

SHORE BANCSHARES INC
Form DEF 14A
March 16, 2018

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

SCHEDULE 14A

**Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934**

Filed by the Registrant ☐ Filed by a Party other than the Registrant ☐

Check the appropriate box:

☐ Preliminary Proxy Statement

☐ Confidential, For Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

☒ Definitive Proxy Statement

☐ Definitive Additional Materials

☐ Soliciting Material Pursuant to §240.14a-12

Shore Bancshares, Inc.

(Name of Registrant as Specified in its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

☐ No fee required.

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(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

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(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

☐ Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

28969 Information Lane

Easton, Maryland 21601

Dear Fellow Shareholder:

It is my pleasure to invite you to join us at the Annual Meeting of Shareholders (our “Annual Meeting”) of Shore Bancshares, Inc. (the “Company”) to be held at **The Tidewater Inn, 101 East Dover Street, Easton, Maryland 21601** at 11:00 a.m., local time, on Wednesday, April 25, 2018.

In order to simply and effectively explain the matters to be addressed at our Annual Meeting, we have included a Proxy Statement Summary starting on page 1 that highlights the detailed information included in the Proxy Statement. We have also included a Compensation Discussion and Analysis that begins on page 24, which discusses how our executives’ pay is linked to our performance and clearly explains our executive compensation philosophy and practices. We, together with our Board of Directors (the “Board”), feel that it is important to provide you with the information you are looking for in a way that is easy to understand.

At this year’s meeting, we will vote on the election of four Class III directors to serve for a three-year term ending at the 2021 annual meeting of shareholders, the ratification of the appointment of Yount, Hyde & Barbour, P.C. as the Company’s independent registered public accounting firm, and the adoption of a non-binding advisory resolution approving the compensation of the Company’s named executive officers. In addition, we will transact any other business that may properly come before the Annual Meeting and at any adjournments or postponements thereof. The Board is not aware of any other business that will be presented for consideration at the Annual Meeting.

We are distributing our proxy materials to shareholders via the internet under the “Notice and Access” rules of the U.S. Securities and Exchange Commission. We believe this expedites shareholders’ receipt of proxy materials, lowers the annual meeting costs and conserves natural resources. As a result, we are mailing to many shareholders a Notice of Internet Availability of Proxy Materials (“Notice”), rather than a paper copy of the Proxy Statement and our Annual Report on Form 10-K for the fiscal year ended December 31, 2017. The Notice contains instructions on how to access the proxy materials online, vote online and obtain, if desired, a paper copy of our proxy materials.

Your vote is very important. I encourage you to sign and return your proxy card, or use telephone or Internet voting prior to the meeting, so that your shares of common stock will be represented and voted at the Annual Meeting even if

you cannot attend.

March 16, 2018

Sincerely,

Lloyd L. "Scott" Beatty, Jr.
President and Chief Executive Officer

Important Notice Regarding the Availability of Proxy Materials for the 2018 Annual Meeting of Shareholders to be Held on April 25, 2018:

Our Proxy Statement, form of Proxy, the 2017 Annual Report, and our Annual Report on Form 10-K for the year ended December 31, 2017, are available on the Internet at www.proxyvote.com and on our corporate website at www.shorebancshares.com under the “Governance Documents” link.

Information on this website, other than the Proxy Statement, is not a part of the enclosed Proxy Statement

28969 Information Lane, Easton, Maryland 21601

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the Annual Meeting of Shareholders (our “Annual Meeting”) of Shore Bancshares, Inc. (the “Company”) will be held at **The Tidewater Inn, 101 East Dover Street, Easton, Maryland 21601** at 11:00 a.m., local time, on Wednesday, April 25, 2018, for the following purposes:

1. To elect four Class III directors to serve for a three-year term ending at the 2021 annual meeting of shareholders.
2. To ratify the appointment of Yount, Hyde & Barbour, P.C. as the Company’s independent registered public accounting firm for the fiscal year ending December 31, 2018.
3. To adopt a non-binding advisory resolution approving the compensation of the Company’s named executive officers.

