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Counsel for Debtors and Debtors in Possession

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

----------	x	
In re	:	**Chapter 11**
	:	
THE McCLATCHY COMPANY, *et al.*,	:	**Case No. 20-10418 (MEW)**
	:	
Debtors.[1]	:	**(Jointly Administered)**
	:	
----------	x	**Related Docket No. 780**

[1] The last four digits of Debtor The McClatchy Company's tax identification number are 0478. Due to the large number of debtor entities in these jointly administered chapter 11 cases, a complete list of the debtor entities and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the Debtors' claims and noticing agent at http://www.kccllc.net/McClatchy. The location of the Debtors' service address for purposes of these chapter 11 cases is: 2100 Q Street, Sacramento, California 95816.

8857600200824000000000003

NOTICE OF FILING OF SUPPLEMENTAL DISCLOSURE STATEMENT WITH RESPECT TO THE JOINT CHAPTER 11 PLAN OF DISTRIBUTION OF THE McCLATCHY COMPANY AND ITS AFFILIATED DEBTORS AND DEBTORS IN POSSESSION

PLEASE TAKE NOTICE that on August 21, 2020, The McClatchy Company and its affiliates, the debtors and debtors in possession in the above-captioned cases (collectively, the "**Debtors**") filed the *Joint Chapter 11 Plan of Distribution of The McClatchy Company and its Affiliated Debtors and Debtors in Possession* [ECF No. 780].

PLEASE TAKE FURTHER NOTICE that the Debtors hereby file the *Supplemental Disclosure Statement With Respect to the Joint Chapter 11 Plan of Distribution of The McClatchy Company and its Affiliated Debtors and Debtors in Possession*, attached hereto as **Exhibit 1**.

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Dated: New York, New York
August 21, 2020

SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP

/s/ Van C. Durrer, II

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Counsel to Debtors and Debtors in Possession

EXHIBIT 1

Supplemental Disclosure Statement

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

----------	x	
In re	:	**Chapter 11**
	:	
THE McCLATCHY COMPANY, *et al.*,	:	**Case No. 20-10418 (MEW)**
	:	
Debtors.[1]	:	**(Jointly Administered)**
	:	
----------	x	**Related Docket No. 780**

SUPPLEMENTAL DISCLOSURE STATEMENT WITH RESPECT TO THE JOINT CHAPTER 11 PLAN OF DISTRIBUTION OF THE McCLATCHY COMPANY AND ITS AFFILIATED DEBTORS AND DEBTORS IN POSSESSION

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Counsel for Debtors and Debtors in Possession

Dated: New York, New York
August 21, 2020

[1] The last four digits of Debtor The McClatchy Company's tax identification number are 0478. Due to the large number of debtor entities in these jointly administered chapter 11 cases, a complete list of the debtor entities and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the Debtors' claims and noticing agent at http://www.kccllc.net/McClatchy. The location of the Debtors' service address for purposes of these chapter 11 cases is: 2100 Q Street, Sacramento, California 95816.

THIS DISCLOSURE STATEMENT IS BEING FILED IN CONNECTION WITH THE SOLICITATION OF VOTES TO ACCEPT OR REJECT THE PLAN IN ACCORDANCE WITH BANKRUPTCY CODE SECTION 1125 AND WITHIN THE MEANING OF BANKRUPTCY CODE SECTION 1126, 11 U.S.C. §§ 1125, 1126. THIS DISCLOSURE STATEMENT HAS NOT BEEN APPROVED BY THE BANKRUPTCY COURT. THE DEBTORS INTEND TO SUBMIT THIS DISCLOSURE STATEMENT TO THE BANKRUPTCY COURT FOR APPROVAL ON SEPTEMBER 23, 2020. THE INFORMATION IN THIS DISCLOSURE STATEMENT IS SUBJECT TO CHANGE. THIS DISCLOSURE STATEMENT IS NOT AN OFFER TO SELL ANY SECURITIES AND IS NOT SOLICITING AN OFFER TO BUY ANY SECURITIES.

DISCLAIMER

THE DISCLOSURE STATEMENT CONTAINS SUMMARIES OF CERTAIN PROVISIONS OF THE DEBTORS' PLAN AND RELATED DOCUMENTS. THE INFORMATION INCLUDED IN THE DISCLOSURE STATEMENT IS PROVIDED FOR THE PURPOSES OF SOLICITING ACCEPTANCES OF THE PLAN AND SHOULD NOT BE RELIED UPON FOR ANY PURPOSES OTHER THAN TO DETERMINE WHETHER AND HOW TO VOTE ON THE PLAN. THE DEBTORS BELIEVE THAT THESE SUMMARIES ARE FAIR AND ACCURATE. THE SUMMARIES OF THE INFORMATION AND DOCUMENTS WHICH ARE ATTACHED TO, OR INCORPORATED BY REFERENCE IN, THE DISCLOSURE STATEMENT ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO SUCH INFORMATION AND DOCUMENTS. IN THE EVENT OF ANY INCONSISTENCY OR DISCREPANCY BETWEEN A DESCRIPTION IN THE DISCLOSURE STATEMENT AND THE TERMS AND PROVISIONS OF THE PLAN OR THE OTHER DOCUMENTS AND INFORMATION INCORPORATED IN THE DISCLOSURE STATEMENT BY REFERENCE, THE PLAN OR THE OTHER DOCUMENTS AND INFORMATION, AS THE CASE MAY BE, SHALL GOVERN FOR ALL PURPOSES.

THE STATEMENTS AND INFORMATION CONTAINED IN THE DISCLOSURE STATEMENT HAVE BEEN MADE BASED ON THE BOOKS AND RECORDS OF THE DEBTORS AS OF THE DATE OF THE DISCLOSURE STATEMENT UNLESS OTHERWISE SPECIFIED. HOLDERS OF CLAIMS AND INTERESTS REVIEWING THE DISCLOSURE STATEMENT SHOULD NOT ASSUME AT THE TIME OF SUCH REVIEW THAT THERE HAVE BEEN NO CHANGES IN THE FACTS SET FORTH IN THE DISCLOSURE STATEMENT SINCE THE DATE OF THE DISCLOSURE STATEMENT.

HOLDERS OF SECOND LIEN TERM LOAN CLAIMS, WHO COMPRISE THE ONLY CLASS ENTITLED TO VOTE ON THE PLAN, SHOULD CAREFULLY REVIEW THE PLAN AND THE DISCLOSURE STATEMENT IN THEIR ENTIRETIES BEFORE CASTING THEIR BALLOT. THE DISCLOSURE STATEMENT DOES NOT CONSTITUTE LEGAL, BUSINESS, FINANCIAL, OR TAX ADVICE. ANY ENTITIES DESIRING ANY SUCH ADVICE SHOULD CONSULT WITH THEIR OWN ADVISORS.

NO REPRESENTATIONS CONCERNING THE DEBTORS OR THE VALUE OF THEIR PROPERTY HAVE BEEN AUTHORIZED BY THE DEBTORS OTHER THAN AS SET FORTH IN THE DISCLOSURE STATEMENT AND THE DOCUMENTS ATTACHED TO THE DISCLOSURE STATEMENT. ANY INFORMATION, REPRESENTATIONS, OR INDUCEMENTS MADE TO OBTAIN AN ACCEPTANCE OF THE PLAN WHICH ARE OTHER THAN AS SET FORTH, OR INCONSISTENT WITH, THE INFORMATION CONTAINED IN THE DISCLOSURE STATEMENT,

THE DOCUMENTS ATTACHED TO THE DISCLOSURE STATEMENT, AND THE PLAN SHOULD NOT BE RELIED UPON.

WITH RESPECT TO CONTESTED MATTERS, ADVERSARY PROCEEDINGS, AND OTHER PENDING, THREATENED, OR POTENTIAL LITIGATION OR OTHER ACTIONS, THE DISCLOSURE STATEMENT DOES NOT CONSTITUTE, AND MAY NOT BE CONSTRUED AS, AN ADMISSION OF FACT, LIABILITY, STIPULATION, OR WAIVER, BUT RATHER AS A STATEMENT MADE IN THE CONTEXT OF SETTLEMENT NEGOTIATIONS PURSUANT TO RULE 408 OF THE FEDERAL RULES OF EVIDENCE.

THE DISCLOSURE STATEMENT HAS NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION, NOR HAS THE COMMISSION COMMENTED UPON THE ACCURACY OR ADEQUACY OF THE STATEMENTS CONTAINED IN THE DISCLOSURE STATEMENT.

THE FINANCIAL INFORMATION CONTAINED IN OR INCORPORATED BY REFERENCE INTO THE DISCLOSURE STATEMENT HAS NOT BEEN AUDITED, UNLESS SPECIFICALLY INDICATED OTHERWISE.

PLEASE REFER TO **ARTICLE VII** OF THE DISCLOSURE STATEMENT, ENTITLED "PLAN-RELATED RISK FACTORS" FOR A DISCUSSION OF CERTAIN FACTORS THAT A CREDITOR VOTING ON THE PLAN SHOULD CONSIDER.

CONFIRMATION

THE TELEPHONIC CONFIRMATION HEARING WILL COMMENCE ON SEPTEMBER 23, 2020 AT 11:00 A.M. PREVAILING EASTERN TIME, BEFORE THE HONORABLE MICHAEL E. WILES, UNITED STATES BANKRUPTCY JUDGE, IN THE UNITED STATES BANKRUPTCY COURT FOR THE SOUTHERN DISTRICT OF NEW YORK, 1 BOWLING GREEN, NEW YORK, NEW YORK 10004. THE DEBTORS MAY CONTINUE THE CONFIRMATION HEARING FROM TIME TO TIME WITHOUT FURTHER NOTICE OTHER THAN AN ADJOURNMENT ANNOUNCED IN OPEN COURT OR A NOTICE OF ADJOURNMENT FILED WITH THE BANKRUPTCY COURT AND SERVED ON THE MASTER SERVICE LIST AND THE ENTITIES WHO HAVE FILED AN OBJECTION TO THE PLAN. THE PLAN MAY BE MODIFIED, IF NECESSARY, PRIOR TO, DURING, OR AS A RESULT OF THE CONFIRMATION HEARING, WITHOUT FURTHER NOTICE TO PARTIES IN INTEREST.

THE PLAN OBJECTION DEADLINE IS SEPTEMBER 18, 2020 AT 4:00 P.M. PREVAILING EASTERN TIME. ALL PLAN OBJECTIONS MUST BE FILED WITH THE BANKRUPTCY COURT AND SERVED IN ACCORDANCE WITH THE DISCLOSURE STATEMENT ORDER SO THAT THEY ARE RECEIVED ON OR BEFORE THE PLAN OBJECTION DEADLINE.

THE PLAN, THE DISCLOSURE STATEMENT, THE PLAN SUPPLEMENT AND EXHIBITS, ONCE FILED, AND OTHER DOCUMENTS AND MATERIALS RELATED THERETO MAY BE OBTAINED BY: (A) ACCESSING THE DEBTORS' RESTRUCTURING WEBSITE AT http://www.kccllc.net/McClatchy, (B) EMAILING McClatchyInfo@kccllc.com, (C) CALLING THE DEBTORS' RESTRUCTURING HOTLINE AT 866-810-6898, WITHIN THE UNITED STATES OR CANADA, OR 424-236-7215, OUTSIDE OF THE UNITED STATES OR CANADA, OR (D) ACCESSING THE COURT'S WEBSITE AT http://www.nysb.uscourts.gov.

TABLE OF CONTENTS

EXHIBIT

I. INTRODUCTION

The McClatchy Company and its debtor affiliates, as debtors and debtors in possession (collectively, "**McClatchy**," or the "**Debtors**"), submit this supplemental disclosure statement (this "**Disclosure Statement**"), pursuant to section 1125 of the Bankruptcy Code, in connection with the solicitation of votes for acceptance of the *Joint Chapter 11 Plan of Distribution of the McClatchy Company and its Affiliated Debtors and Debtors in Possession* [ECF No. 780], dated August 21, 2020 (as amended, supplemented, or modified from time to time, the "**Plan**").[2] A copy of the Plan is attached hereto as Exhibit A and incorporated herein by reference. The Plan constitutes a separate chapter 11 plan for each of the Debtors. The rules of interpretation set forth in Article I.C of the Plan govern the interpretation of this Disclosure Statement.

