

# Salem Media Group, Inc.

## Compensation Committee Charter

*(Approved by the Compensation Committee and Adopted by the Board of Directors on December 7, 2022)*

### 1. Statement of Purpose

1.1. The purpose of the Compensation Committee (the “**Committee**”) shall be to discharge the responsibilities of the Board of Directors (the “**Board**”) of Salem Media Group, Inc. (the “**Company**”) relating to the oversight and determination of executive compensation.

With respect to its compensation functions, the Committee shall:

- Evaluate and recommend to the Board compensation for the Company’s directors, including incentive or equity-based compensation plans;
- Evaluate and approve compensation for the Company’s “Executive Officers” (as defined herein), including incentive or equity-based compensation plans;
- Review the disclosures in the Company’s Compensation Discussion and Analysis section and related tables (the “**CD&A**”) prepared annually for inclusion in the Company’s proxy statement or annual report on Form 10-K to the extent required by the rules of the Securities and Exchange Commission (the “**SEC**”) and produce an annual compensation committee report for inclusion in the Company’s proxy statement in accordance with applicable rules and regulations; and
- Monitor and evaluate, at the Committee’s discretion, matters relating to the compensation and benefit structure of the Company and its subsidiaries or affiliates, as the Committee deems appropriate.

1.2. The Committee’s objectives in performing its duties shall be to: (i) encourage the achievement of the Company’s long-range objectives by providing compensation which directly relates to individual performance and achievement of internal strategic objectives; (ii) establish compensation policies and guidelines that will attract and retain qualified personnel by providing competitive compensation; and (iii) promote a direct relationship between Executive Officer compensation and the Company’s performance by facilitating Executive Officer stock ownership through equity incentive awards, thereby more closely aligning the interests of the Company’s executives with its other stockholders.

### 2. Composition of the Committee

2.1. Each member of the Committee shall be appointed by the Board based on recommendations of the Board’s Nominating and Corporate Governance Committee and may be removed by the Board in its discretion. The Committee shall comprise at least two directors.

2.2. Each member of the Committee shall be an independent director meeting the applicable requirements of the NASDAQ Stock Market (“**NASDAQ**”) and the rules and regulations of the Securities and Exchange Commission regarding director independence. Each member of the Committee shall also be a “non-employee director” (within the meaning of Rule 16b-3 promulgated under the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”)) and an “outside director” (within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended, and the regulations thereunder).

2.3. A Chairman of the Committee shall be appointed by the Board, or, in the absence of such an appointment, the members of the Committee may designate a Chairman by majority vote.

### **3. Authority, Duties and Responsibilities**

3.1. The Committee is authorized to fix the compensation of Executive Officers. For purposes of this charter, the term “Executive Officers” shall be determined in accordance with Rule 16a-1 of the Exchange Act (hereinafter, the “**Executive Officers**”) of the Company, to establish and administer the annual incentive plan or plans applicable to Executive Officers of the Company and to administer the equity incentive plans of the Company as may from time to time be acquired or adopted, including, without limitation, serving as the “Administering Body” of the Company’s 1999 Stock Incentive Plan (as amended, the “**1999 Stock Incentive Plan**”). To that end, the Committee shall have and may exercise all the powers and authority of the Board to the extent permitted under Section 141(c) of the Delaware General Corporation Law. To the extent it deems necessary, the Committee review and approve the terms of any compensation “clawback” or similar policy or agreement between the Company and the Company’s executive officers or other employees subject to Section 16 of the Exchange Act.

3.2. The Committee is responsible for making decisions with respect to the Company’s compensation policies for its Executive Officers. To the extent permitted by applicable law and NASDAQ rules, the Committee may delegate to one or more officers of the Company the power (i) to designate the officers and employees of the Company or any of its subsidiaries who will receive equity incentive awards, and (ii) to determine the amount of equity incentive awards to be received by them; provided, however, that only the Committee and/or the Board, in accordance with applicable law and NASDAQ rules, shall have the authority to determine the compensation of the Company’s Executive Chairman and Chief Executive Officer and President and its other Executive Officers. Any delegation by the Committee to one or more officers of the Company, as contemplated in this Section 3.2, must be made by resolution that specifies the total amount of equity incentive awards that may be granted under the delegated authority, and no Executive Officer may be delegated the power to designate himself or herself as a recipient of equity incentive awards.