The Board of Directors (the “Board”) is not aware of any other business that will be presented for consideration at the Annual Meeting. If any other matters should be properly presented at the Annual Meeting or any adjournments or postponements of the Annual Meeting for action by shareholders, the persons named in the form of proxy will vote the proxy in accordance with their best judgment on that matter.

The Board recommends that you vote “FOR” each of the director nominees, and “FOR” proposals 2 and 3.

Only shareholders of record as of the close of business on March 1, 2018 are entitled to receive notice of, to attend and to vote at the Annual Meeting. If you are a beneficial owner as of that date, you will receive communications from your broker, bank or other nominee about the Annual Meeting and how to direct the vote of your shares, and you are welcome to attend the Annual Meeting, all as described in more detail in the Proxy Statement Summary section of the attached Proxy Statement.

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting to Be Held on April 25, 2018. The Proxy Statement, form of Proxy, the 2017 Annual Report, and our Annual Report on Form 10-K for the year ended December 31, 2017, are available on the Internet at www.proxyvote.com and on our corporate website at www.shorebancshares.com under the “Governance Documents” link.

By Order of the Board of Directors,

W. David Morse

Secretary and General Counsel

March 16, 2018

TABLE OF CONTENTS

<u>PROXY STATEMENT SUMMARY</u>	Page 1
<u>2018 ANNUAL MEETING OF SHAREHOLDERS</u>	1
<u>VOTING MATTERS AND BOARD RECOMMENDATIONS</u>	1
<u>2017 BUSINESS PERFORMANCE HIGHLIGHTS</u>	1
<u>CORPORATE GOVERNANCE HIGHLIGHTS</u>	2
<u>DIRECTOR NOMINEE HIGHLIGHTS</u>	2
<u>FREQUENTLY ASKED QUESTIONS</u>	3
<u>PROPOSAL 1: ELECTION OF DIRECTORS</u>	6
<u>Classification of the Company's Directors</u>	6
<u>Election Procedures; Term of Office</u>	6
<u>Nominees for Election</u>	6
<u>QUALIFICATIONS OF 2018 DIRECTOR NOMINEES AND CONTINUING DIRECTORS</u>	7
<u>EXECUTIVE OFFICERS WHO ARE NOT SERVING AS DIRECTORS</u>	11
<u>CORPORATE GOVERNANCE</u>	12
<u>COMMITTEES OF THE BOARD OF DIRECTORS</u>	13
<u>BENEFICIAL OWNERSHIP OF COMMON STOCK</u>	16
<u>COMPENSATION OF NON-EMPLOYEE DIRECTORS</u>	18
<u>COMPENSATION DISCUSSION AND ANALYSIS</u>	19
<u>Executive Summary</u>	20
<u>Compensation Philosophy</u>	19
<u>Say on Pay Results</u>	19
<u>Compensation Elements at Shore Bancshares</u>	21
<u>Base Salary</u>	21
<u>Annual Incentive Program</u>	22
<u>Long-Term Incentives</u>	22
<u>401(k) Profit Sharing Plan</u>	23
<u>Deferred Compensation</u>	23
<u>Perquisites</u>	23
<u>Summary Compensation Table</u>	24
<u>2016 Equity Plan</u>	26
<u>Deferred Compensation</u>	30
<u>Employment Agreements and Changes in Control Agreements</u>	32
<u>Benefits Upon Termination of Employment</u>	36
<u>Accounting and Tax Considerations</u>	36
<u>Compensation Committee Report</u>	37
<u>Compensation Committee Interlocks and Insider Participation</u>	37
<u>CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS</u>	38
<u>SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE</u>	38
<u>PROPOSAL 2: RATIFICATION OF THE APPOINTMENT OF YOUNT, HYDE & BARBOUR, P.C. AS THE COMPANY'S INDEPENDENT REGISTERED ACCOUNTING FIRM FOR FISCAL YEAR 2018</u>	39
<u>Audit Fees and Services</u>	39
<u>Audit Committee Pre-Approval Policies and Procedures</u>	39

