u>	16
<u>Report of the Audit Committee</u>	17
<u>PROPOSAL 2 RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u>	20
<u>PROPOSAL 3 APPROVAL OF AMENDMENT TO THE THIRD RESTATED CERTIFICATE OF INCORPORATION</u>	21
<u>PROPOSAL 4 APPROVAL OF PERFORMANCE MEASURES SPECIFIED IN THE COMPANY'S AMENDED AND RESTATED 2001 OMNIBUS INCENTIVE COMPENSATION PLAN</u>	22
<u>EXECUTIVE COMPENSATION</u>	29
<u>Compensation Discussion And Analysis</u>	29
<u>Executive Summary</u>	29
<u>Overview of Executive Compensation Program</u>	36
<u>How the Committee Determines NEO Compensation</u>	37
<u>Executive Compensation Committee Report</u>	51
<u>Summary Compensation Table</u>	52
<u>Grants of Plan-based Awards</u>	54
<u>Additional Information Regarding the Summary Compensation Table and the Grants of Plan-Based Awards Table</u>	55
<u>Outstanding Equity Awards at Fiscal Year-end</u>	56
<u>Option Exercises and Stock Vested</u>	57
<u>Pension Benefits</u>	58
<u>Non-qualified Deferred Compensation</u>	59
<u>Other Potential Post-employment Payments</u>	59
<u>PROPOSAL 5 APPROVAL, ON AN ADVISORY BASIS, OF THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS</u>	70
<u>PROPOSAL 6 SHAREHOLDER PROPOSAL REGARDING VESTING OF EQUITY AWARDS OF SENIOR EXECUTIVES UPON A CHANGE OF CONTROL</u>	71

<u>DIRECTOR COMPENSATION</u>	74
<u>OUTSTANDING DIRECTOR EQUITY AWARDS AT FISCAL YEAR-END</u>	76
<u>EQUITY COMPENSATION PLAN INFORMATION</u>	77

**Table of Contents**

<u>SECURITIES BENEFICIALLY OWNED BY DIRECTORS, EXECUTIVE OFFICERS AND PRINCIPAL SHAREHOLDERS</u>	78
<u>INVESTMENT IN GANNETT STOCK BY DIRECTORS AND EXECUTIVE OFFICERS</u>	80
<u>COST OF SOLICITING PROXIES</u>	81
<u>OTHER</u>	81
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	81
<u>Incorporation by Reference</u>	81
<u>APPENDIX A AMENDMENT TO THIRD RESTATED CERTIFICATE OF INCORPORATION</u>	A-1
<u>APPENDIX B GANNETT CO., INC. 2001 OMNIBUS INCENTIVE COMPENSATION PLAN</u>	B-1

**Table of Contents**

**PROXY STATEMENT**

**2015 ANNUAL MEETING OF SHAREHOLDERS**

**April 29, 2015**

**GENERAL INFORMATION**

**Why am I receiving these proxy materials?**

These proxy materials are being furnished to you in connection with the solicitation of proxies by our Board of Directors for the 2015 Annual Meeting of Shareholders to be held on April 29, 2015 at 10:00 a.m. local time at the Company's headquarters located at 7950 Jones Branch Drive, McLean, Virginia. This Proxy Statement furnishes you with the information you need in order to vote, whether or not you attend the Annual Meeting.

**On what proposals am I being asked to vote and how does the Board recommend that I vote?**

You are being asked to vote on the Proposals below, and the Board recommends that you vote as follows:

Proposal 1 FOR the election of the ten director nominees nominated by the Board of Directors, each to hold office until the Company's 2016 Annual Meeting of Shareholders;

Proposal 2 FOR the ratification of the appointment of Ernst & Young LLP as the Company's independent registered public accounting firm for fiscal year 2015;

Proposal 3 FOR the approval of the amendment to the Company's Third Restated Certificate of Incorporation to impose certain ownership and transfer restrictions on the Company's stock that are desirable to enhance the Company's ability to remain compliant with FCC regulations;

## Edgar Filing: GANNETT CO INC /DE/ - Form DEF 14A

Proposal 4 FOR the approval of the performance measures specified in the Company's amended and restated 2001 Omnibus Incentive Compensation Plan;

Proposal 5 FOR the approval, on an advisory basis, of the compensation of the Company's named executive officers as disclosed in the Compensation Discussion and Analysis section and accompanying compensation tables and related discussion contained in this Proxy Statement; and

Proposal 6 AGAINST the non-binding shareholder proposal described in Proposal 6;

In addition, if you grant a proxy, your shares will be voted in the discretion of the proxy holder on any Proposal for which you do not register a vote and any other business that properly comes before the Annual Meeting or any adjournment or postponement thereof.

### **Will there be any other items of business addressed at the Annual Meeting?**

As of the date of this Proxy Statement, we are not aware of any other matter to be presented at the Annual Meeting. If any other matters properly come before the Annual Meeting, it is intended that the holders of the proxies will act in accordance with their best judgment.

## **Table of Contents**

### **What must I do if I want to attend the Annual Meeting in person?**

Admission to the Annual Meeting is by ticket only. We will provide each shareholder with one admission ticket upon request. Either you or your proxy may use your ticket. If you are a shareholder of record and plan to attend the Annual Meeting, please call the Company's shareholder services department at (703) 854-6960 to request a ticket. If you hold shares through an intermediary, such as a bank or broker, and you plan to attend the Annual Meeting, please send a written request for a ticket, along with proof of share ownership, such as a bank or brokerage firm account statement or a letter from the intermediary holding your shares, confirming ownership to: Secretary, Gannett Co., Inc., 7950 Jones Branch Drive, McLean, VA 22107. Requests for admission tickets will be processed in the order in which they are received and must be received no later than April 22, 2015. To obtain directions to attend the Annual Meeting, please call the Company's shareholder services department at (703) 854-6960.

### **Who may vote at the Annual Meeting?**

If you owned Company stock at the close of business on March 2, 2015, which is the record date for the Annual Meeting (the "Record Date"), then you may attend and vote at the meeting. Please bring proof of your common stock ownership, such as a current brokerage statement, and photo identification. If you hold shares through a bank, broker, or other intermediary, you must obtain a valid legal proxy, executed in your favor, from the holder of record if you wish to vote those shares at the meeting.

At the close of business on the Record Date, we had approximately 227,807,029 shares of common stock outstanding and entitled to vote. Each share is entitled to one vote on each proposal.

### **What constitutes a quorum for the Annual Meeting?**

The presence, in person or by proxy, of the holders of a majority of the shares of common stock outstanding on the Record Date will constitute a quorum to conduct business. Shares held by an intermediary, such as a banker or a broker, that are voted by the intermediary on any or all matters will be treated as shares present for purposes of determining the presence of a quorum. Abstentions and broker non-votes (defined below) will be counted for the purpose of determining the existence of a quorum.

### **Why did I receive a one-page notice in the mail regarding the Internet availability of proxy materials instead of a full set of proxy materials?**

Pursuant to Securities and Exchange Commission (the "SEC") rules, we are permitted to provide access to our proxy materials over the Internet. Accordingly, we are sending a Notice of Internet Availability of Proxy Materials (the "Notice") to our shareholders of record and beneficial owners. All shareholders will have the ability to access the proxy materials on a website referred to in the Notice or request to receive a printed set of the proxy materials. Instructions on how to access the proxy materials over the Internet or to request a printed copy may be found in the Notice. In addition, shareholders may request to receive proxy materials in printed form by mail or electronically by email on an ongoing basis.

## Edgar Filing: GANNETT CO INC /DE/ - Form DEF 14A

Choosing to receive your proxy materials electronically will save us the cost of printing and mailing documents to you and will reduce the effect of our annual shareholders' meetings on the environment. If you choose to receive future proxy materials electronically, you will receive an email next year with instructions containing a link to those materials and a link to the proxy voting site. Your election to receive proxy materials electronically will remain in effect until you terminate it.

## **Table of Contents**

### **How can I get electronic access to the proxy materials?**

This Proxy Statement and the Company's 2014 Annual Report may be viewed online on the Company's investor relations website at [www.investors.gannett.com](http://www.investors.gannett.com). You can also elect to receive an email that will provide an electronic link to future annual reports and Proxy Statements rather than receiving paper copies of these documents. Choosing to receive your proxy materials electronically will save us the cost of printing and mailing documents to you. You can choose to receive future proxy materials electronically by visiting our investor relations website at [www.investors.gannett.com](http://www.investors.gannett.com). If you choose to receive future proxy materials electronically, you will receive an email next year with instructions containing a link to those materials and a link to the proxy voting site. Your choice to receive proxy materials electronically will remain in effect until you terminate it.

### **What is the difference between holding shares as a shareholder of record and as a beneficial owner of shares held in street name?**

**Shareholder of Record.** If your shares are registered directly in your name with our transfer agent, Wells Fargo Shareowner Services, you are considered the shareholder of record with respect to those shares, and the Notice was sent directly to you by the Company.

**Beneficial Owner of Shares Held in Street Name.** If your shares are held in an account at a brokerage firm, bank, broker-dealer, or other similar organization, then you are the beneficial owner of shares held in street name, and the Notice was forwarded to you by your bank, broker or other intermediary. The organization holding your account is considered the shareholder of record for purposes of voting at the Annual Meeting. As a beneficial owner, you have the right to direct that organization on how to vote the shares held in your account.

### **If I am a shareholder of record of Company shares, how do I vote?**

If you are a shareholder of record, you may vote in person at the Annual Meeting. We will give you a ballot when you arrive.

If you do not wish to vote in person or if you will not be attending the Annual Meeting, you may vote by proxy. You can vote by proxy over the Internet or by telephone by following the instructions provided in the Notice or, if you request printed copies of the proxy materials by mail, you can also vote by mail, by telephone or on the Internet.

### **If I am a beneficial owner of shares held in street name, how do I vote?**

If you are a beneficial owner of shares held in street name and you wish to vote in person at the Annual Meeting, you must obtain a valid legal proxy from the organization that holds your shares.

