

**COMPENSATION COMMITTEE CHARTER  
OF THE  
BOARD OF DIRECTORS OF FIRST UNITED CORPORATION**

**MEMBERSHIP**

The members of the Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of First United Corporation (the “Corporation”) shall be appointed by the Board from among its members. The Committee shall consist of a minimum of three independent directors appointed annually by the Board in accordance with all applicable laws, rules, regulations and listing standards, considering the recommendations of the Chairman of the Board and the Chief Executive Officer and the Lead Independent Director. Each director who serves on the Committee must be a “non-employer Director” for purposes of Rule 16b-3 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Committee members shall serve until their successors are appointed and qualify. The Board is authorized at any time to change the membership of the Committee and to fill vacancies as appropriate. Each member shall satisfy the independence requirements of NASDAQ and the Corporation’s Corporate Governance Guidelines.

The Chair of the Committee shall be recommended by the Nominating and Governance Committee and be elected annually by the full board at the first meeting held after the Corporation’s annual reorganization meeting. The Chair shall establish the agenda and preside at each meeting. In the event the Chair is unable to preside over the meeting, the Committee may designate one of its members to conduct that meeting. If a tie vote results on any issue, the chairperson’s vote shall decide the issue.

**MEETINGS**

The Committee shall determine its meeting calendar annually based on its responsibilities and accountabilities. A majority of the members of the Committee shall constitute a quorum sufficient for the taking of any action by the Committee, with the Committee providing reports of its actions to the Board of Directors. The Committee may request that meetings be attended by invited officers or employees of the Corporation, legal counsel, independent auditors, consultants or advisors as appropriate. The Committee may meet in Executive Session without members of management in attendance at each meeting. Executive Sessions may be called by any member of the Committee. The Committee may form and delegate authority to subcommittees as it deems appropriate while maintaining independence standards and compliance with all laws, rules, regulations and listing standards. The Committee shall maintain minutes of its meetings and circulate in draft form to all Committee members. Minutes shall be considered for approval by the Committee at a subsequent meeting. The minutes shall be provided, and the Chair shall provide updates to the Board of its actions, recommendations or findings.

All determinations of the Committee shall be made by a majority of members present at a duly convened meeting. In lieu of a meeting, the Committee may act by unanimous written consent.

## **COMMITTEE AUTHORITY AND RESPONSIBILITIES**

The Committee shall (1) develop a compensation philosophy and a compensation policy for the Corporation's executive officers, (2) recommend to the Board for approval a compensation philosophy and a compensation policy for the directors of the Corporation and its subsidiaries, (3) oversee or, in the case of director compensation plans, make recommendations to the Board with respect to, the establishment, maintenance, and administration of the various executive and director compensation plans, benefits, agreements, perquisites or other in-kind benefits, policies and programs that the Corporation offers and/or maintains from time to time, and (4) have such other responsibilities as may be assigned to it from time to time by the Board.

In making decisions with respect to the foregoing, the Committee should (1) consider the Corporation's need to attract and retain high-quality executive officers and directors, (2) balance the Corporation's desire to achieve positive business results against the need to implement and follow effective risk management practices that are commensurate with the Corporation's business activities, and (3) consider the performance and practices of appropriate industry peers.

### **Executive Officer and Director Compensation**

The Committee shall annually review and approve the CEO's compensation, including the components of the CEO's compensation, including the goals and objectives applicable thereto, and shall periodically review the CEO's performance in light of those goals and objectives. The CEO shall not participate in any Committee deliberations relating to his or her compensation and shall not be present at any meeting at which the Committee votes on the CEO's compensation. The Committee shall report its actions with respect to the CEO's compensation to the Board of Directors.

With respect to executive officers other than the CEO, the Committee will annually review and approve the compensation paid to those officers, including the goals and objectives applicable thereto, and shall periodically review the performance of these officers in light of those goals and objectives. Prior to making decisions with respect to these officers, the Committee shall consider input provided by the CEO. The Committee shall report its actions to the Board of Directors.

The Committee shall approve all employment, severance, and change in control agreements and other arrangements with executive officers, including persons who will become executive officers upon the effective date of their hire or promotion.

