

MEDIA GENERAL INC  
Form DEF 14A  
March 14, 2014

**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
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

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**Media General, Inc.**

(Name of Registrant as Specified In Its Charter)

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(1) Amount Previously Paid:

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(3) Filing Party:

(4) Date Filed:

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Notice of 2014  
Annual Meeting  
and  
Proxy Statement

Thursday, April 24, 2014

11:00 a.m.

Bolling Haxall House

211 East Franklin Street

Richmond, Virginia

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Media General, Inc. 333 East Franklin Street Richmond, Virginia 23219 (804) 887-5000 www.mediageneral.com

J. Stewart Bryan III

Chairman

March 14, 2014

Dear Stockholder:

I'm pleased to forward our 2014 Proxy Statement as I cordially invite you to attend Media General's 2014 Annual Meeting on Thursday, April 24, 2014.

**Our Annual Meeting will be held at the Bolling Haxall House, 211 East Franklin Street (the building immediately west of the Company's headquarters), Richmond, Virginia. Parking will be available at the parking deck located on Third Street between East Grace and East Franklin Streets.**

Rodney A. Smolla, Carl S. Thigpen and Coleman Wortham III will be retiring from our Board at the Annual Meeting. Rod has served as a Director for the last eight years, Carl has served as a Director for the last four years, and Coley has served as a Director for the last 10 years. We particularly hope you will attend this year's Annual Meeting to thank them personally for their service to our Company.

We are pleased once again to be taking advantage of the Securities and Exchange Commission rule allowing Stockholders to receive proxy materials over the Internet. This environmentally responsible e-proxy process expedites receipt of our proxy materials and lowers costs for the Company.

Whether or not you plan to be present at the Annual Meeting, we value your vote. Most Stockholders have a choice of voting over the Internet, by telephone, or by using a traditional proxy card. Please refer to your proxy card or the information forwarded by your bank, broker or other holder of record to see which options are available to you. However you choose to vote, please do so at your earliest convenience.

Thank you for being a Media General Stockholder. I look forward to seeing you on April 24.

Yours sincerely,

J. Stewart Bryan III

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## NOTICE OF 2014 ANNUAL MEETING OF STOCKHOLDERS

*To the Holders of Voting Common Stock*

*of Media General, Inc.*

The 2014 Annual Meeting of Stockholders of Media General, Inc. will be held at the **Bolling Haxall House, 211 East Franklin Street (the building immediately west of the Company's headquarters), Richmond, Virginia, on Thursday, April 24, 2014, at 11:00 a.m. for the following purposes:**

1. To elect a Board of Directors;
2. To approve amendments to the 1995 Long-Term Incentive Plan;
3. To ratify the appointment of Deloitte & Touche LLP as the Company's independent registered public accountants for the fiscal year ending December 31, 2014;
4. To hold an advisory vote on executive compensation; and
5. To act upon such other matters as properly may come before the meeting.

Holders of the Company's Voting Common Stock of record at the close of business on February 28, 2014, are entitled to notice of and to vote at the meeting.

**Stockholders are requested to vote by the Internet, by telephone or, for those who have received paper copies of the proxy card, by completing and returning the accompanying proxy card in the envelope provided, whether or not they expect to attend the meeting in person. Internet and telephone voting facilities will close at 11:59 p.m. E.S.T. on April 23, 2014. A proxy may be revoked at any time before it is voted.**

By Order of the Board of Directors,

ANDREW C. CARINGTON, *Secretary*

Richmond, Virginia

March 14, 2014

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## PROXY STATEMENT

### 2014 Annual Meeting of Stockholders

## SOLICITATION OF PROXIES

This statement is being furnished in connection with the solicitation of proxies by the Board of Directors of Media General, Inc. (the Company), to be used at the 2014 Annual Meeting of Stockholders to be held at the **Bolling Haxall House, 211 East Franklin Street (the building immediately west of the Company's headquarters), Richmond, Virginia, on Thursday, April 24, 2014, at 11:00 a.m.** All shares entitled to vote and represented by properly completed proxies received prior to the meeting and not revoked will be voted in accordance with their instructions. Internet and telephone voting facilities will close at 11:59 p.m. E.S.T. on April 23, 2014. A proxy may be revoked by a Stockholder at any time before it is voted.

A notice containing instructions on how to access this Proxy Statement and our Annual Report online was mailed to some of the Company's Stockholders on March 14, 2014. On that date, we also began mailing a full set of proxy materials to other Stockholders and to those Stockholders who had requested paper copies of our proxy materials.

The Company had outstanding 87,733,971 shares of Voting Common Stock and 828,885 shares of Non-Voting Common Stock as of February 28, 2014. Only holders of record of Voting Common Stock at the close of business on that date will be entitled to vote, and each share of Voting Common Stock will be entitled to one vote on each matter being voted upon.

## DIRECTOR INDEPENDENCE

All non-management members of the Company's Board are independent, in accordance with the rules of the New York Stock Exchange (the NYSE) and the Company's more stringent Director Independence Standards, except for Marshall N. Morton. Mr. Morton retired as President and Chief Executive Officer of the Company at the end of 2012, and because of his prior position, is not independent under the rules of the NYSE. The Board affirmatively has determined that the Company's other non-management Directors and Director nominees, J. Stewart Bryan III, Diana F. Cantor, H.C. Charles Diao, Dennis J. FitzSimons, Soohyung Kim, Howard L. Schrott, Rodney A. Smolla, Wyndham Robertson, Kevin T. Shea, Thomas J. Sullivan, Carl S. Thigpen and Coleman Wortham III, are independent and have

no relationship with the Company that would interfere with their exercise of independent judgment in carrying out the responsibilities of a Director. In making this determination with respect to J. Stewart Bryan III, the Board considered that Mr. Bryan was an employee of the Company until 2008, was the Company's Chief Executive Officer until 2005 and was the controlling Stockholder of the Company until the consummation of the Company's merger with New Young Broadcasting Holding Co., Inc. (Young) in November 2013. In making this determination with respect to Soohyung Kim, the Board considered that Mr. Kim is the Chief Executive Officer and the Chief Investment Officer of Standard General, L.P. (Standard General), which exercises voting and investment control over approximately 30.4% of the Company's outstanding shares of the Voting Common Stock that are held by investment funds for which Standard General serves as investment manager. In making this determination with respect to Thomas J. Sullivan, the Board considered that Mr. Sullivan was the Executive Chairman of Young until it merged with the Company in November 2013, was Young's Chief Financial Officer in 2012 and will continue to receive severance payments until November 2014 (not conditioned on his continued service as a Director of the Company) in respect of his prior service as Young's Executive Chairman. The Company's Director Independence Standards are available at the Company website, [www.mediageneral.com](http://www.mediageneral.com).

## **THE BOARD AND ITS COMMITTEES**

The Chairman of the Board of Directors presides over the meetings of the Board and, as described in the Company's Principles of Corporate Governance, establishes the agenda for each meeting. Senior management, led by the Chief Executive Officer, is responsible for running the day-to-day operations of the Company and keeping the Board informed of the status of the Company's operations. In adopting this leadership structure, the Board additionally has determined that the Board and the Company presently are best managed by separating the roles of the Chairman and the Chief Executive Officer.

The Board of Directors held 11 meetings during 2013. The Company's non-management Directors meet regularly in executive session. The presiding position at these executive sessions is rotated among the chairs of the Audit, Compensation and Nominating & Governance Committees, a practice the Board believes is more advantageous than having a single "presiding director." All Directors attended, during the period in which they were members of the Board during 2013, 75% or more of the meetings of the Board and the Board committees on which they served.

