770 Paseo Camarillo, Ste 325
Camarillo, CA 93010
(805) 987-0400

May 29, 2026

Dear Stockholder:

You are cordially invited to attend the 2026 Annual Meeting of Stockholders (the "Annual Meeting") of Salem Media Group, Inc. ("Salem," the "Company," "we," "us," or "our"). The Annual Meeting will be held in a virtual format only on Wednesday, June 24, 2026, at 10:00 a.m. P.D.T at www.virtualshareholdermeeting.com/SALM2026. You will not be able to attend the Annual Meeting physically. To be admitted to the virtual Annual Meeting, stockholders must enter their control number on the virtual meeting website. A stockholder's control number may be found either on their proxy card or on their notice regarding availability of proxy materials.

At the Annual Meeting, in addition to being asked to consider and vote upon the election of nine (9) nominees to our Board of Directors (the "Board") and the ratification of the appointment of Baker Tilly US, LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2026, you will be asked to consider and vote upon the adoption of the Agreement and Plan of Merger, dated as of May 6, 2026 (as it may be amended, supplemented or otherwise modified from time to time, the "Merger Agreement"), by and among the Company, The Christian Community Foundation, Inc., a Texas nonprofit corporation doing business as WaterStone ("WaterStone"), and WS Media Acquisition Corporation, a Delaware corporation and a wholly owned subsidiary of WaterStone ("Merger Sub"), which provides for the merger of Merger Sub with and into the Company, with the Company continuing as the surviving corporation (the "Surviving Company") and as a wholly owned subsidiary of WaterStone (the "Merger") in accordance with the General Corporation Law of the State of Delaware (the "DGCL") on the terms and conditions set forth in the Merger Agreement.

If the Merger is completed, you will be entitled to receive $1.00 in cash, without interest thereon (the "Merger Consideration"), for each issued and outstanding share of the Company's Class A common stock, par value $0.01 per share (the "Class A common stock"), and the Company's Class B common stock, par value $0.01 per share (the "Class B common stock" and, together with the Class A common stock, the "Company Common Stock"), that you own as of immediately prior to the effective time of the Merger (the "Effective Time"), unless you seek and perfect your statutory rights of appraisal under Delaware law, and specifically, the DGCL. No consideration will be delivered for the Company's outstanding preferred stock pursuant to the Merger.

The proposed Merger is a "going private transaction" under Section 144 of the DGCL. If the Merger is completed, the Class A common stock will cease to be publicly traded on the Over-The-Counter markets and Salem will become a privately held company, directly or indirectly wholly owned by WaterStone.

WaterStone and its affiliates currently hold all of the Company's outstanding Series A preferred stock, par value $0.01 per share (the "Series A preferred stock"), and Series B convertible preferred stock, par value $0.01 per share (the "Series B convertible preferred stock" and, together with the Series A preferred stock, the "Company Preferred Stock" and, together with the Company Common Stock, the "Company Stock") and, pursuant to the terms of the Series B convertible preferred stock, have the right to appoint and elect two directors to the Board, which directors currently include Mr. Richard von Gnechten, the Chairman of our Board, and Mr. James B. Renacci (together, the "WaterStone Designated Directors").

Given that Mr. von Gnechten, the Chairman of our Board, and Mr. Renacci are WaterStone Designated Directors, the Board formed a special committee of the Board comprised solely of directors that the Board determined, based on information previously discussed with, furnished to or otherwise disclosed to and reviewed by the Board, met the criteria of a disinterested director under Section 144 of the DGCL (the "Special Committee"), to represent the interests of the stockholders of the Company unaffiliated with WaterStone and to, among other things, (i) develop, review, evaluate and negotiate the terms and conditions of the proposed transaction with WaterStone, taking into account such factors as the Special Committee deemed advisable, including, without limitation, reviewing the Company's financial position and business plan and any other information it deemed necessary and appropriate, (ii) determine whether the proposed transaction with WaterStone or any potential alternative transaction is advisable, fair and in the best interests of the Company and its stockholders, (iii) reject or approve the proposed transaction with WaterStone or any potential alternative transaction, (iv) make such investigations as it deemed appropriate, and consult with legal counsel and other outside advisors as the Special Committee deemed necessary in performing its delegated responsibilities, and (v) provide reports to the Board or management at such times as the Special Committee deemed necessary or desirable and consistent with the discharge of its duties (the "Process").

The Special Committee, as more fully described in the accompanying proxy statement, evaluated the terms of the Merger and other matters throughout the Process with the assistance of outside financial and legal advisors. At the conclusion of its review, the Special Committee unanimously (i) determined that the Merger Agreement, the Merger and the other transactions contemplated by the Merger Agreement are advisable, fair to and in the best interest of the Company and its stockholders, including the stockholders of the Company unaffiliated with WaterStone, (ii) approved in all respects, and recommended that the Board approve in all respects, the form, terms, provisions and conditions of the Merger Agreement and the transactions contemplated thereunder (including the Merger), (iii) recommended that the Board approve in all respects, the Merger Agreement and the transactions contemplated thereunder (including the Merger), and (iv) recommended that the Board (A) submit the Merger Agreement and the transactions contemplated thereunder (including the Merger) to the stockholders of the Company at a meeting of the stockholders of the Company (which could be this Annual Meeting) for the purposes of considering, authorizing and approving the Merger Agreement and the transactions contemplated thereunder (including the Merger), and (B) recommend that the stockholders of the Company authorize and approve the Merger Agreement and the transactions contemplated thereunder (including the Merger), in accordance with the DGCL.

After consideration of the unanimous recommendation and analysis of the Special Committee, the Board, acting upon the recommendation of a Special Committee, has (i) determined and declared the Merger Agreement, the Merger and the other transactions contemplated by the Merger Agreement to be advisable, fair to and in the best interest of the Company and its stockholders, (ii) approved the form, terms, provisions and conditions of the Merger Agreement and the transactions contemplated thereunder (including the Merger), in all respects, (iii) authorized, declared advisable and approved the execution, delivery and performance of the Merger Agreement and the consummation of the transactions contemplated thereby, including the Merger, all respects, and (iv) recommended that the stockholders of the Company authorize and approve the Merger Agreement and the transactions contemplated thereby, including the Merger, in accordance with the DGCL.

As described in the accompanying Notice of Annual Meeting of Stockholders and Proxy Statement, the agenda for the Annual Meeting includes:

1. The election of the nine (9) nominees named in the accompanying Proxy Statement to the Board of Directors to serve until the next Annual Meeting of Stockholders or until their respective successors are duly elected and qualified (the "Director Election Proposal").

2. Ratification of the appointment of Baker Tilly US, LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2026 (the "Auditor Ratification Proposal").

3. To consider and vote on a proposal to adopt the Merger Agreement and the transactions contemplated thereby, pursuant to which Merger Sub will be merged with and into the Company, with the Company continuing as the Surviving Company and as a wholly owned subsidiary of WaterStone (the "Merger Proposal").

4. To consider and vote on a proposal to adjourn the Annual Meeting to a later date or dates, from time to time, if necessary or appropriate, to solicit additional proxies for the Merger Proposal if there are insufficient votes at the time of the Annual Meeting to approve the Merger Proposal (the "Adjournment Proposal").

5. To transact any other business that properly comes before the Annual Meeting or any adjournments or postponements thereof by or at the direction of the Board.

The Board of Directors recommends that you vote "FOR" the election of the slate of Director nominees in the Director Election Proposal, "FOR" the ratification of the appointment of Baker Tilly US, LLP as the Company's independent registered public accounting firm in the Auditor Ratification Proposal, "FOR" the Merger Proposal and "FOR" the Adjournment Proposal, if necessary or appropriate, to solicit additional proxies for the Merger Proposal.

We urge you to vote your proxy as soon as possible. Your vote is very important, regardless of the number of shares you own. The Merger cannot be completed unless the Merger Proposal is approved by (i) the affirmative vote of a majority of the outstanding voting power of the Company Common Stock and the Series B convertible preferred stock (on an as converted basis) entitled to vote thereon, voting as a single class (the "Majority Stockholder Vote"), and (ii) a majority of the votes cast by the disinterested stockholders of the Company who do not have a material interest in the transaction or a material relationship with WaterStone or Merger Sub (the "Disinterested Stockholder Vote" and, together with the Majority Stockholder Vote, the "Company Stockholder Approvals"). The receipt of the Company Stockholder Approvals, including the Disinterested Stockholder Vote, is a condition to the closing of the Merger. In respect of the Merger Proposal, votes cast by WaterStone and any of its affiliated persons, including Mr. Renacci, will only be counted for purposes of determining whether the Majority Stockholder Vote has been obtained and will not be counted for purposes of determining whether the Disinterested Stockholder Vote has been obtained. In addition, in accordance with the terms of the Certificates of Designations of the Company Preferred Stock, approval of the Merger Proposal also requires the consent of the holders of 66.67% of the Company's outstanding Series A preferred stock and a majority of the Company's Series B convertible preferred stock, respectively. In connection with the execution of the Merger Agreement, WaterStone has delivered to the Company its written consent, in its capacity as holder of all of the outstanding shares of Company Preferred Stock, approving the Merger, the Merger Agreement and the transactions contemplated by the Merger Agreement, including, effective upon the closing of the Merger, the certificate of incorporation of the Company to be in effect following the Merger.

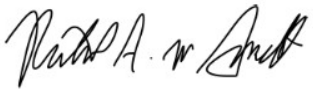
Whether or not you plan to attend the Annual Meeting in person (by participating through the virtual meeting website), we urge you to vote your shares online, by telephone or, if you have chosen to receive paper copies of the proxy materials by mail, by signing, dating and returning the enclosed proxy card promptly in the accompanying postage prepaid envelope. You may, of course, attend the Annual Meeting virtually and vote in person via the virtual meeting website even if you have previously returned your proxy card.

The proxy statement accompanying this letter provides you with more specific information concerning the Annual Meeting, the Merger Agreement, the Merger and the other transactions contemplated by the Merger Agreement. A copy of the Merger Agreement is attached as Annex A to the proxy statement. We encourage you to read the proxy statement and the accompanying annexes in their entirety. Only stockholders of shares of Company Stock of record as of the close of business on May 15, 2026, the record date for the Annual Meeting, are entitled to receive notice of and to vote the shares of Company Stock they held on the record date at the Annual Meeting.

As we have done in prior years, we are furnishing our proxy materials over the internet. Unless you have opted out of receiving notice of i nternet availability of our proxy materials ("Notice"), instead of mailing you a paper copy of the proxy materials, we will be mailing to you a Notice containing instructions on how to access our proxy materials over the internet. Therefore, a proxy card was not sent to you and you may vote only via telephone or online if you do not attend the Annual Meeting through the virtual meeting website.

The approximate date on which this proxy statement and the enclosed proxy card and Notice are first being sent or made available to stockholders is May 29, 2026. On behalf of the Board of Directors and all our employees, we wish to thank you for your support.

Sincerely yours,



RICHARD A. VON GNECHTEN

Chairman of the Board

DAVID P. SANTRELLA

Chief Executive Officer

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Stockholders to Be Held on June 24, 2026:
Our Proxy Statement for the 2026 Annual Meeting of Stockholders is available at *www.proxyvote.com*.

If you have any questions concerning the Proxy Statement or the accompanying proxy card, or if you need any help in voting your shares, please telephone Christopher J. Henderson of Salem at (805) 987-0400.

PLEASE VOTE YOUR SHARES
ONLINE, BY TELEPHONE OR BY
SIGNING, DATING AND RETURNING
THE ENCLOSED PROXY CARD TODAY.

770 Paseo Camarillo, Ste 325
Camarillo, CA 93010
(805) 987-0400

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
To Be Held on June 24, 2026

NOTICE IS HEREBY GIVEN that the 2026 Annual Meeting of Stockholders (the "Annual Meeting") of Salem Media Group, Inc. ("Salem," the "Company," "we," "us," or "our") will be held virtually on Wednesday, June 24, 2026 at 10:00 a.m. P.D.T at www.virtualshareholdermeeting.com/SALM2026 subject to adjournment or postponement by the Board of Directors, for the following purposes:

1. The election of the nine (9) nominees named in the accompanying proxy statement to the Board of Directors to serve until the next Annual Meeting of Stockholders or until their respective successors are duly elected and qualified (the "Director Election Proposal").

2. Ratification of the appointment of Baker Tilly US, LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2026 (the "Auditor Ratification Proposal").

3. To consider and vote on a proposal to adopt the Agreement and Plan of Merger, dated as of May 6, 2026 (as it may be amended, supplemented or otherwise modified from time to time, the "Merger Agreement"), by and among the Company, The Christian Community Foundation, Inc., a Texas nonprofit corporation doing business as WaterStone ("WaterStone"), and WS Media Acquisition Corporation, a Delaware corporation and a wholly owned subsidiary of WaterStone ("Merger Sub"), pursuant to which Merger Sub will be merged with and into the Company, with the Company continuing as the surviving corporation (the "Surviving Company") and as a wholly owned subsidiary of WaterStone (the "Merger") (the "Merger Proposal").

4. To consider and vote on a proposal to adjourn the Annual Meeting to a later date or dates, from time to time, if necessary or appropriate, to solicit additional proxies for the Merger Proposal if there are insufficient votes at the time of the Annual Meeting to approve the Merger Proposal (the "Adjournment Proposal").

5. To transact any other business that properly comes before the Annual Meeting or any adjournments or postponements thereof by or at the direction of the Board.

Only holders of record of our Class A common stock, par value $0.01 per share ("Class A common stock"), Class B common stock, par value $0.01 per share ("Class B common stock," and together with the Class A common stock, the "Company Common Stock"), Series A preferred stock, par value $0.01 per share (the "Series A preferred stock"), and Series B convertible preferred stock, par value $0.01 per share (the "Series B convertible preferred stock" and, together with the Series A preferred stock, the "Company Preferred Stock" and, together with the Company Common Stock, the "Company Stock") on May 15, 2026, the record date of the Annual Meeting, are entitled to notice of, and (other than in the case of the Series A preferred stock) to vote at, the Annual Meeting and any adjournments or postponements thereof.

Approval of the Merger Proposal requires (i) the affirmative vote of a majority of the outstanding voting power of the Company Common Stock and the Series B convertible preferred stock (on an as converted basis) entitled to vote thereon, voting as a single class (the "Majority Stockholder Vote"), and (ii) a majority of the votes cast by the disinterested stockholders of the Company who do not have a material interest in the transaction or a material relationship with WaterStone or Merger Sub (the "Disinterested Stockholder Vote" and, together with the Majority Stockholder Vote, the "Company Stockholder Approvals"). The receipt of the Company Stockholder Approvals, including the Disinterested Stockholder Vote, is a condition to the closing of the Merger. In respect of the Merger Proposal, votes cast by WaterStone and any of its affiliated persons, including Mr. Renacci, will only be counted for purposes of determining whether the Majority Stockholder Vote has been obtained and will not be counted for purposes of determining whether the Disinterested Stockholder Vote has been obtained. In accordance with the terms of the Certificates of Designations of the Company Preferred Stock, approval of the Merger Proposal also requires the consent of the holders of 66.67% of the Company's outstanding Series A preferred stock and a majority of the Company's Series B convertible preferred stock, respectively. In connection with the execution of the Merger Agreement, WaterStone has delivered to the Company its written consent, in its capacity as holder of all of the outstanding shares of the Company's Series A preferred stock and Series B convertible preferred stock, approving the Merger, the Merger Agreement and the transactions contemplated by the Merger Agreement, including, effective upon the closing of the Merger, the certificate of incorporation of the Company to be in effect following the Merger.

Approval of the Adjournment Proposal requires the affirmative vote of a majority of the voting power of the Company Common Stock and the Series B convertible preferred stock (on an as converted basis), present in person or represented by proxy at the Annual Meeting and entitled to vote on the subject matter.

The Board of Directors recommends that you vote **FOR** the election of the slate of Director nominees in the Director Election Proposal, and **FOR** the ratification of the appointment of Baker Tilly US, LLP as the Company's independent registered public accounting firm in the Auditor Ratification Proposal, **FOR** the Merger Proposal and **FOR** the Adjournment Proposal, if necessary or appropriate, to solicit additional proxies for the Merger Proposal.

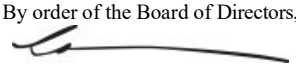
Under Delaware law, Company stockholders that are holders of record and beneficial owners of Company Common Stock (and record and beneficial owners of shares of Company Common Stock held either in voting trust or by a nominee on behalf of such persons) who do not vote in favor of the adoption of the Merger Agreement and who otherwise comply with the requirements under Section 262 of the Delaware General Corporation Law (the "DGCL") will have the right to seek appraisal of the "fair value" of their shares of Company Common Stock (exclusive of any element of value arising from the accomplishment or expectation of the Merger and together with interest thereon, as described in the accompanying proxy statement), as determined by Section 262 of the DGCL. To do so, a Company stockholder that is a holder of record or beneficial owner must properly demand appraisal before the vote is taken on the Merger Agreement and comply with all other requirements of the DGCL, including Section 262 of the DGCL, which are summarized in the section of the accompanying proxy statement titled "Appraisal Rights." A copy of Section 262, which details the applicable Delaware appraisal statute, may be accessed without subscription or cost at the following publicly available website: https://delcode.delaware.gov/title8/c001/sc09/index.html#262 and is incorporated in this notice by reference.

To be admitted to the virtual Annual Meeting, stockholders must enter their control number on the virtual meeting website. A stockholder's control number may be found either on their proxy card or on their notice regarding availability of proxy materials. Any previously or concurrently distributed materials, including any accompanying proxy cards, indicating that the Annual Meeting will be held at a different time or location than indicated above should be disregarded.

Holders of a majority of the total voting power of the outstanding shares of the Company entitled to vote (i.e., Class A common stock, Class B common stock and Series B convertible preferred stock (on an as converted basis) combined) must be present in person (by participating through the virtual meeting website) or represented by proxy in order to constitute a quorum for the transaction of business at the Annual Meeting. Therefore, whether or not you expect to attend the Annual Meeting in person through the virtual meeting website, we urge you to review the accompanying proxy card and either vote by (a) internet or by telephone as instructed in this proxy statement, or (b) if you have opted out of receiving a notice containing instructions on how to access our proxy materials over the internet (the "Notice") and have thus received a paper copy of the proxy materials, by signing, dating and returning your completed proxy in the enclosed postage prepaid envelope. If you received only the Notice, a proxy card was not sent to you, and you may vote only via the internet or telephone if you do not attend the Annual Meeting, or you may request that a proxy card be mailed to you. If you attend the Annual Meeting virtually and wish to vote your shares personally through the virtual meeting website, you may do so by validly revoking your proxy as described below.

Prior to the voting thereof, a proxy may be revoked by the person executing such proxy by: (i) filing with our Secretary either a duly executed written notice dated subsequent to the proxy revoking it or a duly executed proxy bearing a later date, or (ii) attending the Annual Meeting and voting in person through the virtual meeting website.

By order of the Board of Directors,



CHRISTOPHER J. HENDERSON

Secretary

Camarillo, California
May 29, 2026

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Stockholders to Be Held on June 24, 2026:
Our Proxy Statement for the 2026 Annual Meeting of Stockholders is available at *www.proxyvote.com*

YOUR VOTE IS IMPORTANT. TO VOTE YOUR SHARES, PLEASE VOTE ONLINE, BY TELEPHONE OR BY SIGNING AND DATING THE ENCLOSED PROXY CARD AND MAILING IT PROMPTLY IN THE ENCLOSED RETURN ENVELOPE.

You should carefully read and consider the entire proxy statement and the accompanying annexes, including the Merger Agreement attached as Annex A to the proxy statement, as they contain important information about, among other things, the Merger and how it affects you. If you have any questions concerning the Merger Agreement, the Merger or the other transactions contemplated by the Merger Agreement; the Annual Meeting or the accompanying proxy statement; would like additional copies of the accompanying proxy statement; or need help submitting a proxy to have your shares of Company Stock voted, please contact us at:

SALEM MEDIA GROUP, INC.
770 Paseo Camarillo, Ste 325
Camarillo, CA 93010
(805) 987-0400

PROXY STATEMENT
ANNUAL MEETING OF STOCKHOLDERS
To Be Held on June 24, 2026

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770 Paseo Camarillo, Ste 325
Camarillo, CA 93010
(805) 987-0400

PROXY STATEMENT

This proxy statement ("proxy statement") is furnished in connection with the solicitation by the Board of Directors (the "Board" or the "Board of Directors") of Salem Media Group, Inc., a Delaware corporation ("Salem," the "Company," "we," "us," or "our"), of proxies for use at our 2026 Annual Meeting of Stockholders of the Company (the "Annual Meeting") scheduled to be held at the time and place and for the purposes set forth in the accompanying Notice of Annual Meeting of Stockholders.

References in this proxy statement to "attending the Annual Meeting in person", being "present at the Annual Meeting in person", "voting in person at the Annual Meeting" and similar references mean attending, being present or voting through the virtual Annual Meeting website www.virtualshareholdermeeting.com/SALM2026. To be admitted to the virtual Annual Meeting, stockholders must enter their control number on the virtual meeting website. A stockholder's control number may be found either on their proxy card or on their notice regarding availability of proxy materials.

INFORMATION REGARDING VOTING AT THE ANNUAL MEETING

General

At the Annual Meeting, our stockholders are being asked to consider and to vote upon the following proposals:

Proposal 1 The election of the nine (9) nominees named in this proxy statement to serve until the annual meeting of stockholders to be held in 2027 or until their respective successors are duly elected and qualified.

For information regarding this proposal, see the section of this proxy statement entitled "PROPOSAL 1— ELECTION OF DIRECTORS."

Proposal 2 Ratification of the appointment of Baker Tilly US, LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2026.

For information regarding this proposal, see the section of this proxy statement entitled "PROPOSAL 2— PROPOSAL TO RATIFY THE APPOINTMENT OF BAKER TILLY US, LLP AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM."

Proposal 3 Adoption of the Agreement and Plan of Merger, dated as of May 6, 2026 (as it may be amended, supplemented or otherwise modified from time to time, the "Merger Agreement"), by and among the Company, The Christian Community Foundation, Inc., a Texas nonprofit corporation doing business as WaterStone ("WaterStone" or "Parent"), and WS Media Acquisition Corporation, a Delaware corporation and a wholly owned subsidiary of WaterStone ("Merger Sub"), pursuant to which Merger Sub will be merged with and into the Company, with the Company continuing as the surviving corporation (the "Surviving Company") and as a wholly owned subsidiary of WaterStone (the "Merger") (the "Merger Proposal").

For information regarding this proposal, see the section of this proxy statement entitled "PROPOSAL 3— MERGER PROPOSAL."

Proposal 4 Adjournment of the Annual Meeting to a later date or dates, from time to time, if necessary or appropriate, to solicit additional proxies for the Merger Proposal if there are insufficient votes at the time of the Annual Meeting to approve the Merger Proposal (the "Adjournment Proposal").

For information regarding this proposal, see the section of this proxy statement entitled "PROPOSAL 4— ADJOURNMENT PROPOSAL."

Shares represented by properly executed proxies received by us will be voted at the Annual Meeting in the manner specified therein or, if no instructions are marked on the enclosed proxy card, in accordance with the recommendation of the Board of Directors on all matters presented in this proxy statement. Although management does not know of any matter other than the proposals described above to be acted upon at the Annual Meeting, unless contrary instructions are given, shares represented by valid proxies will be voted by the persons named on the accompanying proxy card in accordance with their respective best judgment in respect of any other matters that may properly be presented for a vote at the Annual Meeting. Execution of a proxy will not in any way affect a stockholder's right to attend the Annual Meeting and vote in person (by participating through the virtual meeting website), and any person giving a proxy has the right to revoke it at any time before it is exercised by: (a) filing with our Secretary either a duly executed written notice dated subsequent to the proxy revoking it or a duly executed proxy bearing a later date, or (b) attending the Annual Meeting and voting in person (by participating through the virtual meeting website).

The mailing address of our principal executive offices is 770 Paseo Camarillo, Ste 325, Camarillo, CA 93010, and our telephone number is (805) 987-0400.

Record Date, Quorum and Voting

Only stockholders of record on May 15, 2026 (the "Record Date") will be entitled to notice of and to vote at the Annual Meeting. There were outstanding on the Record Date, 26,121,006 shares of Class A common stock, par value $0.01 per share ("Class A common stock"), 5,553,696 shares of Class B common stock, par value $0.01 per share ("Class B common stock") (the Class A common stock and the Class B common stock are collectively referred to as the "Company Common Stock"), 24,000 shares of Series A preferred stock, par value $0.01 per share ("Series A preferred stock") and 40,000 shares of Series B convertible preferred stock, par value $0.01 per share ("Series B convertible preferred stock" and, together with the Series A preferred stock, the "Company Preferred Stock" and, together with the Company Common Stock, the "Company Stock").

Each share of outstanding Class A common stock is entitled to one (1) vote on each matter to be voted on at the Annual Meeting and each share of outstanding Class B common stock is entitled to ten (10) votes on each matter to be voted on at the Annual Meeting, except that, as provided in our Amended and Restated Certificate of Incorporation, the holders of Class A common stock shall be entitled to vote as a class, exclusive of the holders of the Class B common stock, to elect two (2) "Class A Directors." Our Series B convertible preferred stock is entitled to vote on an as-converted basis with the holders of Company Common Stock on all matters on which a vote of the Company's stockholders is required and, in accordance with the certificate of designations for the Series B convertible preferred stock, is entitled to vote as a class, exclusive of the holders of any other Company Stock, to appoint and elect two (2) "Preferred Stock Directors." The two (2) Class A Director nominees receiving the largest number of votes of the shares of Class A common stock present in

person or represented by proxy and entitled to vote on the election of the Class A Directors will be elected. The two (2) Preferred Stock Director nominees receiving a majority of the votes of the outstanding shares of Series B convertible preferred stock will be elected. The five (5) additional director nominees receiving the largest number of votes of the shares of Class A common stock, Class B common stock and Series B convertible preferred stock (on an as converted basis), voting as a single class, present in person or represented by proxy and entitled to vote on the election of directors will be elected. For information regarding the election of directors, see the section of this proxy statement entitled "PROPOSAL 1— ELECTION OF DIRECTORS."

The presence in person or representation by proxy of the holders of at least a majority of the total voting power of the shares of Company Stock issued and outstanding and entitled to vote is necessary to constitute a quorum for the transaction of business at the Annual Meeting. If there are not sufficient shares for a quorum at the time of the Annual Meeting, the Annual Meeting may be adjourned in order to permit the further solicitation of proxies.

Only votes cast in person at the Annual Meeting or received by proxy before the beginning of the Annual Meeting will be counted. Giving us your proxy means you authorize the proxy holders to vote your shares at the Annual Meeting in the manner you direct. If your shares are held in your name, you can vote by proxy in three (3) convenient ways as follows:

- ***On-Line Voting:*** Go to *http://www.proxyvote.com* and follow the instructions
- ***By Telephone:*** Call toll-free 1-800-690-6903 and follow the instructions
- ***By Mail:*** Complete, sign, date and return your proxy card in the enclosed envelope

Telephone and internet voting facilities for stockholders of record will be available 24 hours a day and will close at 11:59 p.m. E.D.T. on June 23, 2026.

Under Delaware law, our Amended and Restated Certificate of Incorporation, as amended, and Bylaws, abstentions and broker non-votes are counted for the purpose of determining the presence or absence of a quorum for the transaction of business. Regarding Proposal 1, you may vote for the election of all director nominees, withhold authority to vote for all director nominees, or vote for the election of one or more of the director nominees and withhold authority to vote for one or more of the director nominees. Votes that are withheld will not be included in the vote tally for Proposal 1 and will not affect the results of that vote. With regard to Proposal 2, votes may be cast in favor of the proposal, against the proposal, or you may abstain from voting. The director nominees proffered in Proposal 1 each require the largest number of votes of the shares of Company Common Stock present in person or represented by proxy and entitled to vote thereon, other than the Preferred Stock Directors, who require a majority of the votes of the outstanding shares of Series B convertible preferred stock. For two (2) of the nine (9) open director positions, only the holders of the Class A common stock (including the holders of Series B convertible preferred stock, on an as-converted to Class A common stock basis) are entitled to vote and the two (2) Class A Director nominees receiving the largest number of votes of such shares of Class A common stock present in person or represented by proxy and entitled to vote on the election of these nominees will be elected. For two (2) of the nine (9) open director positions, only the holders of the Series B convertible preferred stock are entitled to vote and the two (2) preferred stock director nominees who receive votes representing a majority of the outstanding shares of Series B convertible preferred stock will be elected. For the remaining five (5) director positions, all stockholders are entitled to vote and the five (5) director nominees receiving the largest number of votes of the shares of Company Common Stock and Series B convertible preferred stock (on an as-converted basis), voting as a single class, present in person or represented by proxy and entitled to vote on the election of these nominees will be elected.

Proposal 2 and any other stockholder proposals that properly come before the Annual Meeting require, in general, the affirmative vote of a majority of the voting power of the shares of Class A common stock, Class B common stock and Series B convertible preferred stock (on an as-converted basis), voting as a single class, present in person or represented by proxy at the Annual Meeting and entitled to vote on the subject matter. For Proposal 2, abstentions will be counted in tabulations of the votes cast on a proposal and will have the same effect as a vote against the proposal, whereas broker non-votes will not be counted for purposes of determining whether the proposal has been approved. If you hold shares of Company Common Stock through a broker, bank or other nominee, then you hold shares in street name. Thus, you must instruct the broker, bank or other nominee as to how to vote your shares. If you do not provide these instructions, the firm that holds your shares will have discretionary authority to vote your shares with respect to "routine" matters. Proposal 1 is not considered a "routine" matter; thus, your broker will not have discretionary authority to vote your shares in connection with Proposal 1 if you do not provide it with instructions. On the other hand, Proposal 2 is a "routine" matter.

Approval of Proposal 3 requires (i) the affirmative vote of a majority of the outstanding voting power of the Company Common Stock and the Series B convertible preferred stock (on an as converted basis) entitled to vote thereon, voting as a single class (the "Majority Stockholder Vote"), and (ii) a majority of the votes cast by the disinterested stockholders of the Company who do not have a material interest in the transaction or a material relationship with WaterStone or Merger Sub (the "Disinterested Stockholder Vote" and, the requisite votes described in the preceding clauses (i) and (ii) , together, the "Company Stockholder Approvals"). In accordance with the terms of the Certificates of Designations of the Company Preferred Stock, approval of the Merger Proposal also requires the consent of the holders of 66.67% of the Company's outstanding Series A preferred stock and a majority of the Company's Series B convertible preferred stock respectively. In connection with the execution of the Merger Agreement, WaterStone has delivered to the Company its written consent, in its capacity as holder of all of the outstanding shares of the Company's Series A preferred stock and Series B convertible preferred stock, approving the Merger, the Merger Agreement and the transactions contemplated by the Merger Agreement, including, effective upon the closing of the Merger, the certificate of incorporation of the Company to be in effect following the Merger. As of the Record Date, through its ownership of the Series B convertible preferred stock, WaterStone holds approximately 45.7% of the outstanding voting power of the Company Stock on an as-converted basis. Votes cast by WaterStone will be counted for purposes of determining whether the Majority Stockholder Vote has been obtained and will not be counted for purposes of determining whether the Disinterested Stockholder Vote has been obtained.

Approval of Proposal 4 requires the affirmative vote of a majority of the voting power of the shares of Class A common stock, Class B common stock and Series B convertible preferred stock (on an as-converted basis), voting as a single class, present in person or represented by proxy at the Annual Meeting and entitled to vote on the subject matter. Proposals 3 and 4 are not considered "routine" matters; thus, your broker will not have discretionary authority to vote your shares in connection with Proposals 3 and 4 if you do not provide it with instructions.

Electronic Access to Proxy Materials

We are making this proxy statement available to our stockholders electronically via the internet at *www.proxyvote.com*. On or about May 29, 2026, we will mail to stockholders a notice ("Notice") containing instructions on how to access this proxy statement over the internet, as well as instructions on how to vote online. The Notice also instructs you on how you may submit your proxy vote securely over the internet or by telephone and contains your control number to access the Annual Meeting through the virtual meeting website. If you received a Notice, you will not automatically receive a printed copy of the Proxy Statement. If you would like to receive a printed copy of our proxy materials, you should follow the instructions for requesting such materials as set forth in the Notice.

Solicitation

The cost of preparing, assembling and sending the Notice of Annual Meeting of Stockholders, this proxy statement and the enclosed proxy card will be paid by us. Following the delivery of this proxy statement, directors, officers and other employees may solicit proxies by mail, telephone, facsimile or

other electronic means, or by personal interview. These persons will receive no additional compensation for their services. Brokerage houses and other nominees, fiduciaries and custodians nominally holding shares of Class A common stock of record will be requested to forward proxy soliciting material to the beneficial owners of the shares and will be reimbursed by us for their reasonable charges and expenses in connection therewith.

Information About this Proxy Statement

This proxy statement is being provided to stockholders of Salem Media Group, Inc. in connection with the proposals to be voted on at the Annual Meeting as set forth in the Notice of Annual Meeting of Stockholders. Proposal 3 seeks approval by stockholders of the Company to adopt the Merger Agreement, pursuant to which Merger Sub will be merged with and into the Company, with the Company continuing as the Surviving Company and as a wholly owned subsidiary of WaterStone, in the Merger. The Merger Agreement and the Merger are described in further detail in Part I – "Information About the Merger."

This proxy statement is organized into two parts:

Part I	*Information About the Merger*	Provides summary and detailed information about the Merger Agreement and the pending Merger.
Part II	*Information About the Annual Meeting Proposals*	Provides information about the matters that the Company's stockholders will vote on at the Annual Meeting, including the election of directors, the ratification of the Company's independent auditor, the Merger Proposal and the Adjournment Proposal.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

The Company makes "forward-looking statements" from time to time in both written reports (including this proxy statement) and oral statements, within the meaning of federal and state securities laws. Disclosures that use words such as the company "believes," "anticipates," "estimates," "expects," "will," "may," "intends," "could," "would," "should," "seeks," "predicts," or "plans" and similar expressions are intended to identify forward-looking statements, as defined under the Private Securities Litigation Reform Act of 1995 and includes this statement for purposes of such safe harbor provisions. You should not place undue reliance on these forward-looking statements, which reflect our expectations based upon data available to the company as of the date of this proxy statement. Such statements are subject to certain risks and uncertainties that could cause actual results to differ materially from expectations. Except as required by law, the company undertakes no obligation to update or revise any forward-looking statements made in this annual report. Any such forward-looking statements, whether made in this annual report or elsewhere, should be considered in context with the various disclosures made by Salem about its business.

PART I – INFORMATION ABOUT THE MERGER

SUMMARY

This summary highlights selected information in this proxy statement and may not contain all of the information about the Merger Agreement or the transactions contemplated thereby, including the Merger (collectively, the "Transactions"), that is important to you. We have included page references in parentheses to direct you to more complete descriptions of the topics presented in this summary. You should carefully read this proxy statement in its entirety, including the annexes hereto and the other documents to which we have referred you, for a more complete understanding of the matters being considered at the Annual Meeting, including, without limitation, the Merger Agreement attached as Annex A to this proxy statement.

Introduction

On May 6, 2026, Salem Media Group, Inc. (the "Company," "we," "us" or "our"), entered into the Agreement and Plan of Merger (as it may be amended, supplemented or otherwise modified from time to time, the "Merger Agreement"), with The Christian Community Foundation, Inc., a Texas nonprofit corporation doing business as WaterStone ("WaterStone" or "Parent"), and WS Media Acquisition Corporation, a Delaware corporation ("Merger Sub"), pursuant to which, subject to the terms and conditions thereof, Merger Sub will be merged with and into the Company, with the Company continuing as the surviving company (the "Surviving Company"), owned, directly or indirectly, by WaterStone. The Board and the Company are asking the Company's stockholders to consider and vote on the adoption of the Merger Agreement.

Salem Media Group, Inc.

Salem Media Group, Inc. is a domestic multimedia company specializing in Christian and conservative content, with media properties comprising radio broadcasting, digital media, and publishing. Our content is intended for audiences interested in Christian and family-themed programming and conservative news talk. The Company's Class A common stock, par value $0.01 per share ("Class A common stock"), is traded on the Over-The-Counter markets ("OTC Markets") under the symbol "SALM." The Company's principal executive offices are located at 770 Paseo Camarillo Ste 325, Camarillo, CA 93010. The Company's telephone number is (805) 987-0400.

WaterStone and Merger Sub

WaterStone is organized and operated exclusively for charitable and religious purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code (IRC) of 1986 (the "Code"). WaterStone's principal executive offices are located at 10807 New Allegiance Drive, Suite 240, Colorado Springs, Colorado 80921, and its telephone number is (719) 447-4620. Through its ministry and philanthropic activities, WaterStone seeks to support organizations engaged in faith-based media, education and ministry. WaterStone believes the Merger will support the long-term stewardship and operation of the Company's broadcast and digital media platforms serving faith-based audiences and communities.

Merger Sub is a wholly owned subsidiary of WaterStone. Merger Sub was formed solely for the purpose of engaging in the Transactions, has not engaged in any business activities other than those relating to its formation and the Transactions, and has no liabilities or obligations other than those incident to its formation and the Transactions.

WaterStone's Existing Relationship with the Company

WaterStone's relationship with the Company includes the following investments in the Company's capital structure:

Series A Preferred Stock. In November 2025, WaterStone purchased all 24,000 outstanding shares of Series A preferred stock, par value $0.01 per share (the "Series A preferred stock") from the initial holder of the Series A preferred stock. Following that acquisition, WaterStone became the sole holder of the Series A preferred stock. The Series A preferred stock has an original issue price of $1,000 per share, accrues cumulative dividends in accordance with its terms, and has the rights, preferences, privileges and limitations set forth in the Company's certificate of incorporation and the applicable certificate of designation. Except as expressly set forth in the certificate of designation for the Series A preferred stock, the Series A preferred stock has no voting rights.

Series B Convertible Preferred Stock. In December 2024, WaterStone purchased all 40,000 shares of the Company's Series B convertible preferred stock, par value $0.01 per share (the "Series B convertible preferred stock" and, together with the Series A preferred stock, the "Company Preferred Stock") for an aggregate purchase price of $40,000,000. The Series B convertible preferred stock carries an initial liquidation preference of $1,000 per share and is convertible into shares of Class A common stock and Class B common stock, par value $0.01 per share ("Class B common stock," and together with the Class A common stock, the "Company Common Stock" and, together with the Company Preferred Stock, the "Company Stock"), in each case subject to the terms, conditions and ownership limitations set forth in the Company's certificate of incorporation and the applicable certificate of designation. The Series B convertible preferred stock also provides WaterStone with the right to appoint and elect two directors to the Company Board (the "WaterStone Designated Directors"), which WaterStone Designated Directors currently are Mr. Richard "Rick" von Gnechten and Mr. James B. Renacci.

As of the date of this proxy statement, WaterStone owns all 24,000 outstanding shares of Series A preferred stock and all 40,000 outstanding shares of Series B convertible preferred stock. Neither WaterStone nor Merger Sub owns any shares of Company Common Stock. Except for the acquisitions of Series A preferred stock and Series B convertible preferred stock described above and Mr. Renacci's purchases of 100,000 shares of Class A common stock, none of WaterStone, Merger Sub, Mr. von Gnechten, Mr. Renacci or any of their respective affiliates has effected any transaction in Company securities during the past two years.

As of the Record Date, through its ownership of the Series B convertible preferred stock, WaterStone holds approximately 45.7% of the outstanding voting power of the Company Stock on an as-converted basis.

The Annual Meeting

Date, Time and Place of the Annual Meeting

The 2026 Annual Meeting of Stockholders of the Company will be held virtually on Wednesday, June 24, 2026 at 10:00 a.m. P.D.T at www.virtualshareholdermeeting.com/SALM2026, subject to adjournment or postponement by the Board of Directors. You will need the control number found on your proxy card or voting instruction form in order to participate in the Annual Meeting (including voting your shares). For purposes of attendance at the Annual Meeting, all references in this proxy statement to "present in person" or "in person" will mean virtually present at the Annual Meeting.

Only holders of record of the Company Stock on May 15, 2026, the record date of the Annual Meeting (the "Record Date"), are entitled to notice of, and (other than in the case of the Series A preferred stock) to vote at, the Annual Meeting and any adjournments or postponements thereof.

Purpose of the Annual Meeting

At the Annual Meeting, the Company is asking stockholders of record as of the close of business on the Record Date to consider and vote on the following proposals, and to transact any other business that properly comes before the Annual Meeting by or at the direction of the Board:

1. The election of the nine (9) nominees named in Part II to this proxy statement to the Board of Directors to serve until the next Annual Meeting of Stockholders or until their respective successors are duly elected and qualified (the "Director Election Proposal").

2. Ratification of the appointment of Baker Tilly US, LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2026 (the "Auditor Ratification Proposal").

3. To consider and vote on a proposal to adopt the Merger Agreement, pursuant to which Merger Sub will be merged with and into the Company, with the Company continuing as the Surviving Company and as a wholly owned subsidiary of WaterStone in the Merger (the "Merger Proposal").

4. To consider and vote on a proposal to adjourn the Annual Meeting to a later date or dates, from time to time, if necessary or appropriate, to solicit additional proxies for the Merger Proposal if there are insufficient votes at the time of the Annual Meeting to approve the Merger Proposal (the "Adjournment Proposal").

Record Date; Shares Entitled to Vote; Quorum

Only stockholders of record on May 15, 2026 (the "Record Date") will be entitled to notice of and to vote at the Annual Meeting. There were outstanding on the Record Date, 26,121,006 shares of Class A common stock, 5,553,696 shares of Class B common stock, 24,000 shares of Series A preferred stock and 40,000 shares of Series B convertible preferred stock. As of the close of business on the Record Date, WaterStone, as the sole holder of the outstanding shares of Series B convertible preferred stock, holds approximately 45.7% of the outstanding voting power of the Company Stock on an as-converted basis.

Each share of outstanding Class A common stock is entitled to one (1) vote on each matter to be voted on at the Annual Meeting and each share of outstanding Class B common stock is entitled to ten (10) votes on each matter to be voted on at the Annual Meeting, except that, as provided in our Amended and Restated Certificate of Incorporation, the holders of Class A common stock shall be entitled to vote as a class, exclusive of the holders of the Class B common stock, to elect two (2) "Class A Directors." Our Series B convertible preferred stock is entitled to vote on an as-converted basis with the holders of Company Common Stock on all matters on which a vote of the Company's stockholders is required and, in accordance with the certificate of designations for the Series B convertible preferred stock, is entitled to vote as a class, exclusive of the holders of any other Company Stock, to appoint and elect two (2) "Preferred Stock Directors." The two (2) Class A Director nominees receiving the largest number of votes of the shares of Class A common stock present in person or represented by proxy and entitled to vote on the election of the Class A Directors (including the shares of Series B convertible preferred stock voting on an as-converted to Class A common stock basis) will be elected. The two (2) Preferred Stock Director nominees receiving a majority of the votes of the outstanding shares of Series B convertible preferred stock will be elected. The five (5) additional director nominees receiving the largest number of votes of the shares of Class A common stock, Class B common stock and Series B convertible preferred stock (on an as converted basis), voting as a single class, present in person or represented by proxy and entitled to vote on the election of directors will be elected.

In connection with the execution of the Merger Agreement, WaterStone has delivered to the Company its written consent, in its capacity as holder of all of the outstanding shares of Preferred Stock, approving the Merger, the Merger Agreement and the transactions contemplated by the Merger Agreement, including, effective upon the closing of the Merger, the certificate of incorporation of the Company to be in effect following the Merger. WaterStone intends to vote all of its shares of Series B convertible preferred stock, on an as converted basis, in favor of the Merger Proposal. However, in respect of the Merger Proposal, votes cast by WaterStone or any of its affiliated persons, including Mr. Renacci, will only be counted for purposes of determining whether the Majority Stockholder Vote (as defined below) has been obtained and will not be counted for purposes of determining whether the Disinterested Stockholder Vote (as defined below) has been obtained.

The presence in person or representation by proxy of the holders of at least a majority of the total voting power of the shares of Company Stock issued and outstanding and entitled to vote is necessary to constitute a quorum for the transaction of business at the Annual Meeting. If there are not sufficient shares for a quorum at the time of the Annual Meeting, it is expected that the Annual Meeting will be adjourned in order to permit the further solicitation of proxies.

Votes Required

Approval of the Merger Proposal requires (i) the affirmative vote of a majority of the outstanding voting power of the Company Common Stock and the Series B convertible preferred stock (on an as-converted basis) entitled to vote thereon, voting as a single class (the "Majority Stockholder Vote"), and (ii) a majority of the votes cast by the disinterested stockholders of the Company who do not have a material interest in the transaction or a material relationship with WaterStone or Merger Sub (the "Disinterested Stockholder Vote" and, together with the Majority Stockholder Vote, the "Company Stockholder Approvals"). The receipt of the Company Stockholder Approvals is a condition to the closing of the Merger. In addition, in accordance with the terms of the Certificates of Designations of the Company Preferred Stock, approval of the Merger Proposal also requires the consent of the holders of 66.67% of the Company's outstanding Series A preferred stock and a majority of the Company's Series B convertible preferred stock respectively. In connection with the execution of the Merger Agreement, WaterStone has delivered to the Company its written consent, in its capacity as holder of all of the outstanding shares of the Company's Series A preferred stock and Series B convertible preferred stock, approving the Merger, the Merger Agreement and the transactions contemplated by the Merger Agreement, including, effective upon the closing of the Merger, the certificate of incorporation of the Company to be in effect following the Merger

Approval of the Adjournment Proposal requires the affirmative vote of a majority of the voting power of the shares of Company Stock, voting as a single class, present in person or represented by proxy at the Annual Meeting and entitled to vote on the subject matter.

The director nominees proffered in the Director Election Proposal each require the largest number of votes of the shares of Company Stock present in person or represented by proxy and entitled to vote thereon. As provided in our Amended and Restated Certificate of Incorporation, the holders of Class A common stock shall be entitled to vote as a class, exclusive of the holders of the Class B common stock, to elect two (2) "Class A Directors." In accordance with the Certificate of Designations for the Series B convertible preferred stock, is entitled to vote as a class, exclusive of the holders of any other Company Stock, to appoint and elect two (2) "Preferred Stock Directors." The two (2) Class A Director nominees receiving the largest number of votes of the shares of Class A common stock present in person or represented by proxy and entitled to vote on the election of the Class A Directors (including the shares of Series B convertible preferred stock voting on an as-converted to Class A common stock basis) will be elected. The two (2) Preferred Stock Director nominees receiving a majority of the votes of the outstanding shares of Series B convertible preferred stock will be elected. The five (5) additional director nominees

receiving the largest number of votes of the shares of Class A common stock, Class B common stock and Series B convertible preferred stock (on an as converted basis), voting as a single class, present in person or represented by proxy and entitled to vote on the election of directors will be elected.

The Auditor Ratification Proposal requires the affirmative vote of a majority of the voting power of the shares of Company Common Stock and Series B convertible preferred stock (on an as-converted basis), voting as a single class, present in person or represented by proxy at the Annual Meeting and entitled to vote on the subject matter.

Approval of the Director Election Proposal, the Auditor Ratification Proposal and the Adjournment Proposal are not a condition to the closing of the Merger.

Special Factors

Background of the Merger (page 25)

A description of the process we undertook that led to the proposed Merger, including our discussions with the representatives of WaterStone, is included in this proxy statement under the section of this proxy statement entitled "*Special Factors - Background of the Merger*" beginning on page 25.

Background of WaterStone's Proposal (page 26)

A description of the process that WaterStone undertook that led to the proposed Merger, including certain matters relating to WaterStone's expected post-closing arrangements for the Company, is included in this proxy statement under the section of this proxy statement entitled "*Special Factors – Background of WaterStone's Proposal*" beginning on page 26.

Recommendation of the Special Committee (page 27)

The Board formed the Special Committee to, among other things, review, evaluate and determine whether the proposed Transactions, including the Merger, are fair to, and in the best interests of, the Company and its stockholders, and, if the Special Committee deemed appropriate, recommend to the Board that the Board approve any potential transaction. At the meeting of the Special Committee held on May 4, 2026, after due consideration, including consideration of the material factors described in the section of this proxy statement entitled "*Special Factors - Reasons for the Merger*," and in consultation with its own independent legal and financial advisors, the Special Committee unanimously (i) determined that the Merger Agreement, the Merger and the other transactions contemplated by the Merger Agreement are advisable, fair to and in the best interest of the Company and its stockholders, including the stockholders of the Company unaffiliated with WaterStone, (ii) approved in all respects, and recommended that the Board approve in all respects, the form, terms, provisions and conditions of the Merger Agreement and the transactions contemplated thereunder (including the Merger), (iii) recommended that the Board approve in all respects, the Merger Agreement and the transactions contemplated thereunder (including the Merger), and (iv) recommended that the Board (A) submit the Merger Agreement and the transactions contemplated thereunder (including the Merger) to the stockholders of the Company at a meeting of the stockholders of the Company (which could be this Annual Meeting) for the purposes of considering, authorizing and approving the Merger Agreement and the transactions contemplated thereunder (including the Merger), and (B) recommend that the stockholders of the Company authorize and approve the Merger Agreement and the transactions contemplated thereunder (including the Merger), in accordance with the Delaware General Corporation Law ("DGCL").

At a meeting of the Board held on May 5, 2026, after consideration of the unanimous recommendation and analysis of the Special Committee, the Board (i) determined and declared the Merger Agreement, the Merger and the other transactions contemplated by the Merger Agreement to be advisable, fair to and in the best interest of the Company and its stockholders, (ii) approved the form, terms, provisions and conditions of the Merger Agreement and the transactions contemplated thereunder (including the Merger), in all respects, (iii) authorized, declared advisable and approved the execution, delivery and performance of the Merger Agreement and the consummation of the transactions contemplated thereby, including the Merger, all respects, and (iv) recommended that the stockholders of the Company authorize and approve the Merger Agreement and the transactions contemplated thereby, including the Merger, in accordance with the DGCL.

Accordingly, the Board recommends that you vote:

- **FOR** the election of the slate of Director nominees in the Director Election Proposal;
- **FOR** the ratification of the appointment of Baker Tilly US, LLP as the Company's independent registered public accounting firm in the Auditor Ratification Proposal;
- **FOR** the Merger Proposal; and
- **FOR** the Adjournment Proposal, if necessary or appropriate, to solicit additional proxies for the Merger Proposal

For a discussion of the factors that the Board considered in determining to recommend the approval of the Merger Proposal, please see the section of this proxy statement entitled "*Special Factors - Recommendations of the Special Committee and the Board*" beginning on page 27.

Reasons for the Merger (page 29)

Prior to and in reaching the unanimous determination described in the section of this proxy statement entitled "*Special Factors - Recommendations of the Special Committee and the Board - Recommendation of the Special Committee*" beginning on page 27, the Special Committee consulted with and received the advice of its independent legal and financial advisors, discussed certain issues with Company management not affiliated with WaterStone and considered a variety of factors as discussed in the section of this proxy statement entitled "*Special Factors - Reasons for the Merger*" beginning on page 29.

Certain Effects of the Merger

At the effective time of the Merger (the "Effective Time"), each share of Company Common Stock issued and outstanding immediately prior to the Effective Time (other than shares held by the Company as treasury shares, shares held by WaterStone or Merger Sub, and shares held by stockholders who have properly exercised and perfected appraisal rights under Section 262 of the DGCL) will be automatically cancelled and converted into the right to receive $1.00 per share in cash, without interest (the "Merger Consideration").

No consideration will be paid under the Merger Agreement in respect of any share of Series A preferred stock or Series B convertible preferred stock by reason of the Merger. Under the Merger Agreement, each share of Series A preferred stock outstanding immediately prior to the Effective Time will remain outstanding following the Effective Time as a share of Series A preferred stock of the Surviving Company, and each share of Series B convertible preferred stock outstanding immediately prior to the Effective Time will remain outstanding following the Effective Time as a share of Series B Preferred Stock of the Surviving Company. From and after the Effective Time, such shares will have only the rights, preferences, privileges and limitations set forth in the certificate

of incorporation of the Surviving Company, and the certificates of designation governing the Series A preferred stock and the Series B convertible preferred stock as in effect immediately prior to the Effective Time will be superseded in their entirety with respect to such shares.

Certain Effects on the Company if the Merger Is Not Completed

In the event that the Company Stockholder Approvals are not obtained or if the Merger is not consummated for any other reason, the Company stockholders will not receive any payment for their shares of Company Common Stock in connection with the Merger. Instead, (i) the Company will remain an independent publicly traded company, (ii) the Class A common stock will continue to be listed and traded on the OTC Markets under the symbol "SALM," (iii) the Company Preferred Stock will remain outstanding in accordance with the applicable certificates of designations and (iv) the Company will continue to make periodic disclosures as and to the extent required by the OTC Markets.

Interests of the Company's Directors and Executive Officers in the Transactions

Certain of the Company's directors have financial interests in the Merger that may be different from, or in addition to, the interests of the Company stockholders generally, including certain directors that are affiliated with WaterStone. The Special Committee and the Board were aware of these potential interests and considered these potential interests in making their determinations and recommendations.

Mr. von Gnechten serves as Chairman of the Board and as President of WaterStone. Mr. von Gnechten will also serve as Chief Executive Officer and sole director of Merger Sub immediately prior to the Effective Time. In his role with WaterStone, Mr. von Gnechten has been involved in WaterStone's investments in the Company and WaterStone's evaluation of the Merger. Mr. von Gnechten does not have any direct or indirect equity, ownership or other economic interest in WaterStone, Merger Sub or the Transactions, other than compensation paid to him in his capacity as an officer and/or director of WaterStone or Merger Sub.

In addition, Mr. Renacci serves as a member of the Company Board and, together with Mr. von Gnechten, is one of the directors appointed and elected to the Company Board pursuant to WaterStone's rights as holder of the Series B convertible preferred stock. Mr. Renacci does not serve as an officer, director or employee of WaterStone or Merger Sub and does not have any direct or indirect equity, ownership or other economic interest in WaterStone or Merger Sub. Mr. Renacci is, however, the holder of 100,000 shares of Class A common stock of the Company and therefore will be entitled to receive the Merger Consideration in respect of those shares pursuant to the Merger Agreement. Based on the Merger Consideration of $1.00 per share of Company Common Stock, Mr. Renacci would be entitled to receive $100,000 in cash in respect of those shares, without interest.

Because of Mr. von Gnechten's roles with both the Company and WaterStone, because Mr. von Gnechten and Mr. Renacci serve on the Company Board as directors appointed and elected pursuant to WaterStone's rights as holder of the Series B convertible preferred stock, because WaterStone owns all outstanding shares of Series A preferred stock and Series B convertible preferred stock and because Mr. Renacci owns shares of Class A common stock, each of Mr. von Gnechten and Mr. Renacci may be deemed to have interests in the Merger that differ from, or are in addition to, those of holders of Company Common Stock generally.

