

LIN Media LLC
Form DEF 14A
April 07, 2014

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant x

Filed by a Party other than the Registrant o

Check the appropriate box:

- o Preliminary Proxy Statement
- o Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- x Definitive Proxy Statement
- o Definitive Additional Materials
- o Soliciting Material under §240.14a-12

LIN Media LLC

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- x No fee required.
 - o Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
 - (1) Title of each class of securities to which transaction applies:
 - (2) Aggregate number of securities to which transaction applies:
 - (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
 - (4) Proposed maximum aggregate value of transaction:
 - (5) Total fee paid:
 - o Fee paid previously with preliminary materials.
Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.
 - (1) Amount Previously Paid:
 - (2) Form, Schedule or Registration Statement No.:
 - (3) Filing Party:
 - (4) Date Filed:
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EXPLANATORY NOTE

On July 30, 2013, LIN TV Corp. (“LIN TV”), completed its merger with and into LIN Media LLC, a Delaware limited liability company and wholly owned subsidiary of LIN TV (“LIN LLC”), with LIN LLC as the surviving entity (the “Merger”) pursuant to the Agreement and Plan of Merger, dated February 12, 2013, by and between LIN TV and LIN LLC (the “Merger Agreement”). Entry into the Merger Agreement was previously announced by LIN TV on its Current Report on Form 8-K filed with the U.S. Securities and Exchange Commission on February 15, 2013.

LIN LLC filed a Current Report on Form 8-K on July 31, 2013 (the “Form 8-K”) for the purpose of establishing LIN LLC as the successor issuer pursuant to Rule 12g-3(a) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and to disclose certain related matters, including the consummation of the Merger. Pursuant to Rule 12g-3(a) under the Exchange Act and in accordance with the filing of the Form 8-K, the class A common shares representing limited liability interests in LIN LLC, as the successor issuer to LIN TV, were deemed registered under Section 12(b) of the Exchange Act. References to LIN LLC, we, us, or the Company in this Proxy Statement that include any period at and before the effectiveness of the Merger shall be deemed to refer to LIN TV as the predecessor issuer to LIN LLC. For more information concerning the effects of the Merger and the succession of LIN LLC to LIN TV upon its effectiveness, please see the Form 8-K.

LIN Media LLC
701 Brazos Street, Suite 800
Austin, Texas 78701

NOTICE OF 2014 ANNUAL MEETING OF SHAREHOLDERS

To be held on May 6, 2014

As a shareholder of LIN Media LLC, you are hereby given notice of and invited to attend, in person or by proxy, our 2014 Annual Meeting of Shareholders to be held at the Omni Hotel Downtown Austin, 700 San Jacinto Boulevard, Austin, Texas 78701 on May 6, 2014 at 10:00 a.m., local time, at which shareholders will consider and vote on the following matters:

1. The election of three members to our Board of Directors to serve as Class II directors for a term of three years;
2. The ratification of the selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the year ending December 31, 2014;
3. An advisory vote on compensation paid by the Company to its named executive officers; and
4. The transaction of any other business which may properly come before the meeting.

Our Board of Directors has fixed the close of business on March 17, 2014 as the record date for the determination of shareholders entitled to receive notice of and to vote at the Annual Meeting.

All shareholders are cordially invited to attend the Annual Meeting.

By Order of our Board of Directors,
Denise M. Parent
Secretary

April 7, 2014

TO ENSURE THAT YOUR SHARES ARE REPRESENTED AT THE ANNUAL MEETING, PLEASE FILL IN, DATE, SIGN AND PROMPTLY MAIL THE ENCLOSED PROXY CARD, FOR WHICH A RETURN STAMPED ENVELOPE IS PROVIDED.

LIN Media LLC
701 Brazos Street, Suite 800
Austin, Texas 78701

PROXY STATEMENT FOR THE ANNUAL MEETING OF SHAREHOLDERS

To be held on May 6, 2014

The accompanying proxy is solicited on behalf of the Board of Directors of LIN Media LLC, a Delaware limited liability company (“we,” “us,” “our” or the “Company”), for use at our 2014 Annual Meeting of Shareholders (the “Annual Meeting”) to be held at the Omni Hotel Downtown Austin, 700 San Jacinto Boulevard, Austin, Texas 78701 on May 6, 2014 at 10:00 a.m., local time, notice of which is attached hereto, and any adjournment or postponement thereof.

The Annual Meeting is being held (1) to consider and vote upon the election of three Class II directors for a three-year term, (2) to ratify the selection of PricewaterhouseCoopers LLP as the independent registered public accounting firm of the Company for the year ending December 31, 2014, (3) to consider an advisory vote on compensation paid by the Company to its named executive officers, and (4) to transact any other business which may properly come before the meeting.

Our Board recommends that you vote your shares:

•“FOR” each of the nominees to the Board (Proposal No. 1);

•“FOR” ratification of the appointment of PricewaterhouseCoopers LLP as the Company’s independent public accounting firm for 2014 (Proposal No. 2); and

•“FOR” the advisory vote on executive compensation (Proposal No. 3).

This Proxy Statement and the enclosed form of proxy are being mailed to shareholders commencing on or about April 7, 2014.

A copy of our Annual Report on Form 10-K for the fiscal year ended December 31, 2013 (“10-K”), as filed with the Securities and Exchange Commission (“SEC”), is being mailed to shareholders with this Notice and Proxy Statement on or about April 7, 2014. Exhibits will be provided to any shareholder at no charge upon written or oral request to LIN Media LLC, 701 Brazos Street, Suite 800, Austin, Texas 78701, Attention: Denise M. Parent, Secretary; Telephone: (401) 454-2880.

Shares Entitled to Vote

Our Board has fixed the close of business on March 17, 2014 as the record date for the Annual Meeting or any adjournment thereof. Only shareholders who were record owners of our common shares at the close of business on the record date are entitled to receive notice of and to vote at the Annual Meeting or any adjournment or postponement thereof. As of March 17, 2014, 34,495,750 of our class A common shares, 20,901,726 of our class B common shares and two of our class C common shares were outstanding.

Holders of class A common shares outstanding on the record date are entitled to one vote per share at the Annual Meeting.

The class B common shares are generally not entitled to vote except with respect to approval of a range of specified company transactions as to which the class B common shares vote as a separate class, with each Class B common share entitled to one vote. None of the proposals being considered at the Annual Meeting are matters as to which approval of a majority of the class B common shares is required.

The class C common shares are entitled to 70% of the voting power on all matters submitted to a vote of our shareholders. Each outstanding Class C common is entitled to a proportionate number of votes determined at the record date relative to the total number of class A common shares outstanding. As of March 17, 2014, there were two class C common shares outstanding. As a result, each class C common share will be entitled to cast 40,245,042 votes at the Annual Meeting. The class A common shares and the class C common shares generally vote together as a single class on all matters submitted to a vote of our shareholders.

Voting in Person

If a shareholder plans to attend the meeting and vote in person, we will provide a ballot to such shareholder as he or she arrives. However, if shares are held in the name of a broker, bank or other nominee, the shareholder must bring an account statement or letter from the nominee indicating that such shareholder was the beneficial owner of the shares on March 17, 2014, the record date for voting.

Voting by Proxy

Shares represented by a properly executed proxy in the accompanying form will be voted at the Annual Meeting and, when instructions have been given by the shareholder, will be voted in accordance with those instructions. If no instructions are given, the shareholder's shares will be voted according to the recommendations of our Board.

Quorum Requirement

A quorum of shareholders is necessary to hold a valid meeting. A majority of shares entitled to vote at the Annual Meeting present in person or represented by proxy represents a quorum. Shares which abstain from voting on a particular matter and "broker non-votes," or shares held in "street name" by brokers or nominees who indicate on their proxies that they do not have discretionary authority to vote such shares on a particular matter, are counted for purposes of determining whether a quorum exists.

Under the rules of the New York Share Exchange ("NYSE"), in the absence of instructions from persons holding shares in "street name," brokers and nominees may vote at their discretion on routine matters. The only proposal at the Annual Meeting that is considered a routine matter under NYSE rules is the ratification of appointment of our independent registered public accounting firm. The other proposals are not routine under NYSE rules and brokers and nominees will not be permitted to vote at their discretion on such proposals in the absence of instructions.

Vote Required

Proposal 1: Election of Directors

The election of directors requires a plurality of the votes cast, and votes may be cast in favor of the nominees or withheld. A plurality means that the nominee receiving the most votes for election to a director position is elected to that position. Abstentions and broker non-votes will be excluded entirely from the vote to elect directors and have no effect on the voting on such matter.

Proposal 2: Ratification of the Selection of Independent Registered Public Accounting Firm

The ratification of the selection of our independent registered public accounting firm requires the affirmative vote of a majority of the votes cast at the meeting, and votes may be cast for, against or may abstain. Abstentions will count in the tabulations of votes cast on this proposal, while broker non-votes are not counted as votes cast or shares voting on such matter and will have no effect on the voting on such matter.

Proposal 3: Advisory vote to approve executive compensation

The advisory vote on the compensation paid by the Company to its named executive officers, commonly referred to as a "say-on-pay" proposal, is non-binding, meaning that our Board of Directors will not be obligated to take any actions as a result of the vote. Notwithstanding the advisory nature of the vote, the resolution will be considered passed with the affirmative vote of a majority of the votes present (in person or by proxy) at the Annual Meeting. Abstentions will count in the tabulations of votes cast on this proposal, while broker non-votes are not counted as votes cast or shares voting on such matter and will have no effect on the voting on such matter.

Under Delaware law, shareholders have no rights of appraisal or similar rights of dissenters with respect to any of the proposals to be voted upon at the Annual Meeting.

Revoking a Proxy

A shareholder may revoke his or her proxy at any time before its exercise by sending written notice of revocation to the Secretary of the Company, by signing and delivering a later dated proxy or, if the shareholder attends the Annual Meeting in person, either by giving notice of revocation to the inspector of election at the Annual Meeting or by voting at the Annual Meeting.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth information regarding the beneficial ownership of each class of our common shares by each person who beneficially owned more than 5% of any class of our equity securities and by our directors and named executive officers (as defined in the Summary Compensation Table), individually, and by our directors and executive officers as a group, as of February 27, 2014 (unless otherwise noted).

The amounts and percentages of common shares beneficially owned are reported on the basis of regulations of the SEC governing the determination of beneficial ownership of securities. Under the rules of the SEC, a person is deemed to be a beneficial owner of a security if that person has or shares voting power, which includes the power to vote or to direct the voting of such security, or investment power, which includes the power to dispose of or to direct the disposition of such security. Unless otherwise indicated below, each beneficial owner named in the table below has sole voting and sole investment power with respect to all shares beneficially owned, subject to community property laws where applicable.

Holders of our class B common shares may elect at any time to convert their shares into an equal number of class A common shares, provided that any necessary consent by the Federal Communications Commission ("FCC") has been obtained. With the approval of the holders of a majority of our class B common shares and the FCC, if necessary, one or more class B common shares of a holder may be converted into an equal number of class C common shares. If a majority of the class B common shares convert into class A common shares, each outstanding class C common share will automatically convert into an equal number of class A common shares.

Percentage of beneficial ownership is based on 34,495,067 class A common shares, 20,901,726 class B common shares and two class C common shares outstanding as of February 27, 2014. The number of beneficially owned class A common shares excludes class A common shares issuable upon conversion of our class B common shares and class C common shares. The number of beneficially owned class C common shares excludes our class C common shares issuable upon conversion of our class B common shares.

Unless otherwise indicated below, the address of each person below is c/o LIN Media LLC, 701 Brazos Street, Suite 800, Austin, Texas 78701.

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	Class A Common Shares		Class B Common Shares		Class C Common Shares		Percent of Total Economic Interest	Percent of Total Class A and Class C Voting Power		
	Number of Shares	Percent of Class	Number of Shares	Percent of Class	Number of Shares	Percent of Class				
HM Entities ⁽¹⁾ c/o Hicks Muse & Co. Partners, L.P. 200 Crescent Court, Suite 1600 Dallas, Texas 75201	—	—	20,808,774	99.6 %	1	50.0 %	37.6 %	35.0 %		
Morgan Stanley ⁽²⁾ 1585 Broadway New York, NY 10036	4,909,015	14.2 %	—	—	—	—	8.9 %	4.3 %		
Gabelli Asset Management Entities ⁽³⁾ 767 Fifth Avenue New York, NY 1153	2,454,574	7.1 %	—	—	—	—	4.4 %	2.1 %		
MSDC Management, L.P. ⁽⁴⁾ 645 Fifth Avenue, 21st Floor New York, NY 10022	2,210,655	6.4 %	—	—	—	—	4.0 %	1.9 %		
Neuberger Group LLC ⁽⁵⁾ 605 Third Avenue New York, NY 10158	2,014,800	5.8 %	—	—	—	—	3.6 %	1.8 %		
BlackRock, Inc. ⁽⁶⁾ 40 East 52 nd St. New York, NY 10022	1,870,417	5.4 %	—	—	—	—	3.4 %	1.6 %		
Vincent L. Sadusky ⁽⁷⁾	1,888,573	5.3 %	—	—	—	—	3.4 %	1.6 %		
Richard J. Schmaeling ⁽⁸⁾	398,708	1.2 %	—	—	—	—	*	*		
Robert S. Richter ⁽⁹⁾	352,874	1.0 %	—	—	—	—	*	*		
Douglas W. McCormick ⁽¹⁰⁾	338,997	*	—	—	—	—	*	*		
Denise M. Parent ⁽¹¹⁾	315,356	*	—	—	—	—	*	*		
William S. Banowsky ⁽¹²⁾	243,728	*	—	—	—	—	*	*		
Peter S. Brodsky ⁽¹³⁾	231,397	*	—	—	—	—	*	*		
Dr. William H. Cunningham ⁽¹⁴⁾	217,883	*	—	—	—	—	*	*		
Michael A. Pausic ⁽¹⁵⁾	189,827	*	—	—	—	—	*	*		
Royal W. Carson, III ⁽¹⁶⁾ 500 Victory Plaza East	148,446	*	—	—	1	50.0 %	*	35.1 %		

3030 Olive Street

Dallas, Texas 75219

John A. Howell IV ⁽¹⁷⁾	118,263	*	—	—	—	—	*	*					
John R. Muse ⁽¹⁸⁾	30,400	*	20,876,325	99.9	%	1	50.0	%	37.7	%	35.0	%	
Scott M. Blumenthal ⁽¹⁹⁾	62,971	*	—	—	—	—	—	*	*				
All named executive officers and directors as a group (12 persons)	4,537,423	13.0	%	20,876,325	99.9	%	2	100.0	%	45.6	%	73.8	%

