

EMMIS COMMUNICATIONS CORPORATION
RELATED PARTY TRANSACTIONS POLICY

This document sets forth the policy of Emmis Communications Corporation, an Indiana corporation (the “Company”), with respect to the review, approval, ratification and disclosure of transactions or arrangements between the Company and its directors, executive officers and other Related Parties.

The Company recognizes that Related Party Transactions (as defined below) can present potential or actual conflicts of interest and create the appearance that Company decisions are based on considerations other than the best interests of the Company. The Company recognizes however that there are situations where Related Party Transactions may be in, or may not be inconsistent with, the best interests of the Company. Therefore, the Company has adopted the procedures set forth below for the review, approval, ratification and disclosure of all Related Party Transactions by the Company’s Audit Committee of the Board of Directors (the “Committee”). The Committee will have overall responsibility for the implementation and compliance with this Policy.

A. Related Party Transactions

For the purposes of this Policy, a “Related Party Transaction” is a transaction, arrangement or relationship (or any series of similar transactions, arrangements or relationships) in which the Company (including any of its subsidiaries) was, is or will be a participant and the amount involved exceeds \$120,000, and in which any Related Party (as defined below) had, has or will have a direct or indirect interest.

For purposes of this Policy, a “Related Party” means:

1. any person who is, or at any time since the beginning of the Company’s last fiscal year was, a director or executive officer of the Company or a nominee to become a director of the Company;
2. any person (including any “group” as that term is used in Section 13(d)(3) of the Securities Exchange Act of 1934) who is known to be the beneficial owner of more than 5% of any class of the Company's voting securities;
3. any immediate family member of any of the foregoing persons, which means any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law of the director, executive officer, nominee or more than 5% beneficial owner, and any person (other than a tenant or employee) sharing the household of such director, executive officer, nominee or more than 5% beneficial owner; and
4. any firm, corporation or other entity in which any of the foregoing persons is employed or is a general partner or principal or in a similar position or in which such person has a 10% or greater beneficial ownership interest.

“Related Party Transactions” shall exclude all employment relationships or transactions involving an executive officer and any related compensation resulting solely from that employment relationship which have been approved (or recommended to the Board of Directors for approval) by the Company’s Compensation Committee.

B. Review and Approval Procedures

The Related Party or the director, executive officer, nominee or beneficial owner who is an immediate family member of the Related Party shall notify the Legal Department of the facts and circumstances of any Related Party Transaction. The Legal Department will assess whether the transaction is a Related Party Transaction for purposes of this Policy.

The Legal Department shall also periodically inquire of directors and executive officers with respect to any potential Related Party Transaction of which they may be a party or of which they may be aware, through the Company’s annual directors and officers questionnaires or otherwise.

If the Legal Department determines that the transaction is a Related Party Transaction for purposes of this Policy, the Related Party Transaction shall be submitted to the Committee for consideration at the next Committee meeting or, in those instances in which the Legal Department, in consultation with the Chief Executive Officer or the Chief Financial Officer, determines that it is not practicable or desirable for the Company to wait until the next Committee meeting, to the Chair of the Committee (who will possess delegated authority to act between Committee meetings).

The Committee (or the Chair) shall consider all of the facts and circumstances available to the Committee (or the Chair) that the Committee (or the Chair) determines are appropriate, such as: the benefits to the Company; the impact on a director’s independence in the event the Related Party is a director, an immediately family member of a director or an entity in which a director is a partner, shareholder or executive officer; the availability of other sources for comparable products or services; the terms of the transaction; and the terms available to unrelated third parties or to employees generally. The Committee (or the Chair) may seek bids, quotes or independent valuations from third parties in connection with assessing any Related Party Transaction.

No member of the Committee shall participate in any review, consideration, approval or ratification of any Related Party Transaction with respect to which such member or any of his or her immediate family members is the Related Party.

The Committee (or the Chair) shall approve only those Related Party Transactions that are in, or are not inconsistent with, the best interests of the Company, as the Committee (or the Chair) determines in good faith. The Committee (or the Chair) shall convey the decision to the General Counsel or Secretary, who shall convey the decision to the appropriate persons within the Company.

The Chair of the Committee shall report to the Committee at the next Committee meeting any approval under this Policy pursuant to delegated authority.

C. Ratification Procedures

In the event that (i) a transaction, arrangement or relationship with the Company (or any of its subsidiaries) would have constituted a Related Party Transaction under this Policy but for the fact that none of the parties to it were Related Parties at the time it was entered into continues after a party thereto has become a Related Party (and such transaction therefore was not reviewed, approved or ratified pursuant to the terms of this Policy at the time it was entered into) or (ii) in the event that the Company's Chief Executive Officer, Chief Financial Officer, General Counsel or Secretary becomes aware of a Related Party Transaction that has not been previously reviewed, approved or ratified under this Policy and that is ongoing or completed, such transaction shall be submitted to the Committee (or the Chair) of the Committee promptly pursuant to the procedures described under "B – Review and Approval Procedures" above.

The Committee (or the Chair) shall review and consider all of the relevant facts and circumstances related to this transaction as provided under "B – Review and Approval Procedures" above and shall evaluate all options, including but not limited to ratification, rescission amendment or termination of the Related Party Transaction.

D. Annual Review of Ongoing Transactions

From time to time, the Committee shall review any previously approved or ratified Related Party Transactions that remain ongoing and have a remaining term of more than six months or remaining amounts payable to or receivable from the Company of more than \$120,000. Based on all relevant facts and circumstances, taking into consideration the Company's contractual obligations, the Committee shall determine if it is in, or is not inconsistent with, the best interests of the Company to continue, modify or terminate the Related Party Transaction.

E. Other Items

The Committee shall review the Company's Related Party Transactions disclosures in its annual proxy statement, its annual report on Form 10-K filed with the SEC and other public disclosures.

The Committee will review this Policy at least annually and recommend amendments, if any, for consideration by the Board.