If you do not wish to vote in person or you will not be attending the Annual Meeting, you may vote by proxy. Follow the instructions provided to you by your bank, broker or other intermediary.



**What happens if I do not give specific voting instructions?**

*Shareholders of Record.* If you are a shareholder of record and you:

Indicate when voting on the Internet or by telephone that you wish to vote as recommended by our Board of Directors; or

Sign and return a proxy card without giving specific voting instructions;

## **Table of Contents**

then the proxy holders will vote your shares in the manner recommended by our Board on all matters presented in this Proxy Statement and as the proxy holders may determine in their discretion with respect to any other matters properly presented for a vote at the Annual Meeting.

***Beneficial Owners of Shares Held in Street Name.*** If you are a beneficial owner of shares held in street name and do not provide the organization that holds your shares with specific voting instructions, under the New York Stock Exchange ( NYSE ) rules, the organization that holds your shares may generally vote on routine matters (including Proposal 2 to ratify our appointment of Ernst & Young LLP as our independent registered public accounting firm for fiscal year 2015) but cannot vote on non-routine matters (including the uncontested director election described in Proposal 1, the proposal to amend the Company s Third Restated Certificate of Incorporation described in Proposal 3, the proposal to approve the performance measures specified in the Company s amended and restated 2001 Omnibus Incentive Compensation Plan described in Proposal 4, the non-binding advisory vote described in Proposal 5 and the non-binding shareholder proposal described in Proposal 6). If the organization that holds your shares does not receive instructions from you on how to vote your shares on a non-routine matter, the organization that holds your shares will inform our Inspector of Election that it does not have the authority to vote on this matter with respect to your shares and your shares will not be voted. This is generally referred to as a broker non-vote. When our Inspector of Election tabulates the votes for any particular matter, broker non-votes will be counted for purposes of determining whether a quorum is present, but will not otherwise be counted. We encourage you to provide voting instructions to the organization that holds your shares.

### **Can I change or revoke my vote?**

Yes. If you deliver a proxy by mail, by telephone or via the Internet, you have the right to revoke your proxy in writing (by mailing another proxy bearing a later date), by phone (by another call at a later time), via the Internet (by voting online at a later time), by attending the Annual Meeting and voting in person, or by notifying the Company before the Annual Meeting that you want to revoke your proxy. Submitting your vote by mail, telephone or via the Internet will not affect your right to vote in person if you decide to attend the Annual Meeting.

### **What are the votes required to adopt the proposals?**

Each share of our common stock outstanding on the Record Date is entitled to one vote on each of the director nominees and one vote on each other matter. To be elected, directors must receive a majority of the votes cast (the number of shares voted for a director nominee must exceed the number of votes cast against that nominee). Ratification of the selection of our independent registered public accounting firm, approval of the performance measures specified in the Company s amended and restated 2001 Omnibus Incentive Compensation Plan, the non-binding advisory vote to adopt the resolution to approve the Company s executive compensation program described in this Proxy Statement and the shareholder proposal described in Proposal 6 each require the affirmative vote of the majority of the shares of common stock present or represented by proxy and entitled to vote at the meeting. Approval of the amendment to the Company s Third Restated Certificate of Incorporation requires the affirmative vote of the majority of the shares entitled to vote at the meeting, whether or not present or represented by proxy. Abstentions, if any, will have no effect on the election of any director, but will have the same effect as votes against each of the other five proposals.

### **How do I vote my shares in the Company s Dividend Reinvestment and 401(k) Plans?**

If you participate in the Company s Dividend Reinvestment Plan or 401(k) Plan, your shares of stock in those plans can be voted in the same manner as shares held of record. If you do not give instructions, your shares held in the Dividend Reinvestment Plan will not be voted. All shares in the



## **Table of Contents**

401(k) Plan for which no instructions are received will be voted by the trustee of the 401(k) Plan in the same proportion as instructions provided to the trustee by other 401(k) Plan participants.

### **How do I submit a shareholder proposal or nominate a director for election at the 2016 Annual Meeting?**

To be eligible for inclusion in the proxy materials for the Company's 2016 Annual Meeting, a shareholder proposal or nomination must be submitted in writing to Gannett Co., Inc., 7950 Jones Branch Drive, McLean, Virginia 22107, Attn: Secretary and must be received by November 17, 2015. A shareholder who wishes to present a proposal or nomination at the Company's 2016 Annual Meeting, but who does not request that the Company solicit proxies for the proposal or nomination, must submit the proposal to the Company at the same address no earlier than December 31, 2015 and no later than January 20, 2016. The Company's By-laws require that any proposal or nomination must contain specific information in order to be validly submitted for consideration.

### **Can shareholders and other interested parties communicate directly with our Board?**

Yes. The Company invites shareholders and other interested parties to communicate directly and confidentially with the full Board of Directors, the Chairman of the Board or the non-management directors as a group by writing to the Board of Directors, the Chairman or the Non-Management Directors, Gannett Co., Inc., 7950 Jones Branch Drive, McLean, Virginia 22107, Attn: Secretary. The Secretary will forward such communications to the intended recipient and will retain copies for the Company's records.

### **How can I obtain a shareholder list?**

A list of shareholders entitled to vote at the 2015 Annual Meeting will be open to examination by any shareholder, for any purpose germane to the 2015 Annual Meeting, during normal business hours, for a period of ten days before the 2015 Annual Meeting and during the 2015 Annual Meeting at the Company's offices at 7950 Jones Branch Drive, McLean, Virginia 22107.

### **What is householding ?**

We have adopted a procedure approved by the SEC called householding. Under this procedure, shareholders of record who have the same address and last name who have elected to receive paper copies of our proxy materials will receive only one copy of our 2014 Annual Report and this Proxy Statement unless one or more of these shareholders notifies us that they wish to continue receiving multiple copies. This procedure will reduce our printing costs and postage fees. However, if any shareholder residing at such an address wishes to receive a separate copy of this Proxy Statement or the Company's 2014 Annual Report, he or she may contact the Company's Secretary at Gannett Co., Inc., 7950 Jones Branch Drive, McLean, Virginia 22107 or by calling the Secretary at (703) 854-6000. Any such shareholder may also contact the Secretary using the above contact information if he or she would like to receive separate Proxy Statements and Annual Reports in the future. If you are receiving multiple copies of the Company's Annual Report and Proxy Statement, you may request householding in the future by contacting the Secretary.

**How may I obtain a copy of the Company's 2014 Annual Report?**

A copy of our 2014 Annual Report, which includes the Company's Annual Report on Form 10-K for the fiscal year ended December 28, 2014, is being provided or made available to all shareholders of record on the Record Date. As permitted by the SEC, the Company is sending a Notice of Internet Availability of Proxy Materials to all shareholders.

## **Table of Contents**

If you hold your shares of record on the Record Date, you may request email or paper copies of our 2014 Annual Report over the Internet, at [www.investorelections.com/gci](http://www.investorelections.com/gci), by toll-free telephone call (in the U.S. and Canada) to 1-866-870-3684, or by email at [paper@investorelections.com](mailto:paper@investorelections.com). Please put "GCI Materials Request" in the subject line and include the 11-digit control number presented on the Notice.

If you hold your shares on the Record Date in street name through a bank, broker or other intermediary, you also may have the opportunity to receive copies of our 2014 Annual Report electronically. Please check the information in the proxy materials provided by your bank, broker or other intermediary.

You may also obtain a copy without charge by writing to: Gannett Co., Inc., 7950 Jones Branch Drive, McLean, Virginia 22107, Attn: Secretary. Our 2014 Annual Report and 2014 Form 10-K are also available through the Company's website at [www.gannett.com](http://www.gannett.com). The Company's Annual Report and Form 10-K are not proxy soliciting materials.

## **PROPOSAL 1 ELECTION OF DIRECTORS**

### **YOUR BOARD OF DIRECTORS**

The Board of Directors is currently composed of ten directors. The Board of Directors held eight meetings during 2014. Each director attended at least 75% of the total number of meetings of the Board and its committees on which he or she served that were held during the period for which he or she served as a director or committee member, as applicable, during 2014. All directors then serving on the Board attended the 2014 Annual Meeting in accordance with the Company's policy that all directors attend the Annual Meeting.

Nominees elected to our Board at the 2015 Annual Meeting will serve one-year terms. The Board, upon the recommendation of its Nominating and Public Responsibility Committee has nominated the following nominees, each of whom the Board believes will be available and able to serve as directors: John E. Cody, Howard D. Elias, Lidia Fonseca, John Jeffry Louis, Marjorie Magner, Gracia C. Martore, Scott K. McCune, Susan Ness, Tony A. Prophet, and Neal Shapiro. If any nominee becomes unable or unwilling to serve, the Board may do one of three things: recommend a substitute nominee, reduce the number of directors to eliminate the vacancy, or fill the vacancy later. The shares represented by all valid proxies may be voted for the election of a substitute if one is nominated.

The Company's By-laws provide that director nominees are elected by the vote of a majority of the votes cast with respect to the director at the meeting, unless the number of nominees exceeds the number of directors to be elected, in which case directors shall be elected by the vote of a plurality of the shares present and entitled to vote at the meeting. At the 2015 Annual Meeting, the number of nominees equals the number of directors to be elected so the majority vote standard shall apply. If an incumbent nominee does not receive an affirmative majority of the votes cast, he or she is required to submit a letter of resignation to the Board's Nominating and Public Responsibility Committee, which would recommend to the Board the action to be taken with respect to the letter of resignation. The Board is required to act on the Committee's recommendation and publicly disclose its decision and its rationale within 90 days after the election results are certified.

