

**SHORE BANCSHARES, INC.  
AND ITS SUBSIDIARIES  
GOVERNANCE COMMITTEE CHARTER**

**I. AUTHORITY AND COMPOSITION**

The Governance Committee (the “Committee”) is established by the Board of Directors (the “Board”) of Shore Bancshares, Inc. (the “Corporation”). Committee members shall be appointed annually by the Board and may be replaced by the Board. The Committee may appoint a secretary, who need not be a director. The Board shall appoint a Committee Chairperson. The Chairperson shall be responsible for the leadership of the Committee, including overseeing the agenda, presiding over the meetings, and reporting to the Board.

The Committee shall consist of at least three directors, each of whom shall be independent as defined by applicable NASDAQ Listing Standards.

**II. PURPOSE OF THE COMMITTEE**

The Committee’s purpose is to assist the Board in promoting the best interests of the Corporation and its shareholders through the implementation of sound corporate governance principles and practices.

**III. RESPONSIBILITIES OF THE COMMITTEE**

- (a) Identify potential candidates for nomination as Directors on an ongoing basis, consistent with the Committee’s established criteria, including consideration of prospective candidates for the Corporation proposed by security holders in accordance with established procedures;
- (b) Recommend to the Board the number of Directors to be elected and a slate of nominees for election as Directors at the Corporation’s annual meeting of shareholders;
- (c) Recommend to the Board persons to be appointed as Directors in the interval between annual meetings of the Corporation’s shareholders;
- (d) Recommend to the Board standards for determining outside director independence consistent with NASDAQ Listing Standards and other legal or regulatory corporation governance requirements and review and assess these standards on a periodic ongoing basis;
- (e) Review the size and composition of the Board, including the qualifications and independence of the members of the Board and its various committees on a regular basis and make any recommendations the Committee members may deem appropriate from time to time concerning any recommended changes in the composition of the Board and its committees;
- (f) Oversee the Corporation’s director orientation and continuing education programs;
- (g) Recommend to the Board such changes to the Board’s Committee structure and Committee functions as the Committee deems advisable and in the best interest of the Corporation;
- (h) Confirm that each standing Committee of the Board has a Charter in effect and that such Charter is reviewed at least annually by its Committee;

- (i) Review shareholder proposals duly and properly submitted to the Corporation and recommend appropriate action to the Board;
- (j) Review any proposed amendments to the Corporation and the Bank's Articles of Incorporation and Bylaws and recommend appropriate action to the Board;
- (k) Review with management and the Board the results of all reports of examination and any matters requiring attention and any responses thereto;
- (l) Review and assess compliance with the corporate governance requirements established under federal securities and banking laws and regulations, state corporate law, exchange listing standards or otherwise as applicable to each of the Corporation and its subsidiaries and controlled affiliates;
- (m) Review and monitor director and executive officer stock ownership levels in accordance with stock ownership requirements adopted by the Board.
- (n) Monitor compliance with any commitments made to regulators or otherwise regarding changes in corporate governance practices;
- (o) Recommend to the Board such additional actions related to corporate governance matters as the Committee may deem necessary or advisable from time to time, including, but not limited to: (i) establishing management development and succession plans; (ii) reviewing the development of key executives with the CEO and other executives as needed; and (iii) the frequency and structure of Board meetings;
- (p) Review and assess the quality and clarity of the information provided to the Board and the Committee and make recommendations to management as the Committee deems appropriate from time to time for improving such materials;
- (q) Evaluate the effectiveness of the Board's oversight of management activities and the major operations of the Corporation and its subsidiaries and controlled affiliates;
- (r) Develop and review periodically, and at least annually, the corporate governance policies of the Company, including, but not limited to, the Affiliate Transactions Policy and Code of Ethics, to ensure that they are appropriate for the Company and that the policies of the Company comply with applicable laws, regulations and listing standards and recommend any desirable changes to the Board;
- (s) Review and assess the Board's effectiveness in monitoring exceptions to Board-approved policies and guidelines;
- (t) Assist management in the review of director and officer liability insurance requirements and the alternative methods available for satisfying them;
- (u) Review Board and committee processes for assessing the adequacy and completeness of their respective minutes, the process for the review and approval of such minutes and the retention of such minutes and any related materials presented to the Board of its committees for review;
- (v) Receive comments from all Directors and report annually to the Board with an assessment of the Board's performance, to be discussed with the full Board near or following the end of each fiscal year; and

With respect to the responsibilities listed above, the Committee shall:

- (a) Report regularly to the Board on its activities;
- (b) Maintain minutes of its meetings and records relating to those meetings and the Committee's activities;
- (c) Have the sole authority to retain and terminate any search firm to be used to identify Director candidates and to approve the search firm's fees and other retention terms;
- (d) Have authority to obtain advice and assistance from internal or external legal, accounting or other advisors;
- (e) Form and delegate authority to subcommittees of one or more Committee members when appropriate;
- (f) Review and reassess the adequacy of this Charter annually and recommend to the Board any proposed changes to this Charter; and
- (g) Annually review the Committee's own performance.

#### **IV. GENERAL**

In performing their responsibilities, Committee members are entitled to rely in good faith on information, opinions, reports or statements prepared or presented by:

- (a) One or more officers and employees of the Corporation and the Bank whom the Committee member reasonably believes to be reliable and competent in the matters presented;
- (b) Counsel, independent auditors, or other persons as to matters which the Committee member reasonably believes to be within the professional or expert competence of such person; or
- (c) Another committee of the Board as to matters within its designated authority which committee the Committee member reasonably believes to merit confidence.

#### **V. MEETINGS**

The Committee shall meet as often as necessary to carry out its responsibilities. Meetings of the Committee will be held at such times as shall be determined by the Chairman of the Board or by a majority of the members of the Committee. All meetings of the Committee shall be held pursuant to the Bylaws of the Company with regard to notice, quorum, voting and waiver thereof. Written minutes pertaining to each meeting shall be filed with the Company's Secretary and an oral report shall be presented by the Committee at each Board meeting.

Approved by the Governance Committee on November 12, 2024

Ratified by the Shore United Bank and Shore Bancshares, Inc. Board of Directors on November 21, 2024