

SINCLAIR BROADCAST GROUP INC

Form DEF 14A

April 20, 2009

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April 20, 2009

Dear Shareholder:

You are cordially invited to attend the annual meeting of shareholders of Sinclair Broadcast Group, Inc. The annual meeting on June 4, 2009 will be held at Sinclair's corporate office, 10706 Beaver Dam Road, Hunt Valley, Maryland 21030 at 10:00 a.m., local time.

Enclosed with this letter is a notice of the annual meeting of shareholders, a proxy statement, a proxy card and a return envelope. Also enclosed with this letter is Sinclair Broadcast Group, Inc.'s Annual Report to shareholders for the year ended December 31, 2008.

Your vote on these matters is very important. We urge you to review carefully the enclosed materials and to return your proxy promptly. The proxy materials are also available at <http://www.amstock.com/ProxyServices/ViewMaterial.asp?CoNumber=26141>.

You are cordially invited to attend the annual meeting and you may vote in person even though you have returned your proxy card. Whether or not you plan to attend the annual meeting, please sign and promptly return your proxy card in the enclosed postage paid envelope.

Sincerely,

David D. Smith
Chairman of the Board
and Chief Executive Officer

IF YOU PLAN TO ATTEND:

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Please note that space limitations make it necessary to limit attendance at the meeting to our shareholders of record as of March 4, 2009. Registration will begin at 9:30 a.m. and seating will begin at 9:45 a.m. Each shareholder may be asked to present valid picture identification, such as a driver's license or passport. Shareholders holding stock in brokerage accounts (street name holders) will need to bring a copy of a brokerage statement reflecting stock ownership as of March 4, 2009 (record date). Cameras (including cellular phones with photographic capabilities), recording devices and other electronic devices will not be permitted at the meeting.

YOUR VOTE IS IMPORTANT Please execute and return the enclosed proxy card

promptly, whether or not you plan to attend the

Sinclair Broadcast Group, Inc. annual meeting.

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SINCLAIR BROADCAST GROUP, INC.

10706 Beaver Dam Road

Hunt Valley, Maryland 21030

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

Important notice regarding the availability of proxy materials

for the shareholder meeting to be held on June 4, 2009.

**The proxy statement and 2008 annual report to shareholders are available at
<http://www.amstock.com/ProxyServices/ViewMaterial.asp?CoNumber=26141>.**

Dear Shareholders:

The annual meeting of Sinclair Broadcast Group, Inc. will be held on June 4, 2009 at our corporate office, 10706 Beaver Dam Road, Hunt Valley, Maryland 21030 at 10:00 a.m. local time to consider and vote upon:

1. The election of eight directors, each for a one-year term;
2. The ratification of the appointment of PricewaterhouseCoopers, LLP as the independent registered public accounting firm of Sinclair for the year ending December 31, 2009;
3. Any other matters as may properly come before the annual meeting.

The Board of Directors recommends that the shareholders vote to elect the Board's nominees for director and to ratify the appointment of PricewaterhouseCoopers, LLP.

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You will be able to vote your shares at the annual meeting if you were a shareholder of record at the close of business on March 4, 2009. Your vote at the annual meeting is very important to us.

BY ORDER OF THE BOARD OF DIRECTORS

J. Duncan Smith, Secretary

Baltimore, Maryland
April 20, 2009

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INFORMATION ABOUT THE 2009 ANNUAL MEETING AND VOTING

The Annual Meeting

The annual meeting will be held on June 4, 2009 at our corporate office, 10706 Beaver Dam Road, Hunt Valley, Maryland 21030 at 10:00 a.m. local time.

This Proxy Solicitation

On or about April 20, 2009, we began mailing this proxy statement to people who, according to our records, owned common shares or beneficial interests in us as of the close of business on March 4, 2009. We are sending you this proxy statement because our Board of Directors is seeking a proxy to vote your shares at the annual meeting. This proxy statement is intended to assist you in deciding how to vote your shares. Proxy materials are also available at <http://www.amstock.com/ProxyServices/ViewMaterial.asp?CoNumber=26141>.

We are paying the cost of soliciting these proxies. Our directors, officers and employees may request proxies in person or by telephone, mail, or letter. We will reimburse brokers and other nominees for their reasonable out-of-pocket expenses for forwarding proxy materials to beneficial owners of our common shares.

Voting Your Shares

The Securities and Exchange Commission (SEC) has adopted a Notice and Access rule that allows companies to deliver a Notice of Internet Availability of Proxy Materials to shareowners in lieu of a paper copy of the proxy statement and the Company's Annual Report to Shareholders.

Shareholders of Record. You may vote your shares at the annual meeting either in person or by proxy. To vote in person, you must attend the annual meeting and obtain and submit a ballot. Ballots for registered shareholders to vote in person will be available at the annual meeting. If your shares are registered directly in your name with our transfer agent, American Stock Transfer & Trust Company, LLC, you are considered the *registered* holder of those shares. As the *registered* stockholder, you can ensure your shares are voted at the meeting by submitting your instructions by completing, signing, dating and returning the enclosed proxy card in the envelope provided.

If you complete the proxy card, except for the voting instructions, then your shares will be voted FOR each of the director nominees identified on the proxy card and FOR ratification of the selection of PricewaterhouseCoopers, LLP as our independent registered public accounting firm for 2009.

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We have described in this proxy statement all the proposals that we expect will be made at the annual meeting. If a shareholder or we properly present any other proposal at the meeting, we will use your proxy to vote your shares on the proposal in our best judgment.

Your proxy card will be valid only if you sign, date and return it in time for it to be received by us before the annual meeting scheduled to be held on June 4, 2009.

Beneficial Owners. Most of our stockholders hold their shares through a broker, bank, trustee or another nominee, rather than registered directly in their name (which is often referred to as "street name"). In that case, you are considered the *beneficial owner* of shares held in street name, and the proxy materials including a notice enabling you to receive proxy material through the mail are being forwarded to you by your broker, bank, trustee or nominee. As the *beneficial owner*, you are entitled to direct the voting of your shares by your intermediary. Brokers, banks and nominees typically offer telephonic or electronic means by which the *beneficial owners* of shares held by them can submit voting instructions, in addition to the traditional mailed voting instruction cards. If you are a *beneficial owner* of shares, you cannot vote in person at the annual meeting unless you have a proper power of attorney from your broker. Votes directed through such a broker must be received by us before the annual meeting.

If you hold your shares in street name with a broker and you do not tell your broker how to vote, your broker has the authority to vote on proposals 1 and 2. Abstentions and broker non-votes (where a broker or nominee is not permitted to exercise discretionary authority to vote on a matter and has not received voting instructions from the beneficial owner) are not counted as votes cast on any matter to which they relate and will not affect the outcome of any proposal being voted on at the annual meeting, but are counted in determining the presence of a quorum.