**The Company's Board of Directors unanimously recommends that you vote **FOR** the election of each of the nominees for election to serve as directors of the Company until the Company's 2016 Annual Meeting and until their successors are elected and qualified.**



## **Table of Contents**

### **BOARD LEADERSHIP STRUCTURE**

Our Board has determined that having an independent director serve as the Chairman of the Board is currently the best leadership structure for the Company. Separating the positions of Chairman and CEO allows the CEO to focus on executing the Company's strategic plan and managing the Company's operations and performance and permits improved communications and relations between the Board, the CEO and other senior leaders of the Company. Our Board regularly reviews the Company's Board leadership structure, how the structure is functioning and whether the structure continues to be in the best interest of our shareholders.

The duties of the Chairman of the Board include:

presiding over all meetings of the Board and all executive sessions of non-management directors;

serving as liaison on Board-wide issues between the CEO and the non-management directors, although Company policy also provides that all directors shall have direct and complete access to the CEO at any time as they deem necessary or appropriate, and vice versa;

in consultation with the CEO, reviewing and approving Board meeting agendas and materials;

in consultation with the CEO, reviewing and approving meeting schedules to assure there is sufficient time for discussion of all agenda items;

calling meetings of the non-management directors, if desired; and

being available when appropriate for consultation and direct communication if requested by shareholders.

### **THE BOARD'S ROLE IN RISK OVERSIGHT**

The Board believes that evaluating how senior leadership identifies, assesses, manages and monitors the various risks confronting the Company is one of its most important areas of oversight. In carrying out this critical responsibility, the Board oversees the Company's risk management function through regular discussions with senior leadership. In addition, the Company has implemented an enterprise risk management program to enhance the Board's and management's ability to identify, assess, manage and respond to strategic, market, operational and compliance risks facing the Company.

While the Board has primary responsibility for overseeing the Company's risk management function, each committee of the Board also considers risk within its area of responsibility. For example, the Audit Committee is primarily responsible for reviewing risks relating to accounting and financial controls and the Executive Compensation Committee reviews risks relating to compensation matters. The Board is apprised by the committee chairs of significant risks and management's response to those risks via periodic reports. While the Board and its committees oversee the Company's risk management function, management is responsible for implementing day-to-day risk management processes and reporting to the Board and its committees on such matters.



With respect to risk related to compensation matters, the Executive Compensation Committee has reviewed the Company's executive compensation program and has concluded that the program does not create risks that are reasonably likely to have a material adverse effect on the Company. The Executive Compensation Committee believes that the design of the Company's annual cash and long-term equity incentives provides an effective and appropriate mix of incentives to help ensure the Company's performance is focused on long term profitability and shareholder value creation and does not encourage unnecessary or excessive risk taking at the expense of long-term results.

## **Table of Contents**

### **DIRECTOR INDEPENDENCE**

The Board of Directors has determined that all of our current directors other than Gracia C. Martore are independent of the Company within the meaning of the rules governing NYSE-listed companies. For a director to be independent under the NYSE rules, the Board of Directors must affirmatively determine that the director has no material relationship with the Company, either directly or as a partner, shareholder, or officer of an organization that has a relationship with the Company. To assist it in making these determinations, the Board has determined that the following categories of relationships between a director and the Company are not material:

1. Employment of a director or a director's immediate family member by, a director's position as a director with, or direct or indirect ownership by a director or a director's immediate family member of a 10% or greater equity interest in, another company or organization that made payments to, or received payments from, the Company or any of its subsidiaries for property or services in an amount which, in each of the last three fiscal years, did not exceed the greater of \$1 million or 2% of such other company's consolidated gross revenues; and
2. A relationship of a director or a director's immediate family member with a charitable organization, as an executive officer, board member, trustee or otherwise, to which the Company or any of its subsidiaries has made, in any of the last three fiscal years, charitable contributions of not more than the greater of \$100,000 or 2% of such charitable organization's consolidated gross revenues.

In making its independence determinations, our Board considered all relationships, direct and indirect, between each director and our Company that were identified in questionnaires completed by each Board member. The responses to those questionnaires indicated that there were no relationships between any director (other than Ms. Martore's role as President and CEO) and the Company other than two types of relationships that the Board has determined not to be material in accordance with these objective standards:

Board member service at charitable organizations to which the Gannett Foundation made contributions within the permitted thresholds identified above; and

sales by the Company of advertising and purchases by the Company of property and services, on customary terms and conditions and in amounts within the permitted thresholds identified above, to and from other companies or organizations at which Board members or their immediate family members are employed, for which Board members serve as directors or in which Board members or their immediate family members directly or indirectly own a 10% or greater equity interest.

Consistent with the NYSE rules, the Company's Principles of Corporate Governance call for the Company's non-management directors to meet in regularly scheduled executive sessions without management as they deem appropriate. The Company's non-management directors held five executive sessions in 2014, and will meet in executive sessions as appropriate throughout 2015.

### **COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION; RELATED TRANSACTIONS**

Our Company has not had compensation committee interlocks with any other company, nor has our Company engaged in any material related transactions since December 30, 2013, the first day of our last fiscal year. Although no such related transactions have occurred or are anticipated, the Board will consider any other future transactions involving the Company, on the one hand, and any of its officers or directors, on the other hand, on a case-by-case basis, and any such approved transaction involving a director will be considered in assessing his or her independence.



**Table of Contents**

**CORPORATE GOVERNANCE**

The Board and the Company have instituted strong corporate governance practices, a number of which are described above, to ensure that the Company operates in ways that support the long-term interests of our shareholders. Other important corporate governance practices of the Company include the following:

All of our directors are elected annually.

We do not have a shareholder rights plan (poison pill) in place.

Nine of our ten directors are independent.

We have a robust shareholder engagement program.

We separate the positions of Chairman and CEO and have an independent Chairman.

We have a majority vote standard for director elections in an uncontested election and a director resignation policy.

We have a single class share capital structure with all shareholders entitled to vote for director nominees.

Our directors and senior executives are subject to stock ownership guidelines.

Our equity plans prohibit option repricing without shareholder approval.

The Board is subject to an annual performance evaluation.

Mergers and other business combinations involving the Company generally may be approved by a simple majority vote.

We maintain a clawback policy.

We maintain an anti-hedging policy.

Additional information regarding the Company's corporate governance practices is included in the Company's Principles of Corporate Governance posted on the Corporate Governance page under the Investor Relations menu of the Company's website at [www.gannett.com](http://www.gannett.com). See the Compensation Discussion and Analysis section of this Proxy Statement for a discussion of the Company's compensation-related governance practices.

## INFORMATION ABOUT DIRECTORS

### The Nominees

The following director nominees are currently serving on the Board and have been unanimously nominated by the Board on the unanimous recommendation of the Nominating and Public Responsibility Committee of the Board to stand for re-election at the 2015 Annual Meeting for a one-year term. The principal occupation and business experience of the Board's nominees, including the reasons the Board believes each of them should be re-elected to serve another term on the Board, are described below.

**The Board of Directors unanimously recommends that the shareholders of the Company vote FOR the election of the nominees to serve as directors.**

### John E. Cody

Mr. Cody, 68, served as Executive Vice President and Chief Operating Officer of Broadcast Music, Inc. from November 2006 until his retirement in November 2010. Previously, he served as BMI's Senior Vice President and Chief Financial Officer from 1999 to 2006. Before joining BMI, he served as Vice President/Controller of the Hearst Book Group and Vice President/Finance and Chief Financial Officer

## **Table of Contents**

for the U.S. headquarters of LM Ericsson. He is also a director of the Tennessee Performing Arts Center. Mr. Cody has financial expertise, significant management, leadership and operational experience in the areas of licensing, information technology, human resources, public policy, business development and implementing enterprise-wide projects, and broad business experience in the music broadcast, publishing and telecommunications industries from the various senior leadership positions he held with BMI, Hearst and Ericsson. He has served as a Gannett director since 2011.

### **Howard D. Elias**

Mr. Elias, 57, is President and Chief Operating Officer, EMC Global Enterprise Services. Previously, he served as President and Chief Operating Officer, EMC Information Infrastructure and Cloud Services from September 2009 to January 2013; President, EMC Global Services and Resource Management Software Group; and Executive Vice President, EMC Corporation from September 2007 to September 2009; and Executive Vice President, Global Marketing and Corporate Development, at EMC Corporation from October 2003 to September 2007. Mr. Elias has extensive management, leadership and operational expertise in cloud computing, supply chain, marketing, corporate development and managing global customer support and other service organizations, and broad global business experience in information technology services and management as a result of the various senior leadership positions he has held with EMC, Hewlett-Packard Company, Compaq, Digital, AST Research and Tandy Corporation. He has served as a Gannett director since 2008.

### **Lidia Fonseca**

Ms. Fonseca, 45, is Chief Information Officer and Senior Vice President of Quest Diagnostics, a position she has held since April 2014. Previously, she served as Chief Information Officer and Senior Vice President of Laboratory Corporation of America (LabCorp) from 2008 to 2013. Ms. Fonseca was identified by a search firm retained by the Nominating and Public Responsibility Committee to assist in seeking qualified director candidates consistent with the Committee's requirements and objectives. Subsequent to Ms. Fonseca's interview with the members of the Committee, our Chairman and our President and Chief Executive Officer, the Committee considered Ms. Fonseca's qualifications and experience in accordance with its charter mandate and unanimously recommended that she be elected to our Board based on her extensive expertise in data analytics, automation, building outstanding client experiences, overseeing strategic transformations, and leading strategic information technology operations as a result of the various senior leadership positions she has held in supply chain management and information technology with LabCorp, Synarc Inc. and Philips Healthcare. Our Board elected Ms. Fonseca as a Gannett director effective as of July 1, 2014.

### **John Jeffry Louis**

Mr. Louis, 52, was Co-Founder of Parson Capital Corporation, a Chicago-based private equity and venture capital firm, and served as its Chairman from 1992 to 2007. He is currently a director of The Olayan Group, S.C. Johnson and Son, Inc., and chairman of the board of the U.S./U.K. Fulbright Commission. Mr. Louis has financial expertise, substantial experience in founding, building and selling companies and in investing in early stage companies from his years of experience in the venture capital industry as a leader of Parson Capital and as an entrepreneur who has founded a number of companies. He has served as a Gannett director since 2006.

