

**SHORE BANCSHARES, INC.**

**and**

**SHORE UNITED BANK, N.A.**

**Compensation Committee Charter**

**I. Authority**

The board of directors of Shore Bancshares, Inc. and Shore United Bank, N.A. (collectively, the “company”) establishes this Compensation Committee (the “committee”) as a standing committee of the board to assist the board in overseeing the policies, procedures, and practices relating to director and executive compensation.

This charter is intended as a component of a flexible governance framework within which the board, assisted by its committees, directs the affairs of the company. It should be interpreted within the context of all applicable laws, regulations, listing rules and the company’s articles of incorporation, bylaws and Corporate Governance Guidelines. It is not intended to establish by its own force legally binding obligations.

**II. Purpose**

The purpose of the committee is to assist the board in discharging the board’s responsibilities relating to compensation of the directors of the company and compensation of the company’s Chief Executive Officer (CEO) and other executive officers. For purposes of this charter, the term “executive officer” shall mean “officer” as defined by Rule 16a-1(f) under the Securities Exchange Act of 1934. The committee shall also administer the company’s equity-based compensation plans, incentive plans, and severance plans, as provided by the terms of such plans.

**III. Committee Membership**

The committee shall consist of at least three (3) members of the board, each of whom the board has determined to be “independent” under the listing standards of the Nasdaq Stock Market and any other applicable laws, rules, and regulations regarding independence as they are in effect from time to time. Each member of the committee shall also be a “non-employee director” for purposes of Section 16 of the Securities Exchange Act of 1934. The board, on the recommendation of the Governance Committee, shall appoint members of the committee and designate the chair, annually. Committee members shall serve at the pleasure of the board and for such term as the board determines.

**IV. Duties and Responsibilities**

**A. CEO Performance Evaluation.** The Committee shall:

1. Conduct a performance evaluation of the CEO each year.
2. The Committee shall meet with the CEO to discuss his or her strengths and weaknesses and to 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.

**B. Oversight of Executive Compensation.** The committee shall:

1. Review annually and recommend to the board and approve the form and amount of compensation to be paid or awarded to the CEO and, in consultation with the CEO, review annually and determine the form and amount of compensation to be paid or awarded to the other executive officers of the company. In making its recommendation regarding the compensation of the CEO, the committee will consider:
  - The performance of the company;
  - Shareholder return;
  - The level of salary, bonus, equity awards, and other benefits, direct and indirect, of the CEO relative to 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.

Neither the CEO nor any executive officer may be present during voting or deliberations regarding his or her compensation.

2. Approve any annual and long-term incentive plans in which executive officers participate, including overall plan design, performance goals and objectives, and formula computation, approve award opportunities or grants under such plans, and review and approve actual performance relative to performance metrics, the calculation of award amounts, and payouts under such plans.
3. Review the incentive compensation arrangements for executive officers to determine whether they encourage excessive risk-taking
4. Review and approve any employment, change in control and severance agreement or plan with any executive officer or in which any executive officer participates, and any extension, amendment, or termination of any such agreement or plan.

**C. Executive Compensation Reporting.** The committee shall:

1. Review and approve the company's Compensation Disclosure and Analysis required by rules and regulations of the Securities and Exchange Commission (SEC) and

authorize its inclusion in the company's annual meeting proxy statement or Annual Report on Form 10-K.

2. Prepare the report of the committee required to be included in the company's annual meeting proxy statement or Annual Report on Form 10-K.
3. Recommend to shareholders approval of executive compensation through a periodic "say on pay" vote in accordance with applicable rules and regulations of the SEC.
4. Review and recommend to the board for approval the frequency with which the company will conduct "say on pay" votes.

**D. Director Compensation.** The committee shall:

1. Review and recommend to the board director compensation, including retainers, meeting fees, equity grants, and other similar components of compensation.