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Revoking Your Proxy

If you decide to change your vote, you may revoke your proxy at any time before it is voted at the annual meeting. You may revoke your proxy by any one of three ways:

- you may notify our Secretary in writing that you wish to revoke your proxy, at the following address: Sinclair Broadcast Group, Inc., 10706 Beaver Dam Road, Hunt Valley, Maryland, 21030, Attention: J. Duncan Smith, Vice President and Secretary. We must receive your notice before the time of the annual meeting;
- you may submit a proxy dated later than your original proxy; or
- you may attend the annual meeting and vote. Merely attending the annual meeting will not by itself revoke a proxy; you must obtain a ballot and vote your shares to revoke the proxy and in the case of shares held in street name you must obtain a proper power of attorney from your broker to vote your shares.

Vote Required for Approval

Shares Entitled to Vote. On March 4, 2009 (the record date), the following shares were issued and outstanding and had the votes indicated:

- 46,376,653 shares of Class A Common Stock, each of which is entitled to one vote on each of the proposals, and
- 34,453,859 shares of Class B Common Stock, each of which is entitled to ten votes on each of the proposals

Quorum. A majority of the outstanding shares of common stock entitled to vote, or a quorum, must be present at the annual meeting in order to transact business. A quorum will be present if 195,457,623 votes are represented at the annual meeting, either in person (by the shareholders) or by proxy. If a quorum is not present, a vote cannot occur. In deciding whether a quorum is present, abstentions and broker non-votes will be counted as shares that are represented at the annual meeting.

Votes Required. The votes required on each of the proposals are as follows:

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Proposal 1: Election of Eight Directors

The eight nominees for director who receive the most votes will be elected. This is called a plurality. If you indicate withhold authority to vote for a particular nominee on your proxy card, your vote will not count either for or against the nominee.

Proposal 2: Ratification of Selection of Independent Registered Public Accounting Firm

The affirmative vote of a majority of the votes cast at the annual meeting is required to ratify the Audit Committee's selection of the independent registered public accounting firm. If you abstain from voting, your abstention will not count as a vote cast for or against the proposal.

Additional Information

We are mailing our annual report to registered shareholders for the year ended December 31, 2008, including consolidated financial statements, to all shareholders entitled to vote at the annual meeting together with this proxy statement. The annual report does not constitute a part of the proxy solicitation material. Proxy materials are also available to registered shareholders at <http://www.amstock.com/ProxyServices/ViewMaterial.asp?CoNumber=26141> and to beneficial owners at www.proxyvote.com. The annual report includes details on how to get additional information about us.

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PROPOSAL 1: ELECTION OF DIRECTORS

Nominees for election to the Board of Directors are:

David D. Smith

Frederick G. Smith

J. Duncan Smith

Robert E. Smith

Daniel C. Keith

Martin R. Leader

Lawrence E. McCanna

Basil A. Thomas

Each director will be elected to serve for a one-year term, unless he resigns or is removed before his term expires, or until his replacement is elected and qualified. Each of the nominees listed above is currently a member of the Board of Directors and each of them has consented to serve as a director if elected. More detailed information about each of the nominees is available in the section of this proxy statement titled *Directors, Executive Officers and Key Employees*.

If any of the nominees cannot serve for any reason (which is not anticipated), the Board of Directors may designate a substitute nominee or nominees. If a substitute is nominated, we will vote all valid proxies for the election of the substitute nominee or nominees. Alternatively, the Board of Directors may also decide to leave the board seat or seats open until a suitable candidate or candidates are located, or it may decide to reduce the size of the Board.

The Amended and Restated Certificate of Incorporation provides that our business shall be managed by a Board of Directors of not less than three and not more than thirteen directors with the number of directors to be fixed by the Board of Directors from time to time. The Board of Directors has presently established the size of the Board at eight members. Proxies for the annual meeting may not be voted for more than eight nominees.

Messrs. David, Duncan and Robert Smith and Dr. Frederick Smith (collectively, the controlling shareholders) are brothers and have entered into a shareholders agreement pursuant to which they have agreed to vote for each other as candidates for election to the Board of Directors until June 13, 2015. The controlling shareholders own collectively 86.8% of the total voting power.

The Board of Directors recommends a vote FOR each of the nominees to the Board of Directors.

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PROPOSAL 2: RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee of the Board of Directors has sole responsibility for the selection of our independent registered public accounting firm and has appointed PricewaterhouseCoopers, LLP (PricewaterhouseCoopers) as our independent registered public accounting firm for the fiscal year ending December 31, 2009. The Board of Directors recommends ratification of this appointment by the shareholders. If the shareholders do not ratify the appointment of PricewaterhouseCoopers, the Audit Committee will reevaluate the engagement of the independent registered public accounting firm. Even if the appointment is ratified, the Audit Committee, in its discretion, may nevertheless appoint another independent registered public accounting firm at any time during the year if the Audit Committee determines that such a change would be in the best interests of the shareholders. Ernst & Young LLP (Ernst & Young) has served as our independent registered public accounting firm since 2002. Information regarding this change of independent registered public accounting firm is available below.

A representative of PricewaterhouseCoopers is expected to attend the annual meeting. The PricewaterhouseCoopers representative will have the opportunity to make a statement if he or she desires to do so and will be able to respond to appropriate questions from shareholders.

The Board of Directors recommends a vote FOR ratification of the appointment of PricewaterhouseCoopers, LLP.

Information regarding change of independent registered public accounting firm

The reports of Ernst & Young on the Company's consolidated financial statements for the fiscal years ended December 31, 2008 and 2007 did not contain an adverse opinion or a disclaimer of opinion and were not qualified or modified as to uncertainty, audit scope, or accounting principles.

During the years ended December 31, 2008 and 2007, and through March 5, 2009, there were no (a) disagreements with Ernst & Young on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreements, if not resolved to Ernst & Young's satisfaction, would have caused Ernst & Young to make reference to the subject matter thereof in connection with its reports for such years, (b) reportable events, as described under Item 304(a)(1)(v) of Regulation S-K, or (c) consultations with PricewaterhouseCoopers regarding any of the matters or events set forth in Item 304(a)(2)(i) and (ii) of Regulation S-K.

Additional information regarding fees paid to Ernst & Young is available in the section of this proxy statement titled *Audit Committee, Audit Fees and Auditor Independence*.

