

CORPORATE GOVERNANCE GUIDELINES

OF

SHORE BANCSHARES, INC.

AUGUST 27, 2024

The Board of Directors (the “Board”) of Shore Bancshares, Inc. (the “C”) has adopted the following Corporate Governance Guidelines (“Guidelines”) on, and to be effective as of, the date set forth above, and supersedes any prior governance guidelines or policy adopted by the Board. The Guidelines are consistent with the Corporation’s Amended and Restated Articles of Incorporation, as amended (“Articles”), and Second Amended and Restated By-Laws, as amended (“Bylaws”), and is intended to comply with the governance rules of the NASDAQ Stock Market, Inc. (“NASDAQ”), and U.S. federal securities laws and the rules promulgated thereunder by the U.S. Securities and Exchange Commission (the “SEC”). The Corporation and its subsidiaries, including Shore United Bank, N.A., collectively are referred to as the “Company.”

A. ROLE OF BOARD AND MANAGEMENT

The Corporation’s business is conducted by the Company’s employees, managers and officers, under the direction of the Corporation’s Chief Executive Officer (“CEO”) and the oversight of the Board, to enhance the long-term value of the Corporation for its stockholders. The Board is elected by the stockholders to oversee management and to assure that the long-term interests of the stockholders are being served. Both the Board and management recognize that the long-term interests of stockholders are advanced by responsibly addressing the concerns of other interested parties including employees, recruits, customers, suppliers, communities, government officials and the public at large.

B. BOARD OF DIRECTORS

1. Size and Composition. The number of directors is determined by the Board provided that there are at least three (3) and no more than twenty-five (25) members. The Board’s size is intended to be large enough to allow for a diversity of perspectives and backgrounds without being so large as to impede effective discussion. The quality of the individuals serving, and the overall balance of the Board are more important than the precise number of members. The Governance Committee periodically reviews the size of the Board to determine the appropriate number of directors, and these considerations could lead the Governance Committee to recommend that the number of directors be increased or decreased, provided that a minimum of three (3) directors serve on the Board. The Governance Committee also will periodically review the composition of the Board and recommend any appropriate changes so that the Board and the board of directors of any of the Corporation’s subsidiaries reflect the appropriate balance of knowledge, experience, skills, expertise and the requisite number of diverse members as required by applicable laws and regulations, including the NASDAQ rules.

2. Independence. At least a majority of the Board will consist of “independent directors,” as defined under NASDAQ rules. To assist it in making determinations of independence, the Board has adopted NASDAQ independence standards and may adopt and disclose other factors it believes are important. No director shall qualify as “independent” unless the Board affirmatively determines that the director meets the independence standards set forth in the NASDAQ rules and otherwise has no relationship with the Corporation which, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director, including but not limited to any material relationship with the Company (either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company). The Corporation will disclose, in its annual proxy statement, the names of those directors that the Board has determined to be independent. The Board would not expect to have more than two Company employees serve as directors except in unusual circumstances, such as during a transition in leadership.
3. Independent Chairperson or Lead Independent Director. The Board is committed to always having an independent Chairperson or a Lead Independent Director. Either of these structures is appropriate to ensure independent Board leadership and that the Corporation is managed for the long-term benefit of its major stakeholders.
4. Change of Job Responsibility. Independent directors who change the primary position they held (other than serving as a member of the Board) when they were elected to the Board will promptly advise the Governance Committee of the change for its review. The Governance Committee will recommend to the full Board (other than the subject director) whether the Board should consider any appropriate action or response to such change. If asked, a director will recuse himself or herself from Board deliberations regarding the change in position. The Board will consider the factors that the Board determines relevant or appropriate when considering the change in position. Although changes in a director’s principal position will not necessarily require that that director resign from the Board, the Board will review the continued appropriateness of Board membership of the director under the circumstances, and if the Board determines that it is not appropriate, under the circumstances, for the director to continue his or her Board membership as a result of his or her change in primary position, such director should promptly resign from the Board.
5. Candidates. The Board as a whole is responsible for selecting candidates for director. The Governance Committee is responsible for screening and recommending candidates to the full Board. In discharging this responsibility, the Governance Committee considers the director qualifications necessary for a well-rounded Board that reflect a balanced mix of skills, experience, backgrounds and attributes applicable to the Company, including diverse perspectives and representation. The Governance Committee also will consider the nature of the expertise and experience required for the performance of the duties of a director of a corporation engaged in the Company’s business and such matters as the Governance Committee may determine, including the individual’s relevant business and industry experience, professional background, age, current employment, community service and other board service of candidates for directors. The Governance Committee monitors the mix of skills and experience of the directors in order to assess whether the

Board has the necessary tools to perform its oversight function effectively.