**E. Equity Compensation Plans.** The committee shall:

1. Administer the company's equity-based compensation plans as provided in the terms of such plans and monitor compliance with such rules, policies and guidelines for the issuance of awards pursuant to such plans as the committee or the board may establish.
2. Establish eligibility standards for participation in the company's equity-based compensation plans; provided that the committee may, by resolution, delegate authority to executive management to select individual participants, other than the CEO and executive officers, for equity-based awards subject to the rules of the plans and such guidelines as the committee may approve.
3. Approve types of awards, terms, and number of shares covered by each type of award or delegate authority to management for such awards as permitted by the terms of such plan.
4. Approve all decisions regarding the modification of terms or conditions of any award or award agreement.
5. Recommend to the board all equity compensation plans and amendments thereto.

**F. Oversight of Employee Compensation and Benefit Programs.** The committee shall:

1. Receive periodic reports on the company's compensation and benefit programs as they affect all employees and consider related risks.

**V. Corporate Governance Responsibilities**

The committee shall periodically review its own performance.

The committee shall review and assess the adequacy of this charter annually and recommend any proposed changes to the board.

The committee shall assume such other duties and responsibilities as the board, from time to time, may delegate to the committee.

## **VI. Authorities and Management Support**

The committee may, in its discretion, request and review information and reports from management to the extent that it deems necessary or appropriate. The committee may conduct or authorize investigations into any matters within the scope of its responsibilities and may meet with any employees of the company or any third parties it deems necessary in connection with such investigations.

The committee has the power and authority in its sole discretion to retain or obtain the advice of consultants, legal counsel, or other advisors (together, “advisors”) as it determines necessary to carry out its duties and responsibilities under this charter. The committee shall be directly responsible for the appointment, compensation, and oversight of the work of any advisor retained by the committee.

The committee may select, or receive advice from, an advisor (other than in-house counsel), only after taking into account the following factors:

- The provision of other services to the company by the person that employs the advisor;
- The amount of fees received from the company by the person that employs the advisor, as a percentage of the total revenue of the person that employs the advisor;
- The policies and procedures of the person that employs the advisor that are designed to prevent conflicts of interest;
- Any business or personal relationship of the advisor with a member of the committee;
- Any stock of the company owned by the advisor; and
- Any business or personal relationship of the advisor or the person employing the advisor with an executive officer of the company.

The committee is not required to assess the independence of any advisor that acts in a role limited to consulting on any broad-based plan that does not discriminate in scope, terms or operation in favor of executive officers or directors that is generally available to all employees.

The company shall provide for appropriate funding, as determined by the committee, in its capacity as a committee of the board, for payment of (i) compensation of any advisors employed by the committee, and (ii) ordinary administrative expenses of the committee that are necessary or appropriate in carrying out its duties.

The committee shall not be required to implement or act consistently with the advice or recommendations of advisors to the committee, and the authority granted in this charter shall not

affect the ability or obligation of the committee to exercise its own judgment in fulfilling its duties under this charter.

## **VII. Committee Meetings and Action**

A majority of the committee members will constitute a quorum for the transaction of business. The committee shall act only on the affirmative vote of at least a majority of its members present at any meeting. The committee may also act without a meeting by securing the unanimous written consent of its members. Meetings of the committee may be held by telephone or video conference.

The committee shall keep minutes of its meetings, which shall include a record of any actions taken by the committee. The chair shall report the committee's actions, recommendations, or findings to the board at the next regular or special board meeting following the committee meeting.

The committee shall meet at regularly scheduled times in accordance with the committee's needs and the company's master calendar prepared annually and distributed to the board. Additionally, the committee may meet at such times as may be requested by its chair.

The committee shall meet in executive session without the presence of members of management as often as it deems appropriate.

The chair shall set the agenda for committee meetings.

Except as expressly provided in this charter, the company's bylaws, or as required by applicable law, regulation or listing standard, the committee may establish its own rules of procedure.

Approved by the Compensation Committee on February 17, 2026

Ratified by the Shore Bancshares, Inc. and Shore United Bank, N.A. Board of Directors on February 18, 2026