The standing committees of the Board of Directors are the Audit Committee, the Compensation Committee and the Nominating & Governance Committee. Each of these Committees has a written charter, which is available at the Company's website, [www.mediageneral.com](http://www.mediageneral.com).

The **Audit Committee** consists of Mrs. Cantor and Messrs. FitzSimons, Schrott, Shea and Thigpen, each of whom is independent under the rules of the NYSE and the Securities and Exchange Commission. Messrs. Schrott and Shea, former directors of Young, joined the Committee in connection with the Company's merger with Young in November 2013. As discussed more fully below, each member of the Committee also is an "audit committee financial expert." This Committee has been established in accordance with the rules of the NYSE and the Securities Exchange Act of 1934 (Exchange Act) and oversees the audit function of the Company with regard to its internal auditors and its independent registered public accounting firm. The Committee meets with these internal and independent auditors, has sole authority to retain and terminate the Company's independent auditors and reviews all quarterly and annual SEC filings made by the Company. The Audit Committee met five times during 2013.

The **Compensation Committee** consists of Miss Robertson and Messrs. Diao, Kim, Schrott, Shea, Smolla and Wortham. Messrs. Diao, Kim, Schrott and Shea, former directors of Young, joined the Committee in connection with the Company's merger with Young in November 2013. All of the members of the Committee are independent under the rules of the NYSE. The Committee has general responsibility for employee compensation and makes recommendations to the Board with respect to the compensation of all Directors, officers and other key executives, including incentive-compensation plans and equity-based plans. The Committee receives recommendations from the Chief Executive Officer, and it receives reports and recommendations from the compensation consultants it has retained directly on both short-term and long-term executive and Director compensation matters. The Committee has the sole authority to retain, terminate and fix the compensation of any advisor it deems appropriate to assist it in the fulfillment of its responsibilities. In 2013, the Committee selected and directly retained the services of Pearl Meyer & Partners, LLC (PM&P), an independent executive compensation consulting firm. PM&P does not provide any other services to the Company and works with the Company's management only on matters at the direction and under the supervision of the Compensation Committee. The Committee has assessed the independence of PM&P pursuant to SEC rules and concluded that no conflict of interest exists that would prevent PM&P from serving as an independent consultant to the Compensation Committee. The Compensation Committee periodically seeks input from PM&P on a range of external market factors, including evolving compensation trends, appropriate peer companies and market survey data. PM&P also provides general observations on the Company's compensation programs, but it does not determine or recommend the amount or form of compensation for the named executive officers.

The **Nominating & Governance Committee** consists of Miss Robertson and Messrs. Diao, Kim, Shea and Smolla. Messrs. Diao, Kim and Shea joined the Committee in connection with the Company's merger with Young in November 2013. All of the members of the Committee are independent under the rules of the NYSE. The Committee assists the Board with the identification and consideration of, and recommends to the Board, candidates qualified to become nominees for election as Directors of the Company. The Committee additionally is responsible for developing policies and practices relating to corporate governance, including the Company's Principles of Corporate Governance and its Code of Business Conduct and Ethics. Under the terms of the Company's Articles of Incorporation adopted in connection with the Company's merger with Young, until the Company's 2017 Annual Meeting of Stockholders, the Committee is to be comprised of five members, including at least 3 members who are former Young directors (or other directors designated by them). During that period, the Committee will have the exclusive right to nominate candidates by a majority vote of its members on behalf of the Company for election to the Board of Directors and to appoint individuals to fill vacancies on the Board of Directors, subject to a right of a majority of the Board (including one affirmative vote of at least one former Young director) to reject any such nomination or appointment. The Nominating & Governance Committee met two times during 2013.

## **Compensation Risk**

The primary components of compensation of the Company's employees are base salary, sales commissions, annual incentives and long-term incentives. The Company believes that none of these compensation components encourages excessive risk-taking. Accordingly, the Company does not believe that its compensation policies and practices create risks that are reasonably likely to have a material adverse effect on the Company.

## **The Board's Role in Risk Oversight**

The Board of Directors receives regular reports from the Chief Executive Officer and members of senior management on operational, financial, legal and regulatory issues and risks. The Audit Committee of the Board additionally is charged under its Charter with oversight of financial risk, including the Company's internal controls, and it receives regular reports from management, the Company's internal auditors and the Company's independent auditors. Whenever a Committee of the Board receives a report involving risk identification, risk management or risk mitigation, the Chairman of the Committee reports on that discussion, as appropriate, to the full Board during the next Board meeting.

**PRINCIPAL HOLDERS OF THE COMPANY'S VOTING COMMON STOCK**

The following table shows the stock ownership as of the most recent practicable date of all persons known by the Company to have been the beneficial owners of more than 5% of the Company's Voting Common Stock and the stock ownership of the Directors and officers of the Company. All such information is based on information furnished by or on behalf of the persons listed, who have sole voting power and sole dispositive power as to all shares listed, unless noted to the contrary.

<b>Name and Address of Beneficial Owner</b>	<b>Amount and Nature of Beneficial Ownership</b>	<b>Percent of Ownership*</b>
Soohyung Kim, Standard General L.P. and affiliates 767 Fifth Avenue, 12th Floor New York, NY 10153	26,698,209(1)	30.4%
Mario J. Gabelli and affiliates One Corporate Center Rye, NY 10580	9,033,424(2)	10.3%
James D. Dondero and affiliates 300 Crescent Court, Suite 700 Dallas, TX 75201	8,715,530(3)	9.9%
Rich Barrera and Roystone Capital Management LP 767 Third Avenue, 6 <sup>th</sup> Floor New York, NY 10017	4,670,103(4)	5.3%
Warren E. Buffett and Berkshire Hathaway, Inc. 3555 Farnam Street	4,646,220(5)	5.3%

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Omaha, NE 68131

J. Stewart Bryan III, Chairman	969,114 (6)	1.1%
Marshall N. Morton, Vice Chairman	183,732 (7)	
<i>Named Executive Officers</i>	(8)	
George L. Mahoney, President and Chief Executive Officer	174,084 (9)	
James F. Woodward, Senior Vice President, Finance and Chief Financial Officer	74,897 (10)	
Deborah A. McDermott, Senior Vice President, Broadcast Markets	—	
James R. Conschaffer, Vice President, Broadcast Markets	109,570 (11)	
John R. Cottingham, Vice President, Broadcast Markets	85,748 (12)	
<i>Outside Directors</i>	(13)	
Diana F. Cantor	85,822	
H.C. Charles Diao	97,409	
Dennis J. FitzSimons	59,105	
Soohyung Kim	26,698,209 (14)	30.4%
Wyndham Robertson	27,370	
Howard L. Schrott	394	
Kevin T. Shea	394	
Rodney A. Smolla	85,614	
Thomas J. Sullivan	712	
Carl S. Thigpen	47,308	
Coleman Wortham, III	277,106	
Directors and Officers as a group	29,217,747	33.3%

\* Percentages of stock ownership less than one percent are not shown.