THE DEBTORS BELIEVE THAT THE PLAN AND THE SETTLEMENTS REFLECTED THEREIN ARE FAIR AND EQUITABLE, PROVIDE THE BEST RECOVERY TO STAKEHOLDERS UNDER THE CIRCUMSTANCES, AND WILL ALLOW THE DEBTORS TO EFFICIENTLY WIND-DOWN THEIR OPERATIONS AND THESE CHAPTER 11 CASES. THE DEBTORS RECOMMEND THAT YOU VOTE TO ACCEPT THE PLAN.

II. PRELIMINARY STATEMENT

McClatchy is a 163-year-old family-controlled public company that provides independent local journalism to 30 communities in 14 states through its local newspapers, including well-respected publications such as the *Miami Herald, The Kansas City Star, The Sacramento Bee, The Charlotte Observer, The* (Raleigh) *News & Observer,* and the (Fort Worth) *Star-Telegram,* as well as national news coverage through its Washington, D.C. bureau. McClatchy also provides a full suite of both local and nationwide digital marketing services.

Over the past two decades, the advent of the internet and digital advertising platforms undermined the revenue model of the entire news industry, hitting local news outlets particularly hard. Between 2006 and 2018, McClatchy's advertising revenues fell by 80% and its total daily print circulation fell by 58.6%. In response to these new technologies and industry headwinds, McClatchy explored strategic transactions, focused on shifting its operations to digital, and strategically cut costs.

At the same time, McClatchy faced massive unfunded pension obligations in the amount of $535 million. In light of these pension obligations, McClatchy diligently sought a waiver of the minimum required contributions to its defined benefit plan, pursued legislative relief via the SECURE Act, and commenced negotiations with the Pension Benefit Guaranty Company ("**PBGC**") and one of its significant creditors, Chatham Asset Management, LLC ("**Chatham**"), in an attempt to right-size its capital structure. Despite good faith efforts, the parties were unable to reach a consensual out-of-court resolution. As a result, on February 13, 2020, the Debtors filed voluntary petitions for relief under the Bankruptcy Code and commenced the Chapter 11 Cases.

During the Chapter 11 Cases, McClatchy continued to negotiate with its stakeholders. To that end, McClatchy engaged in a Court-approved multiparty mediation with the PBGC, Chatham, Brigade Capital Management ("**Brigade**"), and the official committee of unsecured creditors (the "**Committee**") with the goal of formulating a consensual deal to resolve the Chapter 11 Cases and emerge from bankruptcy.

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[2] Capitalized terms used but not otherwise defined in this Disclosure Statement shall have the meaning ascribed to such terms in the Plan, the Sale Order, or the Asset Purchase Agreement (each as defined in the Plan), as applicable.

While the mediation was ongoing, the Debtors engaged in a parallel marketing process for the sale of substantially all of their assets. Following a robust sale process culminating in an auction on July 10, 2020 (the "**Auction**"), the Debtors selected the bid submitted by SIJ Holdings, LLC, an affiliate of Chatham (the "**Purchaser**") as the successful bid. The Purchaser's bid, comprised of a $262,851,000 credit bid component and $49,152,903 in cash consideration, provided sufficient value to (i) satisfy certain accrued and unpaid interest expenses, (ii) pay professional fees, and (iii) fund the wind-down of McClatchy's operations (the "**Sale Transaction**").

In connection with the Sale Transaction, the Debtors reached a global settlement (the "**Committee Settlement**") among the Committee, Chatham, Brigade, and the Purchaser (collectively, the "**Parties**") to, among other things, support the Sale Transaction, support confirmation of the Plan, resolve certain alleged estate claims, and establish a trust for the benefit of general unsecured creditors. The Committee Settlement, which is reflected in the Plan and described in more detail below, is the product of extensive good-faith negotiations between the Parties and will facilitate the confirmation of the Debtors' Plan and their prompt exit from bankruptcy.

On August 7, 2020, the Bankruptcy Court entered an order approving the Sale Transaction and the Committee Settlement [Docket No. 744].

The Debtors believe that confirmation of the Plan and consummation of the Committee Settlement is in the best interests of all their stakeholders and will provide for the efficient wind-down of these Chapter 11 Cases. For these reasons, the Debtors recommend that Holders of Second Lien Term Loan Claims vote to accept the Plan.

III. OVERVIEW OF THE PLAN

THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT INCLUDE SUMMARIES OF SOME OF THE PROVISIONS CONTAINED IN THE PLAN AND IN DOCUMENTS REFERRED TO THEREIN. THESE STATEMENTS DO NOT PURPORT TO BE PRECISE OR COMPLETE STATEMENTS OF ALL THE TERMS AND PROVISIONS OF THE PLAN OR DOCUMENTS REFERRED TO THEREIN. REFERENCE IS MADE TO THE PLAN AND TO SUCH DOCUMENTS FOR THE FULL AND COMPLETE STATEMENTS OF SUCH TERMS AND PROVISIONS.

In this section, the Debtors provide a summary of certain key provisions of the Plan relating to, among other things, the: (i) payment of administrative expenses and priority claims, (ii) classification, treatment, and voting rights of creditors and equity holders, (iii) Committee Settlement, (iv) sources of funding for distributions contemplated by the Plan, (v) wind-down of the Debtors, (vi) trust established for the benefit of general unsecured creditors, and (vii) releases, injunctions, and exculpations.

A. Summary of the Plan

The following chart provides an overview of certain important provisions in the Plan:

Category	Description	Location in Plan
Treatment of Administrative Expenses and Priority Claims	Sets forth detailed information relating to the treatment of Administrative Claims, fees and expenses of certain professionals and the Debenture Trustees, Deferred Amounts Claims, Priority Tax Claims, First Lien Notes Claims, and DIP Facility Claims.	Article II
Classification and Treatment of Claims and Interests	Provides information relating to the classification and treatment of Claims and Interests, including proposed distributions under the Plan to creditors and equity holders.	Articles III & IV
Means for Implementation	Describes the means for implementing the Plan, including details regarding the Committee Settlement, funding for distributions under the Plan, the Wind-Down Debtors, the Plan Administration Trust, the GUC Recovery Trust, and the Restructuring Transactions.	Article VI
Treatment of Executory Contracts and Unexpired Leases	Sets forth details regarding the assumption and rejection of executory contracts and unexpired leases, including with respect to claims arising from rejections, assumption cure determinations, and insurance policies.	Article VII
Procedures for Resolving Claims	Provides procedures for resolving contingent, unliquidated, and disputed claims.	Article VIII
Distributions	Describes distributions under the Plan including, among other things, the record date for distributions, timing and calculation of amounts to be distributed, and rights and powers of the Distribution Agent.	Article IX
Settlement, Release, and Injunction Provisions	Sets forth settlements, releases, and injunctions under the Plan.	Article X
Conditions Precedent	Sets forth the conditions precedent to confirmation of the Plan and the Effective Date, including various required Court approvals.	Article XI

B. Administrative Expenses and Priority Claims (Article II)

Article II of the plan describes the treatment of various administrative expenses and priority claims. The chart below provides a summary of such treatment:

Claim	Plan Treatment	Section
Administrative Claims	Paid in full in Cash.	§2.1
Professional Fees	The professional fees and expenses of the Debtors, the Chatham Parties, the Brigade Parties, and the Committee will be paid, subject to the Professional Fee Caps (and Deferred Amounts Claims).	§2.2

Deferred Amounts Claims	Deferred Amounts Claims, including (a) $500,000 payable to the Chatham Advisors; (b) $100,000 payable to the Committee Advisors; (c) $600,000 payable to the GUC Recovery Trust, and (d) the actual, reasonable, and documented costs and expenses (including the reasonable and documented fees and expenses of professionals, if any) incurred by the Purchaser and/or the GUC Recovery Trust after the closing of the Sale Transaction or the Effective Date, as applicable, in connection with the pursuit of the Tax Refund will be paid out of (i) the proceeds of the Tax Refund (if any) and (ii) excess Cash (if any).	§2.3
Debentures Agent Fees	Paid in full in Cash.	§2.4
Priority Tax Claims	Paid in full in Cash.	§2.6
First Lien Notes Claims	Satisfied upon the closing of the Sale Transaction pursuant to the Sale Transaction Documents.	§2.7
DIP Facility Claims	Satisfied upon the closing of the Sale Transaction pursuant to the Sale Transaction Documents.	§2.8

C. Classification, Treatment, and Voting Rights (Articles III & IV)

Articles III and IV of the Plan provide for the classification, treatment, and voting rights of Holders of Claims and Interests. The table below summarizes these terms as well as the estimated percentage recoveries of the Claims and Interests under the Plan. Estimated percentage recoveries have been calculated based upon a number of assumptions and may not reflect actual recoveries.

CLASS	CLAIM OR INTEREST	STATUS	VOTING RIGHTS	PROPOSED TREATMENT
1	*Other Priority Claims* Estimated Recovery (%): 100% Estimated Recovery ($): $5.5 million	Unimpaired	Presumed to Accept	Holders of Allowed Other Priority Claims will be paid in full in Cash, except for such claims that arise in the ordinary course of business and are not due on the Effective Date, in which case, such claims shall be paid in the ordinary course of business.
2	*Other Secured Claims* Estimated Recovery (%): 100% Estimated Recovery ($): $0	Unimpaired	Presumed to Accept	Holders of Allowed Other Secured Claims will be paid in full in cash or receive such other treatment so that the Claim is unimpaired.
3	*Second Lien Term Loan Claims* Estimated Recovery (%): 0.0% Estimated Recovery ($): $1.00	Impaired	Entitled to Vote	Pursuant to the Committee Settlement, Holders of Second Lien Term Loan Claims shall receive $1.00 on account of their Allowed Class 3 Claims and shall not receive any further distributions on account of their Allowed Class 3 Claims until Holders of Allowed Class 5 Claims have been satisfied in full.
4	*Third Lien Notes Claims* Estimated Recovery (%): 0.0% Estimated Recovery ($): $0	Impaired	Deemed to Reject	Allowed Class 4 Claims shall be released, waived, and discharged for no consideration.
5	*General Unsecured Claims* Estimated Recovery (%): 0.1 – 3.1%[3] Estimated Recovery ($): $2.0 – $44.7 million	Impaired	Deemed to Reject	Pursuant to the Committee Settlement, Holders of Allowed Class 5 Claims shall receive their Pro Rata share of GUC Recovery Trust Interests (entitling such Holders to a Pro Rata share of the GUC Recovery Trust Assets in accordance with the GUC Recovery Trust Agreement).

[3] The Debtors estimate that there are approximately $1.46 billion in General Unsecured Claims.

6	*Intercompany Claims* Estimated Recovery (%): 0.0% Estimated Recovery ($): N/A	Impaired	Deemed to Reject	Following the dissolution of all Debtors other than the Wind-Down Debtors, Allowed Class 6 Claims shall be released, waived, and discharged for no consideration.
7	*Intercompany Interests* Estimated Recovery (%): 0.0% Estimated Recovery ($): N/A	Impaired	Deemed to Reject	Except as expressly set forth in Section 6.12(c) of the Plan, Allowed Class 7 Interests shall be deemed automatically cancelled, released, and extinguished for no consideration.
8	*Subordinated Claims* Estimated Recovery (%): 0.0% Estimated Recovery ($): N/A	Impaired	Deemed to Reject	Allowed Class 8 Claims shall be released, waived, and discharged for no consideration.
9	*Existing Parent Equity* Estimated Recovery (%): 0.0% Estimated Recovery ($): N/A	Impaired	Deemed to Reject	Allowed Class 9 Interests shall be deemed automatically cancelled, released, and extinguished for no consideration.

D. Voting on the Plan (Article V)

Under the Bankruptcy Code, only holders of claims or interests in "impaired" classes are entitled to vote on the Plan. Under Bankruptcy Code section 1124, a class of claims or interests is deemed to be "impaired" unless (a) the Plan leaves unaltered the legal, equitable, and contractual rights to which such claim or interest entitles the holder thereof or (b) notwithstanding any legal right to an accelerated payment of such claim or interest, the Plan, among other things, cures all existing defaults (other than defaults resulting from the occurrence of events of bankruptcy) and reinstates the maturity of such claim or interest as it existed before the default.