Further, certain of the other directors may have additional interests as follows:

- the treatment of the Company's outstanding equity awards (the "Company Equity Awards") provided for under the Merger Agreement;
- the compensation received by the members of the Special Committee of a fee of $1,500 per meeting ($2,500 per meeting for the Chair of the Special Committee), which fees will continue to be due and payable in connection with any meetings of the Special Committee so long as such meetings continue to be held; and
- continued indemnification and insurance coverage under the Merger Agreement, including under directors' and officers' liability insurance policies.

Treatment of Company Equity Awards (page 21)

The outstanding equity awards granted by the Company will be treated as follows:

- *Treatment of Company Options.* Pursuant to the Merger Agreement, at the Effective Time, each outstanding option to purchase shares of Company Common Stock (each, a "Company Option"), whether vested or unvested, will be cancelled and converted into the right to receive a cash payment equal to the product of (i) the excess, if any, of the Merger Consideration over the per-share exercise price of such Company Option, multiplied by (ii) the number of shares of Company Common Stock subject to such Company Option, less applicable withholding taxes. Any Company Option with an exercise price equal to or greater than the Merger Consideration will be cancelled for no consideration.

- *Treatment of Company RSU Awards.* Pursuant to the Merger Agreement, at the Effective Time, each outstanding restricted stock unit award with respect to Company Common Stock (each, a "Company RSU"), whether vested or unvested, will be cancelled and converted into the right to receive a cash payment equal to the product of (i) the Merger Consideration, multiplied by (ii) the number of shares of Company Common Stock subject to such Company RSU, less applicable withholding taxes.

- *Treatment of Restricted Stock.* Pursuant to the Merger Agreement, at the Effective Time, each unvested share of restricted stock with respect to Company Common Stock ("Company Restricted Stock") outstanding immediately prior to the Effective Time will become vested and will be cancelled at the Effective Time, with the holder thereof entitled to receive the Merger Consideration in respect of each such share, less applicable withholding taxes.

Other than certain outstanding Company Restricted Stock, there are no outstanding Company Options, Company RSUs or other outstanding equity awards granted by the Company that are entitled to receive the Merger Consideration in connection with the Merger.

Value of Payments in Respect of Company Equity Awards

The following table sets forth (i) the aggregate number of shares of Company Restricted Stock held by the Company's directors and executive officers, and (ii) the estimated value of the payments that the Company's directors and executive officers are eligible to receive (before deduction of applicable tax withholding) in connection with the Merger in respect of such shares of Company Restricted Stock, in each case, based on the aggregate number thereof held as of May 15, 2026 (the latest practicable date to determine such amounts before the date of this proxy statement).

	Company Restricted Stock (#)	Value of Company Restricted Stock ($)(1)
Directors		
Richard von Gnechten	—	—
Edward G. Atsinger III	618,067	$618,067
Edward C. Atsinger	—	—
Stuart W. Epperson Jr.	—	—
Richard A. Riddle	—	—
Eric Halvorson	—	—
Heather W. Grizzle	—	—
Jacki L. Pick	—	—
Jim Renacci	—	—
Executive Officers		
David P. Santrella	284,558	$284,558
Christopher J. Henderson	189,500	$189,500
Evan Masyr	189,500	$189,500

(1) For purposes of this table, dollar value of awards are calculated based on the Merger Consideration of $1.00 per share of Company Common Stock and assume all awards are deemed vested in full in accordance with the terms of the Merger Agreement.

Certain Material U.S. Federal Income Tax Consequences of the Merger to holders of Company Common Stock (page 36)

The receipt of cash by a holder of Company Common Stock pursuant to the Merger will be a taxable transaction for U.S. federal income tax purposes. If you are a U.S. holder (as defined below in the section of this proxy statement entitled "*Special Factors – Certain Material U.S. Federal Income Tax Consequences of the Merger to Holders of Company Common Stock*") of the Company Common Stock, generally you will recognize capital gain or loss equal to the difference between the amount of cash you receive in the Merger and your adjusted tax basis in your shares of Company Common Stock converted into cash in the Merger. If you are a non-U.S. holder (as defined below in the section of this proxy statement entitled "*Special Factors – Certain Material U.S. Federal Income Tax Consequences of the Merger*") of the Company Common Stock, you generally will not be subject to U.S. federal income or withholding tax on any gain recognized on the exchange of your Company Common Stock for cash pursuant to the Merger unless you have certain connections to the United States or the Company constitutes a USRPHC (as defined below in the section of this proxy statement entitled "*Special Factors – Certain Material U.S. Federal Income Tax Consequences of the Merger to Holders of Company Common Stock "*) and certain other conditions are met.

You should read the section of this proxy statement entitled "*Special Factors – Certain Material U.S. Federal Income Tax Consequences of the Merger to Holders of Company Common Stock*" beginning on page 36 for a more detailed description of certain material U.S. federal income tax consequences of the Merger to holders of Company Common Stock. You should consult your own tax advisor for a full understanding of how the Merger will affect your federal, state, local or non-U.S. taxes.

Regulatory Approvals Required for the Transactions (page 38)

Under the terms of the Merger Agreement, each of the Company, Merger Sub and Parent agrees to use their respective reasonable best efforts (except where the Merger Agreement specifies a different standard) to take, or cause to be taken, all actions and to do, or cause to be done, and assist and cooperate with the other parties in doing, all actions necessary, proper or advisable to cause the conditions to Closing to be satisfied and to consummate the Transactions as promptly as reasonably practicable, including preparing and filing as promptly as practicable with any government authority or other third party all documentation to effect all necessary filings and registrations.

The consummation of the Merger is subject to the satisfaction or waiver of customary conditions, including the consent of the Federal Communications Commission (the "FCC") to the transfer of control of the Company's FCC licenses, which consent shall have become a Final Order (as defined in the Merger Agreement).

The Merger Agreement

A summary of the material provisions of the Merger Agreement, which is attached as Annex A to this proxy statement and is incorporated by reference in this proxy statement in its entirety, is included in the section of this proxy statement entitled "*The Merger Agreement*" beginning on page 20.

Merger Consideration and Payment Mechanics (page 20)

The Merger Agreement provides that, at the Effective Time, each share of Company Common Stock issued and outstanding immediately prior to the Effective Time (other than shares held by the Company as treasury shares, shares held by WaterStone or Merger Sub, and shares held by stockholders who have properly exercised and perfected appraisal rights under Section 262 of the DGCL) will be automatically cancelled and converted into the right to receive $1.00 per share in cash, without interest.

No Solicitation; Change in Board Recommendation (page 22)

The Merger Agreement contains a customary "no-shop" provision that restricts the Company's ability to solicit or engage in discussions or negotiations regarding any Takeover Proposal (as defined in the Merger Agreement). Notwithstanding these restrictions, prior to receipt of the Company Stockholder Approval, the Company may engage with third parties regarding an unsolicited Takeover Proposal if the Special Committee determines in good faith that the proposal constitutes, or would reasonably be expected to lead to, a Superior Proposal (as defined in the Merger Agreement) and that the failure to take such

action would reasonably be expected to be inconsistent with the fiduciary duties of the Board under applicable law. The Board may also make an Adverse Recommendation Change (as defined in the Merger Agreement) in response to a Superior Proposal or an Intervening Event (as defined in the Merger Agreement), subject to compliance with certain notice and "match right" procedures in favor of Parent, including a five (5) Business Day matching period.

Conditions of the Merger (page 23)

The obligations of the Company, WaterStone and Merger Sub to consummate the Merger are subject to the satisfaction (or written waiver by the Company and WaterStone, if permissible by law), at or prior to the Effective Time, of each of the following conditions:

- the absence of any law or judgment enacted, promulgated, issued, entered, amended or enforced by any governmental authority of competent jurisdiction, and no applicable law being in effect that enjoins, restrains or otherwise makes illegal, prevents or prohibits the consummation of the Merger;
- the receipt of certain third party consents relating to certain of the Company's transmitter site leases;
- the receipt of the consent of the FCC to the transfer of control of the Company's FCC licenses, which consent shall have become a Final Order (as defined in the Merger Agreement).
- the receipt of the Company Stockholder Approvals;

The obligations of WaterStone and Merger Sub to consummate the Merger are subject to the satisfaction (or waiver by WaterStone, if permissible by law), at or prior to the Effective Time, of the following additional conditions:

- the accuracy of certain representations and warranties of the Company to the extent specified in the Merger Agreement, subject in certain instances to materiality or other qualifications;
- the Company having performed or complied in all material respects with all covenants and agreements required to be performed or complied with by it under the Merger Agreement at or prior to the Effective Time; and
- the receipt by WaterStone of a certificate, dated as of the Closing Date, signed by the Chief Executive Officer or another senior executive officer of the Company certifying that the closing conditions described in the first and second bullets above have been satisfied.

The obligations of the Company to consummate the Merger are subject to the satisfaction (or waiver by the Company, if permissible by law), at or prior to the Effective Time, of the following additional conditions:

- the accuracy of certain representations and warranties of WaterStone and Merger Sub to the extent specified in the Merger Agreement, subject in certain instances to materiality or other qualifications;
- each of WaterStone and Merger Sub having performed or complied in all material respects with all covenants and agreements required to be performed or complied with by it under the Merger Agreement at or prior to the Effective Time; and
- the receipt by the Company of a certificate signed by the Chief Executive Officer or another senior executive officer of WaterStone certifying that the closing conditions described in the first and second bullets above have been satisfied.

The consummation of the Merger is not conditioned upon WaterStone's or Merger Sub's receipt of financing. Each of the Company and Parent may waive any of the conditions to its obligations to consummate the Merger except where waiver is not permitted by law.

Termination of the Merger Agreement (page 23)

The Merger Agreement may be terminated, and the Transactions abandoned, at any time prior to the Effective Time (notwithstanding any prior adoption of the Merger Agreement by the stockholders of the Company), by the mutual written consent of each of the Company (acting with the prior approval of the Special Committee) and Parent.

Termination by Either the Company or Parent

The Merger Agreement may be terminated prior to the Effective Time by mutual written consent, or by either party if: (i) the Merger has not been consummated by the date that is five (5) months from execution of the Merger Agreement (the "Outside Date"), subject to automatic extension under certain circumstances; (ii) any restraint preventing the Merger becomes final and nonappealable; or (iii) the Company Stockholder Approval is not obtained at the Annual Meeting or any adjournment thereof.

In addition, either party may terminate the Merger Agreement if the other party has breached its representations, warranties or covenants such that the related closing conditions would not be satisfied and the breach is incapable of being cured by the Outside Date or has not been cured within forty-five (45) days of written notice. WaterStone may also terminate upon an Adverse Recommendation Change by the Board or the Special Committee. The Company may also terminate (a) prior to receipt of the Company Stockholder Approval, to enter into a definitive agreement with respect to a Superior Proposal (subject to compliance with certain conditions in the Merger Agreement), or (b) if all conditions to WaterStone's obligation to close have been satisfied or waived and WaterStone fails to consummate the Closing within three (3) Business Days.

Expense Reimbursement

If the Merger Agreement is terminated by WaterStone due to an Adverse Recommendation Change, or by the Company in connection with a Superior Proposal, the Company is required to reimburse WaterStone for its documented, reasonable out-of-pocket fees and expenses in an aggregate amount not to exceed $500,000. If the Merger Agreement is terminated by the Company due to a breach by WaterStone or Merger Sub, or due to WaterStone's failure to consummate the Closing, WaterStone is required to reimburse the Company for its documented, reasonable out-of-pocket fees and expenses in an aggregate amount not to exceed $500,000.

Other Material Provisions

The Merger Agreement also contains covenants relating to, among other things: (i) the indemnification and insurance of current and former directors and officers of the Company for a period of six years following the Effective Time, including the obligation of WaterStone to obtain a six-year "tail" directors' and officers' liability insurance policy; (ii) the obligation of WaterStone to cause the Surviving Company to provide continuing employees with compensation and benefits that are no less favorable in certain respects to those provided immediately prior to the Effective Time for a period of twelve (12) months following the Effective Time; (iii) the use of reasonable best efforts by the parties to take all actions necessary to consummate the Merger, including the preparation and

filing of regulatory applications and the obtaining of required consents and approvals; and (iv) the cooperation of the parties with respect to the preparation of the disclosure document and the holding of the Annual Meeting.

Appraisal Rights

If the Merger is completed, holders of record and beneficial owners of Company Common Stock who do not vote in favor of the Merger Proposal (whether by voting against the Merger Proposal, abstaining or otherwise not voting with respect to the Merger Proposal), who properly demand an appraisal of their shares, who continuously hold (in the case of holders of record) or continuously own (in the case of beneficial owners) their shares of Company Common Stock through the Effective Time, who otherwise comply with the statutory requirements of DGCL Section 262 and who do not validly withdraw their demands or otherwise lose their rights to seek appraisal are entitled to seek appraisal of their shares of Company Common Stock in connection with the Merger under DGCL Section 262.

A copy of DGCL Section 262 may be accessed without subscription or cost (and which is incorporated herein by reference) at the following publicly available website: https://delcode.delaware.gov/title8/c001/sc09/index.html#262. The summary of DGCL Section 262 included in this proxy statement is not a complete statement of the law pertaining to appraisal rights under the DGCL and is qualified in its entirety by the full text of DGCL Section 262 and any amendments thereto after the date of this proxy statement, which is incorporated herein by reference. The summary does not constitute any legal or other advice and does not constitute a recommendation that the Company's stockholders or beneficial owners exercise their appraisal rights under DGCL Section 262. Holders of record and beneficial owners of shares of Company Common Stock should carefully review the full text of DGCL Section 262 as well as the information discussed in the section of this proxy statement entitled "*Appraisal Rights*". Failure to follow the steps required by DGCL Section 262 for demanding and perfecting appraisal rights may result in the loss of such rights. A person who loses his, her or its appraisal rights will be entitled to receive the Merger Consideration under the Merger Agreement, without interest, subject to compliance with the Merger Agreement. Consequently, any person wishing to exercise appraisal rights is encouraged to consult legal counsel before attempting to exercise those rights. For more information, please see the section of this proxy statement entitled "*Appraisal Rights*" beginning on page 39.

QUESTIONS AND ANSWERS

The following questions and answers address some commonly asked questions regarding the Merger Agreement and the Merger, as well as the Annual Meeting. These questions and answers may not address all questions you may have or that are important to you as a stockholder of the Company. The Company encourages you to carefully read the more detailed information contained elsewhere in this proxy statement, including the annexes to this proxy statement and the other documents to which the Company refers in this proxy statement in their entirety.

Q: Why am I receiving these materials?

A: The Company has invited its stockholders to attend the 2026 Annual Meeting of Stockholders of the Company, to be held in a virtual format only on Wednesday, June 24, 2026, at 10:00 a.m. P.D.T at www.virtualshareholdermeeting.com/SALM2026.

On May 6, 2026, Salem Media Group, Inc. (the "Company," "we," "us" or "our"), entered into the Agreement and Plan of Merger with The Christian Community Foundation, Inc., a Texas nonprofit corporation doing business as WaterStone ("WaterStone"), and WS Media Acquisition Corporation, a Delaware corporation ("Merger Sub"), pursuant to which, subject to the terms and conditions thereof, Merger Sub will be merged with and into the Company, with the Company continuing as the Surviving Company, owned, directly or indirectly, by WaterStone (the "Merger Agreement").

In order to complete the transactions contemplated by the Merger Agreement, the Company's stockholders must vote to approve the adoption of the Merger Agreement. The receipt of the Company Stockholder Approval is a condition to the consummation of the Merger. See the section of this proxy statement entitled "*The Merger Agreement - Conditions to the Merger*" beginning on page 23.

At the Annual Meeting, in addition to being asked to consider and vote upon the election of nine (9) nominees to the Board and the ratification of the appointment of Baker Tilly US, LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2026, stockholders are being asked to consider and vote upon the adoption of the Merger Agreement.

The Board is furnishing this proxy statement and form of proxy to the holders of shares of Company Common Stock and Company Preferred Stock as of the Record Date in connection with the solicitation of proxies of the Company's stockholders to be voted at the Annual Meeting, including for approval of the Merger Agreement and the transactions contemplated thereby, including the Merger.

This proxy statement, which you should read carefully and in its entirety, including the annexes to this proxy statement, contains important information about the Merger Agreement and the Transactions, including the Merger, as well as the Annual Meeting and the matters to be voted on at the Annual Meeting. The enclosed materials allow you to submit a proxy to vote your shares of Company Stock without attending the Annual Meeting and to ensure that your shares are represented and voted at the Annual Meeting. Your vote is very important. Even if you plan to attend the Annual Meeting, the Company encourages you to submit a proxy as soon as possible.

Q: How can I attend the Annual Meeting?

A: The Annual Meeting will be conducted via live webcast. You are entitled to participate in the annual meeting only if you were the owner of Company Stock as of the close of business on May 15, 2026, or if you hold a valid proxy from such person.

You will be able to attend the Annual Meeting online by visiting *www.virtualshareholdermeeting.com/SALM2026*. You also will be able to vote your shares electronically at the Annual Meeting. However, we encourage all stockholders to vote in advance of the Annual Meeting. To participate in the Annual Meeting, you will need the 16-digit control number on your proxy card or on the instructions that accompanied your proxy materials.

The meeting webcast will begin promptly at 10:00 a.m. P.D.T. We encourage you to access the meeting prior to the start time. Online check-in will begin at 9:45 a.m. P.D.T., and you should allow ample time for the check-in procedures.

Q: What effect will the Merger have on the Company and what will I receive if the Transactions are completed?

A: If the Merger Agreement is adopted by the Company's stockholders and the other closing conditions are satisfied or duly waived, Merger Sub will be merged with and into the Company, the separate corporate existence of Merger Sub will thereupon cease and the Company will continue as the Surviving Company, owned, directly or indirectly, by WaterStone.

At the effective time of the Merger (the "Effective Time"), each share of Company Common Stock issued and outstanding immediately prior to the Effective Time (other than shares held by the Company as treasury shares, shares held by WaterStone or Merger Sub, and shares held by stockholders who have properly exercised and perfected appraisal rights under Section 262 of the DGCL) will be automatically cancelled and converted into the right to receive $1.00 per share in cash, without interest (the "Merger Consideration").

No consideration will be paid under the Merger Agreement in respect of any share of Series A preferred stock or Series B convertible preferred stock by reason of the Merger. Under the Merger Agreement, each share of Series A preferred stock outstanding immediately prior to the Effective Time will remain outstanding following the Effective Time as a share of Series A preferred stock of the Surviving Company, and each share of Series B convertible preferred stock outstanding immediately prior to the Effective Time will remain outstanding following the Effective Time as a share of Series B convertible preferred stock of the Surviving Company. From and after the Effective Time, such shares will have only the rights, preferences, privileges and limitations set forth in the certificate of incorporation of the Surviving Company, and the certificates of designation governing the Series A preferred stock and the Series B convertible preferred stock as in effect immediately prior to the Effective Time will be superseded in their entirety with respect to such shares.

Q: How does the Merger Consideration compare to the market price of the Company Common Stock?

A: The Merger Consideration of $1.00 per share represents a premium of approximately 244% over the closing price of the Company's unaffected share price as of May 11, 2026, the last trading day prior to the public disclosure of the Merger Agreement.

Q: What will happen to the Company equity awards?

A: Generally speaking, the Company's equity awards will be treated as follows:

- *Treatment of Company Options.* Pursuant to the Merger Agreement, at the Effective Time, each outstanding Company Option, whether vested or unvested, will be cancelled and converted into the right to receive a cash payment equal to the product of (i) the excess, if any, of the Merger Consideration over the per-share exercise price of such Company Option, multiplied by (ii) the number of shares of Company Common Stock subject to such Company Option, less applicable withholding taxes. Any Company Option with an exercise price equal to or greater than the Merger Consideration will be cancelled for no consideration.

- *Treatment of Company RSU Awards.* Pursuant to the Merger Agreement, at the Effective Time, each outstanding Company RSU, whether vested or unvested, will be cancelled and converted into the right to receive a cash payment equal to the product of (i) the Merger Consideration, multiplied by (ii) the number of shares of Company Common Stock subject to such Company RSU, less applicable withholding taxes.

- *Treatment of Restricted Stock.* Pursuant to the Merger Agreement, at the Effective Time, each unvested share of Company Restricted Stock outstanding immediately prior to the Effective Time will become vested and will be cancelled at the Effective Time, with the holder thereof entitled to receive the Merger Consideration in respect of each such share, less applicable withholding taxes.

  Other than certain outstanding Company Restricted Stock, there are no outstanding Company Options, Company RSUs or other outstanding equity awards granted by the Company that are entitled to receive the Merger Consideration in connection with the Merger.

Q: What am I being asked to vote on at the Annual Meeting?

A: You are being asked to vote on the following proposals:

- *Director Election Proposal*: The election of the nine (9) nominees named in the accompanying Proxy Statement to the Board of Directors to serve until the next Annual Meeting of Stockholders or until their respective successors are duly elected and qualified.

- *Auditor Ratification Proposal*: Ratification of the appointment of Baker Tilly US, LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2026.

- *Merger Proposal*: To consider and vote on a proposal to adopt the Merger Agreement. Pursuant to the terms of the Merger Agreement, Merger Sub will be merged with and into the Company, with the Company continuing as the surviving corporation and as a wholly owned subsidiary of WaterStone.

- *Adjournment Proposal*: To consider and vote on a proposal to adjourn the Annual Meeting to a later date or dates, from time to time, if necessary or appropriate, to solicit additional proxies for the Merger Proposal if there are insufficient votes at the time of the Annual Meeting to approve the Merger Proposal.

Q: What will happen to the composition of the Board as a result with the Merger? What if the Merger is not consummated?

A: Under the Merger Agreement, if the Merger is consummated, the directors of Merger Sub immediately prior to the Effective Time of the Merger will become the directors of Salem, as the Surviving Company, immediately following the Effective Time, and the officers of the Company immediately prior to the Effective Time will become the officers of the Surviving Company immediately following the Effective Time. As a result, upon the closing of the Merger, regardless of the outcome of the Director Election Proposal, Mr. von Gnechten, who is expected to be the sole director of Merger Sub immediately prior to the Effective Time, is expected to become the sole director of the Surviving Company.

If the Merger is not consummated, the nominees elected to the Board in the Director Election Proposal will become members of the Board of Directors to serve until the next Annual Meeting of Stockholders or until their respective successors are duly elected and qualified.

Q: When and where is the Annual Meeting?

A: The 2026 Annual Meeting will be held virtually on Wednesday, June 24, 2026 at 10:00 a.m. P.D.T at www.virtualshareholdermeeting.com/SALM2026, subject to adjournment or postponement by the Board of Directors. You will need the control number found on your proxy card or voting instruction form in order to participate in the Annual Meeting (including voting your shares). For purposes of attendance at the Annual Meeting, all references in this proxy statement to "present in person" or "in person" will mean virtually present at the Annual Meeting.

Q: What if, during the check-in time or during the meeting, I have technical difficulties or trouble accessing the virtual meeting website?

A: Technicians will be available to assist you with any technical difficulties you may experience in accessing the Annual Meeting. If you encounter any technical difficulties in accessing the virtual Annual Meeting during the check-in or meeting time, please call the technical support number that will be provided on the log-in page 15 minutes prior to the start of the Annual Meeting.

Q: Who is entitled to vote at the Annual Meeting?

A: Only stockholders of record on May 15, 2026, the Record Date, will be entitled to notice of and to vote at the Annual Meeting. There were outstanding on the Record Date, 26,121,006 shares of Class A common stock, 5,553,696 shares of Class B common stock, 24,000 shares of Series A preferred stock and 40,000 shares of Series B convertible preferred stock.

Each share of outstanding Class A common stock is entitled to one (1) vote on each matter to be voted on at the Annual Meeting and each share of outstanding Class B common stock is entitled to ten (10) votes on each matter to be voted on at the Annual Meeting, except that, as provided in our Amended and Restated Certificate of Incorporation, the holders of Class A common stock shall be entitled to vote as a class, exclusive of the holders of the Class B common stock, to elect two (2) "Class A Directors." Our Series B convertible preferred stock is entitled to vote on an as-converted basis with the holders of Company Common Stock on all matters on which a vote of the Company's stockholders is required and, in accordance with the certificate of designations for the Series B convertible preferred stock, is entitled to vote as a class, exclusive of the holders of any other Company Stock, to appoint and elect two (2) "Preferred Stock Directors." The two (2) Class A Director nominees receiving the largest number of votes of the shares of Class A common stock present in person or represented by proxy and entitled to vote on the election of the Class A Directors (including the shares of Series B convertible preferred stock voting on an as-converted to Class A common stock basis) will be elected. The two (2) Preferred Stock Director nominees receiving a majority of the votes of the outstanding shares of Series B convertible preferred stock will be elected. The five (5) additional director nominees receiving the largest number of votes of the shares of Class A common stock, Class B common stock and Series B convertible preferred stock (on an as converted basis), voting as a single class, present in person or represented by proxy and entitled to vote on the election of directors will be elected.

Q: What constitutes a quorum for purposes of the Annual Meeting?

A: The presence in person or representation by proxy of the holders of at least a majority of the total voting power of the Company Stock issued and outstanding and entitled to vote is necessary to constitute a quorum for the transaction of business at the Annual Meeting. If there are not sufficient shares for a quorum at the time of the Annual Meeting, it is expected that the Annual Meeting will be adjourned in order to permit the further solicitation of proxies.

Q: What vote is required to approve the Merger Proposal?

A: Approval of the Merger Proposal requires (i) the affirmative vote of a majority of the outstanding voting power of the Company Common Stock and the Series B convertible preferred stock (on an as converted basis) entitled to vote thereon, voting as a single class (the "Majority Stockholder Vote"), and (ii) a majority of the votes cast by the disinterested stockholders of the Company who do not have a material interest in the transaction or a material relationship with WaterStone or Merger Sub (the "Disinterested Stockholder Vote" and, together with the Majority Stockholder Vote, the "Company Stockholder Approval").

As of the close of business on the Record Date, WaterStone, as the sole holder of the outstanding shares of Series B convertible preferred stock, holds approximately 45.7% of the outstanding voting power of the Company Stock on an as-converted basis. WaterStone intends to vote all of its shares of Series B convertible preferred stock, on an as converted basis, in favor of the Merger Proposal. However, in respect of the Merger Proposal, votes cast by WaterStone and any of its affiliated persons, including Mr. Renacci, will only be counted for purposes of determining whether the Majority Stockholder Vote has been obtained and will not be counted for purposes of determining whether the Disinterested Stockholder Vote has been obtained.

In addition, in accordance with the terms of the certificates of designations of the Company Preferred Stock, approval of the Merger Proposal also requires the consent of the holders of 66.67% of the Company's outstanding Series A preferred stock and a majority of the Company's Series B convertible preferred stock respectively. In connection with the execution of the Merger Agreement, WaterStone has delivered to the Company its written consent, in its capacity as holder of all of the outstanding shares of the Company's Series A preferred stock and Series B convertible preferred stock, approving the Merger, the Merger Agreement and the transactions contemplated by the Merger Agreement, including, effective upon the closing of the Merger, the certificate of incorporation of the Company to be in effect following the Merger. The receipt of the Company Stockholder Approval is a condition to the closing of the Merger.

Q: What vote is required to approve the Director Election Proposal?

A: Except as described below, the director nominees proffered in the Director Election Proposal each require the largest number of votes of the shares of Company Stock present in person or represented by proxy and entitled to vote thereon. As provided in our Amended and Restated Certificate of Incorporation, the holders of Class A common stock shall be entitled to vote as a class, exclusive of the holders of the Class B common stock, to elect two (2) "Class A Directors." In accordance with the certificate of designations for the Series B convertible preferred stock, the Series B convertible preferred stock is entitled to vote as a class, exclusive of the holders of any other Company Stock, to appoint and elect two (2) "Preferred Stock Directors." The two (2) Class A Director nominees receiving the largest number of votes of the shares of Class A common stock present in person or represented by proxy and entitled to vote on the election of the Class A Directors (including the shares of Series B convertible preferred stock voting on an as-converted to Class A common stock basis) will be elected. The two (2) Preferred Stock Director nominees receiving a majority of the votes of the outstanding shares of Series B convertible preferred stock will be elected. The five (5) additional director nominees receiving the largest number of votes of the shares of Class A common stock, Class B common stock and Series B convertible preferred stock (on an as converted basis), voting as a single class, present in person or represented by proxy and entitled to vote on the election of directors will be elected.

Q: What vote is required to approve the Auditor Ratification Proposal?

A: Approval of the Auditor Ratification Proposal requires the affirmative vote of a majority of the voting power of the shares of Company Common Stock and Series B convertible preferred stock (on an as-converted basis), voting as a single class, present in person or represented by proxy at the Annual Meeting and entitled to vote on the subject matter.

Q: What vote is required to approve the Adjournment Proposal?

A: Approval of the Adjournment Proposal requires the affirmative vote of a majority of the voting power of the shares of Company Common Stock and Series B convertible preferred stock (on an as-converted basis), voting as a single class, present in person or represented by proxy at the Annual Meeting and entitled to vote on the subject matter.

Q: What happens if I fail to vote or abstain from voting on a proposal?

A: Under Delaware law, our Amended and Restated Certificate of Incorporation, as amended, and Bylaws, abstentions and broker non-votes are counted for the purpose of determining the presence or absence of a quorum for the transaction of business.

If you (i) are a stockholder of record as of the Record Date and fail to submit a signed proxy card, grant a proxy over the internet or by telephone, or vote your shares in person at the Annual Meeting, or if you (ii) hold your shares in "street name" and you fail to instruct your broker, bank or other nominee on how to vote your shares, your shares will not be counted for purposes of determining whether a quorum is present at the Annual Meeting, and such failure to vote will have the same effect as voting "AGAINST" the Merger Proposal for purposes of the Majority Stockholder Vote and will have no effect on the outcome of the Disinterested Stockholder Vote or the vote on the Adjournment Proposal (assuming a quorum is present). With respect to the Merger Proposal, if you abstain from voting, your shares will be counted as present for purposes of determining the presence of a quorum, but such abstention will have the same effect as voting "AGAINST" such proposal for purposes of the Majority Stockholder Vote and will have no effect on the outcome of the Disinterested Stockholder Vote.

Regarding the Director Election Proposal, you may vote for the election of all director nominees, withhold authority to vote for all director nominees, or vote for the election of one or more of the director nominees and withhold authority to vote for one or more of the director nominees. Except as described above, the director nominees proffered in the Director Election Proposal each require the largest number of votes of the shares of Company Common Stock present in person or represented by proxy and entitled to vote thereon. Votes that are withheld will not be included in the vote tally for any director in the Director Election Proposal and will not affect the results of that vote.

With regard to the Auditor Ratification Proposal, votes may be cast in favor of the proposal, against the proposal, or you may abstain from voting. For Auditor Ratification Proposal, abstentions will be counted in tabulations of the votes cast on a proposal and will have the same effect as a vote against the proposal, whereas broker non-votes will not be counted for purposes of determining whether the proposal has been approved. If you hold shares of our common stock through a broker, bank or other nominee, then you hold shares in street name. Thus, you must instruct the broker, bank or other nominee as to how to vote your shares. If you do not provide these instructions, the firm that holds your shares will have discretionary authority to vote your shares with respect to "routine" matters. The Auditor Ratification Proposal is a "routine" matter. On the other hand, the Director Election Proposal, the Merger Proposal and the Adjournment Proposal are not considered "routine" matters; thus, your broker will not have discretionary authority to vote your shares in connection with these proposals.

Q: How will certain other stockholders vote on the Merger Proposal?

A: As of the close of business on the Record Date, WaterStone, as the sole holder of the outstanding shares of Series B convertible preferred stock, holds approximately 45.7% of the outstanding voting power of the Company Stock on an as-converted basis. WaterStone intends to vote all of its shares of Series B convertible preferred stock, on an as converted basis, in favor of the Merger Proposal. However, in respect of the Merger Proposal, votes cast by WaterStone and any of its affiliated persons, including Mr. Renacci, will only be counted for purposes of determining whether the Majority Stockholder Vote has been obtained and will not be counted for purposes of determining whether the Disinterested Stockholder Vote has been obtained.

In addition, in accordance with the terms of the certificates of designations of the Company Preferred Stock, approval of the Merger Proposal also requires the consent of the holders of 66.67% of the Company's outstanding Series A preferred stock and a majority of the Company's Series B convertible preferred stock respectively. In connection with the execution of the Merger Agreement, WaterStone has delivered to the Company its written consent, in its capacity as holder of all of the outstanding shares of the Company's Series A preferred stock and Series B convertible preferred stock, approving the Merger, the Merger Agreement and the transactions contemplated by the Merger Agreement, including, effective upon the closing of the Merger, the certificate of incorporation of the Company to be in effect following the Merger. The receipt of the Company Stockholder Approval is a condition to the closing of the Merger.

Q: What do I need to do now?

A: We encourage you to read this proxy statement and the annexes to this proxy statement in their entirety and carefully consider how the Transactions affect you. Then, even if you expect to attend the Annual Meeting in person, please sign, date and return, as promptly as possible, the enclosed proxy card (a prepaid reply envelope is provided for your convenience) or grant your proxy electronically over the internet or by telephone (using the instructions found on the proxy card), so that your shares can be voted at the Annual Meeting. If you hold your shares in "street name," please refer to the voting instruction form provided by your bank, broker or other nominee for information on how to vote your shares. Please do not send your stock certificates with your proxy card.

Q: What is the Special Committee, and what role did it play in evaluating the Merger?

A: The Board formed the Special Committee, which was comprised solely of directors that the Board determined, based on information previously discussed with, furnished to or otherwise disclosed to and reviewed by the Board, met the criteria of a disinterested director under Section 144 of the DGCL, to represent the interests of the stockholders of the Company unaffiliated with WaterStone and to, among other things, (i) develop, review, evaluate and negotiate the terms and conditions of the proposed transaction with WaterStone, taking into account such factors as the Special Committee deemed advisable, including, without limitation, reviewing the Company's financial position and business plan and any other information it deemed necessary and appropriate, (ii) determine whether the proposed transaction with WaterStone or any potential alternative transaction is advisable, fair and in the best interests of the Company and its stockholders, (iii) reject or approve the proposed transaction with WaterStone or any potential alternative transaction, (iv) make such investigations as it deemed appropriate, and consult with legal counsel and other outside advisors as the Special Committee deemed necessary in performing its delegated responsibilities, and (v) provide reports to the Board or management at such times as the Special Committee deemed necessary or desirable and consistent with the discharge of its duties (the "Process").

The Special Committee evaluated the terms of the Merger and other matters throughout the Process with the assistance of its outside advisors. At the meeting of the Special Committee held on May 4, 2026, after due consideration, including consideration of the material factors described in the section of this proxy statement entitled "*Special Factors - Reasons for the Merger*," and in consultation with its own independent legal and financial advisors, the Special Committee unanimously (i) determined that the Merger Agreement, the Merger and the other transactions contemplated by the Merger Agreement are advisable, fair to and in the best interest of the Company and its stockholders, (ii) approved in all respects, and recommended that the Board approve in all respects, the form, terms, provisions and conditions of the Merger Agreement and the transactions contemplated thereunder (including the Merger), (iii) recommended that the Board approve in all respects, the Merger Agreement and the

transactions contemplated thereunder (including the Merger), and (iv) recommended that the Board (A) submit the Merger Agreement and the transactions contemplated thereunder (including the Merger) to the stockholders of the Company at a meeting of the stockholders of the Company (which could be this Annual Meeting) for the purposes of considering, authorizing and approving the Merger Agreement and the transactions contemplated thereunder (including the Merger), and (B) recommend that the stockholders of the Company authorize and approve the Merger Agreement and the transactions contemplated thereunder (including the Merger), in accordance with the DGCL.

Q: How does the Company's Board recommend that I vote?

A: The Merger Agreement and the Transactions contemplated thereby, including the Merger, have been approved by the Special Committee and the Board. The Company's Board recommends that you vote:

- **FOR** the election of the slate of Director nominees in the Director Election Proposal;
- **FOR** the ratification of the appointment of Baker Tilly US, LLP as the Company's independent registered public accounting firm in the Auditor Ratification Proposal;
- **FOR** the Merger Proposal; and
- **FOR** the Adjournment Proposal, if necessary or appropriate, to solicit additional proxies for the Merger Proposal

You should read the sections of this proxy statement entitled "*Special Factors - Recommendations of the Special Committee and the Board*" and "*Special Factors - Reasons for the Merger*" beginning on pages 27 and 29, respectively, for a discussion of the factors that the Special Committee and the Board considered in deciding to recommend the approval and adoption of the Merger Agreement and the Transactions, including the Merger.

Q: What happens if the Merger is not completed?

A: In the event that the Company Stockholder Approval is not obtained or if the Merger is not consummated for any other reason, the Company stockholders will not receive any payment for their shares of Company Common Stock in connection with the Merger. Instead, (i) the Company will remain an independent publicly traded company, (ii) the Class A common stock will continue to be listed and traded on the OTC Markets under the symbol "SALM," (iii) the Company Preferred Stock will remain outstanding in accordance with the applicable certificates of designations and (iv) the Company will continue to make periodic disclosures as and to the extent required by the OTC Markets.

In addition, in specified circumstances in which the Merger Agreement is terminated, the Company has agreed to reimburse certain of WaterStone's expenses in connection with the Transactions up to $500,000. For more information, see the section of this proxy statement entitled "*The Merger Agreement - Expense Reimbursement*" beginning on page 23.

Q: Am I entitled to rights of appraisal under the DGCL?

A: Under DGCL Section 262, if the Merger is consummated, holders of record and beneficial owners of Company Common Stock who continuously hold (in the case of holders of record) or continuously own (in the case of beneficial owners) shares of the Company Common Stock through the Effective Time, who have not consented to or otherwise voted in favor of the Merger Proposal and who properly demand an appraisal of their shares and who do not validly withdraw their demands or otherwise lose their rights to seek appraisal will be entitled to seek appraisal of their shares of Company Common Stock in connection with the Merger under DGCL Section 262. This means that the holders of record and beneficial owners of Company Common Stock who comply with the aforementioned requirements may be entitled to have their shares of Company Common Stock appraised by the Delaware Court of Chancery, and to receive payment in cash for the "fair value" of their shares of Company Common Stock, exclusive of any elements of value arising from the accomplishment or expectation of the Merger, together with (unless the Delaware Court of Chancery in its discretion determines otherwise for good cause shown) interest on the amount determined by the Delaware Court of Chancery to be fair value of the Company Common Stock from the Effective Time through the date of payment of the judgment, in lieu of the Merger Consideration such holder of record or beneficial owner of Company Common Stock would have received pursuant to the Merger Agreement. Holders of record and beneficial owners of Company Common Stock who wish to preserve any appraisal rights they may have, must so advise the Company by submitting a written demand for appraisal prior to the vote on the Merger Proposal at the Annual Meeting, and must otherwise follow fully the procedures prescribed by DGCL Section 262. For more information, see the section of this proxy statement entitled "*Appraisal Rights*" beginning on page 39.

Q: Is any compensation being paid by the Company to its named executive officers in connection with the Transactions?

A: No. The Company's named executive officers are not receiving any compensation in connection with the Transactions other than in their capacity as holders of Company Common Stock or of Company Restricted Stock. For more information, see the section of this proxy statement entitled "*Part I – Information About the Merger – Special Factors – Interests of the Company's Directors and Executive Officers in the Transactions*" beginning on page 8 and "*Part I – Information About the Merger – Special Factors – Value of Payments in Respect of Company Equity Awards*" beginning on page 9.

Q: What is the difference between holding shares as a stockholder of record and as a beneficial owner?

A: If your shares are registered directly in your name with the Company's transfer agent, Broadridge, you are considered, with respect to those shares, to be the "stockholder of record." If you are a stockholder of record, this proxy statement and your proxy card have been sent directly to you by or on behalf of the Company. As a stockholder of record, you may attend the Annual Meeting and vote your shares at the Annual Meeting using the control number on the enclosed proxy card.

If your shares of Company Common Stock are held through a bank, broker or other nominee, you are considered the "beneficial owner" of shares of Company Common Stock held in "street name." If you are a beneficial owner of shares of Company Common Stock held in "street name," this proxy statement has been forwarded to you by your bank, broker or other nominee who is considered, with respect to those shares, to be the

stockholder of record. As the beneficial owner, you have the right to direct your bank, broker or other nominee how to vote your shares by following their instructions for voting. You are also invited to attend the Annual Meeting. However, because you are not the stockholder of record, you may not vote your shares at the Annual Meeting unless you provide a "legal proxy" from your bank, broker or other nominee giving you the right to vote your shares at the Annual Meeting.

Q: If my broker holds my shares of Company Common Stock in "street name," will my broker vote my shares for me?

A: No. Other than for "routine" matters, your bank, broker or other nominee will only be permitted to vote your shares of Company Common Stock if you instruct your bank, broker or other nominee as to how to vote. You should follow the procedures provided by your bank, broker or other nominee to vote your shares. If you do not provide these instructions, the firm that holds your shares will have discretionary authority to vote your shares with respect to "routine" matters. The Auditor Ratification Proposal is a "routine" matter. On the other hand, the Director Election Proposal, the Merger Proposal and the Adjournment Proposal are not considered "routine" matters; thus, your broker will not have discretionary authority to vote your shares in connection with these proposals.

If you do not provide your bank, broker or other nominee with voting instructions, with respect to any of the proposals to be considered at the Annual Meeting, your shares will not be voted on any of the proposals, which will have the same effect as if you voted "AGAINST" the Merger Proposal for purposes of the Majority Stockholder Vote and will have no effect on the outcome of the Disinterested Stockholder Vote or the vote on the Director Election Proposal or the Adjournment Proposal, except to the extent affecting the obtaining of a quorum at the meeting. In such instance, your shares will not be counted towards determining whether a quorum is present.

If you instruct your broker, bank or other nominee how to vote on at least one, but not all of the proposals to be considered at the Annual Meeting, your shares of Company Common Stock will be voted according to your instructions on those proposals for which you have provided instructions and will be counted as present for purposes of determining whether a quorum is present at the Annual Meeting. In this scenario, a "broker non-vote" will occur with respect to each non-"routine" proposal for which you did not provide voting instructions to your broker, bank or other nominee.

Q: How may I vote?

A: If you are a stockholder of record (that is, if your shares are registered in your name with Broadridge, the Company's transfer agent), there are four ways to vote:

- by signing, dating and returning the enclosed proxy card (a prepaid reply envelope is provided for your convenience);
- by submitting your voting instructions over the internet by visiting the internet address on your proxy card;
- by submitting your voting instructions by telephone by calling the toll-free (within the United States or Canada) phone number on your proxy card; or
- by attending the Annual Meeting and voting at the Annual Meeting using the control number on the enclosed proxy card.

The control number located on your proxy card is designed to verify your identity and allow you to vote your shares and to confirm that your voting instructions have been properly recorded when voting electronically over the internet or by telephone. Although there is no charge for voting your shares, if you vote electronically over the internet or by telephone, you may incur costs such as internet access and telephone charges for which you will be responsible.

Even if you plan to attend the Annual Meeting, you are strongly encouraged to vote your shares by proxy. If you are a stockholder of record or if you provide a "legal proxy" to vote shares that you beneficially own, you may vote your shares at the Annual Meeting even if you have previously voted by proxy. If you attend the Annual Meeting and vote at the Annual Meeting, your vote will revoke any previously submitted proxy.

If your shares of Company Common Stock are held in "street name" through a bank, broker or other nominee, you may vote through your bank, broker or other nominee by completing and returning the voting instruction form provided by your bank, broker or other nominee, or, if such a service is provided by your bank, broker or other nominee, electronically over the internet or by telephone. To vote over the internet or by telephone through your bank, broker or other nominee, you should follow the instructions on the voting instruction form provided by your bank, broker or nominee. However, because you are not the stockholder of record, you may not vote your shares at the Annual Meeting unless you provide a "legal proxy" from your bank, broker or other nominee giving you the right to vote your shares at the Annual Meeting.

Q: May I attend the Annual Meeting and vote at the Annual Meeting?

A: Yes. The Annual Meeting will be held in a virtual format only on Wednesday, June 24, 2026, at 10:00 a.m. P.D.T at www.virtualshareholdermeeting.com/SALM2026. You will not be able to attend the Annual Meeting physically. To be admitted to the virtual Annual Meeting, stockholders must enter their control number on the virtual meeting website. A stockholder's control number may be found either on their proxy card or on their notice regarding availability of proxy materials.

Even if you plan to attend the Annual Meeting as described above, to ensure that your shares will be represented at the Annual Meeting, the Company encourages you to promptly sign, date and return the enclosed proxy card (a prepaid reply envelope is provided for your convenience) or grant your proxy electronically over the internet or by telephone (using the instructions found on the proxy card). If you attend the Annual Meeting as described above and vote at the Annual Meeting, your vote will revoke any proxy previously submitted.

If, as of the Record Date, you are a beneficial owner of shares of Company Common Stock held in "street name," you may not vote your shares at the Annual Meeting unless you provide a "legal proxy" from your bank, broker or other nominee giving you the right to vote your shares at the Annual Meeting. Otherwise, you should instruct your bank, broker or other nominee how to vote your shares in accordance with the voting instruction form provided by your bank, broker or other nominee. Your bank, broker or other nominee cannot vote on any of the proposals to be considered at the Annual Meeting without your instructions.

Q: Why did the Company choose to hold a virtual Annual Meeting?

A: The Board decided to hold the Annual Meeting virtually (rather than in person) in order to facilitate stockholder attendance and participation by enabling stockholders to participate fully, and equally, from virtually any location around the world. You will bear any costs associated with your internet access, such as usage charges from internet access providers and telephone companies. A virtual Annual Meeting makes it possible for more stockholders (regardless of size, resources or physical location) to have direct access to information, while saving the Company and its stockholders time and money. The Company also believes that the online tools that it has selected will increase stockholder communication. The Company remains very sensitive to concerns that virtual meetings may diminish stockholder voice or reduce accountability. Accordingly, the Company has designed its virtual format to enhance, rather than constrain, stockholder access, participation and communication.

Q: What is a proxy?

A: A proxy is your legal designation of another person, referred to as a "proxy," to vote your shares. The written document describing the matters to be considered and voted on at the Annual Meeting is called a "proxy statement." The document used to designate a proxy to vote your shares is called a "proxy card." You may follow the instructions on the proxy card to designate a proxy by telephone or by the internet in the same manner as if you had signed, dated and returned a proxy card. Christopher J. Henderson of the Company, with full power of substitution and re-substitution, has been designated as the proxy holder for the Annual Meeting by the Company.

Q: May I change my vote after I have mailed my signed and dated proxy card?

A: Yes. If you are a stockholder of record, you may change your vote or revoke your proxy at any time before it is voted at the Annual Meeting by:

- signing another proxy card with a later date and returning it to the Company prior to the Annual Meeting;
- submitting a new proxy electronically over the internet or by telephone after the date of the earlier submitted proxy and prior to the Annual Meeting;
- delivering a written notice of revocation to the Company's Secretary at our principal executive offices at 770 Paseo Camarillo, Ste 325, Camarillo, CA 93010; or
- attending the Annual Meeting and voting at the Annual Meeting using the control number on the enclosed proxy card.

If you hold your shares of Company Common Stock in "street name," you should contact your bank, broker or other nominee for instructions regarding how to change your vote. You may also vote at the Annual Meeting if you obtain a "legal proxy" from your bank, broker or other nominee giving you the right to vote your shares at the Annual Meeting.

Q: If a stockholder gives a proxy, how are the shares voted?

A: Regardless of the method you choose to grant your proxy, the individual named on the enclosed proxy card, with full power of substitution and re-substitution, will vote your shares in the way that you direct. If you sign and date your proxy card but do not mark the boxes showing how your shares should be voted on a matter, the shares represented by your properly signed proxy will be voted as recommended by the Board with respect to each proposal. This means that they will be voted: (1) "FOR" each of the directors nominated in the Director Election Proposal, (2) "FOR" the approval of the Auditor Ratification Proposal, (3) "FOR" the Merger Proposal and (4) "FOR" the approval of the Adjournment Proposal, and in the proxy holder's discretion with respect to any other business that may properly come before the Annual Meeting.

Q: Should I send in my stock certificates now?

A: No. If the Merger Proposal is approved, shortly after the Merger is completed, under the terms of the Merger Agreement, you will receive a letter of transmittal containing instructions for how to send your stock certificates, if any, to the Paying Agent in order to receive the cash payment of the Merger Consideration for each share of Company Common Stock represented by the stock certificate. You will also receive a letter of transmittal containing instructions for how to exchange any book-entry shares you hold for the cash payment of the Merger Consideration. You should use the letter of transmittal to exchange your stock certificates or book-entry shares for the cash payment to which you are entitled upon completion of the Transactions. If your shares of Company Common Stock are held in "street name" through a nominee, you will receive instructions from your nominee as to how to effect the surrender of your "street name" shares of Company Common Stock in exchange for the Merger Consideration. If you have any, please do not send in your stock certificates now.

Q: What happens if I sell or transfer my shares of Company Common Stock after the Record Date but before the Annual Meeting?

A: The Record Date for the Annual Meeting is earlier than the date of the Annual Meeting and the expected effective date of the Merger. If you sell or transfer your shares of Company Common Stock after the Record Date but before the Annual Meeting, unless special arrangements (such as provision of a proxy) are made between you and the person to whom you sell or transfer your shares and each of you notifies the Company in writing of such special arrangements, you will transfer the right to receive the Merger Consideration in cash with respect to such shares, if the Merger is completed, to the person to whom you sell or transfer your shares, but you will retain your right to vote those shares at the Annual Meeting. Even if you sell or transfer your shares of Company Common Stock after the Record Date, the Company encourages you to sign, date and return the enclosed proxy card (a prepaid reply envelope is provided for your convenience) or grant your proxy electronically over the internet or by telephone (using the instructions found on the proxy card).

Q: What should I do if I receive more than one set of voting materials?

A: Please sign, date and return (or grant your proxy electronically over the internet or by telephone for) each proxy card and voting instruction form that you receive to ensure that all of your shares are voted. You may receive more than one set of voting materials, including multiple copies of this proxy statement and multiple proxy cards or voting instruction forms, if your shares are registered differently or are held in more than one account. For example, if you hold your shares in more than one brokerage account, you will receive a separate voting instruction form for each brokerage

account in which you hold shares. If you are a stockholder of record as of the Record Date and your shares are registered in more than one name, you will receive more than one proxy card. Please vote all voting materials that you receive.

Q: Where can I find the voting results of the Annual Meeting?

A: The Company intends to announce preliminary voting results at the Annual Meeting and publish final voting results with the OTC Markets following the Annual Meeting. All reports that the Company files with the OTC Markets are publicly available after filing on the investor relations page on the Company's website.

Q: What are the material U.S. federal income tax consequences of the Merger to U.S. holders of Company Common Stock?

A: The receipt of cash by a holder of Company Common Stock pursuant to the Merger will be a taxable transaction for U.S. federal income tax purposes. Please see the section of this proxy statement entitled "*Special Factors – Certain Material U.S. Federal Income Tax Consequences of the Merger to Holders of Company Common Stock*" beginning on page 36 for a more detailed description of the material U.S. federal income tax consequences of the Merger to holders of Company Common Stock. You should consult your own tax advisor for a full understanding of how the Merger will affect your federal, state, local or non-U.S. taxes.

Q: When do you expect the Transactions to be completed?

A: We currently expect to complete the Transactions in the third quarter of 2026. However, the exact timing of completion of the Merger, if at all, cannot be predicted because the Merger is subject to the closing conditions specified in the Merger Agreement, some of which are outside of our control. For more information, see the section of this proxy statement entitled "*The Merger Agreement - Conditions to the Merger*" beginning on page 23.

Q: What governmental and regulatory approvals are required?

A: Under the terms of the Merger Agreement, each of the Company, Merger Sub and WaterStone agrees to use their respective reasonable best efforts (except where the Merger Agreement specifies a different standard) to take, or cause to be taken, all actions and to do, or cause to be done, and assist and cooperate with the other parties in doing, all actions necessary, proper or advisable to cause the conditions to Closing to be satisfied and to consummate the Transactions as promptly as reasonably practicable, including preparing and filing as promptly as practicable with any government authority or other third party all documentation to effect all necessary filings and registrations.

The consummation of the Merger is subject to the satisfaction or waiver of customary conditions, including the consent of the FCC to the transfer of control of the Company's FCC licenses, which consent shall have become a Final Order (as defined in the Merger Agreement).

Q: Do any of the Company's directors or officers have interests in the Merger that may differ from those of the Company's stockholders generally?

A: Yes. In considering the recommendations of the Special Committee and the Board with respect to the Transactions, you should be aware that, aside from their interests as holders of the Company Common Stock and/or Company Restricted Stock, certain of the Company's directors have financial interests in the Merger that may be different from, or in addition to, the interests of the Company stockholders generally, including certain directors that are affiliated with WaterStone. The Special Committee and the Board were aware of these potential interests and considered these potential interests in making their determinations and recommendations that the stockholders of the Company vote to adopt the Merger Agreement. For more information, see the section of this proxy statement entitled "*Part I – Information About the Merger – Special Factors – Interests of the Company's Directors and Executive Officers in the Transactions*" beginning on page 8 and "*Part I – Information About the Merger – Special Factors – Value of Payments in Respect of Company Equity Awards*" beginning on page 9.

Q: Who is paying for this proxy solicitation?

A: The expense of soliciting proxy cards, including the costs of preparing, assembling and mailing the Notice of Annual Meeting of Stockholders, proxy statement and proxy card, will be borne by the Company. We may also reimburse brokerage firms, banks and other agents for the cost of forwarding proxy materials to beneficial owners.

Q: Who can help answer my questions?

A: If you have any questions concerning the Transactions, including the Merger, the Annual Meeting or this proxy statement, would like additional copies of the accompanying proxy statement or need help submitting your proxy or voting your shares, please contact:

Salem Media Group, Inc.
770 Paseo Camarillo, Ste 325
Camarillo, CA 93010
Attn: Christopher J. Henderson

THE MERGER AGREEMENT

Explanatory Note Regarding the Merger Agreement

The following summarizes certain material provisions of the Merger Agreement. This summary may not contain all of the information about the Merger Agreement that is important to you and is qualified in its entirety by the full text of the Merger Agreement, attached as Annex A to this proxy statement. We encourage you to read the Merger Agreement carefully and in its entirety, as the rights and obligations of the parties are governed by the express terms of the Merger Agreement and not by this summary or any other information contained in this proxy statement.