(1) The share information is as of February 24, 2014 and was provided by Standard General, L.P. ("Standard General"). Of the 26,698,209 shares of Voting Common Stock listed, Standard General Fund L.P. (the "SG Fund") beneficially owns, and shares voting and dispositive power over, 3,749,526 shares held directly by SG Fund, and Standard General Communications LLC ("SG Communications") beneficially owns, and shares voting and dispositive power over, 22,948,683 shares held directly by SG Communications. Standard General serves as investment manager to each of the SG Fund and SG Communications and, in that capacity, exercises voting and investment control over the shares of Voting Common Stock held by the SG Fund and SG Communications, and Soohyung Kim, a director of the Company, is a director of the general partner of the general partner of Standard General. By virtue of the foregoing, Standard General and Mr. Kim may be deemed to beneficially own, and share voting and dispositive power over, all of the 26,698,209 shares listed. SG Communications is a wholly-owned subsidiary of SG Fund. As such, SG Fund may be deemed to beneficially own, and share voting and dispositive power over, the 22,948,683 shares beneficially owned by SG Communications. Each of Mr. Kim, Standard General, the SG Fund and SG Communications disclaims beneficial ownership of the shares reported except to the extent of its or his pecuniary interest in such shares.

(2) The share information is as of November 22, 2013, and was derived from a Schedule 13D filed by Gabelli Funds, LLC ("Gabelli Funds"), GAMCO Asset Management Inc. ("GAMCO"), MJG Associates, Inc. ("MJG Associates"), Teton Advisors, Inc. ("Teton Advisors"), GAMCO Investors, Inc. ("GBL"), GGCP, Inc. ("GGCP") and Mario J. Gabelli, as amended on November 22, 2013. According to the Schedule 13D as amended, of the 9,033,424 shares of Voting Common Stock listed, 2,488,900 are beneficially owned by Gabelli Funds, 5,439,115 are beneficially owned by GAMCO, 380 are beneficially owned by MJG Associates, and 1,105,029 are beneficially owned by Teton Advisors; GBL, GGCP and Mr. Gabelli may be deemed to indirectly beneficially own the shares beneficially owned by Gabelli Funds, GAMCO, MJG Associates and Teton Advisors; each of Gabelli Funds, GAMCO, MJG Associates and Teton Advisors has the sole voting and dispositive power of the shares beneficially owned by it, either for its own benefit or for the benefit of its investment clients or its partners, as the case may be, except that (i) GAMCO has sole voting power over only 5,166,415 of the shares of Voting Common Stock beneficially owned by it, (ii) Gabelli Funds has sole voting power over only 13,900 of the shares of Voting Common Stock beneficially owned by it, and (iii) at any time, the proxy voting committee of each fund to which Gabelli Funds provides advisory services may take and exercise, in its sole discretion, the entire voting power with respect to the shares held by such fund under special circumstances such as regulatory considerations.

(3) The share information is as of December 31, 2013, and derived from a Schedule 13G filed by NexPoint Credit Strategies Fund (the "Credit Fund"), NexPoint Advisors, L.P. ("NexPoint"), NexPoint Advisors GP, LLC ("NexPoint GP"), Highland Floating Rate Opportunities Fund, a series of Highland Funds I (the "Floating Rate Fund" and together with the Credit Fund, the "Funds"), Highland Capital Management Fund Advisors, L.P. ("Highland Fund Advisors"), Strand XVI, Inc. ("Strand XVI"), and James D. Dondero on February 14, 2014. According to the Schedule 13G, the Credit Fund is the beneficial owner of, and has sole voting and dispositive power over, 4,938,971 shares of Voting Common Stock that it holds directly; NexPoint, as the investment advisor to the Credit Fund, and NexPoint GP, as the general partner of NexPoint, may be deemed the beneficial owners of, and have shared voting and dispositive power over, those 4,938,971 shares; the Floating Rate Fund is the beneficial owner of, and has sole voting and dispositive power over, 3,776,559 shares of Voting Common Stock that it holds directly; Highland Fund Advisors, as the investment advisor to the Floating Rate Fund, and Strand XVI, as the general partner of Highland Fund Advisors, may be deemed the beneficial owners of, and have shared voting and dispositive power over, those 3,776,559 shares; and Mr. Dondero may be deemed the beneficial owner of, and have shared voting and dispositive power over, the 8,715,530 shares of Voting Common Stock held by the Funds.

(4) The share information is as of December 31, 2013, and derived from a Schedule 13G filed by Roystone Capital Management LP ("Roystone") and Rich Barrera on February 14, 2014. According to the Schedule 13G, Roystone



manages investment vehicles which own, in the aggregate, all of the 4,670,103 shares of Voting Common Stock listed; because Rich Barrera, in his capacity as the Managing Member of Roystone, has voting or dispositive power over all shares beneficially owned by Roystone, he is deemed to have beneficial ownership of all such shares; and Roystone and Mr. Barrera have shared voting and dispositive power over all such shares.

The share information is as of November 13, 2013, and derived from a Schedule 13D filed by Warren E. Buffett and Berkshire Hathaway, Inc., ("Berkshire") as amended on November 13, 2013. According to the Schedule 13D, as amended, Berkshire beneficially owns 4,235,978 shares of Voting Common Stock and 410,242 shares of the Company's Non-Voting Common Stock, which, subject to certain regulatory-related limitations, are convertible into shares of Voting Common Stock; Mr. Buffett, Chairman of the Board of Directors and Chief Executive Officer of Berkshire, may be deemed to control Berkshire and have beneficial ownership of such shares; and Berkshire and Mr. Buffet may be deemed to have shared dispositive power over all such shares and to have shared voting power with respect to the shares of Voting Common Stock and, upon conversion of the shares of Non-Voting Common Stock, shared voting power with respect to the shares of Voting Common Stock issued upon conversion thereof.

(6) The share information is as of February 28, 2014. Shares listed for Mr. Bryan include 502,852 shares held by trusts of which Mr. Bryan serves as a fiduciary and shares in the control of the voting and disposition of the shares, and 466,162 shares held by the D. Tennant Bryan Media Trust, of which Mr. Bryan serves as sole trustee. Mr. Bryan and the Media Trust constitute a group for certain purposes.

(7) The share information is as of February 28, 2014. Shares listed for Mr. Morton include 8,000 shares subject to currently exercisable options.

(8) Includes shares held in the 401(k) Plan as of February 28, 2014.

(9) The share information is as of February 28, 2014. Shares listed for Mr. Mahoney include 80,434 shares subject to currently exercisable options (and stock options exercisable within 60 days) and 71,000 shares registered in his name under the Restricted Stock Plan.

(10) The share information is as of February 28, 2014. Shares listed for Mr. Woodward include 37,934 shares subject to currently exercisable options (and stock options exercisable within 60 days) and 29,000 shares registered in his name under the Restricted Stock Plan.

(11) The share information is as of February 28, 2014. Shares listed for Mr. Conschafter include 72,200 shares subject to currently exercisable options (and stock options exercisable within 60 days) and 20,400 shares registered in his name under the Restricted Stock Plan.

(12) The share information is as of February 28, 2014. Shares listed for Mr. Cottingham include 61,234 shares subject to currently exercisable options (and stock options exercisable within 60 days) and 17,613 shares registered in his name under the Restricted Stock Plan.

(13) Includes deferred stock units earned, as of December 31, 2013, pursuant to the Media General, Inc., Directors' Deferred Compensation Plan as indicated in "Director Compensation."

(14) See footnote (1) above.

## **EXECUTIVE AND DIRECTOR COMPENSATION**

### **Compensation Discussion & Analysis**

#### **Introduction**

This Compensation Discussion & Analysis (CD&A) provides an overview of our executive compensation program and fiscal 2013 pay determination for our named executive officers (NEOs), who are listed below:

<b><u>Name</u></b>	<b><u>Title</u></b>
George L. Mahoney	President & Chief Executive Officer
James F. Woodward	Senior Vice President, Chief Financial Officer
Deborah A. McDermott	Senior Vice President, Broadcast Markets
James R. Conschafter	Vice President, Broadcast Markets
John R. Cottingham	Vice President, Broadcast Markets

As part of our ongoing effort to enhance shareholder communications, we have streamlined and reformatted our CD&A to consist of the following three sections:

<b>Section I:</b>	<b>Executive Summary: 2013 in Review</b>
<b>Section II:</b>	<b>Overview of the Executive Compensation Program</b>
<b>Section III:</b>	<b>Details and Analysis of the 2013 Executive Compensation Program</b>

#### **Section I: Executive Summary: 2013 in Review**

In this Executive Summary, we discuss a number of significant changes in 2013 which changed our corporate structure as well as the methods by which we will compensate our NEOs in the future. In the sections below, we discuss the following subjects:

**Our Year of Transition** – We discuss the impact of the Company's November 2013 merger with Young on Media General's corporate structure.