<u>PROPOSAL 3: ADVISORY VOTE ON EXECUTIVE COMPENSATION</u>	<u>40</u>
<u>REPORT OF THE AUDIT COMMITTEE</u>	<u>41</u>
<u>ANNUAL REPORT TO SHAREHOLDERS</u>	<u>42</u>
<u>SHAREHOLDER PROPOSALS FOR THE 2019 ANNUAL MEETING</u>	<u>42</u>
<u>OTHER BUSINESS</u>	<u>42</u>
<u>SHAREHOLDERS SHARING THE SAME ADDRESS</u>	<u>43</u>
<u>APPENDIX A - FORM OF PROXY</u>	<u>A-1</u>

PROXY STATEMENT SUMMARY

This summary highlights information about Shore Bancshares, Inc. (the “Company,” “we,” “our” or “us”) and certain information contained elsewhere in this proxy statement (“Proxy Statement”) for the Shore Bancshares, Inc. 2018 Annual Meeting of Shareholders (the “2018 Annual Meeting” or the “Meeting”). This summary does not contain all of the information that you should consider in voting your shares, and you should read the entire Proxy Statement carefully before voting.

2018 ANNUAL MEETING OF SHAREHOLDERS

<i>Time and Date</i>	<i>Record Date</i>
11:00 a. m., April 25, 2018	March 1, 2018

Place

The Tidewater Inn	<i>Number of Common Shares Eligible to Vote at the Meeting as of the Record Date</i>
101 East Dover Street	12,735,918
Easton, Maryland 21601	

VOTING MATTERS AND BOARD RECOMMENDATIONS

Proposal	Board Vote Recommendation	Page Reference
Proposal 1 – Election Directors	FOR each nominee	6
Proposal 2 – Ratification of the Appointment of the Independent Registered Public Accounting Firm	FOR	41
Proposal 3 – Advisory Vote on the Compensation of our Named Executive Officers	FOR	42

2017 BUSINESS PERFORMANCE HIGHLIGHTS

☛The Company reported net income of \$11.26 million or \$0.89 per diluted common share for fiscal year 2017, compared to a net income of \$9.64 million or \$0.76 per diluted common share for fiscal year 2016. Excluding the

enacted Tax Cuts and Jobs Act which resulted in the revaluation of deferred tax assets, the Company's reported net income would have been \$12.03 million or \$0.95 per diluted common share for fiscal year 2017.

During 2017, the Company purchased three branches located in the greater Baltimore, Maryland metropolitan area which provided Shore United Bank ("the Bank") the opportunity to expand its footprint in Maryland as well as diversify its loan and deposit concentrations. In addition, the Bank also opened a loan and production office in Ocean City, Maryland and a full-service branch in Onley, Virginia.

Total assets were \$1.394 billion at December 31, 2017, a \$233.6 million, or 20.1%, increase when compared to the \$1.160 billion at December 31, 2016. The increase in total assets was mainly the result of the branch purchase in the second quarter of 2017 which contributed 192.7 million of assets at December 31, 2017.

The dividend payout ratio for 2017 was 24.7%, compared to 18.4% in 2016, representing an increase of \$0.08 per share, or 57.1%

CORPORATE GOVERNANCE HIGHLIGHTS

We are committed to maintaining good corporate governance as a critical component of our success in driving sustained shareholder value. Our Board continually monitors emerging best practices in governance to best serve the interest of our shareholders, including:

Active shareholder engagement

Transparent public policy engagement

Long-standing commitment to sustainability

Independent Board

Independent Chairman of the Board

Independent Board Committees

Executive sessions of independent directors held at each regularly scheduled Board meeting