*Represents less than 1%

Includes shares held by the following persons or entities that are or may be deemed to be affiliated with Hicks Muse & Co. Partners, L.P. (“HMC”): (i) 16,195,611 class B common shares and one class C common share held of record by Hicks, Muse, Tate & Furst Equity Fund III, L.P., a limited partnership of which the ultimate general partner is Hicks Muse Fund III Incorporated, (ii) 211,787 class B common shares held of record by HM3

- (1) Coinvestors, L.P., a limited partnership of which the ultimate general partner is Hicks Muse Fund III Incorporated, (iii) 4,193,504 class B common shares held of record by Hicks, Muse, Tate & Furst Equity Fund IV, L.P., a limited partnership of which the ultimate general partner is Hicks, Muse Latin America Fund I Incorporated, (iv) 28,207 class B common shares held of record by Hicks, Muse, Tate & Furst Private Equity Fund IV, L.P., a limited partnership of which the ultimate general partner is Hicks, Muse Latin America Fund I Incorporated, (v) 65,079 class B common shares held of record by HM4-EQ Coinvestors, L.P., a limited partnership of which the ultimate

general partner is Hicks, Muse Fund IV, LLC, and (vi) 114,586 class B common shares held of record by Hicks, Muse & Co. Partners, L.P., a limited partnership of which the ultimate general partner is HM Partners Inc. John R. Muse is (a) the sole shareholder and an executive officer of Hicks, Muse Fund III Incorporated and Hicks, Muse Latin America Fund I Incorporated, (b) the sole member and an executive officer of Hicks, Muse Fund IV, LLC and (c) the majority stockholder, a director and an executive officer of HM Partners Inc. Accordingly, Mr. Muse may be deemed to be the beneficial owner of the shares held of record by the entities listed in clauses (i) through (vi) of this footnote (1). Mr. Muse disclaims beneficial ownership of shares not owned of record by him, except to the extent of his pecuniary interest therein. In addition, Mr. Muse and Andrew S. Rosen are the voting members of a committee that exercises voting and dispositive powers over the Company securities held by the entities affiliated with HMC. No single member of the committee has dispositive and/or voting power over the shares held by the HMC affiliates. Messrs. Muse and Rosen are current partners of HMC. As a result of the foregoing, each of Messrs. Muse and Rosen may be deemed to beneficially own all or a portion of the shares of common stock beneficially owned by the HMC affiliates described above. Each of Messrs. Muse and Rosen disclaims the existence of a group and disclaims beneficial ownership of shares of common stock not owned of record by him, except to the extent of any pecuniary interest therein.

- According to the Schedule 13G/A amendment filed on January 28, 2014, Morgan Stanley and Morgan Stanley Strategic Investments, Inc. are the beneficial owners of, and have the sole power to dispose of or direct the disposition of 3,156,141 and 1,752,874 of class A common shares, respectively. Morgan Stanley has the sole
- (2) power to vote or direct the vote of 3,146,373 class A common shares and shared power to vote of 3,377 class A common shares. Morgan Stanley Strategic Investments, Inc. has the sole power to vote or direct the vote of 1,752,874 class A common shares. Morgan Stanley Strategic Investments, Inc. is a wholly-owned subsidiary of Morgan Stanley and may be deemed to be the beneficial owner of the shares held of record by Morgan Stanley. According to the Schedule 13D/A filed on September 5, 2013, Gabelli Funds, LLC ("Gabelli Funds"), GAMCO Asset Management Inc. ("GBL"), MJG Associates, Inc. ("MJG") and Teton Advisors are the beneficial owners of
- (3) and have the sole power to dispose of or direct the disposition of 625,000, 1,666,208, 4,000 and 159,366 of class A common shares, respectively. Gabelli Funds, GBL, MJG and Teton Advisors have the sole power to vote or direct the vote of zero, 1,640,166, 4,000 and 159,366, of class A common shares, respectively. Gabelli Funds and GBL are wholly-owned subsidiaries of GAMCO Investors, Inc. Mario J. Gabelli is the sole shareholder of MJG. According to the Schedule 13G filed on January 27, 2014, MSD Torchlight Partners, L.P. ("MSD Torchlight") and MSD Torchlight Partners (MM), L.P. ("MSD Torchlight (MM)"), such persons are the beneficial owners of, have the sole power to dispose of or direct the disposition and have shared voting power of 2,153,403 and 57,252 of
- (4) class A common shares, respectively. MSDC Management, L.P. ("MSDC") is the investment manager of, and may be deemed to beneficially own securities beneficially owned by, MSD Torchlight and MSD Torchlight (MM). MSDC Management (GP), LLC ("MSDC GP") is the general partner of, and may be deemed to beneficially own securities beneficially owned by, MSDC. Each of Glenn R. Fuhrman, John C. Phelan and Marc R. Lisker is a manager of, and may be deemed to beneficially own securities beneficially owned by, MSDC GP. According to the Schedule 13G filed on February 12, 2014, Neuberger Berman Group LLC is the beneficial owner of and has shared power to dispose or to direct the disposition of 2,014,800 class A common shares, which
- (5) includes shares from individual client accounts over which Neuberger Berman LLC has shared power to dispose but does not have voting power over these shares. Neuberger Berman LLC has shared power to vote or to direct the vote of 2,010,900 class A common shares. According to the Schedule 13GA filed on February 5, 2013, BlackRock, Inc. is the beneficial owner of 1,870,417
- (6) class A common shares with the sole power to vote or direct the vote and to dispose of or direct the disposition of 1,870,417 of class A common shares.
- (7) Consists of 884,509 class A common shares issuable upon the exercise of options that are exercisable within 60 days of February 27, 2014 and 1,004,064 class A common shares held of record.
- (8) Consists of 163,325 class A common shares issuable upon the exercise of options that are exercisable within 60 days of February 27, 2014 and 235,383 class A common shares held of record.
- (9) Consists of 162,557 class A common shares issuable upon the exercise of options that are exercisable within 60 days of February 27, 2014 and 190,317 class A common shares held of record.

- (10) Consists of 162,225 class A common shares issuable upon the exercise of options that are exercisable within 60 days of February 27, 2014 and 176,772 class A common shares held of record.
- (11) Consists of 154,285 class A common shares issuable upon the exercise of options that are exercisable within 60 days of February 27, 2014 and 161,071 class A common shares held of record.

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- (12) Consists of 142,367 class A common shares issuable upon the exercise of options that are exercisable within 60 days of February 27, 2014 and 101,361 class A common shares held of record.
- (13) Consists of 138,925 class A common shares issuable upon the exercise of options that are exercisable within 60 days of February 27, 2014 and 92,472 class A common shares held of record.
- (14) Consists of 112,075 class A common shares issuable upon the exercise of options that are exercisable within 60 days of February 27, 2014 and 105,808 class A common shares held of record.
- (15) Consists of 112,633 class A common shares issuable upon the exercise of options that are exercisable within 60 days of February 27, 2014 and 77,194 class A common shares held of record.
- (16) Consists of 1 class C common share held by Carson LIN SBS L.P., a limited partnership whose ultimate general partner is Carson Private Capital Incorporated, and 78,604 class A common shares issuable upon the exercise of options that are exercisable within 60 days of February 27, 2014 and 69,842 class A common shares held of record.
- (17) Mr. Howell was appointed Vice President Television effective January 1, 2014. Consists of 45,900 class A common shares issuable upon the exercise of options that are exercisable within 60 days of February 27, 2014 and 72,363 class A common shares held of record.
- (18) Consists of 25,000 class A common shares issuable upon the exercise of options that are exercisable within 60 days of February 27, 2014 and 5,400 class A common shares held of record. In addition, Mr. Muse is deemed to share beneficial ownership with HMC of the 20,808,774 class B common shares and 1 class C common share owned by affiliates of HMC. This number also includes (i) 57,283 class B common shares held of record by Mr. Muse, (ii) 1,255 class B common shares held of record by Muse Family Enterprises, Ltd., and (iii) 9,013 class B common shares held of record by JRM Interim Investors, L.P. Muse Family Enterprises, Ltd. and JRM Interim Investors L.P. are both indirectly beneficially owned by Mr. Muse and Mr. Muse disclaims beneficial ownership of each except to the extent of any pecuniary interest therein.
- (19) Consists of 62,971 class A common shares held of record and no options exercisable within 60 days of February 27, 2014. Mr. Blumenthal was Executive Vice President Television until his retirement on December 31, 2013.

DIRECTORS AND EXECUTIVE OFFICERS

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), requires our directors, executive officers and holders of more than 10% of our class A common shares to file with the SEC initial reports of ownership of our class A common shares and other equity securities on a Form 3 and reports of changes in such ownership on a Form 4 or Form 5. Officers, directors and holders of more than 10% of our class A common shares are required by SEC regulations to furnish the Company with copies of all Section 16(a) forms they file. To our knowledge, based solely on a review of our records and representations made by our officers and directors regarding their filing obligations, all Section 16(a) filing requirements were satisfied with respect to the fiscal year ended December 31, 2013.

PROPOSAL 1—ELECTION OF DIRECTORS

We have a classified Board of Directors consisting of Class I, Class II and Class III directors. Currently there is one vacancy on our Board in Class I. Our Limited Liability Company Agreement provides that subject to the rights of holders of any class or series of preferred shares to elect directors, the number of directors shall be established by our Board. Our Board has set the number of directors at nine.

At each annual meeting of shareholders, each nominee is elected for a term of three years to succeed those whose terms are expiring. This year, three Class II directors will be elected for a three-year term expiring at the 2017 Annual Meeting. The Class III directors have terms expiring at the 2015 Annual Meeting and the Class I directors have terms expiring at the 2016 Annual Meeting.

The persons named in the enclosed proxy will vote to elect as directors the Class II nominees named below, unless the proxy is marked otherwise. If a shareholder returns a proxy without contrary instructions, the persons named as proxies will vote to elect as directors the Class II nominees named below. Each Class II nominee will be elected to hold office until the 2017 Annual Meeting of Shareholders and until his successor is duly elected and qualified. The nominees have indicated their willingness to serve, if elected. However, if any should be unable to serve, the common shares represented by proxies may be voted for substitute nominees designated by our Board.

Set forth below are the names and ages of each member of our Board (including the nominees for election as Class II directors), the positions and offices held by him, his principal occupation and business experience during the past five years, the names of other publicly held companies of which he serves as a director or has served as a director during the past five years and the year of the commencement of his term as a member of our Board.

In evaluating potential director candidates, the Nominating and Governance Committee seeks candidates who can make substantial contributions to our Board on various issues, including, chief executive officer or similar senior executive leadership experience, expertise in finance, accounting, financial controls and compliance, experience with public company directorships and core management experience in the media industry. Each of the director nominees has served in senior leadership positions in large organizations and/or has experience with corporate management and/or the oversight of financial reporting. The nominees for election at the Annual Meeting also possess experiences and qualifications that the Nominating and Governance Committee believes make such nominees uniquely suited to make substantial contributions to the Board. Specific skills and experience of each of our Board members, including directors whose terms continue beyond the Annual Meeting, are identified in the summaries below.

Information with respect to the number of common shares beneficially owned by each director, directly or indirectly, as of February 27, 2014, appears above under the heading “Security Ownership of Certain Beneficial Owners and Management.”

We recommend that you vote FOR each of the three nominees listed below.

Name and Age

Principal Occupation and Business Experience

Nominees for Term Expiring in 2017 (Class II Directors)

Peter S. Brodsky, 43

Mr. Brodsky was elected to our Board in June 2005. Mr. Brodsky is a founder and partner of HBC Investments, a firm focused on investing in growth-oriented companies. Prior to co-founding HBC, Mr. Brodsky was a partner at the private equity firm of HM Capital Partners its predecessor, Hicks Muse, where he was employed for over 15 years. At HM Capital, Mr. Brodsky was active in sourcing, executing, overseeing and/or exiting numerous transactions, valued in excess of \$2.5 billion. Mr. Brodsky currently serves on three non-profit boards: North Texas Public Broadcasting, Inc.; KIPP: Dallas-Fort Worth and Vogel Alcove Foundation. Mr. Brodsky also serves on the boards of Mobivity Holdings Corp (MFON) and American Hometown Media. Mr. Brodsky received his BA from Yale University. Specific qualifications, experience, skills and expertise:

- Expertise in finance and business opportunities in traditional and new media as well as other industries
- Company directorship and committee experience

Douglas W. McCormick, 64

Mr. McCormick was elected to our Board and named non-executive Chairman of our Board in September 2006. Mr. McCormick is a Venture Partner with Rho Ventures, a division of Rho Capital Partners, which he joined in October 2006. Mr. McCormick's primary focus at Rho is on investments in the media sector. Prior to Rho, Mr. McCormick was CEO of iVillage Inc., a public company, from August 2000 until the sale of iVillage Inc. to NBC Universal in May 2006. He also served on iVillage's board of directors, to which he was appointed in February 1999 and was elected Chairman in April 2001. Mr. McCormick also served as President and Chief Executive Officer of Lifetime Television, a cable network provider, from 1993 to 1998. Prior to Lifetime, Mr. McCormick held executive positions with The Samuel Goldwyn Company, Cable Health Network, Petry Television and KCOP-TV. Currently, Mr. McCormick is a member of the board of Ovation Television and is Chairman of the Board of Everyday Health in addition to serving on the boards of other private companies in the Rho portfolio. Mr. McCormick received his MBA from Columbia University. Specific qualifications, experience, skills and expertise:

- Operating and management experience, including as a chief executive officer of a global media corporation
- Expertise in the traditional and new media markets
- Company directorship and committee experience

Michael A. Pausic, 49

Mr. Pausic was elected to our Board in February 2006. Mr. Pausic is a Partner of Foxhaven Asset Management, LP, a registered investment advisor managing private investment funds, which he founded in 2013. From 1997 until 2013, Mr. Pausic served as a Limited Partner of Maverick Capital Ltd., an investment advisory firm, where he led Maverick's efforts in media and telecommunications investments. From 1995 to 1997, Mr. Pausic was a corporate Vice President at Viacom where he was responsible for international strategic planning and business development. From 1991 to 1995, he served as Vice President of market development and strategic

planning for 20th Century Fox News Corporation. Mr. Pausic received his BS from the University of Virginia and MBA from Fuqua School of Business at Duke University.