**Shareholder Return Achievement** – We discuss the impact on shareholder returns of both our operating performance and the merger with Young on November 12, 2013.

**Pay Outcomes** – Our pay outcomes for our NEOs for 2013 are primarily the result of the achievement of pre-merger financial goals and expectations for both the Media General and Young executives included in this proxy statement, given the consummation of the Young merger.

**Looking Forward** – Beginning with the Young merger, our Compensation Committee (Committee) of the Board of Directors began an extensive re-examination of all of the combined company's executive pay programs with the intent of evaluating the necessity of each program and combining the best aspects of both companies' programs with an intense focus on pay-for-performance.

Our Board of Directors strongly believes in improving both financial and shareholder return performance. As such, the Board is supporting management's ongoing development of business strategies for realizing such objectives. Concurrently, the Committee is developing an executive compensation philosophy and related programs designed to support and drive the business strategies in a manner beneficial to all shareholders.

## **Our Year of Transition**

2013 was a year of significant transformation of Media General, driven by the Young merger, which was announced in June and consummated in November, with the following major outcomes for the Company:

the creation of a new, combined company with 31 television stations operating in 28 markets reaching 14% of U.S. TV households;

a more geographically diverse company with balanced network affiliations across more potential political “battleground” states;

a stronger balance sheet allowing for significant reduction in the cost of debt going forward, immediately accretive cash flow and the identification of a number of additional synergies;

the elimination of the former dual stock structure resulting in a company that is no longer a “controlled company,” which we believe will be beneficial to all shareholders; and

the opportunity to further participate in the ongoing consolidation of the TV broadcasting industry.

We believe 2013 represented an important transition year for Media General as it followed upon other important recent transformations, including the sale of its newspapers and the recapitalization of the Company in 2011-2012. Accordingly, 2014 will be a year of transition for our executive pay programs.

## **Shareholder Return Achievement**

Total shareholder value increased substantially on a post-merger basis and over the course of 2013. On December 31, 2012, Media General’s share price closed at \$4.30, and on December 31, 2013, it closed at \$22.60, an increase of 425.6%. Total market capitalization increased from \$119.4 million on December 31, 2012 (based on 27.8 million total shares outstanding), to \$2 billion on December 31, 2013 (88.5 million shares outstanding), primarily driven by the Young merger.

## **Pay Outcomes**

With respect to fiscal 2013, our Committee made the following pay decisions with respect to our NEOs:

Salaries were increased on January 1, 2013, for Messrs. Mahoney (reflecting his promotion to the Chief Executive Officer position) and Woodward and on May 1, 2013, for Messrs. Conschafter and Cottingham.

Additional salary increases were provided to Messrs. Woodward, Conschafter and Cottingham upon the consummation of the Young merger.

No additional salary increases were provided to the NEOs for 2014.

Annual incentives payouts for 2013 were made based on:

Media General Broadcast Cash Flow (BCF) performance for Messrs. Conschafter, Cottingham, Mahoney and Woodward, which was just below target levels (91.6% of targets); and

Young BCF and individual performance for Mrs. McDermott, which was paid near target levels (representing 100% achievement plus discretionary adjustments by the former Young Board).

Stock options were granted to Messrs. Conschafter, Cottingham, Mahoney and Woodward in January 2013, pursuant to the legacy Media General Long-Term Incentive Plan.

Deferred stock unit (DSUs) grants were made to Messrs. Conschafter, Cottingham and Woodward and Mrs. McDermott upon the consummation of the merger in November 2013.

Transaction bonuses were paid to Messrs. Conschafter and Cottingham following the closing of the merger transaction.

In addition, the Company entered into an employment agreement with each of the NEOs that became effective upon the consummation of the Young merger. The agreements provide for a three-year term (two years in the case of Messrs. Conschafter and Cottingham) commencing on the closing of the merger in November 2013.

### **Looking Forward**

Our Committee, which includes Directors from both Media General and Young, is in the process of reexamining all of the executive pay programs from both companies and is strongly focused on ensuring the programs are both necessary and have a robust pay-for-performance orientation. We believe the reexamination will manifest itself in future pay philosophies as follows:

Salary increases will be considered in the context of the achievement of budgeted financial objectives and/or an increase in overall responsibilities.

Annual incentives for the NEOs will be focused on the achievement of financial and individual objectives.

It is expected that long-term incentives, if provided, will be performance-based, will be more limited than they have been in the past and will more likely be cash-based.

Retention objectives will be met primarily through the use of employment agreements.

Executive perquisites and benefits will likely be eliminated.

We provide greater detail on all of the above issues in the remainder of this CD&A.

## **Section II: Overview of the Executive Compensation Program**

### **Compensation Philosophy and Objectives**

Our compensation philosophy for 2013 was designed to support and reinforce the achievement of key operating and strategic goals. The philosophy was applied consistently to the NEOs identified in the Summary Compensation Table,

as well as to all salaried employees.

Media General's 2013 executive compensation programs were designed to:

link individual performance with compensation opportunities, and  
align the interests of the individual with those of shareholders.

These two elements were intended to encourage executives to be more responsive to Company needs, and the Committee believed a tightly administered compensation system that rewarded appropriate performance was a constructive way to attract and retain talented personnel.

As noted above, in 2014 and beyond, our Committee expects to have a pay philosophy that is more directly based on pay-for-performance, which will manifest itself in both the design of the programs and the method by which they are administered on a year-by-year basis. For 2013, our Committee essentially focused on closing out 2013 programs under the philosophy in place at each legacy company, with the primary changes for the combined company focused on 2014 and beyond.



## Primary Components of the Executive Compensation Program

For 2013, our executive compensation program included the following major components designed to achieve the purposed objectives indicated:

Component	Purpose/Objective	Performance Linkage	Form of Payout
Salaries	Provide a fixed, competitive level of pay based on responsibility, qualifications, experience and performance	Moderate; merit increases are based on a combination of Company performance, experience, market pay levels and internal pay equity	Cash
Annual Incentives	Align annual incentives with annual performance against budgeted objectives	Strong; no awards are paid for performance below a defined threshold.	Cash
Long-Term Incentives, Including Performance-Accelerated Restricted Stock (PARS) and Stock Options	Align long-term incentives with longer-term performance and shareholder value creation, enhance executive retention and provide an equity stake to further align executive and shareholder interests	Strong; PARS represent 60% of award and can be accelerated based on performance against EPS targets. Stock options create value based on gains in share price. (1)	PARS and options are settled in equity.
Retirement and Other Benefits	Provide for competitive health, welfare and retirement needs to further enhance executive retention. Our NEOs are also eligible for certain perquisites to enhance retention.	Limited	Retirement benefits are paid in cash following a qualifying separation from service.

(1) While the acceleration of existing awards is based upon EPS targets, acceleration of future awards may be tied to other metrics, such as Adjusted EBITDA, BCF, or other operating parameters as determined by the Board of Directors.