### **Marjorie Magner**

## Edgar Filing: GANNETT CO INC /DE/ - Form DEF 14A

Ms. Magner, 65, was named the Chairman of Gannett in October 2011 and is the Managing Partner of Brysam Global Partners, a private equity firm investing in financial services firms with a focus on consumer opportunities in emerging markets that was founded in January 2007. She was

## **Table of Contents**

Chairman and CEO of Citigroup's Global Consumer Group from 2003 to 2005. She served in various roles at Citigroup, and a predecessor company, CitiFinancial (previously Commercial Credit), since 1987. Ms. Magner currently serves as a director of Accenture Ltd. and Ally Financial Inc. Ms. Magner has financial expertise, extensive management, leadership and global operating experience in retail banking, consumer finance and credit cards, and in executing strategic transactions in the consumer finance industry as a result of the various senior leadership positions she has held with Citigroup and CitiFinancial. She has served as a Gannett director since 2006.

### **Gracia C. Martore**

Ms. Martore, 63, became President and Chief Executive Officer and a director of Gannett in October 2011. She served as President and Chief Operating Officer from February 2010 until October 2011. She was Executive Vice President and CFO of Gannett from 2006 to 2010, and served as Senior Vice President and CFO from 2003 to 2006. She has served the Company in various other executive capacities since 1985. Ms. Martore is also a director of MeadWestvaco Corporation, FM Global and The Associated Press and a member of the Board of Trustees of The Paley Center for Media. Ms. Martore has financial expertise, broad business experience and extensive management, leadership and operational expertise in, and intimate knowledge of, all aspects of the Company's business, as well as close working relationships with the Company's senior leadership team as a result of her almost 30 years of experience in a variety of senior leadership roles with the Company.

### **Scott K. McCune**

Mr. McCune, 58, is the CEO of McCune Sports & Entertainment Ventures, a consulting firm focused on the business of sports and entertainment. Prior to his retirement in March 2014, Mr. McCune spent 20 years at The Coca-Cola Company serving in a variety of roles, including Vice President, Global Partnerships and Experiential Marketing from 2012 to 2014; Vice President, Integrated Marketing from 2005 to 2011; Vice President, Worldwide Sports & Entertainment Marketing and Vice President, Worldwide Media from 2002 to 2004. He also spent 10 years at Anheuser-Busch Inc. where he held a variety of positions in marketing and media. Mr. McCune has extensive expertise in all aspects of consumer marketing including worldwide media, licensing, and sports and entertainment marketing strategies, creating marketing partnerships, activating global marketing platforms (e.g., The Olympic Games) and building and leading a global consumer marketing team as a result of the various senior leadership roles that he has held with The Coca Cola Company and Anheuser-Busch Inc. He has served as a Gannett director since 2008.

### **Susan Ness**

Ms. Ness, 66, is a Senior Fellow at the Center for Transatlantic Relations at John Hopkins University's School of Advanced International Studies (SAIS), and a principal of Susan Ness Strategies, a communications policy consulting firm, which she founded in 2002. She is also a Trustee of the Committee for Economic Development (CED) and an Affiliated Expert of the Information Technology and Innovation Foundation (ITIF). She served as a commissioner of the Federal Communications Commission from 1994 to 2001. From 2005 to 2007, she was the founding president and CEO of GreenStone Media, LLC, which produced talk programming targeting women audiences for syndication on radio and other platforms. She has served on the Board of Vital Voices Global Partnership since 2011, and from 2011 to 2014 she served on the J. William Fulbright Foreign Scholarship Board (Vice Chair in 2012 and 2013). Ms. Ness previously served on the board of LCC International, Inc. from 2001 to 2008, and on the post-bankruptcy board of Adelphia Communications Corp. from 2003 to 2007. Ms. Ness has extensive experience and expertise in global communications issues, setting and implementing communications policy, particularly with respect to global and domestic spectrum policy matters, negotiating communications-related treaties, facilitating the



## **Table of Contents**

deployment of new communications technologies and advising communications companies from her service as an FCC commissioner, and as principal executive at GreenStone Media, LLC and Susan Ness Strategies. She has served as a Gannett director since 2011.

### **Tony A. Prophet**

Mr. Prophet, 56, is Corporate Vice President, Windows and Search Marketing, of Microsoft Corporation, a position he has held since February 2015. He served as Corporate Vice President, Windows Marketing, from May 2014 to February 2015. Prior to joining Microsoft, Mr. Prophet served as Senior Vice President of Operations, Printing and Personal Systems at Hewlett-Packard Company from 2012 to 2014 and as Senior Vice President of Supply Chain Operations, Personal Systems Group, Hewlett-Packard Company from 2006 until 2012. Mr. Prophet has extensive leadership experience and broad operational expertise in brand strategy, product pricing and marketing, creating, managing and optimizing global supply chains, and developing new technologies and businesses as a result of the various positions he has held with Hewlett-Packard Company, United Technologies Corporation, Honeywell International, Inc., Booz Allen Hamilton, Inc., and General Motors Company. He has served as a Gannett director since 2013.

### **Neal Shapiro**

Mr. Shapiro, 57, is President and CEO of the public television company WNET which operates three public television stations in the largest market in the country: Thirteen/WNET, WLIW and NJTV. Before joining WNET in February 2007, Mr. Shapiro served in various executive capacities with the National Broadcasting Company beginning in 1993 and was president of NBC News from May 2001 to September 2005. He also serves on the Board of Directors of the Public Broadcasting Service (PBS), the Investigative News Network (INN), the Board of Trustees at Tufts University and the alumni board of the Communications and Media Studies program at Tufts University. Mr. Shapiro has extensive experience and expertise in broadcasting, news production and reporting, journalism and First Amendment issues and has successfully built and lead global news organizations as a result of the various senior leadership roles that he has held with WNET and NBC. He has served as a Gannett director since 2007.

**Table of Contents****COMMITTEES OF THE BOARD OF DIRECTORS**

The Board of Directors conducts its business through meetings of the Board and its five committees: the Audit Committee, Executive Committee, Executive Compensation Committee, Nominating and Public Responsibility Committee, and Transformation Committee. The current members of each committee are as follows:

	<b>Audit Committee</b>	<b>Executive Committee</b>	<b>Executive Compensation Committee</b>	<b>Nominating and Public Responsibility Committee</b>	<b>Transformation Committee</b>
John E. Cody	Chair	X			
Howard D. Elias		X	Chair		X
Lidia Fonseca(1)			X		
John Jeffry Louis	X				Chair
Marjorie Magner	X	Chair	X		
Gracia C. Martore		X			X
Scott K. McCune			X		X
Susan Ness	X			X	
Tony A. Prophet				X	X
Neal Shapiro		X		Chair	

(1) Ms. Fonseca was appointed to the Executive Compensation Committee on February 25, 2015.

**AUDIT COMMITTEE**

The Audit Committee assists the Board of Directors in its oversight of financial reporting practices and the quality and integrity of the financial reports of the Company. Each member of the Audit Committee meets the independence requirements of the SEC as well as those of the NYSE. In addition, the Board has determined that John E. Cody is an audit committee financial expert, as that term is defined under the SEC rules. This Committee met nine times in 2014.

**EXECUTIVE COMMITTEE**

The Executive Committee may exercise the authority of the Board between Board meetings, except as limited by Delaware law. This Committee did not meet in 2014.

**EXECUTIVE COMPENSATION COMMITTEE**

The Executive Compensation Committee discharges the Board's responsibilities relating to compensation of the Company's directors and executives and has overall responsibility for the Company's compensation plans, principles and programs. The Committee's duties and responsibilities

## **Table of Contents**

include reviewing and approving on an annual basis corporate goals and objectives relevant to compensation of the Company's CEO and other senior executives, including members of the Gannett Leadership Team and other Company and divisional officers. The Committee also is responsible for reviewing and discussing with management the Compensation Discussion and Analysis (CD&A) disclosures contained in the Company's Proxy Statement, and for making a recommendation as to whether the CD&A disclosures should be so included and incorporated by reference into the Company's Annual Report on Form 10-K. The Board of Directors has determined that each member of the Committee meets the independence requirements of the SEC as well as those of the NYSE. This Committee met six times in 2014.

The Committee has primary responsibility for administering the Company's equity incentive plans and in that role is responsible for approving equity grants to our senior executives. The Committee historically has delegated to the CEO the authority for approving equity grants to employees other than our senior executives mentioned above within the parameters of a pool of shares approved by the Committee. This provides flexibility for equity grants to be made to employees below the senior leadership level who are less familiar to the Committee.

Under its charter, the Committee may, in its sole discretion, retain or obtain advice of a compensation consultant, independent legal counsel or other adviser. The Committee is directly responsible for the appointment, compensation and oversight of any such consultant, counsel or adviser, and the Company shall provide appropriate funding for payment of reasonable compensation to any such consultant, counsel or adviser, as determined by the Committee. In selecting a consultant, counsel or adviser, the Committee evaluates its independence by considering the following six factors and any other factors the Committee deems relevant to the adviser's independence from management:

Provision of other services to the Company by the person that employs the consultant;

Amount of fees paid by the Company to the person that employs the consultant, as a percentage of that person's total revenue;

Policies and procedures of the person that employs the consultant regarding prevention of conflicts of interest;

Any business or personal relationship between the consultant and any member of the Committee;

Ownership by the consultant of the Company's stock; and

Any business or personal relationship between the consultant, or any person that employs the consultant and any executive officer of the Company.

From November 2007 through July 2014, the Committee retained Pearl Meyer & Partners (PM&P) as its consultant to advise it on executive compensation matters. After considering the above six factors, the Committee determined that PM&P was an independent compensation consultant in accordance with applicable SEC and NYSE rules.