Specific qualifications, experience, skills and expertise:

- Expertise in business and finance
- Extensive background in development of strategic business opportunities in the media industry
- Company directorship and committee experience

Name and Age

Principal Occupation and Business Experience

Directors Whose Term Expires in 2015 (Class III Directors)

Royal W. Carson, III, 64

Mr. Carson was elected to our Board in August 2000. Mr. Carson is Chairman and Chief Executive Officer of Carson Private Capital, a Dallas-based private investment firm with a 40-year history of sponsoring and managing investment partnerships to provide a small and select group of ultra high net worth individuals and family offices access to high-caliber North American and European private equity acquisitions in the branded consumer and energy sectors. Since 1997, Mr. Carson's core focus has been the investment of over \$1 billion of equity and debt capital participating in the acquisition of control ownership of over 90 leading businesses, as well as the acquisition of domestic oil and natural gas reserves, typically limited to institutional investors. From 1974 to 1994, Mr. Carson's core focus was in oil and gas production and operations. In 1977, Mr. Carson founded Carson Petroleum Corporation, a mid-sized independent oil and gas company, which he operated until the business was sold to Devon Energy in 1982. Mr. Carson subsequently co-founded CPC Dale Petroleum Company that focused on oil and gas production acquisitions and horizontal drilling operations in Texas and Louisiana, until those assets were sold to W.R. Grace & Company and Snyder Oil & Gas in 1994. Mr. Carson serves as trustee of the University of San Diego, on the board of directors of the University of Colorado Leeds School of Business and Deeming Center for Entrepreneurship. Mr. Carson serves on the Advisory Boards of private equity sponsors Lion Capital (London) and Cotton Creek Capital Partners (Dallas). Mr. Carson serves, or has served, on the executive boards of several privately held corporations and non-profit organizations including the Roaring Fork Club (Aspen), AimTruancy Solutions, LLC, Dallas Museum of Natural History and St. Phillips School and Community Center (South Dallas).

Specific qualifications, experience, skills and expertise:

- Expertise in business and finance
- Extensive background in development of strategic business opportunities
- Company directorship and committee experience

John R. Muse, 63

Mr. Muse was elected to our Board in September 2012. Mr. Muse is Chairman of the private equity firm, Kainos Capital, LLC, successor to Hicks, Muse & Co., which he founded with Tom Hicks in 1989. Prior to founding Hicks, Muse & Co., he was an investment banker after serving as an officer in the United States Air Force. Mr. Muse recently acquired control of Lucchese Boot Company, Inc., a privately-held boot manufacturer, and serves as its Chairman. He serves on the boards of directors of Dean Foods (NYSE: DF), the Anderson School of Business at UCLA and other privately held corporations and non-profit organizations including the Klyde Warren Park Foundation. Mr. Muse is a graduate of the United States Air Force Academy and received his MBA from the Anderson School of Business at UCLA.

Specific qualifications, experience, skills and expertise:

- Expertise in business, finance and investment banking
- Extensive background in development of strategic business opportunities
- Company directorship experience

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Name and Age

Principal Occupation and Business Experience

Vincent L. Sadusky, 48

Mr. Sadusky was elected to our Board in July 2006, when he was also appointed our President and Chief Executive Officer. From August 2004 until July 2006, Mr. Sadusky served as Vice President Chief Financial Officer and Treasurer of the Company. From 1999 until August 2004, Mr. Sadusky was Chief Financial Officer and Treasurer of Telemundo Communications Group, Inc., where he worked for over ten years. Prior to joining Telemundo Communications, he performed attestation and consulting services for seven years with Ernst & Young, LLC. Mr. Sadusky currently serves on the boards of International Game Technology (IGT) and Hemisphere Media Group, Inc. (HMTV) and as Treasurer of the NBC Affiliates Board. He was also the President and a board member of the Open Mobile Video Coalition (OMVC) from 2011 until their integration into the National Association of Broadcasters in January 2013. He formerly served on the board of directors of JVB Financial Group, LLC and Maximum Service Television Inc. Mr. Sadusky received his BS in accounting from Penn State University, where he was a University Scholar, and his MBA from New York Institute of Technology.

Specific qualifications, experience, skills and expertise:

- Unique perspective of the Chief Executive Officer of the Company on the operations, business relationships, financial position and challenges of the Company
- Expertise in finance, financial reporting, compliance and controls
- Core business skills, including operations and management experience in the media industry

Directors Whose Term Expires in 2016 (Class I Directors)

Currently there is a vacancy on our Board for a Class I Director.

William S. Banowsky, Jr., 52

Mr. Banowsky has served as a member of our Board since May 2002. Since 2001, Mr. Banowsky has served as Chief Executive Officer of Magnolia Pictures Company, an independent film distribution company. Mr. Banowsky has also served as Chief Executive Officer of Carolina Cinemas, a film exhibition company, since October 2008. From March 2003 through October 2007, Mr. Banowsky served as Chief Executive Officer of Landmark Theatres, a film exhibition company. From March 1999 to September 2000, Mr. Banowsky was Executive Vice President and General Counsel of AMFM, Inc., which was publicly traded on the NYSE until September 2000. From January 1997 to July 2000, Mr. Banowsky was Executive Vice President and General Counsel of Capstar Broadcasting Corporation, which was publicly traded on the NYSE until it merged with AMFM, Inc. in July 1999. Mr. Banowsky practiced law for 10 years in Dallas, Texas prior to joining Capstar. Mr. Banowsky served as a director of Sunrise Television Corporation and STC Broadcasting, Inc. until May 2002, when they were merged into the Company.

Specific qualifications, experience, skills and expertise:

- Operating and management experience, including as chief executive officer, in media-related businesses
- Expertise in finance, financial reporting, compliance and controls

- Legal experience in the media industry

Name and Age	Principal Occupation and Business Experience
Dr. William H. Cunningham, 70	<p>Dr. Cunningham has served as a member of our Board since May 2009. Dr. Cunningham joined the University of Texas in 1971, when he was hired as Assistant Professor of Marketing. He later became a Professor of Marketing and has held the following additional positions: James L. Bayless Chair for Free Enterprise from 1986 to present; the President of the University of Texas in Austin from 1985 to 1992; and Dean of College of Business Administration/Graduate School of Business from 1983 to 1985. Dr. Cunningham was also Chancellor of the University of Texas System from 1992 to 2000. Dr. Cunningham also serves on the board of directors of the following publicly traded companies: Lincoln National Corporation, Southwest Airlines Co., Resolute Energy Corporation and also serves as a disinterested director of the John Hancock Funds. Within the last five years, Dr. Cunningham also served on the board of directors of the following publicly traded companies: Introgen Therapeutics, Inc., Hayes Lemmerz International, Inc. and Hicks Acquisition Company I, Inc. Dr. Cunningham served as a director of Sunrise Television Corp. and STC Broadcasting, Inc. until May 2002 when they were merged into the Company and he continued to serve on the Company Board until 2008. Dr. Cunningham is a member of the Philosophical Society of Texas, a trustee for the Southwest Research Institute and a director of the greater Austin Crime Commission. Dr. Cunningham received his B.B.S., M.B.A. and Ph.D. from Michigan State University.</p> <p>Specific qualifications, experience, skills and expertise:</p> <ul style="list-style-type: none"> • Distinguished faculty member of a large university • Expertise in accounting, finance and business analysis, financial reporting, compliance and controls

PROPOSAL 2—RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee of the Board of Directors has the authority and responsibility to nominate for shareholder ratification the Company’s independent registered public accounting firm, and has selected PricewaterhouseCoopers LLP as our independent registered public accounting firm for 2014. The Board of Directors is now soliciting the shareholders’ ratification of the selection of PricewaterhouseCoopers LLP. If the shareholders do not ratify the appointment of PricewaterhouseCoopers LLP, the Audit Committee will reevaluate the engagement of the independent registered public accounting firm. Even if the appointment is ratified, the Audit Committee, in its discretion, may nevertheless appoint another independent registered public accounting firm at any time during the year if the Audit Committee determines that such a change would be in the best interests of the shareholders.

A representative of PricewaterhouseCoopers LLP is expected to attend the Annual Meeting. The PricewaterhouseCoopers LLP representative will have the opportunity to make a statement if he or she desires to do so and will be able to respond to appropriate questions from shareholders. Additional information regarding fees paid to PricewaterhouseCoopers LLP is available in the section of this Proxy Statement titled “Independent Registered Public Accounting Firm Fees and Other Matters.”

We recommend that you vote FOR ratification of the appointment of PricewaterhouseCoopers LLP.

PROPOSAL 3—ADVISORY VOTE TO APPROVE EXECUTIVE COMPENSATION

The Board is providing the Company’s shareholders with the opportunity to cast an advisory vote on executive compensation as described below. The Board recognizes that providing shareholders with an advisory vote on executive compensation may produce useful information on investor sentiment with regard to the Company’s executive compensation programs. This proposal, commonly known as a “say-on-pay” proposal, gives shareholders the opportunity to endorse or not endorse the compensation paid to the named executive officers in 2013. This proposal is presented in accordance with federal legislation known as the Dodd -Frank Wall Street Reform and Consumer

Protection Act.

We believe that our executive compensation and compensation practices and policies as disclosed pursuant to the SEC's compensation disclosure rules (which disclosure includes the Compensation Discussion and Analysis and the compensation tables and narrative disclosures that accompany the tables) are reasonable, are focused on pay-for-performance

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principles, are aligned with the long-term interest of shareholders and are necessary to attract and retain experienced, highly-qualified executives critical to our success and the enhancement of shareholder value. We believe that the Company's commitment to these responsible compensation practices justifies a vote by the shareholders FOR the proposal.

Because this vote is advisory, it will not be binding on the Board, overrule any decision made by the Board or create or imply any additional fiduciary duty of the Board. However, the Board recognizes that our shareholders have a fundamental interest in the Company's executive compensation practices and the Compensation Committee may consider the outcome of the vote when making future executive compensation decisions.

We recommend that you vote FOR the following resolution at the Annual Meeting:

“RESOLVED, that the shareholders approve the compensation of the Company's named executive officers, as described in the Compensation Discussion and Analysis, executive compensation tables and accompanying narrative discussion in the Proxy Statement.”

COMPANY GOVERNANCE MATTERS

Under applicable NYSE rules, a director of our Company only qualifies as “independent” if our Board determines that the director has no material relationship with our Company (either directly or as a partner, shareholder or officer of an organization that has such a relationship with our Company). Our Board has not adopted any categorical standards to assist it in making determinations of independence, but instead considers all relevant facts and circumstances regarding a director's relationship with our Company. Consistent with NYSE rules and guidance, our Board does not consider ownership of a significant amount of our shares, or affiliation with a holder of a significant amount of our shares, by itself a material relationship.

The determination of whether a material relationship exists is made by the other members of our Board who are independent. Our Board has determined that none of Dr. Cunningham, or Messrs. Banowsky, Brodsky, Carson, McCormick, Muse or Pausic has a material relationship with our Company, and that each of these directors is “independent” as determined under Section 303A.02(b) of the NYSE Listed Company Manual. None of these directors has any commercial, industrial, banking, consulting, legal, accounting, charitable or familial relationships with our Company, either directly or as a partner, shareholder or officer of an organization that has a relationship with our Company that would constitute a “material relationship” under NYSE rules.

BOARD OF DIRECTORS' COMMITTEES AND MEETINGS

During 2013, our Board held 11 meetings. Each of our directors attended at least 75% of such meetings and the meetings of the committees on which he served during 2013. Resolutions adopted by our Nominating and Governance Committee of our Board provide that directors are expected to attend the Annual Meeting. Dr. Cunningham and Messrs. Brodsky, Carson, McCormick, Muse, Pausic and Sadusky attended the 2013 Annual Meeting in person. Mr. Banowsky attended the 2013 Annual Meeting by telephone.

Our Board has established three standing committees—Audit, Compensation, and Nominating and Governance. Current copies of the charters for all three committees, along with our Company Governance Guidelines, the Code of Business Conduct and Ethics and our Code of Ethics for Senior Financial Officers, are posted on our website, www.linmedia.com, under the “Our Company” tab under Company Governance in the About LIN Media LLC Guidelines subsection. All of these company governance documents are also available in print upon request directed to Denise M. Parent, Secretary, LIN Media LLC, 701 Brazos Street, Suite 800, Austin, Texas 78701.

Our Board has determined that none of the members of the Audit, Compensation or Nominating and Governance committees has a material relationship with our Company and that each of these directors is independent as determined under Section 303A.02 (b) of the NYSE Listed Company Manual, including, in the case of all members of the Audit Committee, the independence requirements of Rule 10A-3 under the Exchange Act.

Board Leadership Structure

As noted above, our Board is currently comprised of seven independent directors and one management director. Mr. McCormick has served as non-executive Chairman of the Board since 2006. In that role, Mr. McCormick's responsibilities, include (i) presiding at meetings of our Board and shareholders, including executive sessions of the non-management directors, (ii) advising the Chief Executive Officer and/or the Secretary regarding agenda items for the meetings of the Board, (iii) calling meetings of the independent directors, with appropriate notice, (iv) advising the Chief Executive Officer on issues discussed at executive sessions of the independent directors, and (v) such other responsibilities that the Board deems appropriate. We believe that our current Board leadership structure is appropriate because it allows for our independent directors to effectively focus on governance matters, evaluate risks, oversee our management, and pursue strategic business plans that serve the interests of the shareholders.

Our Board conducts an annual evaluation in order to determine whether it and its committees are functioning effectively. As part of this annual self-evaluation, the Board evaluates whether the current leadership structure continues to be optimal for the Company and its shareholders. Our Company Governance Guidelines provide the flexibility for our Board to modify or continue our leadership structure in the future, as it deems appropriate.

Risk Oversight

The Board is apprised of particular risk management matters by management in connection with its general oversight and approval of company matters. The Board has delegated to the Audit Committee oversight of our risk management process. Among its responsibilities, the Audit Committee reviews with management (i) management of risks that may be material to the Company, (ii) the Company's system of disclosure controls and the system of internal control over financial reporting, and (iii) the Company's compliance with legal and regulatory requirements. In addition, the Compensation Committee considers risks arising from the Company's compensation practices and policies, including but not limited to, risk-taking incentives and the Company's risk management practices. The Board committees report to the full Board, including when a matter rises to the level of a material risk. The Company's management is responsible for day-to-day risk management. This oversight includes identifying, evaluating, and addressing potential risks that may exist at the strategic, financial, operational, compliance and reporting levels. We believe the division of risk management responsibilities described above is an effective approach for addressing the risks facing our Company and that our Board leadership structure supports this approach.