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There were 80,830,512 shares of our common stock issued and outstanding on March 4, 2009, consisting of 46,376,653 shares of Class A Common Stock and 34,453,859 shares of Class B Common Stock. The following table shows how many shares were owned by the following categories of persons as of that date:

- persons known to us who beneficially own more than 5% of the shares;
- each director and each executive officer described on the Summary Compensation Table ; and
- directors and all executive officers as a group.

Name	Shares of Class B Common Stock Beneficially Owned (a)		Shares of Class A Common Stock Beneficially Owned		Percent of Total Voting Power (c)
	Number	Percent	Number	Percent (b)	
David D. Smith	9,349,925	27.1%	10,539,928(d)	18.7%	24.2%
J. Duncan Smith	10,000,000	29.0%	10,080,087(e)	17.9%	25.6%
Robert E. Smith	7,430,855	21.6%	8,223,329(f)	15.2%	19.2%
Frederick G. Smith	6,957,673	20.2%	7,455,689(g)	14.0%	17.9%
Steven M. Marks			97,153(h)	*	*
David B. Amy			82,518(i)	*	*
Barry M. Faber			36,876(j)	*	*
Lucy A. Rutishauser			22,299(k)	*	*
Martin R. Leader			31,415	*	*
Basil A. Thomas			22,545	*	*
Lawrence E. McCanna			14,600	*	*
Daniel C. Keith			14,000	*	*
Barclays Global Investors, NA. 400 Howard Street San Francisco, CA 94105			3,827,420(l)	8.3%	1.0%
LSV Asset Management 1 N. Wacker Drive, Suite 4000 Chicago, IL 60606			3,726,077(m)	8.0%	1.0%
GAMCO Investors, Inc. One Corporate Center Rye, NY 10580-1435			2,775,747(n)	6.0%	*
Earnest Partners, LLC 1180 Peachtree Street NE, Suite 2300 Atlanta, GA 30309			2,928,137(o)	6.3%	*

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Dimensional Fund Advisor LP Palisades West, Building One 6300 Bee Cave Road Austin, Texas 78746			2,921,319(p)	6.3%	*
The Vanguard Group, Inc. 100 Vanguard Boulevard Malvern, PA 19355			2,686,718(q)	5.8%	*
GW Capital, Inc. 10900 NE 8th Street, Suite 1010 Bellevue, WA 98004			2,449,561(r)	5.3%	*
All directors and executive officers as a group (13 persons)	33,738,453	97.9%	36,636,168(s)	45.4%	86.9%

*Less than 1%

The address for such beneficial owner is 10706 Beaver Dam Road, Hunt Valley, Maryland 21030.

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(a) By virtue of a stockholders' agreement dated April 19, 2005 by and among David D. Smith, Frederick G. Smith, J. Duncan Smith and Robert E. Smith, each of the Smith brothers is required to vote all of his Class A and Class B Common Stock in favor of the other Smith brothers to cause their election as directors. Consequently, each of the Smith brothers may be deemed to beneficially own the shares of common stock individually owned by the other Smith brothers. Nevertheless, each of the Smith brothers disclaims beneficial ownership of the shares owned by the other Smith brothers.

(b) Percent of Class A Common Stock beneficially owned is the number of shares of Class A Common Stock beneficially owned divided by the sum of (i) number of shares of Class A Common Stock outstanding plus (ii) any Class B Common Stock individually held plus (iii) any options, stock-settled stock appreciation rights (SARs) or restricted Class A Common Stock individually held that will vest within 60 days of March 4, 2009.

(c) Holders of Class A Common Stock are entitled to one vote per share and holders of Class B Common Stock are entitled to ten votes per share except for votes relating to going private and certain other transactions. The Class A Common Stock and the Class B Common Stock vote together as a single class except as otherwise may be required by Maryland law on all matters presented for a vote. Holders of Class B Common Stock may at any time convert their shares into the same number of shares of Class A Common Stock.

(d) Includes 9,349,925 shares of Class B Common Stock beneficially owned, each of which is convertible into one share of Class A Common Stock, 200,000 shares of SARs, with an exercise price of \$15.78, exercisable within 60 days of March 4, 2009 and 350,000 shares of SARs, with an exercise price of \$8.94, exercisable within 60 days of March 4, 2009.

(e) Includes 10,000,000 shares of Class B Common Stock beneficially owned, each of which is convertible into one share of Class A Common Stock.

(f) Includes 7,430,855 shares of Class B Common Stock beneficially owned, each of which is convertible into one share of Class A Common Stock. The shares of Class B Common Stock include 291,049 shares held in an irrevocable trust established by Robert E. Smith for the benefit of family members, of which he is the trustee.

(g) Includes 6,957,673 shares of Class B Common Stock beneficially owned, each of which is convertible into one share of Class A Common Stock.

(h) Includes 53,500 shares of Class A Common Stock that may be acquired upon exercise of options exercisable and 13,500 shares of restricted Class A Common Stock that will vest within 60 days of March 4, 2009.

(i) Includes 12,500 shares of Class A Common Stock that may be acquired upon exercise of options exercisable and 13,500 shares of restricted Class A Common Stock that will vest within 60 days of March 4, 2009.

(j) Includes 12,500 shares of restricted Class A Common Stock that will vest within 60 days of March 4, 2009.

(k) Includes 15,000 shares of Class A Common Stock that may be acquired upon exercise of options exercisable and 3,250 shares of restricted Class A Common Stock that will vest within 60 days of March 4, 2009.

(l) As set forth in the Schedule 13G filed by Barclays Global Investors, NA. with the Securities and Exchange Commission (the SEC) on February 5, 2009, Barclays Global Investors, NA. is deemed to be the beneficial owner of 2,668,017 shares and has sole voting power with respect to 2,339,080 of those shares and sole dispositive power with respect to 2,668,017 of those shares; Barclays Global Fund Advisors is deemed to be the beneficial owner of 1,159,403 shares and has sole voting power with respect to 1,159,403 of those shares and sole dispositive power with respect to 1,159,403 of those shares.

(m) As set forth in the Schedule 13G filed by LSV Asset Management with the SEC on February 17, 2009, LSV Asset Management is deemed to be the beneficial owner of 3,726,077 shares and has sole voting power with respect to all of those shares.

(n) As set forth in the Schedule 13D/A filed by GAMCO Investors, Inc. with the SEC on March 20, 2009, Gabelli Funds, LLC is deemed to be the beneficial owner of 1,298,270 shares and has sole voting power and sole dispositive power with respect to all of those shares; GAMCO Asset Management Inc. is deemed to be the beneficial owner of 1,393,776 shares and has sole voting power with respect to 1,373,776 of those shares and sole dispositive power with respect to 1,393,776 of those shares; MJG Associates, Inc. is deemed to be the beneficial owner of 14,000 shares and has sole voting power and sole dispositive power with respect to all of

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those shares; Teton Advisors, Inc. is deemed to be the beneficial owner of 25,000 shares and has sole voting power and dispositive power with respect to all of those shares; and GAMCO Investors, Inc. is deemed to be the beneficial owner of 44,701 shares and has sole voting power and dispositive power with respect to all of those shares.