PM&P participated in Committee meetings as requested by the chairman of the Committee and communicated directly with the chairman of the Committee outside of meetings. During the term of its engagement, PM&P (i) participated in Committee executive sessions without management present to assist in analyzing executive compensation practices and trends, the appropriate relationship between pay and performance and other relevant compensation-related matters, and (ii) reviewed the CD&A and other compensation related disclosures contained in the Company's Proxy Statements.

Beginning in August 2014, the Committee retained Meridian Compensation Partners, LLC (Meridian) as its sole consultant to advise it on executive compensation matters. Meridian previously provided executive

## **Table of Contents**

compensation services and advice to the Company for which it has received customary fees. After considering the six factors used by the Committee to evaluate independence, the Committee determined that Meridian is an independent compensation consultant in accordance with applicable SEC and NYSE rules.

Meridian participates in Committee meetings as requested by the chairman of the Committee and communicates directly with the chairman of the Committee outside of meetings. Since its retention, Meridian specifically has provided the following services to the Committee:

Participated in Committee executive sessions without management present to assist in analyzing executive compensation practices and trends, the appropriate relationship between pay and performance and other relevant compensation-related matters;

Consulted with management and the Committee regarding market data used as a reference for pay decisions;

Participated in the design and construction of the Gannett Leadership Team Transition Severance Plan, which was adopted by the Committee in connection with the potential spin-off of the Company's publishing business into a new, independent, publicly-traded company;

Participated in the design of the Company's 2015 equity award program and recommended policy and plan changes commencing in 2015, including changes relating to the shareholder proposal concerning

the vesting of equity awards in the event of a change in control;

Assisted in shareholder outreach and on matters that arose in connection with the shareholder proposal relating to vesting of equity awards that was presented at the 2014 Annual Meeting and proposed again this year, and provided reports and advice on the same; and

Reviewed the CD&A section of this Proxy Statement.

## **NOMINATING AND PUBLIC RESPONSIBILITY COMMITTEE**

The Nominating and Public Responsibility Committee is charged with identifying individuals qualified to become Board members, recommending to the Board candidates for election or re-election to the Board, and considering from time to time the Board committee structure and makeup. The Committee also monitors the Company's human resources practices, including its performance in diversity and equal employment opportunity, monitors the Company's performance in meeting its obligations of fairness in internal and external matters, and takes a leadership role with respect to the Company's corporate governance practices. This Committee met three times in 2014.

The Nominating and Public Responsibility Committee charter sets forth certain criteria for the Committee to consider in evaluating potential director nominees. In addition to evaluating a potential director's independence, the Committee considers whether director candidates have relevant experience in business and industry, government, education and other areas, and monitors the mix of skills and experience of directors in order to assure that the Board has the necessary breadth and depth to perform its oversight function effectively. The charter also encourages the Committee to work to maintain a board that reflects the diversity of the communities we serve. The Committee evaluates potential candidates against these requirements and objectives. For those director candidates who appear upon first consideration to meet the Committee's criteria, the Committee will engage in further research to evaluate their candidacy.

The Nominating and Public Responsibility Committee historically has relied primarily on recommendations from management and members of the Board to identify director nominee candidates. The Committee has retained a search firm to assist in the identification of potential director

## **Table of Contents**

nominee candidates based on criteria specified by the Committee and in evaluating and pursuing individual candidates at the direction of the Committee. The Committee will also consider timely written suggestions from shareholders. Shareholders wishing to suggest a candidate for director nomination for the 2016 Annual Meeting should mail their suggestions to Gannett Co., Inc., 7950 Jones Branch Drive, McLean, Virginia 22107, Attn: Secretary. Suggestions must be received by the Secretary of the Company no later than January 19, 2016. The manner in which the Committee evaluates director nominee candidates suggested by shareholders will be consistent with the manner in which the Committee evaluates candidates recommended by other sources.

The By-laws of the Company establish a mandatory retirement age of 70 for directors who have not been executives of the Company and 65 for directors who have served as executives, except that the Board of Directors may extend the retirement age beyond 65 for directors who are or have been the CEO of the Company. The Company's Principles of Corporate Governance also provide that a director who retires from, or has a material change in responsibility or position with, the primary entity by which that director was employed at the time of his or her election to the Board of Directors shall offer to submit a letter of resignation to the Nominating and Public Responsibility Committee for its consideration. The Committee will make a recommendation to the Board of Directors on whether to accept or reject the resignation, or whether other action should be taken.

In May 2014, Mr. Prophet left his employment with Hewlett-Packard Company to join Microsoft Corporation. In accordance with the procedures outlined in the Company's Principles of Corporate Governance, Mr. Prophet offered to submit a letter of resignation to the Committee for consideration. The Committee recommended that the Board not accept Mr. Prophet's offer to resign, and the Board accepted the Committee's recommendation. It was the sense of the Committee, and the Board more generally, that Mr. Prophet's new role with Microsoft Corporation would enhance the significant business and operational experience he contributes to the Board.

## **TRANSFORMATION COMMITTEE**

The Transformation Committee assists the Board of Directors in its oversight of the Company's strategic plan. The Committee's duties and responsibilities include reviewing and evaluating the Company's overall strategy and the operational plans and initiatives in support of that strategy. This Committee met three times in 2014.

## **COMMITTEE CHARTERS**

The written charters governing the Audit Committee, the Executive Compensation Committee, the Nominating and Public Responsibility Committee, and the Transformation Committee, as well as the Company's Principles of Corporate Governance, are posted on the Corporate Governance page under the Investor Relations menu of the Company's website at [www.gannett.com](http://www.gannett.com). You may also obtain a copy of any of these documents without charge by writing to: Gannett Co., Inc., 7950 Jones Branch Drive, McLean, Virginia 22107, Attn: Secretary.

## **ETHICS POLICY**

The Company has long maintained a code of conduct and ethics (the Ethics Policy) that sets forth the Company's policies and expectations. The Ethics Policy, which applies to every Company director, officer and employee, addresses a number of topics, including conflicts of interest, relationships with others, corporate payments, disclosure policy, compliance with laws, corporate opportunities and the protection and proper use of the Company's assets. The Ethics Policy meets the





## **Table of Contents**

NYSE's requirements for a code of business conduct and ethics as well as the SEC's definition of a code of ethics applicable to the Company's senior officers. Neither the Board of Directors nor any Board committee has ever granted a waiver of the Ethics Policy.

The Ethics Policy is available on the Corporate Governance page under the Investor Relations menu of the Company's website at [www.gannett.com](http://www.gannett.com). You may also obtain a copy of the Ethics Policy without charge by writing to: Gannett Co., Inc., 7950 Jones Branch Drive, McLean, Virginia 22107, Attn: Secretary. Any additions or amendments to the Ethics Policy, and any waivers of the Ethics Policy for executive officers or directors, will be posted on the Corporate Governance page under the Investor Relations menu of the Company's website and similarly provided to you without charge upon written request to this address.

The Company has a telephone hotline for employees and others to submit their concerns regarding violations or suspected violations of law and for reporting any concerns regarding accounting or auditing matters on a confidential anonymous basis. Employees and others can report concerns by calling 1-800-234-4206 or by emailing or writing to the addresses provided in the Company's Ethics Violation Reporting Policy found on the Corporate Governance page under the Investor Relations menu of the Company's website. Any concerns regarding accounting or auditing matters so reported will be communicated to the Company's Audit Committee.

## **REPORT OF THE AUDIT COMMITTEE**

The Audit Committee assists the Board of Directors in its oversight of financial reporting practices and the quality and integrity of the financial reports of the Company, including compliance with legal and regulatory requirements, the independent registered public accounting firm's qualifications and independence, and the performance of the Company's internal audit function. The Audit Committee appoints the Company's independent registered public accounting firm. The Committee also provides oversight of the Company's internal audit function including the review of proposed audit plans and the coordination of such plans with the Company's independent registered public accounting firm. The Audit Committee oversees the adequacy and effectiveness of the Company's accounting and financial controls and the guidelines and policies that govern the process by which the Company undertakes financial, accounting and audit risk assessment and risk management. The Audit Committee also is responsible for reviewing compliance with the Company's Ethics Policy and assuring appropriate disclosure of any waiver of or change in the Ethics Policy for executive officers, and for reviewing the Ethics Policy on a regular basis and proposing or adopting additions or amendments to the Ethics Policy as appropriate. In connection with the Ethics Policy, the Audit Committee has established procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting controls or auditing matters and the confidential, anonymous submission by employees of the Company of any accounting or auditing concerns. The Audit Committee operates under a formal written charter that has been adopted by the Board of Directors.

The Audit Committee members are not professional accountants or auditors, and their role is not intended to duplicate or certify the activities of management and the independent registered public accounting firm, nor can the Committee certify that the independent registered public accounting firm is independent under applicable rules. The Committee serves a board-level oversight role, in which it provides advice, counsel and direction to management and the independent registered public accounting firm on the basis of the information it receives, discussions with management and the independent registered public accounting firm, and the experience of the Committee's members in business, financial and accounting matters.