Shareholders and other interested parties may communicate directly with our Chairman of the Board or with the independent directors as a group as described below under the heading “Communicating with the Directors.”

The current members of the committees are identified below:

Name	Chairman of Board	Committees		
		Audit	Compensation	Nominating and Governance Chair
William S. Banowsky, Jr.		×		
Peter S. Brodsky			Chair	×
Royal W. Carson, III			×	
Dr. William H. Cunningham		Chair		
Douglas W. McCormick	×		×	×
John R. Muse ⁽¹⁾				
Michael A. Pausic		×		×
Vincent L. Sadusky ⁽²⁾				

⁽¹⁾ Mr. Muse does not serve on any committees.

⁽²⁾ Mr. Sadusky does not serve on any committees. See Summary Compensation Table for disclosure related to Mr. Sadusky, who is a named executive officer of the Company.

Audit Committee. The Audit Committee has the following principal duties:

to nominate for shareholder ratification the independent registered public accounting firm for appointment by our Board of Directors;

to meet with our financial management, internal audit and independent registered public accounting firm to review matters relating to our internal accounting controls, internal audit program, accounting practices and procedures, the scope and procedures of the independent audit, the independence of the outside registered public accounting firm and other matters relating to our financial condition;

to oversee the risk management process;

to report to our Board periodically any recommendations the Audit Committee may have with respect to the foregoing matters; and

- to review our annual and quarterly financial statements and annual report to shareholders, proxy materials and Annual Report on Form 10-K and our Quarterly Reports on Form 10-Q for filing with the SEC.

The Audit Committee has the power to investigate any matter brought to its attention within the scope of its duties and to retain counsel for this purpose where appropriate. The members of our Audit Committee are Messrs. Banowsky and Pausic and Dr. Cunningham, with Dr. Cunningham serving as its Chair. Our Board has determined that each member of the Audit Committee is an “independent director” under NYSE rules governing the qualifications of the members of the Audit Committee and that Dr. Cunningham is an “audit committee financial expert” as defined in Item 407(d)(5) of Regulation S-K. The Audit Committee held five meetings during 2013.

Compensation Committee. The Compensation Committee has the following principal duties:

to review director and executive officer compensation policies, plans and programs;

to prepare recommendations and periodic reports to our Board concerning these matters;

to function as the committee that administers our option, incentive and other equity based plans; and

to oversee compensation-related disclosures to be included in the Company’s Annual Report on Form 10-K or Proxy Statement or other appropriate documents filed with the SEC.

For additional information about the Compensation Committee, see “Compensation Discussion and Analysis” below.

The members of our Compensation Committee are Messrs. Brodsky, Carson and McCormick, with Mr. Brodsky serving as its Chair. Our Board has determined that each member of the Compensation Committee is an “independent director” under NYSE rules governing the qualifications of the members of the Compensation Committee. The Compensation Committee held five meetings during 2013.

Nominating and Governance Committee. The Nominating and Governance Committee has the following principal duties:

- to identify individuals qualified to become members of our Board;
- to recommend to our Board the persons to be nominated by our Board for election as directors at the Annual Meeting;
- to develop and recommend to our Board a set of company governance principles applicable to us; and
- to oversee the evaluations of our Board and management.

The members of the Nominating and Governance Committee are Messrs. Banowsky, Brodsky, McCormick and Pausic, with Mr. Banowsky serving as its Chair. The Nominating and Governance Committee held one meeting during 2013.

DIRECTOR CANDIDATES

The process followed by the Nominating and Governance Committee to identify and evaluate director candidates includes requests to the members of our Board and others for recommendations, meetings from time-to-time to evaluate biographical information and background material relating to potential candidates and interviews of selected candidates by members of the committee and our Board. In addition, the Company may retain the services of an executive search firm to help identify and evaluate potential director candidates.

In considering whether to recommend any particular candidate for inclusion in our Board's slate of recommended director nominees, the Nominating and Governance Committee will apply the criteria set forth in our company governance guidelines. The committee considers: diversity, skills and experience in the context of the needs of our Board; commitment to understanding our business and industry; potential or actual conflicts of interest; risks of anticompetitive activity, or potential or actual violations of, or restrictions arising from media ownership regulations; and the ability to exercise sound judgment and high ethical standards. The Nominating and Governance Committee does not assign specific weights to particular criteria and no particular criterion is a prerequisite for each prospective nominee. We believe that the backgrounds and qualifications of our directors, considered as a group, should provide a composite mix of experience, knowledge and abilities that will allow our Board to fulfill its responsibilities.

Shareholders may recommend individuals to the Nominating and Governance Committee for consideration as potential director candidates by submitting their names, together with appropriate biographical information and background materials and a statement as to whether the shareholder or group of shareholders making the recommendation has beneficially owned more than 5% of our common shares for at least a year as of the date such recommendation is made, to the Nominating and Governance Committee, c/o Denise M. Parent, Secretary, LIN Media LLC, 701 Brazos Street, Suite 800, Austin, Texas 78701. Assuming that appropriate biographical and background material has been provided on a timely basis, the committee will evaluate shareholder-recommended candidates by following substantially the same process, and applying substantially the same criteria, as it follows for candidates submitted by others. If our Board determines to nominate a shareholder-recommended candidate and recommends his or her election, then his or her name will be included in the proxy card for our next annual meeting of shareholders. Shareholders also have the right under our bylaws to directly nominate director candidates, without any action or recommendation on the part of the committee or our Board, by following the procedures set forth below under "Shareholder Proposals for the 2015 Annual Meeting"; provided that such recommendations are delivered to us, with the information required by our bylaws, no later than the deadline for submission of shareholder proposals provided below.

COMMUNICATING WITH THE DIRECTORS

Our Board will give appropriate attention to written communications that are submitted by shareholders and other interested parties, and will respond if and as appropriate. The Chair of the Nominating and Governance Committee, with the assistance of our General Counsel, is primarily responsible for monitoring communications from shareholders and other interested parties and for providing copies or summaries to the other directors as he considers appropriate.

Communications are forwarded to all directors if they relate to important substantive matters and include suggestions or comments that the Chair of the Nominating and Governance Committee considers to be important for the directors to know. In general, communications relating to company governance and long-term company strategy are more likely to be forwarded than communications relating to ordinary business affairs, personal grievances and matters as to which we tend to receive repetitive or duplicative communications.

Shareholders and other interested parties that wish to send communications on any topic to our Board, should address such communications to Board of Directors, c/o Denise M. Parent, Secretary, LIN Media LLC, 701 Brazos Street, Suite 800, Austin, Texas 78701.

Shareholders and other interested parties who wish to send communications on any topic to any of our independent directors, or all of our independent directors as a group, should address such communications to Independent Directors, c/o Denise M. Parent, Secretary, LIN Media LLC, 701 Brazos Street, Suite 800, Austin, Texas 78701.

REPORT OF THE AUDIT COMMITTEE OF OUR BOARD OF DIRECTORS

The Audit Committee acts under a written charter adopted by our Board, a copy of which is posted under the “Our Company” tab under Company Governance in the About LIN Media LLC Guidelines subsection of our website, www.linmedia.com. The members of the Audit Committee are independent directors, as defined by its charter and NYSE rules.

The Audit Committee reviewed the audited financial statements for the fiscal year ended December 31, 2013 and discussed these financial statements with our management. Management is responsible for our internal controls and the financial reporting process. Management represented to the Audit Committee that the financial statements had been prepared in accordance with accounting principles generally accepted in the United States (“GAAP”). Our independent registered public accounting firm, PricewaterhouseCoopers LLP, is responsible for performing an integrated audit of the financial statements, financial statement schedule and on the Company's internal control over financial reporting in accordance with the standards of the Public Company Accounting Oversight Board (United States). As appropriate, the Audit Committee reviews and evaluates, and discusses with our management, our internal auditor and our independent registered public accounting firm, the following matters:

- the plan for and the report of the independent registered public accounting firm on each audit of our financial statements;
- the plan for and the report of the internal audit function on the Company's internal control environment;
 - our management's assessment of the effectiveness of internal control over financial reporting;
- our financial disclosure documents, including all financial statements and reports filed with the SEC or sent to shareholders;
- management's selection, application and disclosure of critical accounting policies;
- changes in our accounting practices, principles, controls or methodologies;
- the performance of the internal audit function and the independent registered public accounting firm;
- the engagement letter between the Company and the independent registered public accounting firm;
- significant developments or changes in accounting rules applicable to the Company; and
- the adequacy of our internal controls and accounting, financial and auditing personnel.

In addition, the Audit Committee held regular executive session meetings with the Chief Executive Officer, the Chief Financial Officer, the Vice President Controller, the internal auditor and the independent registered public accounting firm. The Audit Committee also reviewed and discussed the audited financial statements and the matters required by Auditing Standard No. 16 ("AS No. 16") with PricewaterhouseCoopers LLP, our independent registered public accounting firm. AS No. 16 requires our independent registered public accounting firm to discuss with our Audit Committee, among other things, the following:

- methods used to account for significant or unusual transactions;
- the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus;
- the process used by management in formulating particularly sensitive accounting estimates and the basis for the auditors' conclusions regarding the reasonableness of those estimates; and
- disagreements, if applicable, with management over the application of accounting principles, the basis for management's accounting estimates and the disclosures in the financial statements.

PricewaterhouseCoopers LLP also provided the Audit Committee with the written disclosures and the letter required by Public Company Accounting Oversight Board Rule No. 3526 ("Communications with Audit Committees Concerning Independence"), which requires auditors annually to disclose in writing all relationships that in the auditor's professional opinion may reasonably be thought to bear on independence, confirm their independence and engage in a discussion of independence. The Audit Committee discussed with the independent registered public accounting firm the matters disclosed in this letter and its independence from the Company. The Audit Committee also considered whether other, non-audit related services provided to us which are referred to under the heading "Independent Registered Public Accounting Firm Fees and Other Matters" are compatible with maintaining the independence of our registered public accounting firm and determined that they are compatible.

Based on its discussions with management and the independent registered public accounting firm, and its review of the representations and information provided by management and the report of independent registered public accounting firm, the Audit Committee recommended to our Board that the audited financial statements be included in our 10-K.

AUDIT COMMITTEE OF OUR BOARD OF DIRECTORS

Dr. William H. Cunningham (Chair)

William S. Banowsky

Michael A. Pausic

EXECUTIVE OFFICERS

The executive officers of the Company are:

Name	Age	Position
Vincent L. Sadusky	48	President and Chief Executive Officer
Richard J. Schmaeling	49	Senior Vice President Chief Financial Officer
John A Howell IV	46	Vice President Television
Nicholas N. Mohamed	38	Vice President Controller
Denise M. Parent	50	Senior Vice President Chief Legal Officer
Robert S. Richter	44	Senior Vice President Digital

The following information describes the background of our executive officers who are not members of our Board.

Richard J. Schmaeling has been Senior Vice President Chief Financial Officer since October 2008. He was previously employed by Dow Jones & Company, Inc. in the positions of Vice President, Finance since 2007 and Vice President, Business Unit Finance from 2004 - 2007. Mr. Schmaeling was Vice President, Finance of Bracco Diagnostics Inc. from 1994 - 2004.

John A. Howell IV was appointed Vice President Television on January 1, 2014. From October 2012 until December 2013, he served as Regional Vice President Television of our wholly-owned subsidiary, LIN Television Corporation. Mr. Howell held the general manager position at our WPRI-TV station from August 2001 to October 2012. Prior to WPRI-TV, Mr. Howell served as General Manager of KRBC-TV in Abilene, Texas and KACB-TV in San Angelo, Texas from August 1999 to August 2001. He held various sales positions at television stations prior to becoming a general manager.

Nicholas N. Mohamed has been Vice President Controller since March 2009 and the Company's Vice President, Finance from February 2009 to March 2009. From May 2007 to December 2008, he was Director of Finance Mergers and Acquisitions at Sensata Technologies, Inc. Prior to joining Sensata Technologies, Inc., Mr. Mohamed served as a Director at PricewaterhouseCoopers LLP in its Transaction Services group, where he was employed in various positions since September 1997.

Denise M. Parent was appointed Senior Vice President Chief Legal Officer in December, 2011. Previously, she was Vice President General Counsel and Secretary since September 2006 and Vice President Deputy General Counsel since March 1997. From April 1993 to March 1997, Ms. Parent was employed by The Providence Journal Company as Senior Corporate Counsel. Prior to 1993, Ms. Parent was employed by Adler, Pollock & Sheehan Incorporated, a law firm in Providence, Rhode Island.

Robert S. Richter was appointed Senior Vice President Digital in December, 2012. Previously, he was Senior Vice President New Media since September 2008. Previously, he was Vice President Internet of LIN Television Corporation from 2006 to 2008. From 2001 - 2006, Mr. Richter served as Vice President of Marketing and Sales Planning for ShopNBC. Prior to 2001, Mr. Richter was Vice President of DET, LLC, a market newspaper consulting company.

COMPENSATION DISCUSSION AND ANALYSIS

Overview

In this section, we discuss certain aspects of our compensation program as it pertains to our President and Chief Executive Officer, Senior Vice President Chief Financial Officer, Executive Vice President Television, Senior Vice President Chief Legal Officer and Senior Vice President Digital. These individuals are referred to as the “named executive officers” throughout this Compensation Discussion and Analysis.

Role of the Compensation Committee

The Compensation Committee has primary responsibilities for assessing, recommending and approving the following areas of compensation:

- determining the compensation of the named executive officers;
- overseeing and administering incentive-compensation plans and equity-based plans of our Company, including the authority to grant share options and to make other share-based awards;
- making recommendations to the Board for the compensation of directors;
- other duties as authorized by our Board from time-to-time; and
- overseeing and approving this Compensation Discussion and Analysis.

Objectives of Compensation Program

The Compensation Committee is committed to and responsible for designing, implementing, and administering a compensation program for executive officers that ensures appropriate linkage between pay, company performance and results for shareholders. The Compensation Committee seeks to increase shareholder value by rewarding performance with cost-effective compensation and ensuring that we can attract and retain the best executive talent. To achieve the objectives set forth below, the Compensation Committee has designed the executive compensation program to reward the achievement of specific annual and long-term financial and strategic goals of our Company that are designed to improve shareholder value.

