

EAGLE BANCORP INC
Form DEF 14A
April 03, 2018
Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities

Exchange Act of 1934 (Amendment No. _____)

Filed by Registrant

Filed by Party other than Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Definitive Proxy Statement
- Soliciting Materials Pursuant to §240.14a-12
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Additional Materials

Eagle Bancorp, Inc.

(Name of Registrant as Specified in its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):		
<input checked="" type="checkbox"/>	No fee required.	
<input type="checkbox"/>	Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.	
	(1)	Title of each class of securities to which transaction applies:
	(2)	Aggregate number of securities to which transaction applies:

Edgar Filing: EAGLE BANCORP INC - Form DEF 14A

	(3)	Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):
	(4)	Proposed maximum aggregate value of transaction:
	(5)	Total fee paid:
<input type="checkbox"/>	Fee paid previously with preliminary materials.	
<input type="checkbox"/>	Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.	
	(1)	Amount previously paid:
	(2)	Form, Schedule or Registration Statement No.:
	(3)	Filing Party:
	(4)	Date Filed:

Table of Contents

Table of Contents

The Annual Meeting Of Shareholders Will Be Held At:

The Bethesda Marriott Hotel

5151 Pooks Hill Road

Bethesda, Maryland 20814-2432

on Thursday, May 17, 2018 at 10:00 A.M. EDT

To The Shareholders of Eagle Bancorp, Inc.:

Proxy Statement

The Board of Directors of Eagle Bancorp, Inc. is soliciting your proxy for use at the Annual Meeting of Shareholders, to be held at 10:00 A.M. EDT on Thursday, May 17, 2018, and at any adjournment or postponement of the meeting. This proxy statement and proxy card are being sent to shareholders of the Company on or about April 3, 2018, to shareholders of record as of March 21, 2018, the record date for the meeting. A copy of the Company's Annual Report on Form 10-K for the year ended December 31, 2017, which includes our audited financial statements, also accompanies this proxy statement.

In this proxy statement, we refer to (a) Eagle Bancorp, Inc. as the Company, Eagle, we or us, (b) the Board of Directors as the Board or Board of Directors and (c) EagleBank, our wholly owned subsidiary, as EagleBank or the Bank.

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Shareholders to be held on May 17, 2018. A copy of this proxy statement, our Annual Report on Form 10-K for the year ended December 31, 2017, and our Report to Shareholders is available online at <http://viewproxy.com/eaglebankcorp/2018>.

This year, we are using the Notice and Access method of providing proxy materials to you via the Internet instead of mailing printed copies. We believe that this process will provide you with a convenient and quick way to access the proxy materials, including this proxy statement and our Annual Report on Form 10-K for the year ended December 31, 2017. Also accessible, is our Report to Shareholders and an authorization for a proxy to vote your shares. This allows us to conserve natural resources, and reduce the costs of printing and distributing the proxy materials.

Most shareholders will not receive paper copies of the proxy materials unless they request them. Instead, the Important Notice Regarding Availability of Proxy Materials, which we refer to as the Notice and Access card, has been mailed to our shareholders to provide instructions regarding how to access and review all of the proxy materials on the Internet. The Notice and Access card also tells you how to submit your proxy vote via the Internet or telephone. If you would like to receive a paper or email copy of our proxy materials, you should follow the instructions for requesting such materials printed on the Notice and Access card.

Table of Contents

Notice of Meeting:

The Annual Meeting of Shareholders of Eagle Bancorp, Inc. (the Company) will be held for the following purposes:

1. To elect nine directors to serve until the 2019 Annual Meeting of Shareholders and until their successors are duly elected and qualified;
2. To ratify the appointment of Dixon Hughes Goodman LLP as the Company's independent registered public accounting firm to audit the consolidated financial statements of the Company for the year ended December 31, 2018;
3. To vote on a non-binding, advisory resolution approving the compensation of our named executive officers; and
4. To transact any other business that may properly come before the meeting or any adjournment or postponement of the meeting.

Shareholders of record as of the close of business on March 21, 2018 are entitled to notice of and to vote at the meeting or any adjournment or postponement of the meeting.

YOUR VOTE IS VERY IMPORTANT. Whether or not you plan to attend the meeting, we urge you to vote and submit your proxy in order to ensure the presence of a quorum.

Registered shareholders may vote:

- By Internet: go to www.AALvote.com/EGBN;
- By toll-free telephone: call **1 (866) 804-9616**; or
- By mail: mark, sign, date and promptly **mail the enclosed proxy card** in the enclosed postage-paid envelope.

