

SHORE BANCSHARES, INC.
AND
SHORE UNITED BANK, N.A.
COMPENSATION COMMITTEE CHARTER

PURPOSE

The members of the Compensation Committee ("Committee") shall be appointed annually by the Board of Directors ("Board") of Shore Bancshares, Inc. ("Company") and Shore United Bank ("the Bank"). The Committee's responsibilities include reviewing the compensation of the Chief Executive Officer ("CEO"), members of the Board ("Directors") and Officers (as defined below) in light of corporate goals and objectives and making recommendations concerning the same. As used in this Charter, the term "compensation" shall mean: (1) base salary; (2) annual bonus; (3) long term incentive and equity-based compensation; (4) any other payments or benefits provided pursuant to employment agreements, severance agreements, change in control or similar agreements; and (5) supplemental benefits. As used in this Charter, the term "Officer" shall include (a) "officers," as defined by Rule 16a-1(f) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and (b) "named executive officers", as defined in Item 402(a)(3) of Regulation S-K.

COMMITTEE MEMBERSHIP

The Committee shall be comprised of no fewer than three Directors who are (1) "independent" as defined by the applicable rules on Nasdaq Stock Market, Inc.; (2) "non-employee" Directors as defined by Rule 16b-3 under the Exchange Act; and (3) "outside Directors" as defined by Section 162(m) of the Internal Revenue Code. The members of the Committee shall be appointed by the Board on the recommendation of the Governance Committee (the "Governance Committee"), and may be removed or replaced by, and at the discretion of, the Board. Unless the Board elects the Committee Chair, the members of the Committee shall designate a Chair by majority vote of the full Committee.

The Committee may form and delegate its authority hereunder (or its authority as delegated by the Board) to, subcommittees when appropriate.

MEETINGS

The Committee Chair will chair all regular sessions of the Committee and set the agendas for committee meetings. The Chair shall be responsible for preparing meeting agendas, presiding over meetings, maintaining appropriate records and reporting on behalf of the Committee to the Board.

The Committee Chair shall ensure that meeting minutes: (1) are prepared within a reasonable period of time following the meeting, but not later than the next meeting; (2) reflect compensation arrangements and terms reviewed and acted on; (3) include an attachment of the documentation or comparability data that was relied upon for decisions made; and (4) indicate the members present and how they voted on compensation matters.

RESPONSIBILITIES AND DUTIES

The Committee shall be responsible for taking all actions required of board compensation committees to the extent necessary to comply with compensation-related regulatory requirements established by applicable regulatory bodies, including the Board of Governors of the Federal Reserve System, NASDAQ Stock Market, Inc., and the Securities and Exchange Commission.

The principal responsibilities of the Committee are:

1. *Appraising the performance of the Chief Executive Officer.* The Committee will conduct a performance evaluation of the CEO each year. The Committee will meet with the CEO to discuss his or her strengths, weaknesses and review goals set at the beginning of the current year in the strategic plan to guide

performance toward achieving goals in the current year's strategic plan. The Committee will recommend to the Board the annual salary, bonus, equity awards and other benefits, direct and indirect, of the CEO. In making its recommendation, the Committee will consider:

- The performance of the Company and its subsidiaries;
- Shareholder return;
- The level of salary, bonus, equity awards, and other benefits, direct and indirect, of the CEO relative to the CEOs at comparable companies; and
- The level of salary and bonus, equity awards, and other benefits, direct and indirect, given to the CEO in recent years.

The Committee will make recommendations to the Board regarding the extension of the employment agreements and change in control agreements of the CEO and Officers. The CEO shall not attend the portion of the meeting during which the Committee reviews and approves the CEO's compensation.

2. *Director compensation.* The Committee will review the form and amount of compensation for Directors on an annual basis. The Committee will consider the current levels of Director responsibility, the Company's performance, including its subsidiaries, shareholder return, compensation of Directors at comparable companies, the compensation earned by such Directors in the past, and such other factors as it deems appropriate. The Committee will ensure director compensation, including equity compensation, is reasonable and in line with peer companies and the industry. The Committee will make recommendations to the full Board as to any change in director compensation.
3. *Oversight of executive compensation.* The Committee will establish annually subjective and objective criteria as the basis for the Officers' compensation, consider the other officers' performance in light of those criteria and determine the other Officers' compensation based on that evaluation. The Committee shall consult with the CEO with respect to the performance and compensation of the other Officers. In no event shall the Officer be present when the Committee makes recommendations and/or decisions or holds deliberations regarding the compensation of that Officer.