Class 3 (Second Lien Term Loan Claims) is the only Class entitled to vote to accept or reject the Plan. In order for their votes to count, such Holders must properly complete, execute, and deliver their Ballots by: (1) first class mail; (2) courier; (3) personal delivery; or (4) email so that their Ballots are **actually received** by the Debtors or their solicitation agent, Kurtzman Carson Consultants LLC ("**KCC**"), prior to **4:00 p.m. prevailing Eastern Time on September 14, 2020** (the "**Voting Deadline**"). **If you have any questions about the solicitation or voting process, please contact KCC at 866-810-6898 or via email at McClatchyInfo@kccllc.com.**

E. Means for Implementation of the Plan (Article VI)

(a) The Committee Settlement

The Plan incorporates and reflects a good faith compromise and settlement among the Parties. The Committee Settlement provides, among other things, that:

(1) Plan and Sale Order

- The Parties will support the Sale Transaction and the Plan.
- Chatham will receive a distribution of one dollar under the Plan on account of Second Lien Term Loan Claims.
- Chatham Parties and Brigade Parties shall be released under the Plan.
- All preference claims will be waived under the Plan.

(2) GUC Recovery Trust

- The Plan will establish a GUC Recovery Trust, with the trustee to be selected by the Committee and costs borne by the trust.

- The Chatham Parties and/or the Purchaser shall contribute $1,000,000 upon the closing of the Sale Transaction, with $400,000 of such amount being funded to the GUC Recovery Trust Escrow and the remainder utilized to fund the wind-down expenses of the Debtors' Estates consistent with the Admin Liability Schedule.
- The GUC Recovery Trust shall be funded with an aggregate amount of up to $1,000,000 in Cash,, comprised of (i) the GUC Recovery Trust Escrow Amount ($400,000) that shall be transferred from the GUC Recovery Trust Escrow to the GUC Recovery Trust on the Effective Date, and (ii) $600,000 upon receipt of the Tax Refund, which amount shall constitute a Deferred Amounts Claim.
- In addition to the $1 million in Cash, the GUC Recovery Trust will also receive (a) 77.5% of the Net Tax Refund, (b) an undivided interest in the GUC Recovery Trust Causes of Action and the proceeds thereof, (c) the Debtors' rights with respect to the D&O Insurance and any rights to assert claims with respect to such insurance policies, (d) the New Parent Equity, and (e) any additional assets required to be transferred to the GUC Recovery Trust in connection with the Restructuring Transactions.
- In pursuing the GUC Recovery Trust Causes of Action, the GUC Recovery Trust shall (i) expressly forgo enforcement of any final judgment against any Ds&Os to the extent such judgment is not fully covered by and payable exclusively from the Debtors' insurance and (ii) minimize discovery with respect to any Transferred Employees that accept employment from the Purchaser by seeking relevant information from other parties prior to seeking such information from any such Transferred Employees.
- In addition, while certain Transferred Employees are not released or exculpated under the Plan, the GUC Recovery Trust Agreement shall require, and the Confirmation Order shall so provide, that the GUC Recovery Trust shall absolutely, unconditionally, and irrevocably covenant and agree that it will not sue on or otherwise assert in any proceeding (at law, in equity, in any regulatory proceeding, or otherwise) any claims or Causes of Action against any of the Limited Non-Released Parties who are also Transferred Employees. Furthermore, if the GUC Recovery Trust violates such covenant, the GUC Recovery Trust shall, pursuant to the GUC Recovery Trust Agreement, agree to pay, in addition to such other monetary damages such Transferred Employees may sustain as a result of such violation, all reasonable and documented attorneys' and other advisors' fees and costs incurred by the Transferred Employees as a result of such violation.

(3) Tax Refund

- The Purchaser and the Plan Administration Trustee (i) will diligently and in good faith cooperate in all respects with the Wind-Down Debtors to diligently claim the Tax Refund, including, without limitation, by (a) providing the Wind-Down Debtors and the Plan Administration Trustee with reasonable access to any books and records of the Debtors and the Wind-Down Debtors in such party's possession and (b) paying in accordance with Section 8.1(d) of the Asset Purchase Agreement the Wind-Down Debtors for all fees, costs, or expenses (including the fees, costs, or expenses of any professionals and advisors retained by the Purchaser or the Wind-Down Debtors) in connection with the Wind-Down Debtors' claim for the Tax Refund; (ii) will not engage in any conduct that could materially interfere with the Wind-Down Debtors' claim for the Tax Refund or reduce the value of the Tax Refund; (iii) will keep the GUC Recovery Trust and the Purchaser reasonably and timely informed with respect to the status and of and any developments with respect to the Tax Refund; and (iv) will not settle, compromise or otherwise resolve any challenge or dispute to the claim for the Tax Refund without the prior written consent of the Purchaser and the GUC Recovery Trustee.
- The proceeds of the Net Tax Refund, if any, shall be distributed as follows: 77.5% to the GUC Recovery Trust and 22.5% to the Purchaser.

(4) Professional Fees

- The professional fees and expenses of the Debtors, Chatham Parties, Brigade Parties, and Committee will be paid subject to the Professional Fee Caps (and Deferred Amounts Claims), which are set forth on the Admin Liability Schedule.
- No Parties may object to the professional fees of the other Parties.

The detailed terms of the Committee Settlement are set forth in Section 6.3 of the Plan and the Stipulation Regarding Mediated Sale and Plan Settlement, which is attached to the Sale Order and will be included in the Plan Supplement. The Stipulation Regarding Mediated Sale and Plan Settlement shall be incorporated herein by this reference and be fully enforceable as if stated in full in the Plan and Disclosure Statement. Failure to reference in the Plan and Disclosure Statement the rights and obligations under the Stipulation Regarding Mediated Sale and Plan Settlement shall not impair such rights and obligations.

(b) Plan Funding

Payments will be made from the Debtors' Cash balances then on hand, including proceeds of the Tax Refund (if any), the Committee Retained Professional Fees Escrow, the Seller Retained Professional Fees Escrow, the Wind-Down Budget Escrow, and the GUC Recovery Trust Escrow, in each case on the terms set forth in the Plan.

(c) Wind-Down Debtors

The Plan contemplates that The McClatchy Company and Herald Custom Publishing of Mexico, S. de R.L. de C.V. shall continue in existence after the Effective Date as the Wind-Down Debtors for certain limited purposes, including but not limited to filing appropriate tax returns and claims for the Tax Refund, representing the interests of the Wind-Down Debtors before any taxing authority in all matters, assuming and performing any post-closing obligations of the Debtors under Sale Transaction Documents, and receiving the Tax Refund and making appropriate distributions in accordance with the Committee Settlement, as described in further detail in Section 6.5 of the Plan in each case, as applicable.

The powers of the Wind-Down Officer shall include any and all powers and authority to implement the Plan and to make certain distributions thereunder and Wind Down the businesses and affairs of the Wind-Down Debtors, as applicable, including: (1) holding and exercising the Wind-Down Debtors' Rights, (2) filing appropriate tax returns and claims for the Tax Refund, (3) administering and paying taxes of the Wind-Down Debtors and the Debtors, (4) representing the interests of the Wind-Down Debtors before any taxing authority in all matters, including any action, suit, proceeding or audit; (5) seeking and receiving reimbursement or payment, as appropriate, from the Purchaser in connection with the Wind-Down Debtors' pursuit of the Tax Refund; (6) receiving the Tax Refund and making appropriate distributions in accordance with the Committee Settlement, (7) assume and perform any post-closing obligations of the Debtors under Sale Transaction Documents, and (8) to the extent necessary, working with the Plan Administration Trust to wind down the Debtors' businesses and affairs as expeditiously as reasonably possible and liquidate any assets held by the Wind-Down Debtors after the Effective Date and after consummation of the Sale Transaction.

(d) Plan Administration Trust

The Plan contemplates that a Plan Administration Trust will be formed on the Effective Date to finalize the wind down of the Debtors' estates, monetize any remaining assets, and make distributions to creditors (other than Holders of General Unsecured Claims) in accordance with the Plan. Upon completion of the Wind Down, the Plan Administrator will take steps to dissolve any remaining Debtor entity.

The powers of the Plan Administration Trustee shall include any and all powers and authority to implement the Plan and to make certain distributions thereunder and Wind Down the businesses and affairs of the Debtors and the Wind-Down Debtors, as applicable, including: (1) to the extent necessary, liquidating, receiving, holding, investing, supervising, and protecting the assets of the Debtors remaining after consummation of the Sale Transaction; (2) performing the Debtors' obligations under the Asset Purchase Agreement or any transition services agreement entered into on or after the Effective Date by and between the Debtors, the Purchaser, and/or the Chatham Parties, (3) resolving any Disputed Claims, (4) taking all steps to execute all instruments and documents necessary to effectuate the distributions to be made under the Plan to Holders of Allowed Claims (other than General Unsecured Claims); (5) making, or hiring a Distribution Agent to make, distributions as contemplated under the Plan to Holders of Allowed Claims (other than General Unsecured Claims); (6) maintaining, and ultimately closing, bank accounts in the name of the Debtors and the Wind-Down Debtors; (7) employing, retaining, terminating, or replacing a tax advisor and/or return preparer to represent the Debtors and their successors in connection with the Wind Down Debtors' filing the final tax returns and pursuit of the Tax Refund, (8) paying all reasonable fees, expenses, debts, charges, and liabilities of the Wind-Down Debtors; (9) coordinating with the Wind-Down Debtors and facilitating the Wind-Down Debtors' efforts to file, or acting on behalf of the Wind-Down Debtors to file, appropriate tax returns and claims for the Tax Refund, and representing the Wind-Down Debtors in connection with any audits, contests, controversies or other interactions with any taxing authority; (10) making appropriate distributions on the Wind-Down Debtors' behalf, as necessary, in accordance with the Committee Settlement; (11) at the appropriate time, dissolving the Debtors and the Wind-Down Debtors in and withdrawing the Debtors and the Wind-Down Debtors from applicable states, in each case, in accordance with Section 6.10 of the Plan, (12) administering the Plan in an efficacious manner, and (13) exercising such other powers as may be vested in it pursuant to order of the Bankruptcy Court or pursuant to the Plan, or as it reasonably deems to be necessary and proper to carry out the provisions of the Plan.

(e) GUC Recovery Trust

The Plan contemplates the creation of a GUC Recovery Trust (see Committee Settlement above) for the benefit of general unsecured creditors. The Debtors shall transfer all GUC Recovery Trust Assets, including, without limitation, 77.5% of the Net Tax Refund and an undivided interest in the GUC Recovery Trust Causes of Action (together with the Debtors' privileges), and the proceeds thereof to the GUC Recovery Trust. The GUC Recovery Trustee, to be selected by the Committee, shall have the exclusive right and power pursuant to the Plan and the GUC Recovery Trust Agreement to file, prosecute, and settle such GUC Recovery Trust Causes of Action. Holders of Allowed General Unsecured Claims will share Pro Rata in any trust recoveries, based on their holdings of GUC Recovery Trust Interests distributed pursuant to the Plan.

(f) Exemption from Certain Transfer Taxes and Fees

To the fullest extent permitted by section 1146(a) of the Bankruptcy Code, any transfers of property under the Plan or pursuant to: (i) the issuance, distribution, transfer, or exchange of any debt, equity security, or other interest in the Debtors or the Wind-Down Debtors; (ii) the creation, modification, consolidation, termination, refinancing, and/or recording of any mortgage, deed of trust, or other security interest, or the securing of additional indebtedness by such or other means; (iii) the making, assignment, or recording of any lease or sublease; or (iv) the making, delivery, or recording of any deed or other instrument of transfer under, in furtherance of, or in connection with, the Plan, shall not be subject to any document recording tax, stamp tax, conveyance fee, intangibles or similar tax, mortgage tax, real estate transfer tax, mortgage recording tax, Uniform Commercial Code filing or recording fee, regulatory filing or recording fee, or other similar tax or governmental assessment, and upon entry of the Confirmation Order, the appropriate state or local governmental officials or agents shall forego the collection of any such tax or

governmental assessment and accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax, recordation fee, or governmental assessment.

F. Unexpired Leases and Executory Contracts (Article VII)

(a) Assumption and Rejection of Executory Contracts and Unexpired Leases

Executory Contracts and Unexpired Leases are deemed to be rejected under the Plan unless such contract or lease was, among other things, previously assumed or rejected by the Debtors or the Purchaser, or listed on the Assumption Schedule included in the Plan Supplement.

(b) Insurance Policies.

The Debtors have already taken steps to maintain their D&O Insurance providing coverage for indemnitees currently covered by such policies for the remaining term of such policy. To that end, the Debtors previously purchased runoff policies or tail coverage with respect to policies in existence as of the Effective Date for a period of six years after the Effective Date.

