Gannett Co., Inc.
Form DEF 14A
March 24, 2017
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**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**WASHINGTON, DC 20549**

**SCHEDULE 14A**

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

**Exchange Act of 1934 (Amendment No. )**

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

Check the appropriate box:

Preliminary Proxy Statement

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

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to § 240.14a-12

**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:

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(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

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March 24, 2017

**Dear Fellow Stockholders:**

We are pleased to invite you to our Annual Meeting of Stockholders, which will be held on Wednesday, May 10, 2017, at 10:00 a.m. local time at Gannett s corporate headquarters, located at 7950 Jones Branch Drive, McLean, Virginia 22107.

Details regarding admission to the meeting and the business to be conducted are more fully described in the accompanying Notice of Annual Meeting of Stockholders and Proxy Statement. Please request a ticket in advance if you would like to attend the Annual Meeting. The Proxy Statement contains advance registration instructions.

Your vote is important. Whether or not you plan to attend the Annual Meeting, we encourage you to vote by telephone, over the Internet or by signing, dating and returning your proxy card by mail. You may also vote in person at the Annual Meeting.

On behalf of the Board of Directors and management, we extend our appreciation for your support and interest in Gannett.

Sincerely,

John Jeffry Louis
Chairman of the Board

Robert J. Dickey
President and Chief Executive Officer

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

**GANNETT CO., INC.**

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# NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

## To Our Stockholders:

The 2017 Annual Meeting of Stockholders 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 May 10, 2017 for the following purposes, as described in the accompanying Proxy Statement:

**(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 2018 Annual Meeting of Stockholders;

**(2)** to consider and act upon a proposal to ratify the appointment of Ernst & Young LLP as the Company s independent registered public accounting firm for the 2017 fiscal year;

**(3)** to consider and act upon a proposal to approve an amendment to the Company s 2015 Omnibus Incentive Compensation Plan;

**(4)** to consider and act upon a proposal to approve, on an advisory basis, the compensation of our named executive officers; and

**(5)** 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 13, 2017 as the record date to determine the stockholders entitled to notice of and to vote at the Annual Meeting or any adjournment or postponement thereof.

An admission ticket is required for attendance at the Annual Meeting. Please see page 57 of the Proxy Statement for instructions about obtaining tickets.

## Meeting Information:

| | |
|---|---|
| **DATE:** | May 10, 2017 |
| **TIME:** | 10:00 a.m. |
| **PLACE:** | GANNETT HEADQUARTERS<br>7950 Jones Branch Drive<br>McLean, Virginia |

**How to Vote:**

| **IN-PERSON** | **ONLINE** | **BY PHONE** | **BY MAIL** |
|---|---|---|---|

***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. IF YOU REQUESTED PRINTED COPIES OF THE PROXY MATERIALS, YOU CAN ALSO VOTE BY MAIL, BY TELEPHONE OR OVER THE INTERNET AS INSTRUCTED ON THE PROXY CARD YOU RECEIVED. YOU MAY REVOKE YOUR PROXY AND VOTE IN PERSON IF YOU DECIDE TO ATTEND THE ANNUAL MEETING.*

By Action of the Board of Directors,

**Elizabeth A. Allen**

Vice President,

Associate General Counsel and Secretary

McLean, Virginia

March 24, 2017

*This Notice of Annual Meeting and Proxy Statement are first being furnished to stockholders on or about March 24, 2017.*

**GANNETT CO., INC.**

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**GANNETT CO., INC.**

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## 2017 PROXY SUMMARY

PROXY STATEMENT

To assist you in reviewing the proposals to be considered and voted upon at our Annual Meeting, we have summarized information contained elsewhere in this Proxy Statement or in our Annual Report on Form 10-K for the fiscal year ended December 25, 2016. This summary does not contain all of the information you should consider about Gannett Co., Inc. and the proposals being submitted to stockholders at the Annual Meeting. We encourage you to read the entire Proxy Statement and Annual Report carefully before voting.

### 2017 Annual Meeting of Stockholders

| DATE AND TIME | LOCATION | RECORD DATE |
|---|---|---|
| May 10, 2017, 10:00 a.m. local time | 7950 Jones Branch Drive, McLean, Virginia | March 13, 2017 |

### Meeting Agenda and Voting Matters

| ITEM | PROPOSAL | BOARD VOTE RECOMMENDATION | PAGE REFERENCE (FOR MORE INFORMATION) |
|---|---|---|---|
| **1** | Election of the Ten Director Nominees Named in this Proxy Statement | FOR each nominee | 5 |
| **2** | Ratification of the Appointment of Ernst & Young LLP | FOR | 15 |
| **3** | Approval of an Amendment to the 2015 Omnibus Incentive Compensation Plan | FOR | 16 |
| **4** | Advisory Vote to Approve Executive Compensation | FOR | 50 |