The Committee will review on an annual basis the Company and Bank's executive compensation programs to determine that they are appropriate. The Committee will work to maintain an appropriate balance between short-term pay and long-term incentives to ensure the Company and Bank retains and attracts the highest quality individuals. The Committee shall approve any new material changes to annual and long-term incentive plans for the Officers. This may include overall plan design, performance criteria, formula computation and calculation of award amounts, such as cash or equity payouts. In reviewing and making recommendations regarding or approving incentive compensation plans for Officers, the Committee will consider the Company's overall strategy and results of the most recent Say on Pay Vote.

Annually, the Committee shall review and approve performance goals and objectives for Officers. In doing so, the Committee will consider that incentive plan design and features as well as the mix and weight of goals to ensure that such plan(s) do not expose the Company and Bank to any material risk. Annually, the Committee will review Company, Bank, and individual performance relative to performance metrics in any annual and long-term incentive plans, whether cash or equity, and approve award payouts and grants of equity-based incentives under the equity-based compensation plans to the extent provided under the plans.

The Committee will consider the appropriateness of claw back provisions for every executive cash award or equivalent grant.

The Committee will review Officer employment agreements, change in control agreements and severance arrangements to ensure they are reasonable and in line with peers and industry best practices.

4. *Oversight of staff compensation and benefit programs.* The Committee will review on an annual basis the salary administration program to determine that it is appropriate. The Committee shall review company-wide wage or merit adjustment budget dollars; company-wide profit-sharing distributions; other company-wide incentive and bonus plan distributions (including equity awards); and Bank officer title modifications.

The Committee will review on a continual basis the Company and Bank's benefit programs to determine that they are appropriate.

5. *Oversight of executive and director compensation reporting.* The Committee shall review and discuss with management the "Compensation Discussion and Analysis" section that is contained in the Company's annual proxy statement and shall make appropriate recommendations to the Board regarding its inclusion in the Company's Annual Report on Form 10-K and proxy statement. The Committee and its designees shall prepare a report on named executive officer compensation for inclusion in the Company's annual meeting proxy statement.

The Committee will review and consider the results of shareholder votes on Say on Pay and the Company's CEO Pay Ratio.

The Committee shall have such other authority and responsibilities as may be assigned to it from time to time by the Board.

EVALUATIONS

Annually, or more frequently, the Committee shall review its own independence, performance, reassess the adequacy of this Charter and recommend appropriate changes to the Board. The Committee shall annually conduct a risk assessment of all material incentive plans to ensure they do not expose the Company or the Bank to any material risk.

COMMITTEE RESOURCES

In the performance of its duties, the Committee may rely on outside consultants and other financial, legal, or other advisors (each an "advisor") and shall have sole authority to retain and terminate the advisor at the expense of the Company and/or the Bank. In the event the Committee selects or obtains advice from an advisor, they may only do so after taking into consideration the following independence factors in their totality:

1. The provision of other services to the Company and its subsidiaries by the firm employing the advisor;
2. The amount of fees received from the Company and its subsidiaries by the firm that employs the advisor, as a percentage of total revenue of that firm that employs the advisor;
3. The policies and procedures of the firm that employs the advisor that are designed to prevent conflicts of interest;
4. Any business or personal relationship of the advisor with a member of the Committee;
5. Any stock of the Company owned by the advisor; and
6. Any business or personal relationship of the advisor or the firm employing the advisor with an executive officer of the Company.

The Committee is not required to conduct the independence analysis described immediately above if the advisor will be: (a) consulting on any broad-based plan that does not discriminate in scope, terms, or operation, in favor of Officers or Directors, and that is available generally to all salaried employees of ; and/or (b) providing information that either is not customized for the Company and its subsidiaries or that is customized based on parameters that are not developed by the advisor, and about which the advisor does not provide advice.

The Committee is responsible for overseeing the work of any advisor retained by the Committee. The Committee is responsible and shall have sole authority to approve such advisor's fees and other retention terms.

Approved by the Compensation Committee on May 12, 2025

Ratified by the Shore Bancshares, Inc. and Shore United Bank, N.A. Board on May 29, 2025