G. Effect of the Plan on Claims and Interests (Article X)

THE PLAN CONTAINS CERTAIN IMPORTANT SETTLEMENT, RELEASE, AND EXCULPATION PROVISIONS. SOME OF THESE PROVISIONS ARE RESTATED BELOW FOR YOUR CONVENIENCE.

(a) Section 10.3 (Compromises and Settlements)

Pursuant to Bankruptcy Rule 9019(a), the Debtors may compromise and settle various (a) Claims or Interests and (b) Causes of Action that the Debtors have against other Entities up to the Effective Date. After the Effective Date, any such right shall pass to the Wind-Down Debtors, the Plan Administration Trust, and the GUC Recovery Trust, as applicable, as contemplated in Article 10.1 of the Plan, without the need for further approval of the Bankruptcy Court. Pursuant to section 363 of the Bankruptcy Code and Bankruptcy Rule 9019 and in consideration for the distributions and other benefits provided pursuant to the Plan or any distribution to be made on account of an Allowed Claim, the provisions of the Plan shall constitute a good faith compromise of all Claims, Interests, and controversies relating to the contractual, legal, and subordination rights that a Holder of a Claim or Interest may have with respect to any Allowed Claim or Allowed Interest. The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of the compromise or settlement of all such Claims, Interests and controversies, as well as a finding by the Bankruptcy Court that any such compromise or settlement is in the best interests of the Debtors, their Estates, and Holders of Claims and Interests, and is fair, equitable, and reasonable.

(b) Section 10.4 (Release by Debtors)

Without limiting any other applicable provisions of, or releases contained in, the Plan or the Sale Order, pursuant to section 1123(b) of the Bankruptcy Code, as of the Effective Date, in consideration for the concessions made as set forth in the Plan, the Committee Settlement, and the other contracts, instruments, releases, agreements, or documents to be entered into or delivered in connection with the Plan, and the service of the Released Parties in facilitating the expeditious implementation of the restructuring contemplated by the Plan, the Sale Transaction, and the Committee Settlement, the Debtors and their Estates, the Wind-Down Debtors, the Plan Administration Trust, the GUC Recovery Trust, and any other Person seeking to exercise the rights of the Estates shall be deemed to have conclusively, absolutely, unconditionally, irrevocably, and forever released, waived and

discharged the Released Parties from any and all Claims, Interests, obligations, rights, suits, damages, Causes of Action, remedies, and liabilities whatsoever, including any derivative Claims, asserted on behalf of the Debtors, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise, that such Entity would have been legally entitled to assert (whether individually or collectively), based on or in any way relating to, or in any manner arising from, in whole or in part, the Debtors (including the management, ownership or operation thereof), any Avoidance Actions (but excluding Avoidance Actions brought as counterclaims or defenses to Claims asserted against the Debtors), the Debtors' restructuring, the purchase, sale, or rescission of the purchase or sale of any security of the Debtors or the Wind-Down Debtors, provided under any applicable law, rule, or regulation, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the restructuring of Claims and Interests prior to or in the Chapter 11 Cases, the formulation, preparation, dissemination, or negotiation of the Sale Transaction Documents, the Committee Settlement, or any Restructuring Transaction, contract, instrument, release, or other agreement or document (including providing any legal opinion requested by any Entity regarding any transaction, contract, instrument, document, or other agreement contemplated by the Plan or the reliance by any Released Party on the Plan or the Confirmation Order in lieu of such legal opinion) created or entered into in connection with the Sale Transaction Documents, the Disclosure Statement, the Plan, the Plan Supplement, the DIP Facility, the Chapter 11 Cases, the filing of the Chapter 11 Cases, solicitation of the Plan, the pursuit of Confirmation, the administration and implementation of the Plan, including the issuance or distribution of Securities pursuant to the Plan, the distribution of property under the Plan, the creation of the GUC Recovery Trust, or upon any other act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date of the Plan related or relating to the foregoing, other than Claims or liabilities arising out of or relating to any act or omission of a Released Party that constitutes fraud, willful misconduct or gross negligence as determined in a Final Order by a court of competent jurisdiction; provided, however, that notwithstanding anything to the contrary in the Plan or Article 10.4 of the Plan, the Brigade Parties and the Chatham Parties shall only be Released Parties if they meet the Brigade Release Requirements and the Chatham Release Requirements, respectively, as shall be determined in the Confirmation Order. Notwithstanding anything to the contrary in the foregoing, the release set forth above does not release (a) any Limited Non-Released Party with respect to any act or omission derived from, based upon, related to, or arising from any prepetition activities or transactions (that were contemplated or occurred) involving the Debtors, and (b) any post-Effective Date obligations of any party under the Plan or any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement the Plan. For the avoidance of doubt, nothing in Article 10.4 of the Plan shall in any way affect the operation of Article 10.2 of the Plan, pursuant to section 1141(d) of the Bankruptcy Code.

Entry of the Confirmation Order by the Bankruptcy Court shall constitute an order approving the Debtors' release pursuant to Bankruptcy Rule 9019, and further, shall constitute the Bankruptcy Court's finding that the Debtors' release is: (1) in exchange for the good and valuable consideration provided by the Released Parties; (2) a good faith settlement and compromise of the claims released by the Debtors' release; (3) in the best interests of the Debtors and all Holders of Claims and Interests; (4) fair, equitable, and reasonable; (5) given and made after due notice and opportunity for hearing; and (6) a bar to any of the Debtors or Wind-Down Debtors asserting any Claim or Causes of Action released pursuant to the Debtors' release. Nothing in the Plan shall abrogate applicable attorney disciplinary rules.

(c) Section 10.5 (Release by Holders of Claims and Interests)

Without limiting any other applicable provisions of, or releases contained in, the Plan or the Sale Order, as of the Effective Date, in consideration for the obligations of the Debtors, the Wind-Down

Debtors, the Plan Administration Trust, and the GUC Recovery Trust under the Plan, the Sale Transaction, the Committee Settlement, and the consideration and other contracts, instruments, releases, agreements, or documents to be entered into or delivered in connection with the Plan, each Releasing Party shall be deemed to have conclusively, absolutely, unconditionally, irrevocably, and forever released, waived and discharged the Debtors, the Wind-Down Debtors, their Estates, the Plan Administration Trust, the GUC Recovery Trust, and the Released Parties from any and all Claims, Interests, obligations, rights, suits, damages, Causes of Action, remedies, and liabilities whatsoever, including any derivative Claims, asserted on behalf of the Debtors, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise, that such Entity would have been legally entitled to assert (whether individually or collectively), based on or in any way relating to, or in any manner arising from, in whole or in part, the Debtors (including the management, ownership or operation thereof), the Debtors' restructuring, the purchase, sale, or rescission of the purchase or sale of any security of the Debtors or the Wind-Down Debtors, provided under any applicable law, rule, or regulation, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the restructuring of Claims and Interests prior to or in the Chapter 11 Cases, the formulation, preparation, dissemination, or negotiation of the Sale Transaction Documents, the Committee Settlement, or any Restructuring Transaction, contract, instrument, release, or other agreement or document (including providing any legal opinion requested by any Entity regarding any transaction, contract, instrument, document, or other agreement contemplated by the Plan or the reliance by any Released Party on the Plan or the Confirmation Order in lieu of such legal opinion) created or entered into in connection with the Sale Transaction Documents, the Committee Settlement, the Disclosure Statement, the Plan, the Plan Supplement, the DIP Facility, the Chapter 11 Cases, the filing of the Chapter 11 Cases, solicitation of the Plan, the pursuit of Confirmation, the administration and implementation of the Plan, including the issuance or distribution of Securities pursuant to the Plan, the distribution of property under the Plan, the creation of the GUC Recovery Trust, or upon any other act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date of the Plan related or relating to the foregoing, other than Claims or liabilities arising out of or relating to any act or omission of a Released Party that constitutes fraud, willful misconduct or gross negligence as determined in a Final Order by a court of competent jurisdiction; provided, however, that notwithstanding anything to the contrary in the Plan or Article 10.5 of the Plan, the Brigade Parties and the Chatham Parties shall only be Released Parties if they meet the Brigade Release Requirements and the Chatham Release Requirements, respectively, as shall be determined in the Confirmation Order. Notwithstanding anything to the contrary in the foregoing, the release set forth above does not release (a) any Limited Non-Released Party with respect to any act or omission derived from, based upon, related to, or arising from any prepetition activities or transactions (that were contemplated or occurred) involving the Debtors, and (b) any post-Effective Date obligations of any party under the Plan or any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement the Plan. For the avoidance of doubt, except as expressly provided in the Plan, nothing in Article 10.5 of the Plan shall in any way affect the operation of Article 10.2 of the Plan, pursuant to section 1141(d) of the Bankruptcy Code.

Notwithstanding anything to the contrary contained in the Plan, the Disclosure Statement, or the Confirmation Order, the PBGC does not release and nothing in the Plan, the Disclosure Statement, or the Confirmation Order discharges or exculpates any claim or cause of action relating to any liability under Title I or Title IV of ERISA against any persons or entities other than the Debtors in these Chapter 11 Cases.

Entry of the Confirmation Order by the Bankruptcy Court shall constitute an order approving the third party release pursuant to Bankruptcy Rule 9019, and further, shall constitute the Bankruptcy Court's finding that the third party release is: (1) consensual; (2) essential to the Confirmation of the

Plan; (3) in exchange for the good and valuable consideration provided by the Released Parties; (4) a good faith settlement and compromise of the claims released by the third party release; (5) in the best interests of the Debtors and all Holders of Claims and Interests; (6) fair, equitable, and reasonable; (7) given and made after due notice and opportunity for hearing; and (8) a bar to any of the Releasing Parties asserting any Claim or Causes of Action released pursuant to the third party release. Nothing in the Plan shall abrogate applicable attorney disciplinary rules.

(d) Section 10.6 (Exculpation and Limitation of Liability)

From and after the Effective Date, the Exculpated Parties shall neither have, nor incur any liability to any Person or Entity for any Exculpated Claim; provided, however, that the foregoing "exculpation" shall have no effect on: (1) the liability of any Person or Entity that would otherwise result from the failure to perform or pay any obligation or liability under the Plan or any contract, instrument, release or other agreement or document (i) previously assumed, (ii) entered into during the Chapter 11 Cases, or (iii) to be entered into or delivered in connection with the Plan, or (2) the liability of any Exculpated Party that results from any act or omission of such Exculpated Party that is determined in a Final Order to have constituted fraud, gross negligence or willful misconduct; provided further, however, that notwithstanding anything to the contrary in the Plan or Article 10.6 of the Plan, the Brigade Parties and the Chatham Parties shall only be Exculpated Parties if they meet the Brigade Release Requirements and the Chatham Release Requirements, respectively, as shall be determined in the Confirmation Order.

The Exculpated Parties have, and upon Confirmation shall be deemed to have, participated in good faith and in compliance with the applicable provisions of the Bankruptcy Code, and therefore are not and shall not be liable at any time for the violations of any applicable, law, rule, or regulation governing the solicitation of acceptances or rejections of the Plan or such distributions made pursuant to the Plan.

IV. OVERVIEW OF THE DEBTORS' BUSINESS AND CAPITAL STRUCTURE

A. The Company's Business

McClatchy is a 163-year-old family-controlled public company that provides independent local journalism to 30 communities in 14 states through its local newspapers, as well as national news coverage through its Washington, D.C. bureau. McClatchy also provides a full suite of digital marketing services, through its local sales teams and excelerate®, its full-service national digital marketing agency. For the full year ended December 29, 2019, McClatchy had an average aggregate paid daily circulation of 1.1 million and a Sunday print circulation of 1.5 million, in addition to 55.7 million average monthly unique visitors to its online platforms. McClatchy is headquartered in Sacramento, California.

As of the Petition Date, the Debtors employed approximately 2,900 full and part-time employees in 37 corporate offices throughout the United States. Approximately 1,300 of these employees are salaried employees, with the remainder being paid on an hourly basis. This includes approximately 240 unionized employees.

B. The Company's Corporate Structure

The McClatchy Company is the direct or indirect parent company of each of the Debtors, which are all incorporated or organized in the United States, other than Herald Custom Publishing of Mexico, S. de R.L. de C.V., which is organized in Mexico. A corporate organization chart of the Debtors and certain

non-Debtor affiliates as of the Petition Date is attached as Annex 1 to the *Declaration of Sean M. Harding in Support of Chapter 11 Petitions and First Day Papers* [ECF No. 23].[4]

The McClatchy Company Foundation is a non-debtor with charitable contributions that are restricted under state law. The assets of that entity are not assets of any of the Debtors nor are they subject to these Chapter 11 Cases.