### Board Nominees

| NAME | AGE | RECENT PROFESSIONAL EXPERIENCE | COMMITTEES |
|---|---|---|---|
| **John Jeffry Louis*** | 54 | Chairman of the Board of Gannett Co., Inc.; Co-Founder and former Chairman of Parson Capital Corporation | AC, ECC |
| **John E. Cody*** | 70 | Former Executive Vice President and Chief Operating Officer of Broadcast Music, Inc. | AC (Chair), ECC |

| | | | |
|---|---|---|---|
| **Stephen W. Coll*** | 58 | Dean of the Graduate School of Journalism for Columbia University in New York | AC, NPRC |
| **Robert J. Dickey** | 59 | President and CEO of Gannett Co., Inc. | TC |
| **Donald E. Felsinger*** | 69 | Former Executive Chairman of Sempra Energy | ECC (Chair), NPRC |
| **Lila Ibrahim*** | 47 | Chief Operations Officer of Coursera, Inc. | AC, TC |
| **Lawrence S. Kramer** | 66 | Chairman of TheStreet, Inc.; former President and Publisher of USA TODAY | TC |
| **Tony A. Prophet*** | 58 | Chief Equality Officer of salesforce.com, inc. | NPRC, TC (Chair) |
| **Debra A. Sandler*** | 57 | Founder of La Grenade Group, LLC; former Chief Health and Wellbeing Officer of Mars, Inc. | ECC, NPRC (Chair) |
| **Chloe R. Sladden*** | 42 | Co-Founder and principal of #Angels; former Vice President, Media of Twitter, Inc. | NPRC, TC |

| | |
|---|---|
| * | Independent Director |
| AC | Audit Committee |
| ECC | Executive Compensation Committee |
| NPRC | Nominating and Public Responsibility Committee |
| TC | Transformation Committee |

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## 2017 PROXY SUMMARY

Company Highlights

### Company Highlights

*Separation*. On June 29, 2015, the Company completed the legal and structural separation of the publishing business from its former parent, now known as TEGNA Inc. ( TEGNA ) and became an independent public company (the separation ). The separation was effected by the distribution by TEGNA of 98.5% of the outstanding shares of common stock of the Company to TEGNA s stockholders.

*Post-separation Board and Management*. In connection with the separation, our directors and many of our executive officers assumed their positions with the Company. Certain members of our Board of Directors our independent Board chairman, John Jeffry Louis, and two other independent directors, John E. Cody and Tony A. Prophet served with our former parent prior to the separation. In addition, Robert J. Dickey, our President and Chief Executive Officer and a director, and Lawrence S. Kramer, a director since the separation, previously served as executives of the Company s former parent.

*Impact on Executive Compensation Programs*. At the time of the separation, the Company entered into a series of agreements with its former parent, including a Separation and Distribution Agreement, Transition Services Agreement, Tax Matters Agreement and Employee Matters Agreement. Pursuant to the Employee Matters Agreement, among other things, the Company initially adopted executive compensation practices that generally were similar to those previously in place at the Company s former parent prior to the separation. Since the separation, we have been evaluating our executive compensation programs in light of our compensation guiding principles and expect our programs to evolve over time consistent with those principles. See Compensation Discussion and Analysis for additional information.

*Strategic Plan*. In 2016, the Company continued to execute effectively on the strategic pillars and three-year goals that it communicated to employees and stockholders following the separation. Highlighted below are several key ways in which the Company further expanded its footprint by making strategic acquisitions in a consolidating industry, continued to unite the Company s local to national news organization under the USA TODAY NETWORK, worked to optimize existing assets, and developed, innovated and invested in digital media technologies to grow digital revenues:

*Expand the Footprint*.

*Journal Media Group, Inc. ( Journal Media Group )*: On April 8, 2016, we completed the acquisition of 100% of the outstanding common stock of Journal Media Group for approximately $260.6 million in cash, net of cash acquired. The acquisition expanded our print and digital publishing operations domestically. Journal Media Group has print and digital publishing operations serving 15 domestic markets in nine states, including the *Milwaukee Journal Sentinel,* the *Knoxville News Sentinel,* and *The Commercial Appeal* in Memphis.

*North Jersey Media Group, Inc. ( North Jersey Media Group )*: On July 6, 2016, we completed the acquisition of certain assets of North Jersey Media Group, which has print and digital publishing operations serving primarily the northern New Jersey market. Its brands include such established names as *The Record (Bergen County)* and *The Herald*.

*Golfweek Magazine ( Golfweek ):* On October 5, 2016, we acquired Golfweek, which has been an Official Media Partner of the PGA TOUR since 2012. Golfweek has been the leading producer of event programs for some of golf s biggest tournaments across the PGA TOUR, LPGA, PGA of America and United States Golf Association. This acquisition accelerates the Company s efforts to become a leader in golf media.