Stock ownership guidelines for directors and executive officers

DIRECTOR NOMINEE HIGHLIGHTS

Class III Directors (three-year term ending 2021):

David J. Bates – see profile on pg. 7

Lloyd L. Beatty, Jr. — see profile on pg. 7

James A. Judge — see profile on pg. 7

R. Michael Clemmer, Jr. — see profile on pg. 8

FREQUENTLY ASKED QUESTIONS

1. What is the Notice of Internet Availability of Proxy Materials that I received in the mail and why am I receiving it?

In accordance with rules adopted by the Securities and Exchange Commission (the “SEC”), except for shareholders who have requested otherwise, we have generally mailed to our shareholders a Notice of Internet Availability of Proxy Materials (the “Notice of Internet Availability”). The Notice of Internet Availability provides instructions either for accessing our proxy materials, including this Proxy Statement and the 2017 Annual Report, which includes our annual report on Form 10-K for the year ended December 31, 2017 (the “2017 Annual Report”), at the website address referred to in the Notice of Internet Availability, or for requesting printed copies of the proxy materials by mail or electronically by e-mail. If you would like to receive a paper or e-mail copy of our proxy materials either for this 2018 Annual Meeting or for all future meetings, you should follow the instructions for requesting such materials included in the Notice of Internet Availability we mailed to you.

Our Board provided the Notice of Internet Availability and is making the proxy materials available to you in connection with our 2018 Annual Meeting, which will take place on April 25, 2018. As a shareholder, you are invited to attend the 2018 Annual Meeting and are entitled to, and requested to, vote on the proposals described in this Proxy Statement.

2. What information is contained in the Proxy Statement?

This Proxy Statement describes the proposals to be voted on at the 2018 Annual Meeting, the voting process, compensation of our directors and executive officers, and certain other required information.

3. How can I access the Company’s proxy materials electronically?

The Proxy Statement, form of proxy and 2017 Annual Report are available at www.proxyvote.com and on our corporate website at www.shorebancshares.com under the “Governance Documents” link.

4. What does it mean if I receive more than one Notice of Internet Availability or set of the proxy materials?

It means your shares are registered differently or are in more than one account. Please provide voting instructions for each account for which you have received a Notice of Internet Availability or set of proxy materials.

5. Who is soliciting my vote pursuant to this Proxy Statement?

Our Board is soliciting your vote at the 2018 Annual Meeting.

6. Who is entitled to vote?

Only shareholders of record at the close of business on March 1, 2018 (the “Record Date”) are entitled to notice of and to vote at the 2018 Annual Meeting.

7. How many shares are eligible to be voted?

As of the Record Date, we had 12,735,918 shares of common stock, par value \$.01 per share (“Common Stock”) outstanding. Each outstanding share of our Common Stock will entitle its holder to one vote on each of the director nominees to be elected and one vote on each other matter to be voted on at the 2018 Annual Meeting.

8. What am I voting on?

You are voting on the following matters:

election of four Class III directors to serve for a three-year term ending at the 2021 annual meeting of shareholders

- (Proposal 1);

ratification of the appointment of Yount, Hyde & Barbour, P.C. as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2018 (Proposal 2); and

advisory approval of the compensation of our named executive officers (Proposal 3).

9. How does our Board recommend that I vote?

Our Board recommends that shareholders vote their shares as follows:

“FOR” each director nominee;

“FOR” the ratification of the appointment of Yount, Hyde & Barbour, P.C. as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2018;

“FOR” the approval of the compensation of our named executive officers.

10. How can I cast my vote? Must I attend the Annual Meeting to do so?

If you are a shareholder of record, you may vote at the 2018 Annual Meeting on April 25, 2018, **or** you may direct how your shares are voted without attending the 2018 Annual Meeting in one of the other following ways:

Internet. You can submit a proxy over the Internet to vote your shares at the 2018 Annual Meeting by following the instructions provided either in the Notice of Internet Availability or on the proxy card or voting instruction form you received if you requested and received a printed set of the proxy materials.