(o) As set forth in the Schedule 13G/A filed by Earnest Partners, LLC with the SEC on February 17, 2009, Earnest Partners, LLC is deemed to be the beneficial owner of 2,928,137 shares and has sole voting power with respect to 1,589,900 of those shares, has shared voting power with respect to 877,237 of those shares and has sole dispositive power with respect to 2,928,137 of those shares.

(p) As set forth in the Schedule 13G/A filed by Dimensional Fund Advisors LP with the SEC on February 9, 2009, Dimensional Fund Advisors LP is deemed to be the beneficial owner of 2,921,319 shares and has sole voting power with respect to 2,834,364 of those shares and has sole dispositive power with respect to 2,921,319 of those shares.

(q) As set forth in the Schedule 13G filed by The Vanguard Group, Inc. with the SEC on February 13, 2009, The Vanguard Group, Inc. is deemed to be the beneficial owner of 2,686,718 shares and has sole voting power with respect to 84,033 of those shares and has sole dispositive power with respect to 2,686,718 of those shares.

(r) As set forth in the Schedule 13G/A filed by GW Capital, Inc. with the SEC on February 5, 2009, GW Capital, Inc. is deemed to be the beneficial owner of 2,449,561 shares and has sole voting power with respect to those shares.

(s) Includes shares of Class A Common Stock that may be acquired upon the exercise of options, SARs and shares of restricted Class A Common Stock that will vest within 60 days of March 4, 2009.

Table of Contents**DIRECTORS, EXECUTIVE OFFICERS AND KEY EMPLOYEES**

Set forth below is certain information relating to our named directors and nominees, executive officers and certain key employees.

Name	Age	Title
<i>Directors</i>		
David D. Smith	58	President, Chief Executive Officer, Chairman of the Board and Director
Frederick G. Smith	59	Vice President and Director
J. Duncan Smith	55	Vice President, Secretary and Director
Robert E. Smith	45	Director
Daniel C. Keith	54	Director
Martin R. Leader	68	Director
Lawrence E. McCanna	65	Director
Basil A. Thomas	93	Director
<i>Executive Officers</i>		
David B. Amy	56	Executive Vice President / Chief Financial Officer
Steven M. Marks	52	Vice President / Chief Operating Officer
Barry M. Faber	47	Executive Vice President / General Counsel
Lucy A. Rutishauser	44	Vice President / Corporate Finance / Treasurer
David R. Bochenek	46	Vice President / Chief Accounting Officer
<i>Key Employees</i>		
M. William Butler	56	Vice President / Programming and Promotion
W. Gary Dorsch	57	President of Keyser Capital, LLC
Lawrence M. Fiorino	47	Founder and CEO / G1440 Holdings, Inc.
Robert Malandra	46	Vice President / Finance Television
Nathaniel S. Ostroff	68	Vice President / New Technology and President, Chief Executive Officer and Chairman of the Board of Acrodyne Communications, Inc.
Delbert R. Parks, III	56	Vice President / Engineering and Operations
Darren J. Shapiro	48	Vice President / New Business Sales
Gregg L. Siegel	48	Vice President / National Sales
Jeffrey W. Sleete	54	Vice President / Marketing
Donald H. Thompson	42	Vice President / Human Resources
Thomas I. Waters, III	40	Vice President / Purchasing

Members of the Board of Directors are elected for one-year terms and serve until their successors are duly elected and qualified. Executive officers are appointed by the Board of Directors annually to serve for one-year terms and serve until their successors are duly appointed and qualified.

Messrs. David, Duncan and Robert Smith and Dr. Frederick Smith are brothers and have entered into a stockholders' agreement pursuant to which they have agreed to vote for each other as candidates for election to the Board of Directors until June 13, 2015.

Profiles

David D. Smith has served as President and Chief Executive Officer since 1988 and as Chairman of the Board of Sinclair Broadcast Group, Inc. since September 1990. Mr. Smith founded Comark Communications, Inc., a company engaged in the manufacture of high power transmitters for UHF television stations, and was an officer and director of Comark until 1986. He also was a principal in other television stations prior to serving as a General Manager of WPMY (formerly WCWB-TV) from 1984 until 1986. In 1986, David was instrumental in the formation of Sinclair Broadcast Group, Inc. David Smith is currently a member of the Board of Directors of Sinclair Ventures, Inc., G1440 Holdings, Inc., Atlantic Automotive Corporation, Safe Waterways in Maryland, The Triscari Group, Inc., The Sinclair Relief Fund, The American Flag Foundation, Inc. and is a member of the Board of Managers of Alarm Funding Associates, LLC.

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Frederick G. Smith has served as Vice President of Sinclair since 1990 and Director since 1986. Prior to joining Sinclair in 1990, Dr. Smith was an oral and maxillofacial surgeon engaged in private practice and was employed by Frederick G. Smith, M.S., D.D.S., P.A., a professional corporation of which Dr. Smith was the sole officer, director and stockholder. Dr. Smith is currently a member of the Board of Directors or Trustees of Sinclair Ventures, Inc., the Freven Foundation, Safe Waterways in Maryland, Gerstell Academy, University of Maryland at Baltimore Foundation, St. Joseph's Hospital and The Sinclair Relief Fund.

J. Duncan Smith has served as Vice President, Secretary and as a Director of Sinclair since 1986. Prior to that, he worked for Comark Communications, Inc. installing UHF transmitters. In addition, he also worked extensively on the construction of WPMY (formerly WCWB-TV) in Pittsburgh, Pennsylvania; WTTE-TV in Columbus, Ohio; WIIB-TV in Bloomington, Indiana and WTTA-TV in Tampa / St. Petersburg, Florida, the renovation of the studio, offices and news facility for WBFF-TV in Baltimore, Maryland and construction of the Sinclair headquarters building in Hunt Valley, Maryland. J. Duncan Smith is currently a member of the Board of Directors of Sinclair Ventures, Inc., The High Rock Foundation, Safe Waterways in Maryland, The Sinclair Relief Fund and The Boys' Latin School of Maryland.