C. Qualified Pension Plan

The Debtors maintain The McClatchy Company Retirement Plan, a company-sponsored noncontributory defined benefit pension plan (the "**Pension Plan**") covered by the Pension Benefit Guaranty Corporation. Although the Pension Plan was frozen as of March 31, 2009; the Debtors are still required under the Internal Revenue Code to make minimum funding contributions to the Pension Plan on account of certain legacy liabilities. The Sale Transaction is free and clear of the Debtors' pension obligations and the Debtors expect that the Pension Plan will be involuntarily terminated by the PBGC and the PBGC's Claims will be treated as General Unsecured Claims.

D. The Company's Prepetition Capital Structure

The Debtors' funded debt obligations as of the Petition Date were as follows:[5]

	Pro Forma ($ millions)	Interest Rate[6]	Maturity
Secured Debt			
ABL Financing	--		
First Lien Notes	$262.9	9.000%	July - 2026
Second Lien Term Loan	$157.1	7.795%	July - 2030
Third Lien Notes	$268.4	6.875%	July - 2031
Total Secured Debt	**$688.4**		
Unsecured Debt			
2027 Debentures	$7.1	7.150%	Nov-2027
2029 Debentures	$7.8	6.875%	Mar-2029
Total Unsecured Debt	**$14.9**		
Total Funded Debt	**$703.3**		

As of the Petition Date, the Debtors' common stock ownership was as follows:

[4] The Company's annual and quarterly reports, along with its proxy statements, for the last five (5) years are available at the Company's website at http://investors.mcclatchy.com/investor-overview.

[5] More information regarding the Company's financials, including financial reporting for MNI on a consolidated basis and for each of the Company's segments, is provided in the Company's annual and quarterly reports.

[6] Interest is payable semi-annually.

The McClatchy Company Common Stock				
Class	**Shares**	**Publicly Trade**	**Dividends**	**Voting Rights**
Class A Shares	5,502,435	Yes	Yes	1 vote per share; elects 75% of the Board of Directors
Class B Shares	2,428,191	No	Yes	1/10 vote per share; elects 25% of the Board of Directors

E. Material Prepetition Legal Proceedings

In December 2008, carriers of *The Fresno Bee* filed a class action lawsuit against The McClatchy Company and *The Fresno Bee* (the "**Fresno case**") alleging that the carriers were misclassified as independent contractors and seeking mileage reimbursement. In February 2009, a substantially similar lawsuit, involving similar allegations was filed by carriers of *The Sacramento Bee* (the "**Sacramento case**") The class consists of roughly 5,000 carriers in the Sacramento case and 3,500 carriers in the Fresno case. The court in the Sacramento case dismissed The McClatchy Company from the lawsuit but held *The Sacramento Bee* liable and a trial to determine restitution is ongoing. The court in the Fresno case held in favor of the Company and *The Fresno Bee*. The plaintiffs filed a Notice of Appeal.

V. EVENTS LEADING TO THE CHAPTER 11 FILINGS

The following is a general summary of events preceding the Chapter 11 Cases.

A. Knight Ridder Purchase, Industry Headwinds, and Digital Transformation

In 2006, the Company purchased Knight-Ridder, Inc., taking on $5.0 billion in debt to consummate the transaction. Following the purchase, a combination of the 2008 global financial crisis, and the impact of internet journalism and alternative digital advertising sources undermined the revenue model of the entire news industry. Between 2006 and 2018, McClatchy's advertising revenues fell by 80%. In response to the industry-wide economic pressures, McClatchy considered several transactions that would benefit from economies of scale and synergies. At the same time, management focused on pursuing the Company's digital transformation.

B. Debt Repayment and Other Cost-Cutting Measures

McClatchy replaced all of its bank debt in 2010, further reduced its debt in 2012, and refinanced its first lien debt and the vast majority of its unsecured debt in 2018. McClatchy also engaged in several sale-leaseback transactions, applying the proceeds to pay down their funded debt and pension obligations. On the operational side, McClatchy undertook a variety of strategic and cost-cutting measures, successfully slashing its operating cash expenses by approximately 60%. Although these efforts resulted in adjusted EBITDA growth in the third quarter of 2019, McClatchy's projected operating cashflows were still insufficient to satisfy its legacy liabilities.

C. Pension Liabilities

McClatchy is the contributing sponsor of a single-employer defined benefit pension plan that covers approximately 24,000 current and former employees of certain of the Debtors. Since 2001, the company made voluntary contributions of nearly $580 million including $275.1 million in excess contributions above the minimum contributions otherwise required.

As of March 31, 2019, McClatchy had a total unfunded liability estimated to be $535 million (measured for GAAP purposes), and faced required contributions estimated at $124 million, $88 million, and $117 million, over the next three years. Given the size of these required contributions, in June 2019, the Company sought a waiver of the minimum required contributions to the Pension Plan for the plan years 2019, 2020, and 2021. Simultaneously, the Company pursued legislative relief via the SECURE Act for relief from the near-term payments of minimum required contributions to the Pension Plan. In the end, the IRS did not approve McClatchy's waiver application and McClatchy was unable to obtain legislative relief prior to filing the Chapter 11 Cases.

D. Negotiations with PBGC, the Chatham Parties, and Others

Beginning in September and October 2019, while awaiting a decision on the IRS waiver application, McClatchy commenced discussions with the PBGC and Chatham, for the purpose of exploring strategic alternatives that would provide a solution to its qualified pension obligations, nonqualified pension obligations and capital structure. Shortly after commencing settlement discussions with the PBGC, management engaged in discussions with Chatham and Brigade to explore a path for an out-of-court restructuring that would additionally de-lever the Company. In connection with these efforts to address the Company's liquidity pressures, the Company engaged the financial and legal services of Evercore Group L.L.C. ("**Evercore**"); FTI Consulting, Inc. ("**FTI**"); Skadden, Arps, Slate, Meagher & Flom LLP ("**Skadden**"); Togut, Segal & Segal LLP ("**Togut**"); and the Groom Law Group, Chartered, ("**Groom**"). Despite rigorous good faith negotiations, the parties were unable to reach a consensual and satisfactory out-of-court deal, and in light of mounting challenges, the Debtors filed for chapter 11.

VI. THE CHAPTER 11 CASES

A. Stabilization of Operations

Upon commencing the Chapter 11 Cases, the Debtors sought a number of orders from the Bankruptcy Court to ensure a smooth transition of their operations into chapter 11 and facilitate the administration of the Chapter 11 Cases. Certain of these motions are briefly summarized below. The chart on the following page summarizes various forms of relief requested by the Debtors and approved by the Court during these Chapter 11 Cases.

MOTION	RELIEF REQUESTED	ORDER (ECF)
Administrative Motions		
Joint Administration	Authority to jointly administer the Debtors' cases for procedural purposes only	59
Case Management Procedures	Authority to establish certain notice, case management, and administrative procedures	106
Consolidated Creditors List	Authority to file a consolidated list of top 30 unsecured creditors	69
Claims and Noticing Agent	Authority to retain KCC as claims and noticing agent	71
Schedules and Statements	Authority to extend the Debtors' deadline to file the schedules and statements Rule 2015.3 Reports	70
Operational Motions		
Cash Management	Authority to (a) continue using cash management systems and respective bank accounts, business forms, and investment practices, (b) waive certain operating guidelines related to bank accounts, and (c) continue intercompany transactions	66/226
Employee Wages and Benefits	Authority to pay prepetition wages, compensation and employee benefits and continue certain employee benefit programs	65/184
Customer Programs	Authority for the Debtors to honor certain prepetition obligations to customers and continue customer programs	79/178
Taxes	Authority to pay prepetition sales, use, franchise, income, property, and other taxes and related fees, charges, and assessments	68/174
Utilities	Establishment of procedures for determining adequate assurance of payment for future utility services	175
Critical Vendors	Authority for the Debtors to pay certain prepetition critical vendors and suppliers	67/179
DIP Financing	Authority to obtain postpetition financing and to use cash collateral, as well as an order granting liens and providing superpriority administrative expense status, adequate protection, and modification of the automatic stay[7]	64/233
Trading Procedures	Establish trading procedures for common stock and related procedures for objecting to/preventing transfers of common stock	78/228
Corporate Credit Cards	Authority to continue using certain corporate credit cards	33
Case Professionals		
Debtor Professionals	Authority to retain the following Debtor professionals: Skadden (counsel); Togut (conflicts/efficiency counsel); KCC (administrative agent); FTI (restructuring advisor); Evercore (investment banker); and Groom (special employee benefits counsel) and ordinary course professionals	-
Interim Compensation	Authority to establish procedures for interim compensation and reimbursement of expenses of professionals	176

[7] The Debtors, with the assistance of Evercore, conducted a robust marketing process to obtain DIP financing before determining that the $50 million DIP financing proposal provided by Encina Business Credit, LLC was the best available alternative for the Debtors under the circumstances.

MOTION	RELIEF REQUESTED	ORDER (ECF)
Administrative Motions		
365(d)(4)	Authority to extend the deadline by which to assume or reject unexpired leases of nonresidential property	460
Removal	Authority to extend the deadline by which to the Debtors must file notices of removal in pending actions	461
Bar Date	Authority to establish a deadline by which parties must file proofs of claim against the Debtors	485
Exclusivity	Authority to extend the Debtors' exclusive periods to file and solicit acceptances of a plan of reorganization	498
Executory Contracts and Abandonment		
Assumption/Rejection Procedures	Authority to establish procedures to assume/reject executory contracts and unexpired leases	401
Wipro Rejection	Authority to reject the Wipro Limited technology services contract	389
Ponderay Abandonment	Authority to reject the Ponderay Newsprint Company partnership agreement and abandon equity interests	390
Quad County Abandonment	Authority to abandon equity interests in Quad County Publishing, Inc.	750
Asset Sales and Real Property		
Bidding Procedures	Authority to establish bidding and assumption/assignment procedures for the Sale Transaction (discussed in more detail below)	432
Raleigh Property Sale	Authority to sell real property in Raleigh, North Carolina	458
De Minimis Assets	Authority to establish procedures for the sale, transfer, or abandonment of *de minimis* assets	459
Sale Transaction	Authority to complete the Sale Transaction (discussed in more detail below)	744
Financing		
Letter of Credit Facility	Authority to enter into a replacement letter of credit facility with Citizens Bank, N.A.	391
Retention Applications		
Deloitte	Authority to retain Deloitte & Touche LLP as independent auditor	392
Ernst & Young	Authority to retain Ernst & Young LLP as tax services provider	593

B. Mediation

At the start of these Chapter 11 Cases, McClatchy requested that the Court approve procedures for an independent mediator to be appointed to facilitate and supervise the restructuring negotiations among the Debtors, Chatham, Brigade, the PBGC, and the Committee. On February 25, 2020, the Court entered an order establishing the terms of plan mediation [ECF No. 107]. The parties selected retired Delaware bankruptcy court Judge Kevin Carey as mediator. Since then, the parties engaged in good faith efforts to reach a deal through mediation and exchanged multiple proposals. Beginning in April, McClatchy also commenced a parallel marketing process to complete the Sale Transaction, as discussed below. Ultimately, the mediation efforts resulted in the Committee Settlement and the Plan.

C. The Sale Process

In April 2020, the Debtors, with the assistance of their advisors, began to explore a sale of substantially all of the Debtors' assets. The Debtors reached out to 52 potentially interested parties, and entered into nondisclosure agreements ("**NDAs**") with 26 potential bidders, each of whom was provided with confidential information regarding the Company's business and the opportunity to meet with the Debtors' senior management and advisors to discuss preliminary due diligence questions.

The Bidding Procedures Order set May 12, 2020 as the deadline for non-binding initial indications of interest ("**Initial Bids**"). The Debtors received four Initial Bids to acquire substantially all of the Company's assets and seven Initial Bids for the purchase of specific assets. Ultimately, however, only two parties submitted Qualified Bids on July 1, 2020 (the "**Final Bid Deadline**"): (1) the Purchaser, an affiliate of Chatham (the "**Chatham Bid**") and (2) Alden Global Capital, LLC ("**Alden**," and the bid, the "**Alden Bid**"). The Debtors' board of directors selected the Chatham Bid as the starting bid for the Auction.