The Compensation Committee believes that executive compensation should be designed to:

- align compensation of the named executive officers with their own performance and the overall performance of our Company;
- manage compensation costs by combining a conservative approach to base salaries and benefits with performance-dependent short-term and long-term incentives;
- heavily weigh the compensation package towards long-term, performance-dependent incentives to better align the interests of executives with shareholders; and
- reward and retain our named executive officers.

Although we do not engage in a formal benchmarking process, the Compensation Committee periodically evaluates our executive compensation program to ensure that the program is competitive with peer companies in our industry so that we can continue to attract and retain qualified employees in key positions.

Considerations Regarding Shareholder Say on Pay Vote

At our annual meeting of shareholders held on May 24, 2011, we held our first advisory shareholder vote on the compensation of our named executive officers (a “say-on-pay” vote) as required under the Dodd-Frank Wall Street Reform and Consumer Protection Act. The proposal to approve the executive compensation of the Company’s named executive officers for fiscal 2010 received 78,204,053 votes or 83.3% of votes cast. Although this vote was advisory (and therefore not

binding on the Company or the Board), the Board and the Compensation Committee carefully reviewed these results. The Compensation Committee believes that the shareholder vote strongly endorses the compensation philosophy of the Company.

At our annual meeting of shareholders held on May 24, 2011, our shareholders also voted to adopt the recommendation of the Board to conduct future advisory votes on executive compensation every three years. Accordingly, a shareholder advisory vote on say-on-pay will be held at this Annual Meeting.

Factors Considered in Establishing Compensation

2013 Executive Summary

The Company's performance in 2013 exceeded expectations. We integrated the largest acquisition in our history, expanding the Company's footprint from 15 to 23 markets and increasing coverage by nearly 4 million households. In addition, we achieved significant scale in our digital media business and expanded our best-in-class solutions for agencies and brands. We continued to drive the pay television subscriber fee market with a focus on closing the gap between our highest rated content and fees received. Also, in 2013, we reached an agreement with NBC to resolve our contingent debt guarantee and resolved our tax overhang.

The Company's many accomplishments included achieving significant synergies from the newly-acquired television stations by converting each station to our news, sales and digital platforms; improving workforce efficiency and effectiveness through key personnel changes, training, sharing best practices, and benchmarking analysis; launching high-definition in each market and upgrading the quality of newscasts and programming; building out three technology centers to generate meaningful cost savings; growing subscriber fees; decreasing paid programming and non-value focused activities while building a digital culture and providing employees the tools they need to sell more across multiple screens at these newly-acquired television stations. In addition, the Company acquired a majority ownership interest in two digital marketing companies, HYFN, Inc. and Dedicated Media, Inc., increasing our digital competency and product offerings; developed and launched a proprietary suite of social and mobile advertising solutions; increased pay-TV subscriber fees by 72%; launched African-American channel Bounce TV in five markets; and resolved the NBC JV debt guarantee and tax overhang.

The Compensation Committee did not significantly alter the components of the executive compensation program in 2013. On September 27, 2013, the Company entered into amended and restated employment agreements with each of Messrs. Sadusky, Schmaeling, Richter and Ms. Parent as further described below under "Employment Agreements, Severance and Change-in-Control Arrangements." In addition, the Compensation Committee awarded restricted share awards in September 2013 as reflected in the Grants of Plan-Based Awards Table. The 2013 share awards vest over three years, with 25% of the grant vesting in the first and second year and 50% of the grant vesting in the third and final year. These awards increase the long-term incentive component of the entire compensation package in order to emphasize the importance of making strategic decisions that focus on long-term results.

Determining Compensation for the Chief Executive Officer

The Compensation Committee makes all compensation decisions regarding our President and Chief Executive Officer. The Compensation Committee annually reviews and approves specific quantifiable and qualitative goals and objectives relevant to Mr. Sadusky's compensation including his achievement of these goals and objectives; his tenure and experience; the performance of our Company overall and Mr. Sadusky's contribution to that performance; retention considerations; and Mr. Sadusky's historical compensation. Additionally, because the President and Chief Executive Officer is ultimately responsible for the direction of our Company, his greater compensation reflects this differential compared with the other named executive officers and underscores the Board's confidence in his leadership.

Determining Compensation for the Other Named Executive Officers

The Compensation Committee also makes all compensation decisions regarding our other named executive officers in conjunction with the recommendations of the President and Chief Executive Officer. The Compensation Committee uses many of the same factors used in the determination of the Chief Executive Officer's compensation in making compensation decisions about the other named executive officers. Those factors include the individual's performance, tenure, and experience; the individual's contribution to the Company's performance; achievement of specific quantifiable and qualitative business goals and objectives established for each individual; retention considerations; the

individual's historical compensation; and comparisons to other executive officers.

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Role of Compensation Consultant

Neither the Compensation Committee nor our Company has any long-term contractual arrangements with any compensation consultants. The Compensation Committee and our management have periodically worked with compensation consultants to assist and provide the Compensation Committee with market information and reports regarding compensation practices of peer companies. In the event that the Compensation Committee or the Company engages the services of an independent executive compensation consultant, the Compensation Committee will consider the consultant's independence based on the criteria set forth in the Company's Compensation Committee Charter effective as of July 30, 2013.

Design of Compensation Programs

Our executive compensation plan is designed to attract qualified executives and to reward those executives for their contributions to our Company and our shareholders. The compensation program for the named executive officers includes an annual base salary, an annual performance bonus opportunity, equity-based compensation, retirement benefits and limited perquisites. Because executive officers are in a position to directly influence the overall performance of our Company, a significant portion of their compensation is in the form of performance-dependent short-term and long-term incentive programs. The level of performance-dependent pay varies for each executive based upon level of responsibility, with a greater emphasis on performance-dependent pay for those in more senior positions who have responsibility over matters that have a direct impact on the overall performance of our Company.

Cash Compensation

Base Salary. The primary purpose of base salary is to provide the recipient with steady income throughout the year consistent with his or her level of responsibility, qualifications and contributions over time. Base salary amounts for our named executive officers are determined based on the judgment of our Compensation Committee and in consultation with our President and Chief Executive Officer for the other named executive officers. The Compensation Committee considers a number of factors to determine the salary for each of our executives, including compensation paid to persons in similar positions by peer companies in our industry, the work experience of the executive, each executive's individual skills, and the executive's length of service with our Company and the performance of the executive.

Performance Bonus. The annual incentive bonus plan is designed to align executive officer pay with the Company's financial performance and individual performance during a particular year. The annual bonus is comprised of two separate components, as described in more detail below. One portion of the bonus is determined quantitatively based solely on the Company's achievement of financial performance goals. The other portion of the annual bonus is determined qualitatively by the Compensation Committee based on the Committee's assessment of other performance criteria as it deems relevant on a case-by-case basis. The target amount of each component of the annual bonus opportunity is a percentage of the executive's base salary, as specified in the executive's employment agreement. The target bonus opportunity for 2013 for the named executive officers (including both components of the bonus) ranged from 51.7% to 106.5% of base salary.

The two components of the annual bonus program are more fully described below:

• The quantitative or budget-based objective bonus target amount can range from 13.5% to 63.9% of the named executive officer's base salary. For 2013, the percentage that determined the target amount for each named executive officer is specified in his or her employment agreement. Except for the position of Senior Vice President Digital, discussed in further detail below, the amount of the budget-based objective bonus paid out to named executive officers is based on our results with respect to Adjusted EBITDA (defined below). The budget-based objective bonus is paid out at the target level if we achieve performance at the budgeted levels for this metric. For 2013, Adjusted EBITDA was budgeted at \$199 million. If we exceed our budgeted Adjusted EBITDA, the executive receives a budget-based objective bonus amount based on an increasing sliding scale up to a maximum of twice the target budget-based bonus amount. Conversely, if we do not achieve our budgeted Adjusted EBITDA, the executive receives less than the target budget-based objective bonus amount based on a decreasing sliding scale. The named executive officers do not receive any budget-based objective bonus if Adjusted EBITDA is less than 80% of the budgeted Adjusted EBITDA. The budget-based objective bonus for the Senior Vice President Digital is based on achievement of budgeted digital revenue targets established by the Board for the applicable year, instead of Adjusted EBITDA, as outlined in his employment agreement. Given the objective nature of the determination of the

budget-based objective bonus, such portion of the annual bonus is reported in the Summary Compensation Table under “Non-Equity Incentive Plan Compensation.”

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The qualitative or discretionary performance bonus target amount can range from 20.7% to 42.6% of the named executive officer's base salary. The percentage that determines the target amount for each named executive officer is specified in his or her employment agreement. The actual amount of discretionary performance bonus paid out is determined by the Compensation Committee, and in consultation with the Chief Executive Officer for named executive officers other than the Chief Executive Officer, based on the Compensation Committee's assessment of other performance criteria as it deems relevant on a case-by-case basis. Factors that may be considered by the Compensation Committee in determining the appropriate amount of the discretionary performance bonus include, without limitation, the Company's performance in the prior fiscal year, general business conditions and achievement by the executive of certain project, department and development goals established by the Chief Executive Officer, our Board and/or the Compensation Committee. Given the subjective nature of the determination of the discretionary performance bonus, such portion of the annual bonus is reported in the Summary Compensation Table under "Bonus." The table below shows the 2013 target bonus opportunity for each component of the annual bonus program for each named executive officer, as specified in the named executive officer's employment agreement. The different allocations and weightings among the named executive officers for the quantitative, budget-based component and the qualitative, discretionary component reflect the Compensation Committee's judgment regarding the appropriate balance for each named executive officer, based on his or her seniority, experience, role and ability to influence the Company's results.

Name	Target Budget-Based Objective Bonus (as % of Base Salary)	Target Discretionary Performance Bonus (as % of Base Salary)
Vincent L. Sadusky	63.9	% 42.6 %
Richard J. Schmaeling	31.0	20.7
Scott M. Blumenthal	35.4	23.6
Denise M. Parent	13.5	40.5
Robert S. Richter	40.2	26.6

For purposes of the budget-based objective bonus, Adjusted EBITDA is defined as operating income plus amortization of program rights, depreciation and amortization of intangible assets, impairment of goodwill and intangible assets, restructuring charges and non-recurring severance payments, share-based compensation expense, non-recurring transaction related expenses, loss or gain from sale of other assets, less program payments. Program payments represent cash payments for program contracts and do not necessarily correspond to program usage. We believe Adjusted EBITDA, which is a non-GAAP measure, is relevant and useful as a metric for determining bonus amounts because it is a measurement used by lenders to measure our ability to service our debt and it is a measurement industry analysts use when evaluating our operating performance. We use Adjusted EBITDA, among other things, in evaluating the operating performance of our stations and to value stations targeted for acquisition. In 2013, Adjusted EBITDA used to calculate the budget-based objective bonus was \$185.9 million, which represented 93.4% of the budgeted amount of Adjusted EBITDA. Because our Adjusted EBITDA was below the budgeted level, the budget-based objective bonus for all named executive officers other than Mr. Richter was paid out in amounts that reflect such level of performance, as shown in the Summary Compensation Table under "Non-Equity Incentive Plan Compensation." Instead of Adjusted EBITDA, Mr. Richter's budget-based objective bonus for 2013 was based on four components: the achievement of budgeted Internet revenues; budgeted LIN Digital revenues; budgeted Nami Media, Inc. revenues and budgeted digital revenues of other investments. The amount of Mr. Richter's budget-based objective bonus for 2013 reflects achievement of the Digital website revenues performance metric at the 81.1% level; achievement of the LIN Digital revenues performance metric at the 92.3% level; achievement of the Nami revenues performance metric at the 69.9% level and achievement of the other digital revenues performance metric at the 34.5% level. Each of the components of Mr. Richter's budget-based objective bonus are reflected in the Summary Compensation Table under "Non-Equity Incentive Plan Compensation." A more detailed analysis of our financial and operational performance is contained in the Management's Discussion and Analysis section and in our audited consolidated financial statements in our 10-K.

The Compensation Committee awarded discretionary performance bonuses for 2013 to our named executive officers in the amounts shown in the Summary Compensation Table under “Bonus.” These bonus awards reflect the Compensation Committee’s consideration of factors that included each named executive officer’s individual performance in addition to

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achievement of certain strategic and operational milestones. In awarding these bonuses, the Compensation Committee considered, among other things, the achievement of certain strategic and operational milestones in 2013, including (i) successful resolution of the NBC JV debt guarantee contingent liability and tax overhang, (ii) significant increases in pay television subscriber fees, (iii) integration of the largest acquisition in Company's history, (iv) achieved significant synergies from the newly-acquired television stations, (v) acquisition of a majority interest in two digital marketing companies and increasing our digital competency and product offerings, and (vi) launched African-American channel Bounce TV in five markets. All named executive officers were awarded the full amount of his or her target discretionary bonus as set forth in his or her employment agreement. In addition, the Compensation Committee awarded additional amounts of \$1,347,700, \$105,500, \$274,300, \$194,200 and \$167,000 to Messrs. Sadusky, Blumenthal, Schmaeling, Richter and Ms. Parent, respectively, in recognition of their extraordinary leadership in continuing to successfully integrate the LIN Digital (formerly RMM) business into the Company and creating new business opportunities with the Company's existing customers.

Equity-Based Compensation

A key component of our compensation package for the named executive officers is the granting of options and restricted share awards. We believe these awards provide a significant incentive for executives to manage our Company for long-term growth, thereby aligning their interests with those of our shareholders. These incentives are designed to motivate executive officers to improve financial performance and shareholder value, as well as encourage long-term employment with the Company. We rely primarily on option awards and restricted share awards in granting long-term incentives. All option grants and restricted share awards to executive officers require the approval of the Compensation Committee. We have no formal policy or practice as to the timing of equity grants.

In September 2013, the Compensation Committee granted restricted share awards to each of the named executive officers in the amounts shown in the "Grants of Plan-Based Awards" table below. Restricted share awards are designed to reward executive officers with equity in the Company which vests over a period of time. After careful consideration of industry trends, the Compensation Committee granted restricted shares to help balance the volatility inherent in options with the retentive value of restricted share awards for key executives. In determining the size of the restricted share and option awards made to the named executive officers in 2013, the Compensation Committee considered the strategic, operational and financial performance of our Company along with each named executive officers' expected contributions to our Company's future success.

