

SHORE BANCSHARES, INC.
AND
ITS SUBSIDIARIES

NOMINATING COMMITTEE CHARTER

The members of the Nominating Committee (“Committee”) shall be appointed by the Board of Directors (“Board”) of Shore Bancshares, Inc. (“Company”). The Committee’s responsibilities are to (1) identify qualified individuals to become Board Directors, (2) consider candidates for nomination proposed by stockholders of the Company, (3) recommend Director nominees to the Board, (4) recommend Directors for each Board committee, and (5) recommend corporate governance guidelines to the Board. The Committee and its duties are discussed in detail below.

Committee Membership:

The Committee shall be comprised of no fewer than three Directors who are (1) “independent” as defined by the applicable rules of the Nasdaq Stock Market, Inc., (2) “non-employee” Directors as defined by Rule 16b-3 under the Securities Exchange Act of 1934, as amended, 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 and may be removed or replaced by, and at the discretion of, the Board.

Committee Authority and Responsibilities:

- In the performance of its duties, the Committee may rely on outside consultants, search firms, and financial, legal, human resources, and other advisors, and shall have the sole authority to retain and terminate same at the expense of the Company.
- The Committee shall establish criteria for the selection of new Director candidates and shall evaluate the qualifications of same, including any candidates proposed by stockholders in accordance with the Company’s charter and bylaws.
- The Committee shall recommend the number of Directors to be elected within the limits specified in the Company’s charter and bylaws, and shall recommend to the Board for its consideration a slate of Director nominees for election at the next annual meeting, or any special meeting of stockholders.
- The Committee may identify potential Director candidates on an “on-going” basis.
- The Committee shall implement a Director orientation program and monitor and, if appropriate, facilitate Director continuing education.
- The Committee shall annually provide the Board with recommendations for appointments to each Board committee.

- The Committee shall oversee the annual evaluations of management's performance and of the Board's performance.
- The Committee shall periodically review the adequacy of the corporate governance guidelines and recommend any changes deemed advisable.
- The Committee shall periodically review the adequacy of the Company's charter and bylaws and provide the Board with any recommendations regarding changes to same.
- Annually, the Committee shall evaluate its own performance.