Edgar Filing: EAGLE BANCORP INC - Form DEF 14A

If your shares are not registered in your name, please see the voting instructions provided by your recordholder (typically your broker) on how to vote your shares. You will need additional documentation from your recordholder in order to vote in person at the meeting.

	By Order of the Board of Directors,
	Jane E. Cornett, Corporate Secretary
April 3, 2018	

Table of Contents

Table of Contents

<u>Proxy Statement</u>	1
<u>Proxy Statement Summary</u>	4
<u>Introduction</u>	4
<u>Our Mission</u>	4
<u>Our Values: Relationships F•I•R•S•T</u>	4
<u>Our Commitment to the Community</u>	4
<u>Eagle Bancorp. Inc. at a Glance 2017</u>	5
<u>Shareholder Engagement and How We've Responded</u>	6
<u>Our Engagement Process</u>	6
<u>Investor Outreach</u>	7
<u>Board and Shareholder Engagement</u>	7
<u>Evolution of Equity Awards</u>	10
<u>Performance-Vested Shares</u>	10
<u>Voting Securities and Principal Shareholders</u>	10
<u>Proposal 1: Election of Directors</u>	12
<u>Nominees for the Board of Directors</u>	12
<u>Vote Required and Board Recommendation</u>	15
<u>Additional Directors of the Bank</u>	15
<u>Board Leadership Structure</u>	17
<u>Board and Committee Oversight of Risk</u>	18
<u>Meetings, Committees, and Procedures of the Board of Directors</u>	19
<u>Audit Committee</u>	19
<u>Compensation Committee</u>	20
<u>Governance & Nominating Committee</u>	20
<u>Risk Management</u>	21
<u>Compensation Committee Interlocks and Insider Participation</u>	21
<u>Shareholder Communications</u>	21
<u>Director Attendance at the Annual Meeting</u>	22
<u>Audit Committee Report</u>	22
<u>Director Compensation</u>	22
<u>Executive Officers Who Are Not Directors</u>	24
<u>Open Letter from Compensation Committee Chairman</u>	25
<u>Compensation Discussion and Analysis</u>	25
<u>Executive Summary</u>	26
<u>Record Setting Performance</u>	26
<u>Compensation Changes in Response to Shareholder Feedback</u>	28
<u>2017 Advisory Vote on Executive Compensation</u>	29
<u>Compensation Philosophy</u>	30
<u>Our Compensation Drivers</u>	31
<u>Our Pay Mix</u>	31
<u>CEO Pay Ratio</u>	32
<u>Compensation Components</u>	32
<u>Pay Practices Aligned with Compensation Philosophy</u>	33
<u>2017 Programs and Pay Decisions</u>	34
• <u>Base Salaries</u>	35
• <u>Senior Executive Incentive Plan</u>	35

Edgar Filing: EAGLE BANCORP INC - Form DEF 14A

• <u>Long Term Equity Compensation - Time Vested</u>	37
• <u>Long Term Equity Compensation - Performance Vested</u>	37
• <u>Supplemental Executive Retirement Plan</u>	38
• <u>401(k) Plan</u>	38
• <u>Health and Welfare Benefits</u>	39
• <u>Employment, Non-Compete and Severance Arrangements</u>	39

Eagle Bancorp, Inc.

(i)

2018 Proxy Statement

Table of Contents

<u>GEO Pay-for-Performance</u>	39
<u>Executive Compensation Process</u>	40
<u>The Role of the Compensation Committee</u>	40
<u>The Role of Consultants Compensation Advisors</u>	41
<u>The Role of Management</u>	41
<u>Competitive Positioning</u>	41
<u>Eagle Bancorp Peer Group</u>	42
<u>Eagle Bancorp Peer Group Performance</u>	43
<u>Other Compensation Policies</u>	43
• <u>Compensation Recovery Policy (Clawback)</u>	43
• <u>Robust Stock Ownership Guidelines</u>	44
• <u>Anti-hedging/Anti-pledging Policies</u>	44
• <u>Executive Perquisites</u>	44
• <u>No Tax Gross-Ups or Payments</u>	44
• <u>Timing and Pricing of Equity Awards</u>	44
• <u>Prohibit Re-Pricing or Exchange</u>	44
• <u>No Guaranteed Minimum Bonus</u>	45
<u>Risk Assessment of Incentive Compensation Programs</u>	45
<u>Executive Compensation Plan Risk Assessment</u>	45
<u>Non-Executive Compensation Plan Risk Assessment</u>	46
<u>Compensation Committee Report</u>	47
<u>Executive Compensation Tables</u>	47
<u>Summary Compensation Table</u>	48
<u>Employment and Non-Compete Agreements</u>	50
<u>Grants of Plan-Based Awards</u>	52
<u>Outstanding Equity Awards at Fiscal Year-End</u>	54
<u>Options Exercised and Stock Vested</u>	55
<u>Employee Benefit Plans</u>	56
<u>Equity Compensation Plans</u>	56
<u>Pension Benefits</u>	57
<u>Certain Relationships and Related Transactions</u>	58
<u>Proposal 2: Ratification of the Appointment of Independent Registered Public Accounting Firm</u>	59
<u>Vote Required and Board Recommendation</u>	59
<u>Fees Paid to Independent Accounting Firms</u>	59
<u>Audit Fees</u>	59
<u>Audit Related Fees</u>	59
<u>Tax Fees</u>	60
<u>All Other Fees</u>	60
<u>Proposal 3: Non-Binding Advisory Vote on Executive Compensation</u>	60
<u>Vote Required and Board Recommendation</u>	60
<u>Form 10-K Annual Report</u>	61
<u>Compliance with Section 16(a) of the Securities Exchange Act of 1934</u>	61
<u>Other Matters</u>	61
<u>Shareholder Proposals</u>	61