The Debtors held the Auction on July 10, 2020. Following the Auction, the Debtors, after consulting with the Consultation Parties, concluded that the Chatham Bid was the highest or otherwise best offer. The Chatham Bid contemplated (a) the assumption of the Assumed Liabilities, (b) a $262,851,000 credit bid that will release the Debtors from their obligations on account of the First Lien Notes, and (c) $49,152,903 in cash consideration to pay, among other things: (i) amounts owed pursuant to the DIP credit agreement, (ii) accrued and unpaid interest on the first lien notes, and (iii) professional fees and wind-down costs. Subsequently, the Debtors' board of directors approved the selection of the Chatham Bid as the Successful Bidder and Alden's final bid as the Back-up Bid.

On August 3, 2020, the Debtors filed a revised proposed Sale Order, which attached the Stipulation Regarding Mediated Sale and Plan Settlement memorializing the Committee Settlement described above. On August 7, 2020, the Court entered an order approving the Sale Transaction to Chatham pursuant to the terms of the Asset Purchase Agreement [ECF No. 744] (the "**Asset Purchase Agreement**") and the terms of the Committee Settlement applicable to the Sale Transaction (excluding the terms of the Committee Settlement solely applicable to the Plan).

Following the consummation of the Sale Transaction, which is expected to close on or about September 4, 2020, all of the collateral securing the Debtors' prepetition secured debt will have been sold to the Purchaser. This will eliminate any secured claims on account of the Debtors' ABL Financing, First Lien Notes, Second Lien Term Loans, and Third Lien Notes.

D. Estate Claims

(a) Refinancing Transactions

In the years leading up to these Chapter 11 Cases, McClatchy engaged in a series of refinancing transactions with Chatham that provided the Debtors with $60 million in new money financing and extended the Debtors' earliest debt maturity by 4 years.

(b) The Investigations

Both Togut and the Committee investigated the refinancing transactions to determine whether they gave rise to any valid estate causes of action that would be worth pursuing. Togut conducted an extensive investigation in which it, among other things, (i) reviewed contemporary board and refinancing committee minutes, presentations, and thousands of documents relating to the refinancing transactions (ii) conducted interviews with the Debtors' management team, and (iii) analyzed publicly available materials. Based on this information, Togut concluded that any proposed causes of action arising from the refinancing transactions were unlikely to materially benefit the estates. For this reason, Togut recommended against pursuing the alleged estate claims. However, the Committee concluded based on its investigation that colorable estate claims existed that could provide additional value to the estates.

(c) Standing Motion

On June 22, 2020, the Committee filed a motion (the "**Standing Motion**") seeking standing to pursue certain estate claims arising from the refinancing transactions, including (i) actual and constructive fraudulent transfer, equitable subordination and aiding and abetting breach of fiduciary duty claims against Chatham, (ii) breach of fiduciary duty claims against certain of the Debtors' directors and officers, and (iii) additional claims regarding lien perfection and unamortized original issue discount against Bank of New York Mellon [ECF No. 546]. On June 26, 2020, the Debtors, Chatham, Brigade, and Bank of New York Mellon filed objections to the Standing Motion [ECF Nos. 564, 566, 567 & 571] (the "**Standing Objections**").

On July 6, 2020, the Court found that many of the estate claims alleged by the Committee were colorable, but the Court deferred its final ruling on the Standing Motion pending the results of the Debtors' Auction process. Pursuant to the Committee Settlement, the Standing Motion was adjourned until confirmation of the Plan, which will resolve the issues raised in the Standing Motion.

E. Executive Compensation

In connection with the Chapter 11 Cases, the Debtors believe certain of the Debtors' executives who are not Transferred Employees are eligible under state law for compensation for accrued and unused vacation time and reimbursement of expenses, consistent with Company policy. Such amounts will be paid from the Wind Down Budget to the extent not already paid. In addition, consistent with Company policy, such executives' health insurance under COBRA will be funded out of the Wind Down Budget to the extent not already paid.

VII. STATUTORY REQUIREMENTS FOR CONFIRMATION OF THE PLAN

The following is a brief summary of the Confirmation process. Holders of Claims and Interests are encouraged to review the relevant provisions of the Bankruptcy Code and to consult with their own advisors.

A. The Confirmation Hearing

Section 1128(a) of the Bankruptcy Code provides that the Bankruptcy Court, after notice, may conduct the Confirmation Hearing to consider Confirmation of the Plan. Section 1128(b) of the Bankruptcy Code provides that any party in interest may object to Confirmation of the Plan.

B. Confirmation Standards

Unless a Plan is accepted by all Impaired Classes of Claims and Interests, the Plan must not "discriminate unfairly," and must be (a) "fair and equitable," (b) feasible, and (c) in the "best interests" of impaired holders. As summarized below, the Plan complies with these statutory requirements:[8]

(a) Best Interests of the Creditors

The "best interests of creditors" test of section 1129(a)(7) of the Bankruptcy Code requires that, with respect to each impaired class of claims or interests, each individual holder of a claim or interest has either accepted the plan or will receive or retain under the plan property having a present value, as of the effective date of the plan, of not less than what such holder would receive if the debtor were liquidated under chapter 7 of the Bankruptcy Code at that time. Through the Sale Transaction, the Debtors have already sold substantially all of their assets. Therefore, the Debtors submit that converting to a chapter 7 liquidation would do nothing more than create additional costs, including a percentage fee based on disbursements and fees for professionals retained by the chapter 7 trustee. While information regarding the additional costs are speculative, the costs are clearly higher and more burdensome for the Debtors' estates than the current proposed Plan (which does not have such incremental costs). In addition, absent the Committee Settlement, Holders of General Unsecured Claims would receive substantially less than they stand to receive under the Plan. For these reasons, the Debtors and their management believe that confirmation of the Plan will provide a substantially greater return to Holders of Claims or Interests than would a liquidation under chapter 7 of the Bankruptcy Code, and the best interests test is satisfied.

But for potential claims that the Committee believes exist against the Holders of Second Lien Term Loan Claims or the Debtors, which such parties dispute, the Holders of Second Lien Term Loan Claims would be entitled receive in the aggregate on account of their claims, the GUC Recovery Trust Assets. The Debtors, the Committee, the Holders of the Second Lien Term Loan Claims and certain other parties in interest have agreed, pursuant to the Committee Settlement, that pursuant to Bankruptcy Rule 9019 and subject to the terms and conditions of the Committee Settlement, the GUC Recovery Trust Assets less $1.00 shall be distributed to the GUC Recovery Trust for the express benefit of the Holders of General Unsecured Claims, and the holders of the Second Lien Term Loan Claims shall receive $1.00 on the Effective Date—which may result in such Holders of Second Lien Term Loan Claims receiving less under the Plan than they would receive in the event of a chapter 7 liquidation of the Debtors' assets. However, this distribution scheme was negotiated and agreed-upon with the Holders of Second Lien Term Loan Claims as part of the Committee Settlement. Accordingly, the Debtors submit that the Plan satisfies the best interests test.

(b) Financial Feasibility

The Bankruptcy Code requires that a chapter 11 plan provide for payment in full of all administrative and priority claims unless holders of such claim consent to other treatment. The Plan provides for the payment of priority and administrative obligations from Cash on hand. It is likely there

[8] The requirements for Confirmation of a plan of reorganization are set forth in section 1129 of the Bankruptcy Code.

will be sufficient Cash to satisfy all administrative and priority claims in full upon the Effective Date. The Debtors believe that the Plan is feasible as a result.

(c) Acceptance by Impaired Classes

The Bankruptcy Code also requires, as a condition to Confirmation, that each Class of Claims or Interests that is Impaired but still receives distributions under the Plan vote to accept the Plan, unless the Debtors can "cram-down" such Classes, as described below. Pursuant to sections 1126(c) and 1126(d) of the Bankruptcy Code and except as otherwise provided in section 1126(e) of the Bankruptcy Code: (a) an Impaired Class of Claims has accepted the Plan if the Holders of at least two-thirds in dollar amount and more than half in number of the voting Allowed Claims have voted to accept the Plan, and (b) an Impaired Class of Interests has accepted the Plan if the Holders of at least two-thirds in the amount of the voting Allowed Interests have voted to accept the Plan.

(d) Confirmation Without Acceptance by All Impaired Classes

Section 1129(b) of the Bankruptcy Code allows the Bankruptcy Court to confirm the Plan, even if the Plan has not been accepted by all Impaired Classes, provided that the Plan has been accepted by at least one Impaired Class entitled to vote, without counting the vote of any insider, as defined in Section 101(31) of the Bankruptcy Code. Section 1129(b) of the Bankruptcy Code permits the Debtors to confirm the Plan, notwithstanding the failure of any Impaired Class to accept the Plan, in a procedure commonly known as "cram-down," so long as the Plan does not "discriminate unfairly" and is "fair and equitable" with respect to each Impaired Class of Claims or Interests that voted to reject the plan.

(e) No Unfair Discrimination

The test to determine whether the Plan unfairly discriminates applies to Classes of Claims or Interests that are of equal priority and are receiving different treatment under the Plan. The test does not require that the treatment be the same or equivalent, but that such treatment be "fair."

The Debtors do not believe the Plan discriminates unfairly against any Impaired Class of Claims or Interests. The Debtors believe the Plan and the treatment of all Classes of Claims and Interests under the Plan satisfy the foregoing requirements for nonconsensual Confirmation.

(f) Fair and Equitable Treatment

The test to determine whether the Plan affords fair and equitable treatment applies to Classes of different priority and status (e.g., Secured Claims versus General Unsecured Claims) and includes the general requirement that no Class of Claims receive more than 100% of the amount of the Allowed Claims in such Class. As to a dissenting Class, the test sets different standards depending on the type of Claims or Interests in such Class. Specifically, in order to demonstrate that the Plan is fair and equitable, the Debtors must demonstrate that:

Each Holder of a Secured Claim either (a) retains its Liens on the property, to the extent of the Allowed amount of its Secured Claim and receives deferred Cash payments having a value, as of the effective date of the chapter 11 plan, of at least the Allowed amount of such Claim, (b) has the right to credit bid the amount of its Claim if its property is sold and retains its Liens on the proceeds of the sale (or if sold, on the proceeds thereof), or (c) receives the "indubitable equivalent" of its Allowed Secured Claim.

Either (a) each Holder of an Unsecured Claim receives or retains under the Plan property of a value equal to the amount of its Allowed Claim or (b) the Holders of Claims and Interests that are junior to the Claims of the rejecting Classes will not receive any property under the Plan.

Either (a) each Holder of an Interest will receive or retain under the Plan property of a value equal to the greatest of the fixed liquidation preference to which such Holder is entitled, the fixed redemption price to which such Holder is entitled, or the value of the Interest or (b) the Holder of an Interest that is junior to the rejecting Class will not receive or retain any property under the chapter 11 plan.

The Debtors believe the Plan satisfies the "fair and equitable" requirement notwithstanding that Class 4 is not receiving a distribution because there is no Class of equal priority receiving more favorable treatment and no junior Classes to Class 5 will receive or retain any property on account of the Claims or Interests in such Class. Further, in accordance with Bankruptcy Rule 9019, recoveries to Holders of Claims in Class 5 are governed by the Committee Settlement.

VIII. PLAN-RELATED RISK FACTORS

PRIOR TO VOTING TO ACCEPT OR REJECT THE PLAN, PARTIES ENTITLED TO VOTE SHOULD READ AND CONSIDER CAREFULLY THE RISK FACTORS SET FORTH BELOW. ALTHOUGH THERE ARE MANY RISK FACTORS DISCUSSED BELOW, THESE FACTORS SHOULD NOT BE REGARDED AS CONSTITUTING THE ONLY RISKS PRESENT IN CONNECTION WITH THE DEBTORS' BUSINESSES OR THE PLAN AND ITS IMPLEMENTATION.

A. Certain Bankruptcy Considerations

The occurrence or non-occurrence of any or all of the following contingencies, and any others, could affect distributions available to Holders of Allowed Claims under the Plan.

(a) Parties in Interest May Object to the Plan's Classification of Claims and Interests

The Debtors believe that the classification of the Claims and Interests under the Plan complies with the requirements set forth in Bankruptcy Code section 1122 because only Claims and Interests that are substantially similar are classified together. Nevertheless, there can be no assurance that the Bankruptcy Court will reach the same conclusion.