The Merger Agreement, including the representations, warranties and covenants contained therein, was negotiated and executed to provide a contractual framework for the Merger. It is not intended to provide you with any factual or operational information regarding the Company, WaterStone or Merger Sub or their respective subsidiaries, affiliates or businesses, or to modify or supplement any factual or operational disclosures about the Company contained in this proxy statement or in the Company's public reports. The representations, warranties and covenants contained in the Merger Agreement were made only for the purposes of the Merger Agreement as of the specific dates therein, were solely for the benefit of the parties to the Merger Agreement, may be subject to limitations agreed upon by the contracting parties, and may be subject to standards of materiality applicable to the contracting parties that differ from those applicable to investors. Accordingly, the representations, warranties and covenants in the Merger Agreement should not be relied upon as characterizations of the actual state of facts or condition of the Company, WaterStone, Merger Sub or any of their respective subsidiaries or affiliates.

Structure and Effective Time of the Merger

The Merger Agreement provides that, upon the terms and subject to the conditions set forth therein and in accordance with the DGCL, at the Effective Time, Merger Sub will merge with and into the Company, the separate corporate existence of Merger Sub will thereupon cease, and the Company will continue as the Surviving Company and as a wholly owned subsidiary of WaterStone.

Closing. The closing of the Merger (the "Closing") will take place at 10:00 a.m. (New York City time) on the second Business Day after the satisfaction or waiver (to the extent permitted by applicable Law) of the conditions to Closing set forth in Article 6 of the Merger Agreement, remotely by exchange of documents and signatures (or their electronic counterparts), unless another date, time or place is agreed to in writing by WaterStone and the Company. The date on which the Closing occurs is referred to as the "Closing Date."

Effective Time. Concurrently with the Closing, the parties will cause the Merger to be consummated by filing a certificate of merger (the "Certificate of Merger") with the Secretary of State of the State of Delaware. The Merger will become effective at the time the Certificate of Merger is filed with the Secretary of State of the State of Delaware or, to the extent permitted by applicable Law, at such later time as is agreed to by the parties in writing prior to such filing and specified in the Certificate of Merger (the "Effective Time").

Organizational Documents of the Surviving Company. At the Effective Time, the certificate of incorporation of the Company will be amended and restated in its entirety as set forth in the Merger Agreement, and the bylaws of Merger Sub as in effect immediately prior to the Effective Time will become the bylaws of the Surviving Company (with references to Merger Sub replaced with references to the Surviving Company). The directors of Merger Sub immediately prior to the Effective Time will be the directors of the Surviving Company, and the officers of the Company immediately prior to the Effective Time will be the officers of the Surviving Company.

Merger Consideration and Payment Mechanics

Merger Consideration. At the Effective Time, each share of Company Common Stock (including Class A common stock and Class B common stock) that is issued and outstanding immediately prior to the Effective Time (other than (i) shares of Company Common Stock held by the Company as treasury shares, which will be canceled for no consideration, (ii) shares held by WaterStone or Merger Sub, which will be canceled for no consideration, and (iii) Shares of Company Common Stock held by any Person who is entitled to demand and properly demands appraisal pursuant to Section 262 of the DGCL ("Appraisal Shares"), which will be treated as described under "Appraisal Rights" below) will be automatically converted into the right to receive $1.00 per share in cash, without interest (the "Merger Consideration").

Treatment of Preferred Stock. No consideration will be paid under the Merger Agreement in respect of any share of Series A preferred stock or Series B convertible preferred stock by reason of the Merger. Each share of Series A preferred stock outstanding immediately prior to the Effective Time will remain outstanding following the Effective Time as a share of Series A preferred stock of the Surviving Company. Each share of Series B convertible preferred stock outstanding immediately prior to the Effective Time will remain outstanding following the Effective Time as a share of Series B Preferred Stock of the Surviving Company. From and after the Effective Time, such shares will have only the rights, preferences, privileges and limitations set forth in the certificate of incorporation of the Surviving Company, and the certificates of designation governing the Series A preferred stock and the Series B convertible preferred stock as in effect immediately prior to the Effective Time will be superseded in their entirety.

Payment Procedures. Prior to the Closing Date, a bank or trust company will be designated to act as paying agent (the "Paying Agent") for the payment of the Merger Consideration. At or prior to the Effective Time, WaterStone will deposit, or cause to be deposited, with the Paying Agent, for the benefit of the holders of Company Common Stock, an amount in cash sufficient to pay the aggregate Merger Consideration (the "Exchange Fund"). As promptly as practicable after the Effective Time, and in any event no later than four Business Days thereafter, the Paying Agent will mail to each holder of record of Company Common Stock a letter of transmittal and instructions for surrendering shares in exchange for the Merger Consideration. For shares held through Broadridge Corporate Issuer Solutions, Inc. ("Broadridge"), holders will not be required to deliver share certificates or letters of transmittal; WaterStone and the Company will cooperate with the Paying Agent and Broadridge to deliver the aggregate Merger Consideration to Broadridge as promptly as practicable after the Effective Time.

Withholding. Each of WaterStone, Merger Sub, the Company, the Surviving Company, the Paying Agent and their respective Affiliates will be entitled to deduct and withhold from any amounts otherwise payable pursuant to the Merger Agreement such amounts as are required to be deducted or withheld under applicable Tax Law. To the extent amounts are so deducted and withheld and paid over to the relevant governmental authority, such amounts will be treated as having been paid to the person in respect of which such deduction or withholding was made.

Treatment of Company Equity Awards

Company Options. At the Effective Time, each option to purchase shares of Company Common Stock (each, a "Company Option"), whether vested or unvested, will be canceled and converted into the right to receive a cash amount equal to the product of (i) the excess, if any, of the Merger Consideration over the per-share exercise price of such Company Option, multiplied by (ii) the number of shares of Company Common Stock subject to such Company Option, less applicable deductions and withholding Taxes. Any Company Option with a per-share exercise price equal to or greater than the Merger Consideration will be canceled at the Effective Time for no consideration.

Company RSUs. At the Effective Time, each restricted stock unit award with respect to Company Common Stock (each, a "Company RSU"), whether vested or unvested, will be canceled and converted into the right to receive a cash amount equal to the product of (i) the Merger Consideration, multiplied by (ii) the number of shares of Company Common Stock subject to such Company RSU, less applicable deductions and withholding Taxes.

Company Restricted Stock. At the Effective Time, each share of restricted stock with respect to Company Common Stock that is issued and outstanding and unvested immediately prior to the Effective Time (each, a "Company Restricted Share") will become vested and will be canceled, and the holder thereof will be entitled to receive the Merger Consideration in accordance with the payment procedures described above, less applicable deductions and withholding Taxes.

Other Equity-Based Awards. At the Effective Time, each other outstanding equity or equity-based award of the Company with respect to Company Common Stock (each, an "Other Award"), whether vested or unvested, will be canceled and converted into the right to receive a cash amount equal to the product of (i) the Merger Consideration, multiplied by (ii) the number of shares of Company Common Stock subject to such Other Award, less applicable deductions and withholding Taxes.

All amounts payable in respect of Company Equity Awards that constitute wages or other compensation required under applicable Law to be paid through payroll will be paid through the Surviving Company's (or one of its Subsidiaries') payroll system, as promptly as reasonably practicable following the Effective Time and in any event no later than the first regularly scheduled payroll date occurring after the Effective Time.

Representations and Warranties

The Merger Agreement contains representations and warranties made by the Company to WaterStone and Merger Sub relating to, among other things: organization, standing and qualification; capitalization, equity awards and subsidiaries; indebtedness; authority and non-contravention; governmental consents; financial statements and undisclosed liabilities; absence of certain changes; compliance with laws; litigation; tax matters; employee benefits and labor matters; environmental matters; intellectual property and data security; real property; material contracts; insurance; anti-takeover provisions; brokers; and no other representations and warranties. Certain of the Company's representations and warranties are qualified by a materiality or material adverse effect standard.

The Merger Agreement also contains representations and warranties made by WaterStone and Merger Sub to the Company relating to, among other things: organization and standing; authority and non-contravention; governmental consents; ownership and operations of Merger Sub; sufficiency of funds and solvency; absence of side-arrangements or additional consideration; no disparate consideration; no voting agreements; brokers; legal proceedings; and no other representations and warranties. WaterStone has represented that it has, and at the Effective Time will have, available cash or other immediately available funds sufficient to pay the aggregate Merger Consideration and all other amounts required to be paid in connection with the Transactions. WaterStone's obligations are not subject to any financing condition.

Covenants and Agreements

Conduct of Business Pending the Merger. The Merger Agreement provides that, during the period from the date of the Merger Agreement until the Effective Time (or such earlier date on which the Merger Agreement is terminated), subject to certain exceptions, the Company will, and will cause its Subsidiaries to, use commercially reasonable efforts to (i) conduct its businesses in all material respects in the ordinary course, (ii) preserve substantially intact its present business organizations and material assets, and (iii) preserve in all material respects its present commercial relationships. In addition, during such period, except as expressly contemplated by the Merger Agreement, as required by applicable Law, or as consented to by WaterStone (not to be unreasonably withheld, delayed or conditioned), the Company will not, and will not permit its Subsidiaries to, among other things:

- issue, sell, pledge, dispose of or encumber any shares of capital stock or other equity or voting interests, subject to certain exceptions for Company Equity Awards outstanding as of the date of the Merger Agreement;
- declare, set aside for payment or pay any dividend on, or make any other distribution in respect of, any shares of capital stock, other than dividends from a wholly owned Subsidiary to the Company or another wholly owned Subsidiary;
- split, combine, subdivide or reclassify any of its capital stock; amend its organizational documents;
- acquire any entity or business for consideration in excess of $2,500,000 in any single transaction or $5,000,000 in the aggregate;
- incur new indebtedness for borrowed money in excess of specified thresholds;
- make or authorize capital expenditures not contemplated by the Company's capital budget in excess of $1,000,000;
- grant any Company Equity Awards or other equity-based compensation; settle, compromise or otherwise resolve any Action, other than settlements involving only the payment of money not in excess of $1,000,000; or
- take or fail to take any action that would reasonably be expected to result in the revocation, suspension or adverse modification of any FCC license.

No Solicitation of Takeover Proposals. From the date of the Merger Agreement until the earlier of the Effective Time and the termination of the Merger Agreement, the Company has agreed that it will not, and will cause its Subsidiaries and its and their Representatives not to, directly or indirectly, (i) solicit, initiate, knowingly encourage or knowingly facilitate any Takeover Proposal, (ii) furnish any non-public information regarding the Company in connection with any Takeover Proposal, (iii) engage in discussions or negotiations with any Person with respect to any Takeover Proposal, (iv) waive, amend or fail to enforce any standstill applicable to any Person, (v) approve or recommend any Takeover Proposal, or (vi) enter into any agreement relating to any Takeover Proposal.

A "Takeover Proposal" is defined in the Merger Agreement as any bona fide inquiry, proposal or offer from any Person or group (other than WaterStone or Merger Sub) relating to (i) any direct or indirect acquisition of 20% or more of the consolidated assets of the Company and its Subsidiaries, or 20% or more of the outstanding equity securities of the Company, (ii) any tender or exchange offer that would result in any Person owning 10% or more of the Company's outstanding equity securities, (iii) any merger, consolidation, business combination, share exchange, reorganization or similar transaction involving the Company pursuant to which any Person would hold 20% or more of the outstanding equity securities or 20% or more of the consolidated assets of the Company, or (iv) any inquiry, proposal or offer to acquire, directly or indirectly, from any member of the Atsinger Group (as defined below) or the Epperson Group (as defined below), equity interests in the Company which, together with any other equity interests beneficially owned (or deemed beneficially owned) by such Person or group, would represent 10% or more of the voting power of the Company. "Atsinger Group" means Edward G. Atsinger III, together with (i) his immediate family members, (ii) any trusts, estates or other entities established for the benefit of, or controlled by, and of the foregoing, and (iii) affiliates of any of the foregoing. "Epperson Group" means Stuart Epperson Jr., together with (i) his immediate family members, (ii) any trusts, estates or other entities established for the benefit of, or controlled by, and of the foregoing, and (iii) affiliates of any of the foregoing.

Fiduciary Out. Notwithstanding the non-solicitation restrictions, if at any time prior to the Company Stockholder Approval the Company receives a bona fide unsolicited written Takeover Proposal that did not result from a material breach of the non-solicitation provisions, the Company and its Representatives may furnish non-public information to, and engage in discussions or negotiations with, the Person making such Takeover Proposal if the Special Committee determines in good faith, after consultation with its outside legal counsel and outside financial advisor, that (i) such Takeover Proposal constitutes, or would reasonably be expected to lead to, a Superior Proposal and (ii) the failure to take such action would reasonably be expected to be inconsistent with the fiduciary duties of the members of the Company Board under applicable Law; provided that, prior to furnishing any such non-public information, the Company receives from such Person an executed Acceptable Confidentiality Agreement (as defined in the Merger Agreement) and promptly provides to WaterStone any material non-public information not previously provided to WaterStone.

A "Superior Proposal" is defined in the Merger Agreement as a bona fide unsolicited written Takeover Proposal (with the references to 20% or 10% replaced by references to 50%) that the Special Committee determines in good faith, after consultation with its outside legal counsel and outside financial advisor, and taking into account all legal, financial, regulatory, timing, financing and other aspects of such proposal and of the Merger Agreement and the Person making such proposal, would, if consummated, result in a transaction more favorable to the Company's stockholders than the Transactions (including any changes to the terms of the Merger Agreement proposed by WaterStone in response to such proposal).

Adverse Recommendation Change. The Merger Agreement provides that the Company Board and the Special Committee may not (i) withdraw, withhold, qualify or modify the recommendation of the Company Board that the Company's stockholders adopt the Merger Agreement or the recommendation of the Special Committee that the Company Board approve and declare the Merger Agreement advisable and that the Company's stockholders adopt the Merger Agreement in a manner adverse to WaterStone, (ii) approve, recommend or declare advisable any Takeover Proposal, or (iii) fail to include the Company Board Recommendation or the Special Committee Recommendation in this proxy statement (any such action, an "Adverse Recommendation Change"). However, at any time prior to the Company Stockholder Approval, the Company Board, acting upon the recommendation of the Special Committee, may make an Adverse Recommendation Change (i) in response to a Superior Proposal that did not result from a material breach of the non-solicitation provisions or (ii) in response to an Intervening Event, in each case if the Special Committee determines in good faith, after consultation with its outside legal counsel, that the failure to make such Adverse Recommendation Change would reasonably be expected to be inconsistent with the fiduciary duties of the members of the Company Board under applicable Law.

Match Rights. The Company may not make an Adverse Recommendation Change or terminate the Merger Agreement to accept a Superior Proposal unless (i) the Company has provided WaterStone written notice of its intention to take such action (which notice must identify the Person making such Superior Proposal and include the material terms and a copy of the proposed definitive agreement), (ii) during the five Business Day period following WaterStone's receipt of such notice, the Company and its Representatives have negotiated in good faith with WaterStone, to the extent WaterStone wishes to negotiate, to enable WaterStone to propose revisions to the Merger Agreement, and (iii) at the end of such five Business Day period, after taking into account any revisions proposed by WaterStone, the Special Committee continues to determine in good faith that the failure to take such action would be inconsistent with the fiduciary duties of the Company Board. Any material amendment to the financial terms or structure of a Superior Proposal requires a new notice, with a two (2) Business Day matching period.

Efforts to Consummate the Merger. Subject to the terms and conditions of the Merger Agreement, each party has agreed to use reasonable best efforts to take all actions and do all things reasonably necessary to consummate the Transactions as promptly as reasonably practicable, including preparing and filing all notices, filings and other documents required in connection therewith, obtaining all required approvals and consents from governmental authorities or other Persons, and executing any additional instruments reasonably necessary. The Company has the right, subject to consulting in good faith with WaterStone, to direct the overall strategy for seeking regulatory approvals, including with respect to applications to the FCC for consent to the transfer of control of the Company's FCC broadcast licenses.

Indemnification and Insurance. From and after the Effective Time, WaterStone will cause the Surviving Company to indemnify and hold harmless each current or former director or officer of the Company or any of its Subsidiaries against all claims, losses, liabilities, damages, judgments, fines, penalties, costs and expenses arising out of acts or omissions occurring at or prior to the Effective Time. The Surviving Company's organizational documents will contain exculpation, indemnification and advancement of expense provisions no less favorable than those in the Company's organizational documents as of the date of the Merger Agreement for a period of six years following the Effective Time. Prior to the Effective Time, WaterStone will obtain, at WaterStone's expense, a prepaid six-year "tail" directors' and officers' liability insurance policy on terms no less favorable than the Company's existing D&O coverage; provided that the aggregate premium will not exceed 300% of the annual premium currently paid by the Company.

Employee Matters. During the twelve-month period commencing at the Effective Time, WaterStone will cause the Surviving Company and its Subsidiaries to provide each employee who continues employment immediately following the Effective Time (each, a "Continuing Employee") with (i) a base salary or wage rate no less favorable than that in effect immediately prior to the Effective Time, (ii) an annual target cash incentive opportunity no less

favorable than that in effect immediately prior to the Effective Time, and (iii) employee benefit plans and arrangements that are substantially comparable in the aggregate to those provided immediately prior to the Effective Time, excluding equity or equity-based compensation, defined benefit pension benefits, nonqualified deferred compensation, retiree medical benefits and change-in-control or retention bonuses. WaterStone will also cause the Surviving Company to recognize, for purposes of eligibility and vesting, each Continuing Employee's years of service with the Company.

Conditions to the Merger

Conditions to Each Party's Obligations. The respective obligations of the Company, WaterStone and Merger Sub to consummate the Merger are subject to the satisfaction or waiver (to the extent permitted by Law) of the following conditions: (i) no Judgment or applicable Law shall be in effect enjoining, restraining or otherwise making illegal the consummation of the Merger; (ii) the regulatory consents, approvals and other authorizations set forth in the Company Disclosure Letter shall have been obtained and remain in full force and effect; (iii) the FCC shall have granted its consent to the transfer of control of the Company's FCC licenses, which consent shall have become a Final Order, without the imposition of any condition that would reasonably be expected to have a Material Adverse Effect; and (iv) the Company Stockholder Approval shall have been obtained.

Conditions to WaterStone's and Merger Sub's Obligations. The obligations of WaterStone and Merger Sub to consummate the Merger are additionally subject to: (i) certain representations and warranties of the Company being true and correct as of the Closing Date (subject to the materiality standards specified in the Merger Agreement); (ii) the Company having performed or complied in all material respects with its covenants and agreements required to be performed at or prior to the Closing; and (iii) receipt of an officer's certificate from the Company certifying the foregoing.

Conditions to the Company's Obligations. The obligations of the Company to consummate the Merger are additionally subject to: (i) certain representations and warranties of WaterStone and Merger Sub being true and correct as of the Closing Date (subject to the materiality standards specified in the Merger Agreement); (ii) WaterStone and Merger Sub having performed or complied in all material respects with their covenants and agreements required to be performed at or prior to the Closing; and (iii) receipt of an officer's certificate from WaterStone certifying the foregoing.

Termination of the Merger Agreement

The Merger Agreement may be terminated at any time prior to the Effective Time, whether before or after receipt of the Company Stockholder Approval:

- *Mutual Termination*. By the mutual written consent of WaterStone and the Company.

- *Termination by Either Party*. By either WaterStone or the Company if: (i) the Effective Time has not occurred on or prior to the date that is five months from the date of the Merger Agreement (the "Outside Date"), subject to automatic extension for an additional sixty days under certain circumstances, provided that this right is not available to a party whose breach has been the principal cause of such failure; (ii) any Restraint preventing the Merger has become final and nonappealable; or (iii) the Company Stockholder Approval was not obtained at a meeting of the Company's stockholders.

- *Termination by WaterStone*. WaterStone may terminate the Merger Agreement if: (i) the Company has breached its representations, warranties or covenants such that the related closing conditions would not be satisfied and such breach is incapable of being cured by the Outside Date or has not been cured within forty-five days of written notice (provided that WaterStone is not then in breach that would give rise to a closing condition failure); or (ii) the Company Board or the Special Committee has made an Adverse Recommendation Change.

- *Termination by the Company*. The Company may terminate the Merger Agreement if: (i) WaterStone or Merger Sub has breached its representations, warranties or covenants such that the related closing conditions would not be satisfied and such breach is incapable of being cured by the Outside Date or has not been cured within forty-five days of written notice (provided that the Company is not then in breach that would give rise to a closing condition failure); (ii) prior to the Company Stockholder Approval, in order to enter into a definitive agreement with respect to a Superior Proposal, provided the Company has complied with the non-solicitation provisions and, concurrently with or immediately following such termination, enters into such definitive agreement; or (iii) all conditions to WaterStone's obligation to close have been satisfied or waived and WaterStone fails to consummate the Closing within three Business Days after the Company has confirmed in writing that it is ready, willing and able to consummate the Closing.

Expense Reimbursement

Parent Expense Reimbursement. If the Merger Agreement is terminated by WaterStone due to an Adverse Recommendation Change or by the Company to enter into a Superior Proposal, the Company will reimburse WaterStone for its documented, reasonable out-of-pocket fees and expenses actually incurred in connection with the Transactions, in an aggregate amount not to exceed $500,000 (the "Parent Expense Reimbursement").

Company Expense Reimbursement. If the Merger Agreement is terminated by the Company due to a breach by WaterStone or Merger Sub or due to WaterStone's failure to consummate the Closing, WaterStone will reimburse the Company for its documented, reasonable out-of-pocket fees and expenses actually incurred in connection with the Transactions, in an aggregate amount not to exceed $500,000 (the "Company Expense Reimbursement," and together with the Parent Expense Reimbursement, the "Expense Reimbursements"). Any Expense Reimbursement will be paid by wire transfer of immediately available funds no later than two Business Days following the applicable termination.

Other Provisions

Appraisal Rights. Shares of Company Common Stock held by any Person who is entitled to demand and properly demands appraisal pursuant to Section 262 of the DGCL ("Appraisal Shares") will not be converted into the right to receive the Merger Consideration, but will instead represent only the rights provided under Section 262 of the DGCL. If any such Person fails to perfect or otherwise waives, withdraws or loses the right to appraisal, such Appraisal Shares will be deemed to have been converted as of the Effective Time into the right to receive the Merger Consideration, without interest.

Amendment and Waiver. The Merger Agreement may be amended, modified or supplemented at any time prior to the Effective Time only by a written agreement executed by WaterStone, Merger Sub and the Company; provided that, following receipt of the Company Stockholder Approval, no

amendment may be made that would require further stockholder approval without such approval having first been obtained. At any time prior to the Effective Time, WaterStone (on behalf of itself and Merger Sub) and the Company may waive compliance by the other party with any condition or agreement contained in the Merger Agreement for the benefit of such waiving party.

Performance Guaranty. WaterStone has irrevocably guaranteed to the Company the due, prompt and faithful payment, performance and discharge by Merger Sub of all of Merger Sub's obligations under the Merger Agreement. This guaranty is one of payment and performance and not of collection. The Company may proceed directly against WaterStone without first proceeding against Merger Sub.

Fees and Expenses. Except as otherwise expressly provided in the Merger Agreement, all fees and expenses incurred in connection with the Merger Agreement and the Transactions will be paid by the party incurring such fees or expenses, whether or not the Transactions are consummated.

Governing Law. The Merger Agreement is governed by, and will be construed in accordance with, the laws of the State of Delaware, without regard to principles of conflicts of law that would cause the application of the laws of any other jurisdiction.

SPECIAL FACTORS

Background of the Merger

The terms of the Merger Agreement are the result of arm's-length negotiations between representatives of the Company and WaterStone. The following is a brief discussion of the background of these negotiations, the Merger Agreement and the Transactions. As part of the Company's ongoing consideration and evaluation of its long-term prospects and strategies, the Company's Board and management regularly review strategic opportunities.

In December 2024, as part of refinancing its then-existing senior secured notes, the Company issued to WaterStone $40 million of Series B convertible preferred stock, the proceeds of which were used for the repurchase of the 2028 Notes. The Series B convertible preferred stock had an initial liquidation preference of $1,000 per share and was convertible into Company Common Stock, subject to limits that the maximum number of shares issuable on conversion would not exceed 49% of the issued and outstanding shares of the Company Common Stock or 46% of the Company's voting rights.

Subsequently, in November 2025, WaterStone acquired all of the Company's issued and outstanding Series A preferred stock from the prior holder in an arm's-length transaction, resulting in WaterStone holding 100% of the issued and outstanding Company Preferred Stock.

Beginning in September 2025, representatives of WaterStone and its counsel, Versa Law Group ("Versa Law"), discussed with representatives of the Company a potential transaction involving the acquisition by WaterStone of a controlling interest in the Company from members of the Atsinger and Epperson families. In connection with those discussions, counsel to WaterStone circulated preliminary drafts of transaction documents, including a stock purchase agreement and related voting agreements, to representatives of the Company. WaterStone and the Company continued to explore that potential structure through late October 2025, after which those discussions did not progress further.

In February 2026, counsel to WaterStone contacted the Company's management regarding a potential one-step reverse triangular merger transaction for the acquisition of the Company, and on February 10, 2026, counsel to WaterStone delivered a draft non-disclosure agreement ("NDA") to counsel for the Company to facilitate the discussion, which draft NDA was entered into by the parties on February 13, 2026.

On February 18, 2026, WaterStone delivered to the Company a draft non-binding term sheet setting forth WaterStone's proposal for a one-step reverse triangular merger transaction pursuant to which the Company would become a wholly owned subsidiary of WaterStone, at merger consideration of $1.00 per share. Following delivery of the non-binding term sheet, counsel to WaterStone and counsel to the Company discussed the prospective process for the negotiation and review of the proposed transaction given the WaterStone designees on the Company's Board of Directors, including Mr. von Gnechten, who serves as Chairman of the Board and as President of WaterStone, and Mr. Renacci, who serves as a member of the Company Board.

Following such discussions, on February 27, 2026, the Company Board, by unanimous written consent, established the Special Committee, comprised of Mr. Halvorson, Ms. Grizzle and Mr. Riddle, with Mr. Halvorson serving as Chair, to represent the interests of the stockholders of the Company unaffiliated with WaterStone and to evaluate and negotiate the proposed transaction with WaterStone and any potential alternatives thereto. Prior to establishing the Special Committee, the Board determined, based on information previously discussed with, furnished to or otherwise disclosed to and reviewed by the Board, that each of the members of the Special Committee met the criteria of a disinterested director under Section 144 of the DGCL. The Special Committee was empowered to, among other things, establish, approve, modify, monitor and direct the process and procedures relating to the review and evaluation of a potential transaction with WaterStone and any potential alternative transactions, determine whether the terms and conditions of a potential transaction with WaterStone or of any potential alternative transaction are advisable, fair and in the best interests of the Company and its stockholders, and to reject or approve a potential transaction with WaterStone or any potential alternative transaction.

On or about March 4, 2026, the Special Committee retained Orrick, Herrington & Sutcliffe LLP ("Orrick"), to provide legal advice with respect to a potential transaction with WaterStone.

Following the formation of the Special Committee and the engagement of Orrick, WaterStone and its representatives continued discussions with the Special Committee and its representatives regarding the proposed transaction. On March 4, 2026, counsel to the Special Committee delivered a revised draft of the non-binding term sheet to WaterStone.

On March 9, 2026, counsel to WaterStone delivered a further revised draft of the non-binding term sheet to counsel for the Special Committee and proposed that the parties enter into an exclusivity agreement pending the execution of a definitive merger agreement with respect to the proposed transaction. Following discussion with the Special Committee, on March 10, 2026, counsel to the Special Committee delivered a further revised draft of the non-binding term sheet to counsel to WaterStone indicating that, as it related to exclusivity, the Special Committee desired to engage a financial advisor to, among other things, review the competitive landscape for the Company prior to entering into any exclusivity arrangement with WaterStone.

On March 11, 2026, following the approval of the Special Committee, WaterStone and the Company entered into a non-binding term sheet for the proposed transaction and the WaterStone parties commenced customary due diligence with respect to the Company. Due diligence continued through March 2026.

On March 25, 2026, counsel to WaterStone delivered to representatives of the Company and counsel to the Special Committee a draft Agreement and Plan of Merger (the "Merger Agreement") for the proposed transaction.

From late March through early April 2026, counsel to WaterStone and counsel to the Special Committee discussed ongoing due diligence matters and the Special Committee engaged a financial advisor, Riveron Consulting, LLC ("Riveron"), to provide feedback to the Special Committee in connection with its evaluation of the proposed transaction with WaterStone and overview of the competitive marketplace.

On April 9, 2026, following discussion with the Special Committee as to key issues and proposed revisions, counsel to the Special Committee delivered to counsel to WaterStone a proposed revised draft of the Merger Agreement. Through April 2026, counsel to WaterStone and counsel to the Special Committee continued to engage in discussion and review of certain ancillary documents relating to the proposed transaction and discussion of the terms of the proposed Merger Agreement. On April 22, 2026, the Special Committee met to further consider the transaction and receive feedback from Riveron on its analyses. At such meeting, Riveron reviewed and discussed its financial analyses with respect to the prospective value of the Company Common Stock and the competitive landscape for the Company, including analysis of key industry participants, review of relevant capital markets and industry conditions, and recent trends affecting valuation and transaction activity within the Company's sector. Following the presentation by Riveron and taking into consideration that there were limited, if any, prospective counterparties for an alternative transaction with the Company based on the lack of alignment of sufficient key factors, including synergy and value upside, business model, size and market presence, the Special Committee determined that outreach to prospective alternative counterparties at such time was not reasonably likely to present superior opportunities for the Company or to create greater value for holders of Company Common Stock, or result in a higher value per share for the Company Common Stock, than the proposed Merger, and directed counsel to the Special Committee to continue to negotiate the terms of the proposed Merger Agreement with WaterStone.

On April 23 and April 27, 2026, counsel to WaterStone delivered further revised drafts of the proposed Merger Agreement to counsel to the Special Committee, together with revised drafts of certain ancillary documents with respect thereto, addressing certain issues raised by the Special Committee in their prior revisions to the Merger Agreement. Throughout discussions among the parties' representatives, WaterStone did not propose a merger consideration other than $1.00 per share of Company Common Stock.

The Special Committee met on May 4, 2026 to further consider the proposed transaction. At the invitation of the Special Committee, the Company's Chief Legal Officer and representatives of the Company's legal and financial advisors also attended the meeting. Orrick reviewed with the Special Committee their fiduciary duties in the context of the proposed transaction and then summarized the material terms of the proposed form of the Merger Agreement. The Special Committee then discussed the analysis provided by Riveron to the Special Committee and its related assessment of the competitive landscape. Following discussion, the Special Committee unanimously determined to approve the Merger Agreement and recommend that the Board approve the Merger Agreement and submit the Merger Agreement and the transactions contemplated by it to the approval of the Company's stockholders.

The Board met on May 5, 2026 to consider the proposed transaction. Mr. von Gnechten and Mr. Renacci participated in the meeting but affirmed that each of them would recuse themselves from any vote to consider the approval of the Merger Agreement and, to the extent requested by the Board, any discussion of the same. Orrick reviewed with the Board their fiduciary duties in the context of the proposed transaction and then summarized the material terms of the proposed form of the Merger Agreement. The Board and the Special Committee then discussed the analysis provided by Riveron to the Special Committee and its related assessment as to prospective alternatives to the proposed transaction with WaterStone, including continuing to operate the business of the Company on a standalone basis. Following discussion, with Mr. von Gnechten and Mr. Renacci recusing, the other members of the Board unanimously determined to approve the Merger Agreement, to submit the Merger Agreement and the transactions contemplated by it to the approval of the Company's stockholders and to recommend that the stockholders of the Company approve and adopt the same.

Background of WaterStone's Proposal

Prior to entering into the Merger Agreement, WaterStone considered a range of transaction structures for acquiring control of the Company. Beginning in September 2025, representatives of WaterStone and its counsel discussed with representatives of the Company a potential transaction involving the acquisition by WaterStone of a controlling interest in the Company from members of the Atsinger and Epperson families. In connection with those discussions, counsel to WaterStone circulated preliminary drafts of transaction documents, including a stock purchase agreement and related voting agreements, to representatives of the Company. WaterStone and the Company continued to explore that potential structure through late October 2025, after which those discussions did not progress further.

Thereafter, WaterStone and its counsel evaluated other potential structures for acquiring control of the Company. In connection with that evaluation, WaterStone considered whether a two-step transaction consisting of a tender offer followed by a short-form merger might be available. WaterStone ultimately determined not to proceed on that basis because, among other things, the Class B common stock converts into Class A common stock upon transfer, and WaterStone was not certain that a tender-offer structure would permit WaterStone to achieve with sufficient certainty the ownership thresholds necessary to complete a short-form merger. WaterStone accordingly determined that a one-step merger would be the most effective structure for acquiring control of the Company without the additional time, expense and execution risk associated with an incremental process.

Following the formation of the Special Committee in March 2026, WaterStone and its representatives continued discussions with the Special Committee and its representatives regarding the proposed transaction. WaterStone ultimately determined to pursue the one-step merger structure reflected in the Merger Agreement, and the parties thereafter negotiated that structure.

Source and Amount of Funds

WaterStone expects that approximately $35,000,000 will be required to complete the Merger and the other Transactions. This amount includes payment of the aggregate Merger Consideration, amounts payable in respect of Company Equity Awards, Paying Agent costs, fees and expenses and other transaction-related amounts, in each case subject to final calculation.

WaterStone expects to fund 100% of these amounts from cash on hand held by WaterStone, including assets over which WaterStone has legal ownership and control. WaterStone has, and at the Effective Time will have, available cash sufficient to enable WaterStone and Merger Sub to consummate the Transactions, including to pay the aggregate Merger Consideration and all other amounts required to be paid by WaterStone, Merger Sub or the Surviving Company in connection with the consummation of the Transactions, and to pay all related fees and expenses required to be paid by WaterStone or Merger Sub in connection therewith. WaterStone's obligations to consummate the Transactions are not subject to any financing condition or to the receipt of any additional donation, donor consent or other third-party funding.

Assuming the satisfaction or waiver of the conditions to WaterStone's obligation to consummate the Merger and the accuracy of the representations and warranties of the Company set forth in the Merger Agreement, immediately after giving effect to the consummation of the Transactions and the payment of the aggregate Merger Consideration and all related fees and expenses required to be paid in connection therewith, WaterStone and the Surviving Company, taken as a whole, will be solvent.

WaterStone and Merger Sub Advisors

WaterStone and Merger Sub retained Versa Law Group as legal counsel in connection with the Transactions. Neither WaterStone nor Merger Sub has retained a financial advisor in connection with the Merger, and neither WaterStone nor Merger Sub has received any fairness opinion, valuation opinion, appraisal or other financial report in connection with the Merger.

No broker, investment banker, financial advisor or other Person is entitled to any broker's, finder's, financial advisor's or other similar fee or commission, or reimbursement of expenses in connection with the Transactions based upon arrangements made by or on behalf of WaterStone, Merger Sub or any of their respective Subsidiaries.

No Voting Arrangements; No Disparate Consideration

Neither WaterStone nor Merger Sub has entered into any voting agreement or similar arrangement with any stockholder of the Company pursuant to which such stockholder has agreed to vote in favor of the Merger Agreement or the Merger or against any Superior Proposal, and neither WaterStone nor Merger Sub has entered into any agreement, arrangement or understanding with any stockholder of the Company relating to the voting of shares of Company Common Stock in connection with the Transactions.

No holder of Company Common Stock will be entitled to receive consideration for such holder's shares of Company Common Stock pursuant to the Merger Agreement that differs in amount or form from the Merger Consideration, except for any difference arising solely from the treatment of Company Equity Awards or the exercise of appraisal rights pursuant to the Merger Agreement.

Post-Closing Arrangements

Following the Merger, the Company will continue as the Surviving Company and will become a wholly owned subsidiary of WaterStone. WaterStone currently expects that, following the Merger, the Surviving Company will continue the Company's existing operations and will evaluate opportunities to expand into new markets. WaterStone will cause the Surviving Company to use reasonable best efforts to take, or cause to be taken, all actions necessary, proper or advisable to terminate the quotation of the Company Common Stock on the OTC Markets and to terminate any applicable public reporting obligations of the Company or the Surviving Company, in each case as promptly as reasonably practicable after the Effective Time.

Under the Merger Agreement, the directors of Merger Sub immediately prior to the Effective Time will become the directors of the Surviving Company immediately following the Effective Time, and the officers of the Company immediately prior to the Effective Time will become the officers of the Surviving Company immediately following the Effective Time, in each case until their respective successors are duly elected or appointed and qualified or until their earlier death, resignation or removal in accordance with the certificate of incorporation and bylaws of the Surviving Company. Because Mr. von Gnechten is expected to be the sole director of Merger Sub immediately prior to the Effective Time, he is expected to be the sole director of the Surviving Company immediately following the Effective Time.

The Merger Agreement also provides that, during the twelve-month period commencing at the Effective Time, WaterStone will cause the Surviving Company and its subsidiaries to provide each Continuing Employee (as defined in the Merger Agreement) with specified compensation and benefit protections, subject to the terms and limitations set forth in the Merger Agreement. The Merger Agreement does not require WaterStone, the Surviving Company or any of their respective affiliates to continue the employment of any employee or service provider for any period following the Effective Time.

Except as expressly contemplated by the Merger Agreement, WaterStone, Merger Sub and their affiliates have not entered into any separate employment, retention, equity rollover, governance or similar arrangement with any director, officer, employee or stockholder of the Company in connection with the Merger.

WaterStone and Merger Sub Approvals

The execution, delivery and performance by each of WaterStone and Merger Sub of the Merger Agreement and the consummation by each of WaterStone and Merger Sub of the Transactions have been duly authorized by all necessary corporate or organizational action in accordance with their respective organizational documents and internal governance procedures. WaterStone has represented that all approvals, consents and authorizations required under its organizational documents and internal governance procedures have been obtained. The sole director of Merger Sub has approved and declared advisable the Merger Agreement and the Transactions, including the Merger, and WaterStone, in its capacity as the sole stockholder of Merger Sub, has adopted the Merger Agreement and approved the Merger, in each case effective in accordance with the terms of the applicable written consents.

Legal Proceedings

As of the date hereof, there is no pending or, to the Knowledge of WaterStone and Merger Sub, threatened Action against WaterStone, Merger Sub or any of their respective Affiliates, and there is no outstanding Judgment imposed upon or affecting WaterStone, Merger Sub or any of their respective Affiliates, in each case by or before any Governmental Authority, except, in each case, as would not, individually or in the aggregate, reasonably be expected to prevent or materially delay the consummation of the Transactions.

Recommendations of the Special Committee and the Board

Recommendation of the Special Committee

At the meeting of the Special Committee held on May 4, 2026, after due consideration, including consideration of the material factors described below under "*Special Factors - Reasons for the Merger*," and in consultation with its own independent legal and financial advisors, the Special Committee unanimously (i) determined that the Merger Agreement, the Merger and the other transactions contemplated by the Merger Agreement are advisable, fair to and in the best interest of the Company and its stockholders, including the stockholders of the Company unaffiliated with WaterStone, (ii) approved in all respects, and recommended that the Board approve in all respects, the form, terms, provisions and conditions of the Merger Agreement and the transactions contemplated thereunder (including the Merger), (iii) recommended that the Board approve in all respects, the Merger Agreement and the transactions contemplated thereunder (including the Merger), and (iv) recommended that the Board (A) submit the Merger Agreement and the transactions contemplated thereunder (including the Merger) to the stockholders of the Company at a meeting of the stockholders of the Company (which could be this Annual Meeting) for the purposes of considering, authorizing and approving the Merger Agreement and the transactions contemplated thereunder (including the Merger), and (B) recommend that the stockholders of the Company authorize and approve the Merger Agreement and the transactions contemplated thereunder (including the Merger), in accordance with the Delaware General Corporation Law ("DGCL").

Recommendation of the Board

At a meeting of the Board held on May 5, 2026, after consideration of the unanimous recommendation and analysis of the Special Committee, the Board (i) determined and declared the Merger Agreement, the Merger and the other transactions contemplated by the Merger Agreement to be advisable, fair to and in the best interest of the Company and its stockholders, (ii) approved the form, terms, provisions and conditions of the Merger Agreement and the transactions contemplated thereunder (including the Merger), in all respects, (iii) authorized, declared advisable and approved the execution, delivery and performance of the Merger Agreement and the consummation of the transactions contemplated thereby, including the Merger, in all respects and (iv) recommended that the stockholders of the Company authorize and approve the Merger Agreement and the transactions contemplated thereby, including the Merger, in accordance with the DGCL.

In the course of evaluating the Merger Agreement and the Transactions, including the Merger, and in determining to recommend that the stockholders of the Company adopt the Merger Agreement, the Board (with Mr. von Gnechten and Mr. Renacci electing to recuse themselves from the Board's vote) considered the following material factors (which are not intended to be an exhaustive list of all positive and countervailing factors considered by the Board and are not presented in any relative order of importance):

- The Special Committee's unanimous determination (i) that the Merger Agreement, the Merger and the other transactions contemplated by the Merger Agreement are advisable, fair to and in the best interest of the Company and its stockholders, (ii) to approve in all respects, and

recommend that the Board approve in all respects, the form, terms, provisions and conditions of the Merger Agreement and the transactions contemplated thereunder (including the Merger), (iii) to recommend that the Board approve in all respects, the Merger Agreement and the transactions contemplated thereunder (including the Merger), and (iv) to recommend that the Board (A) submit the Merger Agreement and the transactions contemplated thereunder (including the Merger) to the stockholders of the Company at a meeting of the stockholders of the Company for the purposes of considering, authorizing and approving the Merger Agreement and the transactions contemplated thereunder (including the Merger), and (B) to recommend that the stockholders of the Company authorize and approve the Merger Agreement and the transactions contemplated thereunder (including the Merger), in accordance with the DGCL.

- the financial analysis conducted and discussed by Riveron with the Special Committee, as well as the presentation by Riveron to the Special Committee to the effect that, subject to the limitations, qualifications and assumptions set forth therein, the Merger Consideration to be received by the holders of Company Common Stock (other than any Appraisal Shares) in the Merger is within the estimated per share value range determined pursuant to various analyses conducted by Riveron;

- The procedural safeguards present to ensure that the Merger is procedurally fair to the security holders disinterested with respect to the Transactions and unaffiliated with WaterStone and to permit the Special Committee to represent effectively the interests of such unaffiliated security holders, which procedural safeguards include the following, which are not listed in any relative order of importance:
    - The consideration and negotiation of the Merger Agreement was conducted entirely by and under the control and supervision of the Special Committee, which consists of three disinterested directors, each of whom is an outside, non-employee director, and that no limitations were placed on the Special Committee's authority.
    - In considering the transaction with Parent and Merger Sub, the Special Committee acted solely to represent the interests of the unaffiliated security holders, and the Special Committee had independent control of the extensive negotiations with representatives of Parent and Merger Sub and their respective legal and financial advisors on behalf of the unaffiliated security holders.
    - All of the members of Special Committee during the entire process were and are disinterested directors and free from any affiliation with Parent and Merger Sub; in addition, none of the members of the Special Committee has any financial interest in the Merger that is different from that of the unaffiliated security holders other than (i) their receipt of Board and Committee compensation (which is not contingent upon the consummation of the Merger or the Committee's or the Board's recommendation of the Merger), and (ii) their indemnification rights under the Merger Agreement.
    - The Committee was assisted in negotiations with representatives of Parent and Merger Sub and in its evaluation of the Merger by Riveron as its financial advisor and Orrick as its legal advisor.
    - The Committee was empowered to consider, attend to and take any and all actions in connection with the written proposal from Parent in connection with the Transactions from the date the Special Committee was established, and no evaluation, negotiation or response regarding the Transactions in connection therewith from that date forward was considered by the Board for approval until the Special Committee had recommended such action to the Board.
    - The terms and conditions of the Merger Agreement were the product of extensive negotiations between the Special Committee and its advisors, on the one hand, and representatives of Parent and Merger Sub and its advisors, on the other hand.
    - The Special Committee was empowered to exercise the full power and authority of the Board in connection with the Transactions and related process, including the power to reject the Transactions or any alternative.
    - The Special Committee met on multiple occasions to consider and review the terms of the Merger Agreement and the Transactions.
    - The recognition by the Special Committee that, under the terms of the Merger Agreement, the Board has the ability to consider any unsolicited proposal regarding a competing transaction that is reasonably likely to lead to a Takeover Proposal (as defined in the Merger Agreement) until the date the Company's stockholders vote upon and authorize and approve the Merger Agreement.
    - The ability of the Company to terminate the Merger Agreement in connection with a Takeover Proposal, subject to compliance with the terms and conditions of the Merger Agreement.
    - The availability of appraisal rights to the unaffiliated security holders who comply with all of the required procedures under the DGCL for exercising appraisal rights, which allow such stockholders to receive payment of the fair value of their shares of Company Common Stock; and
- the other factors considered by the Special Committee and described below

The Board considered and adopted as its own the Special Committee's analysis and discussion of the relationship of the Merger Consideration to the historical market prices of the Company Common Stock, including that the Merger Consideration of $1.00 per share represents a premium of approximately 244% to the closing price of the Company Common Stock on May 11, 2026, the last trading day prior to the public announcement of the Merger, as well as the Special Committee's analysis of the presentation made by Riveron, the financial condition of the Company and its business plan for continuing to operate as a standalone business, and the other factors more fully described in the section below entitled "- *Reasons for the Merger*."

The foregoing discussion of the factors considered by the Board is not intended to be exhaustive, but rather includes the material factors considered by the Board. In reaching its determination and recommendation, and in view of the wide variety of factors considered by the Board in connection with its evaluation of the Merger and the complexity of these matters, the Board did not consider it practical, and did not attempt, to quantify, rank or otherwise assign relative weights to the specific factors it considered in reaching its decision and did not undertake to make any specific determination as to whether any particular factor, or any aspect of any particular factor, was favorable or unfavorable to the ultimate determination of the Board. In addition, in considering the factors discussed above, individual members of the Board may have given different weights to different factors. The Board made its recommendation based on the totality of the information available to the Board, including discussions with the Special Committee and the Special Committee's independent legal and financial advisors. In making its determinations and approvals, the Board expressly adopted the analysis of factors undertaken by the Special Committee, which is described in the section below entitled "- *Reasons for the Merger*", in the course of reaching the Special Committee's unanimous decision to recommend that the Board approve the Merger Agreement and the Transactions, including the Merger.

Reasons for the Merger

As described above in the section of this proxy statement entitled "- *Background of the Merger*", prior to and in reaching the unanimous determination set forth above, the Special Committee consulted with and received the advice of its independent legal and financial advisors, discussed certain issues with Company management not affiliated with WaterStone and considered a variety of factors weighing positively in favor of the Merger, the Merger Agreement and the Transactions (including the Merger), including the following material factors (which are not intended to be an exhaustive list of all positive factors considered by the Special Committee and are not presented in any relative order of importance):

- the Special Committee's understanding of the Company's industry, business, operations, financial condition, earnings, strategy and prospects;
- The current and historical market prices of Company Common Stock, and that the Merger Consideration of $1.00 per share of Company Common Stock represents a premium of 244% to the closing price of the Company Common Stock on May 11, 2026.
- The financial condition of the Company and the risk as to whether the Company may be able to continue to operate as a going concern in the current market environment for its business and industry.
- The financial analysis conducted and discussed by Riveron with the Special Committee, as well as the presentation by Riveron to the Special Committee to the effect that, subject to the limitations, qualifications and assumptions set forth therein, that the Merger Consideration to be received by the holders of Company Common Stock (other than any Appraisal Shares) in the Merger is within the estimated per share value range determined pursuant to various analyses conducted by Riveron.
- The Company's belief that the operating environment for the Company's business on a standalone basis has changed significantly in recent years, and the new challenges that the Company faces, including, among other things, that (i) the Company faces a changed digital media environment which has negatively impacted the Company's results of operations, financial condition and prospects, (ii) the Company faces increased competition in its industry; and (iii) changing consumer preferences in media consumption place pressure on the Company's revenue growth and other key financial and operating metrics.
- The possible alternatives to the Merger (including the possibility of continuing to operate the Company as an independent company traded on the OTC Markets and the possibility of a sale of the Company to another buyer), the perceived potential benefits and risks of the possible alternatives and the timing and the likelihood of accomplishing the goals of such alternatives, and the assessment by the Committee that none of these alternatives was reasonably likely to present superior opportunities for the Company or to create greater value for holders of Company Common Stock than the Merger, taking into account (i) the likelihood of being consummated, given the size of and required funding for any potential alternative transaction, and general timing consideration, (ii) the business, competitive, industry and market risks, and (iii) the absence of any proposals made by any unsolicited potential buyers.
- The fact that the consideration payable in the Merger is entirely in cash, which will allow the unaffiliated security holders to immediately realize liquidity for their investment and provide them with certainty of the value of their shares of Company Common Stock.
- The likelihood that the Merger would be consummated based on, among other things:
    - The absence of a financing condition in the Merger Agreement;
    - The fact that the Merger Agreement provides that, in the event of a failure of the Merger to be consummated under certain circumstances, Parent will pay the Company transaction expenses up to $500,000.
- The other terms and conditions of the Merger Agreement, taken as a whole, as discussed in more detail in the section of this proxy statement entitled "*The Merger Agreement*" beginning on page 20; and
- That, on the basis of each of the foregoing factors including, among others, (i) the Special Committee's review of the presentation by Riveron that, in its view, the Merger Consideration to be received by the holders of Company Common Stock in the Merger is within the estimated per share value range determined pursuant to each of the various analyses conducted by Riveron, (ii) the current and historical market prices of Company Common Stock, (iii) the financial condition of the Company and its business plan for continuing to operate as a standalone business, (iv) the new challenges that the Company faces, including, among other things, a changed digital media environment, increased competition in its industry, and changing consumer preferences in media consumption, and (v) the assessment by the Special Committee that none of the potential alternatives discussed by the Special Committee was reasonably likely to present superior opportunities for the Company or to create greater value, from a financial point of view, for holders of Company Common Stock than the Merger, taking into account the likelihood of being consummated, the business, competitive, industry and market risks, and the absence of any proposals made by any unsolicited potential buyers, the Special Committee determined that the Merger Consideration was fair, from a financial point of view, to the stockholders of the Company unaffiliated with WaterStone.

The Special Committee also considered factors relating to the procedural safeguards that it believes were and are present to ensure the fairness of the Merger Agreement and the Transactions, including the Merger, to the unaffiliated security holders and to permit the Committee to represent effectively the interests of such unaffiliated security holders. The Special Committee believes such factors, including the following material factors (which are not intended to be an exhaustive list of all procedural factors considered by the Special Committee and are not presented in any relative order of importance), support its determinations and recommendations and provide assurance of the procedural fairness of the Merger:

- The consideration and negotiation of the Merger Agreement was conducted entirely by and under the control and supervision of the Special Committee, which consists of three disinterested directors, each of whom is an outside, non-employee director, and that no limitations were placed on the Special Committee's authority.
- In considering the transaction with Parent and Merger Sub, the Special Committee acted solely to represent the interests of the unaffiliated security holders, and the Special Committee had independent control of the extensive negotiations with representatives of Parent and Merger Sub and their respective legal and financial advisors on behalf of the unaffiliated security holders.
- All of the members of Special Committee during the entire process were and are disinterested directors and free from any affiliation with Parent and Merger Sub; in addition, none of the members of the Special Committee has any financial interest in the Merger that is different from that of the unaffiliated security holders other than (i) their receipt of Board and Committee compensation (which is not contingent upon the consummation of the Merger or the Committee's or the Board's recommendation of the Merger), and (ii) their indemnification rights under the Merger Agreement.
- The Special Committee was assisted in negotiations with representatives of Parent and Merger Sub and in its evaluation of the Merger by Riveron as its financial advisor and Orrick as its legal advisor.

- The Special Committee was empowered to consider, attend to and take any and all actions in connection with the written proposal from Parent in connection with the Transactions from the date the Special Committee was established, and no evaluation, negotiation or response regarding the Transactions in connection therewith from that date forward was considered by the Board for approval until the Special Committee had recommended such action to the Board.
- The terms and conditions of the Merger Agreement were the product of extensive negotiations between the Special Committee and its advisors, on the one hand, and representatives of Parent and Merger Sub and its advisors, on the other hand.
- The Special Committee was empowered to exercise the full power and authority of the Board in connection with the Transactions and related process, including the power to reject the Transactions or any alternative.
- The Special Committee met on multiple occasions to consider and review the terms of the Merger Agreement and the Transactions.
- The recognition by the Special Committee that, under the terms of the Merger Agreement, the Board has the ability to consider any unsolicited proposal regarding a competing transaction that is reasonably likely to lead to a Takeover Proposal (as defined in the Merger Agreement) until the date the Company's stockholders vote upon and authorize and approve the Merger Agreement.
- The ability of the Company to terminate the Merger Agreement in connection with a Takeover Proposal, subject to compliance with the terms and conditions of the Merger Agreement.
- The availability of appraisal rights to the unaffiliated security holders who comply with all of the required procedures under the DGCL for exercising appraisal rights, which allow such stockholders to receive payment of the fair value of their shares of Company Common Stock.

In the course of its deliberations and in reaching the determination described above, the Special Committee also considered, in consultation with its own independent legal and financial advisors, a variety of risks and other countervailing factors related to the Merger Agreement and the Merger, including the following material factors (which are not intended to be an exhaustive list of all countervailing factors considered by the Special Committee and are not presented in any relative order of importance):

- The unaffiliated security holders will have no on-going equity participation in the Company following the Merger, and they will cease to participate in the Company's future earnings or growth, if any, or to benefit from increases, if any, in the value of the Company Common Stock, and will not participate in any potential future sale of the Company to a third party or any potential recapitalization of the Company, which could include a dividend to stockholders.
- The restrictions on the conduct of the Company's business prior to the completion of the Merger, which may delay or prevent the Company from undertaking business opportunities that may arise or any other action it would otherwise take with respect to the operations of the Company pending completion of the Merger.
- The risks and costs to the Company if the Merger does not close, including the diversion of management and employee attention, potential employee attrition and the potential disruptive effect on the Company's business and customer relationships.
- The Company may be required, under certain circumstances, to pay Parent's transaction expenses up to $500,000 in connection with the termination of the Merger Agreement.
- The Company's customers and advertisers might react negatively to the announcement of the Merger Agreement and the Merger and decrease business with the Company as a result.

In addition, the Special Committee was aware of and considered the fact that the Company's directors have financial interests in the Merger that may be different from, or in addition to, those of the Company stockholders generally, as described more fully in the section entitled "- *Interests of the Company's Directors and Executive Officers in the Transactions*".

The foregoing discussion of the factors considered by the Special Committee is not intended to be exhaustive, but rather includes the material factors considered by the Special Committee. In reaching its determination and recommendation, and in view of the wide variety of factors considered by the Special Committee in connection with its evaluation of the Merger and the complexity of these matters, the Special Committee did not consider it practical, and did not attempt, to quantify, rank or otherwise assign relative weights to the specific factors it considered in reaching its decision and did not undertake to make any specific determination as to whether any particular factor, or any aspect of any particular factor, was favorable or unfavorable to the ultimate determination of the Special Committee. Rather, the Special Committee made its recommendation based on the totality of the information available to the Special Committee, including discussions with, and questioning of, Company management not affiliated with WaterStone and the Special Committee's independent legal and financial advisors.