6. Criteria for Board Membership. One of the Board's most important functions is identifying, evaluating and selecting candidates for the Board. The Governance Committee reviews the qualifications of potential director candidates and makes recommendations to the whole Board. The factors considered by the Governance Committee and the Board in its review of potential candidates include, but are not limited to, the following:

- candidates should be individuals of high integrity and independence;
- candidates should be accomplished in their profession, and should have prior or current association with institutions noted for their excellence;
- candidates should have demonstrated leadership ability, with broad experience, diverse perspectives, and the ability to exercise sound business judgment;
- candidates should have significant public company oversight experience and/or significant experience in governance areas such as audit, corporate governance, enterprise risk management, executive compensation practices, regulatory compliance, technology or privacy and data security, climate-related risk oversight, and corporate social responsibility;
- candidates should have special skills, expertise or background that add to and complement the range of skills, expertise and background of the existing directors; and
- candidates should be able to devote sufficient time and energy to the performance of their duties as a director.

Application of these factors involves the exercise of judgment by the Board and cannot be measured in any mathematical or routine way. The Board's composition will comply with applicable laws and regulations.

7. Term and Term Limits. The directors are divided into three classes with respect to the time for which they shall hold office. The Board will identify and allocate the sitting directors equally or as nearly equal in number as reasonably possible among the classes. Such equal allocation among the Board classes may be temporarily suspended by the Board during unusual increases or decreases in the size of the Board. At each annual meeting of stockholders, the successors to the class of directors whose term will expire at that time will be elected to hold office for a term of three years, so that the term of office of one class of directors shall expire in each year. Although the Governance Committee will consider length of service in recommending candidates for re-election, and periodically reviews metrics related to director tenure, the Board does not believe that adopting a set term limit or mandatory retirement age for directors best serves the interests of the Corporation.

8. Service on Other Boards. No director may serve on the board of directors of more than four total public companies, including the Board. The Governance Committee takes into account the competing demands on a person's time in deciding whether or not to recommend to the Board such person's nomination or re-nomination as a director.
9. Interlocking Directorates. No inside director or executive officer of the Corporation shall serve as a director of a company where the Corporation's outside director is an executive officer.
10. Compensation. Director compensation is to be set by the Board. The Compensation Committee reviews the amount and composition of director compensation annually and makes recommendations to the Board when it concludes changes are necessary or appropriate. In recommending director compensation, the Compensation Committee considers, current levels of director responsibility, the Company's performance, stockholder return, compensation of directors at comparable companies, compensation earned by directors in the past, and such other factors as it deems appropriate.

C. RESPONSIBILITIES OF DIRECTORS; MEETING ATTENDANCE AND PREPARATION

1. General Responsibilities of Directors. Directors are expected to exercise their business judgment in good faith and in what they reasonably believe to be the best interests of the Corporation and its stockholders. In discharging those obligations, directors should be entitled to rely on the honesty and integrity of the Corporation's senior management and outside advisors and auditors.
2. Responsibilities of Lead Independent Director. The specific responsibilities of the Lead Independent Director include:
 - presiding at all meetings of the Board at which the Chairperson is not present, including executive sessions of the independent directors;
 - calling meetings of the independent directors, as appropriate;
 - assisting the Board in complying with corporate governance guidelines and best practices;
 - contributing to the annual performance reviews of the CEO and Chairperson and participating in CEO succession planning;
 - assisting in the planning and reviewing of Board meeting agendas and meeting schedules;
 - serving as a liaison between the CEO and the independent directors;
 - attending Board committee meetings on an ex-officio basis;
 - promoting the efficiency and effective performance of the Board and consulting with the Governance Committee on the Board's annual self-

evaluation;