**Table of Contents**

During fiscal years 2013 and 2014, the Company's independent registered public accounting firm for each of those years, Ernst & Young LLP (EY), billed the Company the following fees and expenses:

	2013	2014
<i>Audit Fees - Gannett(1)</i>	\$ 3,790,000	\$ 4,609,000
<i>Audit Fees - Acquisitions(2)</i>	\$ 464,000	\$ 200,000
<i>Audit Fees(1)</i>	\$ 4,254,000	\$ 4,809,000
<i>Audit-Related Fees(3)</i>	\$ 170,000	\$ 1,280,000
<i>Tax Fees(4)</i>	\$ 435,000	\$ 235,000
<i>All Other Fees(5)</i>	\$ 0	\$ 0
<i>Total(6)</i>	\$ 4,859,000	\$ 6,324,000

- (1) Audit Fees principally relate to professional services rendered in connection with the annual integrated audit of the consolidated financial statements and internal control over financial reporting, the review of quarterly reports on Form 10-Q, and statutory audits required internationally. The Audit Fees for 2014 include amounts for audit procedures performed in respect of the former Belo television stations and Cars.com in support of the Company's integrated audit. Fees for CareerBuilder, LLC for audit services in 2013 and 2014 were \$645,000 and \$675,000, respectively.
- (2) The 2013 fees for audit services shown in this row relate to services provided by EY in connection with the Company's acquisition of Belo, and the 2014 fees relate to services provided by EY in connection with the Company's acquisition of the remaining 73% interest in Classified Ventures, LLC, the owner of Cars.com, and London Broadcasting Company.
- (3) Audit-Related Fees principally relate to professional services rendered in connection with the audit of the financial statements to be issued in connection with the announced plans for the separation of the publishing business from the broadcasting and digital businesses and the audits of employee benefit plans. All of these services were pre-approved by the Audit Committee as described below.
- (4) Tax Fees principally relate to tax planning services and advice in the U.S. and the U.K. All of these services were pre-approved by the Audit Committee as described below.
- (5) No services were rendered during either 2013 or 2014 that would cause EY to bill the Company amounts constituting All Other Fees.
- (6) The total fees reflected above for 2013 and 2014 include amounts for CareerBuilder, LLC, in which the Company holds a 52.9% controlling interest. These fees total \$645,000 and \$675,000 for 2013 and 2014, respectively, and represent 100% of the amounts billed by EY related to services provided to CareerBuilder, LLC, although the Company's actual share is 52.9% of the total CareerBuilder, LLC fees.

The Audit Committee has adopted a policy for the pre-approval of services provided by the Company's independent registered public accounting firm. Under the policy, particular services or categories of services have been pre-approved, subject to a specific budget. Periodically, but at least annually, the Audit Committee reviews and approves the list of pre-approved services and the maximum threshold cost of performance of each. The Audit Committee is provided with a status update on all EY services periodically throughout the year and discusses such services with management and EY. Pursuant to its pre-approval policy, the Audit Committee has delegated pre-approval authority for services provided by EY to its Chair, John E. Cody. Mr. Cody may pre-approve up to \$100,000 in services provided by EY, in the aggregate at any one time, without consultation with the full Audit Committee, provided he reports such approved items to the Audit Committee at its next scheduled meeting. In determining whether a service may be provided pursuant to the pre-approval policy, consideration is given to whether the proposed service would impair the independence of the independent registered public accounting firm.



## **Table of Contents**

In connection with its review of the Company's 2014 audited financial statements, the Audit Committee received from EY written disclosures regarding EY's independence in accordance with applicable requirements of the Public Company Accounting Oversight Board, including a detailed statement of any relationships between EY and the Company that might bear on EY's independence, and has discussed with EY its independence. The Audit Committee considered whether the provision of non-audit services by EY is compatible with maintaining EY's independence. EY stated that it believes it is in full compliance with all of the independence standards established by the various regulatory bodies. The Audit Committee also discussed with EY various matters required to be discussed by Statements on Auditing Standards No. 61, as amended (AICPA, Professional Standards, Vol. 1, AU Section 380), as adopted by the PCAOB in Rule 3200T, including, but not limited to, the selection of and changes in the Company's significant accounting policies, the basis for management's accounting estimates, EY's conclusions regarding the reasonableness of those estimates, and the disclosures included in the financial statements.

The Audit Committee met with management, the Company's internal auditors and representatives of EY to review and discuss the Company's audited financial statements for the fiscal year ended December 28, 2014. Based on such review and discussion, and based on the Audit Committee's reviews and discussions with EY regarding the various matters mentioned in the preceding paragraph, the Audit Committee recommended to the Board of Directors that the audited financial statements be included in the Company's Form 10-K for the 2014 fiscal year, and the Board has approved that recommendation.

Audit Committee

John E. Cody, Chair

John Jeffrey Louis

Marjorie Magner

Susan Ness

**Table of Contents**

**PROPOSAL 2 RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC**

**ACCOUNTING FIRM**

The Audit Committee of the Board of Directors has appointed Ernst & Young LLP as the Company's independent registered public accounting firm for our fiscal year ending December 27, 2015. EY also served as the Company's independent registered public accounting firm for our 2014 fiscal year. The Board of Directors is submitting the appointment of EY as the Company's independent registered public accounting firm for shareholder ratification at the 2015 Annual Meeting.

**The Board of Directors unanimously recommends that the shareholders of the Company vote FOR the ratification of the appointment of Ernst & Young LLP as the Company's independent registered public accounting firm for the current year.**

A representative of EY is expected to be present at the 2015 Annual Meeting. The EY representative will have an opportunity to make a statement if he or she desires to do so and will be available to respond to appropriate questions from shareholders.

Our By-laws do not require that the shareholders ratify the appointment of EY as our independent registered public accounting firm. We are seeking ratification because we believe it is a good corporate governance practice. If the shareholders do not ratify the appointment, the Audit Committee will reconsider whether to retain EY, but in its discretion may choose to retain EY as the Company's independent registered public accounting firm. Even if the appointment is ratified, the Audit Committee in its discretion may change the appointment at any time during the year if it determines that a change would be in the best interests of the Company and its shareholders.

The approval of this Proposal 2 requires the affirmative vote of a majority of the votes that could be cast by the shareholders present in person or represented by proxy and entitled to vote. Your bank, broker or other intermediary may vote without your instructions on this proposal.

---

**Table of Contents**

**PROPOSAL 3 APPROVAL OF AMENDMENT TO THE THIRD RESTATED CERTIFICATE OF INCORPORATION**

**Introduction**

The Federal Communications Commission ( FCC ) has promulgated certain rules and regulations that limit the ownership of radio and television broadcast stations, television broadcast networks and daily newspapers (the Broadcast Ownership Rules ). Among other restrictions, the Broadcast Ownership Rules prohibit a person or entity from having an attributable ownership or positional interest in a broadcast station and a daily newspaper published in the same market. In addition, the Broadcast Ownership Rules limit the number of radio and/or television stations in which a person or entity may hold attributable interests. For purposes of the Broadcasting Ownership Rules, a shareholder with a 5% or greater (or, in the case of certain institutional investors, 20% or greater) voting interest in two entities (a Common Interest Holder ) will be deemed to hold an attributable interest in both entities. The effect of the Broadcast Ownership Rules is to limit the strategic business opportunities of a broadcast company if it shares a Common Interest Holder with a company that owns, operates, or holds attributable interests in daily newspapers or radio or television broadcast stations. With few exceptions, the FCC will not renew existing licenses or grant new licenses to a broadcast company in violation of the Broadcast Ownership Rules.

In addition, the Communications Act of 1934, as amended, restricts foreign investors, such as non-U.S. citizens or corporations or partnerships organized or formed under the laws of a foreign nation, from owning or voting more than 20% of the capital stock of a broadcast license holder, or more than 25% of the capital stock of an entity that directly or indirectly controls a broadcast license holder (the Foreign Ownership Limitations ). With few exceptions, the FCC will not renew existing licenses or grant new licenses to a broadcast company in violation of the Foreign Ownership Limitations.

Approval of the amendment to the Company s Third Restated Certificate of Incorporation requires the affirmative vote of the majority of the shares entitled to vote at the Annual Meeting, whether or not present or represented by proxy at the Annual Meeting.

**The Board of Directors unanimously recommends that the shareholders of the Company vote FOR the proposal to approve the Amendment to the Third Restated Certificate of Incorporation.**

**Purpose and Summary of the Proposed Amendment**

The proposed amendment to the Company s Third Restated Certificate of Incorporation (the Amendment ), which is similar to provisions included in the organizational documents of numerous other media companies, is intended to reduce the risk that a shareholder s ownership or proposed ownership of the Company s capital stock does not comply with FCC regulatory limitations and thereby limits the Company s flexibility to pursue acquisitions and operate without interruption in strategic markets. Without the Amendment, FCC regulatory limitations may have the effect of limiting the Company s activities or opportunities both generally and in connection with the announced plans for the separation and distribution of the Company s publishing business to the Company s shareholders, for example by potentially limiting the Company s ability to receive or renew licenses or acquire broadcast stations, whether pursuant to existing purchase options or otherwise, in markets where newspapers or broadcast stations owned by other companies are or will be operated. The Amendment reduces this risk by granting the Company the ability to, among other things, suspend certain rights of shareholders (including voting rights), restrict transfers of the Company s capital stock or redeem shares of the Company s capital stock (but the Company generally may not exercise this redemption remedy unless the suspension and transfer restriction remedies would be insufficient to prevent or cure the situation which causes or could cause the applicable FCC regulatory limitation). The Amendment also generally allows the Company to take these actions if a person does not provide, within 15 days after the Company s request, information requested by the Company to determine whether a person s ownership or proposed ownership

could result in a FCC regulatory limitation or to ensure compliance with regulatory reporting requirements.

The foregoing summary of the Amendment is qualified in its entirety by the complete text of the Amendment, the final form of which is attached as Appendix A to this Proxy Statement.



---

## **Table of Contents**

### **PROPOSAL 4 APPROVAL OF PERFORMANCE MEASURES SPECIFIED IN THE COMPANY'S AMENDED AND RESTATED 2001 OMNIBUS INCENTIVE COMPENSATION PLAN**

#### **Introduction**

The Gannett Co., Inc. 2001 Omnibus Incentive Compensation Plan (amended and restated as of May 4, 2010) (the "2010 Plan") is used to grant annual and long-term incentive compensation to employees and directors of the Company. The 2010 Plan permits the Executive Compensation Committee (the "Committee") to make awards that are intended to be exempt from the deduction limitations under Section 162(m) of the Internal Revenue Code ("Section 162(m)") by satisfying the requirements of "performance-based compensation" as defined in the U.S. Treasury Regulations under Section 162(m). The 2010 Plan specifies the performance measures the Committee may use to make performance-based awards under Section 162(m). Shareholders' re-approval of the performance measures in the 2010 Plan is necessary to ensure that the 2010 Plan continues to meet certain requirements under Section 162(m) so that the Company may deduct performance-based awards paid to its Chief Executive Officer and each of its other three most highly-paid executive officers, other than the Chief Financial Officer. Gannett has relied upon the "performance-based compensation" rules of Section 162(m) in making awards under the 2010 Plan, and considers the ability to continue to grant annual and long-term performance-based awards intended to be deductible under such rules to be a cost-efficient manner of furthering its strategy for recruiting and retaining key employees and directors and for aligning their interests with the interests of the Company's shareholders.