Telephone If you requested and received a printed set of the proxy materials, you can submit a proxy over the telephone to vote your shares at the 2018 Annual Meeting by following the instructions provided on the proxy card or voting instruction form enclosed with the proxy materials you received. If you received a Notice of Internet Availability only, you can submit a proxy over the telephone to vote your shares by following the instructions at the Internet website address referred to in the Notice of Internet Availability.

Mail If you requested and received a printed set of the proxy materials, you can submit a proxy by mail to vote your shares at the Annual Meeting by completing, signing and returning the proxy card or voting instruction form

enclosed with the proxy materials you received.

Whichever method of voting you use, the proxies identified on the proxy card will vote the shares of which you are the shareholder of record in accordance with your instructions. If you submit a proxy card properly voted and returned through available channels without giving specific voting instructions, the proxies will vote the shares as recommended by our Board.

11. How may a shareholder nominate someone at the Annual Meeting to be a director or bring any other business before the Annual Meeting?

The Company's Amended and Restated By-Laws, as amended (the "Bylaws") require advance notice to the Company if a shareholder intends to nominate someone for election as a director or to bring other business before the Meeting. Such a notice may be made only by a shareholder of record within the time period established in the Bylaws. See "Shareholder Proposals for the 2019 Annual Meeting" beginning on page 56 .

12. How do I request electronic or printed copies of this and future proxy materials?

You may request and consent to delivery of electronic or printed copies of future proxy statements, annual reports and other shareholder communications by:

visiting www.proxyvote.com, or

calling 1-800-579-1639, or

sending an email to sendmaterial@proxyvote.com.

When requesting copies of proxy materials and other shareholder communications, you should have available the control number located on the Notice of Internet Availability or proxy card or, if shares are held in the name of a broker, bank or other nominee, the voting instruction form.

13. What happens if my shares are held in street name?

If you have selected a broker, bank, or other intermediary to hold your shares of Common Stock, rather than having the shares directly registered in your name with our transfer agent, you will receive separate instructions directly from your broker, bank, or other intermediary in order to vote your shares. If you, as the beneficial owner of the shares of Common Stock, do not submit voting instructions to the organization that holds your shares, that organization may still be permitted to vote your shares. In general, under The Nasdaq Stock Market Rules (the “Nasdaq Rules”), the organization that holds your shares of Common Stock may generally vote on routine matters. Proposal 2, the approval and appointment of the Company’s independent auditor, Yount, Hyde & Barbour, P.C., is a routine matter. However, absent specific instructions from beneficial owners, brokers may not vote for non-routine matters. Proposal 1, the election of directors, and Proposal 3, the advisory approval of the compensation of our named executive officers, are non-routine matters. Therefore, there may be broker non-votes with respect to Proposals 1 and 3. Accordingly, we urge you to vote by following the instructions provided by your broker, bank, or other intermediary.

Please note that if your shares are held in street name and you wish to attend and vote your shares at the 2018 Annual Meeting, you must first obtain a legal proxy from your broker, bank, or other intermediary that is the holder of record of your shares and bring it with you to the Meeting. Otherwise you will not be permitted to vote in person at the 2018 Annual Meeting.

14. What steps can I take if I want to revoke my proxy?

Any shareholder giving a proxy may revoke it at any time by submission of a later dated proxy, subsequent Internet or telephonic proxy, or by written notice delivered to Lloyd L. Beatty, Jr., President and Chief Executive Officer (“CEO”) of the Company, at the Company’s address listed above or at the meeting. Shareholders entitled to vote at the 2018 Annual Meeting who attend may revoke any proxy previously granted and vote in person at the Meeting by written ballot. Unless so revoked, the shares represented by such proxies will be voted at the 2018 Annual Meeting and all adjournments or postponements of the Meeting.