### **Target Total Pay Mix**

For 2013, our compensation program was intended to deliver variable incentives in accordance with both financial and individual objectives. A portion of each NEOs targeted annual total direct compensation was “at risk” pay and delivered through short-term cash incentives and long-term equity awards. The following charts illustrate the 2013 target pay mix of our CEO and the average of our other NEOs.

The long-term incentive percentages for 2013 are based on the dollar value of the DSUs as of November 12, 2013, and each executive’s 2013 awards under the Long-Term Incentive Plan. This calculation takes into account that PARS were not issued in 2013 and that one-half of the PARS award is attributed to 2013.

### **The Committee and its Role in Determining Executive Pay**

Our Committee is responsible for the design and oversight of our executive compensation programs covering the NEOs. Each of the Committee members is independent, as defined by the rules of the New York Stock Exchange. The Committee makes policy and strategic recommendations to the Board and has authority delegated from the Board to:

make recommendations to the Board with respect to executive pay decisions;

design and recommend to the Board the salary, incentive pay and benefit programs for the NEOs; and

oversee the Company's equity incentive plans.

The Committee met 12 times in 2013, and met in executive session during which management was not present. Most compensation decisions are finalized in the first and fourth quarter of each fiscal year. The Committee Charter, which sets forth the Committee's responsibilities on a more comprehensive basis, is available under the "Corporate Governance" tab at [www.mediageneral.com](http://www.mediageneral.com) and is reviewed on an annual basis to ensure it continues to satisfy changing corporate governance requirements and expectations. The charter was most recently amended in January 2014.

To ensure that it is making fully informed compensation determinations, the Committee reviews, considers and relies on various sources of information and materials, as described in further detail in this paragraph. Without limitation, the Committee generally (i) considers market information and advice provided by its independent compensation consultant and other advisors; (ii) reviews financial and company performance materials such as budgets, financial statements, management reports of our business activities and individual performance assessments; (iii) considers factors such as the experience, skill sets and contributions of each NEO towards our overall success; (iv) receives input from the CEO with respect to salaries, incentives and total pay for the NEOs other than the CEO; and (v) reviews tally sheets of overall compensation element values and totals, primarily to identify any competitive issues, gain an understanding of the relative dollar values of each compensation element and to understand the magnitude of total compensation. However, all compensation decisions for these individuals are recommended by the Committee and ultimately made by the Board.

### **The Role of Management in Providing Information to the Committee**

During 2013, our Human Resources Department reviewed and summarized survey data published by Towers Watson and proxy data related to the media industry companies listed on Appendix A. Our Committee used the survey data as a guideline for each element of compensation, specifically related to the compensation decisions made in the first quarter of 2013. The Company also considered the executive's responsibilities, management level, experience, and performance.

### **The Role of PM&P and Other Independent Advisors to the Committee**

Periodically, the Company reviews its compensation programs with outside consultants who are engaged by and report directly to the Committee. While such a review did not take place with consultants for 2013, the Committee used the survey data published by Towers Watson in connection with its review. The goal of the compensation review is to ensure the programs are competitive and are designed to compensate executive performance in a manner likely to result in increased shareholder value. In addition, management retained Mercer LLC (Mercer) to provide services in

the context of the Young merger, primarily related to the development of the employment agreements for the NEOs. The Committee also selected and directly retained Mercer LLC for a portion of 2013, but the Committee did not request or receive from Mercer services related to executive compensation.

In mid-2013, the Committee retained PM&P as its independent consultant to provide assistance specifically with the implementation of the employment agreements for each of the NEOs in the context of the Young merger. In September, the Committee retained PM&P as its ongoing independent consultant. PM&P consulted on a variety of executive pay issues, including pay philosophy, salary management, incentive plan design and general assistance to the Committee in its intensive reexamination of executive pay during the remainder of 2013 following the Young merger and early 2014. The Committee assessed the independence of PM&P pursuant to the applicable SEC rules. The Committee concluded that no conflict of interest exists that would prevent PM&P from serving as its independent consultant.

## **How Pay is Set: Initial Benchmarking**

### **Peer Group Companies**

Our Committee examines competitive peer group and survey information, compiled by the Company's Human Resources Department and its independent advisors, as one of many factors to assist in determining base salary, annual incentive compensation and stock-based long-term equity awards. The peer group companies provide relevant comparisons based on their similarity to us in size and business operations. The 10 companies in our 2013 peer group are shown in the table below:

Allbritton Communications Company*	Lin Media LLC
Belo Corp *	Meredith Corp
Fisher Communications Inc *	Nexstar Broadcasting Group
Gannett Co	Scripps Networks Interactive
Gray Television Inc	Sinclair Broadcast GP

\*During 2013, Belo was acquired by Gannett and Allbritton and Fisher were acquired by Sinclair

In addition to market data, the Committee considered factors such as individual performance, internal equity among executives, promotion potential and retention risk in determining total compensation for our NEOs.

## **Section III: Details and Analysis of the 2013 Executive Compensation Program**

### **Salary**

The Company believes individual performance has a significant impact on overall Company results. Therefore, the Company considers individual performance, along with the factors below, when determining salaries for its NEOs:

company performance;

management level and experience;

market salary data; and

internal pay equity.

During 2013, the Committee also took into account the Young merger, the resulting increase in responsibilities for some NEOs and the decision to enter into employment agreements with the NEOs. As a result, the Committee made mid-year salary adjustments for the NEOs, with the exception of Mr. Mahoney and Mrs. McDermott, as set forth below:

Named Executive Officer	2013 Salary			2014	
	Base Salary (1)	11/2013 (2)	Increase %	Base Salary (3)	Increase %
George L. Mahoney	\$625,000	\$625,000	0.0%	\$625,000	0.0%
James F. Woodward	400,000	500,000	25.0%	500,000	0.0%
Deborah A. McDermott	575,000	575,000	0.0%	575,000	0.0%
James R. Conschafter	415,000	450,000	8.4%	450,000	0.0%
John R. Cottingham	405,000	430,000	6.2%	430,000	0.0%

(1) Salaries in place as of January 1, 2013, for Messrs. Mahoney and Woodward and Mrs. McDermott; and as of May 1, 2013, for Messrs. Conschafter and Cottingham

(2) Salaries following the Young merger and the provision of new employment agreements

(3) Salaries in place as of January 1, 2014

As noted in the chart above, the Committee did not provide any salary increases for the NEOs for 2014 (following the increases that were put into effect at the closing of the Young merger).

## Annual Incentives

The Committee established individual incentive award targets and financial performance goals with respect to fiscal year 2013 at the beginning of the year. Award targets for each NEO were based on a percentage of the individual's salary at the rate in effect the beginning of 2013. Cash awards are paid based on the accomplishment of the financial performance goals which, for 2013, consisted of consolidated BCF targets. BCF is a non-GAAP measure and is defined as operating income plus corporate and other expenses, merger-related expenses, depreciation and amortization, loss on disposal of property and equipment, net, and program license rights amortization less payments for program license rights. BCF is a common measure of profitability in the television broadcasting industry.