Robert E. Smith has served as a Director since 1986. He served as Vice President and Treasurer of Sinclair from 1988 to June 1998, at which time he resigned from his position as Vice President and Treasurer. In March 1997, Mr. Smith started RSMK LLC, a commercial real estate investment company which he currently manages. Prior to 1986, he assisted in the construction of several television stations including WTTE-TV in Columbus, Ohio and also worked for Comark Communications, Inc. installing UHF transmitters. Mr. Smith is currently a member of the Board of Directors of Sinclair Ventures, Inc., Nextgen Foundation Charitable Trust, Safe Waterways in Maryland, Gerstell Academy, Bay Television, Inc., Keyser Investment Group, Cunningham Communications, Inc., Gerstell Development LP and Beaver Dam LLC.

Daniel C. Keith has served as a Director since May 2001. Mr. Keith is the President and Founder of the Cavanaugh Group, Inc., a Baltimore-based investment advisory firm founded in October 1995. Prior to establishing the Cavanaugh Group, Inc., Mr. Keith was Vice President, Senior Portfolio Manager, and Director of the Investment Management division of a local financial services company since 1985. During this time, he served as Chairman of the Investment Advisory Committee and was a member of the Board of Directors. Mr. Keith has been advising clients since 1979 and is currently a member of the Boards of Trustees of The High Rock Foundation and Safe Waterways in Maryland.

Martin R. Leader has served as a Director since May 2002. Mr. Leader is a retired partner of the law firm ShawPittman (now known as Pillsbury Winthrop Shaw Pittman LLP) in Washington, D.C. where he specialized in communications law matters. Prior to his service at ShawPittman, Mr. Leader was a senior partner with the law firm of Fisher Wayland Cooper Leader & Zaragoza in Washington, D.C. from 1973 to 1999. Mr. Leader was a member of the Board of Directors of Atlantic Automotive Corporation until February 2006. Mr. Leader has served on the staff of the Office of Opinions and Review of the Federal Communications Commission. He is a member of the District of Columbia Bar. Mr. Leader graduated from Tufts University and Vanderbilt University Law School.

Lawrence E. McCanna has served as a Director since July 1995. Mr. McCanna has been a shareholder of the accounting firm of Gross, Mendelsohn & Associates, P.A. since 1972 and has served as its managing director since 1982. Mr. McCanna has served on various committees of the Maryland Association of Certified Public Accountants and was Chairman of the Management of the Accounting Practice Committee. He is also a former member of the Management of an Accounting Practice Committee of the American Institute of Certified Public Accountants. Mr. McCanna is a current member of the Board of Directors of Mount St. Joseph High School and serves on that organization's audit committee and finance committee. He is also a former member of the Board of Directors of Maryland Special Olympics.

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Basil A. Thomas has served as a Director since November 1993. From 1961 to 1968, Mr. Thomas served as an Associate Judge on the Municipal Court of Baltimore City and from 1968 to 1983 he served as an Associate Judge of the Supreme Bench of Baltimore City. He retired from the bench in 1983 and served as counsel to the law firm Thomas & Libowitz until December 2007. Mr. Thomas is a member of the American Bar Association and the Maryland State Bar Association. Mr. Thomas attended the College of William & Mary and received his L.L.B. from the University of Baltimore. Mr. Thomas is the father of Steven A. Thomas, a senior attorney and founder of Thomas & Libowitz, counsel to Sinclair.

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David B. Amy has served as Executive Vice President/Chief Financial Officer (CFO) of Sinclair since March 2001. Prior to that, he served as Executive Vice President from September 1999 to March 2001 and as Vice President and CFO from September 1998 to September 1999. Prior to that, he served as CFO from 1994 to September 1998. In addition, he serves as Secretary of Sinclair Television Group, Inc., a wholly-owned subsidiary that owns and operates our broadcasting operations. Mr. Amy has over 25 years of broadcast experience, having joined Sinclair as a Business Manager for WPMY (formerly WCWB-TV) in Pittsburgh, Pennsylvania. Mr. Amy received his MBA degree from the University of Pittsburgh in 1981. Mr. Amy is currently a member of the Board of Directors of Acrodyne Communications, Inc., G1440 Holdings, Inc., KDSM, LLC, VisionAir and The Maryland Science Center. He is also a member of the Board of Managers of Triangle Sign & Service, LLC and Chairman of the Board of Managers of Alarm Funding Associates, LLC. Mr. Amy also serves as the Audit Committee Chairman of Acrodyne Communications, Inc.

Steven M. Marks has served as Vice President/Chief Operating Officer since May 2007. Prior to that, he served as Chief Operating Officer/Television Group from February 2003 to May 2007. Mr. Marks is responsible for the television station group operations. Prior to that, he served as Vice President/Regional Director from March 2002 to February 2003. As a Vice President/Regional Director, Mr. Marks was responsible for the Baltimore, Columbus, Pittsburgh, Flint, Tallahassee, Charleston, West Virginia, Portland, Springfield, Minneapolis, Tampa, Syracuse, Norfolk, Richmond, Buffalo and Rochester markets. Prior to his appointment as Vice President/Regional Director, Mr. Marks served as Regional Director since October 1994. Mr. Marks served as General Manager for Sinclair's flagship station, WBFF-TV in Baltimore, Maryland from July 1991 until October 1994. From 1986 until joining WBFF-TV in 1991, Mr. Marks served as General Sales Manager at WTTE-TV in Columbus, Ohio. Prior to that time, he was National Sales Manager for WFLX-TV in West Palm Beach, Florida.

Barry M. Faber has served as Executive Vice President/General Counsel since May 2008, as Vice President/General Counsel from August 1999 to May 2008 and prior to that as Associate General Counsel from 1996 to 1999. Prior to that time, he was associated with the law firm of Fried, Frank, Harris, Shriver, & Jacobson in Washington, D.C. Barry M. Faber is a graduate of the University of Virginia and the University of Virginia School of Law. Mr. Faber is also a member of the Board of Directors of The Sinclair Relief Fund.

Lucy A. Rutishauser has served as Vice President/Corporate Finance/Treasurer since November 2002. From March 2001 until November 2002, she served as Treasurer and, from 1998 until March 2001, she served as Assistant Treasurer. From 1996 to 1997, Ms. Rutishauser was the Assistant Treasurer for Treasure Chest Advertising Company (currently Vertis). From 1992 to 1996, Ms. Rutishauser served as Assistant Treasurer and Director of Treasury for Integrated Health Services, Inc. From 1988 to 1992, Ms. Rutishauser held various treasury positions with Laura Ashley, Inc. and the Black and Decker Corporation. Ms. Rutishauser graduated magna cum laude from Towson University with a Bachelor of Science degree in Economics and Finance and received her M.B.A., with honors from the University of Baltimore. Ms. Rutishauser serves on the University of Baltimore Merrick School of Business advisory counsel. Ms. Rutishauser is a member of the National Institute of Investor Relations and the Association of Finance Professionals.