The Committee shall meet periodically with the CEO throughout the year to review the Corporation's progress toward meeting established corporate and individual goals and objectives applicable to all executive officers and to conduct risk assessments related to the Corporation's compensation programs. Risk assessments should ensure that such plans and policies are not reasonably likely to have a material adverse effect on the Corporation. The Committee shall report its findings to the Board of Directors.

In evaluating, determining and approving the compensation to be paid to an executive officer, the Committee may consider, among such other factors as it may deem relevant, the Corporation's performance, shareholder returns, the value of similar incentive awards to executive officers at

comparable companies, the value of similar awards given to other executive officers of the Corporation, the results of the most recent shareholder advisory vote on executive compensation required by Section 14A of the Exchange Act and the rules promulgated thereunder, and the awards given to the executive officer in past years.

With respect to director compensation, the Committee will review and assess total director compensation, including retainers, meetings fees, equity and grants and any other components of compensation, and except as set forth in the last paragraph of this section, make recommendations with respect thereto to the Board for review and approval. Directors who are employees of the Corporation and/or its subsidiaries shall not be compensated for service on the Board or any committee thereof.

The Committee shall conduct an annual review of the stock ownership levels of the Corporation's directors and executive officers. Based on that review and after considering any other factor that it deems appropriate, the Committee should consider whether stock ownership guidelines for executive officers and/or directors would be an appropriate means of aligning their interests with those of the Corporation's shareholders. If the Committee establishes stock ownership guidelines, then such guidelines should be taken into account when the Committee develops compensation programs and approves the levels and components of compensation, including equity compensation.

Unless otherwise required by law or directed by the Board, the Committee shall administer all executive and director compensation plans and programs and monitor compliance with the rules and guidelines applicable to such plans and programs.

### **General Compensation and Benefit Plans**

The Committee shall review and adopt proposals related to any employee benefit plan of the Corporation or its subsidiaries (including such plans in which any executive officer participates) including proposals for adoption, amendment, modification or termination of such plans.

With respect to any funded employee benefit plan covering employees of the Corporation subject to fiduciary responsibility provisions of the Employee Retirement Income Security Act of 1974, the Committee shall have the authority to appoint and terminate the named fiduciary or named fiduciaries of such plan and monitor their performance, unless such fiduciaries are specialized in the constituent plan documents.

The Committee shall monitor awards for all other incentive plans, including amendments to the awards made under any such plans.

The Committee shall annually review and assess the adequacy of the Luxury Expenditure Policy and shall review any exceptions to the Policy at its next regularly scheduled meeting subsequent to the granting of the exception.

## **Other Responsibilities**

The Committee shall review and discuss the Compensation Discussion and Analysis (the “CD&A”) required to be included in the Corporation’s proxy statement and annual report on Form 10K by the rules and regulations of the Securities and Exchange Commission (the “SEC”) with management, and, based on such review and discussion, determine whether or not to recommend to the Board that the CD&A be so included.

The Committee shall have the sole authority to retain and terminate any compensation, legal, accounting or other advisor or consultant to be used to assist the Committee in executing its responsibilities and shall have sole authority to approve the consultant’s reasonable fees and other retention terms. The Committee also has the duty and authority to review the independence of its selected advisors.

The Committee shall participate with the Nominating and Governance Committee in a bi-annual review of the succession plans for the board and management.

The Committee shall assess the results of the Corporation’s most recent advisory vote regarding the frequency of submitting Say-on-Pay Votes to the Corporation’s shareholders and communicate any recommendations with respect thereto to the Board.

The Committee shall review any compensation-related shareholder proposals and recommend to the Board an appropriate response. In addition, the Committee shall have the authority to oversee shareholder engagement on compensation matters.

A member of the Committee will be available to engage with the Corporation’s institutional shareholders on corporate compensation matters through presentations to the Board, attendance at corporate governance events, and small group meetings.

The Committee shall annually review and assess the adequacy of this Charter and recommend any proposed changes to the Board. The Board may amend this Charter from time to time, upon the recommendation of the Nominating and Governance Committee.

The Committee shall conduct an annual review of its performance in executing its responsibilities under this Charter.

[End of Charter]

Reviewed, Revised & Approved October 27, 2021