In considering the factors discussed above, individual members of the Special Committee may have given different weights to different factors. This explanation of the Special Committee's reasons for its recommendations and other information presented in this section is forward-looking in nature and, therefore, should be read in light of the factors described in the section of this proxy statement entitled "*Cautionary Statement Regarding Forward-Looking Statements*" beginning on page 4.

Financial Advisor Presentation

To assist with its evaluation and review of the proposed transaction with WaterStone and any alternative transactions thereto, the Special Committee engaged Riveron as a financial advisor to provide certain valuation views regarding a recommended range of fair value of the Company's operating total invested capital and a single share of fully diluted Company Common Stock as of a current date approximating the closing of the proposed transaction, and to provide an overview of the prospective competitive marketplace for the Company.

In preparing its views on valuation, and subject to the assumptions, qualifications and limitations set forth in its presentation to the Special Committee, Riveron assumed and relied upon, without independent verification, the accuracy and completeness of the information that was made available to Riveron by the Company, and Riveron expressed no view or opinion with respect to any financial information provided, or the assumptions and methodologies upon which they were based. Riveron considered several different valuation methodologies and limitations on the scope of the review undertaken by it as presented to the Special Committee, and subject to the assumptions, qualifications and limitations set forth in its presentation, Riveron delivered its oral presentation to the Special Committee that, in its view, the Merger Consideration to be received by the holders of Company Common Stock (other than any Appraisal Shares) in the Merger is within the estimated per share value range determined pursuant to various analyses conducted by Riveron. In addition, Riveron delivered an industry and competitive market analysis to the Special Committee, focusing on industry headwinds, industry developments and strategic

positioning, and identifying that there were limited, if any, prospective counterparties for an alternative transaction with the Company based on the lack of alignment of sufficient key factors, including mission and values, synergy and value upside, business model, size and market presence.

Riveron's views and presentation were delivered to the Special Committee in connection with their consideration of the proposed Transaction and were among many factors considered by the Special Committee in evaluating the proposed Transaction. Riveron did not provide any recommendations to the Special Committee or the Company regarding whether to enter into or participate in any negotiations regarding the Transaction. Riveron did not provide a fairness opinion to the Special Committee. Riveron's views on valuation and its presentation were for the information of the Special Committee, and may not be relied upon by any other person.

Riveron's views and presentation were, necessarily, based upon economic, market, monetary, regulatory and other conditions as they existed and could be evaluated, and the information made available to Riveron, as of the date of the presentation. Riveron expressed no opinion as to the prices or trading ranges at which the shares of the Company will trade at any time, as to the potential effects of volatility in the credit, financial and stock markets on the Company or the transactions contemplated by the Merger Agreement or as to the impact of the transactions contemplated by the Merger Agreement on the solvency or viability of the Company or the ability of the Company to pay its obligations when they come due. Riveron assumed no responsibility for updating or revising its presentation based on circumstances or events occurring after the date of the presentation.

The following is a brief summary of the material financial analyses performed by Riveron in connection with its presentation to the Special Committee on April 22, 2026. The following summary is not a complete description of the financial analyses performed by Riveron, nor does the order of analyses described below represent relative importance or weight given to those analyses by Riveron. Some of these summaries of financial analyses include information presented in tabular format. In order to fully understand the financial analyses used by Riveron, the tables must be read together with the text of each summary.

In performing the financial analyses summarized below, Riveron utilized and was directed by the Special Committee to rely upon certain financial statements and forecasts and other information on the Company provided by the Company to Riveron. For the purposes of its analyses, Riveron assumed (i) that the Series A preferred stock would be redeemed and cancelled in connection with the proposed Transaction, (ii) the Series B convertible preferred stock would not convert into Company Common Stock in connection with an assumed transaction, given its significant liquidation premium, and (iii) there is no difference in the economic value per share between the Class A common stock and Class B common stock.

Using each of the financial analyses summarized below, and based on the assumptions set forth in its presentation to the Special Committee, Riveron estimated an Enterprise Value (as defined below) of the Company of between $93.0 million and $113.6 million and an estimated value per share of Company Common Stock of between $0.60 per share and $1.25 per share, in each case assuming the Company experienced a forecasted recovery to normalized revenue growth and EBITDA margins over a 10-year period.

Discounted Cash Flow Analysis

In order to estimate the enterprise value of the Company (the "Enterprise Value"), Riveron performed a discounted cash flow analysis of the Company. A discounted cash flow analysis is a traditional valuation methodology used to derive a valuation of an asset by calculating the "present value" of estimated future cash flows generated by the asset. "Present value" refers to the current value of future cash flows or amounts and is obtained by discounting those future cash flows or amounts by a discount rate that takes into account macroeconomic assumptions and estimates of risk, the opportunity cost of capital, expected returns and other appropriate factors.

To calculate the estimated Enterprise Value using the discounted cash flow method, using information provided by the Company, Riveron (i) applied the forecasted revenues for the Company over a 10 year period, which used a compounded annual growth rate ("CAGR") between 1.9% and 2.3%, (ii) deducted projected operating expenses, including capitalized research and development expenditures to determine the Company's earnings before interest, taxes, depreciation and amortization ("EBITDA"), (iii) deducted depreciation and amortization, taxes and accounted for net operating losses to determine the expected after-tax profit of the Company, (iv) added back tax depreciation and amortization and deducted (x) projected capital expenditures of 1.1% of revenue on average and (y) the Company's estimated working capital needs of approximately 1.0% of revenue, to determine the Company's free cash flows ("Free Cash Flows"). Riveron then calculated the terminal value of the Company at the end of the 10-year period (the "Terminal Value") assuming (a) normalized revenue growth between 0.6% and 1.5% and (b) normalized EBITDA margins of between 6.3% and 8.0% and assumed EBITDA growth based on a 10-year CAGR between 11.7% and 15.1%, and then discounted that value based on an estimated weighted average cost of capital ("WACC") of between 8.0% and 9.0%. Riveron calculated the present value of the Company ("Present Value") by discounting the projected Free Cash Flows back to their present value based on the estimated WACC. The operating value of the Company (the "Operating Value") was calculated as the sum of (i) the present value of the Terminal Value and (ii) the present value of Free Cash Flows. The Enterprise Value was then calculated by adjusting the Operating Value based on excess net working capital, net non-operating assets, remaining tax amortization, and net operating losses. The WACC estimates were selected by Riveron based on its professional judgment.

The following summarizes the results of these calculations:

Enterprise Value Estimates	*($ in thousands)*
Low Case Enterprise Value (rounded)	$93,000
Base Case Enterprise Value (rounded)	$100,200
High Case Enterprise Value (rounded)	$111,900

Guideline Public Company Analysis

Riveron reviewed and analyzed selected historical and projected information about the Company provided by the Company's management and compared this information to certain financial information of five publicly traded companies that Riveron deemed to be reasonably comparable to the Company (each a "Guideline Company" and, collectively, the "Guideline Companies"). Riveron conducted an independent search to identify the Guideline Companies to assess their comparability to the Company. The criteria for selecting the Guideline Companies were primarily based on each Guideline Company's industry and business description.

The most relevant public broadcasting companies were selected for Riveron's analysis and narrowed down to the most comparable to the Company based on the following criteria: (a) participation in the U.S. radio and audio media sector, with broadly similar exposure to advertising-driven revenue models

as the Company, and excluding companies that had strong reliance on subscription revenue or television broadcasting, (b) businesses with a mix of local and national advertising exposure, and (c) diversification in radio, digital, podcasting and other adjacent industries.

Business descriptions and financial information are provided below for the selected Guideline Companies. The descriptions of these companies and the financial information for such companies set out below are derived from publicly available information and are summary in nature. Stockholders are referred to, and these summaries are qualified in full by reference to, the public reports filed by these companies with the U.S. Securities and Exchange Commission. Neither Riveron nor the Company has conducted due diligence as to the truthfulness, accuracy or completeness of this information and each of Riveron and the Company make no representation or warranty as to any such matter.

- **Beasley Broadcast Group, Inc. (Nasdaq: BBGI)** ("Beasley") is a multi-platform media company whose primary business is operating radio stations throughout the United States. Beasley is headquartered in Naples, Florida.

- **iHeart Media, Inc. (Nasdaq: IHRT)** ("iHeartMedia") is the number one audio media company in the U.S. based on consumer reach and uses its large scale and national reach in broadcast radio to build additional complementary platforms. iHeartMedia is headquartered in San Antonio, Texas.

- **Saga Communications Inc. (Nasdaq: SGA)** ("Saga") is a media company primarily engaged in acquiring, developing and operating broadcast properties including opportunities complementary to its core radio business including digital, e-commerce and non-traditional revenue initiatives. Saga is headquartered in Grosse Pointe Farms, Michigan.

- **Townsquare Media, Inc. (NYSE: TSQ)** ("Townsquare") is a community-focused digital and broadcast media and marketing solutions company principally focused outside the top 50 markets in the U.S. Townsquare is headquartered in Purchase, New York.

- **Urban One, Inc. (Nasdaq: UONE, UNOEK)** ("Urban One") is an urban-oriented, multi-media company that primarily targets African-American and urban consumers. Urban One is headquartered in Silver Spring, Maryland.

The following table details the market capitalization, enterprise value, and additional detail regarding Enterprise Value ("EV") to revenue multiples and EV to EBITDA multiples considered for each Guideline Company. Riveron's analysis of EV Revenue Multiples relied on trailing 12 months and fiscal year 2026 metrics due to the limited forecast data available for the Guideline Companies. Riveron's analysis of EV EBITDA Multiples relied on fiscal year 2026 metrics.

($ in thousands)

Guideline Public Company Name	Ticker	Market Cap	Enterprise Value (EV)	EV Revenue Multiples		EV EBITDA Multiples
				TTM	2026E	
Salem	SALM	$13,629	$21,806	0.45x – 0.55x	0.45x – 0.55x	5.40x – 5.75x
Beasley	BBGI	$5,719	$233,864	1.1x	N/A	N/A
iHeart	IHRT	$462,325	$5,249,124	1.4x	1.3x	6.5x
Saga	SGA	$72,900	$46,094	0.4x	0.4x	4.0x
Townsquare	TSQ	$96,473	$529,761	1.2x	1.2x	5.9x
Urban One	UONE	$24,509	$441,367	1.2x	N/A	N/A

Riveron reviewed, among other things, the Guideline Companies' enterprise value as a multiple of revenue and EBITDA for the last trailing 12 months and fiscal year 2026 forecast for each Guideline Company. The EV Revenue Multiples (excluding the Company's multiples) for the Guideline Companies ranged from 0.4x to 1.4x. The EV EBITDA multiples (excluding the Company's multiples) for the Guideline Companies ranged from 4.0x to 6.5x. Given the information presented, Riveron concluded that the Company's EV Revenue Multiples and EV EBITDA Multiples, which in each case assume the Company achieves a forecasted recovery to normalized revenue growth between 0.6% and 1.5% and normalized EBITDA margins of between 6.3% and 8.0% over a 10-year period, sit near the low end compared to the EBITDA margin of the Guideline Public Companies.

Based upon the analysis of the Guideline Public Companies above, and selected EV Revenue Multiples of between 0.45x and 0.55x and EV EBITDA Multiples of between 5.40x and 5.75x, Riveron estimated the Company's Enterprise Value based upon Guideline Public Company Analysis as set forth below. In preparing its analysis, Riveron applied 25% weighting to each of the 2026 EV Revenue Multiple and the 2026 EV EBITDA Multiple and 50% weighting to the trailing 12-month EV Revenue Multiple. Riveron determined that 25% weighting of the 2026 EV Revenue Multiple was appropriate due to the lack of comparable data, lowering reliance on forward-looking revenue multiples. The weighting of the 2026 EV EBITDA Multiples was based on the Company's forecasted 2035 EBITDA margins and expected achievement of normalized business operations. Riveron also conducted a review of control premiums that may be applicable to the Merger and observed a range between 10.9% and 98.6% with a median of 31.6%. Riveron selected a control premium of 20.0% to approximate the first quartile of the observed transactions.

($ in thousands)

	Low Case	Base Case	High Case
Equity Value, Minority	**$31,548**	**$35,343**	**$39,779**
Plus: Control Premium (20%)	$6,310	$7,069	$7,956
Equity Value Controlling	**$37,857**	**$42,412**	**$47,735**
Plus: Market Participant Debt	$58,589	$65,367	$73,876
Plus: Deficit Net Working Capital	$(6,930)	$(6,930)	$(6,930)
Plus: Net Non-Operating Assets	$1,773	$1,773	$1,773
Enterprise Value (rounded)	**$91,300**	**$102,900**	**$116,500**

The indication of Enterprise Value for the Company using the guideline public company method was based on selected multiples of revenue and EBITDA and a 20.0% control premium. Riveron estimated the Enterprise Value of the Company to range from approximately $91.3 million to $116.5 million using the guideline public company method, assuming the Company experienced a forecasted recovery to normalized revenue growth and EBITDA margins over a 10-year period.

Guideline Transaction Analysis

Riveron also performed a guideline transaction analysis to provide an estimate of the Enterprise Value of the Company. Under the guideline transaction method, market transactions are examined and valuation multiples are calculated for acquisitions involving companies engaged in businesses or industries that are generally comparable to those of the subject entity. In conducting its analysis, Riveron applied valuation multiples derived from comparable precedent transactions to the Company's financial metrics to determine an estimated Enterprise Value of the Company. This included analyzing the financial information and outlook for the Company to that of the precedent acquired companies. Riveron compared historical revenue growth and profitability to inform the selection of the appropriate multiples to determine the Enterprise Value.

Riveron reviewed recent broadcasting, audio, and local media transactions with available Enterprise Value, revenue, and EBITDA metrics, and further refined the data set based on the following criteria: (a) sale of radio stations or radio focused companies in the U.S. and select international markets, (b) inclusion of broader media platforms only where operations involved digital audio, streaming, or scaled media, excluding purely television transactions, and (c) majority-stake acquisitions to ensure a controlling-interest following the transaction.

Riveron analyzed 10 precedent transactions with comparable companies. The acquirer, target, target enterprise value and a brief description of the transaction analyzed are set forth in the table below:

Acquirer	Target	Target EV	Description
DPG Media Group	RTL Group S.A.	$1,295 million	DPG Media acquired 100% of RTL Group to expand into the Dutch TV and streaming market. The strategic partnership spans technology, advertising sales, and content.
Educational Media Foundation	Salem Media Group, Inc.	$7.0 million	Salem sold Christian Music Stations in Nashville, Tennessee and Honolulu, Hawaii to Educational Media Foundation.
Urban One, Inc.	Cox Media Group	$27.5 million	Urban One acquired four Houston based radio stations from Cox Media Group to build its broadcast reach in Houston and serve African-American and urban audiences more effectively.
Songtradr, Inc.	7digital	$31.4 million	Songtradr, Inc. acquired 7digital to combine 7digital's delivery platform with its own licensing and AI search/metadata tools to offer a broader one-stop B2B music solution.
Latino Media Network	Televisa Univision	$60.0 million	Latino Media Network acquired 18 AM and FM radio stations to expand its Spanish-language broadcasting reach.
Alphabet Inc., ForgeLight LLC, et al.	Televisa Univision	N/A	A group of investors, led by Alphabet and including Raine, SoftBank-related funds, and ForgeLight, invested in TelevisaUnivision, Inc.
Lotus Communications Corp.	Sinclair Broadcast Group	$18.0 million	Lotus Communications Corp. acquired News Radio KOMO 1000 AM & 97.7FM, KPLZ "Star" 101.5 FM, and Talk Radio KVI 570 AM from Sinclair Broadcast Group.
Sinclair Broadcast Group	Emmis	$78.4 million	Emmis sold its 50.1% controlling interest in a partnership that owns and operates six Austin radio stations and two FM translators to its partner, Sinclair Telecable, Inc.
Beasley Broadcast Group, Inc.	92.5 XTU FM	$38.0 million	Beasley Broadcast Group, Inc. acquired 92.5 XTU FM, a country music radio station in Philadelphia from Entercom Communications Corp.
Dick Broadcasting Co. Inc.	AlphaMedia	$19.5 million	Dick Broadcasting acquired additional radio stations to expand its footprint across North Carolina, South Carolina and Georgia.

The metrics compared for the above precedent transactions as compared to the Company are set forth below:

Acquirer	Target	Date	Transaction Size	EV Revenue Multiple	EV EBITDA Multiple
DPG Media Group	RTL Group S.A.	July 1, 2025	$1.295 billion	1.9x	N/A
Educational Media Foundation	Salem Media Group, Inc.	June 26, 2024	$7.0 million	3.6x	NM
Urban One, Inc.	Cox Media Group	July 31, 2023	$27.5 million	N/A	7.0x
Songtradr, Inc.	7digital	March 30, 2023	$31.4 million	3.3x	NM
Latino Media Network	Televisa Univision	November 21, 2022	$60.0 million	N/A	5.8x
Alphabet Inc., ForgeLight LLC, et al.	Televisa Univision	January 31, 2022	N/A	N/A	6.0x
Lotus Communications Corp.	Sinclair Broadcast Group	September 30, 2021	$18.0 million	N/A	6.4x

Sinclair Broadcast Group	Emmis	October 1, 2019	$78.4 million	2.5x	N/A
Beasley Broadcast Group, Inc.	92.5 XTU FM	September 27, 2018	$38.0 million	3.7x	N/A
Dick Broadcasting Co. Inc.	AlphaMedia	September 1, 2018	$19.5 million	N/A	7.0x

Using the guideline transaction analysis of the precedent transactions set forth above, and the selected EV Revenue Multiples and EV EBITDA Multiples, Riveron applied EV Revenue Multiples of between 0.50x and 0.58x and EV EBITDA Multiples of between 5.75x and 6.25x with 75% weighting on the EV Revenue Multiple and 25% weighting on the EV EBITDA multiple to estimate the Company's Enterprise Value as set forth below.

($ in thousands)	**Low Case**	**Base Case**	**High Case**
Enterprise Value	**$100,106**	**$111,853**	**$121,036**
Plus: Deficit Net Working Capital	$(6,930)	$(6,930)	$(6,930)
Plus: Net-Non-Operating Assets	$1,773	$1,773	$1,773
Enterprise Value (rounded)	**$94,900**	**$106,700**	**$115,900**

General

Riveron prepared these analyses for purposes of delivering its presentation to the Special Committee regarding a recommended range of fair value of the Company's operating total invested capital and a single share of fully diluted Company Common Stock as of a current date approximating the closing of the proposed transaction. These analyses do not purport to be appraisals nor do they necessarily reflect the prices at which businesses or securities actually may be sold. Analyses based upon forecasts of future results are not necessarily indicative of actual future results, which may be significantly more or less favorable than suggested by these analyses. Riveron did not provide any recommendations to the Special Committee or the Company regarding whether to enter into or participate in any negotiations regarding the Transaction. Riveron did not provide a fairness opinion to the Special Committee. Riveron's views on valuation and its presentation were for the information of the Special Committee, and may not be relied upon by any other person.

Riveron is a leading business advisory firm and, as part of its and its affiliates' advisory activities, is regularly engaged in the valuation of businesses and their securities in connection with mergers and acquisitions, investments for passive and control purposes, private placements and valuations for estate, corporate and other purposes. The Special Committee selected Riveron to act as its financial advisor because of its qualifications, reputation and experience in the valuation of businesses and securities in connection with mergers and acquisitions generally. Riveron is acting as financial advisor to the Special Committee in connection with the Merger. During the two years preceding the date of its presentation, Riveron has not advised or received fees from the Company or WaterStone.

Certain Company Financial Forecasts

The Company does not generally publish its business plans and strategies or make external disclosures of its anticipated financial position or results of operations. The Company is especially wary of making financial forecasts for extended earnings periods because of the unpredictability of the underlying assumptions and estimates and does not prepare ten-year forecasts in the ordinary course of business. However, in connection with its evaluation of the Merger, the Company's management developed, among other things, certain forward-looking forecasts with respect to fiscal years 2026 through 2035 for use in connection with Riveron's analyses and the Special Committee's review of the proposed Transaction.

The financial forecasts included in this proxy statement have been prepared by the Company's management and are subjective in many respects. The financial forecasts were not prepared with a view to public disclosure and are included in this proxy statement only because such information was made available to Riveron in connection with its analysis. The Special Committee limited its reliance on the financial forecasts in connection with its assessment given the inherent uncertainty in any such forecasting and the challenges faced by the Company's industry, specifically, as discussed in more detail in the section entitled "*Special Factors – Reasons for the Merger*." However, Riveron was directed to use the Projections (as defined below) in connection with its financial analyses described herein. The financial forecasts were not prepared with a view to compliance with generally accepted accounting principles as applied in the United States ("GAAP") or the guidelines established by the American Institute of Certified Public Accountants for preparation and presentation of prospective financial information. The financial forecasts described below were prepared by the Company's management on April 6, 2026 (the "Projections" or the "financial forecasts") and therefore do not take into account any circumstances or events occurring after the date they were prepared, including the Merger. The financial forecasts are not fact and should not be relied upon as being necessarily indicative of future results, and readers of this proxy statement are cautioned not to place undue reliance on this information. Although this summary of the financial forecasts is presented with numerical specificity, the financial forecasts reflect numerous variables, assumptions and estimates as to future events made by the Company's management that the Company's management believed were reasonable at the time the financial forecasts were prepared, taking into account the relevant information available to management at the time. Because the financial forecasts cover multiple years, by their nature, they become subject to greater uncertainty with each successive year. The financial forecasts reflect numerous estimates and assumptions with respect to industry performance, general business, economic, regulatory, market and financial conditions and other future events, as well as matters specific to the Company's business, all of which are difficult to predict and inherently uncertain, and many of which are beyond the Company's control. As a result, the financial forecasts may not be realized and actual results may be significantly higher or lower than projected. The financial forecasts are subjective in many respects and thus are susceptible to multiple interpretations and periodic revisions based on actual experience and business developments.

As such, the financial forecasts constitute forward-looking information and are subject to various risks and uncertainties, including the various risks set forth in the Company's other publicly available reports, as well as the section of this proxy statement entitled "Cautionary Statement Regarding Forward-Looking Statements." Neither the Company's independent auditors, nor any other independent accountants, have compiled, examined or performed any procedures with respect to the prospective financial information contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, the prospective financial information.

The inclusion of this information should not be regarded as an indication that the Special Committee, the Company's management, Riveron or any other recipient of this information considered, or now considers, the financial forecasts to be predictive of actual future results.

Except to the extent required by applicable law, the Company does not intend, and expressly disclaims any responsibility, to update or otherwise revise the financial forecasts to reflect circumstances existing after the respective dates on which management prepared the financial forecasts or to reflect the occurrence of future events or changes in general economic or industry conditions, even in the event that any of the assumptions underlying the financial forecasts are shown to be in error.

The financial forecasts described below are included herein because they were made available by the Company to Riveron in connection with the financial analyses performed in connection with the Merger, as described in the section of this proxy statement entitled "*Special Factors—Financial Advisor Presentation*" beginning on page 30.

Certain of the measures included in the financial forecasts may be considered non-GAAP financial measures, including EBIT, EBIT Margin, EBITDA and EBITDA Margin. Non-GAAP financial measures should not be considered in isolation from, or as a substitute for, financial information presented in compliance with GAAP, and non-GAAP financial measures as used by the Company may not be comparable to similarly titled amounts used by other companies. The Company has not prepared, and none of the Special Committee or Riveron has considered, a reconciliation of these non-GAAP financial measures to applicable GAAP financial measures.

Projections

The Projections are based upon the following assumptions and estimates:

- Annual revenue growth rate between (5.1%) and 3.1% from 2026 to 2035;
- A decline in operating expenses as a percentage of revenue from between 97.4% and 92.0% from 2026 to 2035;
- EBITDA Margin from between 2.6% and 8.0% from 2026 to 2035 driven by bringing certain digital fulfillment in-house and networking local broadcasting locations;
- An increase in capital expenditures as a percentage of revenue between 1.1% and 1.2% from 2026 to 2035;

The following tables include the financial forecasts and annual forecasts for the Company's Total Revenue, Total Operating Expenses, EBIT, EBIT Margin, EBITDA, EBITDA Margin and Capital Expenditures from 2026 through 2035 assuming a low case scenario, base case scenario, and high case scenario as prepared by the Company's management on April 6, 2026.

($ in thousands)

Low Case

	Forecasted									
Fiscal Year Ending December 31,	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Total Revenue	$201,800.5	$204,545.2	$208,950.5	$212,856.9	$219,367.8	$224,803.6	$230,915.4	$235,322.9	$239,142.8	$239,838.6
Total Operating Expenses	$196,206.6	$199,279.8	$203,399.8	$207,403.7	$211,905.6	$216,190.6	$220,229.9	$223,431.3	$225,115.3	$224,720.1
EBITDA	$5,594.0	$5,265.3	$5,550.7	$5,453.2	$7,462.2	$8,613.1	$10,685.4	$11,891.5	$14,027.5	$15,118.5
EBITDA Margin	2.8%	2.6%	2.7%	2.6%	3.4%	3.8%	4.6%	5.1%	5.9%	6.3%
EBIT	$(8,619.5)	$(3,412.7)	$(2,615.9)	$(1,176.5)	$2,188.5	$3,791.9	$6,019.2	$7,600.8	$10,141.5	$11,273.5
EBIT Margin	(4.3%)	(1.7%)	(1.3%)	(0.6%)	1.0%	1.7%	2.6%	3.2%	4.2%	4.7%
Capital Expenditures	$1,588.2	$2,155.0	$2,246.2	$2,341.7	$2,442.0	$2,547.2	$2,610.3	$2,681.3	$2,732.5	$2,776.8

($ in thousands)

Base Case

	Forecasted									
Fiscal Year Ending December 31,	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Total Revenue	$201,800.5	$204,545.2	$208,950.5	$212,856.9	$219,367.8	$225,192.5	$231,804.1	$236,859.5	$241,466.6	$243,105.3
Total Operating Expenses	$196,206.6	$199,279.8	$203,399.8	$207,403.7	$211,905.6	$216,231.6	$220,404.4	$223,850.2	$225,904.6	$226,009.9
EBITDA	$5,594.0	$5,265.3	$5,550.7	$5,453.2	$7,462.2	$8,960.9	$11,399.8	$13,009.3	$15,562.1	$17,095.4
EBITDA Margin	2.8%	2.6%	2.7%	2.6%	3.4%	4.0%	4.9%	5.5%	6.4%	7.0%
EBIT	$(8,619.5)	$(3,412.7)	$(2,615.9)	$(1,176.5)	$2,188.5	$4,136.8	$6,726.7	$8,706.8	$11,658.2	$13,225.1
EBIT Margin	(4.3%)	(1.7%)	(1.3%)	(0.6%)	1.0%	1.8%	2.9%	3.7%	4.8%	5.4%
Capital Expenditures	$2,155.0	$2,246.2	$2,341.7	$2,442.0	$2,547.2	$2,614.8	$2,691.6	$2,750.3	$2,803.8	$2,822.8

($ in thousands)

High Case

	Forecasted									
Fiscal Year Ending December 31,	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Total Revenue	$201,800.5	$204,545.2	$208,950.5	$212,856.9	$219,367.8	$225,605.7	$232,794.7	$238,657.4	$244,308.6	$247,227.3
Total Operating Expenses	$196,206.6	$199,279.8	$203,399.8	$207,403.7	$211,905.6	$216,184.7	$220,443.9	$224,154.1	$226,678.4	$227,446.8
EBITDA	$5,594.0	$5,265.3	$5,550.7	$5,453.2	$7,462.2	$9,421.0	$12,350.8	$14,503.3	$17,630.2	$19,780.5
EBITDA Margin	2.8%	2.6%	2.7%	2.6%	3.4%	4.2%	5.3%	6.1%	7.2%	8.0%
EBIT	$(8,619.5)	$(3,412.7)	$(2,615.9)	$(1,176.5)	$2,188.5	$4,593.8	$7,670.3	$10,187.0	$13,704.5	$15,878.4
EBIT Margin	(4.3%)	(1.7%)	(1.3%)	(0.6%)	1.0%	2.0%	3.3%	4.3%	5.6%	6.4%
Capital Expenditures	$2,155.0	$2,246.2	$2,341.7	$2,442.0	$2,547.2	$2,619.6	$2,703.1	$2,771.2	$2,836.8	$2,870.7

Plans for the Company After the Merger

Following the Closing, Merger Sub will have been merged with and into the Company, with the Company surviving the Merger as a subsidiary of Parent. The shares of Company Common Stock are currently traded on the OTC Markets. Following the Closing, there will be no further market for the shares of Company Common Stock and, as promptly as practicable following the Effective Time and in compliance with applicable law, the Company Common Stock will be delisted from the OTC Markets and will cease to be publicly traded.

Certain Material U.S. Federal Income Tax Consequences of the Merger to Holders of Company Common Stock

The following is a summary of certain material U.S. federal income tax consequences of the Merger to holders of Company Common Stock, but does not purport to be a complete analysis of all the potential tax considerations relating thereto. This summary is based upon the provisions of the Internal Revenue Code of 1986, as amended (the "Code"), U.S. Treasury regulations promulgated thereunder, administrative rulings and judicial decisions, all as in effect on the date hereof. These authorities may be changed, possibly retroactively, so as to result in U.S. federal income tax consequences different from those set forth

below. We have not sought any ruling from the Internal Revenue Service (the "IRS"), with respect to the statements made and the conclusions reached in the following summary, and there can be no assurance that the IRS or a court will agree with such statements and conclusions.

This discussion does not address the tax considerations arising under the alternative minimum tax, the net investment income tax, the laws of any state, local or non-U.S. jurisdiction, or under U.S. federal gift and estate tax laws. In addition, this discussion does not address tax considerations applicable to a holder's particular circumstances or to holders that may be subject to special tax rules, including, without limitation:

- banks, insurance companies or other financial institutions;
- partnerships or entities or arrangements treated as partnerships or other pass-through entities for U.S. federal income tax purposes (or investors in such entities);
- corporations that accumulate earnings to avoid U.S. federal income tax;
- tax-exempt or governmental organizations or tax-qualified retirement plans;
- real estate investment trusts or regulated investment companies;
- controlled foreign corporations or passive foreign investment companies;
- holders who acquired Company Common Stock pursuant to the exercise of an employee stock option or otherwise as compensation for services;
- brokers or dealers in securities or currencies;
- traders in securities that elect to use a mark-to-market method of accounting for their securities holdings;
- holders that own, or are deemed to own, more than 5% of our Class A common stock;
- certain former citizens or long-term residents of the United States;
- holders who hold Company Common Stock as a position in a hedging transaction, "straddle," "conversion transaction," or other risk reduction transaction;
- holders required to accelerate the recognition of any item of gross income with respect to Company Common Stock as a result of such income being recognized on an applicable financial statement;
- holders who do not hold Company Common Stock as a capital asset within the meaning of Section 1221 of the Code (generally, for investment purposes);
- to holders of Company Common Stock who exercise appraisal or dissenter rights; or
- holders deemed to sell Company Common Stock under the constructive sale provisions of the Code.

In addition, if a partnership or entity classified as a partnership for U.S. federal income tax purposes is a beneficial owner of Company Common Stock, the tax treatment of a partner in the partnership or an owner of the entity will depend upon the status of the partner or owner and the activities of the partnership or entity. Accordingly, this discussion does not address U.S. federal income tax considerations applicable to partnerships that hold Company Common Stock, and partners in such partnerships should consult their tax advisors.

You are urged to consult your tax advisor with respect to the application of the U.S. federal income tax laws to your particular situation, as well as any tax consequences of the Merger under the U.S. federal estate or gift tax rules or under the laws of any state, local, non-U.S. or other taxing jurisdiction or under any applicable tax treaty.

For purposes of this discussion, the term "U.S. holder" means a beneficial owner of Company Common Stock that is for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States for U.S. federal income tax purposes;
- a corporation, or other entity taxable as a corporation for U.S. federal income tax purposes, created or organized under the laws of the United States, any state therein or the District of Columbia or otherwise treated as such for U.S. federal income tax purposes;
- a trust that (1) is subject to the primary supervision of a U.S. court and one or more "United States persons," as defined under the Code, have the authority to control all substantial decisions of the trust or (2) has a valid election in effect under applicable U.S. Treasury regulations to be treated as a United States person; or
- an estate whose income is subject to U.S. federal income tax regardless of source.

The term "non-U.S. holder" means a beneficial owner of Company Common Stock (other than a partnership or entity classified as a partnership for U.S. federal income tax purposes) that is for U.S. federal income tax purposes not a U.S. holder.

We have not requested a ruling from the IRS in connection with the Merger or related transactions. Accordingly, the discussion below neither binds the IRS nor precludes it from adopting a contrary position. Furthermore, no opinion of counsel has been or will be rendered with respect to the tax consequences of the Merger or related transactions.

U.S. Holders

The receipt of cash pursuant to the Merger by a holder of Company Common Stock will be a taxable transaction for U.S. federal income tax purposes. In general, for United States federal income tax purposes, a holder of Company Common Stock will recognize capital gain or loss equal to the difference between the amount of cash received by a holder in the Merger and the adjusted tax basis in the Company Common Stock surrendered therefor. The amount and character of such gain or loss generally will be determined with respect to each block of Company Common Stock that was separately acquired by a holder of Company Common Stock. Such capital gain or loss will be long-term capital gain or loss if the Company Common Stock has been held for more than one year as of the date of the Merger. The deductibility of capital losses is restricted and, in general, capital losses may only be used to reduce capital gains to the extent thereof. However, holders that are individuals generally may deduct annually $3,000 of capital losses in excess of their capital gains ($1,500 for married individuals filing separately).

Payments made to a holder of Company Common Stock in connection with the Merger may be subject to backup withholding. Backup withholding generally applies if a holder (i) fails to furnish its Taxpayer Identification Number ("TIN"), (ii) furnishes an incorrect TIN, (iii) fails properly to report interest or dividends, or (iv) under certain circumstances, fails to provide a certified statement, under penalty of perjury, that the TIN provided is correct and such holder is not subject to backup withholding. The amount of any backup withholding from a payment to a holder of Company Common Stock will be allowed as a credit against such holder's U.S. federal income tax liability and may entitle such holder to a refund, provided that the required information is furnished to the IRS. Certain persons, including corporations and financial institutions are exempt from backup withholding. Holders of Company Common Stock should consult their tax advisors regarding their qualification for exemption from backup withholding and the procedure for obtaining such an exemption.

Non-U.S. Holders

Subject to the discussion below of FATCA and backup withholding, a non-U.S. holder generally will not be subject to U.S. federal income or withholding tax on any gain recognized on receipt of the cash pursuant to the Merger in exchange for the Company Common Stock unless:

- such non-U.S. holder is an individual who is present in the U.S. for 183 days or more in the taxable year of such sale or disposition, and certain other conditions are met;

- such gain is effectively connected with the conduct by the non-U.S. holder of a trade or business in the U.S. (and, if an applicable tax treaty so provides, is attributable to a permanent establishment or a fixed base maintained by the non-U.S. holder in the U.S.); or

- the Company Common Stock constitutes a U.S. real property interest by reason of our status as a "United States real property holding corporation" for U.S. federal income tax purposes (a "USRPHC"), at any time within the shorter of the five-year period preceding the Merger or the non-U.S. holder's holding period for Company Common Stock.

A non-U.S. holder that is an individual and who is present in the U.S. for 183 days or more in the taxable year of the Merger, if certain other conditions are met, will be subject to tax at a gross rate of 30% on the amount by which such non-U.S. holder's taxable capital gains allocable to U.S. sources, including gain from the disposition of Company Common Stock in the Merger, exceed capital losses allocable to U.S. sources, except as otherwise provided in an applicable tax treaty.

Gain recognized by a non-U.S. holder that is effectively connected with such non-U.S. holder's conduct of a trade or business in the U.S. generally will be subject to U.S. federal income tax on a net income basis in substantially the same manner as a U.S. holder (except as provided by an applicable tax treaty). In addition, if such non-U.S. holder is a corporation for U.S. federal income tax purposes, it may also be subject to a branch profits tax at the rate of 30% (or a lower rate if provided by an applicable tax treaty).

Generally, a corporation is a USRPHC if the fair market value of its U.S. real property interests equals or exceeds 50% of the sum of the fair market value of its worldwide real property interests and its other assets used or held for use in a trade or business (all as determined for U.S. federal income tax purposes). We do not believe that we currently are nor have ever been a USRPHC, however there can be no assurances that we are not now or ever been a USRPHC. If, however, we were a USRPHC during the applicable testing period, as long as our Class A common stock is regularly traded on an established securities market (which can include certain over the counter markets), our Class A common stock will be treated as U.S. real property interests only for a non-U.S. holder who actually or constructively holds (at any time within the shorter of the five-year period preceding the disposition or the non-U.S. holder's holding period) more than 5% of such Class A common stock. In addition, if the receipt of cash in the Merger in exchange for the Company Common Stock were subject to taxation under the USRPHC rules, a 15% United States withholding tax may be imposed on the cash received in the Merger with respect to such Company Common Stock.

Backup Withholding and Information Reporting

Payments received in the Merger with respect to Company Common Stock made to a non-U.S. holder may be subject to information reporting and backup withholding unless the non-U.S. holder establishes an exemption, for example by properly certifying the non-U.S. holder's status on a Form W-8BEN or another appropriate form. Notwithstanding the foregoing, backup withholding and information reporting may apply if either payor has actual knowledge, or reason to know, that the non-U.S. holder is a United States person.

Backup withholding is not an additional tax; rather, the U.S. income tax liability of persons subject to backup withholding will be reduced by the amount of tax withheld. If withholding results in an overpayment of taxes, a refund or credit may generally be obtained from the IRS, provided that the required information is furnished to the IRS in a timely manner.

Foreign Account Tax Compliance Act — FATCA

Under Section 1471 through 1474 of the Code (such Sections commonly referred to as "FATCA"), U.S. federal withholding tax of 30% is imposed on certain types of U.S. source "withholdable payments" (including gross proceeds from the taxable disposition of U.S. stock) to "foreign financial institutions," which are broadly defined for this purpose, and other non-U.S. entities in connection with the failure to comply with certain certification and information reporting requirements regarding U.S. account holders or owners of such institutions or entities. While withholding under FATCA would have applied to gross proceeds from the sale, exchange or other taxable disposition of Company Common Stock and to certain "passthru" payments received with respect to instruments held through foreign financial institutions after the date on which applicable final U.S. Treasury regulations are issued, proposed U.S. Treasury regulations eliminate FATCA withholding on payments of gross proceeds entirely and limit FATCA withholding on these "passthru" payments to those payments made two years after the date on which applicable final U.S. Treasury regulations are issued. Taxpayers generally may rely on these proposed U.S. Treasury regulations until final U.S. Treasury regulations are issued. An intergovernmental agreement between the United States and an applicable foreign

country may modify the requirements described in this paragraph. Non-U.S. holders should consult their own tax advisors regarding the possible implications of FATCA on their disposition of our Class A common stock in the Merger.

The preceding discussion of U.S. federal income tax considerations is for general information only. It is not tax advice. Each holder of Company Common Stock should consult its own tax advisor regarding the particular U.S. federal, state, local and non-U.S. tax consequences of the Merger to them.

Regulatory Approvals Required for the Transactions

Under the terms of the Merger Agreement, each of the Company, Merger Sub and Parent agrees to use their respective reasonable best efforts (except where the Merger Agreement specifies a different standard) to take, or cause to be taken, all actions and to do, or cause to be done, and assist and cooperate with the other parties in doing, all actions necessary, proper or advisable to cause the conditions to Closing to be satisfied and to consummate the Transactions as promptly as reasonably practicable, including preparing and filing as promptly as practicable with any government authority or other third party all documentation to effect all necessary filings and registrations.

The consummation of the Merger is subject to the satisfaction or waiver of customary conditions, including the consent of the FCC to the transfer of control of the Company's FCC licenses, which consent shall have become a Final Order (as defined in the Merger Agreement).

Delisting of the Company Common Stock from the OTC Markets

If the Merger is consummated, there will be no further market for the shares of Company Common Stock and, as soon as practicable following the Effective Time and in compliance with applicable law, the shares of Company Common Stock will be removed from trading on the OTC Markets and cease to be publicly traded. As a result, the Company would no longer file any periodic disclosures with the OTC Markets on account of the shares of Company Common Stock.

APPRAISAL RIGHTS

If the Merger is completed, holders of record and beneficial owners of Company Common Stock who do not vote in favor of the Merger Proposal (whether by voting against the Merger Proposal, abstaining or otherwise not voting with respect to the Merger Proposal), who properly demand an appraisal of their shares, who continuously hold (in the case of holders of record) or continuously own (in the case of beneficial owners) their shares of Company Common Stock through the Effective Time, who otherwise comply with the statutory requirements of DGCL Section 262 and who do not validly withdraw their demands or otherwise lose their rights to seek appraisal are entitled to seek appraisal of their shares of Company Common Stock in connection with the Merger under DGCL Section 262. Unless the context requires otherwise, all references in this summary to a "stockholder" are to a record holder of Company Common Stock. Unless the context requires otherwise, all references in this summary to a "beneficial owner" are to a person who is the beneficial owner of shares of Company Common Stock held either in voting trust or by a nominee on behalf of such person. Unless the context requires otherwise, all references in this summary to a "person" are to any individual, corporation, partnership, unincorporated association or other entity.

A copy of DGCL Section 262 may be accessed without subscription or cost (and which is incorporated herein by reference) at the following publicly available website: https://delcode.delaware.gov/title8/c001/sc09/index.html#262. The summary of DGCL Section 262 included in this proxy statement is not a complete statement of the law pertaining to appraisal rights under the DGCL and is qualified in its entirety by the full text of DGCL Section 262 and any amendments thereto after the date of this proxy statement, which is incorporated herein by reference. The following summary does not constitute any legal or other advice and does not constitute a recommendation that the Company's stockholders or beneficial owners exercise their appraisal rights under DGCL Section 262. Holders of record and beneficial owners of shares of Company Common Stock should carefully review the full text of DGCL Section 262 as well as the information discussed below. Failure to follow the steps required by DGCL Section 262 for demanding and perfecting appraisal rights may result in the loss of such rights. A person who loses his, her or its appraisal rights will be entitled to receive the Merger Consideration under the Merger Agreement, without interest, subject to compliance with the Merger Agreement. Consequently, any person wishing to exercise appraisal rights is encouraged to consult legal counsel before attempting to exercise those rights.

Under Section 262, if the Merger is completed, holders of record or beneficial owners of shares of Company Common Stock who: (1) deliver a written demand for appraisal of such holder's or owner's shares of Company Common Stock to the Company prior to the vote on the Merger Proposal; (2) do not vote in favor of the Merger Proposal (whether by voting against the Merger Proposal, abstaining or otherwise not voting with respect to the Merger Proposal); (3) continuously hold (in the case of a holder of record) or own (in the case of a beneficial owner) such shares through the effective date of the Merger; (4) do not withdraw their demands or otherwise lose their rights to appraisal; and (5) otherwise comply with the statutory requirements set forth in Section 262, will be entitled to have their shares of Company Common Stock appraised by the Delaware Court of Chancery and to receive payment in cash for the "fair value" of their shares of Company Common Stock, exclusive of any element of value arising from the accomplishment or expectation of the Merger, together with (unless the Delaware Court of Chancery in its discretion determines otherwise for good cause shown) interest on the amount determined by the Delaware Court of Chancery to be "fair value" from the effective date of the Merger through the date of payment of the judgment. If you are a beneficial owner of shares of Company Common Stock and you wish to exercise appraisal rights in such capacity, in addition to the foregoing requirements, your demand must also (1) reasonably identify the holder of record of the shares for which that demand is made, (2) be accompanied by documentary evidence of your beneficial ownership of such shares of Company Common Stock and include a statement that such documentary evidence is a true and correct copy of what it purports to be, and (3) provide an address at which you consent to receive notices given by the Company and to be set forth on the verified list required by Section 262. Unless the Delaware Court of Chancery in its discretion determines otherwise for good cause shown, interest on an appraisal award will accrue and compound quarterly from the effective date of the Merger through the date of payment of the judgment at 5.0% over the Federal Reserve discount rate (including any surcharge) as established from time to time during such period (except that, if at any time before the entry of judgment in the proceeding, the Company makes a voluntary cash payment to each person seeking appraisal, interest will accrue thereafter only upon the sum of (1) the difference, if any, between the amount so paid and the "fair value" of the shares as determined by the Delaware Court of Chancery, and (2) interest theretofore accrued, unless paid at that time). The Company is under no obligation to make such voluntary cash payment prior to such entry of judgment.

Under Section 262, where a proposed merger for which appraisal rights are available is to be submitted for adoption and approval at a meeting of stockholders, the corporation, not less than 20 days prior to the meeting, must notify each of its stockholders of record as of the record date for notice of such meeting that appraisal rights are available and include in the notice a copy of Section 262 or information directing stockholders to a publicly available electronic resource at which Section 262 may be accessed without subscription or cost. This proxy statement constitutes the Company's notice to the Company's stockholders that appraisal rights are available in connection with the Merger, and the full text of Section 262 may be accessed without subscription or cost at the following publicly available website: https://delcode.delaware.gov/title8/c001/sc09/index.html#262. In connection with the Merger, any holder of record or beneficial owner of shares of Company Common Stock who wishes to exercise appraisal rights, or who wishes to preserve such holder's or owner's right to do so, should review Section 262 carefully. Failure to strictly comply with the requirements of Section 262 in a timely and proper manner may result in the loss of appraisal rights under the DGCL. A stockholder or beneficial owner who loses such holder's or owner's appraisal rights will be entitled to receive the Merger Consideration. Because of the complexity of the procedures for exercising appraisal rights, the Company believes that if a stockholder or a beneficial owner is considering exercising such rights, that stockholder or beneficial owner should seek the advice of legal counsel.

Stockholders or beneficial owners wishing to exercise the right to seek an appraisal of their shares of Company Common Stock must do ALL of the following:

- the stockholder or beneficial owner must not vote in favor of the Merger Proposal;
- the stockholder or beneficial owner must deliver to the Company a written demand for appraisal of such holder's or owner's shares of Company Common Stock before the vote on the Merger Proposal at the Annual Meeting; and
- the stockholder must continuously hold or the beneficial owner must continuously own the shares from the date of making the demand through the effective date of the Merger.

Any person who has complied with the applicable requirements of Section 262 and is otherwise entitled to appraisal rights or the Company may file a petition in the Delaware Court of Chancery demanding a determination of the value of the stock of all such persons within 120 days after the effective date of the Merger (the Company is under no obligation to file any petition and has no intention of doing so).

For stockholders, because a proxy that does not contain voting instructions will, unless revoked, be voted in favor of the Merger Proposal, each stockholder who votes by proxy and who wishes to exercise appraisal rights must vote against the Merger Proposal, abstain or not vote his, her or its shares.

Written Demand

A stockholder or beneficial owner wishing to exercise appraisal rights must deliver to the Company, before the vote on the Merger Proposal at the Annual Meeting, a written demand for the appraisal of such holder's or beneficial owner's shares of Company Common Stock. In addition, that stockholder or beneficial owner must not vote or submit a proxy in favor of the Merger Proposal. A vote in favor of the Merger Proposal, virtually at the Annual Meeting or by proxy (whether by mail or via the internet or telephone), will constitute a waiver of appraisal rights in respect of the shares so voted and will nullify any

previously filed written demands for appraisal with respect to such shares. A stockholder exercising appraisal rights must hold of record the shares of Company Common Stock on the date the written demand for appraisal is made and must continue to hold the shares of record through the effective date of the Merger. A beneficial owner exercising appraisal rights must own the shares of Company Common Stock on the date the written demand for appraisal is made and must continue to own such shares through the effective date of the Merger. A proxy that is submitted and does not contain voting instructions will, unless revoked, be voted in favor of the Merger Proposal, and it will constitute a waiver of the stockholder's right of appraisal and will nullify any previously delivered written demand for appraisal. A stockholder or beneficial owner who submits a proxy and who wishes to exercise appraisal rights must submit a proxy containing instructions to vote against the Merger Proposal or abstain from voting on the Merger Proposal. Neither voting against the Merger Proposal nor abstaining from voting or failing to vote on the Merger Proposal will, in and of itself, constitute a written demand for appraisal satisfying the requirements of Section 262. The written demand for appraisal must be in addition to and separate from any proxy or vote on the Merger Proposal. A stockholder's or beneficial owner's failure to make the written demand prior to the taking of the vote on the Merger Proposal at the Annual Meeting will constitute a waiver of appraisal rights.

A holder of record of shares of Company Common Stock is entitled to demand appraisal for the shares registered in that holder's name. A demand for appraisal in respect of shares of Company Common Stock by a holder of record must reasonably inform the Company of the identity of the stockholder and that the stockholder intends thereby to demand an appraisal of such stockholder's shares.

A beneficial owner may, in such person's name, demand in writing an appraisal of such beneficial owner's shares of Company Common Stock. A demand for appraisal in respect of shares of Company Common Stock should be executed by or on behalf of the beneficial owner and must reasonably inform the Company of the identity of the beneficial owner and that the beneficial owner intends thereby to demand an appraisal of such owner's shares. The demand made by such beneficial owner must also (1) reasonably identify the holder of record of the shares of Company Common Stock for which the demand is made, (2) be accompanied by documentary evidence of such beneficial owner's beneficial ownership of stock and a statement that such documentary evidence is a true and correct copy of what it purports to be, and (3) provide an address at which such beneficial owner consents to receive notices given by the Company and to be set forth on the verified list required by Section 262.

All written demands for appraisal pursuant to Section 262 should be mailed or delivered to:

Salem Media Group, Inc.
770 Paseo Camarillo, Ste 325
Camarillo, CA 93010
Attn: Corporate Secretary

Demands for appraisal may not be submitted by electronic transmission. At any time within 60 days after the effective date of the Merger, any person entitled to appraisal rights who has not commenced an appraisal proceeding or joined that proceeding as a named party will have the right to withdraw such person's demand for appraisal and to accept the Merger Consideration offered pursuant to the Merger Agreement by delivering to the Company, as the Surviving Company, a written withdrawal of the demand for appraisal. No appraisal proceeding in the Delaware Court of Chancery will be dismissed as to any person without the approval of the Delaware Court of Chancery, and such approval may be conditioned upon such terms as the Delaware Court of Chancery deems just; provided, however, that this will not affect the right of any person who has not commenced an appraisal proceeding or joined that proceeding as a named party to withdraw such person's demand for appraisal and to accept the Merger Consideration within 60 days after the effective date of the Merger. Except with respect to any person who withdraws such person's demand in accordance with the proviso in the immediately preceding sentence, if the Delaware Court of Chancery does not approve the dismissal of an appraisal proceeding with respect to a person, the person will be entitled to receive only the appraised value determined in any such appraisal proceeding, which value could be less than, equal to or more than the Merger Consideration being offered pursuant to the Merger Agreement.

Notice by the Company

If the Merger is completed, within 10 days after the effective date of the Merger, the Company will notify each record holder of shares of Company Common Stock who has properly made a written demand for appraisal pursuant to Section 262, and who has not voted in favor of the Merger Proposal, and any beneficial owner who has demanded appraisal in accordance with Section 262, that the Merger has become effective and the effective date thereof.

Filing a Petition for Appraisal

Within 120 days after the effective date of the Merger, but not thereafter, the Company or any person who has complied with Section 262 and who is otherwise entitled to appraisal rights under Section 262 may commence an appraisal proceeding by filing a petition in the Delaware Court of Chancery, with a copy served on the Company in the case of a petition filed by a person, demanding a determination of the value of the shares held by all persons entitled to appraisal. The Company is under no obligation, and has no present intention, to file a petition, and the Company's stockholders should not assume that the Company will file a petition or initiate any negotiations with respect to the "fair value" of the shares of Company Common Stock. Accordingly, any persons who desire to have their shares appraised should initiate all necessary action to perfect their appraisal rights in respect of their shares of Company Common Stock within the time and in the manner prescribed in Section 262. The failure to file such a petition within the period specified in Section 262 could nullify a previous written demand for appraisal.

Within 120 days after the effective date of the Merger, any person who has complied with the requirements for an appraisal of such person's shares pursuant to Section 262 will be entitled, upon written request, to receive from the Company a statement setting forth the aggregate number of shares not voted in favor of the Merger Proposal and with respect to which the Company has received demands for appraisal, and the aggregate number of stockholders or beneficial owners holding or owning such shares (provided that, where a beneficial owner makes a demand pursuant to Section 262, the holder of record of such shares will not be considered a separate stockholder holding such shares for purposes of such aggregate number). The Company must send this statement to the requesting person within 10 days after receipt by the Company of the written request for such a statement or within 10 days after the expiration of the period for delivery of demands for appraisal, whichever is later.

If a petition for an appraisal is duly filed by a person and a copy thereof is served upon the Company, the Company will then be obligated within 20 days after such service to file in the office of the Delaware Register in Chancery in which the petition was filed a duly verified list containing the names and addresses of all persons who have demanded appraisal for their shares and with whom agreements as to the value of their shares have not been reached by the Company. The Delaware Court of Chancery may order that notice of the time and place fixed for the hearing of such petition be given to the Company and all of the persons shown on the verified list at the addresses stated therein. The forms of the notices by mail and by publication will be approved by the Delaware Court of Chancery and the costs of any such notice are borne by the Company.

After providing the foregoing notice, at the hearing on such petition, the Delaware Court of Chancery will determine the persons who have complied with Section 262 and who have become entitled to appraisal rights thereunder.