- providing guidance on the ongoing development of directors;
 - leading the director emeritus program; and
 - performing such other duties as the Chairperson or the Board may from time to time delegate or request.
3. Indemnification. Directors shall be entitled to indemnification and exculpation to the fullest extent permitted by law, applicable regulations, the Articles and the Bylaws. Directors shall also be entitled to have the Corporation purchase reasonable directors' and officers' liability insurance on their behalf.
 4. Agendas. The Chairperson of the Board is responsible for setting in advance, if practicable, an agenda for each meeting. Any director may suggest items for inclusion on the agenda or may raise, at any Board meeting, subjects that are not on the agenda for that meeting. The Board expects that meeting agendas will include on a regular basis a review of the Corporation's financial performance and business strategies and practices.
 5. Meeting Attendance and Preparation. Each director is expected to attend Board meetings (including virtual attendance, when meetings are held remotely or as otherwise required) and to spend the time needed to discharge their responsibilities as directors. Materials with respect to matters on which action is expected to be taken shall be circulated to the Board at least several days in advance of the meeting whenever possible, and directors are expected to review these materials in advance of the meeting. Financial reports, certain committee minutes and other background materials shall also be circulated in advance of the meeting and during months when the Board is not scheduled to meet, as appropriate.
 6. Attendance at Annual Meeting of Stockholders. Directors are expected to attend the annual meeting of the Corporation's stockholders in person or remotely.
 7. Executive Sessions of Independent Directors. The independent members of the Board shall meet, without management, at regularly scheduled executive sessions which may take place after a regularly scheduled meeting of the full Board. Such executive sessions shall be held at least twice a year. Executive sessions at which the independent directors meet with the CEO also may be scheduled.
 8. Communications with Directors. Stockholders of the Corporation may communicate with the Board by contacting the Corporation's Secretary at Shore Bancshares, Inc., 18 East Dover Street, Easton, Maryland or (410) 763-7800. The Secretary will submit stockholder correspondence to the Chairperson of the Board for consideration.
 9. Access to Employees. The Board expects that senior executive officers of the Company will regularly attend Board and committee meetings, present proposals and otherwise assist in the work of the Board. Members of the Board shall have direct access to any of the Company's senior executive officers.

10. Authority to Engage Advisors. The Board has the power to hire independent legal, financial or other advisors as it deems necessary, without consulting or obtaining the approval of any officer of the Corporation in advance, and the Corporation will pay any fees and expenses incurred in connection with such engagement.

D. COMMITTEES OF THE BOARD OF THE DIRECTORS

1. Numbers and Composition of Committees. The Company currently has an Executive, Audit, Compensation, Governance, Credit Risk, Trust, Board Risk Oversight, and Strategic Initiatives & Technology Committee. The Corporation shall comply with all applicable NASDAQ and SEC rules and regulatory requirements concerning the membership of the Audit, Compensation and Governance Committees, including those with respect to the independence of the directors who serve on those committees. The Governance Committee reviews the committee structure of the Board and the membership of the various committees on a regular basis and makes recommendations for any changes to the Board. The responsibilities of each of the Executive, Audit, Compensation, Governance, Credit Risk, Trust, Board Risk Oversight, and Strategic Initiatives & Technology Committees are contained in the written charters approved by the Board for such committees. The Board may, from time to time, establish or maintain additional committees as necessary or appropriate.
2. Committee Chairpersons and Membership. The Board believes that committee assignments should be based on the director's knowledge, interests and areas of expertise. Committee chairpersons and members shall be rotated at the recommendation of the Governance Committee and as approved by the Board. Pursuant to the Bylaws, the Chairperson, or if the Chairperson is not independent, then the Lead Independent Director will be ex-officio a member of all the standing committees of the Board.
3. Committee Meeting Procedures. The committee chairperson, in consultation with the committee members, determines the frequency of committee meetings. Directors are expected to attend meetings of the committees on which they sit and to spend the time needed to discharge their responsibilities as members of those committees. The agenda and any background materials for committee meetings may be developed in consultation with committee members, management, or the executive officer responsible for supporting the committee and are circulated in advance of a meeting whenever practical. Committee members are expected to review these materials in advance of the meeting. The committee chairpersons report to the Board after each meeting, and minutes of the committees are circulated to the Board.
4. Outside Attendance Policy. The Board has authorized directors to attend, as an observer, meetings of committees of which the director is not a member. The Board has also authorized the chairperson of each committee to invite members of the Board to attend and be consulted in meetings of committee of which the director is not a member, provided that, in either case: (i) such attendance is only conducted in a manner that is consistent with, and not in violation of, the independence requirements set forth by the rules and regulations of the SEC, NASDAQ, and any other applicable regulatory body; (ii) a director who attends a committee meeting of a committee of which the director is

not a member has no voting authority at, or affect the presence of or absence of a quorum of, such committee meeting; (iii) such attendance does not occur during any executive session of a committee meeting or during a time when any matter is voted upon by a committee, unless the relevant committee chairperson, in his or her sole discretion, invites the director to be present at such time as a guest; (iv) a director who attends a committee meeting of which the director is not a member fully discloses his or her interest in any matter addressed at such meeting, and the committee chairperson may exclude any director from a committee meeting if the committee chairperson determines, in his or her sole discretion, that the director has an actual, apparent or potential conflict of interest; and (v) that any director attendance that occurs pursuant to the Board's attendance policy does not result in any compensation being paid or owed to a director who attends a committee meeting of a committee of which the director is not a member.