All properly executed proxies received pursuant to this solicitation will be voted as directed by the shareholder on the proxy. If no direction is given, the proxy will be voted FOR ALL NOMINEES named in Proposal 1, FOR the ratification of the appointment of Yount, Hyde & Barbour, P.C. as the Company’s independent registered public accounting firm, as described in Proposal 2 and FOR the adoption of the resolution approving the compensation of the named executive officers, as described in Proposal 3.

15. How are the votes tabulated?

Broadridge will tabulate all votes which are received prior to the date of the 2018 Annual Meeting. We have appointed Camille Pecorak as Inspector of Election of the 2018 Annual Meeting and to receive Broadridge’s tabulation, to tabulate all other votes, and to certify the voting results. We intend to publish the final voting results in a Current Report on Form 8-K to be filed with the Securities and Exchange Commission (“SEC”) within four business days of the Meeting.

16. Who pays the cost of this solicitation?

We will pay the cost of this solicitation. In addition, arrangements may be made with brokerage houses and other custodians, nominees, and fiduciaries to send proxies and proxy material to their principals. Solicitation of proxies may be made by mail, telephone, personal interviews or by other means by our officers and employees who will not be additionally compensated therefor.

PROPOSAL 1: ELECTION OF DIRECTORS

Classification of the Company's Directors

The number of directors constituting our Board is currently set at 12. In accordance with the terms of the Company's Amended and Restated Articles of Incorporation, as supplemented (the "Charter"), our Board is divided into three classes, Class I, Class II and Class III, with each class serving staggered three-year terms as follows:

• The Class I directors are Christopher F. Spurry, Frank E. Mason, III, Jeffery E. Thompson and John H. Wilson, and their terms will expire at the annual meeting of shareholders to be held in 2019;

• The Class II directors are Blenda W. Armistead, Clyde V. Kelly, III, David A. Fike, and David W. Moore, and their terms will expire at the annual meeting of shareholders to be held in 2020;

• The Class III directors are David J. Bates, Lloyd L. Beatty, Jr., James A. Judge and R. Michael Clemmer, Jr. and their terms will expire at the 2018 Annual Meeting.

Election Procedures; Term of Office

At each annual meeting of shareholders, or special meeting in lieu thereof, upon the expiration of the term of a class of directors, the successors to such directors will be elected to serve from the time of election and qualification until the third annual meeting following his or her election and the election and qualification of his or her successor. Any change in the Board resulting from an increase or decrease in the number of directors will be distributed by the Board among the three classes so that, as nearly as possible, each class will consist of one-third of the directors.

Nominees for Election

Our Board has approved the nomination of David J. Bates, Lloyd L. Beatty, Jr., James A. Judge and R. Michael Clemmer, Jr., for re-election as Class III directors.

Information about the principal occupations, business experience and qualifications of these nominees is provided below under the heading “Qualifications of 2018 Director Nominees and Continuing Directors.”

QUALIFICATIONS OF 2018 DIRECTOR NOMINEES AND CONTINUING DIRECTORS

Class III Director Nominees:

Lloyd L. Beatty, Jr.

Age: 65

Director Since:
2000

Committees:
Executive

Mr. Beatty has served as the Company's President and Chief Executive Officer ("CEO") since June 2013 and as a director of the Company since 2000. Prior to the merger of our banking subsidiaries, CNB and The Talbot Bank of Easton ("Talbot Bank"), which formed Shore United Bank, in July 2016, Mr. Beatty served as a director of the Talbot Bank since 1992 and as a director of CNB since 2015 and subsequently became a director of the Bank following the merger. Since January 2011, Mr. Beatty has served as our President and Chief Operating Officer ("COO") and previously served as our Executive Vice President and COO since August 2007. Prior to that and since October 2004, Mr. Beatty has been employed by us in various executive level operating officer capacities. Prior to joining the Company, Mr. Beatty was the Chief Operating Officer of Darby Overseas Investments, LP, a global private equity firm, and President of Darby Advisors, Inc., a privately held family investment business, from 1998 to 2005. Mr. Beatty was also a practicing certified public accountant for 25 years and a principal in the accounting firm Beatty, Satchell & Company from 1977 to 1998. In nominating Mr. Beatty, the Nominating and Governance Committee considered as important factors Mr. Beatty's extensive financial knowledge and operational experience, as well as his familiarity with an important market area in which we compete, his experience with the Bank and his experience in advising companies on financial and tax matters, merger and acquisition transactions, and insurance operations.