(b) The Conditions Precedent to the Effective Date of the Plan May Not Occur

As more fully set forth in Article XI of the Plan, the Effective Date of the Plan is subject to a number of conditions precedent, including the approval of the Chatham/Brigade Release, which must be satisfied or waived in order to consummate the Plan.

(c) The Debtors May Not Be Able to Secure Confirmation of the Plan

Even if the Holders of Second Lien Term Loan Claims vote in favor of the Plan, and even if with respect to any Impaired Class deemed to have rejected the Plan the requirements for "cram-down" (discussed in more detail in **Article VII** herein) are met, the Bankruptcy Court may choose not to confirm the Plan. For example, although the Debtors believe that they have satisfied the requirements of section 1129 of the Bankruptcy Code by demonstrating that the value of distributions to dissenting Holders of Claims and Interests will not be less than the value such Holders would receive if the Debtors were

liquidated under chapter 7 of the Bankruptcy Code, there can be no assurance that the Bankruptcy Court will reach the same conclusion.

(d) The Chapter 11 Cases May Be Converted to Cases under Chapter 7 of the Bankruptcy Code

If the Bankruptcy Court finds that it would be in the best interest of creditors and/or the debtor in a chapter 11 case, the Bankruptcy Court may convert a chapter 11 bankruptcy case to a case under chapter 7 of the Bankruptcy Code. In such event, a chapter 7 trustee would be appointed or elected to liquidate the debtor's assets for distribution in accordance with the priorities established by the Bankruptcy Code. The Debtors believe that this would result in significantly smaller distributions being made to creditors than those provided for in a chapter 11 plan.

(e) The Plan's Release, Injunction, and Exculpation Provisions May Not Be Approved

Article X of the Plan provides for certain releases, injunctions, and exculpations, including a release of liens and third-party releases that may otherwise be asserted against the Debtors, Wind-Down Debtors, or Released Parties, as applicable. The Debtors believe that the releases, injunctions, and exculpations set forth in the Plan comply with the requirements for approval of such provisions under applicable law. Nevertheless, there can be no assurance that the Bankruptcy Court will reach the same conclusion.

(f) The Total Amount of Allowed Administrative and Priority Claims May Exceed the Amount of Distributable Cash and/or Be Higher Than Anticipated

Allowed Administrative Claims and Allowed Priority Claims may exceed the total amount of Distributable Cash and/or be higher than anticipated. Accordingly, there is a risk that the Debtors will not be able to pay in full in cash all Administrative Claims and Priority Claims on the Effective Date as is required to confirm a chapter 11 plan.

(g) Certain Tax Implications of the Debtors' Bankruptcy and the Sale Transaction May Increase the Tax Liability of the Debtors.

Holders of Allowed Claims should carefully review Section IX below, "Certain United States Federal Income Tax Consequences," to determine how the tax implications of the Plan and the Chapter 11 Cases may adversely affect the Debtors.

(h) The GUC Recovery Trust Causes of Actions May Have Limited Value (if any)

The value of GUC Recovery Trust Causes of Action is uncertain. While litigating GUC Recovery Trust Causes of Action will be a time consuming and expensive process, such actions are inherently difficult to value, and any may prove to have limited or zero value.

B. Bankruptcy-Specific Risk Factors That Could Negatively Impact the Debtors' Business

(a) The Company is Subject to the Risks and Uncertainties Associated With the Chapter 11 Cases

For the duration of the Chapter 11 Cases, the Debtors' ability to operate and satisfy their obligations in respect of the Sale Transaction, will be subject to the risks and uncertainties associated with bankruptcy, which could affect the Debtors' businesses and operations in various ways.

(b) The Wind Down Budget May Change Materially

The Wind-Down Budget is the Debtors' best estimates of actual expenses and revenues during the remainder of the chapter 11 cases. Creditors should be aware that such numbers may change, potentially materially, and any changes to the actual expenses and revenues will ultimately impact the amount of distributable proceeds available to be paid to creditors under the Plan.

(c) The GUC Recovery Trust Causes of Action are Speculative

The GUC Recovery Trust Causes of Action and any recoveries related thereto are speculative and limited to proceeds payable exclusively from insurance maintained by the Debtors for the benefit of any current or former director or officer. There can be no guarantee that pursuit of the GUC Recovery Trust Causes of Action will result in any recoveries. For more information regarding the claims underlying the GUC Recovery Trust Causes of Action, please review the Standing Motion and the complaint attached thereto [ECF No. 546]. For more information supporting the opposition to the claims underlying the GUC Recovery Trust Causes of Action, please review the Standing Objections [ECF Nos. 564, 566, 567 & 571] and the updated preliminary report on the 2018 refinancing transactions prepared by Togut [ECF No 577].[9]

IX. CERTAIN UNITED STATES FEDERAL INCOME TAX CONSEQUENCES

A summary description of certain United States federal income tax consequences of the Plan is provided below. This description is for informational purposes only and, due to a lack of definitive judicial or administrative authority or interpretation, substantial uncertainties exist with respect to various tax consequences of the Plan as discussed herein. Only the principal United States federal income tax consequences of the Plan to the Debtors and for Holders of Claims who are entitled to vote to accept or reject the Plan and certain United States federal income tax consequences of owning a GUC Recovery Trust Interest are described below. No opinion of counsel has been sought or obtained with respect to any tax consequences of the Plan. No rulings or determinations of the Internal Revenue Service ("**IRS**") or any other taxing authorities have been or will be sought or obtained with respect to any tax consequences of the Plan, and the discussion below is not binding upon the IRS or such other taxing authorities. No representations are being made regarding the particular tax consequences of the confirmation or implementation of the Plan as to any Debtor or any Holder of a Claim. No assurance can be given that the IRS or another taxing authority would not assert, or that a court would not sustain, a different position from any discussed herein.

The discussion of United States federal income tax consequences below is based on the Internal Revenue Code of 1986, as amended (the "**Internal Revenue Code**"), Treasury regulations promulgated

[9] All of these pleadings can be accessed free of charge at the Debtors' restructuring website at https://www.kccllc.net/mcclatchy.

thereunder, judicial authorities, published positions of the IRS, and other applicable authorities, all as in effect on the date hereof and all of which are subject to change or differing interpretations (possibly with retroactive effect).

The following discussion does not address state, local or non-United States tax consequences of the Plan, nor does it purport to address the United States federal income tax consequences of the Plan to Non-U.S. Holders (as defined below) or to special classes of taxpayers (e.g., banks and certain other financial institutions, insurance companies, tax-exempt organizations, governmental entities, real estate investment trusts, regulated investment companies, United States expatriates, Holders of Claims who are, or who hold their Claims through, pass-through entities, persons whose functional currency is not the United States dollar, dealers in securities or foreign currency, and persons holding Claims that are a hedge against, or that are hedged against, currency risk or that are part of a straddle, constructive sale or conversion transaction). Furthermore, the following discussion does not address the Medicare contribution tax on net investment income or alternative minimum tax considerations for Holders of Claims or United States federal taxes other than income taxes. Except as expressly provided below, the following discussion assumes that Holders of Claims hold their Claims as capital assets for United States federal income tax purposes (generally, property held for investment), and that the various debt and other arrangements to which a Debtor is a party will be respected for United States federal income tax purposes in accordance with their forms. In addition, the following discussion generally assumes that the Plan implements the liquidation of the Debtors for U.S. federal income tax purposes, and that all distributions by the Debtors will be taxed accordingly.

For purposes of the following discussion, a "U.S. Holder" is a beneficial owner of a Claim that is (i) a citizen or individual resident of the United States; (ii) a corporation (or other entity classified as a corporation for United States federal income tax purposes) created or organized under the laws of the United States, any state thereof or the District of Columbia; (iii) an estate, the income of which is subject to United States federal income taxation regardless of its source; or (iv) a trust that (a) is subject to the primary supervision of a United States court and has one or more United States persons, within the meaning of Internal Revenue Code section 7701(a)(30), who have the authority to control all substantial decisions of the trust, or (b) has a valid election in effect under applicable Treasury regulations to be treated as a United States person. For purposes of the following discussion, a "Non-U.S. Holder" is a beneficial owner of a Claim that is an individual, corporation, estate or trust for United States federal income tax purposes and is not a U.S. Holder.

If a partnership (including any entity classified as a partnership for United States federal income tax purposes) holds Claims, the United States federal income tax consequences to the partners of such partnership will depend on the activities of the partnership and the status of the partners. A partnership participating in the Plan (and its partners) should consult their tax advisors regarding the consequences of participating in the Plan.

Each Holder of a Claim is strongly urged to consult its own tax advisor regarding the United States federal, state, local and non-United States tax consequences of the transactions described herein or contemplated by the Plan.

A. Certain United States Federal Income Tax Consequences to the Debtors

The Debtors intend and will treat the Sale Transaction as a taxable sale of assets for U.S. federal income tax purposes and intend and will treat the transfer of certain of the GUC Recovery Trust Assets owned by the Debtors as a taxable transfer of such assets at their then fair market value, and the following discussion assumes such treatment for U.S federal income tax purposes. In such event, the Debtors should recognize gain or loss in an amount equal to the difference between the tax basis in each asset that is

disposed of in the Sale Transaction or transferred and, in the case of the Sale Transaction, the sale price allocable to such assets for U.S. federal income tax purposes, or, in the case of the transfer of certain of the GUC Recovery Trust Assets, the fair market value of such assets. The Debtors expect to recognize certain deductions or losses in connection with the consummation of the Plan which, if recognized, will be available to offset such gains and income and generate a net operating loss in the taxable year of the Sale Transaction and the consummation of the Plan. The Debtors further expect that they will carry back such net operating loss to certain prior taxable years pursuant to the Coronavirus Aid, Relief, and Economic Security Act, Pub. L. 116-136, and that the Debtors will receive the Tax Refund for such prior taxable years (taking into account the carryback of such net operating loss). However, this result is uncertain and no assurances can be given in this regard. If gains recognized by the Debtors in connection with the Sale Transaction or the transfer of certain of the GUC Recovery Trust Assets could not be entirely offset with tax attributes, a cash tax liability could arise.

B. Certain United States Federal Income Tax Consequences to U.S. Holders of Allowed Class 3 Claims

The following summary discusses certain United States federal income tax consequences of the transactions contemplated by the Plan to Holders of Allowed Class 3 Claims that are U.S. Holders. These consequences (including the character, timing and amount of income, gain or loss recognized) will depend upon, among other things: (i) the manner in which a U.S. Holder of an Allowed Class 3 Claim acquired an Allowed Class 3 Claim; (ii) the length of time the Allowed Class 3 Claim has been held; (iii) the U.S. Holder of an Allowed Class 3 Claim's method of tax accounting; (iv) whether the U.S. Holder of an Allowed Class 3 Claim has taken a bad debt deduction with respect to the Allowed Class 3 Claim (or any portion of the Allowed Class 3 Claim) in the current or prior taxable years; (v) whether the Allowed Class 3 Claim was acquired at a discount; (vi) whether the U.S. Holder of a Allowed Class 3 Claim has previously included in its taxable income accrued but unpaid interest with respect to the Allowed Class 3 Claim; and (vii) whether the Allowed Class 3 Claim is an installment obligation for United States federal income tax purposes. The tax consequences described below are not exclusive, and some of the conclusions expressed are uncertain. U.S. Holders may be treated for United States federal income tax purposes in certain respects other than as set forth herein. Therefore, each U.S. Holder of an Allowed Class 3 Claim is strongly urged to consult its own tax advisor regarding information that may be relevant to its particular situation and circumstances and the tax consequences to it of the transactions contemplated by the Plan.

Pursuant to the Plan, Holders of Second Lien Term Loan Claims shall retain $1.00 on account of their Allowed Class 3 Claims and may receive further distributions on account of their Allowed Class 3 Claims after Holders of Allowed Class 5 Claims have been satisfied in full.

The receipt by a U.S. Holder of any property in exchange for an Allowed Class 3 Claim pursuant to the Plan should be treated as a taxable transaction for United States federal income tax purposes. In general, subject to the "market discount" rules discussed below, a U.S. Holder of an Allowed Class 3 Claim will recognize gain or loss with respect to its Allowed Class 3 Claim in an amount equal to the difference between (i) the sum of the amount of any cash and the fair market value of any other consideration received or treated as received in respect of its Claim for U.S. federal income tax purposes (other than any consideration attributable to a Claim for accrued but unpaid interest) and (ii) the adjusted tax basis of the Claim exchanged therefor (other than any tax basis attributable to accrued but unpaid interest previously included in the U.S. Holder's taxable income). The character of any income or loss as capital gain or loss or as ordinary income or loss will be determined by a number of factors, including the tax status of the U.S. Holder, the nature of the Claim in such U.S. Holder's hands, whether the Claim constitutes a capital asset in the hands of the U.S. Holder, and whether and to what extent the U.S. Holder has previously claimed a bad debt deduction with respect to its Claim. U.S. Holders of Allowed Class 3 Claims who recognize capital losses as a result of the distributions under the Plan will be subject to limits on their use of capital losses.