E. ROLE OF THE BOARD WITH RESPECT TO MANAGEMENT

1. Evaluation of Senior Officers. A key responsibility of the Board is to monitor the performance of the CEO and, in consultation with the CEO, the performance of other senior officers. The Compensation Committee annually conducts a review of the CEO and other senior executive officers as directed and reports to the Board.
2. Succession Planning. The Governance Committee reviews, and following discussions, with and without the CEO, will make a report with recommendations to the Board concerning management development and succession planning activities in the event of the unexpected death, incapacity or resignation of the CEO or other executive officers.
3. Communication. Management speaks for the Corporation. Inquiries from investors, the press and others should be referred to the CEO or other appropriate officers.

F. ROLE OF THE BOARD IN RISK OVERSIGHT

The Board is charged with providing oversight of the Company's risk management processes and has delegated certain responsibilities for risk oversight to its committees in their charters. Each committee of the Board is responsible for evaluating certain risks and overseeing the management of such risks. The Compensation Committee is responsible for overseeing the management of risks relating to the Company's executive compensation plans and arrangements. The Audit Committee oversees the process by which senior management and the relevant departments assess and manage the Company's exposure to, and management of, financial and operational risks. The Governance Committee manages risks by setting criteria for nomination of director candidates, nominating qualified candidates, and establishing and periodically reviewing the Company's governance policies. The Credit Risk Committee is responsible for overseeing credit risk management. The Trust Committee is responsible for managing and overseeing the Company's fiduciary activities and risk management. The Strategic Initiatives & Technology Committee is responsible for overseeing the management of risks associated with major projects related to strategic initiatives and key technology platforms. The Board Risk Oversight Committee reviews management's assessment of the Company's core risks and alignment of its enterprise-wide risk profile with the Company's strategic plan, goals, and objectives. Board committees

regularly report to the full Board on their respective risk management oversight activities.

G. ETHICS AND CONFLICTS OF INTEREST

The Board expects the Company's directors, as well as its officers and employees, to act ethically at all times and to acknowledge their adherence to the policies comprising the Company's code of conduct set forth in the Company's Code of Ethics. Certain portions of the Code of Ethics deal with activities of directors, particularly with respect to potential conflicts of interest, the taking of corporate opportunities for personal gain and competing with the Company. Directors should be familiar with the Code of Ethics' provisions in these areas and are expected to adhere to the Code of Ethics, as well as the Company's other ethics policies and guidelines. Absent compelling circumstances, the Board will not permit any waiver of any ethics policy for any director or executive officer of the Company, unless the waiver is in compliance with all applicable law. Any such waiver for a director or executive officer will be promptly disclosed to the public as required by NASDAQ and SEC rules and regulations. If an actual or potential conflict of interest arises for a director, the director shall promptly inform the Company's in-house counsel or the Director of Internal Audit as set forth in the Company's Code of Ethics.

H. PERIODIC EVALUATION OF POLICY

The Governance Committee reviews and reassesses these Guidelines periodically, and at least annually, and submits any recommended changes to the Board for its approval.

I. ANNUAL PERFORMANCE EVALUATION

The Governance Committee shall lead the Board in an annual self-evaluation to determine whether the Board, including its committees and/or individual directors comprising the Board, is functioning effectively and in compliance with these Guidelines. Such evaluation includes a review and assessment of the continuing independence of the Board's non-management directors. The Governance Committee solicits comments from all the directors and reports annually to the Board on its assessment of the Board's performance and its recommendations for improvement. In its oversight of the annual performance evaluation, the Governance Committee may engage a third-party consultant or law firm to assist in administering the evaluation. All directors are encouraged to make suggestions at any time for the improvement of the Board's practices.

J. AMENDMENTS

The Board may amend these Guidelines, or grant waivers in exceptional circumstances, provided that any such modification or waiver may not be a violation of any applicable law, rule or regulation and further provided that any such modification or waiver is made in writing, documented in the minutes of the Corporation and appropriately disclosed.

Adopted: August 27, 2024