The scale below illustrates the relationship between BCF performance and target incentives earned by the legacy Media General NEOs, with interpolation within the established ranges:

<b>BCF Attainment</b>	<b>Corporate Incentive Payout</b>	<b>Regional Incentive Payout</b>
90% or Less	0%	0%
90% - 100%	75% - 100% of target	75% - 100% of target
100% - 110%	100% - 150% of target	100% - 130% of target
110% - 120%	150% - 200% of target	130% - 160% of target
120% and over	200% of target	160% - 250% of target

BCF for 2013 for the legacy Media General organization was 91.6% of target (actual BCF of \$101.7 million vs. a target of \$111 million), with some variation among the legacy Media General NEOs, particularly Messrs. Conschafter and Cottingham, whose annual incentive opportunity was split between achievement of corporate BCF objectives (20%) and regional BCF objectives (80%). This level of achievement translated to about a 79% of target payout for the Media General NEOs as a starting point for the final determination of the annual incentive outcomes. Messrs. Conschafter and Cottingham achieved 94.5% and 88.5%, respectively, of their regional BCF targets, which resulted in 86.3% and 0%, respectively, of their target annual incentive payouts for their regional objectives.

The annual incentive target for Mrs. McDermott was split between Young's target consolidated BCF of approximately \$73.6 million (75% of target annual incentive opportunity) and individual performance objectives (25% of annual incentive opportunity). Mrs. McDermott achieved 100% of target on both of these measures based on the achievement of Young's consolidated BCF at 100% of target, with achievement of her individual objectives at the same level, based on the judgment of the Young Board of Directors.

These calculations are shown in the table below:



NEO	Salary (1)	<u>Target STI</u>		<b>Payout Based on</b>			<u>Actual Payout</u>	
		%	\$s	<u>BCF</u>	<u>Performance</u>	Adjustments	\$	% Target
Mahoney	\$625,000	X75%	=\$468,750	X79.0%	=\$370,500	+\$17,016	=\$387,516	82.7%
Woodward	412,500	X45%	= 185,625	X79%	= 146,718	+ 6,738	= 153,456	82.7%
McDermott	575,000	X130%	= 750,000	X100.0%	= 750,000	+ (50,000)	= 700,000	93.3%
Conschafter	412,041	X36%	= 148,335	X84.8%	= 125,800	+ 5,705	= 131,505	88.7%
Cottingham	398,125	X36%	= 143,325	X15.8%	= 22,657	+ 1,040	= 23,697	16.5%

(1) Gross 2013 salary used to calculate annual incentive target.

The adjustments shown in the table above were based on the following criteria:

The adjustments for Messrs. Conschafter, Cottingham, Mahoney and Woodward are based on an add-back for lost BCF related to a blackout of retransmission to the DISH Network for a period of time in late 2013. The Board believed this was an appropriate adjustment to make given the circumstances of the negotiations with DISH Network and the outcome of those negotiations.

The adjustment for Mrs. McDermott represents an adjustment made to her annual incentive outcome to match the outcome of total incentive payments across the legacy Young organization with the annual incentive pool accrued by Young in the context of the merger and its related negotiations.

### **Long-Term Incentive Equity-Based Awards**

Media General traditionally has used equity-based long-term incentives to reward sustained stock price growth and/or achievement of long-term earnings-per-share (EPS) growth targets. Awards were made in the form of stock options that vested over a three-year period and performance-accelerated restricted stock (PARS). PARS awards are subject to a ten-year vesting period, during which restrictions on sale apply, and that lapse if pre-established EPS growth targets are met. These targets are discussed below. The relative value of a given award at the end of a measurement period is heavily dependent on the growth in value of the common stock of the Company over the period during which vesting occurs. The vesting and ten-year transfer restrictions encourage NEOs to remain with the Company.

Similar to the Annual Incentive Plan, the target value of equity awards granted to each NEO was based on a percentage of the individual's salary. The Committee also considered the number of shares available for grant when determining both the total number of awards and the allocation between PARS and stock options. Historically, the Committee has issued 40% of each NEOs annual target LTI value in the form of stock options and 60% of value in the form of PARS.

A general description of each long-term incentive award follows:

**PARS:** No PARS were granted in 2013. The Committee historically has issued PARS in even-numbered years to the extent sufficient shares were available, with the most recent grant awarded in 2012. The Committee does not anticipate granting additional PARS in 2014. Restrictions on PARS awards lapse in ten years but can lapse on an accelerated basis if any of the pre-established EPS growth targets are met. Compound EPS growth targets were established at the time of grant for three, five and seven years. At the discretion of the Committee, the calculation of

EPS excludes the impact of certain accounting changes and certain gains or losses. A participating executive also must remain with the Company for the specified period of time. PARS awards entitle executives to receive dividends (if any) on the shares. The growth targets for early lapse of restrictions of the PARS grants currently outstanding are as follows:

Number of Compound EPS

Years	Growth Target
3	15%
5	10%
7	7%

**Stock Options:** Historically, stock options have been granted annually and align executive rewards with increases in the Company's stock price. Vesting of stock options granted to the NEOs generally occurs annually over a three-year period.

The table below shows the equity awards granted in 2013:

Named Executive Officer	2013 Equity Grant Value		Number of Options
	PARS	Options*	
George L. Mahoney	\$ —	\$136,000	50,000
James F. Woodward	—	43,520	16,000
Deborah A. McDermott	N/A	N/A	N/A
James R. Conschafter	—	28,832	10,600
John R. Cottingham	—	27,472	10,100

\*Option value indicates the accounting value associated with the grants awarded January 31, 2013, with an exercise price of \$4.26 and a Black-Scholes accounting value of \$2.72.

Our Committee is currently in the process of reevaluating the legacy Media General Long-Term Incentive Plan. All aspects of the Plan are under review, including participation, the forms of award (both the type of equity and the use of equity vs. cash), performance measures as well as the general necessity of the program going forward. The Committee anticipates coming to a decision during 2014 on the use of long-term incentives in the context of the combined company following the Young merger.

#### Deferred Stock Units and Transaction Bonuses

Media General awarded DSUs to each of the NEOs, with exception of the CEO (who had declined the same), as a one-time tool to foster retention during the period of uncertainty following the consummation of the Young merger. In addition, transaction bonuses in the amount of \$75,000 were paid to Messrs. Conschafter and Cottingham following completion of the merger. DSUs were granted on November 12, 2013, and the number of units for each NEO was determined by dividing each NEO's base salary by Media General's \$9.76 share price at the time of the June 6, 2013, merger announcement. The DSUs vest 50% on November 12, 2014, and 50% on November 12, 2015. The DSUs will be settled in cash based upon the share price at the time of vesting.

Named Executive Officer	2013 DSU	
	Grant Value	Number of Units
George L. Mahoney	\$—	—
James F. Woodward	768,962	51,230
Deborah A. McDermott	884,299	58,914

James R. Conschafter	692,066	46,107
John R. Cottingham	661,296	44,057

\*Units based on November 12, 2013 share price of \$15.01

### **Timing of Equity-Based Compensation Awards**

Equity-based awards are based on the closing price on the day of grant. Prior to 2014, the Company typically has granted equity-based awards on the same day the Company released fourth quarter and full-year earnings for the previous year.

### **Perquisites and Other Personal Benefits**

The Company provides its NEOs with a limited number of perquisites and other personal benefits as described below:

The Company pays for the cost of certain club memberships primarily to facilitate business relationships.

Spouses may, on a limited basis, accompany the NEO when traveling to certain industry conferences and other business-related functions. Reasonable expenses related to such travel are reimbursed.

The Company offers tax preparation and financial planning services to its NEOs to reduce the amount of time and attention the officer must devote to such activities and to ensure the officer's tax returns comply with IRS regulations. The services are taxable to the NEO, and the NEO pays the associated income taxes.

The Company does not provide most of its officers and other corporate level executives with company-provided automobiles or automobile allowances. However, certain NEOs (Messrs. Cottingham and Conschafter and Mrs. McDermott) are responsible for overseeing geographic regions and are eligible to receive Company owned automobiles or automobile allowances. These NEOs are not prohibited from using the automobiles for non-business purposes, but are responsible for paying any income taxes associated with such personal use.