David J. Bates

Age: 71

Director Since:
2012

Committees:
Executive
(Chair);
Nominating &
Governance

Mr. Bates has been a director of the Company since 2012 and became a director of the Bank following the merger of our subsidiary banks in July 2016. Since September 2014, Mr. Bates has served as Chairman & CEO of Xtone, Inc., a small privately held technology company located in Northern Virginia. He has a Master's Degree in economics and an MBA in finance and was employed by the World Bank Group headquartered in Washington, DC for 20 years. During that time he served 10 years as a specialist in project loan finance at International Finance Corporation, World Bank Group's private sector affiliate. In nominating Mr. Bates, the Nominating and Governance Committee considered as important factors Mr. Bates' experience in banking and finance as well as his experience in corporate governance matters gained through service on a number of private corporate and nonprofit boards.

James A. Judge

Age: 59

Mr. Judge has been a director of the Company since 2009, a director of CNB since 2005 and subsequently became a director of the Bank after the merger of Talbot Bank and CNB. Mr. Judge

Director Since:
2009

has been a certified public accountant for over 30 years and partner since 1985 with Anthony, Judge & Ware, LLC, an accounting and tax services company located in Chestertown, Maryland. In nominating Mr. Judge, the Nominating and Governance Committee considered as important factors Mr. Judge's qualifications as a certified public accountant, his expertise in the preparation and examination of financial statements, his familiarity with the banking business, and his experience in owning and operating his own business.

Committees:
Audit (Chair);
Risk
Management

**R. Michael
Clemmer, Jr.**
Age: 50

Director
Since: 2016

Committees:
Risk
Management
(Chair)

Mr. Clemmer had been a director of Talbot Bank since 2012 and subsequently became a director of the Bank and the Company after the merger of Talbot Bank and CNB in July 2016. Mr. Clemmer is President of Salisbury, Inc., a company that designs and manufactures pewter, sterling silver and other metal giftware, a position he has held since 1991. In 1995, Mr. Clemmer founded Executive Decision, Inc. a corporate recognition company. Since 1992, Mr. Clemmer has been involved in the development, acquisition and renovation of industrial and commercial property. He is founder of Waterside Properties LLC, a property development and management company. Mr. Clemmer is a graduate of the University of Richmond and has been a resident of Talbot County since 1982. In nominating Mr. Clemmer, the Nominating and Governance Committee considered as important factors Mr. Clemmer's leadership capabilities, real estate development in our key market area, and his civic participation in the business community.

CONTINUING DIRECTORS:

Class I Directors

Christopher F. Spurry

Age: 70

Director
Since: 2004

Committees:
Executive;
Audit; Risk
Management

Mr. Spurry has served as a director of the Company since 2004 and previously served as the Company's Chairman of the Board from 2006 to 2017. He has served as a director of the Talbot Bank, now Shore United Bank, since 1995, and he served as a director of The Felton Bank, a wholly-owned bank subsidiary that merged into CNB on January 1, 2011 ("Felton Bank"), between September 2009 and December 31, 2010. He currently serves on the Executive, Audit, and Risk Management Committees. Mr. Spurry is the founder and former owner of Spurry & Associates, Inc., a manufacturer's representative firm that has represented manufacturing companies in the commercial/institutional foodservice and refrigeration equipment industry in the Mid-Atlantic region for over 32 years. The firm provides sales, marketing, applications engineering, and project management services. In September of 2015, Mr. Spurry sold Spurry & Associates, Inc. In 1985, Mr. Spurry founded Charter Distributing, Inc., which he sold in 1996 after 11 profitable years. Over the past 20 years, Mr. Spurry successfully completed seven real estate investment, redevelopment, or subdivision projects as managing member, investor, and owner of Spurry-Morgan, LLC and Spurry-Commercial, LLC. Mr. Spurry's qualifications to serve on the Board include his executive and business experience, his real estate experience, and his extensive experience on bank boards, which combine to yield valuable insight in the areas of management, communications, best practices, appreciation of risk, governance, and strategic planning.

Frank E. Mason, III

Age: 55

Mr. Mason was elected Chairman of the Board for the Company and Bank in 2017. Mr. Mason has been a director of the Company and Talbot Bank since 2011 and subsequently became a director of the Bank after the merger of Talbot Bank and CNB. Mr. Mason is the President and Chief Executive Officer of JASCO Incorporated, a manufacturer and distributor of analytical instrumentation for the scientific research community, a position he has held since 2004. JASCO

Director Since:
2011

Incorporated, which is a subsidiary of JASCO Corporation located in Tokyo, Japan, operates throughout North and South America. Prior to becoming President and Chief Executive Officer, Mr. Mason served as JASCO Incorporated's Chief Operations Officer from 1996 to 2004 and as its Sales Director for North America from 1987 to 1995. Mr. Mason has a Bachelor of Arts degree from the University of Maryland, College Park, and a MBA from Johns Hopkins University. Mr. Mason's qualifications to serve on the Board include his experience in leading a large corporation, his financial and operational knowledge.

Committees:
Executive;
Compensation;
Nominating &
Governance

Jeffrey E. Thompson

Age: 62

Director Since:
2016

Mr. Thompson had been a director of CNB since 2005 and subsequently became a director of Shore United Bank and the Company after the merger of CNB and Talbot Bank. He also served as legal counsel for CNB from 1986 to July 2016. Mr. Thompson is a managing partner for the law firm of Thompson & Richard, LLP, located in Centreville, Maryland. The law firm has a concentration in all matters pertaining to commercial and residential real estate, estates and trust. The law firm owns and operates a title insurance agency, Chesapeake Title Group. Mr. Thompson's qualifications to serve on the Board include his experience as legal counsel, his expertise in real estate law, and his extensive service on a bank board.

Committees:
Compensation

John H. Wilson

Age: 72

Director Since:
2009

Mr. Wilson has been a director of the Company since 2009 and subsequently became a director of Shore United Bank after the merger of Talbot Bank and CNB. Mr. Wilson has also served as a director of The Avon-Dixon Agency, LLC, our wholly-owned insurance producer subsidiary ("Avon-Dixon Agency"), since 2009. Since 2006, Mr. Wilson has served as the President and Chief Executive Officer of Coastal South of Maryland, Inc., a land development and real estate consulting company. Mr. Wilson is also the owner/operator of the Chesapeake Bay Beach Club, a private events facility, and managing member of the Tidewater Inn, LLC, and the Inn at the Chesapeake Bay Beach Club. Mr. Wilson's qualifications to serve on the Board include his experience in the insurance industry, his experience in real estate development and operating businesses similar to our typical customers, and his familiarity with and involvement in one of our key market areas.

Committees:
Compensation;
Nominating &
Governance

Class II Directors:

Blenda W. Armistead

Age: 66

Director since: 2002

Ms. Armistead has been a director of the Company since 2002 and a director of Talbot Bank since 1992 and subsequently became a director of Shore United Bank after the merger of CNB and Talbot Bank. Ms. Armistead is a self-employed investor.

Committees: Nominating
&

Ms. Armistead served as the County Manager and F

Governance(Chair);
Audit; Risk Management