Although no option grants were made to the named executive officers in 2013, the Company historically has made grants of options as part of its equity-based compensation program, and may do so in the future. Option grants are designed to reward executive officers for the increase in our share price over time. Options represent the high-risk and potential high-return component of our total long-term incentive program, as the realizable value of each option can fall to zero if the share price is lower than the exercise price established on the date of grant. The size of option grants for executive officers is based primarily on the target dollar value of the award translated into a number of options based on the estimated economic value on the date of grant, as determined using the Black-Scholes option pricing formula. As a result, the number of shares underlying option awards will typically vary from year-to-year, as it is dependent on the price of our common shares on the date of grant. We do not backdate options or grant options retroactively. In addition, we do not purposely schedule option awards prior to the disclosure of favorable information or after the announcement of unfavorable information. Options are granted at fair market value on a predetermined date.

Other Benefits

Our Company also provides certain benefits and perquisites to our named executive officers that the Compensation Committee believes are reasonable and necessary to attract and retain key executives. For example, the Company provides the use of a company automobile and covers term life insurance premiums for the named executive officers in the amount of \$400,000. For a full description of these benefits, see "Other Benefit Plans" below. The named executive officers are also entitled to health and disability benefits substantially similar to those that are offered to all of our employees.

Employment Agreements, Severance and Change-in-Control Arrangements

In 2013 we entered into employment agreements with Ms. Parent and Messrs. Sadusky, Schmaeling and Richter to memorialize key terms of their employment. Mr. Blumenthal, who retired on December 31, 2013, continued

employment under the terms of the agreement he entered into with the Company in 2006. Each employment agreement addresses the following elements: base salary; target discretionary performance bonus and target budget-based objective performance

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bonus. The actual amount of the objective performance bonus is calculated as described in the “Design of Compensation Programs—Cash Compensation—Performance Bonus” above. The term of the agreement will continue unless terminated by the executive or us.

If the executive’s employment is terminated by us “without cause” or by the executive for “good reason” as defined in the agreement, the executive is entitled to receive certain benefits. The executive will be entitled to receive as a severance payment an amount equal to their annual base salary plus a payment equal to the annual bonus they earned in the prior year and we will also continue to pay the employer’s portion of their health and dental insurance premiums for twelve months. With respect to Ms. Parent and Messrs. Sadusky, Schmaeling and Richter, if the executive’s employment is terminated by us “without cause” or by the executive for “good reason” as defined in the agreement, and such termination is within a certain period of time following a change in control of the Company, then the executive is entitled to receive certain enhanced benefits. In this instance, the executive will be entitled to receive as a severance payment an amount equal to two times their annual base salary plus a payment equal to two times the annual bonus they earned in the prior year and we will also continue to pay the employer’s portion of their health and dental insurance premiums for twenty-four months.

The employment agreements also include non-competition and non-solicitation provisions that are in effect during the term of the agreement and for one year thereafter.

Share Ownership Guidelines

We do not require but encourage our named executives to own our Company’s class A common shares.

Tax Considerations

Under Section 162(m) of the Internal Revenue Code, a limitation is placed on tax deductions of any publicly-held company for individual compensation to certain executives exceeding \$1.0 million in any taxable year, unless the compensation is performance-based. To the extent practical, the Compensation Committee intends to preserve deductibility, but may choose to provide compensation that is not deductible if necessary to attract, retain and reward high-performing executives.

REPORT OF THE COMPENSATION COMMITTEE OF OUR BOARD OF DIRECTORS

The Compensation Committee has reviewed the Compensation Discussion and Analysis and discussed such discussion and analysis with management. Based on the Compensation Committee’s review and discussions with management, the Compensation Committee recommended to our Board that the Compensation Discussion and Analysis be included in the Company’s 2014 Proxy Statement. This Report is provided by the following independent directors, who comprise the Compensation Committee:

COMPENSATION COMMITTEE OF OUR BOARD OF DIRECTORS

Peter S. Brodsky (Chair)

Royal W. Carson III

Douglas W. McCormick

Summary Compensation Table

The following table sets forth the compensation earned by our Chief Executive Officer, our Chief Financial Officer and our three other most highly-compensated executive officers who were serving as executive officers as of December 31, 2013.

Name and Principal Position	Year	Salary	Bonus	Share Awards ⁽⁶⁾	Option Awards ⁽⁷⁾	Non-Equity Incentive Compensation ⁽⁷⁾	Change in Pension Value and Nonqualified Deferred Compensation Earnings ⁽⁹⁾	All Other Compensation ⁽⁸⁾	Total ⁽¹⁰⁾
Vincent L. Sadusky ⁽¹⁾ President and Chief Executive Officer	2013	\$690,100	\$1,641,700	\$3,126,708	\$—	\$343,400	\$2,233	\$221,743	\$6,025,884
	2012	670,000	287,200	983,485	744,482	21,600	2,623	212,443	3,761,773
	2011	650,000	280,000	382,491	426,880	1,000	3,561	48,027	2,231,968
Richard J. Schmaeling ⁽²⁾ Senior Vice President	2013	383,000	353,500	732,290	—	92,500	82	72,192	1,633,564
	2012	361,000	72,000	229,194	173,680	6,000	103	70,646	1,122,625
	2011	350,000	70,000	95,533	106,640	10,250	140	30,090	762,660
Scott M. Blumenthal ⁽³⁾ Executive Vice President	2013	451,140	211,900	—	—	134,500	(94,796)	68,265	771,009
	2012	438,000	103,200	295,244	223,370	19,600	478,507	90,992	1,938,919
	2011	425,000	100,000	136,630	152,437	19,500	338,994	36,090	1,346,653
Denise M. Parent ⁽⁴⁾ Senior Vice President	2013	355,350	311,000	580,723	—	37,400	1,931	55,894	1,342,298
	2012	345,000	139,500	225,231	170,780	1,000	2,355	60,445	1,036,261
	2011	325,000	131,250	95,533	106,645	19,938	3,197	27,245	734,810
Robert S. Richter ⁽⁵⁾ Senior Vice President	2013	383,000	296,200	688,012	—	54,700	386	62,875	1,485,173
	2012	361,000	139,200	251,651	190,414	18,800	473	66,861	1,158,396
	2011	350,000	71,100	122,931	137,070	19,909	641	22,835	912,490

On December 5, 2013, the Compensation Committee determined the amount of the 2013 cash bonus to be paid to Mr. Sadusky. As discussed in “Compensation Discussion and Analysis—Design of Compensation Programs—Cash Compensation—Performance Bonus,” the 2013 bonus had two components: the budget-based objective bonus, which was determined to be \$343,400 and is reported under “Non-equity incentive plan compensation,” and the

⁽¹⁾ discretionary performance bonus, which was determined by the Compensation Committee based on criteria it deemed relevant. Mr. Sadusky’s 2013 discretionary performance bonus is reported under “Bonus.” (See the Grants of Plan-Based Awards Table for more details regarding Mr. Sadusky’s 2013 budget-based objective bonus opportunity.) On December 5, 2013, the Compensation Committee approved the 2014 salary to be paid to Mr. Sadusky in the amount of \$711,000.

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On December 5, 2013, the Compensation Committee determined the amount of the 2013 cash bonus to be paid to Mr. Schmaeling. As discussed in “Compensation Discussion and Analysis—Design of Compensation Programs—Cash Compensation—Performance Bonus,” the 2013 bonus had two components: the budget-based objective bonus, which was determined to be \$92,500 and is reported under “Non-equity incentive plan compensation,” and the discretionary performance bonus, which was determined by the Compensation Committee based on criteria it deemed relevant. Mr. Schmaeling’s 2013 discretionary performance bonus is reported under “Bonus.” (See the Grants of Plan-Based Awards Table for more details regarding Mr. Schmaeling’s 2013 budget-based objective bonus opportunity.) On December 5, 2013, the Compensation Committee approved the 2014 salary to be paid to Mr. Schmaeling in the amount of \$394,000.

(3) On December 5, 2013, the Compensation Committee determined the amount of the 2013 cash bonus to be paid to Mr. Blumenthal. As discussed in “Compensation Discussion and Analysis—Design of Compensation Programs—Cash Compensation—Performance Bonus,” the 2013 bonus had two components: the budget-based objective bonus, which was determined to be \$134,500 and is reported under “Non-equity incentive plan compensation,” and the discretionary performance bonus, which was determined by the Compensation Committee based on criteria it deemed relevant. Mr. Blumenthal’s 2013 discretionary performance bonus is reported under “Bonus.” (See the Grants of Plan-Based Awards Table for more details regarding Mr. Blumenthal’s 2013 budget-based objective bonus opportunity.) Mr. Blumenthal retired from employment with the Company effective December 31, 2013.

(4) On December 5, 2013, the Compensation Committee determined the amount of the 2013 cash bonus to be paid to Ms. Parent. As discussed in “Compensation Discussion and Analysis—Design of Compensation Programs—Cash Compensation—Performance Bonus,” the 2013 bonus had two components: the budget-based objective bonus, which was determined to be \$37,400 and is reported under “Non-equity incentive plan compensation,” and the discretionary performance bonus, which was determined by the Compensation Committee based on criteria it deemed relevant. Ms. Parent’s 2013 discretionary performance bonus is

reported under “Bonus.” (See the Grants of Plan-Based Awards Table for more details regarding Ms. Parent’s 2013 budget-based objective bonus opportunity.) On December 5, 2013, the Compensation Committee approved the 2014 salary to be paid to Ms. Parent in the amount of \$366,000.

On December 5, 2013, the Compensation Committee determined the amount of the 2013 cash bonus to be paid to Mr. Richter. As discussed in “Compensation Discussion and Analysis—Design of Compensation Programs—Cash Compensation—Performance Bonus,” the 2013 bonus had two components: the budget-based objective bonus, which was determined to be \$54,700 and is reported under “Non-equity incentive plan compensation,” and the discretionary (5) performance bonus, which was determined by the Compensation Committee based on criteria it deemed relevant. Mr. Richter’s 2013 discretionary performance bonus is reported under “Bonus.” (See the Grants of Plan-Based Awards Table for more details regarding Mr. Richter’s 2013 budget-based objective bonus opportunity.) On December 5, 2013, the Compensation Committee approved the 2014 salary to be paid to Mr. Richter in the amount of \$394,000.

Represents the aggregate grant date fair value computed in accordance with FASB Accounting Standards (6) Codification Topic 718 (“ASC 718”). See Note 9—“Share-based Compensation” to the consolidated financial statements included in our 10-K for a discussion of the assumptions used to value equity-based compensation.

(7) There were no option grants during the year ended December 31, 2013.

As discussed in “Compensation Discussion and Analysis—Design of Compensation Programs—Cash Compensation—Performance Bonus,” the 2013 bonus had two components: the budget-based objective bonus, (8) reported here, and the discretionary performance bonus, which was determined by the Compensation Committee based on criteria it deemed relevant and reported under “Bonus.” (See footnotes 1-5 to this table for more details on each officer’s 2013 bonus).

These amounts relate solely to the aggregate change in the actuarial present value of the named executive officer’s (9) accumulated benefit under the Company’s Retirement Plan and Supplemental Benefit Retirement Plan (“SERP”), as described below under Pension Benefits, during the year shown.

(10) See “All Other Compensation” below for additional information regarding the amounts shown for 2013.

Grants of Plan-Based Awards

The following table provides information about the non-equity incentive plan and equity awards granted to the named executive officers in 2013:

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards ⁽¹⁾			All Other Share Awards	Share Award Grant Date	Share Award Fair Value ⁽³⁾	All Other Option Awards: Number of Securities Underlying Options ⁽⁴⁾	Exercise or Base Price of Awards (\$ per share) ⁽⁴⁾	Option Award Grant Date	Fair Value ⁽⁴⁾
		Threshold	Target	Maximum							
Vincent L. Sadusky	—	\$ 143,325	\$ 441,000	\$ 882,000							
	9/10/2013	—	—	—	183,600	\$ 3,126,708	—	—	—	—	
Richard J. Schmaeling	—	\$ 38,610	\$ 118,800	\$ 237,600							
	9/10/2013	—	—	—	43,000	\$ 732,290	—	—	—	—	
Scott M. Blumenthal	—	\$ 51,870	\$ 159,600	\$ 319,200							
	—	—	—	—	—	\$ —	—	—	—	—	
Denise M. Parent	—	\$ 15,600	\$ 48,000	\$ 96,000							
	9/10/2013	—	—	—	34,100	\$ 580,723	—	—	—	—	
Robert S. Richter	—	\$ 15,400	\$ 154,000	\$ 231,000							
	9/10/2013	—	—	—	40,400	\$ 688,012	—	—	—	—	

These columns show the potential value of the payouts for the budget-based objective bonus for 2013, which are defined in each executive's employment agreement, if the threshold, target or maximum goals are satisfied for the Company's financial performance metrics. The potential payouts are performance-based and are completely at risk.

(1) In addition to the maximum potential payout shown in the table above, Mr. Richter is eligible for an additional payout equal to 0.025 of incremental sales, as described in his employment agreement. The budget-based objective bonus is described more fully in "Compensation Discussion and Analysis—Design of Compensation Programs—Cash Compensation—Performance Bonus."

(2) This column shows the number of restricted shares granted on September 10, 2013, which vest in three annual installments from the date of grant. Twenty-five percent of the shares vest upon the first and second anniversary and the remaining fifty percent of the shares vest on the third anniversary following the grant date.

(3) This column shows the fair value of the restricted share awards on the date of grant, computed in accordance with ASC 718 based on the average share price of our class A common share on grant date.

(4) There were no option grants during the year ended December 31, 2013.

Outstanding Equity Awards at Year-End

The following table provides information about the holdings of options and restricted share awards by our named executive officers as of December 31, 2013.

For additional information about the share option grants and restricted share awards, see “Compensation Discussion and Analysis—Design of Compensation Programs—Equity-Based Compensation.”