If a U.S. Holder of an Allowed Class 3 Claim had purchased its interest in the Second Lien Term Loans at a price less than such Second Lien Term Loan's "revised issue price" (generally, the issue price increased by all previous holders' inclusions of original issue discount), the difference would constitute "market discount" for United States federal income tax purposes. Gain recognized by a U.S. Holder in the exchange of an Allowed Class 3 Claim bearing market discount pursuant to the Plan should generally be treated as ordinary interest income to the extent of the market discount accrued on such Allowed Class 3 Claim during the U.S. Holder's period of ownership, unless the U.S. Holder elected to include accrued market discount in taxable income currently. U.S. Holders should consult their tax advisors regarding the potential application of the market discount rules.

To the extent that any Allowed Class 3 Claim entitled to a distribution under the Plan is composed of indebtedness and accrued but unpaid interest thereon, the Debtors intend to take the position that such distribution shall, to the extent permitted by applicable law, be allocated for United States federal income tax purposes to the principal amount of the Allowed Class 3 Claim first and then, to the extent the consideration exceeds the principal amount of the Claim, to the portion of such Claim representing accrued but unpaid interest. However, there is no assurance that such allocation would be respected by the IRS for U.S. federal income tax purposes. If any distribution under the Plan is treated as being allocated first to accrued but unpaid interest, a U.S. Holder of such an Allowed Claim would realize ordinary income with respect to the distribution in an amount equal to the lesser of such distribution and the accrued but unpaid interest not already taken into income under the U.S. Holder's method of accounting, regardless of whether the U.S. Holder otherwise realizes a loss as a result of the Plan. Conversely, a U.S. Holder of a surrendered Allowed Class 3 Claim may be able to recognize a deductible loss (or, possibly, a write-off against a reserve for worthless debts) to the extent that any accrued interest (including any accrued market discount for U.S. federal income tax purposes) on the debt instruments constituting such claim was previously included in the U.S. Holder's gross income but was not paid in full by the Debtors. Such loss may be ordinary; however, the tax law is unclear on this point.

C. Tax Treatment of the GUC Recovery Trust and U.S. Holders of Beneficial Interests Therein

In furtherance of Section 6.20 of the Plan, (i) the GUC Recovery Trust is intended to qualify as a "liquidating trust" within the meaning of Treasury Regulation section 301.7701-4(d) and in compliance with Revenue Procedure 94-45, 1994-2 C.B. 684, and, thus, as a "grantor trust" within the meaning of sections 671 through 679 of the Internal Revenue Code to the holders of General Unsecured Claims, consistent with the terms of the Plan; (ii) the sole purpose of the GUC Recovery Trust is intended to be the liquidation and distribution of the GUC Recovery Trust Assets in accordance with Treasury Regulation section 301.7701-4(d), including the resolution of General Unsecured Claims in accordance with the Plan, with no objective to continue or engage in the conduct of a trade or business; (iii) the transfer of the GUC Recovery Trust Assets to the GUC Recovery Trust is intended to be treated for all purposes of the Internal Revenue Code as a deemed transfer of such GUC Recovery Trust Assets to Holders of General Unsecured Claims to the extent that such Holders are recipients of GUC Recovery Trust Interests, followed by a deemed transfer of such GUC Recovery Trust Assets by such Holders to the GUC Recovery Trust; (iv) the holders of GUC Recovery Trust Interests are intended to be treated as the grantors and deemed owners of the GUC Recovery Trust; (v) the Debtors and the Estates, holders of General Unsecured Claims, and the GUC Recovery Trustee are required to report consistently with such treatment; (vi) the Purchaser, the GUC Recovery Trustee and the holders of GUC Recovery Trust Interests are required to report consistently with the valuation of the GUC Recovery Trust Assets transferred to the GUC Recovery Trust as determined by the Plan Administrator (or its designee) for all U.S. federal income tax purposes; (vii) the GUC Recovery Trustee is responsible for filing tax returns for the GUC Recovery Trust as a grantor trust pursuant to Treasury Regulation section 1.671-4(a); and (viii) the GUC Recovery Trustee will annually send to each holder of an interest in the GUC Recovery Trust a separate statement regarding the receipts and

expenditures of the trust as relevant for U.S. federal income tax purposes, and, accordingly, each holder of a GUC Recovery Trust Interest will be required to report on its U.S. federal income tax return(s) the holder's allocable share of all income, gain, loss, deduction or credit recognized or incurred by the GUC Recovery Trust. Subject to definitive guidance from the IRS or a court of competent jurisdiction to the contrary (including the receipt by the GUC Recovery Trustee of a private letter ruling if the GUC Recovery Trustee so requests one, or the receipt of an adverse determination by the IRS upon audit if not contested by the GUC Recovery Trustee), the GUC Recovery Trustee may timely elect to (i) treat any portion of the GUC Recovery Trust allocable to Disputed Claims as a "disputed ownership fund" governed by Treasury Regulation section 1.468B-9 (and make any appropriate elections) and (ii) to the extent permitted by applicable law, report consistently with the foregoing for state and local income tax purposes. If a "disputed ownership fund" election is made, the Debtors and the Estates, holders of General Unsecured Claims, and the GUC Recovery Trustee are required to report for United States federal, state, and local income tax purposes consistently with the foregoing.

While the foregoing discussion assumes that the GUC Recovery Trust would be treated as a "liquidating trust" and thus as a "grantor trust" for U.S. federal income tax purposes, no ruling will be requested from the IRS concerning the tax status of the GUC Recovery Trust as a grantor trust. Accordingly, there can be no assurance that the IRS would not take a contrary position to the classification of the GUC Recovery Trust as a grantor trust. If the IRS were to challenge successfully such classification, the U.S. federal income tax consequences to the GUC Recovery Trust and the holders of GUC Recovery Trust Interests could vary from those discussed herein. Holders are urged to consult their tax advisors regarding the U.S. federal income tax treatment of the GUC Recovery Trust, the transfer of the GUC Recovery Trust Assets to the GUC Recovery Trust, ownership of GUC Recovery Trust Interests, and receipt of distributions therefrom.

D. Information Reporting and Backup Withholding

Certain payments, including the distributions or payments in respect of Claims pursuant to the Plan, generally are subject to information reporting by the payor to the IRS. Moreover, such reportable payments may be subject to backup withholding (currently at a rate of twenty-four percent (24%)) under certain circumstances. Under the Internal Revenue Code's backup withholding rules, a U.S. Holder of a Claim may be subject to backup withholding with respect to distributions or payments made pursuant to the Plan unless the U.S. Holder of a Claim (i) comes within certain exempt categories (which generally include corporations) and, when required, demonstrates such exemption or (ii) timely provides a correct United States taxpayer identification number and makes certain certifications under penalties of perjury.

Backup withholding is not an additional tax. Amounts withheld under the backup withholding rules may be credited against a U.S. Holder of a Claim's United States federal income tax liability, and such U.S. Holder of a Claim may obtain a refund of any excess amounts withheld under the backup withholding rules by timely filing an appropriate claim for refund with the IRS.

In addition, Treasury regulations generally require disclosure by a taxpayer on its U.S. federal income tax return of certain types of transactions in which the taxpayer participated, including, among other types of transactions, certain transactions that result in the taxpayer's claiming a loss in excess of specified thresholds. Holders are urged to consult their tax advisors regarding these Treasury regulations and whether the transactions contemplated by the Plan would be subject to these Treasury regulations and require disclosure on the Holder's tax returns.

E. Importance of Obtaining Professional Tax Assistance

THE FOREGOING DISCUSSION IS INTENDED ONLY AS A SUMMARY OF CERTAIN UNITED STATES FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING WITH A TAX PROFESSIONAL. THE ABOVE DISCUSSION IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT TAX ADVICE. THE TAX CONSEQUENCES TO THE DEBTORS AND HOLDERS ARE IN MANY CASES UNCERTAIN AND MAY VARY DEPENDING ON A HOLDER'S PARTICULAR CIRCUMSTANCES. ACCORDINGLY, EACH HOLDER IS STRONGLY URGED TO CONSULT ITS OWN TAX ADVISOR REGARDING THE UNITED STATES FEDERAL, STATE, LOCAL AND NON-UNITED STATES TAX CONSEQUENCES OF THE TRANSACTIONS DESCRIBED HEREIN OR CONTEMPLATED BY THE PLAN.

X. RECOMMENDATION

A. Hearing on and Objections to Confirmation

(a) Confirmation Hearing

The Confirmation Hearing has been scheduled for September 23, 2020 at 11:00 a.m. (Eastern). Such hearing may be adjourned from time to time by announcing such adjournment in open court, all without further notice to parties-in-interest, and the Plan may be modified by the Debtors pursuant to section 1127 of the Bankruptcy Code prior to, during, or as a result of the Confirmation Hearing, without further notice to other parties-in-interest.

(b) Date Set for Filing Objections to Confirmation of the Plan

The time by which all objections to confirmation of the Plan must be filed with the Bankruptcy Court and received by the parties listed in the Confirmation Hearing Notice has been set for September 18, 2020 at 4:00 p.m. (prevailing Eastern). A copy of the Confirmation Hearing Notice is enclosed with this Disclosure Statement.

(c) Recommendation

The Debtors and the Committee recommend the Plan because it provides for greater distributions to the Holders of Claims and Interests than would otherwise result in a liquidation under chapter 7 of the Bankruptcy Code. In addition, any alternative other than Confirmation could result in extensive delays and increased administrative expenses resulting in smaller distributions to the Holders of Claims. Accordingly, the Debtors recommend that Holders of Claims entitled to vote on the Plan support Confirmation and vote to accept the Plan.

[*Signature Page to Follow*]

Dated: August 21, 2020

Respectfully submitted,

THE McCLATCHY COMPANY, on behalf of itself and its affiliates listed below

By: */s/ Sean M. Harding*
Name: Sean M. Harding
Title: Chief Restructuring Officer

Cypress Media, Inc.
Aboard Publishing, Inc.
Bellingham Herald Publishing, LLC
Belton Publishing Company, Inc.
Biscayne Bay Publishing, Inc.
Cass County Publishing Company
Columbus-Ledger Enquirer, Inc.
Cypress Media, LLC
East Coast Newspapers, Inc.
El Dorado Newspapers
Gulf Publishing Company, Inc.
Herald Custom Publishing of Mexico, S. de R.L. de C.V.
HLB Newspapers, Inc.
Idaho Statesman Publishing, LLC
Keltatim Publishing Company, Inc.
Keynoter Publishing Company, Inc.
Lee's Summit Journal, Incorporated
Lexington H-L Services, Inc.
Macon Telegraph Publishing Company
Mail Advertising Corporation
McClatchy Big Valley, Inc.
McClatchy Interactive LLC
McClatchy Interactive West
McClatchy International Inc.
McClatchy Investment Company
McClatchy Management Services, Inc.
McClatchy Newspapers, Inc.
McClatchy News Services, Inc.
McClatchy Property, Inc.
McClatchy Resources, Inc.
McClatchy Shared Services, Inc.
McClatchy U.S.A., Inc.
Miami Herald Media Company
N & O Holdings, Inc.
Newsprint Ventures, Inc.
Nittany Printing and Publishing Company
Nor-Tex Publishing, Inc.
Olympian Publishing, LLC
Olympic-Cascade Publishing, Inc.
Pacific Northwest Publishing Company, Inc.

Quad County Publishing, Inc.
San Luis Obispo Tribune, LLC
Star-Telegram, Inc.
Tacoma News, Inc.
The Bradenton Herald, Inc.
The Charlotte Observer Publishing Company
The News and Observer Publishing Company
The State Media Company
The Sun Publishing Company, Inc.
Tribune Newsprint Company
Tru Measure, LLC
Wichita Eagle and Beacon Publishing Company, Inc.
Wingate Paper Company

EXHIBIT A

Joint Chapter 11 Plan of Distribution of The McClatchy Company and its Affiliated Debtors and Debtors in Possession

[Plan Filed Under Separate Cover]