Determination of "Fair Value"

After the Delaware Court of Chancery determines the persons entitled to appraisal, then the appraisal proceeding will be conducted in accordance with the rules of the Delaware Court of Chancery, including any rules specifically governing appraisal proceedings. Through such proceeding, the Delaware Court of Chancery will determine the "fair value" of the shares of Company Common Stock, exclusive of any element of value arising from the accomplishment or expectation of the Merger, together with interest, if any, to be paid upon the amount determined to be the "fair value." In determining "fair value," the Delaware Court of Chancery will take into account all relevant factors. Unless the Delaware Court of Chancery in its discretion determines otherwise for good cause shown, interest from the effective date of the Merger through the date of payment of the judgment will be compounded quarterly and will accrue at 5.0% over the Federal Reserve discount rate (including any surcharge) as established from time to time during the period between the effective date of the Merger and the date of payment of the judgment. However, the Company has the right, at any time prior to the Delaware Court of Chancery's entry of judgment in the proceedings, to make a voluntary cash payment to each person seeking appraisal. If the Company makes a voluntary cash payment pursuant to subsection (h) of Section 262, interest will accrue thereafter only on the sum of (1) the difference, if any, between the amount paid by the Company in such voluntary cash payment and the "fair value" of the shares as determined by the Delaware Court of Chancery, and (2) interest accrued before such voluntary cash payment, unless paid at that time. In *Weinberger v. UOP, Inc.*, the Delaware Supreme Court discussed the factors that could be considered in determining "fair value" in an appraisal proceeding, stating that "proof of value by any techniques or methods which are generally considered acceptable in the financial community and otherwise admissible in court" should be considered, and that "[f]air price obviously requires consideration of all relevant factors involving the value of a company." The Delaware Supreme Court stated that, in making this determination of "fair value," the court must consider market value, asset value, dividends, earnings prospects, the nature of the enterprise and any other facts that could be ascertained as of the date of the merger that throw any light on future prospects of the merged corporation. Section 262 provides that "fair value" is to be "exclusive of any element of value arising from the accomplishment or expectation of the merger." In *Cede & Co. v. Technicolor, Inc.*, the Delaware Supreme Court stated that such exclusion is a "narrow exclusion [that] does not encompass known elements of value," but which rather applies only to the speculative elements of value arising from such accomplishment or expectation. In *Weinberger*, the Delaware Supreme Court also stated that "elements of future value, including the nature of the enterprise, which are known or susceptible of proof as of the date of the merger and not the product of speculation, may be considered."

Persons considering seeking appraisal should be aware that the "fair value" of their shares as so determined by the Delaware Court of Chancery could be more than, the same as or less than the consideration they would receive pursuant to the Merger if they did not seek appraisal of their shares. Although the Company believes that the Merger Consideration is fair, no representation is made as to the outcome of the appraisal of "fair value" as determined by the Delaware Court of Chancery, and holders of record and beneficial owners of Company Common Stock should recognize that such an appraisal could result in a determination of a value higher or lower than, or the same as, the Merger Consideration. Neither the Company nor WaterStone anticipates offering more than the Merger Consideration to any stockholder or beneficial owner exercising appraisal rights, and each of the Company and WaterStone reserves the right to make a voluntary cash payment pursuant to subsection (h) of Section 262 and to assert, in any appraisal proceeding, that for purposes of Section 262, the "fair value" of a share of Company Common Stock is less than the Merger Consideration. If a petition for appraisal is not timely filed, then the right to an appraisal will cease. The costs of the appraisal proceedings (which do not include attorneys' fees or the fees and expenses of experts) may be determined by the Delaware Court of Chancery and taxed upon the parties as the Delaware Court of Chancery deems equitable under the circumstances. Upon application of a person whose name appears on the list filed by the Company pursuant to Section 262 who participated in the proceeding and incurred expenses in connection therewith, the Delaware Court of Chancery may also order that all or a portion of such expenses, including, without limitation, reasonable attorney's fees and the fees and expenses of experts, to be charged pro rata against the value of all the shares entitled to an appraisal not dismissed pursuant to subsection (k) of Section 262 or subject to such an award pursuant to a reservation of jurisdiction (a "Reservation"). In the absence of such determination or assessment, each party bears its own expenses.

If any person who demands appraisal of his, her or its shares of Company Common Stock under Section 262 fails to perfect, or loses or validly withdraws, such person's right to appraisal, such person's shares of Company Common Stock will be deemed to have been converted at the Effective Time into the right to receive the Merger Consideration as provided in the Merger Agreement. A person will fail to perfect, or effectively lose, such person's right to appraisal if no petition for appraisal is filed within 120 days after the effective date of the Merger, or if the person delivers to the Company a written withdrawal of such person's demand for appraisal and an acceptance of the Merger Consideration as provided in the Merger Agreement in accordance with Section 262.

From and after the effective date of the Merger, no person who has demanded appraisal rights with respect to some or all of such person's shares in compliance with Section 262 will be entitled to vote such shares of Company Common Stock for any purpose or to receive payment of dividends or other distributions on the stock (except dividends or other distributions payable to stockholders of record at a date which is prior to the effective date of the Merger); provided, however, that if no petition for an appraisal is filed within the time provided in Section 262, or if such person delivers to the Company a written withdrawal of such person's demand for an appraisal and an acceptance of the Merger within 60 days after the effective date of the Merger, then the right of such person to an appraisal will cease. Notwithstanding the foregoing, no appraisal proceeding in the Delaware Court of Chancery will be dismissed as to any person without the approval of the Delaware Court of Chancery, and such approval may be conditioned upon such terms as the Delaware Court of Chancery deems just, including, without limitation, a Reservation; provided, however, that the foregoing will not affect the right of any person who has not commenced an appraisal proceeding or joined that proceeding as a named party to withdraw such person's demand for appraisal and to accept the terms offered upon the Merger or consolidation within 60 days after the effective date of the Merger.

Failure to comply strictly with all of the procedures set forth in Section 262 may result in the loss of a person's statutory appraisal rights. In that event, you will be entitled to receive the Merger Consideration for your shares in accordance with the Merger Agreement. Consequently, any person wishing to exercise appraisal rights is encouraged to consult legal counsel before attempting to exercise those rights.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth information regarding the beneficial ownership of our Class A and Class B common stock as of May 15, 2026 (unless otherwise indicated) by: (a) each person believed by us to be the beneficial owner of more than 5% of either class of our outstanding Class A or Class B common stock; (b) each of our directors; (c) each of our named executive officers; and (d) all of our directors and named executive officers as a group.

The Company has three classes of voting securities: Class A common stock, entitled to one vote per share, Class B common stock, entitled to 10 votes per share, and Series B convertible preferred stock, which is convertible, at the option of the holder thereof, into both Class A common stock and Class B common stock and votes with the Company Common Stock on all matters on which a vote of the Company's stockholders is required. The Company also has outstanding Series A preferred stock, which is nonvoting, except as to any express rights identified in the certificate of designations with respect thereto. As of May 15, 2026, the Record Date, there were outstanding 26,121,006 shares of Class A common stock, 5,553,696 shares of Class B common stock, 24,000 shares of Series A preferred stock and 40,000 shares of Series B convertible preferred stock.

	Class A Common Stock		Class B Common Stock		% Vote of All Classes Of Common Stock[2]
Name and Address[1]	**Number**	**% Vote[2]**	**Number**	**% Vote[2]**	
Greater than 5% Stockholders:					
The Christian Community Foundation, Inc.[3]	26,158,500	50.0%	4,250,000	43.4%	45.7%
Entities affiliated with Stuart Epperson[4]	4,530,315	8.7%	2,776,848	28.3%	21.6%
Entities affiliated with Edward G. Atsinger III[5]	4,762,185	9.1 %	2,776,848	28.3%	21.6%
Named executive officers and directors:					
Richard von Gnechten	—	*	—	—	*
Edward G. Atsinger III[5][6]	4,853,852	9.3%	2,776,848	28.3%	21.7%
Edward C. Atsinger[7]	1,097,578	2.1 %	—	—	*
Stuart W. Epperson Jr.[8]	113,428	*	2,776,848	28.3%	18.6%
Richard A. Riddle[9]	109,391	*	—	—	*
Eric Halvorson[10]	22,300	*	—	—	*
Heather W. Grizzle[11]	7,500	*	—	—	*
Jacki L. Pick[12]	7,500	*	—	—	*
Jim Renacci	100,000	*	—	—	*
David P. Santrella[13]	583,760	*	—	—	*
Christopher J. Henderson[14]	328,289	*	—	—	*
Evan Masyr[15]	340,263	*	—	—	*
All Directors and NEO's as a group	7,563,861	13.4%	9,803,696	56.6%	42.0%

* Less than 1%.

(1) Except as otherwise indicated, the address for each person is c/o Salem Media Group, Inc., 6400 N. Belt Line, Irving, Texas 75063. For purposes of this table, shares of Class A common stock and Class B common stock not outstanding that are subject to securities convertible by the holder thereof, or options exercisable by the holder thereof, within 60 days of May 15, 2026, are deemed outstanding for the purposes of calculating the number and percentage ownership by such stockholder, but not deemed outstanding for the purpose of calculating the percentage owned by each other stockholder listed. Unless otherwise noted, all shares listed as beneficially owned by a stockholder are actually outstanding.

(2) Percentage voting power is based upon 26,121,006 shares of Class A common stock, 5,553,696 shares of Class B common stock, 24,000 shares of Series A preferred stock and 40,000 shares of Series B convertible preferred stock, all of which were outstanding as of May 15, 2026 and the general voting power of one (1) vote for each share of Class A common stock and ten (10) votes for each share of Class B common stock. Voting power attributable to the Company's outstanding Series B convertible preferred stock is presented on as-converted to Company Common Stock basis.

(3) Includes (a) 26,158,500 shares of Class A common stock and (b) 4,250,000 shares of Class B common stock into which the Series B convertible preferred stock may be converted within 60 days of May 15, 2026. The maximum number of shares issuable on conversion of the Series B convertible preferred stock may not exceed 49% of the issued and outstanding shares of the Company Common Stock or 46% of the Company's voting rights and the Series B convertible preferred stock may not be converted into more than 4,250,000 shares of Class B common stock.

(4) The Class A common stock includes 1,145,720 shares of Class A common stock held by trusts of which Mr. and Mrs. Epperson are trustees and shares held directly by Mr. and Mrs. Epperson. As husband and wife, Mr. and Mrs. Epperson are each deemed to be the beneficial owner of shares held by the other and share voting and dispositive power.

(5) These shares of Class A and Class B common stock are held by trusts of which Mr. Atsinger is trustee. Includes 618,067 shares of Company Restricted Stock held by Edward G. Atsinger III and 1,090,078 shares of Class A common stock held in a trust for the benefit of Edward C. Atsinger, who is Edward G. Atsinger III's son. Edward G. Atsinger III is the trustee of the trust.

(6) Includes 91,667 shares of Class A common stock subject to stock options that are exercisable within 60 days.

(7) Includes (a) 1,090,078 shares of Class A common stock held in a trust for the benefit of Edward C. Atsinger and (b) 7,500 shares of Class A common stock subject to stock options that are exercisable within 60 days.

(8) These shares of Class B common stock are held directly by The Epperson 2022 GST Trust, of which Stuart W. Epperson, Jr. is the trustee for all purposes and a beneficiary of the trust. These shares of Class A common stock are held in custody for Mr. Epperson Jr.'s four (4) minor children.

(9) Includes 7,500 shares of Class A common stock subject to stock options that are exercisable within 60 days.

(10) Includes 12,500 shares of Class A common stock subject to stock options that are exercisable within 60 days.

(11) Includes 7,500 shares of Class A common stock subject to stock options that are exercisable within 60 days.

(12) Includes 7,500 shares of Class A common stock subject to stock options that are exercisable within 60 days.

(13) Includes 256,667 shares of Class A common stock subject to stock options that are exercisable within 60 days.

(14) Includes 138,584 shares of Class A common stock subject to stock options that are exercisable within 60 days.

(15) Includes 138,334 shares of Class A common stock subject to stock options that are exercisable within 60 days.

PART II - PROPOSALS

PROPOSAL 1
ELECTION OF DIRECTORS

At the Annual Meeting, our stockholders will be asked to vote on the election of nine (9) directors.

Two (2) nominees are nominated as "Class A Directors" whom the holders of Class A common stock are entitled to elect, as a class, exclusive of all holders of Class B common stock and Preferred Stock, pursuant to the Amended and Restated Certificate of Incorporation, as amended. Richard A. Riddle, and Eric H. Halvorson have been nominated as the Class A Directors. The two (2) nominees for the Class A Director seats receiving the largest number of votes of the shares of Class A common stock present in person or represented by proxy and entitled to vote on the election of the Class A Directors (including the shares of Series B convertible preferred stock voting on an as-converted to Class A common stock basis) will be elected the Class A Directors.

In accordance with the certificate of designations for the Series B convertible preferred stock, holders of Series B convertible preferred stock are entitled to vote as a class, exclusive of the holders of any other Company Stock, to appoint and elect two (2) "Preferred Stock Directors. Richard A. von Gnechten and James B. Renacci have been nominated as the Preferred Stock Directors. The two (2) nominees for the Preferred Stock Director seats who receive votes representing a majority of the outstanding shares of Series B convertible preferred stock will be elected.

The five (5) nominees for the remaining Board seats receiving the largest number of votes of the shares of Class A common stock, Class B common stock and Series B convertible preferred stock (on an as-converted basis), voting as a single class, present in person or represented by proxy and entitled to vote at the Annual Meeting will be elected directors. All directors elected at the Annual Meeting will be elected to a one (1) year term and will serve until the annual meeting of stockholders to be held in the year 2027 or until their respective successors have been duly elected and qualified.

Set forth below are the names of persons nominated by our Board of Directors for election as directors at the Annual Meeting and a description of the nominees' principal occupation, business experience, and other relevant experience:

Richard A. von Gnechten

Richard A. von Gnechten is currently our Chairman of the Board, and serves as WaterStone's President. He has a passion for helping Christian leaders realize their Kingdom calling to fulfill the Great Commandment and Great Commission. Rick has nearly three decades of senior financial executive experience for public (NYSE, OTC), private, Fortune 600, emerging growth, and international companies in various industries, including financial services, energy, real estate/construction, healthcare, software, diversified business and non-profit. Prior to joining WaterStone, Rick spent 10-years as CFO/COO for a registered investment advisor that grew from $400 million to $1.2 billion in assets under management. He previously spent six years running an executive consulting firm and serving as CFO to various public and private companies, providing corporate finance, capital-raising, strategic planning and transaction support services.

Rick has also served as CFO for a $2 billion, NYSE diversified U.S. public company and previously led customer operations and strategic planning for this same Fortune 600 corporation. He operated and turned around two healthcare businesses and installed an ESOP for a professional corporation. Rick has served on numerous boards (public and private), including nine years for two different Christian schools. He is a two-time graduate and trained coach of The Master's Program. He has taught Investment and Strategic Planning as adjunct faculty for undergraduates and MBA students. Rick has served as a deacon and Sunday School teacher for his Church. Rick holds an MBA from Dartmouth's Tuck School of Business, is a Financial Management Program graduate of Stanford's Graduate School of Business and holds a BA in Economics from the University of Denver. He and his wife Denice have three adult children and six grandchildren.

Edward G. Atsinger III

Mr. Atsinger served as Executive Chairman of the Board and a director of each of our subsidiaries since their inception through December 31, 2025, and remains a Director of the Company. He was previously our Chief Executive Officer and a Director. He was President of Salem from its inception through June 2007. He has been engaged in the ownership and operation of radio stations since 1969 and currently serves as a Partner of Salem Broadcasting Company, Sonsinger Properties, and Sonsinger Broadcasting Company of Houston, L.P.; as the manager/member of Greenbelt Property Management and EGA Investments; and as President of Sonsinger Management, Inc. Mr. Atsinger was a member of the board of directors of the National Religious Broadcasters for a number of years. He was also a member of the National Association of Broadcasters Radio board of directors from 2008 through 2014. In October 2018, Mr. Atsinger was elected Chairman of the Radio Music License Committee and served in that capacity until stepping off the Committee in December 2025. Mr. Atsinger has been a member of the board of directors of Oaks Christian School in Westlake Village, California since 1999. Mr. Atsinger is the brother-in-law of Stuart W. Epperson (former Director). Additionally, Mr. Atsinger is the father of Edward C. Atsinger (current Director) and uncle of Stuart W. Epperson Jr. (current Director). As one of our co-founders, Mr. Atsinger provides the Board with extensive and valuable radio and senior executive leadership experience, business development experience and insight into our background and vision. His longstanding association with and service on many broadcasting-related boards of directors over the years also provides valuable radio and new media experience as well as an understanding of the broader needs and challenges facing our industry.

Richard A. Riddle

Mr. Riddle has been a Director since September 1997. Mr. Riddle is an independent businessman specializing in providing financial assistance and consulting to individuals and manufacturing companies. He was President and majority stockholder of I.L. Walker Company from 1988 to 1997 when that company was sold. He also was Chief Operating Officer and a major stockholder of Richter Manufacturing Corp. from 1970 to 1987. In 2010, Mr. Riddle joined the Board of Directors of Know the Truth, a non-profit organization that is also a customer of the Company. Having an extensive career in financial matters, Mr. Riddle brings to the Board significant financial experience enabling him to assess and provide oversight concerning business and financial matters addressed by us.

Eric H. Halvorson

Mr. Halvorson was appointed the President of Trinity International University in January 2026. In addition to his presidency, he remains Dean of Trinity Law School, a role he previously held from 2016 to 2019 before returning in 2022. Mr. Halvorson was an Adjunct Professor at the Pepperdine University School of Law for the 2006-2007, 2009-2010, 2010-2011, and 2013-2014 academic years. He was an Executive in Residence at Pepperdine University Seaver College of Letters, Arts and Sciences from 2000-2003 and from 2005-2007. Mr. Halvorson was our President and Chief Operating Officer from 2007-2008, our Chief Operating Officer from 1996-2000 and our Executive Vice President from 1991-2000. From 1991-1999 and 1985-1988, Mr. Halvorson also served as our General Counsel. Mr. Halvorson was the managing partner of the law firm of Godfrey & Kahn, S.C.-Green Bay from 1988 until 1991. From 1985 to 1988, he was our Vice President and General Counsel. From 1976 until 1985, he was an associate and then a partner of Godfrey & Kahn, S.C.-Milwaukee. Mr. Halvorson was a Certified Public Accountant with Arthur Andersen & Co. from 1971 to 1973. Mr. Halvorson was previously a member of the board of directors of Intuitive Surgical, Inc., from 2003 to 2016 and Pharmacyclics, Inc., from 2011 to 2015. Mr. Halvorson was previously our Director from 1988 to

2008. Mr. Halvorson brings valuable legal and financial expertise and extensive historical knowledge of the Company to the Board. He has also served as a board member for several for-profit companies which enables him to bring relevant cross-board experience to us.

Heather W. Grizzle

Heather W. Grizzle is the Managing Partner of Causeway Strategies, a boutique consulting firm that helps individuals, organizations and corporations to communicate, connect and advance their objectives more effectively. Her background includes work in the White House and the U.S. House of Representatives, as well as corporate communications in New York and charity sector communications in London. She graduated cum laude with high honors in Economics from Harvard University, where she was Co-President of the Institute of Politics. Ms. Grizzle is a member of the Boards of Alpha USA and Charityvest. Having worked in the White House and House of Representatives, Ms. Grizzle brings a unique insider's perspective relevant to our Conservative News Talk formats. Additionally, having served on several non-profit boards, Ms. Grizzle has experience related to many of our programmers and audiences.

Stuart W. Epperson, Jr.

Stuart W. Epperson Jr. has been the Founder, President and CEO of Truth Broadcasting Corporation since its inception in 1998. Truth Broadcasting Corporation operates 35 signals in 8 markets including Raleigh, Greensboro, Charlotte, Richmond, Salt Lake City, Dayton, Toledo, and Myrtle Beach/Coastal Carolina in the following formats: Christian Talk (primary), Urban Gospel, Southern Gospel and Christian Spanish. Mr. Epperson Jr. also hosts Truth Talk Live, his own nationally syndicated show. From 1995 to 1998, Mr. Epperson Jr. was a Senior Account Executive at Clear Channel Communications and from 1993 to 1995 was an Account Executive at Multimedia Radio, Inc. Mr. Epperson Jr. earned his B.A. in Communications from The Master's College in 1992 and Master of Science, Broadcast Management from Bob Jones University in 1994. Mr. Epperson Jr. is the author of "Last Words of Jesus" published by Worthy Press Publ. in 2015 and "First Words of Jesus" published by the same publisher in 2016. Additionally, Mr. Epperson Jr. currently sits on the board of directors for the National Religious Broadcasters, Persecution Project Foundation, Chesapeake-Portsmouth Broadcasting Corporation and Delmarva Educational Association. Mr. Epperson Jr. is the son of Stuart W. Epperson (former Director), the nephew of Mr. Edward G. Atsinger III and the cousin of Edward C. Atsinger. Mr. Epperson Jr. was previously a Director of the Company from 2016 to 2019. Mr. Epperson Jr. brings valuable radio and senior executive leadership experience to us. In addition, Mr. Epperson Jr.'s operation of radio stations in similar formats to ours enables him to bring relevant experience related to our audiences and programmers.

Edward C. Atsinger

Edward C. "Ted" Atsinger is co-founder and Chief Production Officer of Greytek, LLC, a counterintelligence and security services company focusing on the Defense and Industrial Security sectors, since 2014. A veteran of multiple combat deployments, Mr. Atsinger dedicated himself to serving the interests of national security after the terrorist attacks of September 11, 2001, serving with distinction as a professional Counterintelligence Officer assigned to and supporting the United States Intelligence and Special Operations communities. Prior to his national security career, Mr. Atsinger worked as a Senior Producer in Salem's National News and Public Affairs Department. Mr. Atsinger holds a BA/MA (Oxon) in Philosophy and Theology from Oxford University, England. He has been a member of the Board of Directors of Rockbridge Academy, a classical Christian school in Millersville, Maryland since 2010. He also currently serves as the Chairman of the Board of Trustees for the Ballet Theatre of Maryland, Maryland's premier professional ballet company, where he has been a member of the board since 2017. Mr. Atsinger is the son of Edward G. Atsinger III. Additionally, he is the cousin of Stuart W. Epperson Jr. Mr. Atsinger was previously a Director of the Company from 2016 to 2019. Mr. Atsinger brings valuable senior executive leadership experience and business development experience to the Company.

Jacki L. Pick

Jacki L. Pick is the host of The Jacki Daily Show, an educational media offering created in 2014 and airing on BlazeMedia network, on the dial in Texas, and podcast across most major outlets. She appears frequently on policy and educational panels as a speaker and moderator, and on various shows and podcasts to promote education on energy and environmental issues (various cities). From 2017 to 2021, Ms. Pick also served as a Senior Fellow in energy and environment policy at the Texas Public Policy Foundation, the nation's largest state-based public policy organization. She served many years as legal counsel on Capitol Hill to the Chairman of the Subcommittee on the Constitution of the U.S. House Judiciary Committee and the former Ranking Member of the Commercial and Administrative Law Subcommittee, advising on the oversight of federal agencies and on First Amendment issues including speech and media regulation (Washington, DC). Prior to her career in Washington, she worked as a litigator defending various corporations in tort and professional liability actions (Nashville, TN). Ms. Pick studied Economics, Spanish, and World History at Marshall University (U.S. Society of Yeager Scholars), Oxford University in England, and the University of Zaragoza in Spain. She is an alumna of the Vanderbilt University Law School, where she served as the President of the law school's Federalist Society chapter and earned a Juris Doctor degree in 2003. Ms. Pick brings a valuable insider's perspective to the Company.

James B. Renacci

James B. Renacci, along with having a BS in Business Administration and 30 years of business experience, is a former Member of the United States Congress who served on the Ways and Means Committee, Financial Services Committee, and Budget Committee. While a member of the Financial Services Committee Mr. Renacci was Vice Chairman of the Banking Sub Committee. During his tenure in Washington, he was the author of several common-sense pieces of legislation and was one of the architects of the 2017 Tax Cuts and Jobs bill. He is an entrepreneur, business owner, author, and job creator. A proven leader respected throughout Ohio, Mr. Renacci has built a positive reputation in the business community over a 30-year career. An acclaimed specialist in health care management, mergers & acquisitions, financing and banking, he has owned and operated more than 60 entities, created more than 1,500 jobs and employed more than 3,000 people. His business experience includes manufacturing, health care services, construction, entertainment and CPA consulting services.

We have been advised by each nominee named in this proxy statement that he or she is willing to be named as such herein and is willing to serve as a Director if elected. However, if any of the nominees should be unable to serve as a Director, the enclosed proxy, if executed and returned, will be voted in favor of the remainder of those nominees not opposed by the stockholder on the proxy and may be voted for a substitute nominee selected by the Board of Directors.

Impact of the Merger

Under the Merger Agreement, if the Merger is consummated, the directors of Merger Sub immediately prior to the Effective Time of the Merger will become the directors of Salem, as the Surviving Company, immediately following the Effective Time, and the officers of the Company immediately prior to the Effective Time will become the officers of the Surviving Company immediately following the Effective Time. As a result, upon the closing of the Merger, regardless of the outcome of this Director Election Proposal, Mr. von Gnechten, who is expected to be the sole director of Merger Sub immediately prior to the Effective Time, is expected to become the sole director of the Surviving Company.

If the Merger is not consummated, the nominees elected to the Board pursuant to this Director Election Proposal will become members of the Board of Directors to serve until the next Annual Meeting of Stockholders or until their respective successors are duly elected and qualified.

Vote Required and Board of Directors' Recommendation

With respect to the two (2) nominees for the Class A Director seats, the nominees receiving the largest number of votes of the shares of Class A common stock present in person or represented by proxy and entitled to vote on the election of the Class A Directors (including the shares of Series B convertible preferred stock voting on an as-converted to Class A common stock basis) will be elected the Class A Directors, provided there is a quorum representing a majority of the voting power of all outstanding shares of Company Stock is present and entitled to vote. With respect to the two (2) nominees for the Preferred Stock Director seats, the nominees who receive votes representing a majority of the outstanding shares of Series B convertible preferred stock will be elected as the Preferred Stock Directors. With respect to the five (5) nominees for the remaining Board seats, the nominees receiving the largest number of votes of the shares of Class A common stock, Class B common stock, and Series B convertible preferred stock (on an as-converted basis), voting as a single class, present in person or represented by proxy and entitled to vote at the Annual Meeting will be elected directors; provided there is a quorum representing a majority of the voting power of all outstanding shares of Company Stock present and entitled to vote. Except as described under "*Impact of the Merger*" above, all directors elected at the Annual Meeting will be elected to a one (1) year term and will serve until the annual meeting of stockholders to be held in the year 2027 or until their respective successors have been duly elected and qualified.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT STOCKHOLDERS VOTE "FOR" THE ELECTION OF EACH OF OUR DIRECTOR NOMINEES.

PROPOSAL 2
RATIFICATION OF THE APPOINTMENT OF BAKER TILLY US, LLP AS THE COMPANY'S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee has selected Baker Tilly US, LLP (formerly known as Moss Adams LLP) to serve as our independent registered public accounting firm for the fiscal year ending December 31, 2026. Baker Tilly US, LLP has served as our independent auditor since May 2021.

Reasons for the Proposal

Selection of our independent registered public accounting firm is not required to be submitted for stockholder approval. Nonetheless, the Board of Directors is seeking ratification of the selection of Baker Tilly US, LLP as a matter of further involving our stockholders in its corporate affairs. If the stockholders do not ratify this selection, the Audit Committee will reconsider its selection of Baker Tilly US, LLP and will either continue to retain this firm or appoint new independent registered public accounting firm. Even if the selection is ratified, the Audit Committee, in its discretion, may direct the appointment of different independent registered public accounting firm at any time during the year if it determines that this change would be in the best interests of the Company and its stockholders.

Vote Required and Board of Directors' Recommendation

The affirmative vote of a majority of the shares of Class A common stock, Class B common stock, and Series B convertible preferred stock (on an as-converted basis), voting as a single class, present in person or represented by proxy and entitled to vote at the Annual Meeting, at which a quorum representing a majority of the voting power of all outstanding shares of Company Stock is present and entitled to vote, is required to approve the proposal to ratify the appointment of Baker Tilly US, LLP as the Company's independent registered public accounting firm.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT STOCKHOLDERS VOTE "FOR" THIS APPOINTMENT.

PROPOSAL 3
THE MERGER PROPOSAL

We are asking you to approve a proposal to adopt the Merger Agreement and thereby approve the Transactions, including the Merger. For a summary of and detailed information regarding this proposal, see the information about the Merger Agreement throughout this proxy statement, including the information set forth in the section of this proxy statement entitled "The Merger Agreement." A copy of the Merger Agreement is attached as Annex A to this proxy statement. You are urged to read the Merger Agreement carefully and in its entirety.

Reasons for the Proposal

As discussed in the section above of this proxy statement entitled "*Special Factors - Recommendations of the Special Committee and the Board*" and "*Special Factors - Reasons for the Merger*" beginning on pages 27 and 29, respectively, the Board (with Mr. von Gnechten and Mr. Renacci electing to recuse themselves from the Board's vote), acting upon the recommendation of the Special Committee, at a Board meeting held on May 5, 2026, (i) determined and declared the Merger Agreement, the Merger and the other transactions contemplated by the Merger Agreement to be advisable, fair to and in the best interest of the Company and its stockholders, (ii) approved the form, terms, provisions and conditions of the Merger Agreement and the transactions contemplated thereunder (including the Merger), in all respects, (iii) authorized, declared advisable and approved the execution, delivery and performance of the Merger Agreement and the consummation of the transactions contemplated thereby, including the Merger, in all respects and (iv) recommended that the stockholders of the Company authorize and approve the Merger Agreement and the transactions contemplated thereby, including the Merger, in accordance with the DGCL.

Vote Required and Board of Directors' Recommendation

The Company's stockholders must approve the Merger Proposal in order for the Merger to occur. If the Company's stockholders fail to approve the Merger Proposal, the Merger will not occur. Approval of the Merger Proposal requires (i) the affirmative vote of a majority of the outstanding voting power of the Company Common Stock and the Series B convertible preferred stock (on an as converted basis) entitled to vote thereon, voting as a single class (the "Majority Stockholder Vote"), and (ii) a majority of the votes cast by the disinterested stockholders of the Company who do not have a material interest in the transaction or a material relationship with WaterStone or Merger Sub (the "Disinterested Stockholder Vote" and, together with the Majority Stockholder Vote, the "Company Stockholder Approval"). The receipt of the Company Stockholder Approvals, including the Disinterested Stockholder Vote, is a condition to the closing of the Merger. In accordance with the terms of the certificates of designations of the Company Preferred Stock, approval of the Merger Proposal also requires the consent of the holders of 66.67% of the Company's outstanding Series A preferred stock and a majority of the Company's Series B convertible preferred stock respectively. In connection with the execution of the Merger Agreement, WaterStone has delivered to the Company its written consent, in its capacity as holder of all of the outstanding shares of the Company's Series A preferred stock and Series B convertible preferred stock, approving the Merger, the Merger Agreement and the transactions contemplated by the Merger Agreement, including, effective upon the closing of the Merger, the certificate of incorporation of the Company to be in effect following the Merger. Further, votes cast by WaterStone and its affiliates, including Mr. Renacci, will be counted for purposes of determining whether the Majority Stockholder Vote has been obtained and will not be counted for purposes of determining whether the Disinterested Stockholder Vote has been obtained.

THE BOARD RECOMMENDS THAT YOU VOTE "FOR" THIS PROPOSAL.

PROPOSAL 4
THE ADJOURNMENT PROPOSAL

We are asking you to approve a proposal to approve one or more adjournments of the Annual Meeting, from time to time, to a later date or dates, if necessary, to solicit additional proxies if there are insufficient votes to adopt the Merger Proposal at the time of the Annual Meeting.

Reasons for the Proposal

If stockholders approve this proposal, we can adjourn the Annual Meeting and any adjourned session of the Annual Meeting and use the additional time to solicit additional proxies, including soliciting proxies from stockholders that have previously returned properly signed proxies voting against adoption of the Merger Proposal. Among other things, approval of the Adjournment Proposal could mean that, even if we received proxies representing a sufficient number of votes against adoption of the Merger Proposal such that the Merger Proposal would be defeated, we could adjourn the Annual Meeting without a vote on the adoption of the Merger Proposal and seek to convince the holders of those shares to change their votes to votes in favor of adoption of the Merger Proposal. Additionally, we may seek stockholders' approval to adjourn the Annual Meeting if a quorum is not present. Finally, the chairperson of the Annual Meeting is permitted by our bylaws to adjourn the Annual Meeting even if stockholders have not approved the proposal to adjourn the Annual Meeting.

If the Annual Meeting is adjourned, stockholders who have already submitted their proxies will be able to revoke them at any time prior to the vote on the proposals. If the adjournment is for more than 30 days, or if after the adjournment, a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting will be given to each stockholder of record entitled to vote at the meeting.

Vote Required and Board of Directors' Recommendation

Approval of the Adjournment Proposal requires the affirmative vote of a majority of the voting power of the shares of Class A common stock, Class B common stock, and Series B convertible preferred stock (on an as-converted basis), voting as a single class, present in person or represented by proxy at the Annual Meeting and entitled to vote on the subject matter.

THE BOARD RECOMMENDS THAT YOU VOTE "FOR" THIS PROPOSAL.

STOCKHOLDERS' PROPOSALS FOR 2027 PROXY STATEMENT

If a stockholder desires to have a proposal presented at our annual meeting of stockholders in 2027 and the proposal is not intended to be included in our related 2027 proxy solicitation materials, the stockholder must give us advance notice in accordance with our Bylaws. Pursuant to our Bylaws, only such business shall be conducted, and only such proposals shall be acted upon at an annual meeting of stockholders as are properly brought before the annual meeting. For business to be properly brought before an annual meeting by a stockholder, in addition to any other applicable requirements, timely notice of the matter must first be given to the Secretary. To be timely, a stockholder's written notice must be delivered to the Secretary at our principal executive offices not later than the 90th day nor earlier than the 120th day prior to the first anniversary of the preceding annual meeting; provided, however, that if the date of the annual meeting is more than 30 days before or more than 60 days after such anniversary date, then notice of the stockholder proposal must be delivered to the Secretary not earlier than the 120th day nor later than the 90th day prior to such annual meeting or the 10th day following the day on which public announcement of the date of such annual meeting is first made. For any stockholder proposal, the notice must comply with Section 2.2 of Article II of our Bylaws (a copy of which is available upon request to the Secretary), which section requires that the notice contain a brief description of the proposal and the reasons for conducting the business at the annual meeting, the name and address, as they appear on our books, of the stockholder making the proposal, the number of shares of Class A common stock and Class B common stock beneficially owned by the stockholder and any material interest of the stockholder in such proposal.

OTHER MATTERS

At the time of preparation of this proxy statement, the Board of Directors of the Company was not aware of any other matters to be brought before the Annual Meeting. No eligible stockholder had submitted notice of any proposal ninety (90) days before the date of the anniversary of last year's annual meeting. However, if any other matters are properly presented for action, in the absence of instructions to the contrary, it is the intention of the persons named in the enclosed form of proxy to vote, or refrain from voting, in accordance with their respective best judgment on such matters.

By order of the Board of Directors,

CHRISTOPHER J. HENDERSON

Secretary

Camarillo, California

May 29, 2026

PLEASE VOTE YOUR SHARES ONLINE, BY TELEPHONE OR BY SIGNING, DATING AND RETURNING THE ENCLOSED PROXY CARD TODAY.

NO POSTAGE IS REQUIRED IF MAILED IN THE UNITED STATES.

If you have any questions, or have any difficulty voting your shares, please telephone Christopher J. Henderson of Salem at (805) 987-0400.

Annex A

Agreement and Plan of Merger

AGREEMENT AND PLAN OF MERGER

By and Among

THE CHRISTIAN COMMUNITY FOUNDATION, INC.,

WS MEDIA ACQUISITION CORPORATION,

and

SALEM MEDIA GROUP, INC.

dated as of May 6, 2026

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AGREEMENT AND PLAN OF MERGER

This Agreement and Plan of Merger, dated as of May 6, 2026 (this "**Agreement**"), is by and among The Christian Community Foundation, Inc., a Texas nonprofit corporation doing business as WaterStone ("**Parent**"), WS Media Acquisition Corporation, a Delaware corporation and a wholly owned subsidiary of Parent ("**Merger Sub**"), and Salem Media Group, Inc., a Delaware corporation (the "**Company**"). Capitalized terms used but not otherwise defined in this Agreement have the meanings set forth in Section 8.14.

RECITALS

WHEREAS, upon the terms and subject to the conditions set forth in this Agreement and in accordance with Section 251 of the Delaware General Corporation Law (the "**DGCL**"), Merger Sub will be merged with and into the Company (the "**Merger**"), with the Company continuing as the surviving corporation and becoming a wholly owned subsidiary of Parent;

WHEREAS, at the Effective Time, each share of Class A Common Stock and Class B Common Stock of the Company (collectively, the "**Company Common Stock**") issued and outstanding immediately prior to the Effective Time (other than shares to be canceled pursuant to Section 2.01(b)(i) and Appraisal Shares) will be converted into the right to receive the Merger Consideration on the terms and subject to the conditions set forth in this Agreement;

WHEREAS, the Board of Directors of the Company (the "**Company Board**") established a special committee of the Company Board consisting solely of disinterested directors (the "**Special Committee**") to, among other things, review, evaluate and negotiate this Agreement and the transactions contemplated hereby, including the Merger (the "**Transactions**"), and to make recommendations to the Company Board with respect thereto;

WHEREAS, the parties intend that the Merger satisfy the requirements of Section 144(c)(1) of the DGCL, including approval by the Special Committee and the informed, uncoerced affirmative vote of the disinterested stockholders of the Company, in each case as contemplated by this Agreement;

WHEREAS, the Special Committee, at a meeting duly called and held, unanimously (i) determined that this Agreement and the Transactions are fair to, advisable and in the best interests of the Company and its stockholders and (ii) recommended that the Company Board approve and declare advisable this Agreement and recommend that the Company's stockholders adopt this Agreement (the "**Special Committee Recommendation**");

WHEREAS, the Company Board, at a meeting duly called and held, acting upon the Special Committee Recommendation, (i) determined that this Agreement and the Transactions, including the Merger, are advisable and fair to, and in the best interests of, the Company and its stockholders, (ii) approved and declared advisable this Agreement and the Transactions, including the Merger, (iii) resolved to recommend that the Company's stockholders adopt this Agreement (the "**Company Board Recommendation**") and (iv) directed that this Agreement be submitted to the Company's stockholders for adoption;

WHEREAS, Parent has authorized the execution, delivery and performance of this Agreement and the consummation of the Transactions in accordance with its organizational documents and internal governance procedures;

WHEREAS, the board of directors of Merger Sub has (i) determined that this Agreement and the Transactions, including the Merger, are advisable and in the best interests of Merger Sub and its sole stockholder, (ii) approved and declared advisable this Agreement and the Transactions, including the Merger, and (iii) recommended that Parent, as the sole stockholder of Merger Sub, adopt this Agreement;

WHEREAS, Parent, in its capacity as the sole stockholder of Merger Sub, has adopted this Agreement and approved the Merger by written consent, effective immediately following the execution and delivery of this Agreement (the "**Merger Sub Stockholder Approval**");

WHEREAS, Parent, through its ministry and philanthropic activities, seeks to support organizations engaged in faith-based media, education and ministry, and the parties believe that the Merger will support the long-term stewardship and operation of the Company's broadcast and digital media platforms serving faith-based audiences and communities; and

WHEREAS, the Company, Parent and Merger Sub desire to make certain representations, warranties, covenants and agreements in connection with this Agreement and to prescribe certain conditions to the Merger.

NOW, THEREFORE, in consideration of the foregoing and the representations, warranties, covenants and agreements contained in this Agreement, and intending to be legally bound hereby, the parties agree as follows:

ARTICLE 1
THE MERGER

1.01 The Merger. Upon the terms and subject to the conditions set forth in this Agreement and in accordance with the DGCL, at the Effective Time, Merger Sub shall merge with and into the Company, the separate corporate existence of Merger Sub shall thereupon cease, and the Company shall continue as the surviving corporation in the Merger (the "**Surviving Corporation**").

1.02 Closing. The closing of the Merger (the "**Closing**") shall take place at 10:00 a.m. (New York City time) on the second (2nd) Business Day after the satisfaction or waiver (to the extent permitted by applicable Law) of the conditions set forth in Article 6, remotely by exchange of documents and signatures (or their electronic counterparts), unless another date, time or place is agreed to in writing by Parent and the Company. The date on which the Closing occurs is referred to in this Agreement as the "**Closing Date**".

1.03 Effective Time. Subject to the provisions of this Agreement, concurrently with the Closing, the parties shall cause the Merger to be consummated by filing a certificate of merger executed in accordance with the DGCL (the "**Certificate of Merger**") with the Secretary of State of the State of Delaware (the "**Secretary of State of Delaware**"), and shall make all other filings, recordings or publications required under the DGCL in connection with the Merger. The Merger

shall become effective at the time the Certificate of Merger is filed with the Secretary of State of Delaware or, to the extent permitted by applicable Law, at such later time as is agreed to by the parties in writing prior to such filing and specified in the Certificate of Merger (the time at which the Merger becomes effective, the "**Effective Time**").

1.04 Effects of the Merger. The Merger shall have the effects set forth in this Agreement and in the applicable provisions of the DGCL, including Section 259 thereof.

1.05 Certificate of Incorporation and Bylaws of the Surviving Corporation.

(a) Certificate of Incorporation. At the Effective Time, by virtue of the Merger and without any action on the part of Parent, Merger Sub, the Company or any holder of Company Common Stock or capital stock of Merger Sub, the certificate of incorporation of the Company as in effect immediately prior to the Effective Time shall be amended and restated in its entirety to read as set forth on Exhibit A hereto, and as so amended and restated shall be the certificate of incorporation of the Surviving Corporation until thereafter amended in accordance with applicable Law; provided, however, that the provisions thereof relating to exculpation, indemnification and advancement of expenses shall be subject to Section 5.07.

(b) Bylaws. At the Effective Time, the bylaws of Merger Sub as in effect immediately prior to the Effective Time shall be the bylaws of the Surviving Corporation, except that references to Merger Sub's name shall be replaced with references to the Surviving Corporation's name, until thereafter amended in accordance with applicable Law; provided, however, that the provisions thereof relating to exculpation, indemnification and advancement of expenses shall be subject to Section 5.07.

1.06 Directors and Officers of the Surviving Corporation.

(a) Directors. The directors of Merger Sub immediately prior to the Effective Time shall be the directors of the Surviving Corporation immediately following the Effective Time and shall hold office until their respective successors are duly elected or appointed and qualified or until their earlier death, resignation or removal in accordance with the certificate of incorporation and bylaws of the Surviving Corporation.

(b) Officers. The officers of the Company immediately prior to the Effective Time shall be the officers of the Surviving Corporation and shall hold office until their respective successors are duly elected or appointed and qualified or until their earlier death, resignation or removal in accordance with the certificate of incorporation and bylaws of the Surviving Corporation.

ARTICLE 2
CONVERSION OF SECURITIES; EXCHANGE PROCEDURES

2.01 Effect on Capital Stock. At the Effective Time, by virtue of the Merger and without any action on the part of the Company, Parent, Merger Sub or the holders of any shares of Company Common Stock or any shares of capital stock of Merger Sub:

(a) Merger Sub Capital Stock. Each issued and outstanding share of capital stock of Merger Sub shall be converted into and become one validly issued, fully paid and nonassessable share of common stock, par value $0.01 per share, of the Surviving Corporation.

(b) Preferred Stock and Cancellation of Certain Shares.

(i) *Cancellation of Certain Common Shares.* All shares of Company Common Stock that are held by the Company as treasury shares immediately prior to the Effective Time shall be canceled and shall cease to exist, and no consideration shall be delivered in exchange therefor. All shares of Company Common Stock that are held by Parent or Merger Sub immediately prior to the Effective Time shall be canceled and shall cease to exist, and no consideration shall be delivered in exchange therefor.

(ii) *Series A Preferred Stock.* Each share of Series A Preferred Stock outstanding immediately prior to the Effective Time shall remain outstanding following the Effective Time as a share of Series A Preferred Stock of the Surviving Corporation. From and after the Effective Time, such shares shall have only the rights, preferences, privileges and limitations set forth in the certificate of incorporation of the Surviving Corporation, and the certificate of designation governing the Series A Preferred Stock as in effect immediately prior to the Effective Time shall be superseded in its entirety with respect to such shares.

(iii) *Series B Preferred Stock.* Each share of Series B Convertible Preferred Stock outstanding immediately prior to the Effective Time shall remain outstanding following the Effective Time as a share of Series B Preferred Stock of the Surviving Corporation. From and after the Effective Time, such shares shall have only the rights, preferences, privileges and limitations set forth in the certificate of incorporation of the Surviving Corporation, and the certificate of designation governing the Series B Convertible Preferred Stock as in effect immediately prior to the Effective Time shall be superseded in its entirety with respect to such shares.

(iv) *No Preferred Consideration.* No consideration shall be paid under this Agreement in respect of any share of Series A Preferred Stock or Series B Convertible Preferred Stock by reason of the Merger.

(c) Conversion of Company Common Stock. Each share of Company Common Stock, including any Company Restricted Share described in Section 2.03(c), that is issued and outstanding immediately prior to the Effective Time (other than (i) shares of Company Common Stock to be canceled in accordance with Section 2.01(b)(i) and (ii) Appraisal Shares, which shall be treated in accordance with Section 2.04(a)), shall be converted automatically into and shall thereafter represent only the right to receive an amount in cash equal to $1.00 per share, without interest (the "**Merger Consideration**"). As of the Effective Time, all such shares of Company Common Stock shall no longer be outstanding and shall automatically be canceled and shall cease to exist, and each holder of (i) a certificate that immediately prior to the Effective Time represented any such shares of Company Common Stock (each, a "**Share Certificate**") or (ii) non-certificated shares of Company Common Stock held in book-entry form (each, a "**Book-Entry Share**") shall

cease to have any rights with respect thereto, except the right to receive the Merger Consideration to be paid in consideration therefor in accordance with Section 2.02(b).

2.02 Exchange Matters.

(a) Paying Agent. Prior to the Closing Date, Parent shall designate a bank or trust company reasonably acceptable to the Company to act as agent (the "**Paying Agent**") for the payment of the Merger Consideration in accordance with this Article 2 and, in connection therewith, prior to the Closing Date, shall enter into an agreement with the Paying Agent in a form reasonably acceptable to the Company. At or prior to the Effective Time, Parent shall:

(i) deposit, or cause to be deposited, with the Paying Agent, for the benefit of the holders of Company Common Stock, an amount in cash sufficient to pay the aggregate Merger Consideration payable through the Paying Agent in accordance with this Article 2, excluding (A) any amounts payable in respect of Appraisal Shares pursuant to Section 2.04 and (B) any amounts payable in respect of Company Equity Awards that are required by Section 2.03(f) to be paid through the payroll system of the Surviving Corporation or one of its Subsidiaries (such cash amount, the "**Exchange Fund**"); and

(ii) provide, or cause to be provided, to the Surviving Corporation cash in an amount sufficient to satisfy the amounts payable in respect of Company Equity Awards that are required by Section 2.03(f) to be paid through the payroll system of the Surviving Corporation or one of its Subsidiaries.

Pending its disbursement to the holders of shares of Company Common Stock in accordance with this Section 2.02, the Exchange Fund shall be held in a non-interest-bearing account maintained by the Paying Agent. Parent shall cause the Surviving Corporation to promptly replenish the Exchange Fund to the extent it becomes insufficient to permit the Paying Agent to make all payments of the Merger Consideration in accordance with this Agreement.

The Paying Agent shall hold the Exchange Fund for the benefit of the holders of Company Common Stock and Parent shall cause the Paying Agent to promptly make the payments provided for in this Article 2. The Exchange Fund shall not be used for any purpose not expressly provided for in this Agreement, and, for the avoidance of doubt, shall not be used to fund any amounts payable in respect of Company Equity Awards that are required by Section 2.03(f) to be paid through the payroll system of the Surviving Corporation or one of its Subsidiaries. Any losses, fees or expenses with respect to the Exchange Fund shall be borne by Parent and shall not diminish the rights of any holder of shares of Company Common Stock to receive the Merger Consideration as provided in this Agreement.

(b) Payment Procedures. Subject to Section 2.03(f), the following payment procedures shall apply:

(i) *Mailing of Transmittal Materials*. As promptly as practicable after the Effective Time, and in any event no later than four (4) Business Days thereafter, to the extent required by the Paying Agent, Parent and the Surviving Corporation shall cause the Paying Agent to mail to each Person who was, as of the Effective Time, a holder of Share Certificates or Book-Entry Shares not held, directly or indirectly, through Broadridge

Corporate Issuer Solutions, Inc. ("**Broadridge**") (other than shares of Company Common Stock to be canceled pursuant to Section 2.01(b)(i) and Appraisal Shares, which shall be treated in accordance with Section 2.04(a)):

(A) a letter of transmittal (in a form reasonably agreed by Parent and the Company prior to the Closing Date) specifying that (1) delivery of Share Certificates (or affidavits in lieu thereof in accordance with Section 2.02(d)) to the Paying Agent, or, in the case of Book-Entry Shares, compliance with the procedures set forth therein, shall be required to receive the Merger Consideration, and (2) risk of loss and title to such Shares shall pass only upon such delivery or compliance; and

(B) instructions for use in effecting the surrender of such Share Certificates or Book-Entry Shares in exchange for the Merger Consideration pursuant to Section 2.01(c).

(ii) *Surrender of Certificates and Book-Entry Shares*. Subject to this Article 2, each holder of Share Certificates or Book-Entry Shares shall be entitled to receive the Merger Consideration in exchange for such Shares upon:

(A) delivery to the Paying Agent (if required by the Paying Agent) of a duly completed and validly executed letter of transmittal, together with such other customary documentation as the Paying Agent may reasonably require; and

(B) either (1) in the case of Share Certificates, the surrender of such Share Certificates (or affidavits in lieu thereof in accordance with Section 2.02(d)); or (2) in the case of Book-Entry Shares not held through Broadridge, the surrender of such Book-Entry Shares through book-entry transfer, including receipt by the Paying Agent of an "agent's message" in customary form, or such other evidence of surrender as the Paying Agent may reasonably request.

Upon satisfaction of the foregoing requirements, the Paying Agent shall promptly pay to such holder the Merger Consideration for each share of Company Common Stock formerly represented thereby. All Share Certificates and Book-Entry Shares so surrendered shall be canceled. Until surrendered in accordance with this Section 2.02(b), each Share Certificate and Book-Entry Share shall be deemed, after the Effective Time, to represent only the right to receive the Merger Consideration pursuant to this Article 2.

(iii) *Broadridge Procedures*. Holders of Book-Entry Shares held, directly or indirectly, through Broadridge (other than shares of Company Common Stock to be canceled pursuant to Section 2.01(b)(i) and Appraisal Shares, which shall be treated in accordance with Section 2.04(a)) shall not be required to deliver Share Certificates or letters of transmittal to receive the Merger Consideration. Parent and the Company shall cooperate with the Paying Agent, Broadridge, its nominees and other applicable intermediaries to establish procedures under which the Paying Agent will, as promptly as practicable after the Effective Time, deliver to Broadridge or its nominees the aggregate

Merger Consideration payable to the beneficial owners of such shares, in accordance with Broadridge's customary procedures and any agreed-upon supplemental procedures.

(iv) *Transfers*. If payment of the Merger Consideration is to be made to a Person other than the registered holder of a surrendered Share Certificate, Parent may direct the Paying Agent to make such payment only if such Share Certificate is accompanied by all documents required to evidence and effect such transfer and to demonstrate, to the reasonable satisfaction of the Paying Agent, that any applicable transfer Taxes have been paid or are not applicable. Payment with respect to Book-Entry Shares shall be made only to the Persons in whose names such shares are registered in the Company's stock transfer records.

(v) *Exchange Coordination*. The parties shall cooperate and take all actions reasonably requested by the Paying Agent or the other party to facilitate an orderly and efficient surrender and exchange process with the Paying Agent, including actions necessary to determine the aggregate Merger Consideration, the amount of the Exchange Fund and the payments required under Section 2.03, in each case no later than two (2) Business Days prior to the Closing.

(c) Transfer Books; No Further Ownership Rights. The Merger Consideration paid in respect of shares of Company Common Stock converted into the right to receive the Merger Consideration pursuant to Section 2.01(c) shall be deemed to have been paid in full satisfaction of all ownership rights in such shares, and at the Effective Time, the stock transfer books of the Company shall be closed and thereafter there shall be no further registration of transfers on the transfer books of the Surviving Corporation of the shares of Company Common Stock that were outstanding immediately prior to the Effective Time. From and after the Effective Time, the holders of shares of Company Common Stock outstanding immediately prior to the Effective Time (other than shares canceled pursuant to Section 2.01(b)(i) and Appraisal Shares) shall cease to have any rights with respect to such shares, except for the right to receive the Merger Consideration in accordance with this Article 2 or as otherwise provided in this Agreement or by applicable Law. Subject to the last sentence of Section 2.02(e), if, at any time after the Effective Time, Book-Entry Shares are presented to the Surviving Corporation or the Paying Agent for any reason, they shall be canceled and exchanged as provided in this Article 2.

(d) Lost, Stolen or Destroyed Certificates. If any Share Certificate shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Person claiming such Share Certificate to be lost, stolen or destroyed and, if required by the Surviving Corporation, the posting by such Person of a bond, in such reasonable amount as Parent may direct, as indemnity against any claim that may be made against it with respect to such Share Certificate, the Paying Agent will pay, in exchange for such lost, stolen or destroyed Share Certificate, the applicable aggregate Merger Consideration to be paid in respect of the shares of Company Common Stock formerly represented by such Share Certificate as contemplated by, and subject to, the provisions of this Article 2.

(e) Termination of Exchange Fund. At any time following the first anniversary of the Closing Date, the Surviving Corporation shall be entitled to require the Paying Agent to deliver to it any portion of the Exchange Fund that has not been disbursed to holders of shares of Company

Common Stock who have not complied with this Article 2, and thereafter such holders shall be entitled to look only to Parent and the Surviving Corporation, as applicable, for, and Parent and the Surviving Corporation shall remain liable for, payment of their claims for the Merger Consideration pursuant to the provisions of this Article 2.

(f) No Liability. Notwithstanding any provision of this Agreement to the contrary, none of the parties hereto, the Surviving Corporation or the Paying Agent shall be liable to any Person in respect of any Merger Consideration or any portion of the Exchange Fund properly delivered to a public official pursuant to any applicable abandoned property, escheat or similar Law. Any amounts remaining unclaimed by holders of Company Common Stock immediately prior to the time at which such amounts would otherwise escheat to, or become the property of, any Governmental Authority shall, to the extent permitted by applicable Law, become the property of Parent or its designee, free and clear of any claims or interests of any Person previously entitled thereto. If the Exchange Fund does not become the property of the Surviving Corporation as per applicable Law upon transfer by the Paying Agent, such Persons will thereafter look only to the Surviving Corporation for payment of the Merger Consideration, without interest, and the Surviving Corporation will be responsible for escheatment to the applicable Governmental Body. The Paying Agent will not be responsible for escheatment of abandoned property except in the case that the Surviving Corporation is unable to provide the Paying Agent with the applicable wire instructions to transfer such property to the Surviving Corporation before the Merger Consideration would escheat to the Governmental Body. In such case, the Paying Agent will be required to escheat the funds to the State immediately. In addition to and not in limitation of any other indemnity obligation herein, the Surviving Corporation agrees to indemnify and hold harmless the Paying Agent with respect to any liability, penalty, cost or expense the Paying Agent may incur or be subject to in connection with transferring such property to the Surviving Corporation.