Shareholders last approved the 2010 Plan and its performance measures at the 2010 annual meeting, and Gannett is seeking re-approval of the 2010 Plan's performance measures at this time. *This proposal does not seek any amendment of the existing provisions of, or any performance measure contained within, the 2010 Plan.* Rather, this proposal is being presented to shareholders solely to address the periodic approval requirements of Section 162(m) described below.

The approval of this Proposal 4 requires the affirmative vote of a majority of the votes that could be cast by the shareholders present in person or represented by proxy and entitled to vote at the Annual Meeting.

**The Board of Directors unanimously recommends that the shareholders of the Company vote FOR the proposal to re-approve the performance measures specified in the 2010 Plan.**

#### **Summary of the 2010 Plan**

The following is a summary of the material terms and conditions of the 2010 Plan. This summary is qualified in its entirety by the full text of the 2010 Plan, a copy of which has been filed with the SEC as Appendix B to this Proxy Statement.

*Recent Changes to the 2010 Plan.* The Committee recently adopted changes to the 2010 Plan to:

Formalize the Company's long-standing practice of prohibiting cash buyouts of underwater stock options without shareholder approval; and

## Edgar Filing: GANNETT CO INC /DE/ - Form DEF 14A

Mandate a one year minimum vesting period for employee equity incentive awards granted on or after January 1, 2016 that are paid and vest solely based on service, provided that the Committee may adopt shorter vesting periods or provide for accelerated vesting after less than one year: (1) in connection with terminations of employment due to death, disability, retirement or other circumstances that the Committee determines to be appropriate; (2) in connection with a change in control in which the award is not continued or assumed (e.g., the awards are not equitably converted or substituted for awards of the successor company); (3) for grants made

## **Table of Contents**

in connection with an acquisition by the Company in substitution for pre-existing awards; (4) for new hire inducement awards or off cycle awards; or (5) to comply with existing contractual rights in effect on the date the change was adopted.

*Performance Measures/Section 162(m).* The 2010 Plan permits the Committee to make awards that are exempt from the deduction limitations under Section 162(m) because they satisfy the requirements of performance-based compensation. The 2010 Plan lists the performance measures the Committee may use to make performance-based awards under Section 162(m). These performance measures include: (1) earnings per share (basic or diluted); (2) income before income taxes; (3) income from continuing operations; (4) net income or net income attributable to Gannett Co., Inc.; (5) operating income; (6) cash flow from operating activities, operating cash flow (defined as operating income plus non-cash charges for depreciation, amortization and impairment of operating assets) or free cash flow; (7) EBITDA, or net income attributable to Gannett Co., Inc., before interest, taxes, depreciation/amortization; (8) return measures (including, but not limited to, return on assets, equity, capital or investment); (9) cash flow return on investments, which equals net cash flows divided by owner's equity; (10) internal rate of return or increase in net present value; (11) dividend payments; (12) gross revenues; (13) gross margins; (14) operating measures such as trends in digital metrics, circulation, television ratings and advertising measures; (15) internal measures such as achieving a diverse workforce; (16) share price (including, but not limited to, growth measures and total shareholder return) and market value; and (17) debt (including, but not limited to, measures such as debt (book value or face value) outstanding and debt to earnings before interest, taxes, depreciation and amortization). This wide range of potential performance goals ensures that the Company can readily adapt to changing business needs. The performance goals the Committee establishes for the performance measures described above which are based on operating results shall be adjusted to take into account the effects of Extraordinary Items (as defined below), unless the Committee determines otherwise at the time the performance goals are established.

Any of the above measures may be compared to peer or other companies. Additionally, performance measures may be set either at the consolidated level, segment level, division level, group level, or the business unit level and performance measures may be measured either annually or cumulatively over a period of years, on an absolute basis or relative to pre-established targets, to a previous year's results or to a designated comparison group, in each case as specified by the Committee.

Extraordinary Items means (1) items presented as such (or other comparable terms) in the Company's audited financial statements, (2) unusual, special or nonrecurring charges, costs, credits or items of gain or loss (including, without limitation, an unbudgeted material expense incurred by or at the direction of the Board of Directors or a committee of the Board or a material litigation judgment or settlement), (3) changes in tax or accounting laws or rules, and/or (4) the effects of mergers, acquisitions, divestitures, spin-offs or significant transactions (including, without limitation, a corporate merger, consolidation, acquisition of property or stock, reorganization, restructuring charge, or joint venture), each of which are identified in the Company's audited annual financial statements and/or its unaudited quarterly financial statements and the notes thereto or in the management's discussion and analysis section of the financial statements in a periodic report filed with the Securities and Exchange Commission under the Exchange Act. The Committee shall make such adjustments to the performance measurement criteria as shall be equitable and appropriate in order to make the criteria, as nearly as practicable, equivalent to the criteria immediately prior to such transaction or event.

*Corporate Governance Provisions.* In addition to those implemented in connection with the recent changes described above, the 2010 Plan contains several other provisions intended to make sure that awards under the 2010 Plan comply with established principles of corporate governance. These provisions include:

*No Discounted Stock Options or Stock Appreciation Rights.* Absent shareholder approval, stock options and stock appreciation rights may not be granted with an exercise price of less than the fair market value of the common stock on the date the stock option or stock appreciation right is granted.

## **Table of Contents**

*No Stock Option or Stock Appreciation Rights Repricings.* Stock options and stock appreciation rights may not be repriced absent shareholder approval. This provision applies to both direct repricings lowering the exercise price of an outstanding stock option or stock appreciation right and indirect repricings canceling an outstanding stock option or stock appreciation right and granting a replacement stock option or stock appreciation right with a lower exercise price.

*No Evergreen Provision.* The 2010 Plan does not contain an evergreen provision there is no automatic provision to replenish the shares of common stock authorized for issuance under the 2010 Plan.

*Administration.* The 2010 Plan is administered by the Committee. The Committee is composed entirely of independent directors. Subject to the terms of the 2010 Plan, the Committee may grant awards under the 2010 Plan; establish the terms and conditions of those awards; construe and interpret the 2010 Plan and any agreement or instrument entered into under the 2010 Plan; establish, amend or waive rules and regulations for the 2010 Plan's administration; amend the terms and conditions of any outstanding award as provided in the 2010 Plan; and take all other actions it deems necessary for the proper operation or administration of the 2010 Plan. The Committee may delegate its authority under the 2010 Plan, subject to certain limitations.

*Eligibility.* Awards may be granted to employees of Gannett, its subsidiaries and affiliates, and directors of Gannett. The Committee decides who should receive awards and what kind of awards they should receive. The 2010 Plan does not limit the number of employees and affiliates who may receive awards. As of the date of this Proxy Statement, Gannett and its subsidiaries and affiliates had 9 non-employee directors and approximately 850 employees eligible to participate in the 2010 Plan.

*Authorized Number of Shares.* When approved in 2010, the 2010 Plan initially reserved 60.0 million shares of common stock for issuance. As of March 2, 2015, options and other awards were outstanding under the 2010 Plan with respect to 9,141,739 shares of common stock and 36,773,425 shares of common stock were available for future awards under the 2010 Plan (assuming the maximum number of Performance Shares are issued upon vesting). The common stock issued under the 2010 Plan may be authorized but unissued shares or treasury shares.

*Share Counting/Reacquired Shares.* For purposes of counting the number of shares available for the grant of awards under the 2010 Plan, shares of common stock delivered (whether by actual delivery, attestation, or net exercise) to Gannett by a participant to (1) purchase shares of common stock upon the exercise of an award, or (2) satisfy tax withholding obligations (including shares retained from the award creating the tax obligation) shall not be added back to the number of shares available for future awards. In addition, shares of common stock repurchased by Gannett in the open market using the proceeds from the exercise of an award will not be added back to the number of shares available for future awards. If any award under the 2010 Plan is terminated, surrendered, canceled or forfeited, the unused shares of common stock covered by such award will again be available for grant under the 2010 Plan, subject, however, in the case of incentive stock options, to any limitations under the Internal Revenue Code.

*Types of Awards.* The Committee may grant the following types of awards under the 2010 Plan: stock options, stock appreciation rights, restricted stock, stock awards, restricted stock units, performance shares, performance units and other equity-based and cash-based awards. Each type of award is subject to a maximum limit on the grant that may be made to any one participant in a fiscal year.

*Stock Options.* A stock option is the right to purchase one or more shares of common stock at a specified price, as determined by the Committee. The Committee may grant non-qualified stock

## **Table of Contents**

options and incentive stock options. A stock option is exercisable at such times and subject to such terms and conditions as the Committee determines. No more than 1 million shares of common stock subject to stock options may be granted to any participant in a fiscal year. The exercise price of a stock option will not be less than 100% of the fair market value of a share of common stock on the date that the option is granted. No option will remain exercisable beyond 10 years after its grant date. Incentive stock options may only be granted to employees of Gannett or its affiliates or subsidiaries (provided that the affiliate or subsidiary is a type of entity whose employees can receive such options under the tax rules that apply to such awards), and the maximum number of shares that may be issued under incentive stock options cannot exceed 5,000,000. The Committee has not granted stock options to employees since October 2011 and has no plans to issue stock options in the future.

