**Entry into a Material Definitive Agreement.**

On May 6, 2026, Salem Media Group, Inc., a Delaware corporation (the "Company"), entered into an Agreement and Plan of Merger (the "Merger Agreement") with The Christian Community Foundation, Inc., a Texas nonprofit corporation doing business as WaterStone ("Parent"), and WS Media Acquisition Corporation, a Delaware corporation and a wholly owned subsidiary of Parent ("Merger Sub").

*The Merger*

The Merger Agreement provides that, upon the terms and subject to the conditions set forth therein and in accordance with the Delaware General Corporation Law (the "DGCL"), Merger Sub will merge with and into the Company (the "Merger"), with the Company continuing as the surviving corporation and becoming a wholly owned subsidiary of Parent (the "Surviving Corporation").

*Merger Consideration*

At the effective time of the Merger (the "Effective Time"), each share of Class A Common Stock, par value $0.01 per share, and Class B Common Stock, par value $0.01 per share (collectively, the "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 Parent 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").

Each share of Series A Preferred Stock and Series B Convertible Preferred Stock outstanding immediately prior to the Effective Time will remain outstanding following the Effective Time as preferred stock of the Surviving Corporation, subject to any modifications set forth in the certificate of incorporation of the Surviving Corporation, and no consideration will be paid in respect of such preferred shares by way of the Merger.

*Treatment of Equity Awards*

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.

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.

Each unvested share of restricted stock with respect to Company Common 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.

*Special Committee and Board Approvals*

The Merger Agreement was negotiated and recommended for approval by a special committee (the "Special Committee") of the Company's Board of Directors (the "Board") consisting solely of disinterested directors. The Special Committee unanimously determined that the Merger Agreement and the transactions contemplated thereby are fair to, advisable and in the best interests of the Company and its stockholders and recommended that the Board approve and declare advisable the Merger Agreement. The Board, acting upon the Special Committee's recommendation, determined that the Merger Agreement and the Merger are advisable and fair to, and in the best interests of, the Company and its stockholders, approved and declared advisable the Merger Agreement and resolved to recommend that the Company's stockholders adopt the Merger Agreement.

*Representations, Warranties, and Covenants*

The Merger Agreement contains customary representations and warranties of the Company, Parent and Merger Sub, as well as customary covenants of the Company, including requiring the Company to conduct its business in all material respects in the ordinary course during the period between the execution of the Merger Agreement and the Effective Time, subject to certain exceptions.

*No Solicitation*

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 to Closing*

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), and approval by the Company's stockholders (the "Company Stockholder Approval").

*Termination*

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 Company Stockholders' Meeting.

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. Parent 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 Parent's obligation to close have been satisfied or waived and Parent fails to consummate the Closing within three (3) Business Days.

*Expense Reimbursement*

If the Merger Agreement is terminated by Parent due to an Adverse Recommendation Change, or by the Company in connection with a Superior Proposal, the Company is required to reimburse Parent 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 Parent or Merger Sub, or due to Parent's failure to consummate the Closing, Parent 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 Parent to obtain a six-year "tail" directors' and officers' liability insurance policy; (ii) the obligation of Parent to cause the surviving corporation 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 Company stockholders' meeting.

*Additional Information*

The representations, warranties and covenants contained in the Merger Agreement were made only for purposes of such agreement and as of specific dates, were solely for the benefit of the parties to the Merger Agreement and may be subject to important qualifications and limitations agreed upon by the parties, including being qualified by confidential disclosures exchanged between the parties in connection with the execution of the Merger Agreement. The representations, warranties

and covenants may have been made for the purposes of allocating contractual risk between the parties to the Merger Agreement rather than establishing matters as facts, and may be subject to standards of materiality applicable to the contracting parties that differ from those applicable to investors. Investors and security holders are not third-party beneficiaries under the Merger Agreement and should not rely on the representations, warranties and covenants or any descriptions thereof as characterizations of the actual state of facts or condition of the Company, Parent or any of their respective subsidiaries or affiliates. Moreover, information concerning the subject matter of such representations and warranties may change after the date of the Merger Agreement, which subsequent information may or may not be fully reflected in the Company's public disclosures.