(g) Withholding. Each of Parent, Merger Sub, the Company, the Surviving Corporation, the Paying Agent and their respective Affiliates shall be entitled to deduct and withhold, or cause to be deducted and withheld, from any amounts otherwise payable pursuant to this Agreement such amounts as are required to be deducted or withheld under applicable Tax Law. To the extent that amounts are so deducted or withheld and paid over to the relevant Governmental Authority, such amounts shall be treated for all purposes of this Agreement as having been paid to the Person in respect of which such deduction or withholding was made.

2.03 Treatment of Equity-Based Incentive Awards.

(a) Company Options. At the Effective Time, each option to purchase shares of Company Common Stock that is outstanding immediately prior to the Effective Time (each, a "**Company Option**"), whether vested or unvested, shall, without any action on the part of the holder thereof, be cancelled and converted into the right to receive from the Surviving Corporation, as promptly as reasonably practicable following the Effective Time (and in any event no later than the first regularly scheduled payroll date occurring after the Effective Time, except as otherwise required by applicable Law), an amount in cash, without interest, equal to the product obtained by multiplying (i) the excess, if any, of the Merger Consideration over the per-share exercise price of such Company Option, by (ii) the number of shares of Company Common Stock subject to such Company Option immediately prior to the Effective Time, less applicable deductions and

withholding Taxes. For the avoidance of doubt, if the per-share exercise price of any Company Option is equal to or greater than the Merger Consideration, such Company Option shall be cancelled at the Effective Time for no consideration.

(b) Company RSUs. At the Effective Time, each restricted stock unit award with respect to Company Common Stock that is outstanding immediately prior to the Effective Time (each, a "**Company RSU**"), whether vested or unvested, shall, without any action on the part of the holder thereof, be cancelled and converted into the right to receive from the Surviving Corporation, as promptly as reasonably practicable following the Effective Time (and in any event no later than the first regularly scheduled payroll date occurring after the Effective Time, except as otherwise required by applicable Law), an amount in cash, without interest, equal to the product obtained by multiplying (i) the Merger Consideration, by (ii) the number of shares of Company Common Stock subject to such Company RSU immediately prior to the Effective Time, less applicable deductions and withholding Taxes.

(c) Company Restricted Stock. Each share of restricted stock with respect to Company Common Stock that is (i) issued and outstanding, and (ii) unvested, in each case immediately prior to the Effective Time (each, a "**Company Restricted Share**"), shall become vested and shall be cancelled at the Effective Time, and the holder of such cancelled Company Restricted Share will thereafter be entitled to receive (without interest), in exchange for the cancellation of each such Company Restricted Share, the Merger Consideration in accordance with Section 2.01(c) and Section 2.03(f), less applicable deductions and withholding Taxes.

(d) Other Equity-Based Awards. At the Effective Time, each other outstanding equity or equity-based award of the Company with respect to Company Common Stock that is outstanding immediately prior to the Effective Time, whether vested or unvested, or subject to any right of repurchase in favor of the Company (each, an "**Other Award**") shall be cancelled and converted into the right to receive an amount in cash, without interest, equal to the product obtained by multiplying (i) the Merger Consideration, by (ii) the number of shares of Company Common Stock subject to such Other Award immediately prior to the Effective Time, less applicable deductions and withholding Taxes. Company Options, Company RSUs, Company Restricted Shares and Other Awards are referred to collectively herein as the "**Company Equity Awards**".

(e) Administration. Prior to the Effective Time, the Company, the Company Board, the compensation committee or other administrator of the applicable Company Plan, as applicable, shall adopt such resolutions and take such actions as are reasonably necessary to effectuate the treatment of the Company Equity Awards pursuant to this Section 2.03.

(f) Payments and Withholding. Notwithstanding anything in Section 2.01(c), Section 2.02 or this Section 2.03 to the contrary, any amounts payable in respect of Company Equity Awards that constitute wages or other compensation required under applicable Law to be paid through payroll, including amounts payable in respect of any Company Restricted Share held by an employee or former employee of the Company or any of its Subsidiaries for which no valid election under Section 83(b) of the Code was made, shall be paid through the Surviving Corporation's (or one of its Subsidiaries') payroll system, as promptly as reasonably practicable following the Effective Time and in any event no later than the first regularly scheduled payroll date occurring after the Effective Time, except as otherwise required by applicable Law. Any

amounts payable in respect of Company Restricted Shares that are not required under applicable Law to be paid through payroll, including amounts payable in respect of Company Restricted Shares held by non-employee service providers, shall be paid through the Paying Agent in accordance with Section 2.02. All payments pursuant to this Section 2.03 shall be subject to all applicable deductions and withholding Taxes.

(g) Effect of Conversion. As of the Effective Time, each Company Equity Award shall cease to represent any right to acquire or retain shares of Company Common Stock and shall thereafter represent only the right to receive the cash payment, if any, provided pursuant to this Section 2.03.

2.04 Appraisal Rights.

(a) Appraisal Shares. Notwithstanding anything in this Agreement to the contrary, shares of Company Common Stock that are outstanding immediately prior to the Effective Time and that are held by any Person who is entitled to demand and properly demands appraisal of such shares of Company Common Stock pursuant to, and who complies in all respects with, Section 262 of the DGCL ("**Appraisal Shares**") shall not be converted into the right to receive the Merger Consideration as provided in Section 2.01(c), but instead shall be canceled and shall represent only the right to receive the rights provided under Section 262 of the DGCL; *provided*, *however*, that if any such Person shall (i) fail to perfect or otherwise waive, withdraw or lose the right to appraisal under Section 262 of the DGCL or (ii) if a court of competent jurisdiction shall determine that such holder is not entitled to the relief provided by Section 262 of the DGCL, then the right of such Person to receive such rights under Section 262 of the DGCL shall cease and such Appraisal Shares shall be deemed to have been converted as of the Effective Time into, and shall represent only the right to receive, the Merger Consideration as provided in Section 2.01(c), without interest thereon.

(b) Appraisal Procedures. The Company shall give prompt written notice to Parent of any demands received by the Company for appraisal of any shares of Company Common Stock, and any withdrawals or attempted withdrawals of such demands, as well as copies of any instruments, notices or demands served pursuant to Section 262 of the DGCL. Parent shall have the right to participate in, and after the Effective Time to direct, all negotiations and Actions with respect to such demands and notices. Prior to the Effective Time, the Company shall not, without the prior written consent of Parent, such consent not to be unreasonably withheld, delayed or conditioned, make any payment with respect to, or settle or offer to settle, any such demands or notices of dissent, waive any failure to timely deliver a written demand for appraisal under the DGCL, approve any withdrawal of any such demands or propose or otherwise agree to do any of the foregoing. Prior to the Effective Time, Parent shall not, except with the prior written consent of the Company, such consent not to be unreasonably withheld, delayed or conditioned, require the Company to make any payment with respect to any demands for appraisal or notices of dissent or offer to settle or settle any such demands or notices.

2.05 Adjustments. Notwithstanding any provision of this Article 2 to the contrary, if, between the date of this Agreement and the Effective Time, the outstanding shares of Company Common Stock shall have been changed into a different number of shares or a different class by reason of the occurrence or record date of any stock split, reverse stock split, dividend or other distribution,

reorganization, recapitalization, reclassification, combination, exchange of shares or other similar change, other than the Merger, then the Merger Consideration and any other amounts payable pursuant to this Article 2 shall be equitably adjusted to reflect such change.

ARTICLE 3
REPRESENTATIONS AND WARRANTIES OF THE COMPANY

Except as set forth in the confidential disclosure letter delivered by the Company to Parent and Merger Sub at or prior to the execution of this Agreement (the "**Company Disclosure Letter**") (it being understood that any information, item or matter disclosed in one Section or subsection of the Company Disclosure Letter shall be deemed disclosed in any other Section or subsection of this Agreement to which its relevance is reasonably apparent on the face of such disclosure), the Company represents and warrants to Parent and Merger Sub as follows:

3.01 Organization; Standing.

(a) Organization and Good Standing. The Company is duly organized, validly existing and in good standing under the Laws of the State of Delaware and has all requisite corporate power and authority to conduct its business as presently conducted and to own, lease and operate its properties and assets, except, in each case other than with respect to due organization, valid existence and good standing, as would not, individually or in the aggregate, have a Material Adverse Effect. The Company is duly qualified or licensed to do business and is in good standing, where such concept is recognized under applicable Law, in each jurisdiction in which the nature of its business or the ownership, lease or operation of its properties and assets makes such qualification or licensing necessary, except where the failure to be so qualified, licensed or in good standing would not, individually or in the aggregate, have a Material Adverse Effect. True and complete copies of the Company Charter Documents have been made available to Parent and Merger Sub prior to the execution of this Agreement.

(b) Subsidiaries. Each Subsidiary of the Company is duly organized, validly existing and in good standing under the Laws of its jurisdiction of organization and has all requisite corporate power and authority to conduct its business as presently conducted and to own, lease and operate its properties and assets, except, in each case other than with respect to due organization, valid existence and good standing, as would not, individually or in the aggregate, have a Material Adverse Effect. Each such Subsidiary is duly qualified or licensed to do business and is in good standing, where such concept is recognized under applicable Law, in each jurisdiction in which the nature of its business or the ownership, lease or operation of its properties and assets makes such qualification or licensing necessary, except where the failure to be so qualified, licensed or in good standing would not, individually or in the aggregate, have a Material Adverse Effect. True and complete copies of the organizational documents of each Subsidiary of the Company have been made available to Parent prior to the execution of this Agreement.

3.02 Capitalization; Equity Awards; Subsidiaries.

(a) Capitalization.

(i) *Authorized Capital Stock.* The authorized capital stock of the Company consists of (A) 80,000,000 shares of Class A Common Stock, par value $0.01 per share,

(B) 20,000,000 shares of Class B Common Stock, par value $0.01 per share, (C) 24,000 shares of Series A Preferred Stock, par value $0.01 per share, and (D) 40,000 shares of Series B Convertible Preferred Stock, par value $0.01 per share.

(ii) *Outstanding Capital Stock.* As of the close of business on December 31, 2025 (the "**Capitalization Date**"), (A) 26,204,586 shares of Class A Common Stock were issued and outstanding, (B) 5,553,696 shares of Class B Common Stock were issued and outstanding, (C) 24,000 shares of Series A Preferred Stock were issued and outstanding, (D) 40,000 shares of Series B Convertible Preferred Stock were issued and outstanding and (E) 2,317,650 shares of Class A Common Stock were held in treasury. All outstanding shares of Company Common Stock and Preferred Stock have been duly authorized and validly issued and are fully paid and nonassessable.

(iii) *Subsidiaries*. All of the outstanding shares of capital stock or other equity interests of each Subsidiary of the Company are owned directly or indirectly by the Company or one or more of its Subsidiaries, free and clear of all Encumbrances other than restrictions of general applicability under the Securities Act or other applicable securities Laws. Each such equity interest has been duly authorized and validly issued and is fully paid and nonassessable. There are no outstanding subscriptions, options, warrants, rights, calls, Contracts or other arrangements relating to the issuance, acquisition, redemption or repurchase of any equity interests of any Subsidiary of the Company.

(iv) *No Other Rights to Acquire Securities*. Except for the shares of Company Common Stock outstanding as set forth in Section 3.02(a)(ii) and the Company Equity Awards set forth in Section 3.02(b) of the Company Disclosure Letter and issued pursuant to the Company Plans, there are no outstanding (A) securities convertible into or exchangeable for shares of capital stock or voting securities of the Company or (B) options, warrants, calls, subscriptions, rights, commitments or agreements obligating the Company to issue capital stock or voting securities of the Company or securities convertible into or exchangeable for such securities.

(v) *Preferred Stock Rights*. The rights, preferences, privileges and limitations of the Series A Preferred Stock and the Series B Convertible Preferred Stock are as set forth in the Company Charter Documents and the applicable certificates of designation, and no such rights, preferences, privileges or limitations have been amended, waived or modified except as expressly set forth therein or as contemplated by this Agreement.

(vi) *Post-Capitalization Date Issuances*. Since the Capitalization Date, the Company has not issued any shares of capital stock or other equity interests or granted any options, warrants, restricted stock, restricted stock units, performance awards or other equity or equity-based awards, other than pursuant to the exercise, vesting, settlement, forfeiture, expiration or cancellation of awards outstanding on the Capitalization Date.

(b) Equity Awards.

(i) *Schedule of Awards*. Section 3.02(b) of the Company Disclosure Letter sets forth a true, correct and complete list, as of the date of this Agreement, of each Company

Equity Award. For each such award, the Company Disclosure Letter identifies the holder, grant date, award type, number of shares of Company Common Stock subject thereto, exercise price (if applicable), the vesting schedule (including any performance-based vesting conditions), and the vested and unvested portions thereof.

(ii) *Compliance with Company Plans*. Each Company Equity Award was granted under a Company Plan and, except as would not reasonably be expected to have a Material Adverse Effect, was granted, vested and administered in compliance with the terms of the applicable Company Plan, the applicable award agreement and applicable Law. The Company has made available to Parent true and complete copies of each Company Plan and each form of award agreement thereunder.

(iii) *Change-of-Control Effects*. Section 3.02(b) of the Company Disclosure Letter also identifies, with respect to each such award, the extent to which the consummation of the Merger or any other transaction contemplated by this Agreement, either alone or together with any related event, could result in the acceleration of vesting, exercisability, payment, settlement, cancellation or other change in the terms of such award.

3.03 Indebtedness. Section 3.03 of the Company Disclosure Letter sets forth a true, correct and complete list, as of the date of this Agreement, of all indebtedness for borrowed money of the Company and its Subsidiaries in excess of $100,000 in principal amount, including for each such item the outstanding principal amount and accrued but unpaid interest thereunder as of the date of this Agreement. No bonds, debentures, notes or other indebtedness of the Company or any of its Subsidiaries that are outstanding have the right to vote on any matters on which the stockholders of the Company may vote.

3.04 Authority; Non-Contravention.

(a) Authority. The Company has all necessary corporate power and authority to execute and deliver this Agreement, to perform its obligations hereunder and, subject to the receipt of the Company Stockholder Approval and the consents or approvals contemplated by Section 5.04, to consummate the Transactions. The execution, delivery and performance by the Company of this Agreement and the consummation by the Company of the Transactions have been duly authorized by all necessary corporate action on the part of the Company, and no other corporate action on the part of the Company and no other vote, consent or approval of the holders of any class or series of capital stock of the Company is necessary to authorize the execution, delivery and performance by the Company of this Agreement or the consummation by the Company of the Transactions, other than (i) the Company Stockholder Approval, (ii) the consents or approvals of the holders of Series A Preferred Stock and Series B Convertible Preferred Stock contemplated by Section 5.04 and (iii) the filing of the Certificate of Merger with the Secretary of State of Delaware pursuant to the DGCL. This Agreement has been duly executed and delivered by the Company and, assuming due authorization, execution and delivery by each of the other parties hereto, constitutes a legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except for the Bankruptcy and Equity Exception.

(b) Board Process. The Special Committee, at a meeting duly called and held, unanimously (i) determined that this Agreement and the Transactions are fair to, advisable and in the best interests of the Company and its stockholders and (ii) made the Special Committee Recommendation. The Company Board, at a meeting duly called and held, acting upon and in accordance with the Special Committee Recommendation, (A) determined that this Agreement and the Transactions, including the Merger, are advisable and fair to, and in the best interests of, the Company and its stockholders, (B) approved and declared advisable this Agreement and the Transactions, including the Merger, (C) made the Company Board Recommendation and (D) directed that this Agreement be submitted to the stockholders of the Company for adoption.

(c) Company Stockholder Approval. The informed, uncoerced affirmative vote of (i) a majority of the votes cast by the Company's stockholders and (ii) a majority of the votes cast by the disinterested stockholders, as such term is defined in Section 144 of the DGCL and excluding, for the avoidance of doubt, Parent, Merger Sub and their respective controlled Affiliates, at the Company Stockholders' Meeting (or any adjournment or postponement thereof) shall constitute the only vote of the holders of Company Common Stock required to adopt this Agreement and approve the Transactions (the "**Company Stockholder Approval**").

(d) No Violations. Neither the execution and delivery of this Agreement by the Company, nor the consummation by the Company of the Transactions, nor performance or compliance by the Company with any of the terms or provisions hereof, will, (i) subject to the receipt of the Company Stockholder Approval, conflict with or violate any provision of the Company Charter Documents or the organizational documents of any Subsidiary of the Company, or (ii) assuming that the consents, approvals, filings, licenses, permits, authorizations, declarations, notifications and registrations referred to in Section 3.05 are obtained or made and any waiting periods thereunder have terminated or expired prior to the Effective Time, (A) violate any Law or Judgment applicable to the Company or any of its Subsidiaries, (B) violate or constitute a default under any Material Contract, Company Lease or material Permit, or give rise to any right to terminate, cancel, amend, modify or accelerate the Company's or any Subsidiary's rights or obligations thereunder, or (C) result in the creation of any Encumbrance, other than a Permitted Encumbrance, on any material properties or assets, including material Intellectual Property, of the Company or any of its Subsidiaries, except, in the case of clause (i) as it relates to any Subsidiary of the Company or clause (ii), as would not, individually or in the aggregate, have a Material Adverse Effect.

3.05 Governmental Approvals; Third-Party Consents. Except for (a) the filing of the Certificate of Merger with the Secretary of State of Delaware pursuant to the DGCL and the filing of appropriate documents with the relevant authorities of other jurisdictions in which the Company or any of its Subsidiaries is qualified to do business, (b) the preparation and dissemination of the Disclosure Document contemplated by Section 5.12 and any filings or submissions required under applicable Law in connection therewith, (c) filings required under the HSR Act (or any other Antitrust Law), if any, and the expiration or termination of any applicable waiting period thereunder, (d) the consents, approvals, authorizations, filings, registrations, notifications, waivers or other actions set forth in Section 6.01(b) of the Company Disclosure Letter, including any required approvals, consents or authorizations of the FCC with respect to the transfer of control of any FCC broadcast licenses, station authorizations or other communications Permits held by the Company or any of its Subsidiaries and any required third-party consents, waivers or approvals

under any Material Contract, Company Lease or other material Contract or instrument, (e) compliance with any applicable state securities or blue sky Laws, (f) compliance with any applicable rules or requirements of OTC Markets or FINRA relating to the Company Common Stock and (g) such other consents, approvals, licenses, permits, waivers, clearances, orders, authorizations, filings, declarations, notifications or registrations the failure of which to obtain or make would not, individually or in the aggregate, have a Material Adverse Effect, no consent, approval, license, permit, waiver, clearance, order or authorization of, or filing, declaration, notification or registration with, any Governmental Authority or other Person is necessary for the execution and delivery of this Agreement by the Company, the performance by the Company of its obligations hereunder or the consummation by the Company of the Transactions.

3.06 Company Reports; Financial Statements; Undisclosed Liabilities.

(a) Company Reports. Since December 23, 2024 (the "**Series B Closing Date**"), the Company has filed with, furnished to or otherwise made publicly available through the SEC, OTC Markets or any other applicable Governmental Authority or market, all material reports, certifications, forms, schedules, statements and other documents required to be so filed, furnished or made publicly available by it under applicable Law, the Exchange Act, the rules and regulations of the SEC, or the rules or standards of OTC Markets or FINRA, as applicable (collectively, the "**Company Reports**"). As of its respective filing, furnishing or publication date, or, if amended or supplemented prior to the date hereof, as of the date of such amendment or supplement, each Company Report complied as to form in all material respects with the applicable requirements thereof and did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(b) Financial Statements and Internal Controls. The consolidated financial statements of the Company included in the Company Reports or otherwise made publicly available by the Company since the Series B Closing Date, including the related notes and schedules thereto, fairly present in all material respects the consolidated financial position of the Company and its consolidated Subsidiaries as of the dates thereof and the consolidated results of operations and cash flows of the Company and its consolidated Subsidiaries for the periods then ended, in each case in conformity with GAAP applied on a consistent basis during the periods involved, except, in the case of unaudited interim financial statements, for normal year-end adjustments and the absence of notes to the extent permitted by applicable requirements. Since the Series B Closing Date, neither the Company nor, to the Company's Knowledge, its independent accountants have identified any material weakness in the Company's internal control over financial reporting that has not been remediated in all material respects.

(c) Undisclosed Liabilities. Neither the Company nor any of its consolidated Subsidiaries has any liabilities of any nature, whether accrued, absolute, contingent or otherwise, except for liabilities (i) reflected or reserved against on the face of the consolidated balance sheet of the Company as of December 31, 2025 (the "**Balance Sheet Date**") or in the notes thereto, (ii) incurred after the Balance Sheet Date in the ordinary course of business, (iii) arising under this Agreement or incurred in connection with the Transactions, (iv) discharged or paid prior to the date of this Agreement, or (v) as would not, individually or in the aggregate, have a Material

Adverse Effect. The Company does not have any off-balance sheet arrangements that would reasonably be expected to have a Material Adverse Effect.

3.07 Absence of Certain Changes. From the Balance Sheet Date through the date of this Agreement, except for the execution and performance of this Agreement and the discussions, negotiations and transactions related thereto, (a) the business of the Company and its Subsidiaries has been carried on in all material respects in the ordinary course of business, and (b) there has not been any Material Adverse Effect.

3.08 Legal Proceedings. Except as would not, individually or in the aggregate, have a Material Adverse Effect, there is no Action pending or, to the Knowledge of the Company, threatened in writing, and there has been no such Action since the Series B Closing Date, in each case by or against the Company or any of its Subsidiaries or, to the Knowledge of the Company, any of their respective directors or officers in their capacities as such, or any outstanding Judgment imposed upon the Company or any of its Subsidiaries, in each case by or before any Governmental Authority. As of the date hereof, there is no Action pending or, to the Knowledge of the Company, threatened in writing seeking to prevent, materially delay or impair the consummation of the Transactions.

3.09 Compliance with Laws; Permits.

(a) Compliance with Laws and Permits. Since the Series B Closing Date, the Company and each of its Subsidiaries have complied in all material respects with all applicable Laws and Judgments and hold all material Permits necessary for the lawful conduct of their respective businesses as presently conducted. Such Permits are valid and in full force and effect, and neither the Company nor any of its Subsidiaries has received any written notice from any Governmental Authority alleging any unresolved material noncompliance with any such Law, Judgment or Permit, except, in each case, as would not reasonably be expected to have a Material Adverse Effect.

(b) FCC and Communications Permits. Without limiting Section 3.09(a), the Company and its Subsidiaries hold all FCC licenses, station authorizations and other communications Permits necessary for the operation of the broadcast and related communications businesses of the Company and its Subsidiaries as currently conducted, and such FCC licenses, station authorizations and other communications Permits are valid and subsisting, except as would not reasonably be expected to have a Material Adverse Effect. Since the Series B Closing Date, neither the Company nor any of its Subsidiaries has received any written notice of any pending or threatened revocation, suspension, cancellation, adverse modification or non-renewal of any such FCC license, station authorization or other communications Permit, except as would not reasonably be expected to have a Material Adverse Effect.

(c) Anti-Corruption; Sanctions. Since the Series B Closing Date, the Company and its Subsidiaries, and their respective directors, officers and employees acting in such capacity and, to the Knowledge of the Company, their respective agents acting on their behalf, have complied with applicable anti-corruption, money laundering, economic sanctions and export control Laws and have not engaged in any transaction or dealing, directly or indirectly, with or involving any Person, country or territory that is the subject of comprehensive economic sanctions. As of the date of this

Agreement, neither the Company nor any of its Subsidiaries, nor any of their respective directors, officers or employees, nor, to the Knowledge of the Company, any agents acting on their behalf, is the subject or target of economic sanctions administered or enforced by the United States, the United Nations Security Council, the European Union, the United Kingdom or any other applicable sanctions authority, except, in each case, as would not reasonably be expected to have a Material Adverse Effect.

3.10 Tax Matters. Except as would not, individually or in the aggregate, have a Material Adverse Effect:

(a) Tax Returns and Payment. The Company and each of its Subsidiaries has timely filed all Tax Returns required to be filed by it, taking into account any valid extensions, and such Tax Returns are true, complete and accurate in all material respects. All Taxes owed by the Company or any of its Subsidiaries that are due have been timely paid or adequately reserved against in accordance with GAAP. The Company and each of its Subsidiaries has timely withheld and paid over to the appropriate Tax authority all material Taxes required to have been withheld and paid over with respect to amounts paid to employees, independent contractors, creditors, stockholders and other third parties.

(b) Compliance and Proceedings. No audit, examination, investigation, proposed adjustment, claim or other proceeding in respect of any material Tax is pending or, to the Knowledge of the Company, threatened in writing. No written claim has been made by a Governmental Authority in a jurisdiction where the Company or any of its Subsidiaries does not file Tax Returns that the Company or such Subsidiary is or may be subject to material Tax in that jurisdiction. Neither the Company nor any of its Subsidiaries has waived any statute of limitations or agreed to any extension of time with respect to any material Tax, other than extensions of time to file Tax Returns obtained in the ordinary course.

(c) Tax Sharing and Successor Liability. Neither the Company nor any of its Subsidiaries has any liability for material Taxes of any Person other than the Company or any of its Subsidiaries under Treasury Regulations Section 1.1502-6, any similar provision of state, local or non-U.S. Law, or as a transferee or successor. Neither the Company nor any of its Subsidiaries is party to or bound by any Tax sharing, allocation or indemnification Contract other than Contracts solely among the Company and its Subsidiaries and customary Tax indemnification provisions in Contracts the primary purpose of which does not relate to Taxes.

(d) Tax Reserves, Liens and Classification. The most recent consolidated financial statements made available to Parent reflect an adequate reserve in accordance with GAAP for all material Taxes accrued but not yet payable by the Company and its Subsidiaries through the date of such financial statements. There are no Encumbrances for Taxes on any asset of the Company or any of its Subsidiaries other than Permitted Encumbrances. Section 3.10(d) of the Company Disclosure Letter sets forth the U.S. federal income tax classification and jurisdiction of formation of the Company and each of its Subsidiaries.

3.11 Employee Benefits. Except as would not, individually or in the aggregate, have a Material Adverse Effect:

(a) Company Plans; Documentation. Section 3.11(a) of the Company Disclosure Letter sets forth a true and complete list, as of the date of this Agreement, of each material Company Plan. With respect to each such material Company Plan, the Company has made available to Parent true and complete copies, to the extent applicable, of (i) the governing plan document (or a written description of material terms if no formal plan document exists), including any amendments thereto, (ii) the most recent Form 5500 filed with the IRS (or non-U.S. equivalent), (iii) the most recent IRS determination, advisory or opinion letter (or non-U.S. equivalent), (iv) material correspondence with any Governmental Authority since the Series B Closing Date, and (v) each insurance or funding contract relating thereto.

(b) Employee Benefits Compliance. Each Company Plan has been established, maintained and administered in compliance in all material respects with its terms and applicable Law, including ERISA and the Code. Neither the Company nor any Commonly Controlled Entity maintains, sponsors or contributes to, or has any current or contingent liability with respect to, any plan subject to Title IV of ERISA, Section 412 of the Code, a "multiemployer plan," a "multiple employer plan," or a "multiple employer welfare arrangement" (as defined in ERISA or the Code). No Company Plan provides post-retirement health, life or disability benefits other than benefits required under COBRA or similar applicable Law or benefits the full cost of which is borne by the recipient. There have been no nonexempt "prohibited transactions" under ERISA or the Code with respect to any Company Plan.

(c) Transaction Effects; Section 409A. Neither the execution or delivery of this Agreement nor the consummation of the Transactions, either alone or together with another event, will (i) entitle any current or former service provider of the Company or any of its Subsidiaries to any payment or benefit, (ii) accelerate the time of payment, vesting or funding of any compensation or benefit, (iii) cause the Company to transfer or set aside assets to fund any compensation or benefit, or (iv) result in any payment or benefit that could constitute an "excess parachute payment" under Section 280G of the Code, except in each case as expressly contemplated by Section 2.03. Each Company Plan that is subject to Section 409A of the Code has been operated and administered in compliance in all material respects with Section 409A, and no amount under any such plan is reasonably expected to be subject to Tax under Section 409A. Neither the Company nor any of its Subsidiaries has any obligation to gross up, indemnify or reimburse any Person for Taxes imposed under Section 409A or Section 4999 of the Code.

(d) Labor Matters. Neither the Company nor any of its Subsidiaries is party to, bound by or negotiating any Collective Bargaining Agreement, and no employees of the Company or any of its Subsidiaries are represented by any labor union, labor organization, trade union, works council or other employee representative body. There are no pending or, to the Knowledge of the Company, threatened union organizing activities, representation proceedings, strikes, work stoppages or other material labor disputes involving the Company or any of its Subsidiaries. The Company and its Subsidiaries have paid all wages, salaries, commissions, bonuses and other compensation due to their employees and independent contractors and have properly classified employees and independent contractors in all material respects in accordance with applicable Law.

3.12 Environmental Matters. Except as would not, individually or in the aggregate, have a Material Adverse Effect, since the Series B Closing Date, (a) the Company and its Subsidiaries have been in compliance in all material respects with all applicable Environmental Laws, (b) the Company and its Subsidiaries possess all material Permits required under Environmental Laws for the operation of their respective businesses and are in compliance in all material respects with such Permits, and (c) there have been no pending or, to the Knowledge of the Company, threatened Actions under Environmental Laws against the Company or any of its Subsidiaries.

3.13 Intellectual Property; Data Security. Except as would not, individually or in the aggregate, have a Material Adverse Effect:

(a) Intellectual Property. Section 3.13(a) of the Company Disclosure Letter lists all Registered Company Intellectual Property, including, where applicable, the jurisdiction, registration or application number and record owner. The Company or one of its Subsidiaries owns all material Owned Company Intellectual Property, free and clear of all Encumbrances other than Permitted Encumbrances. The Company or one of its Subsidiaries owns, licenses or otherwise has the right to use all material Intellectual Property necessary for the conduct of the business of the Company and its Subsidiaries, taken as a whole, as presently conducted. Section 3.13(a) of the Company Disclosure Letter lists each Contract pursuant to which (i) any Intellectual Property that is material to the business of the Company and its Subsidiaries is licensed to the Company or any of its Subsidiaries or (ii) the Company or any of its Subsidiaries has granted to any Person a license in any material Owned Company Intellectual Property.

(b) Protection and Infringement. Except as would not, individually or in the aggregate, have a Material Adverse Effect, the Company and its Subsidiaries have taken commercially reasonable measures to protect and maintain their rights in the Owned Company Intellectual Property, including the confidentiality of Trade Secrets and other material proprietary or confidential information included therein. Except as would not, individually or in the aggregate, have a Material Adverse Effect, all employees and consultants of the Company and its Subsidiaries who have developed material Intellectual Property for the Company or any of its Subsidiaries in the scope of their employment or engagement have assigned their rights therein to the Company or one of its Subsidiaries. Except as would not, individually or in the aggregate, have a Material Adverse Effect, no Action is pending or, to the Knowledge of the Company, threatened alleging that the Company or any of its Subsidiaries is infringing, misappropriating or otherwise violating the Intellectual Property rights of any Person, or challenging the ownership, validity or enforceability of any material Owned Company Intellectual Property.

(c) Data Privacy and Information Security. The Company and its Subsidiaries are in compliance in all material respects with applicable Laws regarding the privacy, protection, collection, storage, processing, disclosure, retention and use of Personal Information. Since the Series B Closing Date, neither the Company nor any of its Subsidiaries has experienced any material unlawful or unauthorized access to or use of Personal Information in the possession or control of the Company or any of its Subsidiaries. The Company and its Subsidiaries maintain commercially reasonable administrative, technical and physical safeguards designed to protect Personal Information from unauthorized access, use or disclosure.

(d) Publishing and Digital Audience Assets. Except as would not, individually or in the aggregate, have a Material Adverse Effect, the Company and its Subsidiaries own, license or otherwise possess the rights necessary to operate the material publishing properties, newsletter products, subscriber lists, digital subscription offerings and other owned digital audience assets used in the conduct of their businesses as presently conducted. Except as would not, individually or in the aggregate, have a Material Adverse Effect, since the Series B Closing Date, neither the Company nor any of its Subsidiaries has received any written notice alleging that the operation of any such material publishing property, newsletter product or digital subscription offering infringes, misappropriates or otherwise violates the rights of any Person, or that any material subscriber, audience development, list usage or content distribution practice relating thereto violates applicable Law.

3.14 Real Property.

(a) Owned Real Property. Section 3.14(a) of the Company Disclosure Letter lists the address of each parcel of Owned Real Property. Except as would not, individually or in the aggregate, have a Material Adverse Effect, the Company or one of its Subsidiaries has good and valid title to the Owned Real Property, free and clear of all Encumbrances other than Permitted Encumbrances. Except as would not, individually or in the aggregate, have a Material Adverse Effect, neither the Company nor any of its Subsidiaries has granted any third party the right to use or occupy any portion of the Owned Real Property. Neither the Company nor any of its Subsidiaries has received written notice of any pending or threatened condemnation, eminent domain or similar proceeding affecting any Owned Real Property.

(b) Leased Real Property. Section 3.14(b) of the Company Disclosure Letter lists the address of each Leased Real Property. The Company has made available to Parent a true and complete copy of each Company Lease. Except as would not be material to the business of the Company and its Subsidiaries, taken as a whole, (i) the Company or one of its Subsidiaries has a good, valid and enforceable leasehold, subleasehold or license interest in each Leased Real Property, free and clear of all Encumbrances other than Permitted Encumbrances, subject to the terms of the applicable Company Lease, (ii) each Company Lease is in full force and effect, and (iii) neither the Company, any Subsidiary of the Company nor, to the Knowledge of the Company, any other party to any Company Lease is in material breach or default thereunder.

(c) Sufficiency and Condition. The Owned Real Property and Leased Real Property identified in Sections 3.14(a) and 3.14(b) of the Company Disclosure Letter comprise all material real property used in, or otherwise related to, the business of the Company and its Subsidiaries. To the Knowledge of the Company, except as would not reasonably be expected to have a Material Adverse Effect, the material buildings, structures, improvements, fixtures, building systems and equipment included in the Owned Real Property and Leased Real Property are in good condition and repair, ordinary wear and tear excepted.

3.15 Contracts.

(a) Material Contracts. Section 3.15(a) of the Company Disclosure Letter sets forth a true and complete list, as of the date of this Agreement, of each Material Contract. True and

complete copies of each Material Contract in existence as of the date hereof, including all amendments thereto, have been made available to Parent.

(b) Validity and Performance. Except as would not, individually or in the aggregate, have a Material Adverse Effect, (i) each Material Contract is valid and binding on the Company or its applicable Subsidiary and, to the Knowledge of the Company, each other party thereto, and is in full force and effect, subject to the Bankruptcy and Equity Exception; (ii) the Company and its Subsidiaries, and to the Knowledge of the Company each other party thereto, have performed all material obligations required to be performed under each Material Contract; (iii) neither the Company nor any of its Subsidiaries has received written notice of any material breach or default under any Material Contract; and (iv) to the Knowledge of the Company, no event has occurred that would constitute a material breach or default under any Material Contract.

(c) Counterparty Notices. The Company has not received any written notice that any counterparty to a Material Contract intends to terminate, not renew or materially and adversely modify such Material Contract as a result of the Transactions and, since the Series B Closing Date, neither the Company nor any of its Subsidiaries has received any written or, to the Knowledge of the Company, other communication from any such counterparty stating any such intent.

(d) Syndication and Affiliate Arrangements. Section 3.15(d) of the Company Disclosure Letter sets forth a true and complete list, as of the date of this Agreement, of each Contract that is material to the business of the Company and its Subsidiaries, taken as a whole, relating to the syndication, network distribution, affiliation or carriage of programming content by or through the Company or any of its Subsidiaries (each, a "**Material Syndication Contract**"). Except as would not, individually or in the aggregate, have a Material Adverse Effect, each Material Syndication Contract is valid and binding on the Company or its applicable Subsidiary and, to the Knowledge of the Company, each other party thereto, and is in full force and effect, subject to the Bankruptcy and Equity Exception. Except as would not, individually or in the aggregate, have a Material Adverse Effect, neither the Company nor any of its Subsidiaries has received written notice since the Series B Closing Date that any counterparty to any Material Syndication Contract intends to terminate, not renew or materially and adversely modify such Material Syndication Contract.

3.16 Insurance. Except as would not, individually or in the aggregate, have a Material Adverse Effect, the Company and its Subsidiaries maintain insurance policies or self-insurance programs providing reasonably adequate coverage against risks customarily insured against by companies in similar lines of business, all such insurance policies are in full force and effect except for any expiration in accordance with their terms, no written notice of cancellation or material modification has been received other than in connection with ordinary renewals, and all premiums due thereon have been paid in full.

3.17 Anti-Takeover Provisions. As of the date hereof, the Company is not party to any rights plan, poison pill or similar anti-takeover agreement or plan. The approval and recommendation of this Agreement and the Transactions by the Special Committee, and the approval of this Agreement, the Transactions and the Merger by the Company Board, have satisfied, as of the date hereof and in all material respects, the requirements of Section 144(c)(1) of the DGCL applicable to approval by the Company Board or a duly authorized committee thereof, and, assuming the

Company Stockholder Approval is obtained in accordance with this Agreement, the Transactions will satisfy the requirements of Section 144(c)(1) of the DGCL in all material respects. No Takeover Law applies or will apply to the Company in connection with this Agreement or the Transactions.

3.18 Brokers and Other Advisors. No broker, investment banker, financial advisor or other Person is entitled to any broker's, finder's, financial advisor's or other similar fee or commission, or reimbursement of expenses in connection therewith, in connection with the Transactions based upon arrangements made by or on behalf of the Company or any of its Subsidiaries.

3.19 No Other Representations and Warranties. Except for the representations and warranties expressly set forth in this Article 3 or in any certificate delivered by the Company pursuant to this Agreement, neither the Company nor any of its Subsidiaries nor any other Person makes any representation or warranty, express or implied, with respect to the Company or any of its Subsidiaries or their respective businesses, assets, liabilities, financial condition, results of operations or prospects. Each of Parent and Merger Sub acknowledges that it is not relying on any representation or warranty other than those expressly set forth in this Article 3 or in any certificate delivered by the Company pursuant to this Agreement. Without limiting the foregoing, neither the Company nor any other Person makes any representation or warranty with respect to any financial projection, forecast, estimate, budget or other forward-looking information regarding the Company or any of its Subsidiaries.

ARTICLE 4
REPRESENTATIONS AND WARRANTIES OF PARENT AND MERGER SUB

Parent and Merger Sub represent and warrant to the Company as follows:

4.01 Organization; Standing. Each of Parent and Merger Sub is duly organized, validly existing and in good standing under the Laws of its jurisdiction of organization and has all requisite corporate power and authority necessary to carry on its business as presently conducted. Each of Parent and Merger Sub has all requisite corporate power and authority to execute and deliver this Agreement, to perform its obligations hereunder and to consummate the Transactions. Parent is a nonprofit corporation organized and operated exclusively for charitable and religious purposes within the meaning of Section 501(c)(3) of the Code, and Parent's status as an organization described in Section 501(c)(3) of the Code has not been revoked, suspended or adversely modified.

4.02 Authority; Non-Contravention.

(a) Authority. The execution, delivery and performance by each of Parent and Merger Sub of this Agreement and the consummation by each of Parent and Merger Sub of the Transactions have been duly authorized by all necessary corporate or organizational action on the part of Parent and Merger Sub in accordance with their respective organizational documents and internal governance procedures. This Agreement has been duly executed and delivered by Parent and Merger Sub and, assuming due authorization, execution and delivery by the Company, constitutes a legal, valid and binding obligation of each of Parent and Merger Sub, enforceable against each of them in accordance with its terms, except for the Bankruptcy and Equity Exception.

Parent represents that all approvals, consents and authorizations required under its organizational documents and internal governance procedures have been obtained.

(b) Non-Contravention. Neither the execution and delivery of this Agreement by Parent and Merger Sub, nor the consummation by Parent and Merger Sub of the Transactions, nor performance or compliance by Parent and Merger Sub with any of the terms or provisions hereof, will (i) conflict with or violate any provision of the certificate of incorporation, bylaws or other comparable organizational documents of Parent or Merger Sub or (ii) assuming that the consents, approvals, filings, licenses, permits, authorizations, declarations, notifications and registrations referred to in Section 4.03 are obtained or made and any waiting periods thereunder have terminated or expired prior to the Effective Time, (A) violate any Law or Judgment applicable to Parent, Merger Sub or any of their respective Subsidiaries or (B) violate or constitute a default under any material Contract to which Parent, Merger Sub or any of their respective Subsidiaries is a party, except, in the case of clause (ii), as would not, individually or in the aggregate, reasonably be expected to prevent or materially delay the consummation of the Transactions.

4.03 Governmental Approvals. Except for (a) the filing and acceptance for record of the Certificate of Merger with the Secretary of State of Delaware pursuant to the DGCL, (b) filings required or advisable under, and compliance with other applicable requirements of, the HSR Act or any other Antitrust Laws, (c) the filing of applications with, and the receipt of the requisite approvals, consents or authorizations from, the FCC in connection with the transfer of control of the FCC licenses held by the Company and its Subsidiaries, (d) the consents, approvals, authorizations, filings, registrations or notifications set forth in Section 6.01(b) of the Company Disclosure Letter and (e) compliance with any applicable state securities or blue sky Laws, no consent, approval, license, permit, waiver, clearance, order or authorization of, or filing, declaration, notification or registration with, any Governmental Authority is necessary for the execution and delivery of this Agreement by Parent and Merger Sub, the performance by Parent and Merger Sub of their obligations hereunder or the consummation by Parent and Merger Sub of the Transactions, except for such other consents, approvals, licenses, permits, waivers, clearances, orders, authorizations, filings, declarations, notifications or registrations the failure of which to obtain or make would not, individually or in the aggregate, reasonably be expected to prevent, materially delay or impair the ability of Parent or Merger Sub to consummate the Transactions.

4.04 Ownership and Operations of Merger Sub. Parent owns beneficially and of record all of the outstanding capital stock of Merger Sub, free and clear of all Encumbrances. Merger Sub was formed solely for the purpose of engaging in the Transactions, has not engaged in any business activities other than those relating to its formation and the Transactions, and has no liabilities or obligations of any nature other than those incident to its formation and the Transactions.

4.05 Sufficiency of Funds; Solvency.

(a) Sufficiency of Funds. Parent has, and at the Effective Time will have, available cash, cash equivalents, lines of credit or other sources of immediately available funds sufficient to enable Parent and Merger Sub to consummate the Transactions, including to pay the aggregate Merger Consideration and all other amounts required to be paid by Parent, Merger Sub or the Surviving Corporation in connection with the consummation of the Transactions, and to pay all related fees and expenses required to be paid by Parent or Merger Sub in connection therewith.

Parent acknowledges that its obligations to consummate the Transactions are not subject to any financing condition.

(b) Solvency. Assuming the satisfaction or waiver of the conditions to Parent's obligation to consummate the Merger and the accuracy of the representations and warranties of the Company set forth in Article 3, immediately after giving effect to the consummation of the Transactions and the payment of the aggregate Merger Consideration and all related fees and expenses required to be paid in connection therewith, Parent and the Surviving Corporation, taken as a whole, will be Solvent. Neither Parent nor Merger Sub is entering into this Agreement or the Transactions with the actual intent to hinder, delay or defraud any present or future creditor of the Company or any of its Subsidiaries.

4.06 No Side-Arrangements; No Additional Consideration. As of the date of this Agreement, except as expressly contemplated by this Agreement, there are no Contracts, arrangements or understandings, whether written or oral, between Parent, Merger Sub or any of their respective Affiliates, on the one hand, and any current or former director, officer or beneficial owner of Company Common Stock or Preferred Stock, on the other hand, relating to the Company, any of its Subsidiaries, the Company Common Stock, the Preferred Stock or the Transactions, including with respect to any non-ratable consideration, continuing employment, retention, equity rollover, voting, governance, indemnification, financing or similar matter, other than as expressly contemplated by this Agreement.

4.07 No Disparate Consideration. No holder of Company Common Stock will be entitled to receive consideration for such holder's shares of Company Common Stock pursuant to this Agreement that differs in amount or form from the Merger Consideration, except for any difference arising solely from (i) the treatment of Company Equity Awards pursuant to Section 2.03 or (ii) the exercise of appraisal rights pursuant to Section 2.04.

4.08 No Voting Agreements. Neither Parent nor Merger Sub has entered into any voting agreement or similar arrangement with any stockholder of the Company pursuant to which such stockholder has agreed to vote in favor of this Agreement or the Merger or against any Superior Proposal. Parent and Merger Sub have not entered into any agreement, arrangement or understanding with any stockholder of the Company relating to the voting of shares of Company Common Stock in connection with the Transactions.

4.09 Brokers and Other Advisors. No broker, investment banker, financial advisor or other Person is entitled to any broker's, finder's, financial advisor's or other similar fee or commission, or reimbursement of expenses in connection therewith, in connection with the Transactions based upon arrangements made by or on behalf of Parent, Merger Sub or any of their respective Subsidiaries, except for Persons, if any, whose fees and expenses will be paid by Parent or one of its Affiliates.

4.10 Legal Proceedings. As of the date of this Agreement, there is no (a) pending or, to the Knowledge of Parent and Merger Sub, threatened Action against Parent, Merger Sub or any of their respective Affiliates or (b) outstanding Judgment imposed upon or affecting Parent, Merger Sub or any of their respective Affiliates, in each case by or before any Governmental Authority,

except, in each case, as would not, individually or in the aggregate, reasonably be expected to prevent or materially delay the consummation of the Transactions.

4.11 Investigation; No Other Company Representations. Parent and Merger Sub acknowledge that they and their respective Representatives have conducted their own independent investigation of the Company and its Subsidiaries and that, in making their determination to proceed with the Transactions, they have relied solely on the results of such investigation and on the representations and warranties of the Company expressly set forth in Article 3 and in any certificate delivered by the Company pursuant to this Agreement. Except for the representations and warranties expressly set forth in Article 3 or in any certificate delivered by the Company pursuant to this Agreement, neither the Company nor any of its Subsidiaries nor any other Person has made or is making any representation or warranty, express or implied, with respect to the Company or any of its Subsidiaries or their respective businesses, assets, liabilities, financial condition, results of operations or prospects. Nothing in this Section 4.11 shall limit or otherwise affect (a) any Action for Fraud or (b) the obligations of Parent and Merger Sub with respect to information supplied by or on behalf of Parent or Merger Sub for inclusion in the Disclosure Document pursuant to Section 5.12.

ARTICLE 5
COVENANTS AND AGREEMENTS

5.01 Conduct of Business.

(a) Generally. Except as required by applicable Law, Judgment or a Governmental Authority, or as expressly permitted or required by this Agreement, during the period from the date of this Agreement until the Effective Time (or such earlier date on which this Agreement is terminated pursuant to Section 7.01), unless Parent otherwise consents in writing (such consent not to be unreasonably withheld, delayed or conditioned), the Company shall, and shall cause each of its Subsidiaries to, use commercially reasonable efforts to (i) conduct its and their respective businesses in all material respects in the ordinary course of business, (ii) preserve substantially intact its and their present business organizations and material assets and (iii) preserve in all material respects its and their present commercial relationships with customers, suppliers, distributors, licensors, regulators and others having material business relationships with the Company and its Subsidiaries; *provided* that no action by the Company or any of its Subsidiaries with respect to matters specifically addressed by Section 5.01(b) shall be deemed to be a breach of this Section 5.01(a) if such action is expressly permitted by Section 5.01(b).

(b) Specified Matters. Without limiting the generality of Section 5.01(a), except as required by applicable Law, Judgment or a Governmental Authority, or as expressly permitted or required by this Agreement, during the period from the date of this Agreement until the Effective Time (or such earlier date on which this Agreement is terminated pursuant to Section 7.01), unless Parent otherwise consents in writing (such consent not to be unreasonably withheld, delayed or conditioned), the Company shall not, and shall not permit any of its Subsidiaries to:

(i) other than transactions solely among the Company and its wholly owned Subsidiaries, issue, sell, pledge, dispose of, encumber or authorize the issuance, sale, pledge, disposition or encumbrance of any shares of its capital stock or other equity or

voting interests or any securities convertible into, exchangeable for or exercisable for any such shares, equity or voting interests, other than the issuance of shares of Company Common Stock upon the exercise or settlement of Company Equity Awards outstanding as of the date of this Agreement in accordance with their terms as in effect on the date of this Agreement;

(ii) other than transactions solely among the Company and its wholly owned Subsidiaries, redeem, repurchase or otherwise acquire any shares of the Company's capital stock or other equity or voting interests, or any securities convertible into, exchangeable for or exercisable for any such shares, equity or voting interests, other than in connection with withholding or exercise price settlement rights relating to Company Equity Awards outstanding as of the date of this Agreement in accordance with their terms as in effect on the date of this Agreement;

(iii) declare, set aside for payment or pay any dividend on, or make any other distribution in respect of, any shares of its capital stock or other equity or voting interests, other than dividends or distributions by a wholly owned Subsidiary of the Company to the Company or another wholly owned Subsidiary of the Company;

(iv) split, combine, subdivide or reclassify any shares of its capital stock or other equity or voting interests, except for any such transaction by a wholly owned Subsidiary of the Company that remains a wholly owned Subsidiary of the Company after consummation of such transaction;

(v) incur, assume, guarantee or otherwise become liable for any Indebtedness, except for (A) intercompany Indebtedness among the Company and its wholly owned Subsidiaries, (B) borrowings under existing credit facilities, lines of credit or similar arrangements in the ordinary course of business consistent with past practice (including letters of credit), and (C) other Indebtedness incurred in the ordinary course of business consistent with past practice in an aggregate principal amount not to exceed $1,000,000 after the date of this Agreement;

(vi) enter into any swap, hedging or other material derivative transaction, other than any such transaction entered into in the ordinary course of business consistent with past practice to replace or renew an existing arrangement on substantially similar terms;

(vii) make any loans, capital contributions or advances to any Person, other than (A) to the Company or any wholly owned Subsidiary of the Company or (B) advances to employees or service providers in the ordinary course of business consistent with past practice in amounts that are not material, individually or in the aggregate;

(viii) sell, transfer, assign, dispose of, lease, license, abandon, allow to lapse, subject to an Encumbrance (other than a Permitted Encumbrance), or otherwise transfer any material property, asset or right of the Company or any of its Subsidiaries, including any material Owned Company Intellectual Property, other than (A) transactions solely among the Company and its wholly owned Subsidiaries, (B) dispositions of obsolete, worn-out, surplus or no longer useful assets in the ordinary course of business consistent

with past practice, (C) non-exclusive licenses of Intellectual Property granted in the ordinary course of business consistent with past practice, and (D) dispositions of assets for consideration not in excess of $1,000,000 individually or in the aggregate;

(ix) enter into, terminate, fail to renew, materially amend in a manner adverse to the Company and its Subsidiaries, or waive any material right under, any Programming Distribution Contract, except in the ordinary course of business consistent with past practice or as would not be material to the Company and its Subsidiaries, taken as a whole;

(x) sell, transfer, exclusively license, abandon, discontinue, materially impair or enter into any transaction outside the ordinary course of business that would reasonably be expected to materially impair or materially diminish the value of any material publishing property, newsletter product, digital subscription offering, subscriber list, audience database or other material owned digital audience asset of the Company or any of its Subsidiaries, except as would not be material to the Company and its Subsidiaries, taken as a whole;

(xi) acquire, by merger, consolidation, purchase of stock or assets or otherwise, any Person, business or division thereof, or make any investment in any Person, other than (A) acquisitions or investments solely among the Company and its wholly owned Subsidiaries and (B) acquisitions or investments for consideration not in excess of $1,000,000 individually or in the aggregate;

(xii) acquire any real property or enter into any lease, sublease, license or other agreement for real property that would constitute a Company Lease if in effect on the date of this Agreement, other than any renewal, extension or replacement of an existing Company Lease in the ordinary course of business consistent with past practice;

(xiii) except as required pursuant to the terms of any Company Plan as in effect on the date of this Agreement, (A) increase the compensation or benefits payable or to become payable to any current or former director, officer, employee or individual independent contractor of the Company or any of its Subsidiaries, other than increases in base salary or wage rates for employees other than officers with annualized base compensation not in excess of $250,000 made in the ordinary course of business consistent with past practice and not to exceed 3.0% in the aggregate for any such employee, (B) grant any severance, retention, change-in-control, transaction, stay or similar bonuses or payments, (C) establish, adopt, enter into, amend or terminate any material Company Plan or any plan, program, policy, agreement or arrangement that would be a material Company Plan if in effect on the date hereof (other than immaterial amendments in the ordinary course of business consistent with past practice that do not materially increase the cost to the Company or any of its Subsidiaries), (D) grant any Company Equity Award or other equity-based compensation or (E) accelerate the vesting, funding or payment of any compensation or benefits;

(xiv) make any material change in financial accounting methods, principles or practices, except as required by GAAP, applicable Law or a Governmental Authority;

(xv) make, change or revoke any material Tax election, adopt or change any material Tax accounting method, amend any material Tax Return, enter into any closing agreement with respect to any material Tax, settle or compromise any material Tax claim or assessment, surrender any right to a material Tax refund, or waive or extend any statute of limitations in respect of any material Tax, other than in the ordinary course of business consistent with past practice;

(xvi) amend the Company Charter Documents or the comparable organizational documents of any Subsidiary of the Company;

(xvii) settle, compromise or otherwise resolve any Action, other than settlements that (A) involve only the payment of money not in excess of $1,000,000 individually or in the aggregate, (B) do not involve any admission of guilt, wrongdoing or liability by the Company or any of its Subsidiaries and (C) do not impose any material ongoing restrictions on the business of the Company and its Subsidiaries, taken as a whole;

(xviii) hire, engage, promote or terminate the employment or service of any employee or individual independent contractor with annualized base compensation in excess of $350,000, other than for cause or due to death or disability;

(xix) implement or announce any layoffs, facility closings, reductions in force, furloughs, temporary layoffs or similar actions that would reasonably be expected to result in material liability under the WARN Act or any similar applicable Law;

(xx) make or authorize any capital expenditures, other than capital expenditures (A) contemplated by the Company's capital budget made available to Parent prior to the date of this Agreement or (B) not in excess of $1,000,000 individually or in the aggregate after the date of this Agreement;

(xxi) enter into any Contract that would be a Material Contract if in effect on the date of this Agreement, or materially amend, modify, waive or terminate any Material Contract, except (A) in the ordinary course of business consistent with past practice or (B) where such action would not be material to the Company and its Subsidiaries, taken as a whole; *provided* that, in connection with obtaining any consent, waiver or approval relating to the Transactions, neither the Company nor any of its Subsidiaries shall, without the prior written consent of Parent (not to be unreasonably withheld, delayed or conditioned), agree to any amendment, waiver or modification of any Material Contract, or agree to any consent, waiver, approval, concession or accommodation under any Material Contract, in each case that would be material to the Company and its Subsidiaries, taken as a whole;

(xxii) take, or fail to take, any action that would reasonably be expected to result in the revocation, suspension, cancellation, adverse modification or non-renewal of any FCC license, station authorization or other material communications Permit, other than, in each case, as would not reasonably be expected to have a Material Adverse Effect; or

(xxiii) authorize, commit or agree, in writing or otherwise, to take any of the foregoing actions.