*Nationwide News*. The Company continued its transformation into one, integrated organization by uniting its local and national media brands under the USA TODAY NETWORK to create the largest local to national media network in the country. Following our 2016 acquisitions, the network is powered by an integrated and award-winning news organization with deep roots in 109 local communities, plus USA TODAY, more than 3,500 journalists and a combined reach of more than 110 million unique online visitors monthly. We believe the vast portfolio of trusted local brands combined with USA TODAY position the USA TODAY NETWORK to deliver high quality content to more consumers than any other media organization in the country. In addition, the network provides the opportunity for advertisers to scale their messages from hyper-local to national while reaching millions of consumers through a variety of platforms.

*Optimize Existing Assets*. The Company responded to continuing revenue challenges with commensurate cost reduction actions. For fiscal 2016, operating expenses (adjusted for acquisitions) were down $227 million year-over-year. During the fourth quarter of 2016, the Company also implemented incremental headcount reductions with an annual impact of approximately $30 million, which largely will be realized in 2017.

*Lead with Digital*. Digital revenues were $779 million for 2016 (of which $162 million were attributable to 2016 acquisitions) and were $643 million for 2015 (of which $9 million were attributable to 2015 acquisitions), representing an increase of 21.3% year-over-year. Unique digital visitors to the Company s sites averaged 110 million per month in 2016, a year-over-year increase of 10%, according to comScore Media Metrix. In addition, in furtherance of the Company s transition to digital, on August 9, 2016 we completed the acquisition of 100% of the outstanding common stock of ReachLocal, Inc. ( ReachLocal ) for approximately $162.5 million in cash, net of cash acquired. ReachLocal offers online marketing, digital advertising, software-as-a-service, and web presence products and solutions to small and medium sized businesses. It delivers its suite of products and solutions to local businesses through a combination of its proprietary technology platform, its direct inside and outside sales force, and select third-party agencies and resellers.

## Corporate Governance Highlights

Important corporate governance practices of the Company include the following:

- annual election of directors;
- no stockholder rights plan (poison pill) in place;
- eight of ten directors are independent;
- robust stockholder engagement program;
- separate positions of Chairman and CEO, and independent, non-executive Chairman of the Board;
- majority vote standard for director elections in uncontested elections and a director resignation policy;
- single class share capital structure with all stockholders entitled to vote for director nominees;
- special meetings of stockholders may be called by holders of 20% of the outstanding shares, subject to certain requirements set forth in the Company s organizational documents;
- directors and senior executives are subject to stock ownership guidelines; and
- mergers and other business combinations involving the Company generally may be approved by a simple majority vote.

## Executive Compensation Highlights

**CORE ELEMENTS OF THE PROGRAM**

*Base Salary*: Established at competitive levels appropriate to retain senior executives and reward them for their service based on the nature and responsibility of the position, achievement of key performance indicators, competitive market data and individual and Company performance.

*Annual Cash-based Incentives*: Designed to reward executives for attaining individual and Company qualitative and quantitative performance goals. Annual bonus targets are established based on competitive market data, each executive s responsibilities, and the critical nature of the executive s role.

*Performance Shares*: Long-term equity incentives designed to retain senior executives, align their interests with those of stockholders and motivate them through an opportunity to earn shares of the Company s common stock based upon how the Company s Total Shareholder Return ( TSR ) over a three-year performance period compares to the TSRs of companies in a designated TSR Peer Group over the same period.

*Restricted Stock Units ( RSUs )*: Long-term equity incentives intended to retain senior executives in a rapidly evolving business environment through the delivery of shares of the Company s common stock upon continued employment during a four-year vesting period and to align their interests with those of stockholders by increasing executive stock ownership levels.

*Benefits and Perquisites*: Designed to provide our senior executives and their families with health, welfare and retirement benefits offered to other employees of the Company as well as limited executive benefits and perquisites in some cases, in order to complement other compensation components and to help minimize distractions.

*Post-termination Pay Programs*: Intended to assist the Company in recruiting and retaining employees, providing leadership stability and obtaining long-term commitment from its executives. Such programs include:

a tax-qualified defined benefit retirement plan;

a non-qualified supplemental executive retirement plan;

a tax-qualified defined contribution 401(k) plan;

a non-qualified deferred compensation plan; and

certain executive severance, change-in-control severance and post-retirement welfare benefit plans.

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## 2017 PROXY SUMMARY

Executive Compensation Highlights

### OUR MAJOR COMPENSATION GOVERNANCE PRACTICES

| | |
|---|---|
| Performance-based pay | Generally, the Company provides the majority of compensation for its officers in the form of performance-based compensation, and the Executive Compensation Committee of the Board of Directors has committed that at least 50% of the annual equity awards (based on the target number of shares) granted to our incumbent executive officers will be performance-based awards that are earned or paid out based on the achievement of performance targets. |
| Outcome a | |