Name	Share Option Awards				Restricted Share Awards	
	Number of Securities Underlying Unexercised Options Exercisable (#)	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price	Option Expiration Date ⁽¹⁾⁽²⁾	Number of Shares or Units of Shares That Have Not Vested ⁽³⁾	Market Value of Shares or Units of Shares That Have Not Vested ⁽⁴⁾
Vincent L. Sadusky	653,334	—	\$1.99	6/2/2019	—	—
	122,500	—	4.19	12/16/2019	—	—
	70,850	70,850	3.61	12/8/2021	—	—
	37,825	113,475	6.61	12/6/2022	—	—
	—	—	—	—	473,325	⁽⁵⁾ \$13,589,161
Richard J. Schmaeling	100,000	—	1.99	6/2/2019	—	—
	36,800	—	4.19	12/16/2019	—	—
	17,700	17,700	3.61	12/8/2021	—	—
	8,825	26,475	6.61	12/6/2022	—	—
	—	—	—	—	123,451	⁽⁶⁾ \$3,544,278
Scott M. Blumenthal	309,000	—	1.99	6/2/2019	—	—
	49,000	—	4.19	12/16/2019	—	—
	25,300	—	3.61	12/8/2021	—	—
	11,350	—	6.61	12/6/2022	—	—
	—	—	—	—	—	⁽⁷⁾ —
Denise M. Parent	91,110	—	1.99	6/2/2019	—	—
	36,800	—	4.19	12/16/2019	—	—
	17,700	17,700	3.61	12/8/2021	—	—
	8,675	26,025	6.61	12/6/2022	—	—
	—	—	—	—	111,160	⁽⁸⁾ \$3,191,404
Robert S. Richter	93,332	—	1.99	6/2/2019	—	—
	36,800	—	4.19	12/16/2019	—	—
	22,750	22,750	3.61	12/8/2021	—	—
	9,675	29,025	6.61	12/6/2022	—	—
	—	—	—	—	127,201	⁽⁹⁾ \$3,651,941

⁽¹⁾ The option expiration date is ten years from the date of grant.

Option awards expiring on December 6, 2022 were granted on December 6, 2012 and vest in three annual installments of 25% on the first and second anniversary of the date of grant and 50% on the third anniversary of the date of grant. Option awards expiring on December 8, 2021 were granted on December 8, 2011 and vest in three

⁽²⁾ annual installments of 25% on the first and second anniversary of the date of grant and 50% on the third anniversary of the date of grant. Option awards expiring on December 16, 2019 were granted on December 16, 2009 and vest in equal installments of 25% over four years following the date of grant. Option awards expiring on June 2, 2019 were granted on June 2, 2009 and vest in equal installments of 33.3% over three years following the date of grant.

(3) Restricted share awards were granted on September 10, 2013, and vest in three annual installments of 25% on the first and second anniversary of the date of grant and 50% on the third anniversary on the date of grant. Restricted share awards were granted on December 6, 2012, and vest in three annual installments of 25% on the first and second anniversary of the date of

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grant and 50% on the third anniversary of the date of grant. Restricted share awards were granted on December 8, 2011, and vest in three annual installments of 25% on the first and second anniversary of the date of grant and 50% on the third anniversary of the date of grant. Restricted share awards were granted on May 17, 2010 and December 16, 2009 and vest in equal installments of 25% over four years following the date of grant. Restricted share awards were granted on September 10, 2008, and vest in equal installments of 20% over five years following the date of grant.

(4) Market value of unvested shares is calculated based upon the closing price of our class A common shares on December 31, 2013 of \$28.71, as reported by the NYSE.

Represents restricted shares that will vest as follows: (i) 125,000 shares on May 17, 2014; (ii) 45,900 shares on September 10, 2014; (iii) 37,225 shares on December 6, 2014; (iv) 53,050 shares on December 8, 2014; (v) 45,900 shares on September 10, 2015; (vi) 74,450 shares on December 6, 2015; and (vi) 91,800 shares on September 10, 2016.

Represents restricted shares that will vest as follows: (i) 41,176 shares on May 17, 2014; (ii) 10,750 shares on September 10, 2014; (iii) 8,675 shares on December 6, 2014; (iv) 13,250 shares on December 8, 2014; (v) 10,750 shares on September 10, 2015; (vi) 17,350 shares on December 6, 2015; and (vi) 21,500 shares on September 10, 2016.

(7) Unvested restricted shares held by Mr. Blumenthal were forfeited upon his retirement on December 31, 2013.

Represents restricted shares that will vest as follows: (i) 38,235 shares on May 17, 2014; (ii) 8,525 shares on September 10, 2014; (iii) 8,525 shares on December 6, 2014; (iv) 13,250 shares on December 8, 2014; (v) 8,525 shares on September 10, 2015; (vi) 17,050 shares on December 6, 2015; and (vi) 17,050 shares on September 10, 2016.

Represents restricted shares that will vest as follows: (i) 41,176 shares on May 17, 2014; (ii) 10,100 shares on September 10, 2014; (iii) 9,525 shares on December 6, 2014; (iv) 17,050 shares on December 8, 2014; (v) 10,100 shares on September 10, 2015; (vi) 19,050 shares on December 6, 2015; and (vi) 20,200 shares on September 10, 2016.

Option Exercises and Shares Vested

The following table provides information regarding: (1) share option exercises by the named executive officers during 2013, including the number of shares acquired upon exercise and the value realized; and (2) the number of shares of our class A common share acquired by named executive officers upon the vesting of restricted share awards and the value realized, each before payment of any applicable withholding tax and broker commissions.

Name	Share Option Awards		Restricted Share Awards	
	Number of Shares Acquired on Exercise	Value Realized on Exercise	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting ⁽¹⁾
Vincent L. Sadusky	—	—	238,850	\$4,103,970
Richard J. Schmaeling	—	—	59,501	971,248
Scott M. Blumenthal	—	—	91,341	1,526,293
Denise M. Parent	—	—	63,076	1,045,573
Robert S. Richter	—	—	71,584	1,201,771

⁽¹⁾ Based on the average of the high and low prices of our class A common shares on the vesting date if shares were held by named executive officer.

Other Benefit Plans

Pension Benefits

The table below shows the present value of accumulated benefits payable to each of the named executive officers, including the number of years of service credited to each of the named executive officers, under each of the Retirement Plan and the SERP. These plans are described below. The present value is determined using interest rate, mortality rate and other assumptions consistent with those described in Note 10—“Retirement Plans” of the consolidated financial statements included in our 10-K.

Name	Plan Name	Number of Years of Credited Service (#) ⁽³⁾	Present Value of Accumulated Benefit	Payments During the Last Fiscal Year
Vincent L. Sadusky ⁽¹⁾	Retirement Plan	5	\$67,327	\$—
	SERP	5	163,672	—
Richard J. Schmaeling ⁽¹⁾	Retirement Plan	1	9,056	—
	SERP	1	—	—
Scott M. Blumenthal ⁽²⁾	Retirement Plan	21	830,641	—
	SERP	21	1,189,797	—
Denise M. Parent ⁽¹⁾	Retirement Plan	12	154,186	—
	SERP	12	53,125	—
Robert S. Richter ⁽¹⁾	Retirement Plan	3	32,852	—
	SERP	3	8,764	—

⁽¹⁾ Messrs. Sadusky, Schmaeling, Richter and Ms. Parent participate in the cash balance plan.

⁽²⁾ Mr. Blumenthal participates in the traditional average final-pay plan.

⁽³⁾ Once these plans were frozen on April 1, 2009, years of credited service no longer increase. Accordingly, actual years of service for each executive will differ from the credited years of service shown in the table above.

Retirement Plan

Participants in our tax qualified pension plan participate in either a cash balance benefit plan or a traditional average final-pay plan and may also receive benefits under our SERP, which is described below. Mr. Blumenthal participates in the traditional average final-pay plan. Messrs. Sadusky, Schmaeling, Richter and Ms. Parent participate in the cash balance plan.

Effective April 1, 2009, these plans were frozen and we do not expect to make additional benefit accruals to these plans. All pension benefits are now fully vested. Cash balance plan accounts earn annual interest at a rate equal to the interest rate for five-year U.S. Treasury Bills plus 25 basis points (the interest rate is reset annually at the Treasury rate during the November preceding each plan year). As of December 31, 2013, the estimated annual retirement benefits payable under the cash balance plan and our SERP as an annuity for life upon normal retirement, assuming Messrs. Sadusky, Schmaeling, Blumenthal, Richter and Ms. Parent, remain employed by us at their current level of compensation until age 65, is \$39,816, \$1,507, \$166,444, \$8,991 and \$33,311, respectively.

Under the traditional average final-pay benefit plan, benefits are 0.9% times credited service after February 1, 2009, plus 1.5% times credited service prior to February 1, 2009, times final average earnings. Total credited service is limited to 32 years. Each named executive officer’s salary and bonus for 2013 is set forth above in the “Salary”, “Bonus” and “Non-Equity Incentive Plan Compensation” columns of the Summary Compensation Table.

Under the plan, a participant’s normal retirement age is 65. The normal form of payment for a participant who is not married is a single life annuity. The normal form of payment for a participant who is married is a qualified joint and survivor annuity. A participant may retire early after both attaining age 55 and completing ten years of vesting service. A traditional participant who retires early will have their benefit reduced by 0.55% for each month up to 60 months and by 0.30% for each month in excess of 60 months that they retire prior to their normal retirement date. A cash balance participant will receive the full account balance upon early retirement.

401(k) Plan

We have historically provided a defined contribution plan (“401(k) Plan”) under which we made contributions on behalf of employee groups that were not covered by the retirement plans described above, matching 50% of the employee’s contribution up to 6% of the employee’s total annual compensation. Effective January 1, 2010, the Company began making contributions to the 401(k) Plan, which provided a 3% non-elective contribution to all eligible employees, including each of the named executive officers, until December 31, 2013. Effective January 1, 2014, we changed Company contributions to the 401(k) Plan, resulting in a match of 50% of the employee’s contribution up to 6% of the employee’s total annual compensation.

Supplemental Benefit Retirement Plan

As permitted by the Employee Retirement Income Security Act of 1974, as amended, our SERP is a non-qualified plan designed to provide for the payment by us of the difference, if any, between the amount of maximum Internal Revenue Service and/or other regulatory limitations and the annual benefit that would be payable under the pension plan (including the cash balance benefit plan and traditional average final-pay benefit plan), but for such limitations. The SERP follows the provisions of the retirement plan for normal retirement date and early retirement. Payments for traditional participants will commence at their normal retirement date. Payments to cash balance participants will be paid in a lump sum six months after termination.

Supplemental Income Deferral Plan

Effective as of July 1, 2010, the named executive officers, in addition to other eligible executives, were entitled to participate in the Supplemental Income Deferral Plan (“SIDP”). The SIDP allows the named executive officers to defer 5% - 80% of their base salaries and 5% - 100% of their annual non-equity incentive awards on a tax-deferred basis and receive tax-deferred market-based growth. Following the effective date of the SIDP, the Company contributed to the SIDP 3% of the named executive officers’ income that exceeded the limit set by Internal Revenue Code Section 401(a)(17). In 2013, the Company made contributions to the SIDP for each of the named executive officers in amounts equal to 5% of their base salary and non-equity incentive plan compensation. The SIDP is an unsecured obligation of the Company, meaning that payments of participant balances in the SIDP are not guaranteed if the Company becomes insolvent or bankrupt.

Nonqualified Deferred Compensation Plan

Historically, the named executive officers and other eligible employees had the opportunity to participate in our Deferred Compensation Plan. The Deferred Compensation Plan allowed eligible employees to defer up to 100% of their base salary and performance bonuses in either mutual funds managed by Fidelity Investments or in our Company’s Senior Subordinated Notes. As of December 2008, we decided not to offer the named executive officers and other eligible employees the opportunity to participate in the Deferred Compensation Plan because, among other reasons, the number of participants in the plan had declined while the expense and resources required to manage the plan had increased. The Deferred Compensation Plan remains in place for purposes of servicing the current participants and the balance of the amounts that were previously deferred by named executive officers and other eligible employees.

The following table summarizes the deferred compensation accounts for each of the named executive officers under our SIDP, and in the case of Mr. Sadusky, amounts related to the previously offered Deferred Compensation Plan, as of December 31, 2013:

Name	Executive Contributions in Last Fiscal Year	Registrant Contributions in Last Fiscal Year ⁽¹⁾	Aggregate Earnings in Last Fiscal Year ⁽²⁾	Aggregate Withdrawals/Distributions	Aggregate Balance at Last Fiscal Year End ⁽³⁾
Vincent L. Sadusky	\$—	\$204,381	\$34,852	\$—	\$885,935
Richard J. Schmaeling	—	58,351	54,531	—	262,907
Scott M. Blumenthal ⁽⁵⁾	—	55,179	594	—	250,908
Denise M. Parent	—	48,326	22,259	—	203,663
Robert S. Richter	—	53,144	43,179	—	242,407

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- (1) Represents the 3% and 5% contribution under the SIDP as described above. All of these amounts are included in the 2013 Summary Compensation Table under “All Other Compensation”.
- (2) Represents returns on amounts invested based on the participant’s investment selections. There were no above-market earnings during 2013.
- (3) The aggregate balance includes amounts reported as compensation for 2013, 2012 and 2011 as shown in the All Other Compensation Table.
- (4) \$275,978 of Mr. Sadusky’s aggregate balance and \$34,746 of aggregate earnings shown in the table for 2013 relate to the previously offered Deferred Compensation Plan as described above.
- (5) Mr. Blumenthal retired from the Company on December 31, 2013.

Other Benefits and Perquisites

All Other Compensation

For the year ended December 31, 2013 the following table describes each component of the All Other Compensation column in the Summary Compensation Table.

Name	Company Paid Auto and Commuting Benefits ⁽¹⁾	Executive Life Insurance	Registrant's Contribution to Nonqualified Defined Contribution Plan	Total Other Compensation
Vincent L. Sadusky	\$16,978	\$ 384	\$204,381	\$ 221,743
Richard J. Schmaeling	13,457	384	58,351	72,192
Scott M. Blumenthal	12,702	384	55,179	68,265
Denise M. Parent	7,184	384	48,326	55,894
Robert S. Richter	9,347	384	53,144	62,875

Our Company provides the use of a company automobile to each of our named executive officers and we allow the ⁽¹⁾ purchase of a new vehicle every three years. We limit our Company's contribution towards the purchase of a vehicle to \$35,000 plus applicable taxes, registration and insurance for each of our named executive officers.