(c) Parent and Merger Sub Conduct. From the date of this Agreement until the earlier of the Effective Time and the termination of this Agreement pursuant to Section 7.01, except as expressly contemplated, permitted or required by this Agreement or by applicable Law, Judgment or a Governmental Authority, neither Parent nor Merger Sub shall, without the prior written consent of the Company, take (or fail to take) any action that (or the failure to take which action that) would reasonably be expected to prevent or materially delay the consummation of the Transactions.

(d) No Pre-Closing Control. Nothing contained in this Agreement is intended to give Parent or Merger Sub, directly or indirectly, the right to control or direct the operations of the Company or any of its Subsidiaries prior to the Effective Time. Prior to the Effective Time, the Company shall exercise, consistent with the terms and conditions of this Agreement, complete control and supervision over its and its Subsidiaries' businesses. For the avoidance of doubt, nothing in this Agreement shall restrict any individual who serves in dual capacities for Parent, Merger Sub or any of their Affiliates, on the one hand, and the Company or any of its Subsidiaries, on the other hand, from acting in such individual's capacity as a director or officer of the Company or the applicable Subsidiary, subject to applicable Law and such individual's fiduciary duties; *provided* that no such action shall relieve the Company of its obligations under this Agreement or be deemed to give Parent or Merger Sub the right to control the Company or any of its Subsidiaries prior to the Effective Time.

5.02 No Shop; Takeover Proposals.

(a) No Solicitation or Negotiation. From the date of this Agreement until the earlier of the Effective Time and the termination of this Agreement pursuant to Section 7.01, the Company shall not, and shall cause its Subsidiaries and direct its and their respective Representatives not to, directly or indirectly, (i) solicit, initiate, knowingly encourage or knowingly facilitate any inquiry, proposal or offer that constitutes, or would reasonably be expected to lead to, a Takeover Proposal, (ii) furnish any non-public information regarding the Company or any of its Subsidiaries in connection with, or for the purpose of encouraging or facilitating, any Takeover Proposal, (iii) engage in discussions or negotiations with any Person with respect to any Takeover Proposal, (iv) waive, amend, release or fail to enforce any standstill or similar restriction applicable to any Person that would permit such Person to make or pursue a Takeover Proposal, (v) approve, recommend or declare advisable any Takeover Proposal or (vi) enter into any letter of intent, memorandum of understanding, merger agreement, acquisition agreement, option agreement, joint venture agreement, partnership agreement or other Contract relating to any Takeover Proposal, other than an Acceptable Confidentiality Agreement permitted by Section 5.02(c).

(b) Required Notice. The Company shall promptly, and in any event within twenty-four hours, notify Parent in writing if the Company or any of its Representatives receives any Takeover Proposal, any inquiry or request that would reasonably be expected to lead to a Takeover Proposal, any request for non-public information relating to the Company or any of its Subsidiaries in connection with a Takeover Proposal or any request for discussions or negotiations concerning a Takeover Proposal. Subject only to confidentiality obligations of the Company in effect as of the date of this Agreement, such notice shall identify the Person making such Takeover Proposal, inquiry or request and set forth the material terms and conditions thereof and, if in writing, shall include a copy thereof. The Company shall not, and shall cause its Representatives not to, enter

into any confidentiality, non-disclosure, standstill or similar agreement after the date of this Agreement that would prohibit, restrict or impair the Company's ability to comply with this Section 5.02(b) or any other provision of this Section 5.02. The Company shall, and shall cause its Representatives to, inform any Person making any such Takeover Proposal, inquiry or request, prior to or concurrently with furnishing any non-public information to such Person or engaging in any discussions or negotiations with such Person, that the Company is subject to the obligations set forth in this Section 5.02. Thereafter, the Company shall keep Parent reasonably informed, on a prompt and current basis, of any material developments, discussions or negotiations regarding any such Takeover Proposal, inquiry or request, including any material modifications to the terms thereof, and shall promptly provide Parent with copies of any material written communications or materials received by the Company or any of its Representatives in connection therewith.

(c) Fiduciary Out for Discussions. Notwithstanding Section 5.02(a), if at any time prior to the Company Stockholder Approval the Company receives a bona fide unsolicited written Takeover Proposal that did not result from a material breach of this Section 5.02, the Company and its Representatives may furnish non-public information to, and engage in discussions or negotiations with, the Person making such Takeover Proposal if the Special Committee determines in good faith, after consultation with its outside legal counsel and outside financial advisor, that (i) such Takeover Proposal constitutes, or would reasonably be expected to lead to, a Superior Proposal and (ii) the failure to take such action would reasonably be expected to be inconsistent with the fiduciary duties of the members of the Company Board under applicable Law; *provided* that, prior to furnishing any such non-public information, the Company receives from such Person an executed Acceptable Confidentiality Agreement and promptly provides to Parent any such material non-public information not previously provided to Parent.

(d) Adverse Recommendation Change. Except as expressly permitted by this Section 5.02, neither the Company Board nor the Special Committee shall (i) withdraw, withhold, qualify or modify, or publicly propose to withdraw, withhold, qualify or modify, in a manner adverse to Parent, the Company Board Recommendation or the Special Committee Recommendation, (ii) approve, recommend or declare advisable, or publicly propose to approve, recommend or declare advisable, any Takeover Proposal or (iii) fail to include the Company Board Recommendation or the Special Committee Recommendation in the Disclosure Document (any action described in clauses (i) through (iii), an "**Adverse Recommendation Change**").

(e) Superior Proposal; Intervening Event. Notwithstanding Section 5.02(d), at any time prior to the Company Stockholder Approval, the Company Board, acting upon the recommendation and determination of the Special Committee, may make an Adverse Recommendation Change (i) in response to a Superior Proposal that did not result from a material breach of this Section 5.02 or (ii) in response to an Intervening Event, if, in either case, the Special Committee determines in good faith, after consultation with its outside legal counsel, that the failure to make such Adverse Recommendation Change would reasonably be expected to be inconsistent with the fiduciary duties of the members of the Company Board under applicable Law; *provided* that the Company shall not take such action unless it has complied in all material respects with Section 5.02(f).

(f) Notice and Match Rights. The Company shall not make an Adverse Recommendation Change pursuant to Section 5.02(e) or terminate this Agreement pursuant to

Section 7.03(b) unless (i) the Company has provided Parent written notice of its intention to take such action, which notice shall state the basis therefor and, in the case of a Superior Proposal, include the identity of the Person making such Superior Proposal, the material terms and conditions thereof and a copy of the proposed definitive agreement and related transaction documents, if any, (ii) during the five (5) Business Day period following Parent's receipt of such notice, the Company and its Representatives have negotiated in good faith with Parent and its Representatives, to the extent Parent wishes to negotiate, to enable Parent to propose revisions to this Agreement so that such Adverse Recommendation Change or termination would no longer be permitted and (iii) at the end of such five (5) Business Day period, after taking into account any revisions to this Agreement proposed by Parent in writing, the Special Committee continues to determine in good faith, after consultation with its outside legal counsel and outside financial advisor, that the failure to take such action would reasonably be expected to be inconsistent with the fiduciary duties of the members of the Company Board under applicable Law. Any material amendment to the financial terms or structure of a Superior Proposal shall require a new notice under this Section 5.02(f), except that the notice period for such amended Superior Proposal shall be two (2) Business Days.

5.03 Efforts.

(a) General Efforts. Subject to the terms and conditions of this Agreement, each party shall, and shall cause its controlled Affiliates to, use reasonable best efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things reasonably necessary, proper or advisable to consummate the Transactions as promptly as reasonably practicable, including (i) preparing and filing promptly all notices, filings, statements, registrations, submissions, applications and other documents required in connection therewith, (ii) obtaining all approvals, consents, registrations, permits, authorizations, exemptions, clearances, orders and other confirmations from any Governmental Authority or other Person necessary, proper or advisable to consummate the Transactions and (iii) executing and delivering any additional instruments reasonably necessary to consummate the Transactions.

(b) Takeover Laws. Each of Parent and the Company shall use reasonable best efforts to (i) take all action reasonably necessary to ensure that no Takeover Law is or becomes applicable to the Transactions and (ii) if any Takeover Law becomes applicable to the Transactions, take all action reasonably necessary so that the Transactions may be consummated as promptly as reasonably practicable on the terms contemplated by this Agreement and otherwise to minimize the effect of such Takeover Law on the Transactions.

(c) Regulatory Strategy. Subject to the Company consulting in good faith with Parent and considering in good faith Parent's reasonable comments, the Company shall have the right to direct the overall strategy for seeking the regulatory approvals required in connection with the Transactions, including the timing, sequencing and coordination of filings and submissions to Governmental Authorities and the positions to be taken in connection therewith; *provided* that the Company shall keep Parent reasonably informed of material developments and provide Parent a reasonable opportunity to review and comment on any material filing or written submission to a Governmental Authority relating to the Transactions, except where impracticable.

(d) Regulatory Cooperation. In furtherance of the foregoing, each party shall (i) promptly furnish the others with such information and reasonable assistance as may be requested in connection with the foregoing efforts, subject to applicable Law and customary confidentiality protections, and (ii) promptly notify the others of any substantive communication received from any Governmental Authority relating to the Transactions. Without limiting the foregoing, Parent and the Company shall cooperate in preparing and filing any applications, notifications or other submissions required by the Federal Communications Commission in connection with the transfer of control of the Company's broadcast licenses.

(e) No Required Divestiture. Nothing in this Agreement shall require Parent, Merger Sub, the Company or any of their respective Affiliates to agree to any sale, license, disposition, divestiture, hold separate arrangement, conduct restriction or other structural or behavioral remedy with respect to any business, asset or operation of Parent, the Company or any of their respective Affiliates, except to the extent Parent expressly agrees in writing.

(f) Third-Party Consents. Without limiting the foregoing, the Company shall, and shall cause its Subsidiaries to, use reasonable best efforts to obtain, as promptly as reasonably practicable, all consents, waivers and approvals required in connection with the consummation of the Transactions under any Material Contract and Company Lease listed on Section 5.03(f) of the Company Disclosure Letter. The Company shall keep Parent reasonably informed of the status of such efforts. Neither the Company nor any of its Subsidiaries shall, without the prior written consent of Parent (not to be unreasonably withheld, delayed or conditioned), in connection with obtaining any such consent, waiver or approval, (i) pay any consent fee or other consideration, (ii) agree to any amendment, waiver or modification of any such Material Contract, Company Lease or instrument or (iii) agree to any other concession or accommodation, in each case in connection with obtaining any such consent, waiver or approval.

5.04 Preferred Stock Consents. No later than two (2) Business Days following the date hereof, Parent shall cause to be delivered to the Company true and complete copies of all written consents required from the holders of Series A Preferred Stock and Series B Convertible Preferred Stock in connection with the Transactions and the amendment of the rights of such shares contemplated hereby.

5.05 Public Announcements. Except as may be required by applicable Law, Judgment, court process or the rules or requirements of OTC Markets, the SEC or any other applicable Governmental Authority, Parent and the Company shall consult with each other before issuing, and give each other a reasonable opportunity to review and comment upon, any press release or other public statement with respect to this Agreement or the Transactions, and shall not issue any such press release or make any such public statement without the prior written consent of the other party, such consent not to be unreasonably withheld, delayed or conditioned. The parties agree that the initial press release or other public announcement with respect to this Agreement and the Transactions shall be in a form mutually agreed by Parent and the Company. This Section 5.05 shall not apply to any disclosure that is consistent with prior disclosures made in accordance with this Section 5.05 and does not contain material non-public information regarding the other party that has not previously been disclosed in accordance with this Agreement.

5.06 Access to Information; Confidentiality.

(a) Access to Information. Subject to applicable Law and any applicable Judgment, from the date of this Agreement until the earlier of the Effective Time and the termination of this Agreement pursuant to Section 7.01, upon reasonable advance notice, the Company shall afford to Parent and its Representatives reasonable access during normal business hours to the Company's and its Subsidiaries' books, records, properties, Contracts, facilities and personnel, in each case as Parent may reasonably request for purposes of consummating the Transactions and, subject to applicable Antitrust Laws, for transition and integration planning; *provided* that such access shall be conducted in a manner that does not unreasonably interfere with the business or operations of the Company and its Subsidiaries. The Company shall furnish to Parent such financial, operating and other information regarding the Company and its Subsidiaries as Parent may reasonably request for such purposes.

(b) Limitations. Notwithstanding Section 5.06(a), the Company shall not be required to provide access to or disclose any information to the extent that doing so would reasonably be expected to (i) violate applicable Law, any Judgment or any binding confidentiality obligation to a third party, (ii) result in the loss of attorney-client privilege, attorney work product protection or other legal privilege, (iii) expose the Company or any of its Subsidiaries to material risk of liability for disclosure of sensitive or personal information or (iv) relate to any Takeover Proposal or any deliberations of the Company Board or the Special Committee with respect thereto, except as expressly required by Section 5.02; *provided* that, in each such case, the Company shall use commercially reasonable efforts to provide such access or information in a manner that would not result in any of the foregoing consequences, including through redaction, the entry into a common-interest arrangement, the use of clean teams or other reasonable alternative means.

(c) Confidentiality. For purposes of this Agreement, the Confidentiality Agreement by and between Parent and the Company, as in effect on the date of this Agreement, is referred to as the "**Confidentiality Agreement**". All information exchanged pursuant to this Section 5.06 shall remain subject to the Confidentiality Agreement; *provided* that, from and after the execution of this Agreement, Sections 5.05 and 5.06 shall govern public statements and access to and use of information in connection with the Transactions to the extent expressly addressed herein and shall supersede the Confidentiality Agreement solely to that extent. For the avoidance of doubt, the Confidentiality Agreement shall otherwise remain in full force and effect in accordance with its terms, including following any termination of this Agreement.

5.07 Indemnification and Insurance.

(a) Indemnification. From and after the Effective Time, Parent shall cause the Surviving Corporation and its Subsidiaries to, to the fullest extent permitted by applicable Law, indemnify and hold harmless each current or former director or officer of the Company or any of its Subsidiaries and each other Person who at the Effective Time is, or at any time prior to the Effective Time was, entitled to indemnification, advancement of expenses or exculpation under the Company Charter Documents, the organizational documents of any Subsidiary of the Company or any indemnification or similar agreement with the Company or any of its Subsidiaries in effect on the date of this Agreement (each, an "**Indemnitee**") against all claims, losses, liabilities, damages, judgments, fines, penalties, costs and expenses, including attorneys' fees and expenses,

arising out of or pertaining to any Action, whenever asserted, based on or arising out of, in whole or in part, the fact that such Person is or was a director, officer, employee, agent or fiduciary of the Company or any of its Subsidiaries or was serving at the request of the Company or any of its Subsidiaries in any such capacity for another Person, in each case for acts or omissions occurring at or prior to the Effective Time, including in connection with this Agreement and the Transactions.

(b) Advancement of Expenses. From and after the Effective Time, Parent shall cause the Surviving Corporation to advance expenses, including reasonable attorneys' fees and expenses, incurred by any Indemnitee in connection with any such Action in advance of the final disposition thereof, to the fullest extent permitted by applicable Law and upon receipt, if and to the extent required by applicable Law, of an undertaking by such Indemnitee to repay such amounts if it is ultimately determined that such Person is not entitled to indemnification.

(c) Organizational Documents. For a period of six years after the Effective Time, Parent shall cause the certificate of incorporation and bylaws or similar organizational and governance documents of the Surviving Corporation, and the organizational documents of its Subsidiaries, to contain provisions with respect to exculpation, indemnification and advancement of expenses that are no less favorable to the Indemnitees than those set forth in the Company Charter Documents and such organizational documents as in effect on the date of this Agreement, and such provisions shall not be amended, repealed or otherwise modified in any manner that would adversely affect the rights thereunder of any Indemnitee with respect to acts or omissions occurring at or prior to the Effective Time.

(d) D&O Insurance. Prior to the Effective Time, Parent shall obtain, or cause to be obtained, at Parent's expense, a prepaid six-year "tail" directors' and officers' liability insurance policy providing directors' and officers' liability insurance coverage for the benefit of the Indemnitees with respect to matters existing or occurring at or prior to the Effective Time, including the Transactions, on terms and conditions that are no less favorable, in the aggregate, than the coverage provided under the Company's existing directors' and officers' liability insurance policies; provided that the aggregate premium for such tail policy shall not exceed 300% of the annual premium currently paid by the Company for such insurance. If equivalent coverage is unavailable for such amount, Parent shall obtain the maximum coverage reasonably available for a premium of 300% of such annual premium. The Company shall reasonably cooperate with Parent in connection with the placement of such tail policy.

(e) Third-Party Beneficiaries. The provisions of this Section 5.07 are intended to be for the benefit of, and shall be enforceable by, each Indemnitee and such Person's heirs, estate, executors, administrators and other legal representatives, and shall be binding on all successors and assigns of Parent and the Surviving Corporation.

(f) Successors. In the event that Parent, the Surviving Corporation or any of their respective successors or assigns (i) consolidates with or merges into any other Person and is not the continuing or surviving entity of such consolidation or merger or (ii) transfers all or substantially all of its properties and assets to any Person, then proper provision shall be made so that the successors and assigns of Parent or the Surviving Corporation, as the case may be, assume all of the obligations set forth in this Section 5.07.

5.08 Employee Matters.

(a) Compensation and Benefits. During the twelve (12)-month period commencing at the Effective Time, Parent shall cause the Surviving Corporation and its Subsidiaries to provide each employee of the Company or any of its Subsidiaries who continues employment immediately following the Effective Time (each, a "**Continuing Employee**") with (i) a base salary or wage rate, as applicable, that is no less favorable than the base salary or wage rate in effect for such Continuing Employee immediately prior to the Effective Time, (ii) an annual target cash incentive opportunity that is no less favorable than that in effect for such Continuing Employee immediately prior to the Effective Time and (iii) employee benefit plans and arrangements that are substantially comparable in the aggregate to those provided to such Continuing Employee immediately prior to the Effective Time, in each case excluding any equity or equity-based compensation, defined benefit pension benefits, nonqualified deferred compensation benefits, retiree medical benefits and change in control, retention or special transaction bonuses.

(b) Service Credit. Solely to the extent that any Continuing Employee becomes eligible to participate following the Effective Time in any employee benefit plan maintained by the Surviving Corporation or any of its Subsidiaries, Parent shall cause the Surviving Corporation and its Subsidiaries to recognize, for purposes of eligibility and vesting (but not benefit accrual), such Continuing Employee's years of service with the Company and its Subsidiaries to the same extent recognized by the Company and its Subsidiaries immediately prior to the Effective Time; *provided* that no such service shall be recognized to the extent that such recognition would result in duplication of benefits.

(c) Welfare Benefit Plans. Solely to the extent that any Continuing Employee (and such Continuing Employee's eligible dependents) becomes eligible to participate following the Effective Time in any welfare benefit plan maintained by the Surviving Corporation or any of its Subsidiaries, Parent shall cause the Surviving Corporation and its Subsidiaries to use commercially reasonable efforts to cause such plan to (i) waive any pre-existing condition limitations, exclusions, waiting periods and actively-at-work requirements, except to the extent such limitations, exclusions, waiting periods or requirements would have applied under the corresponding Company Plan, and (ii) give credit, for the plan year in which the Effective Time occurs, for all eligible expenses incurred by such Continuing Employee and such dependents under the corresponding Company Plans for purposes of satisfying deductibles, coinsurance and maximum out-of-pocket requirements under such welfare benefit plans. For the avoidance of doubt, nothing in this Agreement shall require Parent or any of its Affiliates to maintain, adopt or make available any employee benefit plan of Parent or any of its Affiliates to any Continuing Employee or dependent thereof following the Effective Time.

(d) Annual Bonuses. If the Effective Time occurs prior to the payment of annual cash bonuses for fiscal year 2025, Parent shall cause the Surviving Corporation or the applicable Subsidiary to pay to each Continuing Employee who remains eligible therefor under the terms of the applicable bonus plan or program as in effect immediately prior to the Effective Time an annual cash bonus for fiscal year 2025 based on actual performance and determined in accordance with the terms of such bonus plan or program, payable at the time such bonuses are ordinarily paid in the ordinary course of business.

(e) No Amendment; No Employment Rights; No Third-Party Rights. Nothing in this Section 5.08, express or implied, shall (i) be treated as an amendment or other modification of any Company Plan or any other employee benefit plan, (ii) require Parent, the Surviving Corporation or any of their respective Affiliates to continue any particular employee benefit plan or arrangement following the Effective Time, (iii) create any obligation on the part of Parent, the Company, the Surviving Corporation or any of their respective Affiliates to continue the employment of any employee or service provider for any period following the Effective Time, or (iv) confer upon any current or former employee, director, independent contractor or other service provider of the Company or any of its Subsidiaries, or any dependent or beneficiary thereof, any third-party beneficiary or other right of any kind or nature whatsoever under or by reason of this Section 5.08.

5.09 Notification of Certain Matters. From the date of this Agreement until the Effective Time, Parent shall promptly notify the Company, and the Company shall promptly notify Parent, in writing of (a) any notice or other substantive written communication received by such party from any Governmental Authority in connection with this Agreement or the Transactions and (b) any Action commenced or, to such party's Knowledge, threatened against such party that relates to this Agreement or the Transactions. The Company shall promptly notify Parent of any stockholder litigation against the Company or any of its directors relating to this Agreement or the Transactions, shall keep Parent reasonably informed with respect thereto and shall give Parent a reasonable opportunity to participate in the defense and settlement thereof. The Company shall not settle or compromise any such stockholder litigation without Parent's prior written consent, such consent not to be unreasonably withheld, delayed or conditioned.

5.10 Merger Sub Matters. From the date of this Agreement until the Effective Time, except as expressly contemplated by this Agreement, Merger Sub shall not engage in any activity of any nature other than activities incident to its formation, the maintenance of its corporate existence and the Transactions, and shall not incur any liabilities or obligations other than those incident to its formation, the maintenance of its corporate existence and the Transactions.

5.11 OTC Markets and Reporting Matters. Parent shall cause the Surviving Corporation to use reasonable best efforts to take, or cause to be taken, all actions necessary, proper or advisable to terminate the quotation of the Company Common Stock on OTC Markets and to terminate any applicable public reporting obligations of the Company or the Surviving Corporation, in each case as promptly as reasonably practicable after the Effective Time. Prior to the Effective Time, the Company shall reasonably cooperate with Parent in connection therewith.

5.12 Preparation of Disclosure Document; Stockholders' Meeting.

(a) Disclosure Document. As promptly as reasonably practicable after the execution of this Agreement, the Company shall prepare, with the reasonable cooperation of Parent, the disclosure document required under applicable Law in connection with obtaining the Company Stockholder Approval, which may be a proxy statement, information statement or other stockholder disclosure document, as determined by counsel based on applicable Law, the Company's reporting status and the structure of the Transactions (the "**Disclosure Document**"). Parent shall furnish the Company all information concerning Parent, Merger Sub and their respective Affiliates reasonably requested by the Company for inclusion in the Disclosure

Document. Each of the Company, Parent and Merger Sub shall use reasonable best efforts to cause the Disclosure Document to comply in all material respects with applicable Law. To the extent required by applicable Law, the Company shall file or furnish the Disclosure Document with the SEC or any other applicable Governmental Authority and respond as promptly as reasonably practicable to any comments thereon. Parent and its counsel shall be given a reasonable opportunity to review and comment on the Disclosure Document and any response to comments thereon, and the Company shall consider such comments in good faith before disseminating the Disclosure Document to the Company's stockholders.

(b) Disclosure Document Accuracy. The Company shall cause the Disclosure Document, and Parent and Merger Sub shall cause the portions of the Disclosure Document relating to Parent, Merger Sub and their respective Affiliates and other information supplied by or on behalf of Parent or Merger Sub for inclusion therein, in each case at the time the Disclosure Document is disseminated to the stockholders of the Company and at the time of the Company Stockholders' Meeting, not to contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. Each of the Company, Parent and Merger Sub shall promptly notify the others if it becomes aware that any information furnished by it for inclusion in the Disclosure Document contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements therein not misleading, and the Company shall promptly prepare and, to the extent required by applicable Law, file, furnish, mail or otherwise disseminate any amendment or supplement to the Disclosure Document necessary to correct such misstatement or omission.

(c) Company Board Recommendation. Subject to Section 5.02, the Company Board, acting upon the recommendation of the Special Committee, shall include the Company Board Recommendation and the Special Committee Recommendation in the Disclosure Document.

(d) Stockholders' Meeting. Unless this Agreement has been validly terminated pursuant to Article 7, the Company shall, as promptly as reasonably practicable after the Disclosure Document is ready for dissemination in accordance with applicable Law, duly call, give notice of, convene and hold the Company Stockholders' Meeting for the purpose of obtaining the Company Stockholder Approval. Subject to Section 5.02, the Company shall use reasonable best efforts to solicit from its stockholders proxies in favor of obtaining the Company Stockholder Approval and shall take all other action necessary or advisable to secure the Company Stockholder Approval. For the avoidance of doubt, unless this Agreement has been validly terminated pursuant to Article 7, the obligation of the Company to convene and hold the Company Stockholders' Meeting in accordance with this Section 5.12(d) shall not be affected by any Adverse Recommendation Change.

(e) Adjournment or Postponement. The Company may adjourn, recess or postpone the Company Stockholders' Meeting (i) to the extent necessary to permit the filing, furnishing, mailing or dissemination of any supplement or amendment to the Disclosure Document required by applicable Law, (ii) if there are insufficient shares of Company Common Stock represented, either in person or by proxy, to constitute a quorum necessary to conduct business at the Company Stockholders' Meeting or (iii) to solicit additional proxies for the purpose of obtaining the Company Stockholder Approval; *provided* that, in the case of clauses (ii) and (iii), without Parent's

prior written consent, such consent not to be unreasonably withheld, delayed or conditioned, the Company Stockholders' Meeting shall not be adjourned, recessed or postponed to a date more than thirty days after the date for which such meeting was originally scheduled or to a date less than five (5) Business Days prior to the Outside Date.

(f) No Other Matters. Unless otherwise agreed in writing by Parent, the Company shall not submit to a vote of its stockholders any matter other than (i) the adoption of this Agreement and the approval of the Transactions and (ii) any customary procedural matters incidental to the conduct of the Company Stockholders' Meeting; provided that, to the extent practicable, the Company may also conduct matters customary to its annual meeting of stockholders at and in connection with the Company Stockholders' Meeting, including submitting customary annual meeting proposals to a vote of its stockholders.

5.13 Section 16 Matters. To the extent applicable, prior to the Effective Time, the Company shall take all actions reasonably necessary or advisable to cause the dispositions of equity securities of the Company (including any derivative securities) pursuant to the Transactions by each individual who is subject to Section 16 of the Exchange Act with respect to the Company to be exempt under Rule 16b-3 promulgated under the Exchange Act.

ARTICLE 6
CONDITIONS TO THE MERGER

6.01 Conditions to Each Party's Obligation to Effect the Merger. The respective obligations of each party hereto to effect the Merger shall be subject to the satisfaction or, to the extent permitted by applicable Law, waiver in writing by the party or parties entitled to the benefit thereof, at or prior to the Closing, of each of the following conditions:

(a) No Restraints. No Judgment enacted, promulgated, issued, entered, amended or enforced by any Governmental Authority of competent jurisdiction, and no applicable Law, shall be in effect enjoining, restraining or otherwise making illegal, preventing or prohibiting the consummation of the Merger (collectively, the "**Restraints**").

(b) Required Regulatory Approvals and Third-Party Consents. The consents, approvals, clearances, waivers, written consents and other authorizations set forth in Section 6.01(b) of the Company Disclosure Letter shall have been obtained and shall remain in full force and effect.

(c) FCC Approval. The FCC shall have granted its consent to the transfer of control of the FCC licenses, station authorizations and other communications Permits of the Company and its Subsidiaries required in connection with the consummation of the Merger, and such consent shall have become a Final Order, without the imposition of any condition, requirement, limitation, undertaking, obligation or commitment that would reasonably be expected to have a Material Adverse Effect on the Company and its Subsidiaries, taken as a whole.

(d) Company Stockholder Approval. The Company Stockholder Approval shall have been obtained.

6.02 Conditions to the Obligations of Parent and Merger Sub. The obligations of Parent and Merger Sub to effect the Merger shall be subject to the satisfaction or, to the extent permitted by applicable Law, waiver in writing by Parent, at or prior to the Closing, of each of the following conditions:

(a) Representations and Warranties of the Company. The representations and warranties set forth (i) in Section 3.01(a) (solely as to due organization, valid existence and good standing), Section 3.02, Section 3.04, Section 3.17 and Section 3.18 shall be true and correct as of the Closing Date as though made on and as of the Closing Date, except to the extent any such representation or warranty is expressly made as of an earlier date, in which case as of such earlier date, in all but de minimis respects, and (ii) in this Agreement other than those referred to in clause (i) shall be so true and correct as of the Closing Date as though made on and as of the Closing Date, except to the extent any such representation or warranty is expressly made as of an earlier date, in which case as of such earlier date, without giving effect to any materiality, Material Adverse Effect or similar qualifications contained therein, except where the failure of such representations and warranties to be so true and correct would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(b) Performance of Covenants. The Company shall have performed or complied in all material respects with all covenants and agreements required by this Agreement to be performed or complied with by the Company at or prior to the Closing.

(c) Officer's Certificate. The Company shall have delivered to Parent a certificate, dated the Closing Date and signed by the Chief Executive Officer or another senior executive officer of the Company, certifying that the conditions set forth in Section 6.02(a) and Section 6.02(b) have been satisfied.

6.03 Conditions to the Obligations of the Company. The obligations of the Company to effect the Merger shall be subject to the satisfaction or, to the extent permitted by applicable Law, waiver in writing by the Company, at or prior to the Closing, of each of the following conditions:

(a) Representations and Warranties of Parent and Merger Sub. The representations and warranties set forth (i) in Section 4.01, Section 4.02(a), Section 4.04, Section 4.05(a), Section 4.06, Section 4.07, Section 4.08 and Section 4.09 shall be true and correct as of the Closing Date as though made on and as of the Closing Date, except to the extent any such representation or warranty is expressly made as of an earlier date, in which case as of such earlier date, in all but de minimis respects and (ii) in this Agreement other than those referred to in clause (i) shall be so true and correct as of the Closing Date as though made on and as of the Closing Date, except to the extent any such representation or warranty is expressly made as of an earlier date, in which case as of such earlier date, without giving effect to any materiality, Material Adverse Effect or similar qualifications contained therein, except where the failure of such representations and warranties to be so true and correct would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(b) Performance of Covenants. Parent and Merger Sub shall have performed or complied in all material respects with all covenants and agreements required by this Agreement to be performed or complied with by Parent or Merger Sub, as applicable, at or prior to the Closing.

(c) Officer's Certificate. Parent shall have delivered to the Company a certificate, dated the Closing Date and signed by the Chief Executive Officer or another senior executive officer of Parent, certifying that the conditions set forth in Section 6.03(a) and Section 6.03(b) have been satisfied.

ARTICLE 7
TERMINATION

7.01 Mutual Termination Rights. This Agreement may be terminated at any time prior to the Effective Time (except as otherwise expressly provided herein), whether before or after the receipt of the Company Stockholder Approval:

(a) by the mutual written consent of Parent and the Company; or

(b) by either Parent or the Company:

(i) if the Effective Time shall not have occurred on or prior to the date that is five (5) months from the date of this Agreement (the "**Outside Date**"); *provided*, *however*, that the right to terminate this Agreement pursuant to this Section 7.01(b)(i) shall not be available to any party if the breach by such party of any of its representations, warranties, covenants or agreements set forth in this Agreement has been the principal cause of, or resulted in, the failure of the Effective Time to occur on or before the Outside Date (it being understood that Parent and Merger Sub shall be deemed a single party for purposes of the foregoing proviso); *provided*, *further*, that if, on the Outside Date, all of the conditions set forth in Article 6 (other than the conditions set forth in Section 6.01(a) and Section 6.01(c) and those conditions that by their nature are to be satisfied at the Closing) have been satisfied or waived (to the extent permitted by applicable Law), then the Outside Date shall automatically be extended for an additional sixty (60) days; *provided*, *further*, that if all of the conditions set forth in Article 6 (other than those conditions that by their nature are to be satisfied at the Closing) have been satisfied or waived (to the extent permitted by applicable Law) on or prior to the Outside Date and the Closing is required to occur pursuant to Section 1.02 on a date after the Outside Date, then the Outside Date shall automatically be extended to such required Closing Date;

(ii) if any Restraint having the effect set forth in Section 6.01(a) shall be in effect and shall have become final and nonappealable; or

(iii) if the Company Stockholders' Meeting (including any adjournments or postponements thereof) shall have concluded and the Company Stockholder Approval shall not have been obtained.

7.02 Parent Termination Rights. This Agreement may be terminated by Parent at any time prior to the Effective Time:

(a) if the Company shall have breached any of its representations or warranties, or failed to perform or comply with any of its covenants or agreements, set forth in this Agreement, which breach or failure to perform or comply (i) would give rise to the failure of a condition set forth in Section 6.02(a) or Section 6.02(b), and (ii) is incapable of being cured by the Outside Date

or, if capable of being cured by the Outside Date, has not been cured by the earlier to occur of (A) the Outside Date and (B) the date that is forty-five (45) days following receipt by the Company of written notice from Parent identifying such breach or failure to perform or comply and stating Parent's intention to terminate this Agreement pursuant to this Section 7.02(a); *provided*, *however*, that Parent shall not have the right to terminate this Agreement pursuant to this Section 7.02(a) if Parent or Merger Sub is then in breach of any of its representations, warranties, covenants or agreements set forth in this Agreement and such breach would give rise to the failure of any condition set forth in Section 6.01 or Section 6.03; or

(b) if the Company Board or the Special Committee shall have made an Adverse Recommendation Change.

7.03 Company's Termination Rights. This Agreement may be terminated by the Company at any time prior to the Effective Time:

(a) if Parent or Merger Sub shall have breached any of its representations or warranties, or failed to perform or comply with any of its covenants or agreements, set forth in this Agreement, which breach or failure to perform or comply (i) would give rise to the failure of a condition set forth in Section 6.03(a) or Section 6.03(b), and (ii) is incapable of being cured by the Outside Date or, if capable of being cured by the Outside Date, has not been cured by the earlier to occur of (A) the Outside Date and (B) the date that is forty-five (45) days following receipt by Parent of written notice from the Company identifying such breach or failure to perform or comply and stating the Company's intention to terminate this Agreement pursuant to this Section 7.03(a); *provided*, *however*, that the Company shall not have the right to terminate this Agreement pursuant to this Section 7.03(a) if the Company is then in breach of any of its representations, warranties, covenants or agreements set forth in this Agreement and such breach would give rise to the failure of any condition set forth in Section 6.01 or Section 6.02;

(b) if, prior to receipt of the Company Stockholder Approval, in order to enter into a definitive agreement with respect to a Superior Proposal, (i) the Company has received a Superior Proposal, (ii) the Special Committee has made the determinations required by Section 5.02(e) with respect thereto, (iii) the Company Board, acting upon the recommendation of the Special Committee, has authorized the Company to terminate this Agreement and enter into a definitive agreement with respect to such Superior Proposal, (iv) the Company has complied in all material respects with Section 5.02, including Section 5.02(f), and (v) concurrently with or immediately following such termination, the Company enters into such definitive agreement; or

(c) if (i) all of the conditions set forth in Section 6.01 and Section 6.02 have been satisfied or waived (to the extent permitted by applicable Law), other than those conditions that by their nature are to be satisfied at the Closing, so long as such conditions would be satisfied if the Closing were to occur on the date such notice is delivered, (ii) the Company has irrevocably confirmed in writing to Parent that (A) all of the conditions set forth in Section 6.03 have been satisfied or, to the extent permitted by applicable Law, the Company is willing to waive any unsatisfied conditions set forth in Section 6.03, other than those conditions that by their nature are to be satisfied at the Closing, so long as such conditions would be satisfied if the Closing were to occur on the date of such notice, (B) the Company is ready, willing and able to consummate the Closing, and (C) Parent and Merger Sub are required to consummate the Closing pursuant to

Section 1.02, and (iii) Parent and Merger Sub fail to consummate the Closing within three (3) Business Days after the later of (A) the date such written notice is delivered to Parent and (B) the date on which the Closing is required to occur pursuant to Section 1.02; *provided, however*, that during such three (3) Business Day period, neither Parent nor the Company shall be permitted to terminate this Agreement pursuant to Section 7.01(b)(i).

7.04 Effect of Termination. In the event of the termination of this Agreement pursuant to this Article 7, written notice thereof shall promptly be delivered by the terminating party to the other party or parties hereto specifying the provision of this Agreement pursuant to which such termination is effected. Upon such termination, this Agreement shall become null and void and have no further force or effect, except that: (a) Section 5.06(c), this Section 7.04, Section 7.05 and Article 8 shall survive such termination and remain in full force and effect in accordance with their respective terms; (b) no such termination shall relieve any party from any liability for any willful breach of this Agreement prior to such termination or for Fraud; and (c) nothing in this Section 7.04 shall limit any party's right to seek reimbursement or payment pursuant to Section 7.05 in accordance with its terms.

7.05 Expense Reimbursement.

(a) Reimbursement Obligation.

(i) If this Agreement is terminated by Parent pursuant to Section 7.02(b), or by the Company pursuant to Section 7.03(b), the Company shall reimburse Parent (for the benefit of itself and Merger Sub) for their documented, reasonable out-of-pocket fees and expenses actually incurred in connection with the negotiation, execution, delivery and performance of this Agreement and the Transactions, including the fees and expenses of counsel, accountants, financial advisors and other representatives, in an aggregate amount not to exceed $500,000 (the "**Parent Expense Reimbursement**"). Notwithstanding anything in this Agreement to the contrary, in no event shall the Company be required to pay the Parent Expense Reimbursement more than once.

(ii) If this Agreement is terminated by the Company pursuant to Section 7.03(a) or Section 7.03(c), Parent shall reimburse the Company for its documented, reasonable out-of-pocket fees and expenses actually incurred in connection with the negotiation, execution, delivery and performance of this Agreement and the Transactions, including the fees and expenses of counsel, accountants, financial advisors and other representatives, in an aggregate amount not to exceed $500,000 (the "**Company Expense Reimbursement**" and together with the Parent Expense Reimbursement, the "**Expense Reimbursements**"). Notwithstanding anything in this Agreement to the contrary, in no event shall Parent be required to pay the Company Expense Reimbursement more than once.

(b) Timing of Payment. Any Expense Reimbursements due under this Agreement in connection with any termination hereof shall be paid by wire transfer of immediately available funds no later than two (2) Business Days following such termination.

(c) Acknowledgment of Reasonableness. The parties acknowledge that the agreements contained in this Section 7.05 are an integral part of the Transactions, that without these agreements the parties would not have entered into this Agreement, and that the Expense Reimbursement does not constitute a penalty, but rather represents reimbursement for expenses incurred in connection with this Agreement and the Transactions.

ARTICLE 8
MISCELLANEOUS PROVISIONS

8.01 No Survival of Representations, Warranties and Certain Covenants. None of the representations and warranties contained in this Agreement, or in any certificate or other instrument delivered pursuant to this Agreement, and none of the covenants or agreements contained in this Agreement that by their terms are to be performed at or prior to the Effective Time, shall survive the Effective Time. This Section 8.01 shall not limit the survival of any covenant or agreement contained in this Agreement or in any certificate or other instrument delivered pursuant to this Agreement that by its terms contemplates performance, in whole or in part, after the Effective Time.

8.02 Amendment or Supplement. Subject to applicable Law, this Agreement may be amended, modified or supplemented at any time prior to the Effective Time only by an agreement in writing executed by Parent, Merger Sub and the Company; *provided*, *however*, that, following receipt of the Company Stockholder Approval, no amendment, modification or supplement shall be made that would require further approval or adoption of this Agreement by the stockholders of the Company under applicable Law without such further approval having first been obtained.

8.03 Extension; Waiver. At any time prior to the Effective Time, Parent (on behalf of itself and Merger Sub), and the Company may, to the extent permitted by applicable Law, (a) waive any inaccuracies in the representations and warranties of the other party contained in this Agreement or in any certificate or other instrument delivered pursuant to this Agreement, (b) extend the time for the performance of any of the obligations or acts of the other party or (c) waive compliance by the other party with any of the agreements, covenants or conditions contained in this Agreement for the benefit of such waiving party; *provided*, *however*, that, following receipt of the Company Stockholder Approval, no such extension or waiver shall be made if such extension or waiver would require further approval or adoption of this Agreement by the stockholders of the Company under applicable Law without such further approval having first been obtained. No failure or delay by any party in exercising any right under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right under this Agreement. Any extension or waiver pursuant to this Section 8.03 shall be valid only if set forth in an instrument in writing signed by the party or parties to be bound thereby.

8.04 Assignment. Neither this Agreement nor any of the rights, interests or obligations hereunder may be assigned, in whole or in part, by operation of Law or otherwise, by any party

without the prior written consent of the other parties; *provided* that Parent or Merger Sub may assign this Agreement or any of their respective rights or obligations hereunder to one or more Affiliates of Parent, but no such assignment shall relieve Parent or Merger Sub of any of their respective obligations hereunder. Subject to the immediately preceding sentence, this Agreement shall be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors and permitted assigns. Any purported assignment in violation of this Section 8.04 shall be null and void ab initio.

8.05 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of this Agreement by facsimile, by portable document format (.pdf) or by electronic transmission in accordance with applicable Law, including by electronic signature, shall be as effective as delivery of an original executed counterpart of this Agreement.

8.06 Governing Law; Jurisdiction.

(a) Governing Law. This Agreement, and all Actions arising out of or relating to this Agreement or the Transactions, including any dispute arising out of or relating to the interpretation, validity, construction, breach, enforcement or termination of this Agreement or the Transactions, shall be governed by, and construed in accordance with, the Laws of the State of Delaware, without giving effect to any choice or conflict of law provision or rule that would cause the application of the Laws of any jurisdiction other than the State of Delaware.

(b) Jurisdiction. Each of the parties irrevocably agrees that any Action arising out of or relating to this Agreement or the Transactions shall be brought and determined exclusively in the Court of Chancery of the State of Delaware; *provided* that if the Court of Chancery of the State of Delaware does not have subject matter jurisdiction over any such Action, such Action shall be brought exclusively in the Superior Court of the State of Delaware, Complex Commercial Litigation Division, or, if jurisdiction is vested exclusively in the federal courts, in the United States District Court for the District of Delaware. Each of the parties hereby irrevocably and unconditionally (i) submits to the exclusive jurisdiction of such courts for purposes of any such Action, (ii) agrees that all claims in respect of any such Action shall be heard and determined only in such courts, (iii) waives, to the fullest extent permitted by applicable Law, any objection that it may now or hereafter have to the laying of venue of any such Action in any such court, (iv) waives, to the fullest extent permitted by applicable Law, the defense of an inconvenient forum to the maintenance of any such Action in any such court, and (v) agrees not to commence any such Action in any court other than the applicable courts described in this Section 8.06(b), except for any Action to enforce a final judgment of any such court. Each party agrees that service of process upon such party in any such Action shall be effective if notice is given in accordance with Section 8.09. Nothing in this Section 8.06 shall affect the right of any party to serve legal process in any other manner permitted by applicable Law.

8.07 Equitable Relief. The parties acknowledge and agree that irreparable damage would occur, and that monetary damages, even if available, would not be an adequate remedy, in the event that any provision of this Agreement were not performed in accordance with its specific terms or were otherwise breached. Accordingly, subject to the terms and conditions of this Agreement, each party

shall be entitled to an injunction, specific performance and other equitable relief to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement, in each case without proof of actual damages or otherwise and without the requirement to post any bond or other security. The rights of the parties under this Section 8.07 are in addition to, and not in substitution for, any other remedy to which such party may be entitled at Law or in equity, subject in all respects to the terms of this Agreement. Each party agrees that it shall not assert, and hereby waives, any objection to the grant of equitable relief on the basis that an adequate remedy at Law exists. Notwithstanding the foregoing, nothing in this Section 8.07 shall require the Company, Parent or Merger Sub to consummate the Closing if the conditions to such party's obligation to consummate the Closing set forth in Article 6 have not been satisfied or waived to the extent permitted by this Agreement.

8.08 Waiver of Jury Trial. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY ACTION ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND ACCORDINGLY EACH PARTY HEREBY IRREVOCABLY, UNCONDITIONALLY AND KNOWINGLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY SUCH ACTION. EACH PARTY ACKNOWLEDGES THAT (A) NO REPRESENTATIVE OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT SEEK TO ENFORCE THIS WAIVER IN THE EVENT OF ANY ACTION, (B) IT HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) IT MAKES THIS WAIVER VOLUNTARILY, AND (D) IT HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS SET FORTH IN THIS SECTION 8.08.

8.09 Notices. All notices, requests, demands, claims and other communications hereunder shall be in writing and shall be deemed duly given: (a) when delivered personally to the recipient; (b) when sent by electronic mail, if sent during normal business hours of the recipient, or on the next Business Day if sent after normal business hours of the recipient, provided that no notice of non-delivery or similar failure to deliver is received by the sender; or (c) one Business Day after being sent to the recipient by nationally recognized overnight courier service (charges prepaid), in each case to the applicable addresses or email addresses set forth below, or to such other address or email address as may be designated by notice given in accordance with this Section 8.09:

If to Parent or Merger Sub, to:

The Christian Community Foundation, Inc.
10807 New Allegiance Drive, Suite 240
Colorado Springs, Colorado 80921
Attention: Richard von Gnechten
Email: rickv@waterstone.org

with a copy (which shall not constitute notice) to:

Versa Law
1050 Connecticut Avenue, NW, Suite 500
Washington, DC 20036

Attention: Alex Cannon, Esq.
Email: acannon@versalawfirm.com

If to the Company, to:

Salem Media Group, Inc.
4880 Santa Rosa Road
Camarillo, California 93012
Attention: Executive Vice President, Chief Legal Officer
Email: chrish@salemmedia.com

with a copy (which shall not constitute notice) to:

Orrick, Herrington & Sutcliffe LLP
51 West 52nd Street
New York, New York 10019
Attention: Mark Mushkin, Esq.
Email: mmushkin@orrick.com

8.10 Severability. If any term or other provision of this Agreement is held by a court of competent jurisdiction to be invalid, illegal or incapable of being enforced under any applicable Law or public policy, all other terms and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic and legal substance of the Transactions is not affected in any manner materially adverse to any party hereto. Upon any such determination, the parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the Transactions be consummated as originally contemplated to the fullest extent possible. For the avoidance of doubt, the provisions of Section 7.04, Section 7.05 and Section 8.07 are integral parts of this Agreement and shall not be severed or modified in any manner that would materially increase any party's obligations or liabilities hereunder beyond those expressly set forth in this Agreement.

8.11 Fees and Expenses. Except as otherwise expressly provided in this Agreement, including Section 5.07(d) and Section 7.05, whether or not the Transactions are consummated, all fees and expenses incurred in connection with this Agreement and the Transactions shall be paid by the party incurring such fees or expenses.

8.12 Performance Guaranty. Parent hereby irrevocably guarantees to the Company the due, prompt and faithful payment, performance and discharge by Merger Sub of all of Merger Sub's obligations under this Agreement in accordance with the terms hereof. This guaranty is one of payment and performance and not of collection. The Company may proceed directly against Parent under this Section 8.12 without first proceeding against Merger Sub. Parent hereby waives notice of acceptance of this guaranty and any requirement that the Company exhaust any right, power or remedy, or proceed first against Merger Sub, before proceeding against Parent under this Section 8.12. Notwithstanding the foregoing, Parent's obligations under this Section 8.12 shall not exceed, and shall be subject to, the obligations of Merger Sub under this Agreement, and nothing in this Section 8.12 shall expand the obligations or liabilities of Parent or Merger Sub beyond those expressly set forth in this Agreement.

8.13 Interpretation.

(a) General Rules. For purposes of this Agreement, unless the context otherwise requires: (i) references to an Article, Section, Exhibit or Schedule mean an Article or Section of, or an Exhibit or Schedule to, this Agreement; (ii) the table of contents and headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement; (iii) the words "include," "includes" and "including" shall be deemed to be followed by the words "without limitation"; (iv) the words "hereof," "herein," "hereto," "hereunder" and words of similar import refer to this Agreement as a whole and not to any particular provision of this Agreement; (v) the word "or" shall not be exclusive; (vi) the word "extent" in the phrase "to the extent" means the degree to which a subject or other thing extends and shall not simply mean "if"; (vii) the word "will" shall be construed to have the same meaning and effect as the word "shall"; (viii) references to "dollars" or "$" mean U.S. dollars; (ix) references to any Law shall mean such Law as amended, modified or supplemented from time to time, including the rules and regulations promulgated thereunder and any successor Law thereto; (x) references to any Person shall include such Person's successors and permitted assigns; (xi) all accounting terms not otherwise defined herein shall have the meanings given to them under GAAP; (xii) the singular shall include the plural and the plural shall include the singular, and words importing any gender shall include all genders; (xiii) any reference to a day or number of days shall mean calendar days unless Business Days are expressly specified; (xiv) when calculating the period of time before which, within which or following which any act is to be done or step taken pursuant to this Agreement, the date that is the reference date in calculating such period shall be excluded, and if the last day of such period is not a Business Day, the period shall end on the next succeeding Business Day; (xv) the phrase "made available to Parent" means made available in the electronic data room maintained by or on behalf of the Company in connection with the Transactions at least one (1) Business Day prior to the execution of this Agreement; and (xvi) references to the "ordinary course of business" or similar phrases mean the ordinary course of business consistent with past practice, including with respect to nature, scope, frequency and magnitude.

(b) Subsidiary Undertaking. Whenever this Agreement requires the Company to cause any of its Subsidiaries to take any action, the Company shall be deemed to have undertaken to cause such Subsidiary to take such action and, from and after the Effective Time, the Surviving Corporation shall be deemed to have undertaken to cause such Subsidiary to take such action.

(c) Joint Drafting. The parties have participated jointly in the negotiation and drafting of this Agreement. If an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as jointly drafted by the parties, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provision of this Agreement.

8.14 Definitions. As used in this Agreement, the following terms have the meanings set forth below:

"**Acceptable Confidentiality Agreement**" means a confidentiality agreement entered into by the Company that contains confidentiality provisions that are not materially less favorable in the aggregate to the Company than those contained in the Confidentiality

Agreement; *provided* that such agreement need not contain any standstill or similar provision and may contain provisions expressly permitting the Company to comply with its obligations under this Agreement.

"**Action**" means any action, suit, claim, complaint, charge, grievance, litigation, arbitration, mediation, hearing, audit, examination, investigation or other proceeding, whether civil, criminal, administrative, regulatory or otherwise, by or before any Governmental Authority or arbitrator.

"**Adverse Recommendation Change**" has the meaning set forth in Section 5.02(d).

"**Affiliate**" means, as to any Person, any other Person that, directly or indirectly, controls, is controlled by or is under common control with such Person. For purposes of this definition, "control" (including, with correlative meanings, "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through ownership of voting securities or other ownership interests, by Contract or otherwise.

"**Antitrust Laws**" means the Sherman Act, the Clayton Act, the HSR Act, the Federal Trade Commission Act and all other applicable Laws issued by a Governmental Authority that are designed or intended to prohibit, restrict or regulate actions having the purpose or effect of monopolization, restraint of trade or lessening of competition through merger or acquisition.

"**Appraisal Shares**" has the meaning set forth in Section 2.04(a).

"**Atsinger Group**" means Edward G. Atsinger III, together with (i) his immediate family members, (ii) any trusts, estates or other entities established for the benefit of, or controlled by, any of the foregoing, and (iii) any Affiliates of any of the foregoing.

"**Balance Sheet Date**" has the meaning set forth in Section 3.06(c).

"**Bankruptcy and Equity Exception**" means the effect of any applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer, fraudulent conveyance or similar Laws affecting creditors' rights generally and of general principles of equity, regardless of whether considered in a proceeding in equity or at law.

"**Book-Entry Share**" has the meaning set forth in Section 2.01(c).

"**Broadridge**" has the meaning set forth in Section 2.02(b)(i).

"**Business Day**" means any day other than a Saturday, Sunday or other day on which banks in New York, New York are authorized or required by applicable Law to be closed.

"**Capitalization Date**" has the meaning set forth in Section 3.02(a)(ii).

"**Certificate of Merger**" has the meaning set forth in Section 1.03.

"**Class A Common Stock**" means the Company's Class A common stock, as designated in the Company Charter Documents.

"**Class B Common Stock**" means the Company's Class B common stock, as designated in the Company Charter Documents.

"**Closing**" has the meaning set forth in Section 1.02.

"**Closing Date**" has the meaning set forth in Section 1.02.

"**COBRA**" means Part 6 of Subtitle B of Title I of ERISA, Section 4980B of the Code and any similar applicable state Law.

"**Code**" means the Internal Revenue Code of 1986, as amended.

"**Collective Bargaining Agreement**" means any collective bargaining agreement or other Contract with a labor union, works council, labor organization, trade union or other employee representative body, excluding any national, industry-wide or similar generally applicable arrangement not entered into directly by the Company or any of its Subsidiaries.

"**Commonly Controlled Entity**" means any Person that, together with the Company or any of its Subsidiaries, is or would be treated as a single employer under Section 414(b), (c), (m) or (o) of the Code.

"**Company**" has the meaning set forth in the preamble.

"**Company Board**" has the meaning set forth in the recitals.

"**Company Board Recommendation**" has the meaning set forth in the recitals.

"**Company Charter Documents**" means the certificate of incorporation and bylaws of the Company, in each case as amended and in effect on the date of this Agreement.

"**Company Common Stock**" has the meaning set forth in the recitals.

"**Company Disclosure Letter**" has the meaning set forth in Article 3.

"**Company Equity Awards**" has the meaning set forth in Section 2.03(d).

"**Company Expense Reimbursement**" has the meaning set forth in Section 7.05(a)(ii).

"**Company Lease**" means each lease, sublease, ground lease, license, concession or other Contract pursuant to which the Company or any of its Subsidiaries is the tenant, subtenant, licensee or occupant of any real property, together with all amendments, modifications, extensions, renewals, guaranties and other agreements related thereto.

"**Company Option**" has the meaning set forth in Section 2.03(a).