3.3. The Committee shall oversee the Company’s overall compensation structure, policies and programs, and assess whether they establish appropriate incentives for management and employees. In addition, pursuant to the authority granted by the Board, the Committee shall review and approve corporate goals and objectives relevant to the compensation to be paid to the Company’s Executive Chairman and its Chief Executive Officer and President and each of the other Executive Officers of the Company.

3.4. The Committee shall have the authority, in its sole discretion, to retain or obtain the advice of such compensation consultants, outside counsel and other advisors as the Committee may deem appropriate. The Committee is directly responsible, in its capacity as a committee of the Board, for the appointment, compensation and oversight of the work of any adviser retained by the Committee. The Committee shall have sole authority to approve the fees and retention terms of its advisors. The Company shall provide for appropriate funding, as determined by the Committee, for payment of reasonable compensation to any adviser retained by the Committee. The Committee may select or receive advice from any adviser (other than in-house legal counsel) only after taking into consideration the factors prescribed by NASDAQ rules.

3.5 The Committee shall evaluate whether any compensation consultant retained or to be retained by it has any conflict of interest in accordance with Item 407(e)(3)(iv) of Regulation S-K.

3.6. The Committee shall report its actions and any recommendations to the Board after each Committee meeting and shall conduct and present to the Board an annual performance evaluation of the Committee. The Committee shall review at least annually the adequacy of this charter and recommend any proposed changes to the Board for approval.

3.7. In discharging its duties and responsibilities, the Committee shall:

3.7.1. Annually evaluate the performance of the Company's Executive Chairman and its Chief Executive Officer in light of the Committee's executive compensation plans and determine the annual compensation for the Executive Chairman, Chief Executive Officer and President based on this evaluation and while meeting in executive session, and, further, review and approve such corporate goals and objectives for the subsequent year. In evaluating and determining the compensation of the Chief Executive Officer and President, the Committee shall consider the results of the most recent stockholder advisory vote on say-on-pay required by Section 14A of the Exchange Act. The Chief Executive Officer shall not be present during any voting or deliberations by the Committee on his or her compensation.

3.7.2. Evaluate, on an annual basis, the performance of the Executive Officers and shall determine the annual compensation, including salary, bonus, incentive and equity compensation, for such Executive Officers. The Committee shall also provide oversight of management's decisions concerning the performance and compensation of other officers. In evaluating and determining the compensation of the Executive Officers, the Committee shall consider the results of the most recent stockholder advisory vote on say-on-pay required by Section 14A of the Exchange Act. For purposes of this Section 3.7.2, the Executive Chairman, Chief Executive Officer and/or President may be present during the Committee's deliberations but may not vote.

3.7.3. Review and administer the Company's 1999 Stock Incentive Plan and any other incentive compensation plans, their respective implementation and recommend any changes in such plans to the Board as needed. In making recommendations regarding the 1999 Stock Incentive Plan and any other incentive compensation plans, the Committee shall consider the results of the most recent stockholder advisory vote on say-on-pay required by Section 14A of the

Exchange Act. The Committee shall have and shall exercise all the authority of the Board with respect to the administration of such plans.

3.7.4. Review and approve the entry into or amendment or termination of any employment agreements, severance agreements or change-of-control agreements for Executive Officers.

3.7.5. Maintain regular contact with management of the Company regarding compensation matters.

3.7.6 Review and discuss the CD&A with management and recommend to the Board whether such section should be included within the Company's annual report and Form 10-K and annual proxy statement in accordance with applicable rules and regulations.

3.7.7. Prepare and produce an annual compensation report to be included in the Company's proxy statement in accordance with applicable rules and regulations which shall consider the results of the most recent say on pay vote.

3.7.8. Review and evaluate, on an annual basis, the compensation of non-employee directors for service on the Board and its committees and recommend any changes in compensation to the Board.

3.7.9. Review and recommend to the Board for approval the frequency with which the Company will conduct say-on-pay votes, taking into account the results of the most recent stockholder advisory vote on frequency of say-on-pay votes required by Section 14A of the Exchange Act, and review and approve the proposals regarding the say on pay vote and the frequency of the say on pay vote to be included in the Company's proxy statement.