Potential Payments Upon Termination or Change in Control

Had any of the named executive officers been terminated "without cause" or if the named executive officers had terminated their employment for "good reason" as of December 31, 2013, or if there had been a change in control as of such date, the named executive officers would have been eligible to receive the following payments:

Name and Principal Position	Termination Without Change in Control					Additional Payment for Termination With Change in Control		
	Salary & Bonus ⁽¹⁾	Health and Other Benefits ⁽²⁾	Retirement Benefits ⁽³⁾	Accelerated Vesting of Options & Awards	Total	Accelerated Vesting of Additional Share Awards ⁽⁴⁾	Severance ⁽⁵⁾	Total
Vincent L. Sadusky President and Chief Executive Officer	\$2,675,200	\$ 11,406	\$ —	\$ —	\$2,686,606	\$—	\$2,686,606	\$2,686,606
Richard J. Schmaeling Senior Vice President Chief Financial Officer	829,000	11,406	—	—	840,406	—	840,406	840,406
Scott M. Blumenthal Executive Vice President Television	797,540	9,185	—	—	806,725	—	—	—
Denise M. Parent Senior Vice President Chief Legal Officer	703,750	29,398	56,300	—	789,448	—	789,448	789,448
Robert S. Richter Senior Vice President Digital	733,900	11,406	—	—	745,306	—	745,306	745,306

⁽¹⁾ In accordance with each named executive officer's employment agreement, described above under "Compensation Discussion and Analysis—Design of Compensation Programs—Employment Agreements, Severance and

Change-in-Control Arrangements”, calculated as a multiple of salary and most recently awarded bonus to the named executive officer as of December 31, 2013.

Benefits include the medical and dental costs paid by our Company using the health care rates in effect as of (2) January 1, 2014. For Ms. Parent in accordance with her employment agreement, in addition to medical and dental costs, other executive benefits including company automobile, vision, life and pension benefits will be provided.

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- (3) This represents additional retirement benefits that would have accrued to Ms. Parent in the 24 months following termination in accordance with her employment agreement.

None of the outstanding option grants or share awards automatically vest upon a change in control, however, the Compensation Committee has the authority to declare that any restrictions may lapse and any or all outstanding options or share awards shall automatically vest upon consummation of a change in control. As described below under “Recent Developments”, on March 21, 2014 we entered into a Merger Agreement (as defined below) with

- (4) Media General, Inc. and several related entities. The Merger Agreement provides that, following the consummation of the mergers contemplated thereby, if the employment of a holder of unvested option grants or share awards, including Mssrs. Sadosky, Schmaeling and Richter and Ms. Parent, is terminated by the surviving company other than for “cause”, such options grants and share awards shall become fully vested upon such termination. Additional information concerning the treatment of options and share awards under the Merger Agreement will be provided in the joint proxy statement/prospectus referred to below.

In accordance with each named executive officer’s employment agreement, described above under “Compensation

- (5) Discussion and Analysis—Design of Compensation Programs—Employment Agreements, Severance and Change-in-Control Arrangements”, upon termination following a change in control, each executive will receive the benefits to be paid upon termination without a change in control times a multiple of two.

DIRECTOR COMPENSATION

Our Board believes that our future growth and profitability depend upon our ability to maintain a competitive position in attracting and retaining qualified directors and that both cash compensation and equity awards are an important part of the compensation offered to directors.

The following table summarizes the compensation paid to all persons serving as non-employee directors during 2013.

Name	Fees Earned or Paid in Cash	Share Awards ⁽¹⁾	Option Awards ⁽²⁾	Total
William S. Banowsky, Jr.	\$95,000	\$248,638	\$ —	\$343,638
Peter S. Brodsky	95,000	229,905	—	324,905
Royal W. Carson III	80,000	177,112	—	257,112
Dr. William H. Cunningham	100,000	223,093	—	323,093
Douglas W. McCormick, Chairman	105,000	379,769	—	484,769
John R. Muse	80,000	91,962	—	171,962
Michael A. Pausic	80,000	192,439	—	272,439

Represents the aggregate grant date fair value computed in accordance with ASC 718. See Note 9—“Share-based Compensation” to the consolidated financial statements included in our 10-K for a discussion of the assumptions used to value equity-based compensation.

⁽²⁾ There were no option grants during the year ended December 31, 2013.

The following table summarizes the equity awards made to non-employee directors during 2013, and the aggregate number of options and unvested restricted share awards outstanding for each non-employee director as of December 31, 2013:

Name	Restricted Share Awards			Option Awards			Aggregate Number of Awards Outstanding	
	Date of Award	Restricted Share Awards (#)	Fair Value at Grant Date ⁽¹⁾	Date of Award	Option Awards	Fair Value at Grant Date	Restricted Share Awards (#)	Options (#)
William S. Banowsky, Jr.	9/10/2013	14,600	\$248,638	—	—	\$—	39,025	158,042
Peter S. Brodsky	9/10/2013	13,500	229,905	—	—	—	37,475	154,000
Royal W. Carson III	9/10/2013	10,400	177,112	—	—	—	29,700	91,154
Dr. William H. Cunningham	9/10/2013	13,100	223,093	—	—	—	40,075	128,500
Douglas W. McCormick	9/10/2013	22,300	379,769	—	—	—	66,500	179,000
John R. Muse	9/10/2013	5,400	91,962	—	—	—	5,400	100,000
Michael A. Pausic	9/10/2013	11,300	192,439	—	—	—	30,800	125,433

These columns show the full grant date fair value of the restricted share awards under ASC 718. Generally, the full grant date fair value is the amount that we would expense in our financial statements over the entire term of the share options' vesting schedule. No option awards were granted during 2013.

Cash Compensation

The directors receive an annual retainer of \$80,000 for services rendered as directors. The Chair of our Compensation Committee and our Nominating and Governance Committee each receive an additional annual retainer of \$15,000, the chair of our Audit Committee receives an additional annual retainer of \$20,000, and the Chairman of the Board receives an additional annual retainer of \$25,000. We do not maintain a medical, dental or retirement benefits plan for our non-employee directors.

Equity Compensation

There are 3,000,000 class A common shares reserved for issuance under the 2002 Non-Employee Director Share Plan, as amended and restated (“Director Plan”).

Options granted pursuant to the Director Plan expire on the earlier of 10 years from the date of grant or three months after cessation of service as a director. Options granted pursuant to the Director Plan have an exercise price equal to the fair market value of a share of our common shares on the date of grant. Unless otherwise changed at the time of grant by the Board, options granted under the Director Plan vest over a period of four years, with 25% of the options vesting on each anniversary of the grant date. Unless otherwise changed at the time of grant by the Board, restricted share awards granted under the Director Plan vest over a period of five years, with 20% of the shares granted under the award vesting on each anniversary of the grant date.

Upon any change in control, or if we or affiliates of HMC enter into any agreement providing for our change in control, the Compensation Committee may declare that any restrictions applicable to a share award may lapse and any or all outstanding options shall vest and become immediately exercisable. Thereafter, the options will be subject to the terms of the transaction effecting the change in control.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

None of the members of our Compensation Committee has at any time been one of our officers or employees. None of our executive officers currently serves, or in the past year has served, as a member of the board or compensation committee of any entity that has one or more executive officers serving on our Board or Compensation Committee.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

We are unaware of any relationships or related transactions that are required to be reported in this proxy statement.

REVIEW, APPROVAL OR RATIFICATION OF TRANSACTIONS WITH RELATED PERSONS

On an annual basis, each director and executive officer of our Company must complete a Director and Officer Questionnaire that requires disclosure of any transaction, arrangement or relationship with us during the last fiscal year, in which the director or executive officer, or any member of his or her immediate family, had a direct or indirect material interest. Any transaction, arrangement or relationship disclosed in the Director and Officer Questionnaire is reviewed and considered by our Board in making independence determinations and resolving any conflicts of interest that may be implicated.

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FEES AND OTHER MATTERS

The aggregate fees billed for professional services rendered by PricewaterhouseCoopers LLP in the fiscal years ended December 31, 2013 and 2012 are as follows (in thousands):

	2013	2012
Audit Fees	\$1,351	\$2,050
Audit-Related Fees	—	—
Tax Fees	527	644
All Other Fees	4	4
Total	\$1,882	\$2,698

Items included under Audit Fees include professional services rendered by PricewaterhouseCoopers LLP for the audit of our annual financial statements included in our 10-K, including compliance testing with respect to Sarbanes Oxley Act Section 404 and review of interim financial statements included in our Forms 10-Q for the years ended December 31, 2013 and 2012. In addition, during 2012, we incurred additional audit fees related to services performed for other special projects.

Items included under Audit-Related Fees include professional services rendered by PricewaterhouseCoopers LLP for assurance and other related services that are required in the performance of the audit or review of the financial statements, and which are not included under Audit Fees, during the years ended December 31, 2013 and 2012.

Items included in 2013 and 2012 Tax Fees include review and analysis of tax consequences related to the Merger, as defined above in the Explanatory Note. Items included under All Other Fees include annual usage fees relating to software licensed by PricewaterhouseCoopers LLP.

The Audit Committee reviews and pre-approves all annual services and fees proposed by PricewaterhouseCoopers LLP. No services were approved pursuant to the de minimis exception.

RECENT DEVELOPMENTS

As set forth in our Current Report on Form 8-K, filed with the SEC on March 21, 2014, Media General, Inc., a Virginia corporation (“Media General”), Mercury New Holdco, Inc., a Virginia corporation and direct, wholly owned subsidiary of Media General (“Media General Holdings”), Mercury Merger Sub 1, Inc., a Virginia corporation and a direct, wholly owned subsidiary of Media General Holdings (“Merger Sub 1”), Mercury Merger Sub 2, LLC, a Delaware limited liability company and a direct, wholly owned subsidiary of Media General Holdings (“Merger Sub 2”) and the Company entered into an Agreement and Plan of Merger (the “Merger Agreement”) pursuant to which Merger Sub 1 will, upon the terms and subject to the conditions thereof, merge with and into Media General (the “Media General Merger”), with Media General surviving the Media General Merger as a wholly owned subsidiary of Media General Holdings, and immediately following the consummation of the Media General Merger, Merger Sub 2 will merge with and into the Company (the “Company Merger” and together with the Media General Merger, the “Mergers”), with the Company surviving the Company Merger as a wholly owned subsidiary of Media General Holdings. The Mergers are not expected to be completed until after the Annual Meeting.

The foregoing is for informational purposes only and is neither an offer to purchase, nor a solicitation of an offer to sell, any securities or the solicitation of any vote in any jurisdiction pursuant to the proposed transactions or otherwise, nor shall there be any sale, issuance or transfer of securities in any jurisdiction in contravention of applicable law. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.

This communication is not a solicitation of a proxy from any shareholder of Media General or the Company with respect to the transactions contemplated by the Merger Agreement. In connection with the Merger Agreement, Media General, Media General Holdings and the Company intend to file relevant materials with the SEC, including a Registration Statement on Form S-4 filed by Media General Holdings that will contain a joint proxy statement/prospectus. **INVESTORS AND SECURITY HOLDERS ARE URGED TO READ THESE MATERIALS WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT MEDIA GENERAL, THE COMPANY, MEDIA GENERAL HOLDINGS AND THE MERGERS.** The Form S-4, including the joint proxy statement/prospectus, and other relevant materials (when they become available), and any other documents filed by Media General, Media General Holdings and the Company with the SEC, may be obtained free of charge at the SEC’s web site at www.sec.gov. The documents filed by Media General and Media General Holdings may also be obtained for free from Media General’s Investor Relations web site (<http://www.mediageneral.com/investor/index.htm>) or by directing a request to Media General’s Investor Relations contact, Lou Anne J. Nabhan, Vice President, Corporate Communications, at (804) 887-5120 or from the Company by contacting Corporate Communications, by telephone at (401) 457-9501, or by going to the Company’s Investor Relations page on its corporate website (www.linmedia.com/investor-relations/).

OTHER INFORMATION

Other Matters

As of the date of this Proxy Statement, our Board does not intend to present any matter for action at the Annual Meeting other than as set forth in the Notice and Proxy Statement for the Annual Meeting. If any other matters properly come before the meeting, it is intended that the holders of the proxies will act in accordance with their best judgment.

Shareholder Proposals for the 2015 Annual Meeting

Proposals of shareholders who intend to be present at the 2015 annual meeting of shareholders pursuant to Rule 14a-8 promulgated under the Exchange Act must be received by us no later than the close of business on December 13, 2014 in order that they may be included in the proxy statement and form of proxy relating to that meeting. Proposals should be addressed to Denise M. Parent, Secretary, LIN Media LLC, 701 Brazos Street, Suite 800, Austin, Texas 78701. In addition, our limited liability company agreement requires that we be given advance notice of shareholder nominations for election to our Board and of other business that shareholders wish to present for action at an annual meeting of shareholders (other than matters included in our Proxy Statement in accordance with Rule 14a-8). Such nominations and proposals for the 2015 annual meeting, other than those made by or on behalf of our Board, shall be made by notice in writing delivered or mailed by first class United States mail, postage prepaid, to the Secretary, and received no earlier than January 29, 2015 and no later than February 28, 2015, assuming that the 2015 annual meeting is to be held between April 2, 2015 and July 11, 2015, as we currently anticipate. In the event that the 2015 annual meeting is not held between April 2, 2015 and July 11, 2015, notice of shareholder nominees or proposals must be received no earlier than 120 days before the date of the 2015 annual meeting and no later than 90 days before the date of the 2015 annual meeting or the tenth day following our first public announcement of the date of such meeting, whichever is later. Our limited liability company agreement also requires that such notice contain certain additional information. Copies of our limited liability company agreement can be obtained without charge from the Secretary.

Proxy Solicitation

The cost of the solicitation of proxies will be borne by us. In addition to the solicitation of proxies by mail, certain of our officers and regular employees, without extra remuneration, may solicit proxies personally, by telephone, mail or facsimile. Brokers, custodians and fiduciaries will be requested to forward proxy soliciting material to the owners of shares held in their names, and we will reimburse them for their reasonable out-of-pocket expenses incurred in connection with the distribution of proxy material.

Householding of Annual Meeting Materials

Some banks, brokers and other nominee record holders may be participating in the practice of "householding" proxy statements. This means that only one copy of our Proxy Statement may have been sent to multiple shareholders in a shareholder's household. We will promptly deliver a separate copy to any shareholder upon written or oral request to LIN Media LLC, 701 Brazos Street, Suite 800, Austin, Texas 78701, Attention: Denise M. Parent, Secretary; Telephone: (401) 454-2880. If any shareholder wants to receive separate copies of the Proxy Statement in the future, or if any shareholder is receiving multiple copies and would like to receive only one copy for his or her household, such shareholder should contact his or her bank, broker, or other nominee record holder, or such shareholder may contact us at the above address or phone number.

By Order of our Board of Directors,

Denise M. Parent
Secretary

April 7, 2014