David R. Bochenek has served as Vice President/Chief Accounting Officer since May 2005. Prior to that, he served as Chief Accounting Officer from November 2002 to April 2005. Mr. Bochenek joined Sinclair in March 2000 as the Corporate Controller. Prior to joining Sinclair, Mr. Bochenek was Vice President, Corporate Controller for Prime Retail, Inc. from 1993 until 2000. From 1990 to 1993, Mr. Bochenek served as Assistant Vice President for MNC Financial, Inc. and prior to that held various positions in the audit department of Ernst & Young, LLP. Mr. Bochenek received his Bachelor of Business Administration in Accounting and Master of Science in Finance from Loyola College in Maryland.

M. William Butler has served as Vice President/ Programming and Promotion since July 1999 and from 1997 until 1999, as Vice President/Group Program Director, of Sinclair Television Group, Inc. From 1995 to 1997, Mr. Butler served as Director of Programming at KCAL-TV in Los Angeles, California. From 1991 to 1995, he was Director of Marketing and Programming at WTXF-TV in Philadelphia, Pennsylvania and prior to that he was the Program Director at WLVI in Boston, Massachusetts. Mr. Butler attended the Graduate Business

School of the University of Cincinnati from 1975 to 1976.

W. Gary Dorsch has served as President of Keyser Capital, LLC since October 2007. Keyser Capital is the private equity and real estate investment fund established by us in January 2007. Prior to joining Keyser, Mr. Dorsch founded and co-managed Allegiance Capital, L.P. from 1999 to present. Allegiance is a licensed Small Business Investment Company. Prior to Allegiance, he spent 24 years with Bank of America and its predecessor banks in Maryland. Mr. Dorsch is a member of the Board of Directors of The College Savings Plans of Maryland and is Chairman of its audit and finance committee. He is Chairman of the Board of Managers of Triangle Sign and Service, LLC and serves on the Board of Managers of Alarm Funding Associates, LLC. Mr. Dorsch received his Bachelor of Science degree from Towson University and received his MBA from Loyola College, Maryland.

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Lawrence M. Fiorino founded G1440 Holdings, Inc. (G1440) in April 1998. G1440 is a provider of single-source, end-to-end e-Business solutions and a number of services and products, including a homebuilding application, an immigration tracking tool application, a syndicated television program management and scheduling application and a procurement application. Mr. Fiorino has served as the CEO of G1440 since its inception. From 1994 to 1998, he was Vice President of Systems and Technology for The Ryland Group, Inc. Mr. Fiorino is a Certified Public Accountant, has a BA in Accounting, an MBA in MIS, and is a regular contributing writer for Maryland's Daily Record newspaper. Mr. Fiorino appears weekly on FOX-45's Web Sightings technology segment on our FOX affiliate station in Baltimore, Maryland. Mr. Fiorino is currently on the Board of Directors of the Emerging Technology Centers of Maryland, the Greater Baltimore Technology Council and University of Maryland Library.

Robert Malandra has served as Vice President Finance/Television since 2008; he joined the Company as Operations Controller in 2006. Prior to joining Sinclair from 1999 to 2006, he worked for Madison Square Garden as an Executive Consultant dealing with initiatives for their MSG network, Fox Sports New York, Radio City and Arena properties. Prior to that, he was VP Planning, Advertising for Rainbow Media's regional sports channels. From 1985 to 1997, he was with Rainbow's PRISM/Sports Channel Philadelphia, holding multiple positions, eventually managing that business unit. Mr. Malandra is a Certified Management Accountant and a Certified Financial Manager. He holds a Bachelor of Science degree in Business Administration from Widener University in Pennsylvania and a Masters degree in Business Administration focused in Media Strategy from Manchester Business School in Manchester, England. Mr. Malandra is a member of the Institute of Management Accountants (IMA) and served on the IMA's Professional Development Committee.

Nathaniel S. Ostroff has served as Vice President/New Technology since 1996. From 1984 until joining Sinclair, he was the President and CEO of Comark Communications, Inc., a leading manufacturer of UHF transmission equipment. While at Comark, Mr. Ostroff was nominated and awarded a Prime Time Emmy Award for outstanding engineering achievement for the development of new UHF transmitter technologies in 1993. In 1968, Mr. Ostroff founded Acrodyne Industries Inc., a manufacturer of TV transmitters and served as its first President and CEO. Mr. Ostroff holds a BSEE degree from Drexel University and an MEEE degree from New York University. He is a member of several industry organizations, including AFCCE, IEEE and SBE. Mr. Ostroff also serves as CEO and Chairman of the Board for Acrodyne Communications, Inc., in which we have a majority ownership interest. Mr. Ostroff is a member of the Executive Committee of the Open Mobile Video Coalition, a broadcast industry organization created to promote portable and mobile DTV devices and technology.

Delbert R. Parks, III has served as Vice President/ Engineering and Operations of Sinclair Television Group, Inc. since 1996. From 1985 to 1996, he was Director of Operations and Engineering for WBFF-TV in Baltimore, Maryland and Sinclair. He has held various operations and engineering positions with us for the last 36 years. He is responsible for planning, organizing and implementing operational and engineering policies and strategies as they relate to television operations, Internet activity, information management systems, and infrastructure. Mr. Parks is a member of the Society of Motion Picture and Television Engineers and the Society of Broadcast Engineers. Mr. Parks is also a retired Army Lieutenant Colonel who has held various commands during his 26-year reserve career.

Darren J. Shapiro has served as Vice President/New Business Sales since March 2007. From 2001 to 2007, he served as Vice President/Sales and from 2000 to 2001, he served as Director of Internet Sales. From 1999 to 2000, he served as New Business Development Manager and, prior to that he served as General Sales Manager and Local Sales Manager for WBFF-TV, our FOX affiliate in Baltimore, Maryland from 1993 to 1999. From 1989 to 1993, Mr. Shapiro served as Corporate National Sales Manager. Prior to that, he was a Senior Account Executive for Seltel Inc. in New York City. Mr. Shapiro holds a Bachelor's degree in Economics from the University of Rochester.

Gregg L. Siegel has served as Vice President/National Sales since June 2001. Prior to that time, he worked as Director of Business Development, Strategic Sales Manager and a Regional Sales Manager on a multiple market basis, since starting with us in 1994. He has held several sales and management positions with National Sales Representation Firms, having started his television sales career in 1982 with Avery-Knodel as a marketing associate. Mr. Siegel holds a Bachelor's degree in Communications and Marketing from the University of

Arizona.