"**Company Plan**" means each plan, program, policy, Contract, agreement or other arrangement that is sponsored, maintained or contributed to by the Company or any of its Subsidiaries, or under which the Company or any of its Subsidiaries has any current or contingent liability or obligation, for the benefit of any current or former director, officer, employee, independent contractor or other individual service provider of the Company or any of its Subsidiaries (or any dependent or beneficiary thereof), including each "employee benefit plan" within the meaning of Section 3(3) of ERISA, each stock option, stock purchase, stock appreciation right, restricted stock, restricted stock unit or other equity or equity-based compensation arrangement, and each bonus, incentive compensation, deferred compensation, profit-sharing, retirement, post-retirement, welfare, fringe benefit, vacation, severance, change in control, retention, employment, consulting or other compensation or benefit plan, program, policy, Contract, agreement or arrangement, in each case other than any such plan, program, policy, Contract, agreement or arrangement that is mandated by applicable Law or sponsored and administered by a Governmental Authority.

"**Company Reports**" has the meaning set forth in Section 3.06(a).

"**Company Restricted Share**" has the meaning set forth in Section 2.03(c).

"**Company RSU**" has the meaning set forth in Section 2.03(b).

"**Company Stockholder Approval**" has the meaning set forth in Section 3.04(c).

"**Company Stockholders' Meeting**" means the meeting of the stockholders of the Company called for the purpose of obtaining the Company Stockholder Approval, and any adjournment, recess or postponement thereof.

"**Confidentiality Agreement**" has the meaning set forth in Section 5.06(c).

"**Continuing Employee**" has the meaning set forth in Section 5.08(a).

"**Contract**" means any contract, agreement, lease, sublease, license, note, bond, mortgage, indenture, commitment, purchase order or other legally binding obligation, whether written or oral.

"**Copyrights**" has the meaning set forth in the definition of Intellectual Property.

"**Disclosure Document**" has the meaning set forth in Section 5.12(a).

"**DGCL**" has the meaning set forth in the recitals.

"**Domain Names**" has the meaning set forth in the definition of Intellectual Property.

"**Effective Time**" has the meaning set forth in Section 1.03.

"**Encumbrance**" means any lien, pledge, charge, mortgage, deed of trust, security interest, encroachment, easement, right of way, restriction, covenant, condition, defect in title,

option, right of first refusal, right of first offer, adverse claim or other encumbrance of any kind.

"**Environmental Laws**" means all applicable Laws relating to pollution, protection of the environment or natural resources, human health and safety as affected by exposure to Hazardous Materials, or the manufacture, use, handling, treatment, storage, disposal, release or threatened release of Hazardous Materials.

"**Epperson Group**" means Stuart Epperson Jr., together with (i) his immediate family members, (ii) any trusts, estates or other entities established for the benefit of, or controlled by, any of the foregoing, and (iii) any Affiliates of any of the foregoing.

"**ERISA**" means the Employee Retirement Income Security Act of 1974, as amended.

"**Exchange Act**" means the Securities Exchange Act of 1934, as amended.

"**Exchange Fund**" has the meaning set forth in Section 2.02(a).

"**Expense Reimbursements**" has the meaning set forth in Section 7.05(a)(ii).

"**FCC**" means the Federal Communications Commission.

"**Final Order**" means an action by a Governmental Authority that has not been reversed, stayed, enjoined, set aside, annulled or suspended and as to which any period for seeking rehearing, reconsideration, appeal or other review has expired or been terminated.

"**FINRA**" means the Financial Industry Regulatory Authority.

"**Fraud**" means actual and intentional common law fraud under Delaware law with respect to the making of the representations and warranties expressly set forth in Article 3 and Article 4.

"**GAAP**" means United States generally accepted accounting principles, consistently applied.

"**Governmental Authority**" means any federal, state, local, foreign or multinational government or political subdivision thereof, or any court, tribunal, administrative agency, commission or other governmental, quasi-governmental, regulatory or self-regulatory authority or body.

"**Hazardous Materials**" means any substance, material or waste that is regulated under any applicable Environmental Law, including petroleum and petroleum products, asbestos, polychlorinated biphenyls and per- and polyfluoroalkyl substances.

"**HSR Act**" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

"**Indebtedness**" means, with respect to any Person, without duplication, all obligations of such Person for borrowed money, obligations evidenced by bonds, debentures, notes or similar instruments, obligations in respect of letters of credit or bankers' acceptances to the extent drawn, capitalized lease obligations, obligations for the deferred purchase price of property or services (other than trade payables incurred in the ordinary course of business), and guarantees of any of the foregoing.

"**Indemnitee**" has the meaning set forth in Section 5.07(a).

"**Intellectual Property**" means all intellectual property and proprietary rights of any kind in any jurisdiction worldwide, including: (a) Patents; (b) Trademarks; (c) copyrights and other rights in works of authorship, whether or not copyrightable, and all registrations and applications therefor ("**Copyrights**"); (d) internet domain names and registrations therefor ("**Domain Names**"); (e) Trade Secrets; (f) Software; (g) social media accounts, handles and identifiers; and (h) all registrations and applications for registration of any of the foregoing.

"**Intervening Event**" means any material effect, change, fact, circumstance, development, event or occurrence with respect to the Company and its Subsidiaries, taken as a whole, that was not known to, or reasonably foreseeable by, the Special Committee as of or prior to the date of this Agreement, which becomes known to the Special Committee after the date of this Agreement and prior to the Company Stockholder Approval; *provided* that none of the following, in and of itself, shall constitute an Intervening Event: (a) the receipt, existence or terms of a Takeover Proposal or any inquiry or matter relating thereto; (b) changes in the market price or trading volume of the Company Common Stock; or (c) the fact that the Company meets or exceeds any internal or published projections, forecasts, guidance, estimates, milestones, budgets or predictions, in each case unless and only to the extent that the underlying causes of such matters are otherwise permitted to be taken into account.

"**IRS**" means the United States Internal Revenue Service.

"**Judgment**" means any judgment, order, decree, injunction, ruling, writ, award, stipulation, determination or similar decision of any Governmental Authority.

"**Knowledge**" means: (a) with respect to the Company, the actual knowledge, after reasonable inquiry, of the Company's Chief Executive Officer, Chief Financial Officer and General Counsel; and (b) with respect to Parent or Merger Sub, the actual knowledge, after reasonable inquiry, of the executive officers of Parent.

"**Laws**" means any federal, state, local, foreign or multinational law, statute, ordinance, code, rule, regulation or other legally binding requirement enacted, issued or promulgated by a Governmental Authority.

"**Leased Real Property**" means all real property leased, subleased, licensed, occupied or otherwise used by the Company or any of its Subsidiaries pursuant to a Company Lease.

"**Material Adverse Effect**" means any effect, change, fact, circumstance, development, event or occurrence that, individually or in the aggregate, (a) has had, or would reasonably be expected to have, a material adverse effect on the business, assets, liabilities, results of operations or financial condition of the Company and its Subsidiaries, taken as a whole, or (b) would reasonably be expected to prevent or materially delay or impair the ability of the Company to consummate the Transactions; *provided* that, with respect to clause (a), none of the following shall constitute or be taken into account in determining whether there has been or would reasonably be expected to be a Material Adverse Effect to the extent arising out of or resulting from: (i) changes generally affecting the industries in which the Company and its Subsidiaries operate or changes in general economic, business, financial, credit or capital market conditions, including changes in interest rates, exchange rates, monetary policy or inflation; (ii) changes in applicable Law or GAAP or the interpretation or enforcement thereof; (iii) changes in political, geopolitical or social conditions generally; (iv) acts of war, sabotage, cyberterrorism, terrorism or military actions, or any escalation or worsening thereof; (v) earthquakes, hurricanes, floods, tornadoes, wildfires or other natural disasters, weather events, pandemics, epidemics or other force majeure events; (vi) the announcement, pendency or performance of this Agreement or the consummation of the Transactions, including the identity of Parent or Merger Sub and the impact thereof on relationships with employees, customers, vendors, licensors, distributors, partners or regulators, or any litigation arising from allegations of breach of fiduciary duty or violation of Law relating to this Agreement or the Transactions; (vii) any action taken by the Company or any of its Subsidiaries that is expressly required by this Agreement or taken with Parent's prior written consent; (viii) any failure by the Company to meet any internal or published projections, forecasts, estimates, milestones, budgets or predictions of financial or operating performance, or any change in the market price or trading volume of the Company Common Stock or the Company's credit ratings, except that the underlying causes thereof may be taken into account to the extent not otherwise excluded; or (ix) any matter disclosed in the Company Reports filed or publicly furnished prior to the date of this Agreement; *provided*, *further*, that the matters described in clauses (i) through (v) may be taken into account to the extent they have a disproportionate adverse effect on the Company and its Subsidiaries, taken as a whole, relative to other participants in the industries in which the Company and its Subsidiaries operate, in which case only the incremental disproportionate adverse effect may be taken into account.

"**Material Contract**" means any Contract to which the Company or any of its Subsidiaries is a party or by which any of them or any of their respective assets is bound that: (a) would be required to be filed by the Company as a "material contract" pursuant to Item 601(b)(10) of Regulation S-K if the Company were subject to such requirement; (b) relates to Indebtedness for borrowed money, or the deferred purchase price of property, in each case in excess of $100,000, other than intercompany obligations solely among the Company and its wholly owned Subsidiaries; (c) contains any covenant or other provision that materially restricts the ability of the Company or any of its Subsidiaries to compete in any line of business or geographic area, or to engage in any business with any Person; (d) is a Company Lease for any material Leased Real Property; (e) is a Collective Bargaining Agreement; (f) provides for the formation, creation, operation, management or control of any partnership, joint venture, strategic alliance or other similar arrangement that is material to the business of the Company and its Subsidiaries, taken as a whole; (g) relates

to the acquisition or disposition, directly or indirectly, of any business, assets, stock or other equity interests, in each case, that involves continuing obligations of the Company or any of its Subsidiaries that are material to the business of the Company and its Subsidiaries, taken as a whole; (h) is a Programming Distribution Contract that is material to the business of the Company and its Subsidiaries, taken as a whole; (i) grants any exclusive license to any material Owned Company Intellectual Property, or grants to the Company or any of its Subsidiaries any exclusive license to any Intellectual Property material to the business of the Company and its Subsidiaries, taken as a whole, other than commercially available off-the-shelf software; (j) is between the Company or any of its Subsidiaries, on the one hand, and any director, officer, stockholder holding five percent (5%) or more of the voting power of the Company, or Affiliate of any of the foregoing, on the other hand, other than ordinary-course employment, compensatory or indemnification arrangements and Company Leases entered into in the ordinary course of business; or (k) is a settlement, conciliation or similar agreement with any Governmental Authority or other Person that (i) involves continuing material obligations, restrictions or non-monetary relief applicable to the Company or any of its Subsidiaries or (ii) would reasonably be expected to be material to the business of the Company and its Subsidiaries, taken as a whole.

"**Material Syndication Contract**" has the meaning set forth in Section 3.15(d).

"**Merger**" has the meaning set forth in the recitals.

"**Merger Consideration**" has the meaning set forth in Section 2.01(c).

"**Merger Sub**" has the meaning set forth in the preamble.

"**Merger Sub Stockholder Approval**" has the meaning set forth in the recitals.

"**OTC Markets**" means OTC Markets Group Inc.

"**Outside Date**" has the meaning set forth in Section 7.01(b)(i).

"**Owned Company Intellectual Property**" means all Intellectual Property that is owned or purported to be owned by the Company or any of its Subsidiaries.

"**Owned Real Property**" means all real property owned in fee by the Company or any of its Subsidiaries.

"**Parent**" has the meaning set forth in the preamble.

"**Parent Expense Reimbursement**" has the meaning set forth in Section 7.05(a)(i).

"**Patents**" means all patents and patent applications, and all provisionals, continuations, continuations-in-part, divisionals, substitutions, reissues, reexaminations, renewals, extensions and restorations thereof.

"**Paying Agent**" has the meaning set forth in Section 2.02(a).

"**Permits**" means all permits, licenses, franchises, certificates, approvals, consents, authorizations, clearances, exemptions, registrations and similar rights issued by or obtained from any Governmental Authority.

"**Permitted Encumbrances**" means: (a) statutory liens for Taxes not yet due and payable or that are being contested in good faith by appropriate proceedings and for which adequate reserves have been established in accordance with GAAP; (b) mechanics', carriers', workmen's, warehousemen's, repairmen's, landlords' and similar liens arising or incurred in the ordinary course of business for amounts not yet due and payable; (c) zoning, entitlement, building and other land use regulations imposed by Governmental Authorities having jurisdiction over real property that are not violated in any material respect by the current use or occupancy thereof; (d) easements, rights of way, encroachments, restrictions, conditions and other similar non-monetary Encumbrances affecting title to real property that do not, individually or in the aggregate, materially impair the current use, occupancy, operation or value of the applicable property; (e) non-exclusive licenses of Intellectual Property granted in the ordinary course of business; (f) pledges and deposits made in the ordinary course of business in connection with workers' compensation, unemployment insurance or similar applicable Law; (g) Encumbrances arising under purchase money security interests and conditional sale arrangements incurred in the ordinary course of business and not in violation of this Agreement; (h) Encumbrances that will be released or discharged at or prior to the Effective Time; and (i) such other Encumbrances that do not materially detract from the value of, or materially impair the use or operation of, the applicable asset or property.

"**Person**" means any individual, corporation, partnership, limited liability company, association, trust, unincorporated organization, Governmental Authority or other entity or group (within the meaning of Section 13(d) of the Exchange Act).

"**Personal Information**" means any information that identifies, relates to, describes, is reasonably capable of being associated with or could reasonably be linked, directly or indirectly, with an identified or identifiable natural person, and any other "personal information," "personal data," "personally identifiable information" or similar term regulated under applicable Law.

"**Preferred Stock**" means, collectively, the Series A Preferred Stock and the Series B Convertible Preferred Stock.

"**Programming Distribution Contract**" means any Contract pursuant to which the Company or any of its Subsidiaries distributes, syndicates, licenses, streams, hosts, makes available or otherwise provides programming or audio, video or digital content through broadcast affiliates, syndication arrangements, streaming platforms, podcast platforms or other third-party distribution channels.

"**Registered Company Intellectual Property**" means all registered or applied-for Patents, Trademarks, Copyrights and Domain Names included in the Owned Company Intellectual Property.

"**Representatives**" means, with respect to any Person, such Person's directors, officers, employees, agents, investment bankers, attorneys, accountants, consultants, advisors and other representatives.

"**Restraints**" has the meaning set forth in Section 6.01(a).

"**SEC**" means the United States Securities and Exchange Commission.

"**Secretary of State of Delaware**" has the meaning set forth in Section 1.03.

"**Securities Act**" means the Securities Act of 1933, as amended.

"**Series A Preferred Stock**" means the Series A Preferred Stock, par value $0.01 per share, of the Company.

"**Series B Closing Date**" has the meaning set forth in Section 3.06(a).

"**Series B Convertible Preferred Stock**" means the Series B Convertible Preferred Stock, par value $0.01 per share, of the Company.

"**Share Certificate**" has the meaning set forth in Section 2.01(c).

"**Software**" means all computer software, firmware, middleware, databases, data compilations, interfaces and related documentation, in source code, object code or other form.

"**Solvent**" means, with respect to any Person, that, as of any date of determination, (a) the fair saleable value of the assets of such Person and its Subsidiaries, taken as a whole, exceeds the amount of the liabilities of such Person and its Subsidiaries, taken as a whole, including contingent and other liabilities, as such liabilities become absolute and matured, (b) such Person and its Subsidiaries, taken as a whole, are able to pay their debts as they become due in the ordinary course of business and (c) such Person and its Subsidiaries, taken as a whole, do not have unreasonably small capital with which to conduct their business as then conducted.

"**Special Committee**" has the meaning set forth in the recitals.

"**Special Committee Recommendation**" has the meaning set forth in the recitals.

"**Subsidiary**" means, with respect to any Person, any corporation, limited liability company, partnership, association, trust or other entity of which: (a) more than fifty percent (50%) of the outstanding voting securities or other equity interests having by their terms ordinary voting power to elect a majority of the board of directors or other governing body of such entity is owned or controlled, directly or indirectly, by such Person or one or more of its Subsidiaries; or (b) such Person or one or more of its Subsidiaries is a general partner, managing member or otherwise controls such entity.

"**Superior Proposal**" means a bona fide written Takeover Proposal that the Special Committee determines in good faith, after consultation with its outside legal counsel, and taking into account all legal, financial, regulatory, timing, financing certainty and other relevant aspects of such proposal and this Agreement, is more favorable to the holders of Company Common Stock from a financial point of view than the Transactions; *provided* that, for purposes of determining whether a Takeover Proposal constitutes a Superior Proposal, each reference to "10%" or "20%" in the definition of "Takeover Proposal" shall be deemed to be a reference to "50%".

"**Surviving Corporation**" has the meaning set forth in Section 1.01.

"**Takeover Law**" means any "control share acquisition," "fair price," "moratorium" or other anti-takeover Law under the DGCL or other applicable Law.

"**Takeover Proposal**" means any inquiry, proposal or offer from any Person or group (other than Parent or its Affiliates) relating to, in a single transaction or series of related transactions, any: (a) direct or indirect acquisition of assets of the Company and its Subsidiaries equal to 20% or more of the Company's consolidated assets or to which 20% or more of the Company's revenues or earnings on a consolidated basis are attributable; (b) direct or indirect acquisition of 20% or more of the outstanding shares of Company Common Stock or other equity interests or voting power of the Company; (c) tender offer or exchange offer that, if consummated, would result in any Person or group beneficially owning 10% or more of the outstanding shares of Company Common Stock or other equity interests or voting power of the Company; (d) any merger, consolidation, share exchange, business combination, recapitalization or other similar transaction involving the Company, the consummation of which would result in a transaction described in clauses (a), (b) or (c); or (e) any inquiry, proposal or offer to acquire, directly or indirectly, from any member of the Atsinger Group or the Epperson Group, equity interests in the Company which, together with any other equity interests beneficially owned (or deemed beneficially owned) by such Person or group, would represent 10% or more of the voting power of the Company, determined on an as-converted and as-exercised basis (including giving effect to any conversion, reclassification or other adjustment that would occur in connection with such acquisition); *provided* that for purposes of clause (e) the Company or its Representatives have Knowledge of such inquiry, proposal or offer to acquire such equity interests.

"**Tax Returns**" means all returns, reports, declarations, estimates, information returns, statements and other documents filed or required to be filed with any Governmental Authority relating to Taxes, including any amendments thereto.

"**Taxes**" means all United States federal, state, local and non-United States taxes, imposts, levies, withholdings and other similar charges in the nature of a tax, including income, gross receipts, franchise, profits, capital stock, capital gains, transfer, sales, use, value added, occupation, property, excise, severance, windfall profits, stamp, payroll, employment, unemployment, social security, disability, escheat, unclaimed property and withholding taxes, together with any interest, penalties and additions thereto.

"**Trade Secrets**" means trade secrets and other confidential or proprietary information that derives independent economic value from not being generally known and is protected under applicable Law.

"**Trademarks**" means trademarks, service marks, trade names, trade dress, logos, slogans, corporate names and other source identifiers, together with the goodwill associated therewith, and all applications, registrations, renewals and extensions thereof.

"**Transactions**" has the meaning set forth in the recitals.

"**WARN Act**" means the Worker Adjustment and Retraining Notification Act of 1988, as amended, and any similar applicable state or local Law.

8.15 Entire Agreement; No Third-Party Beneficiaries. This Agreement, together with the Company Disclosure Letter, the Exhibits hereto and the Confidentiality Agreement, constitutes the entire agreement among the parties with respect to the subject matter hereof and supersedes all prior and contemporaneous agreements, arrangements and understandings, whether written or oral, among the parties or any of their respective Affiliates with respect to such subject matter. Except as provided in the immediately following sentence, this Agreement is not intended to, and does not, confer upon any Person other than the parties hereto any rights or remedies hereunder. Notwithstanding the foregoing, (a) from and after the Effective Time, the holders of shares of Company Common Stock shall be entitled to the rights set forth in Article 2 with respect to the Merger Consideration payable thereunder, and (b) from and after the Effective Time, the Indemnitees and their respective heirs, estate, executors, administrators and other legal representatives shall be entitled to the rights set forth in Section 5.07. For the avoidance of doubt, solely for purposes of the approval and adoption of this Agreement under the DGCL, the Company Disclosure Letter shall not be deemed part of this Agreement for purposes of approval under the DGCL, but shall otherwise have the effect provided herein.

Signatures Page Follows

IN WITNESS WHEREOF, Parent, Merger Sub and the Company have caused this Agreement and Plan of Merger to be executed and delivered by their respective duly authorized officers as of the date first written above.

PARENT:

THE CHRISTIAN COMMUNITY FOUNDATION, INC.

By: */s/ Richard von Gnechten*
Name: Richard von Gnechten
Title: President

MERGER SUB:

WS MEDIA ACQUISITION CORPORATION

By: */s/ Richard von Gnechten*
Name: Richard von Gnechten
Title: Chief Executive Officer

IN WITNESS WHEREOF, Parent, Merger Sub and the Company have caused this Agreement and Plan of Merger to be executed and delivered by their respective duly authorized officers as of the date first written above.

THE COMPANY:

SALEM MEDIA GROUP, INC.

By: */s/ Christopher J. Henderson*
Name: Christopher J. Henderson
Title: Executive Vice President, Chief Legal Officer

Exhibit A

Surviving Corporation Certificate of Incorporation

CONFIDENTIAL

AMENDED AND RESTATED CERTIFICATE OF INCORPORATION

OF

SALEM MEDIA GROUP, INC.

(Pursuant to Sections 242, 245 and 251 of the General Corporation Law of the State of Delaware)

SALEM MEDIA GROUP, INC., a corporation organized and existing under the General Corporation Law of the State of Delaware (the "**Corporation**"), hereby certifies as follows:

A. The Corporation's original certificate of incorporation was filed under the name Salem Communications Corporation with the Secretary of State of the State of Delaware on September 20, 1993, and subsequently amended from time to time.

B. This Amended and Restated Certificate of Incorporation (this "**Certificate of Incorporation**") amends and restates the previous certificate of incorporation of the Corporation, as amended.

C. This Certificate of Incorporation has been duly adopted in accordance with Sections 242, 245 and 251 of the General Corporation Law of the State of Delaware.

D. The text of the previous certificate of incorporation is hereby amended and restated in its entirety to read as follows:

ARTICLE 1
NAME AND REGISTERED OFFICE

1.01 Name. The name of the Corporation is Salem Media Group, Inc.

1.02 Registered Office. The registered office of the Corporation in the State of Delaware is located at 251 Little Falls Drive, Wilmington, Delaware 19808, County of New Castle. The name of the registered agent of the Corporation at such address is Corporation Service Company.

ARTICLE 2
PURPOSE

2.01 Purpose. The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware.

ARTICLE 3
CAPITAL STOCK

3.01 Authorized Capital Stock. The total number of shares of all classes of capital stock which the Corporation shall have authority to issue is 3,064,000 shares, consisting of: (a) 3,000,000 shares of common stock, par value $0.01 per share (the "**Common Stock**"); and (b) 64,000 shares of preferred stock, par value $0.01 per share (the "**Preferred Stock**"), of which (i) 24,000 shares are designated as "Series A Preferred Stock" (the "**Series A Preferred Stock**") and (ii) 40,000 shares are designated as "Series B Preferred Stock" (the "**Series B Preferred Stock**").

3.02 Common Stock. Each holder of Common Stock, as such, shall be entitled to one (1) vote for each share of Common Stock held of record by such holder on all matters on which stockholders generally are entitled to vote; *provided*, *however*, that, except as otherwise required by law, holders of Common Stock, as such, shall not be entitled to vote on any amendment to this Certificate of Incorporation that relates solely to the terms of one or more outstanding series of Preferred Stock. The other rights, preferences and restrictions relating to the Common Stock shall be as follows:

(a) Dividends. Subject to the rights, if any, of the holders of any outstanding series of Preferred Stock, the holders of shares of Common Stock shall be entitled to receive dividends out of any funds of the Corporation legally available therefor when, as and if declared by the Board of Directors, ratably in proportion to the number of shares held by them.

(b) Liquidation. Upon the dissolution, liquidation or winding up of the Corporation, subject to the rights, if any, of the holders of any outstanding series of Preferred Stock, the holders of shares of Common Stock shall be entitled to receive the assets of the Corporation available for distribution to its stockholders ratably in proportion to the number of shares held by them.

(c) Shares Acquired by the Corporation. Shares of Common Stock that have been acquired by the Corporation shall become treasury shares and may be resold or otherwise disposed of by the Corporation for such consideration, not less than the par value thereof, as shall be determined by the Board of Directors, unless or until the Board of Directors shall by resolution provide that any or all treasury shares so acquired shall constitute authorized but unissued shares.

3.03 Series A Preferred Stock. The rights, preferences and restrictions relating to the Series A Preferred Stock shall be as follows. Certain capitalized terms used in this Section 3.03 are defined in Section 3.03(l).

(a) Dividends. Dividends shall accrue on each share of Series A Preferred Stock from its Issuance Date at a rate equal to the then applicable Dividend Rate per annum on the Liquidation Base Amount of such share at such time, computed on the basis of a 360-day year of twelve 30-day months (the "**Dividends**"). Dividends shall accrue from day to day, whether or not declared, and shall be cumulative; *provided*, *however*, that except as set forth in the following sentence of this Section 3.03(a), such Dividends shall be payable only when, as and if declared by the Board of Directors and, except as provided in Section 3.03(b), the Corporation shall be under no obligation to pay such Dividends. If a Dividend is not declared and paid in cash on a Dividend Accrual Date, then, in full discharge of the accrual of Dividends for the immediately preceding Dividend Accrual Period, the Liquidation Base Amount of each outstanding share of Series A Preferred Stock shall automatically increase on such Dividend Accrual Date by the amount of Dividends accrued and not paid in cash with respect to the immediately preceding Dividend Accrual Period.

(b) Liquidation Transactions. In the event of any Liquidation Transaction, the Series A Holders shall be entitled to receive, prior and in preference to any distribution of any assets of the Corporation to the holders of Series B Preferred Stock or Common Stock by reason of their ownership thereof, an amount per share of Series A Preferred Stock equal to the Liquidation Preference with respect thereto. If, upon the occurrence of such event, the assets and funds thus distributed among the Series A Holders are insufficient to permit the payment to such Series A Holders of the full aforesaid preferential amounts, then the entire assets and funds of the Corporation legally available for distribution shall be distributed ratably among the Series A Holders in proportion to the preferential amount each such Series A Holder is otherwise entitled to receive under this Section 3.03(b).

(c) Certain Acquisitions.

(i) *Deemed Liquidation*. A "**Liquidation Transaction**" shall be deemed to occur if the Corporation shall (A) Dispose of, in a single transaction or series of related transactions, all or substantially all of its assets, property or business or consummate any Change of Control, (B) merge with or into or consolidate with any other corporation, limited liability company or other entity, other than a wholly owned subsidiary of the Corporation, or (C) effect a liquidation, dissolution or winding up of the Corporation pursuant to the applicable provisions of the General Corporation Law of the State of Delaware; *provided*, *however*, that none of the following shall be considered a Liquidation Transaction: (1) a merger effected exclusively for the purpose of changing the domicile of the Corporation, (2) a bona fide equity financing in which the Corporation is the surviving corporation or (3) a transaction in which the stockholders of the Corporation immediately prior to the transaction have sufficient rights, whether by law or contract, to elect or designate 50% or more of the directors of the surviving or acquiring entity following the transaction, as appropriately adjusted for any disparate director voting rights, or that otherwise does not constitute a Change of Control. In the event of a Liquidation Transaction pursuant to clause (B) above, all references in this Section 3.03(c) to "assets of the Corporation" shall be deemed instead to refer to the aggregate consideration to be paid to the holders of the Corporation's capital stock in such merger or consolidation. If any portion of the consideration payable to the holders of the Corporation's capital stock is placed into escrow or is payable subject to contingencies, the applicable merger agreement shall provide that the portion of such consideration that is not placed in escrow and is not subject to any contingencies (the "**Initial Consideration**") shall be allocated among the holders of capital stock of the Corporation in accordance with this Section 3.03(c)(i) as if the Initial Consideration were the only consideration payable in connection with such Liquidation Transaction, and any additional consideration that becomes payable to the holders of the Corporation's capital stock upon release from escrow or satisfaction of contingencies shall be allocated among the holders of capital stock of the Corporation in accordance with this Section 3.03(c)(i), after taking into account the previous payment of the Initial Consideration as part of the same transaction. Nothing in this Section 3.03(c)(i) shall require the distribution to stockholders of anything other than proceeds of such transaction in the event of a merger or consolidation of the Corporation. Notwithstanding the foregoing, the

treatment of any transaction as a Liquidation Transaction may be waived by the vote or prior written consent of Series A Holders holding at least 66.67% of the then outstanding shares of Series A Preferred Stock.

(ii) *Valuation of Consideration*. In the event of a Liquidation Transaction, if the consideration received by the Corporation is other than cash, its value will be deemed its fair market value. Any securities or property shall be valued as determined in good faith by the Board of Directors. Notwithstanding the foregoing, the methods for valuing non-cash consideration to be distributed in connection with a Liquidation Transaction shall, with the appropriate approval by the holders of Common Stock under the General Corporation Law of the State of Delaware and the definitive agreements governing such Liquidation Transaction, be superseded by the determination of such value set forth in the definitive agreements governing such Liquidation Transaction.

(d) Optional Redemption. At any time, unless prohibited by Delaware law, the Corporation may redeem all or any portion of the shares of Series A Preferred Stock at a price per share equal to the Liquidation Preference thereof at such time (the "**Redemption Price**"). The date of such redemption provided in the Redemption Notice shall be referred to as a "Redemption Date." On the Redemption Date, the Corporation shall redeem the total number of shares of Series A Preferred Stock identified in the Redemption Notice.

(e) Redemption Notice. The Corporation shall send written notice of its election to redeem all or any shares of Series A Preferred Stock (the "**Redemption Notice**") to each Series A Holder not less than 30 days prior to the Redemption Date. The Redemption Notice shall state: (i) the number of shares of Series A Preferred Stock held by the Series A Holder that the Corporation shall redeem on the Redemption Date specified in the Redemption Notice; (ii) the Redemption Date and the Redemption Price; and (iii) for Series A Holders of shares in certificated form, that the Series A Holder is to surrender to the Corporation, in the manner and at the place designated, his, her or its certificate or certificates representing the shares of Series A Preferred Stock to be redeemed.

(f) Surrender of Certificates; Payment. On or before the Redemption Date, each Series A Holder of shares of Series A Preferred Stock to be redeemed on the Redemption Date shall, if a Series A Holder of shares in certificated form, surrender the certificate or certificates representing such shares, or, if such registered holder alleges that such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Corporation to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of such certificate, to the Corporation, in the manner and at the place designated in the Redemption Notice, and thereupon the Redemption Price for such shares shall be payable to the order of the Person whose name appears on such certificate or certificates as the owner thereof.

(g) Rights Subsequent to Redemption. If the Redemption Notice shall have been duly given, and if on the applicable Redemption Date the Redemption Price payable upon redemption of the shares of Series A Preferred Stock to be redeemed on such Redemption

Date is paid or tendered for payment or deposited with an independent payment agent so as to be available therefor in a timely manner, then notwithstanding that any certificates evidencing any of the shares of Series A Preferred Stock so called for redemption have not been surrendered, dividends with respect to such shares of Series A Preferred Stock shall cease to accrue after such Redemption Date and all rights with respect to such shares shall terminate forthwith after the Redemption Date, except only the right of the Series A Holders to receive the Redemption Price without interest upon surrender of any such certificate or certificates therefor.

(h) Series A Preferred Stock Protective Provisions. At any time when any shares of Series A Preferred Stock are outstanding, the Corporation shall not, either directly or indirectly by amendment, merger, consolidation, domestication, transfer, continuance, recapitalization, reclassification, waiver, statutory conversion or otherwise, effect any of the following acts or transactions without, in addition to any other vote required by law or this Certificate of Incorporation, the prior written consent or affirmative vote of Series A Holders holding at least 66.67% of the then outstanding shares of Series A Preferred Stock, and any such act or transaction that has not been approved by such consent or vote prior to such act or transaction being effected shall be null and void ab initio and of no force or effect:

(i) amend, modify, restate, alter or repeal any provision of this Certificate of Incorporation or the Bylaws of the Corporation, if such action would adversely affect the rights, powers, preferences, privileges or special rights of the Series A Preferred Stock, including any such amendment to this Certificate of Incorporation governing foreign ownership of the Capital Interests of the Corporation; *provided*, *however*, that the creation or issuance of any additional series or class of Capital Interests by the Corporation ranking junior to the Series A Preferred Stock shall not be deemed to adversely affect the rights, powers, preferences, privileges or special rights of the Series A Preferred Stock, it being understood that in order to make any cash payments with respect to such junior Capital Interests, all Dividends, whether previously capitalized or accrued and unpaid, shall have been paid in cash;

(ii) create or authorize, by reclassification or otherwise, or issue or obligate itself to issue, any class or series of capital stock of the Corporation that is of senior or pari passu rank to the Series A Preferred Stock;

(iii) consummate any Change of Control that would not result in the Series A Holders receiving the full Liquidation Preference due with respect to the Series A Preferred Stock at such time pursuant to Section 3.03(b) as a result of such transaction; or

(iv) purchase, exchange, acquire or redeem, or permit any subsidiary to purchase, exchange, acquire or redeem, or pay or declare any dividend or make any distribution on, any shares of Capital Interests of the Corporation other than (1) redemptions of, or dividends or distributions on, the Series A Preferred Stock as expressly authorized herein, (2) dividends or other distributions payable on the Common Stock solely in the form of additional shares of Common Stock, (3) any

exercise, conversion or exchange of warrants, options or other Capital Interests or securities exercisable for, convertible into or exchangeable for Capital Interests of the Corporation; *provided* that the Capital Interests issuable upon any such exercise, conversion or exchange rank junior to the Series A Preferred Stock, and (4) repurchases of stock from former employees, officers, directors, consultants or other persons who performed services for the Corporation or any subsidiary in connection with the cessation of such employment or service at no greater than the original purchase price thereof.

(i) Redeemed or Otherwise Acquired Shares. Unless approved by the Board of Directors and Series A Holders holding at least 66.67% of the then outstanding shares of Series A Preferred Stock, any shares of Series A Preferred Stock that are redeemed or otherwise acquired by the Corporation or any of its subsidiaries shall be automatically and immediately cancelled and retired and shall not be reissued, sold or transferred. The Corporation may thereafter take such appropriate action, without the need for stockholder action, as may be necessary to reduce the authorized number of shares of Series A Preferred Stock accordingly.

(j) Voting Rights and Powers. Except as expressly provided by this Certificate of Incorporation or as provided by law, the Series A Holders shall have no voting rights.

(k) Transfer Restrictions. The Series A Preferred Stock shall not be sold, pledged or otherwise transferred, and the Corporation shall not recognize, and shall issue stop-transfer instructions to its transfer agent with respect to, any such sale, pledge or transfer, except upon the conditions set forth in this Section 3.03(k). Any sale, pledge or transfer that is not in compliance with this Section 3.03(k) shall be null and void ab initio. The Series A Preferred Stock may not be transferred or assigned in whole or in part except in compliance with applicable federal and state securities laws by the transferor and the transferee, including, without limitation, the delivery of investment representation letters and, other than with respect to transfers to Affiliates of the applicable Series A Holder, a legal opinion reasonably satisfactory to the Corporation, as reasonably requested by the Corporation. A Series A Holder may not transfer any shares of Series A Preferred Stock held by such Series A Holder to any Competitor of the Corporation without the express written consent of the Corporation.

(l) Definitions. For purposes of this Section 3.03 and, to the extent used in Section 3.04, the following terms shall have the following meanings:

"**Affiliate**" of any Person means any other Person directly or indirectly controlling, controlled by or under direct or indirect common control with such Person. For purposes of this definition, "control" means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise, and the terms "controlling" and "controlled" have meanings that correspond to the foregoing.

"**Capital Interests**" in any Person means any and all shares, interests, including preferred equity interests, participations, rights in or other equivalents, however

designated and whether voting or non-voting, in the equity interest or capital stock, however designated, in such Person and any rights, warrants or options to acquire an equity interest or capital stock in such Person.

"**Change of Control**" means the occurrence of any of the following events: (a) any "person" or "group," as such terms are used in Sections 13(d) and 14(d) of the Exchange Act, other than WaterStone or any WaterStone Controlled Affiliate, is or becomes the "beneficial owner," as such term is used in Rules 13d-3 and 13d-5 under the Exchange Act, directly or indirectly, of 50% or more of the Voting Interests in the Corporation; *provided* that, for purposes of this clause (a), such person or group shall be deemed to have beneficial ownership of all shares that such person or group has the right to acquire, whether such right is exercisable immediately or only after the passage of time; (b) the Corporation or any subsidiary Disposes, in one transaction or a series of related transactions, all or substantially all of the assets of the Corporation and its subsidiaries, taken as a whole, to any Person other than WaterStone or any WaterStone Controlled Affiliate, or the Corporation merges or consolidates with any Person other than a wholly owned subsidiary of the Corporation, unless the holders of Voting Interests of the Corporation immediately prior to such transaction continue to beneficially own, directly or indirectly, more than 50% of the Voting Interests of the surviving or acquiring entity immediately following such transaction; or (c) any transaction or series of related transactions the result of which is that any "person" or "group," as such terms are used in Sections 13(d) and 14(d) of the Exchange Act, other than WaterStone or any WaterStone Controlled Affiliate, acquires or has the right to acquire, whether such right is exercisable immediately or only after the passage of time, directly or indirectly, 50% or more of the economic interests of the Corporation and its subsidiaries, taken as a whole.

"**Competitor**" means any Person that competes, or any Person whose Affiliates compete, in a material way with the business of the Corporation or any of its subsidiaries. For purposes of this definition, a "Competitor" shall not include any Person that does not compete with the Corporation or any of its subsidiaries in a material way and that is primarily engaged in the business of making private equity investments and owns securities representing no more than 10% of the outstanding voting power of any Competitor.

"**Disposition**" or "**Dispose**" means the sale, assignment, transfer, gift, exclusive license, lease or other disposition, including any sale and leaseback transaction, of any property by any Person.

"**Dividend Accrual Date**" means June 1 and December 1 of each year, commencing on June 1, 2025.

"**Dividend Accrual Period**" means, with respect to any Dividend Accrual Date, the period from and excluding the immediately preceding Dividend Accrual Date, or, if there is no immediately preceding Dividend Accrual Date, the Issuance Date, to and including such Dividend Accrual Date.

"**Dividend Rate**" means (a) during the period commencing on the Issuance Date and ending on the second anniversary of the Issuance Date, 5.0% per annum, (b) during the period commencing on the date immediately following the second anniversary of the Issuance Date and ending on the fourth anniversary of the Issuance Date, 7.5% per annum, and (c) from and after the date immediately following the fourth anniversary of the Issuance Date, 10.0% per annum.

"**Exchange Act**" means the Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"**Issuance Date**" means, with respect to each share of Series A Preferred Stock, the date on which such share was originally issued by the Corporation.

"**Liquidation Base Amount**" means, with respect to any share of Series A Preferred Stock as of any applicable date of determination, the sum of (a) the Original Issue Price of such share of Series A Preferred Stock, plus (b) the aggregate amount of Dividends, if any, capitalized thereto on any applicable Dividend Accrual Date prior to such date in accordance with the terms hereof.

"**Liquidation Preference**" means, with respect to any share of Series A Preferred Stock as of any applicable date of determination, the sum of (a) the Liquidation Base Amount with respect thereto at such time, plus (b) any accrued and unpaid Dividends thereon with respect to the then-current Dividend Accrual Period.

"**Original Issue Price**" means, with respect to the Series A Preferred Stock, $1,000 per share, subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series A Preferred Stock.

"**Person**" means any individual, corporation, limited liability company, partnership, joint venture, trust, unincorporated organization, government or agency or political subdivision thereof or other entity.

"**Series A Holder**" means any holder of Series A Preferred Stock.

"**Voting Interests**" means, with respect to any Person, securities of any class or classes of Capital Interests in such Person entitling the holders thereof generally to vote on the election of members of the board of directors or comparable body of such Person.

"**WaterStone**" means The Christian Community Foundation, Inc., a Texas nonprofit corporation doing business as WaterStone.

"**WaterStone Controlled Affiliate**" means any Person directly or indirectly controlled by WaterStone.

3.04 Series B Preferred Stock. The rights, preferences and restrictions relating to the Series B Preferred Stock shall be as follows. Certain capitalized terms used in this Section 3.04 are

defined in Section 3.04(g). Capitalized terms used but not otherwise defined in this Section 3.04 shall have the meanings ascribed to such terms in Section 3.03(l).

(a) Ranking; No Conversion or Redemption. The Series B Preferred Stock shall rank, with respect to distributions upon any liquidation, dissolution or winding up of the Corporation, including any Liquidation Transaction, junior to the Series A Preferred Stock and senior to all Junior Stock. The Series B Preferred Stock shall not be convertible into Common Stock or any other securities of the Corporation and, except as expressly provided in Article 5, shall not be redeemable at the option of either the Corporation or any Series B Holder.

(b) Dividends. Shares of the Series B Preferred Stock shall not be entitled to receive dividends; *provided*, *however*, that if any dividends are declared and paid on any Junior Stock of the Corporation, whether in cash, stock or otherwise, the Series B Holders shall be entitled to such dividends declared and paid on such Junior Stock on a pro rata basis with the holders of such Junior Stock; provided, further, that if the Corporation declares and pays dividends on any Junior Stock and does not pay like dividends on shares of Series B Preferred Stock, the Series B Preferred Stock dividends shall be cumulative.

(c) Liquidation.

(i) *Liquidation Transactions*. In the event of any Liquidation Transaction, the Series B Holders shall be entitled to receive, out of the assets of the Corporation available for distribution to its stockholders, after payment in full of all amounts required to be paid to the Series A Holders pursuant to Section 3.03(b) and prior and in preference to any distribution of any assets of the Corporation to the holders of Junior Stock by reason of their ownership thereof, an amount per share of Series B Preferred Stock equal to the sum of (A) the Series B Original Issue Price of such share of Series B Preferred Stock and (B) all accrued and unpaid dividends thereon, if any (the "**Series B Liquidation Amount**"). If the assets of the Corporation available for distribution to its stockholders are insufficient to pay in full the amounts payable to the Series B Holders pursuant to this Section 3.04(c)(i), such assets shall be distributed among the Series B Holders pro rata based on the full amounts to which they would otherwise be entitled. For the avoidance of doubt, the Series B Holders shall not be entitled to participate in any distribution of assets of the Corporation beyond the Series B Liquidation Amount. Any non-cash consideration to be distributed in connection with a Liquidation Transaction shall be valued in the manner set forth in Section 3.03(c)(ii). The Series B Holders shall have no right to waive the treatment of any transaction as a Liquidation Transaction, which waiver right shall be held only by the Series A Holders pursuant to Section 3.03(c)(i), subject to the separate consent rights, if any, of the Series B Holders under Section 3.04(d).

(ii) *Remaining Assets*. Upon the payment in full of the amounts payable to the Series B Holders pursuant to this Section 3.04(c), the remaining assets of the Corporation available for distribution to its stockholders shall be distributed among the holders of Common Stock pro rata in accordance with their respective holdings.

(d) Series B Preferred Stock Protective Provisions. At any time when any shares of Series B Preferred Stock are outstanding, the Corporation shall not, either directly or indirectly by amendment, merger, consolidation, domestication, transfer, continuance, recapitalization, reclassification or otherwise, effect any of the following actions without, in addition to any other vote required by law or this Certificate of Incorporation, the written consent or affirmative vote of Series B Holders holding at least a majority of the then outstanding shares of Series B Preferred Stock, and any such action taken without such approval shall be null and void ab initio and of no force or effect: (i) declare, pay or set aside any dividend or other distribution on any shares of Junior Stock; (ii) consummate any Change of Control; (iii) effect any liquidation, dissolution or winding up of the Corporation; (iv) create, authorize or issue, by reclassification or otherwise, any new class or series of capital stock of the Corporation that is senior to or pari passu with the Series B Preferred Stock with respect to distributions upon any liquidation, dissolution or winding up of the Corporation; (v) amend, alter or repeal any provision of this Certificate of Incorporation, including this Section 3.04, in a manner that would materially and adversely affect the rights, powers, preferences or privileges of the Series B Preferred Stock; or (vi) enter into any agreement with respect to any of the foregoing.

(e) Redeemed or Otherwise Acquired Shares. Unless approved by the Board of Directors, any shares of Series B Preferred Stock that are redeemed pursuant to Article 5 or otherwise acquired by the Corporation or any of its subsidiaries shall be automatically and immediately cancelled and retired and shall not be reissued, sold or transferred. Neither the Corporation nor any of its subsidiaries may exercise any voting or other rights granted to the Series B Holders with respect to any such shares following such redemption or acquisition. The Corporation may thereafter take such appropriate action, without the need for stockholder action, as may be necessary to reduce the authorized number of shares of Series B Preferred Stock accordingly.

(f) Transfer Restrictions. The Series B Preferred Stock shall not be sold, pledged or otherwise transferred, and the Corporation shall not recognize, and shall issue stop-transfer instructions to its transfer agent with respect to, any such sale, pledge or transfer, except upon the conditions set forth in this Section 3.04(f). Any sale, pledge or transfer that is not in compliance with this Section 3.04(f) shall be null and void ab initio. The Series B Preferred Stock may not be transferred or assigned in whole or in part except in compliance with applicable federal and state securities laws by the transferor and the transferee, including, without limitation, the delivery of investment representation letters and a legal opinion reasonably satisfactory to the Corporation, as reasonably requested by the Corporation. A Series B Holder may not transfer any shares of Series B Preferred Stock held by such Series B Holder, other than to an Affiliate of such Series B Holder if such Series B Holder remains the beneficial owner of such shares, without the express written consent of the Corporation. Upon consent to such transfer by the Corporation, the Corporation shall in good faith (i) do and perform, or cause to be done and performed, all such further acts and things, and (ii) execute and deliver all such other agreements, certificates, instruments and documents, in each case as any Series B Holder may reasonably request and as are reasonably necessary to effect such transfer in accordance with this Section 3.04(f).

(g) Definitions. For purposes of this Section 3.04, the following terms shall have the following meanings:

"**Junior Stock**" means, collectively, the Common Stock and any other class or series of Capital Interests of the Corporation now existing or hereafter created that ranks junior to the Series B Preferred Stock with respect to distributions upon any liquidation, dissolution or winding up of the Corporation, other than the Series A Preferred Stock and the Series B Preferred Stock.

"**Series B Holder**" means any holder of Series B Preferred Stock.

"**Series B Original Issue Price**" means, with respect to the Series B Preferred Stock, $1,000 per share, subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series B Preferred Stock.

ARTICLE 4
BOARD OF DIRECTORS

4.01 Number of Directors. The number, classification and terms of the Board of Directors shall be as set forth in the Bylaws of the Corporation.

4.02 Bylaws. In furtherance and not in limitation of the powers conferred by statute, the Board of Directors is expressly authorized to make, repeal, alter, amend and rescind the Bylaws of the Corporation.

ARTICLE 5
FCC OWNERSHIP RESTRICTIONS

5.01 FCC Ownership Restrictions. The following provisions are included for the purpose of ensuring that the ownership and control of the Corporation comply with the Communications Act of 1934, as amended, and the rules, regulations and policies of the Federal Communications Commission (the "**FCC**"):

(a) Definition of Alien. For purposes of this Article 5, "**Alien**" means (i) any individual who is not a citizen of the United States, (ii) any corporation, partnership or other entity organized under the laws of any foreign government, (iii) any foreign government or any representative thereof or (iv) any individual or entity controlled, directly or indirectly, by any of the foregoing.

(b) Issuance and Transfer Restrictions. Except to the extent permitted by applicable law or any order, declaratory ruling, consent, approval or other authorization of the FCC, the Corporation shall not issue any shares of its capital stock to any Alien, and shall not permit the transfer on its books of any shares of its capital stock to any Alien, if such issuance or transfer would result in the total number of shares of capital stock of the Corporation held or voted by Aliens, or for or on behalf of any Alien, exceeding twenty-five percent (25%) of (i) the total number of shares of capital stock of the Corporation

outstanding or (ii) the total voting power of all shares of capital stock of the Corporation outstanding and entitled to vote.

(c) Voting Restrictions. Except to the extent permitted by applicable law or any order, declaratory ruling, consent, approval or other authorization of the FCC, no Alien shall be entitled to vote, direct or control the vote of any shares of capital stock of the Corporation if such voting, direction or control would result in the total number of shares of capital stock of the Corporation voted by Aliens, or for or on behalf of any Alien, exceeding twenty-five percent (25%) of (i) the total number of shares of capital stock of the Corporation outstanding or (ii) the total voting power of all shares of capital stock of the Corporation outstanding and entitled to vote.

(d) Board Authority. The Board of Directors shall have all powers necessary or appropriate to implement the provisions of this Article 5, including the power to require information from any holder or proposed transferee of shares of capital stock of the Corporation, to prohibit the transfer of shares of capital stock of the Corporation to any Alien, to suspend voting rights with respect to any shares of capital stock of the Corporation and to take such other action as the Board of Directors determines in good faith to be necessary or appropriate to ensure compliance with the Communications Act of 1934, as amended, and the rules, regulations and policies of the FCC.

(e) Redemption. To the fullest extent permitted by law, any shares of capital stock of the Corporation held by an Alien in violation of the provisions of this Article 5 shall be subject to redemption by the Corporation, to the extent necessary or appropriate to comply with the Communications Act of 1934, as amended, and the rules, regulations and policies of the FCC, at a redemption price equal to the lesser of (i) the fair market value of such shares, as determined in good faith by the Board of Directors, and (ii) the price paid by such Alien for such shares. The Board of Directors shall determine the terms and conditions of any such redemption.

(f) Notice of Restrictions. The Corporation shall note conspicuously on each certificate representing shares of capital stock of the Corporation, and shall include in each notice required with respect to uncertificated shares, the restrictions on transfer, ownership, voting and redemption set forth in this Article 5 and any other restrictions required by applicable law or this Certificate of Incorporation.

ARTICLE 6
INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES, AND AGENTS

6.01 Indemnification of Directors and Officers.

(a) Right to Indemnification. The Corporation shall, to the maximum extent and in the manner permitted by the General Corporation Law of the State of Delaware as the same now exists or may hereafter be amended, indemnify any person against expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred in connection with any threatened, pending or completed action, suit, or proceeding in which such person was or is a party or is threatened to be made a party by

reason of the fact that such person is or was a director or officer of the Corporation. For purposes of this Section 6.01, a "director" or "officer" of the Corporation shall mean any person (i) who is or was a director or officer of the Corporation, (ii) who is or was serving at the request of the Corporation as a director or officer of another corporation, partnership, joint venture, trust or other enterprise, or (iii) who was a director or officer of a corporation which was a predecessor corporation of the Corporation or of another enterprise at the request of such predecessor corporation.

(b) Proceedings Initiated by Directors or Officers. The Corporation shall be required to indemnify a director or officer in connection with an action, suit, or proceeding (or part thereof) initiated by such director or officer only if the initiation of such action, suit, or proceeding (or part thereof) by the director or officer was authorized by the Board of Directors of the Corporation.

(c) Advancement of Expenses. The Corporation shall pay the expenses (including attorneys' fees) incurred by a director or officer of the Corporation entitled to indemnification hereunder in defending any action, suit or proceeding referred to in this Section 6.01 in advance of its final disposition; *provided*, *however*, that payment of expenses incurred by a director or officer of the Corporation in advance of the final disposition of such action, suit or proceeding shall be made only upon receipt of an undertaking by the director or officer to repay all amounts advanced if it should ultimately be determined that the director or officer is not entitled to be indemnified under this Section 6.01 or otherwise.

(d) Non-Exclusivity and Survival. This Section 6.01 shall create a right of indemnification for each person referred to above, whether or not the proceeding to which the indemnification relates arose in whole or in part prior to the adoption of this Section 6.01, and in the event of death, such right shall extend to such person's legal representatives. The rights conferred on any person by this Section 6.01 shall not be exclusive of any other rights which such person may have or hereafter acquire under any statute, provision of this Certificate of Incorporation, the Bylaws, agreement, vote of the stockholders or disinterested directors or otherwise. Any repeal or modification of the foregoing provisions of this Section 6.01 shall not adversely affect any right or protection hereunder of any person in respect of any act or omission occurring prior to the time of such repeal or modification.

6.02 Indemnification of Others. The Corporation shall have the power, to the maximum extent and in the manner permitted by the General Corporation Law of the State of Delaware as the same now exists or may hereafter be amended, to indemnify any person (other than directors and officers) against expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred in connection with any threatened, pending or completed action, suit, or proceeding, in which such person was or is a party or is threatened to be made a party by reason of the fact that such person is or was an employee or agent of the Corporation. For purposes of this Section 6.02, an "employee" or "agent" of the Corporation (other than a director or officer) shall mean any person (a) who is or was an employee or agent of the Corporation, (b) who is or was serving at the request of the Corporation as an employee or agent of another corporation, partnership, joint venture, trust or other enterprise, or (c) who was an

employee or agent of a corporation which was a predecessor corporation of the Corporation or of another enterprise at the request of such predecessor corporation.

6.03 Insurance. The Corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the Corporation would have the power to indemnify him or her against such liability under the provisions of the General Corporation Law of the State of Delaware.

ARTICLE 7
LIMITATION OF LIABILITY

7.01 Exculpation. To the fullest extent permitted by the General Corporation Law of the State of Delaware, as it now exists or may hereafter be amended, no director or officer of the Corporation shall be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director or officer, respectively, except to the extent provided by applicable law (i) for any breach of the director's or officer's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) pursuant to Section 174 of the General Corporation Law of the State of Delaware, in the case of directors only, (iv) for any transaction from which such director or officer derived an improper personal benefit or (v) for any action by or in the right of the Corporation, in the case of officers only. If the General Corporation Law of the State of Delaware is amended to authorize corporate action further eliminating or limiting the personal liability of directors or officers, then the liability of a director or officer of the Corporation shall be eliminated or limited to the fullest extent permitted by the General Corporation Law of the State of Delaware, as so amended.

7.02 Effect of Amendment or Repeal. No amendment or repeal of this Article 7 shall apply to or have any effect on the liability or alleged liability of any director or officer of the Corporation for or with respect to any act or omission of such director or officer occurring prior to such amendment or repeal.

7.03 Definition of Officer. For purposes of this Article 7, "officer" shall have the meaning provided in Section 102(b)(7) of the General Corporation Law of the State of Delaware.

Signature Page Follows

IN WITNESS WHEREOF, SALEM MEDIA GROUP, INC. has caused this Amended and Restated Certificate of Incorporation to be executed by its duly authorized officer this [•] day of [•], 2026.

SALEM MEDIA GROUP, INC.

By:_____
Name:
Title: