

Salem Media Group, Inc.
Compensation Committee Charter
(Reviewed December 2017)

1. Statement of Purpose

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

With respect to its compensation functions, the Committee shall:

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

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

2. Composition of the Committee

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

2.2. Each member of the Committee shall be an independent director meeting the applicable requirements of the NASDAQ Stock Market (“**NASDAQ**”) and the rules and regulations of the Securities and Exchange Commission regarding director

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

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

3. Authority, Duties and Responsibilities

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

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

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

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

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

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

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

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

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

3.7.3. Review the Company's 1999 Stock Incentive Plan and any other incentive compensation plans, their respective implementation and recommend any changes in such plans to the Board as needed. In making recommendations regarding the

1999 Stock Incentive Plan and any other incentive compensation plans, the Committee shall consider the results of the most recent stockholder advisory vote on say-on-pay required by Section 14A of the Exchange Act. The Committee shall have and shall exercise all the authority of the Board with respect to the administration of such plans.

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

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

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

3.7.7. Prepare and produce an annual compensation report to be included in the Company's proxy statement in accordance with applicable rules and regulations.

3.7.8. Review the compensation of directors for service on the Board and its committees and recommend any changes in compensation to the Board.

3.7.9. Review and recommend to the Board for approval the frequency with which the Company will conduct say-on-pay votes, taking into account the results of the most recent stockholder advisory vote on frequency of say-on-pay votes required by Section 14A of the Exchange Act.

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

4. Committee Meetings

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