Jeffrey W. Sleete has served as Vice President/Marketing since August 2001. From 1999 until 2001, he served as a Regional Director and as Regional Sales Counselor for our television stations. From 1996 to 1999, he was the Vice President of Sales & Marketing for our radio division. From 1985 until 1996, he served as General Manager of radio stations in Detroit, Michigan; Houston, Texas and West Palm Beach, Florida. From 1980 to 1985, Mr. Sleete headed a national sales representation firm office in Detroit and was a General Sales Manager for two radio stations. Prior to that, he was an account executive for both local and national sales. Mr. Sleete holds a Bachelor of Science degree from Eastern Michigan University.

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Donald H. Thompson has served as Vice President/Human Resources since November 1999 and prior to that as Director of Human Resources from September 1996. Prior to joining us, Mr. Thompson was the Human Resources Manager for NASA at the Goddard Space Flight Center near Washington, D.C. Mr. Thompson holds a Bachelor's Degree in Psychology and a Certificate in Personnel and Industrial Relations from University of Maryland, and a Masters of Science in Business/Human Resource & Behavioral Management and a Master of Business Administration from Johns Hopkins University. Mr. Thompson is a member of the Society for Human Resource Management.

Thomas I. Waters, III has served as Vice President/Purchasing since November 2002. From 2000 to 2002, he served as Director of Purchasing & Administration. From 1996 to 2000, Mr. Waters was Director of Purchasing. Before joining us, Mr. Waters served as the Purchasing Manager for NaturalLawn of America. Mr. Waters holds a Bachelor of Science degree in Business Administration from the University of Baltimore and is President of the Baltimore-Washington Business Travelers Association and formerly served on the Board of Directors of the National Association of Purchasing Managers-Maryland chapter.

CORPORATE GOVERNANCE

Board of Directors and Committees. In 2008, the Board of Directors held a total of 11 meetings. Each director attended all meetings of the Board of Directors and all committees of the Board of Directors on which he served. All directors attended the Annual Meeting held on May 15, 2008. It is the Board's policy that the directors should attend our annual meeting of shareholders, absent exceptional cause.

The Board of Directors currently consists of eight members. The committees of the Board of Directors include an Audit Committee and a Compensation Committee and from time to time special committees formed by the Board of Directors as may be necessary.

Controlled Company Determination. Our Board has determined that we are a Controlled Company for purposes of the Nasdaq listing requirements. A Controlled Company is a company of which more than 50% of the voting power is held by an individual, a group or another company. Certain Nasdaq requirements do not apply to a Controlled Company, including requirements that: (1) a majority of its board of directors must be comprised of independent directors as defined in the Nasdaq Stock Market Rules (the Nasdaq listing standards); and (2) the compensation of officers and the nomination of directors be determined in accordance with specific rules, generally requiring determinations by committees comprised solely of independent directors or in meetings at which only the independent directors are present. Our Board of Directors has determined that we are a Controlled Company based on the fact that the Smith brothers hold more than 50% of our voting power and are parties to a stockholders' agreement that obligates them to vote for each other as candidates for election to the Board of Directors. The Smith brothers have been our executive officers and/or directors at all times since we became public in 1995. Currently, David D. Smith, Frederick G. Smith and J. Duncan Smith are executive officers and directors and Robert E. Smith is a director.

Director Independence. The Board has determined that Messrs. McCanna, Keith and Leader have no relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director and that they otherwise meet the independence criteria under the Nasdaq listing standards. The Board has also determined that Messrs. McCanna, Keith and Leader satisfy the additional independence requirements of Rule 10A-3 under the Securities Exchange Act of 1934, enabling them to serve on the Audit Committee. In making its independence determination, the Board of Directors considered any transactions, relationships and arrangements as required by our independence guidelines. In particular, with respect to each of the most recent completed three fiscal years, the Board evaluated (1) for Mr. Keith, the type and amount of investment advisory services provided by the firm where he serves as an executive officer to our controlling shareholders and family members of our controlling shareholders and (2) for Mr. McCanna, the type and amount of accounting, tax and related services provided by the firm where he serves as its managing director to our controlling shareholders, family members of our controlling

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shareholders and entities (other than Sinclair) owned or controlled by our controlling shareholders or family members of our controlling shareholders.

Pursuant to the Nasdaq listing standards governing director independence, Basil A. Thomas is not deemed to be independent because of Mr. Thomas's relationship to our outside counsel. Mr. Thomas is the father of Steven A. Thomas, a partner and founder of Thomas & Libowitz, P.A., which serves as our outside counsel. During 2006, 2007 and 2008, Sinclair and its subsidiaries paid fees to Thomas & Libowitz, P.A. that exceeded the limits set forth in the independence criteria under the Nasdaq listing standards, which precluded the Board from finding Mr. Thomas independent.

Audit Committee. The members of the Audit Committee are Messrs. McCanna, Keith and Leader. The Audit Committee is governed by a written charter approved by the Board of Directors and available on our website at www.sbgi.net. The Audit Committee formally met nine times during the year ended December 31, 2008.

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The Board of Directors has determined that all audit committee members are financially literate under the current Nasdaq listing standards and that Lawrence E. McCanna qualifies as an audit committee financial expert as defined by the SEC rules adopted pursuant to the Securities Exchange Act of 1934.

The Nasdaq listing standards require that audit committees have at least three directors and that all directors be independent, as defined by Nasdaq and Rule 10A-3 under the Securities Exchange Act of 1934. The Board has determined that Messrs. McCanna, Keith and Leader meet the independence criteria established by Nasdaq and the SEC.

The Audit Committee assists the Board of Directors in its oversight of financial reporting practices and the quality and integrity of the financial reports of Sinclair including compliance with legal and regulatory requirements, the independent auditors' qualifications and independence and the performance of Sinclair's internal audit function. The Audit Committee is responsible for the appointment of Sinclair's independent auditors, whose appointment may be ratified by the shareholders. The Audit Committee is responsible for reviewing compliance with Sinclair's ethics policy and has established procedures for the receipt, retention and treatment of complaints received by Sinclair regarding accounting controls or auditing matters and the confidential, anonymous submission by Sinclair's employees of concerns regarding questionable accounting or auditing matters. The Audit Committee is also responsible for approving or ratifying related person transactions pursuant to Sinclair's related person transaction policy. This policy is described in this proxy statement under the caption *Related Person Transactions*.