*Stock Appreciation Rights.* A stock appreciation right ( SAR ) is a right to receive an amount in any combination of cash or common stock (as determined by the Committee) equal in value to the excess of the fair market value of the shares covered by such SAR on the date of exercise over the aggregate exercise price of the SAR for such shares. SARs may be granted freestanding or in tandem with related options. The exercise price of a SAR granted in tandem with an option will be equal to the exercise price of the related option, and may be exercised for all or part of the shares covered by such option upon surrender of the right to exercise the equivalent portion of the related option. The exercise price of a freestanding SAR will be not less than the fair market value of a share of common stock on the date the SAR is granted. No SAR will remain exercisable beyond 10 years after its grant date. No more than 1 million shares of common stock may be granted in the form of SARs to any participant in a fiscal year. No SARs have been granted as of the date of this Proxy Statement.

*Restricted Stock/Stock Awards.* Restricted stock is an award of common stock that is subject to a substantial risk of forfeiture for a period of time and such other terms and conditions as the Committee determines. A stock award is an award of common stock that is not subject to such a risk of forfeiture, but which may be subject to such other terms and conditions as the Committee determines. No more than 500,000 shares of common stock may be granted to any participant in a fiscal year pursuant to stock awards or awards of restricted stock.

*Restricted Stock Units.* A restricted stock unit is an award whose value is based on the fair market value of the Company's common stock and whose payment is conditioned on the completion of specified service requirements and such other terms and conditions as the Committee may determine. Payment of earned restricted stock units may be made in a combination of cash or shares of common stock (as determined by the Committee). The maximum aggregate grant of restricted stock units or performance shares that may be awarded to any participant in any fiscal year shall not exceed the value of 500,000 shares of common stock.

*Performance Units/Shares and Cash-Based Awards.* Performance Units/Shares and Cash Based Awards are other equity-type or cash-based awards that may be granted to participants. These awards may be valued in whole or in part by reference to, or are otherwise based on, the fair market value of the Company's common stock or other criteria established by the Committee and the achievement of performance goals. These awards are subject to such terms and conditions as the Committee determines. Performance goals may include a service requirement. Payment of earned performance units/shares and cash-based awards may be made in any combination of cash or shares of common stock (as determined by the Committee) that have an aggregate fair market value equal to the value of the earned awards at the close of the applicable performance period. The maximum aggregate grant of performance shares or restricted stock units that may be awarded to any participant in any fiscal year shall not exceed the value of 500,000 shares of common stock. The maximum aggregate amount of performance units or cash-based awards that may be awarded to any participant in any fiscal year shall not exceed \$10,000,000.

## **Table of Contents**

*Adjustments.* In the event of a change in the outstanding shares of common stock due to a stock split, stock dividend, recapitalization, merger, consolidation, spin-off, reorganization, repurchase or exchange of common stock or other securities, or other corporate transaction or event, the Committee shall take certain actions to prevent the dilution or enlargement of benefits under the 2010 Plan. These actions include adjusting (1) the number of shares of common stock that may be issued under the 2010 Plan (including the authorized share limitations); (2) the number of shares or price of shares subject to outstanding awards; and (3) the consideration to be paid upon the grant or exercise of any award.

*Change in Control.* Generally, in the event of a change in control of the Company, as defined in the 2010 Plan, unless otherwise specified in the award agreement, (1) all outstanding options and SARs will become immediately exercisable in full during their remaining term; (2) all restriction periods and restrictions imposed on non-performance based restricted stock awards will lapse; (3) all outstanding awards of performance-based restricted stock, performance units and performance shares will be paid out assuming achievement of all relevant target performance goals; (4) all restricted stock units will vest and be paid; and (5) all outstanding cash-based awards shall be accelerated as of the effective date of the change in control (and, in the case of performance-based cash-based awards, based on an assumed achievement of all relevant target performance goals), and be paid. The Committee's policies relating to vesting of awards in the event of a change in control are implemented in the award agreements approved by it from time to time, as more fully described elsewhere in this Proxy Statement, including the Company's response to Proposal 6 on page 72 of this Proxy Statement.

*Transferability of Awards.* Except as otherwise provided in an award agreement, awards may not be sold, assigned, transferred, pledged or otherwise encumbered by the person to whom they are granted, either voluntarily or by operation of law, except by will or the laws of descent and distribution. Except as otherwise provided in an award agreement, during the life of the participant, awards are exercisable only by the participant or such participant's legal representative.

*Provisions for Foreign Participants.* The Committee may modify awards granted to participants who are foreign nationals or employed outside the United States or establish subplans or procedures under the 2010 Plan to recognize differences in laws, rules, regulations or customs of such foreign jurisdictions with respect to tax, securities, currency, employee benefits or other matters.

*Amendment and Termination.* The Committee may amend or terminate the 2010 Plan at any time, but no such amendment or termination may adversely affect in any material way the rights of a participant with respect to an outstanding award without that participant's consent. No awards may be granted on or after May 4, 2020. Shareholder approval is required for certain amendments to the 2010 Plan.

## **Federal Income Tax Aspects of the 2010 Plan**

This is a brief summary of the United States federal income tax aspects of awards that may be made under the 2010 Plan based on existing U.S. federal income tax laws as of the date of this Proxy Statement. This summary provides only the basic tax rules and is not intended as, and should not be relied upon, as tax guidance for participants in the 2010 Plan. It does not describe the implications, if any, of a number of special tax rules, including, without limitation, the alternative minimum tax, the golden parachute tax rules under Sections 280G and 4999 of the Internal Revenue Code, and foreign, state and local tax laws. In addition, this summary assumes that all awards are exempt from, or comply with, the rules under Section 409A of the Internal Revenue Code regarding nonqualified deferred compensation. Changes to the tax laws could alter the tax consequences described below.

*Incentive Stock Options.* The grant of an incentive stock option will not be a taxable event for the participant or for Gannett. A participant will not recognize taxable income upon exercise of an incentive



## **Table of Contents**

stock option (except that the alternative minimum tax may apply), and any gain realized upon a disposition of common stock received pursuant to the exercise of an incentive stock option will be taxed as long-term capital gain if the participant holds the shares of 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). Gannett 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 option to qualify for the foregoing tax treatment, the participant generally must exercise the option while the participant is our employee or an employee of our subsidiary or, if the participant has terminated employment, no later than three months after the participant terminated employment.

If all of the foregoing requirements are met except the holding period requirement mentioned above, the participant will recognize ordinary income upon the disposition of the common stock in an amount generally equal to the excess of the fair market value of the 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. Gannett will generally be allowed a business expense deduction when and to the extent the participant recognizes ordinary income, subject to the restrictions of Section 162(m) of the Internal Revenue Code.

*Non-Qualified Options.* The grant of a non-qualified stock option will not be a taxable event for the participant or Gannett. Upon exercising a non-qualified option, a participant will recognize ordinary income in an amount equal to the difference between the exercise price and the fair market value of the 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 participant 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 common stock (generally, the amount paid for the shares plus the amount treated as ordinary income at the time the option was exercised). Subject to the restrictions of Section 162(m) of the Internal Revenue Code, Gannett will be entitled to a business expense deduction in the same amount and generally at the same time as the participant recognizes ordinary income.

*Stock Appreciation Rights.* There are no immediate tax consequences of receiving an award of stock appreciation rights under the 2010 Plan. Upon exercising a stock appreciation right, a participant will recognize ordinary income in an amount equal to the difference between the exercise price and the fair market value of the common stock on the date of exercise. Subject to the restrictions of Section 162(m) of the Internal Revenue Code, Gannett will be entitled to a business expense deduction in the same amount and generally at the same time as the participant recognizes ordinary income.

*Restricted Stock/Stock Awards.* A participant who is awarded restricted stock will not recognize any taxable income for federal income tax purposes at the time of grant, provided that the shares of common stock are subject to restrictions (that is, the restricted stock is nontransferable and subject to a substantial risk of forfeiture). However, the participant may elect under Section 83(b) of the Internal Revenue Code to recognize ordinary income in the year of the award in an amount equal to the fair market value of the common stock on the date of the award (less the purchase price, if any), determined without regard to the restrictions. If the participant does not make such a Section 83(b) election, the fair market value of the common stock on the date the restrictions lapse (less the purchase price, if any) will be treated as ordinary income to the participant and will be taxable in the year the restrictions lapse. A participant who is awarded shares that are not subject to a substantial risk of forfeiture will recognize ordinary income equal to the fair market value of the shares on the date of the award. Subject to the restrictions of Section 162(m) of the Internal Revenue Code, Gannett will be entitled to a business expense deduction in the same amount and generally at the same time as the participant recognizes ordinary income.



## **Table of Contents**

*Restricted Stock Units, Performance Units/Shares and Cash-Based Awards.* The taxation of these awards will depend on the specific terms of the award. Generally, the award of Restricted Stock Units, Performance Units/Shares and Cash-Based Awards will have no federal income tax consequences for Gannett or for the participant. Generally, the payment of the award is taxable to a participant as ordinary income. Subject to the restrictions of Section 162(m) of the Internal Revenue Code, Gannett will be entitled to a business expense deduction in the same amount and generally at the same time as the participant recognizes ordinary income.

## **New Plan Benefits**

As of the date of this Proxy Statement, no awards have been made under the 2010 Plan that are contingent upon shareholder approval of this proposal. Because awards under the 2010 Plan are discretionary, the benefits or amounts that will be received by or allocated to each named executive officer, all current executive officers as a group, all directors who are not executive officers as a group, and all employees who are not executive officers as a group under the 2010 Plan are not presently determinable.

## **Other Matters**

The Committee has broad discretion to determine the type, terms and conditions and recipients of awards granted under the 2010 Plan.

Absent shareholder re-approval of the performance measures specified in the 2010 Plan, the Committee will be limited in its ability to grant performance-based awards under the Plan.

On March 2, 2015, the closing price of the Company's common stock on the New York Stock Exchange was \$35.84 per share.

**Table of Contents**

**EXECUTIVE COMPENSATION**

**COMPENSATION DISCUSSION AND ANALYSIS**

In this Compensation Discussion and Analysis section, references to the Committee are to