The Company discontinued its annual physical examination reimbursement plan for senior management, including the NEOs, as of October 1, 2013. Under the plan, annual physical examination costs (and diagnostic tests) were reimbursed as part of the Company's overall health benefit package for senior management.

Home security services are offered to Mr. Mahoney in order to provide mutual protection to Mr. Mahoney and the Company. The services are considered personal income for which he pays the associated income taxes.

The Company provides life insurance coverage to Messrs. Mahoney and Woodward beyond that offered to other Company employees. The Company pays the annual premium and related tax gross-ups.

The Committee expects to examine each of the above perquisites and benefits closely to ensure they are both necessary and pay-for-performance oriented as part of its in-depth review of executive compensation in 2014.

### **Pension and Other Retirement Benefits**

Certain NEOs, including our CEO, participate in various qualified and non-qualified retirement plans. At one time, these plans were generally available to a broad range of employees, including NEOs. However, Media General has frozen its retirement programs and the Deferred Compensation plan. Each qualified and non-qualified plan is described more fully in the narrative discussion following the Pension and Non-qualified Deferred Compensation tables. The Company continues to sponsor a supplemental 401(k) plan.

### **Employment Arrangements, Severance and Change-in-Control Benefits**

In 2013, the Company entered into employment agreements with each NEO. The employment agreements each provide for a three-year term (two years in the case of Messrs. Conschafter and Cottingham) commencing upon the

closing of the Young merger. The agreements were entered into by the Company for the purpose of enhancing retention for the NEOs following the merger. The agreements do so in part by providing each NEO with post-termination severance and benefits upon certain termination scenarios. In the event the NEO is terminated by the Company, during the employment term other than for cause or disability, or by the executive for good reason, which we refer to as a “qualifying termination,” the executive will be entitled to payment of:

1.5 times (2 times for Mr. Mahoney) the sum of (x) base salary at the rate in effect prior to termination plus (y) the target annual incentive opportunity for the year of such termination;

continuation of medical, dental, disability and life insurance benefits for 12 months following the termination date; and

accelerated vesting of any equity or equity-based compensation held by the executive as of the termination date.

In the event a qualifying termination occurs during the employment term following a change in control (as defined in the employment agreement), the NEO will be entitled to the payments and benefits as provided in the event of a qualifying termination, except that the multiple used in calculating the severance payment will be 2 times (3 times, for Mr. Mahoney).

Certain termination events will trigger post-employment payments and benefits for the NEOs. These are discussed in further detail in the “Potential Payment Upon Employment Termination or Change of Control” section of this proxy statement.

### **Stock Ownership Guidelines**

The Company strongly encourages select executives (including its NEOs) to retain at least 50% of remaining shares upon exercise of stock options or upon the release of restrictions on PARS, after shares have been sold to cover the cost of exercise and any taxes due. While the Company continues to believe stock ownership aligns its NEOs’ interest with those of its Stockholders and signals continued commitment to the Company, the Company believes it appropriate to allow all employees to fully benefit from a recovery of its stock price. Therefore, the Company waived this stock ownership guideline for exercises of stock options granted prior to 2010. The Company does not anticipate waiving the guideline for subsequent grants of equity awards.

### **Impact of Tax Consideration on Compensation**

Section 162(m) of the Internal Revenue Code (Code) limits the Company’s deduction for compensation paid to the NEOs (with the exception of the CFO) named in the Summary Compensation Table to \$1 million during the tax year, subject to certain permitted exceptions. The Company intends to structure its compensation arrangements in a manner that would comply with Section 162(m). Although the Committee plans to evaluate and limit the impact of Section 162(m), it believes the tax deduction is only one of several relevant considerations in setting compensation. Accordingly, if it is deemed necessary and in the best interests of the Company to attract and retain executive talent to compete successfully and to motivate such executives to achieve the goals inherent in our business strategy, the Committee may approve compensation to NEOs which exceeds the limits of deductibility. In this regard, certain portions of compensation paid to the NEOs may not be deductible for federal income tax purposes under Section 162(m) of the Code.

### **Report of the Committee**



The Committee has reviewed the section of this Proxy Statement titled “Compensation Discussion and Analysis” with the management of the Company, and the Committee has recommended that the CD&A be included in this Proxy Statement and filed with the Securities and Exchange Commission.

**The Compensation Committee**

Coleman Wortham III, *Chairman*

H.C. Charles Diao

Soohyung Kim

Wyndham Robertson

Howard L. Schrott

Kevin T. Shea

Rodney A. Smolla

The following table sets forth total compensation for 2013, 2012 and 2011 for the Company's President and Chief Executive Officer, its Senior Vice President, Finance and Chief Financial Officer, and the three other most highly compensated executive officers as of December 31, 2013. Please note, as described in the footnotes below, that total compensation includes equity-based compensation (i.e., stock awards and option awards) and certain compensation paid in-kind (e.g., certain perquisites). Therefore, total compensation reflected below includes both cash and non-cash compensation attributable to the NEO during the year.

### Summary Compensation Table

Name and Principal Position	Year	Salary	Bonus (2)	Stock Awards (3)	Option Awards (Stock Options) (4)	Non-Equity Incentive Plan Compensation (Annual Incentive Plan) (5)	Change in Pension Value and Non-qualified Deferred Compensation Earnings (6)	All Other Compensation (7)	Total
George L. Mahoney, President and Chief Executive Officer	2013	\$625,000	\$—	\$—	\$136,000	\$387,516	\$—	\$101,780	\$1,250,296
	2012	565,000	—	134,958	48,327	324,358	800,565	106,216	1,979,424
	2011	498,965	—	—	31,992	—	595,392	74,096	1,200,445
James F. Woodward, Senior Vice President, Finance and Chief Financial Officer	2013	414,039	—	768,962	43,520	153,456	—	58,762	1,438,739
	2012	345,000	—	82,668	29,637	219,500	119,218	53,214	849,237
	2011	290,481	—	—	12,642	—	79,412	55,418	437,953
Deborah A. McDermott, Senior Vice President, Broadcast Markets	2013 (1)	78,767	—	884,299	—	700,000	—	1,397	1,664,463

(Former President and CEO of Young)									
James R. Conschafter, Vice President, Broadcast Markets	2013	412,580	75,000	692,066	28,832	131,505	—	24,742	1,364,725
	2012	381,333	—	59,760	21,360	187,838	95,738	25,218	771,247
	2011	351,481	—	—	15,738	—	71,922	24,006	463,147
John R. Cottingham, Vice President, Broadcast Markets	2013	398,510	75,000	661,296	27,472	23,697	—	20,766	1,206,741
	2012	354,583	—	54,780	19,491	158,829	55,756	27,064	670,503
	2011	320,385	—	—	14,448	—	42,771	22,872	400,476

- (1) Compensation for Mrs. McDermott is limited to amounts earned or awarded on or after the closing of the merger transaction on November 12, 2013.
- (2) Pursuant to their respective employment agreements, Messrs. Conschafter and Cottingham each received a transaction bonus in the amount of \$75,000, which was paid following closing of the merger transaction.
- (3) Stock awards represent the grant date fair value of deferred stock units awarded. The grant date fair value of deferred stock units is equal to the closing stock price on November 12, 2013.
- (4) Option awards represent the grant date fair value of stock options. Refer to the table below for assumptions used in valuing stock options.

Risk-free interest rate	1.30	%
Dividend yield	0.00	%
Volatility factor	70.00	%
Expected life (years)	6.5	
Exercise price	\$4.26	
Grant date fair value	\$2.72	

- (5) Amounts represent March 2014 payments under the Annual Incentive Plan that were paid because 2013 performance targets were attained (refer to the Grants of Plan-Based Awards Table for further discussion). The components of this column for 2013 are set forth in the table below. Because the aggregate change in accumulated benefits for each Legacy Media General NEO is negative, the amount reported in the Summary Compensation Table is \$0. The present value of accumulated benefits decreased in 2013 due primarily to a 90 basis point increase in the discount rate applied.

Name	Change in Present Value of Accumulated Benefits under Retirement Plan	Change in Present Value of Accumulated Benefits under Supplemental Retirement Plan	Change in Present Value of Accumulated Benefits under ERISA Excess Plan	Total
George L. Mahoney	\$(16,360 )	\$(195,144 )	\$—	\$(211,504)
James F. Woodward	(52,156 )	—	(944 )	(53,100 )
James R. Conschafter	(10,599 )	—	(10,929 )	(21,528 )
John R. Cottingham	(4,917 )	—	(4,865 )	(9,782 )

Mrs. McDermott does not participate in a pension plan.

(7) The amounts disclosed under this column for the most recent fiscal year (2013) consist of the following:

Name	Annual Company Contributions to Vested and Unvested Defined Contribution Plans	Dollar Value of Insurance Premiums Paid by the Company With Respect to Variable Universal Life Insurance for the Benefit of the Named Executive Officer	Tax Gross Up Associated with Variable Universal Life Insurance for the Benefit of the Named Executive Officer	Perquisites	Total
George L. Mahoney	\$17,500	\$44,997	\$39,283	\$—	\$101,780
James F. Woodward	8,000	27,102	23,660	—	58,762
Deborah A. McDermott	1,397	—	—	—	1,397
James R. Conschafter	12,600	—	—	12,142	24,742
John R. Cottingham	10,100	—	—	10,666	20,766

Perquisites for Messrs. Mahoney and Woodward and Mrs. McDermott were less than \$10,000 in aggregate and thus are excluded from total compensation. Perquisites include the incremental cost to the Company, for Messrs. Conschafter and Cottingham, of certain tax preparation and financial planning services and personal usage of Company-owned automobiles.

**Grants of Plan-Based Awards Table**

The following table sets forth information regarding grants of annual incentive awards, stock options and deferred stock units for 2013 for each NEO.

Name	Grant Date	Estimated Possible Payouts Under Non-Equity Incentive Plan Awards (Annual Incentive Plan)			All Other Stock Awards: Number of Shares	All Other Option Awards: Number of Securities	Exercise or Base Price	Grant Date Fair Value of Stock and Option Awards (\$)
		Threshold	Target	Maximum	of Stock or Units (#)	Underlying Options (#)		
George L. Mahoney	1/31/2013	\$351,563	\$468,750	\$937,500				
	1/31/2013					50,000	\$4.26	\$136,000
James F. Woodward	1/31/2013	139,219	185,625	371,250				
	1/31/2013					16,000	4.26	43,520
	11/12/2013				51,230			768,962
Deborah A. McDermott	(1)	(1)	750,000	(1)				
	11/12/2013				58,914			884,299
James R. Conschafter	1/31/2013	111,251	148,335	356,004				
	1/31/2013					10,600	4.26	28,832
	11/12/2013				46,107			692,066
John R. Cottingham	1/31/2013	107,494	143,325	343,980				
	1/31/2013					10,100	4.26	27,472
	11/12/2013				44,057			661,296

Mrs. McDermott participated in Young's annual incentive plan. The target annual incentive opportunity was based (1) 75% on Young's financial performance and 25% on individual performance objectives as determined by Young's Board of Directors.

*Annual Incentive Plan Awards*

Annual incentive payouts for legacy Media General NEOs were based on performance goals established by the Compensation Committee in January 2013 with a minimum attainment of at least 90% of the performance goal (the Threshold) to trigger any payout and a maximum possible payout at 150% of the performance goal. At its January 2014 meeting, the Compensation Committee made a final determination of annual incentive payouts as shown in the Summary Compensation Table.

Executive officers who terminate employment, or who are terminated by the Company prior to the end of the fiscal year, are not eligible to receive an annual incentive payout for that fiscal year. However, executive officers who retire and are at least 55 years of age, with five years of service, typically are eligible to receive a prorated annual incentive payout based on the full year's actual attained results; the same provision is applicable in the event of death or disability.

#### *Deferred Stock Unit Awards*

All Other Stock Awards set forth in the Grants of Plan-Based Awards Table represent grants of deferred stock units (DSU) to NEOs. As described previously, the Company entered into employment agreements with its NEOs, which became effective on the closing of the Young merger. The employment agreements entitled each named executive officer (except Mr. Mahoney) to a grant of deferred stock units (the number of which was determined by dividing the officer's base salary by the closing per share price (\$9.76) on the date of the public announcement of the transaction, June 6, 2013). One half of such units will vest on each of the first and second anniversary of the closing date of the merger. Officers must be employed through each applicable vesting date in order to receive a cash payment in settlement of the deferred stock units.

### *Stock Option Awards*

All Other Option Awards represent the number of options of Voting Common Stock granted under the Long-Term Incentive Plan. Vesting generally occurs annually over a three-year period. Options granted in 2013 vest immediately upon death, disability, or retirement after age 63 with 10 years of service (provided that the grantee was employed on December 31, 2013). Upon termination of employment, the employee has up to 12 months thereafter to exercise a vested option. If not exercised earlier, the options expire 10 years after the grant date.

The exercise price of an option represents the closing price of Voting Common Stock on the date of grant. The grant date typically occurs on the day of the Compensation Committee and Board of Director meetings which are historically scheduled on the day the Company issues its fourth-quarter and full-year earnings release.

### *Employment Agreements*

Each of the Company's NEOs is party to an employment agreement with the Company. The employment agreements each provide for a three-year term (two-year term for each of Messrs. Conschafter and Cottingham) which commenced upon the closing of the merger transaction. Under the employment agreements, Messrs. Conschafter, Cottingham, Mahoney and Woodward are entitled to annual base salary in the amount of \$450,000, \$430,000, \$625,000 and \$500,000, respectively, and Mrs. McDermott is entitled to an annual base salary in the amount of \$575,000. The employment agreements also provide that the NEOs are eligible to earn a target annual bonus (as a percentage of base salary) equal to the following: (i) 75% of base salary for Mr. Mahoney, (ii) 45% of base salary for each of Mrs. McDermott and Mr. Woodward, and (iii) 36% of base salary for each of Messrs. Conschafter and Cottingham. Each of the NEOs is entitled to participate in employee benefit plans and programs of the Company on the same basis as other senior executives, and certain other additional benefits. These additional benefits include, for Mr. Mahoney, company-paid club membership and company-paid home security services, for Mr. Woodward, a company-paid club membership, and for Messrs. Conschafter and Cottingham, participation in the combined company's automobile program. As described above, the employment agreements also entitled each of the NEOs (other than Mr. Mahoney) to a grant of DSUs.

The employment agreements provide the NEOs with severance payments and benefits upon certain terminations of employment of the NEOs, as described in further detail under "Potential Payments upon Termination or Change in Control." The employment agreements also provide that following the termination of the NEO's employment for any reason during the employment term, he or she will be bound by noncompetition and nonsolicitation covenants for a period of 12 months following such termination.





**Outstanding Equity Awards Table**

The following table provides a detail of outstanding stock options, PARS and DSU for each NEO as of December 31, 2013.

<b>Name</b>	<b>Option Awards</b>	<b>Stock Awards</b>
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