Compensation Committee. Nasdaq listing standards require that compensation of executive officers be determined, or recommended to the Board of Directors for determination, either by a majority of the independent directors or a compensation committee comprised solely of independent directors. As a Controlled Company, however, we are not subject to this listing requirement and, as a result, the Board of Directors has determined that notwithstanding Mr. Thomas' failure to meet Nasdaq's current independence criteria for 2008, it was in our best interest and the best interest of our shareholders that Mr. Thomas chair the Compensation Committee. The other members of the Compensation Committee are Messrs. McCanna, Keith, and Leader, all of whom meet the independence criteria established by Nasdaq listing standards. Although the Compensation Committee does not have a written charter, the Compensation Committee is charged with the responsibility for setting executive compensation, reviewing certain compensation programs, administering our equity incentive plans, recommending for inclusion in this proxy statement the Compensation Discussion and Analysis which is included in this proxy statement, preparing the compensation committee report required by SEC rules which is included in this proxy statement, and making other recommendations to the Board of Directors. The Compensation Committee formally met five times during the year ended December 31, 2008.

Each year, the Compensation Committee reviews the prior performance of each named executive officer, reviews the effectiveness of past compensation objectives and approves the compensation policies and plans for the next fiscal year. The Compensation Committee assesses each named executive officer's operational abilities, leadership skills, and potential to contribute to long-term shareholder value. Named executive officers have access to the Compensation Committee to present and discuss their own performance and compensation plan. At times, the Compensation Committee may specifically request meetings with named executive officers to gain a full understanding and exploration of assessed attributes. Our President and Chief Executive Officer, David D. Smith, and our Executive Vice President and Chief Financial Officer, David B. Amy, consult with the Compensation Committee on appropriate compensation for named executive officers other than themselves. In addition, our Vice President, Human Resources, Donald H. Thompson, presents information and recommendations to the Compensation Committee based on market evaluations. The Compensation Committee does not use outside consultants to set compensation.

Director Nominations. The Board does not have a standing nominating committee and there is no formal nominating committee charter, although the Board has adopted a resolution addressing the director nominations process. Instead, the directors who are determined to be independent under the Nasdaq listing standards perform the functions of a nominating committee. The Board believes it is appropriate not to maintain a standing nominating committee primarily because the relatively small number of independent directors on the Board makes it unnecessary to separate the nominating function into a committee structure.

Our independent directors are primarily responsible for identifying and recommending nominees to the Board of Directors for approval of membership on the Board. The independent directors' primary responsibilities in recommending nominees are to: (1) establish criteria for the selection of new directors to become members of the Board, which criteria shall be approved by the Board; (2) lead the search for and identify individuals qualified to become members of the Board and conduct the necessary and appropriate inquiries into the backgrounds and qualifications of possible nominees; (3) consider questions of independence and possible conflicts of interest of members of the Board and executive officers, and whether a candidate has special interests or a specific agenda that would impair his or her ability to effectively represent the interest of all shareholders; (4) consider recommendations for director nominees from current

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directors and executive officers, shareholders and other parties they deem appropriate; (5) have the authority to retain and terminate a search firm to identify director candidates at our expense; (6) determine each proposed nominee's qualifications for service on the Board; (7) consult with the CEO and Chairman of the Board during the process of identifying director nominees; (8) identify and recommend annually, or as vacancies or newly created positions occur, director nominees for approval by the Board of Directors; and (9) review the composition and size of the Board in order to ensure that the Board is comprised of members reflecting the proper expertise, skills, attributes and personal and professional backgrounds for service as one of our directors.

The independent directors will consider nominees proposed by shareholders. Although there is no formal policy regarding shareholder nominees, the Board of Directors believes that shareholder nominees should be viewed in substantially the same manner as other nominees. The consideration of any candidate for director will be based on an assessment of the individual's background, skills and abilities, and if such characteristics qualify the individual to fulfill the needs of the Board at that time. To recommend a prospective nominee for consideration, shareholders should submit the candidate's name, contact information, biographical material and qualifications in writing to Corporate Secretary, Sinclair Broadcast Group, Inc., 10706 Beaver Dam Road, Hunt Valley, Maryland 21030. For more information regarding nominating a director, see *Shareholder Proposals*.

Interested Party Communication with the Board. Shareholders and other parties interested in communicating directly with the Board, any Board committee or any Director, may do so by writing to Sinclair Board of Directors, c/o Corporate Secretary, Sinclair Broadcast Group, Inc., 10706 Beaver Dam Road, Hunt Valley, Maryland 21030. Under the process adopted by the Board, letters we receive that are addressed to members of the Board are reviewed by our Corporate Secretary who will regularly forward a summary and copies of all such correspondence to the Board.

Concerns relating to accounting, internal controls or auditing matters are immediately brought to the attention of the Chairman of the Audit Committee and handled in accordance with procedures established by the Audit Committee with respect to such matters.

Shareholder communications that constitute advertising or promotion of a product or service or relate to improper or irrelevant topics will not be forwarded to the Board, any board committee or any director.

Compensation Committee Interlocks and Insider Participation

The members of the Compensation Committee are Messrs. Thomas, Keith, Leader and McCanna. None of the members of our Compensation Committee at any time has been one of our officers or employees.

The following executive officers are directors of other entities that have a director or executive officer who is on our Board of Directors. David D. Smith, Frederick G. Smith and J. Duncan Smith, all of whom are executive officers and on our Board of Directors, are directors and/or executive officers of other various companies controlled by them, including Cunningham Communications, Inc., Keyser Investment Group, Inc., Bay Television, Inc. and Sinclair Relief Fund. Frederick G. Smith and J. Duncan Smith also control Beaver Dam, LLC. Barry M. Faber is an executive officer of Sinclair and a director of The Sinclair Relief Fund. Frederick G. Smith, J. Duncan Smith and Robert E. Smith are directors of Sinclair Ventures, Inc. Additionally, David D. Smith is a director and executive officer of Sinclair Ventures, Inc. David B. Amy is an executive officer of Sinclair and Chairman of the Board of Managers of Alarm Funding Associates, LLC. Additionally, David D. Smith is on

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the Board of Managers of Alarm Funding Associates, LLC. See *Related Person Transactions* for additional information regarding the previously mentioned executive officers and directors.

Mr. Thomas is the father of Steven A. Thomas, a senior attorney and founder of Thomas & Libowitz, P.A. In 2008, fees paid to Thomas & Libowitz, P.A. were \$1.0 million.

During 2008, none of the named executive officers participated in any final deliberations of our Compensation Committee relating to compensation of the named executive officers.

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Director Compensation for 2008

The following table sets forth certain information regarding compensation for services rendered by our non-employee directors during the year ended December 31, 2008.

Name (a)	Fees Earned or Paid in Cash	Stock Awards (b)	All Other Compensation	Total
Robert E. Smith (c)	\$ 53,000	\$ 46,400	\$ 3,659(c)	\$ 103,059