3.7.10 Review the compensation policies and practices of the Company to determine whether they encourage excessive risk-taking, to review and discuss at least annually the relationship between risk management policies and practices and compensation, and to evaluate compensation policies and practices that could mitigate any such risk.

3.7.11 Oversee engagement with stockholders and proxy advisory firms on executive compensation matters.

3.7.12. Evaluate annually the appropriate level of compensation for Board and Committee service by non-employee directors.

3.7.13. To review perquisites or other personal benefits to the Company's executive officers and directors and recommend any changes to the Board.

3.7.14. To approve all special perquisites, special cash payments and other special compensation and benefit arrangements for the Company's executive officers.

3.7.15. To approve all special perquisites, special cash payments and other special compensation and benefit arrangements for the Company's employees.

#### **4. Committee Meetings**

The Committee shall meet at least two times per year and as often as may be deemed necessary or appropriate. One such meeting shall be held at a time when the Committee can review and recommend annual base salary and incentive awards as described above. Any additional meetings shall be called and held at the discretion of the Chairman of the Committee. A majority of the members of the Committee shall constitute a quorum unless there are only two members of the Committee, in which case a quorum shall require the presence of both members. Minutes of all Committee meetings shall be kept. The President or Chief Executive Officer will function as the management liaison officer to the Committee.

#### **5. Investigations and Studies; Outside Advisers**

The Committee may conduct or authorize investigations into or studies of matters within the Committee's scope of responsibilities, and may, in its sole discretion, retain or obtain the advice of a compensation consultant, legal counsel or other adviser. The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any compensation consultant, legal counsel or other adviser retained by the Committee, the expense of which shall be borne by the Company. The Committee may select a compensation consultant, legal counsel or other adviser to the Committee only after taking into consideration the following:

- The provision of other services to the Company by the person that employs the compensation consultant, legal counsel or other adviser;
- The amount of fees received from the Company by the person that employs the compensation consultant, legal counsel or other adviser, as a percentage of the total revenue of the person that employs the compensation consultant, legal counsel or other adviser;
- The policies and procedures of the person that employs the compensation consultant, legal counsel or other adviser that are designed to prevent conflicts of interest;
- Any business or personal relationship of the compensation consultant, legal counsel or other adviser with a member of the Committee;
- Any stock of the Company owned by the compensation consultant, legal counsel or other adviser; and
- Any business or personal relationship of the compensation consultant, legal counsel, other adviser or the person employing the adviser with an executive officer of the Company.

The Committee shall conduct the independence assessment with respect to any compensation consultant, legal counsel or other adviser that provides advice to the Committee, other than: (i) in-house legal counsel; and (ii) any compensation consultant, legal counsel or other adviser whose role is limited to the following activities for which no disclosure would be required under Item 407(e)(3)(iii) of Regulation S-K: consulting on any broad-based plan that does not discriminate in scope, terms, or operation, in favor of executive officers or directors of the Company, and that is available generally to all salaried employees; or providing information that

either is not customized for the Company or that is customized based on parameters that are not developed by the compensation consultant, and about which the compensation consultant does not provide advice.

Nothing herein requires a compensation consultant, legal counsel or other compensation adviser to be independent, only that the Committee consider the enumerated independence factors before selecting or receiving advice from a compensation consultant, legal counsel or other compensation adviser. The Committee may select or receive advice from any compensation consultant, legal counsel or other compensation adviser it prefers, including ones that are not independent, after considering the six independence factors outlined above.

Nothing herein shall be construed: (1) to require the Committee to implement or act consistently with the advice or recommendations of the compensation consultant, legal counsel or other adviser to the Committee; or (2) to affect the ability or obligation of the Committee to exercise its own judgment in fulfillment of its duties.

## **6. Disclosure of Charter**

If required by the rules of the Securities and Exchange Commission or Nasdaq, this charter, as amended from time to time, shall be made available to the public on the Company's website.

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Nothing contained in this charter is intended to create, or should be construed as creating, any responsibility or liability of members of the Committee, except to the extent otherwise provided under applicable federal or state law.