Table of Contents

Proxy Statement

When and where is the Annual Meeting of Shareholders being held?

The meeting is being held at 10:00 A.M., EDT on Thursday, May 17, 2018, at The Bethesda Marriott Hotel, 5151 Pooks Hill Road, Bethesda, Maryland 20814 (<http://www.marriott.com/hotels/travel/wasbt-bethesda-marriott/>). From the Capital Beltway (I-495), take Wisconsin Avenue (Route 355) south to the first traffic light. Turn right onto Pooks Hill Road. The Hotel is on the right.

What am I being asked to vote on at the meeting?

You are being asked to vote on three proposals at the meeting:

1. the election of nine directors for a one year term until the 2019 Annual Meeting of Shareholders and until their successors are duly elected and qualified;
2. the ratification of the appointment of Dixon Hughes Goodman LLP as the Company's independent registered public accounting firm for the year ended December 31, 2018; and
3. a non-binding, advisory resolution approving the compensation of our named executive officers.

How does the Board recommend I vote?

The Board unanimously recommends that you vote:

- **FOR** the election of all of the nominees for election as director (see Proposal 1 [on page 12](#));
- **FOR** the ratification of accountants (see Proposal 2 [on page 59](#)); and

- **FOR** the nonbinding resolution approving our named executive officer compensation (see Proposal 3 on page 60).

Who is entitled to vote at the meeting?

Only shareholders of record of the Company's common stock, par value \$0.01 per share (the common stock), at the close of business on March 21, 2018, will be entitled to notice of and to vote at the meeting or any adjournment or postponement of the meeting. On that date, the Company had 34,307,680 shares of common stock outstanding, held by approximately 19,279 total shareholders, including 738 shareholders of record. The common stock is the only class of securities entitled to vote at the meeting.

If your shares are registered directly in your name with Computershare Trust Company, N.A., our transfer agent, then you are a shareholder of record. As a shareholder of record, you may vote in person at the meeting, or vote by proxy, using any of the following three methods to submit your proxy:

- by **Internet**: go to www.AALvote.com/EGBN and follow the instructions provided;
- by **toll-free telephone**: call 1 (866) 804-9616; or
- by **mail**: mark, sign, date and promptly mail the enclosed proxy card in the enclosed postage-paid envelope.

If your shares are held in an account at a broker, bank or other nominee (collectively, your broker), rather than in your name, then you are a beneficial owner of street name shares, and these proxy materials are being forwarded to you by your broker. Your broker is entitled to vote your shares at the meeting or submit a proxy. *(Please see the next question for important information regarding voting by your broker.)* As a beneficial owner, you are entitled to direct your broker how to vote your shares. You will need to follow the directions your broker provides you and give the broker instructions as to how the broker should vote your shares by following the instructions you received from your broker. If you want to vote your shares held in street name at the meeting, you will need to obtain a legal proxy from your broker authorizing you to vote your shares. A brokerage statement or the voting instruction form you received from your broker will not allow you to vote in person at the meeting. Please note that your broker may have a deadline for submitting voting instructions that is earlier than the voting deadline for recordholders.

Table of Contents

Whether or not you plan to attend the meeting, we urge you to vote and submit your proxy, either by Internet, telephone or mail, or to instruct your broker how to vote, in order to ensure the presence of a quorum.

Will my broker vote my shares for me?

Under the rules of the New York Stock Exchange (NYSE) applicable to its member firms, your broker will not vote your shares on the election of directors or the advisory resolution on executive compensation unless they receive instructions from you. **If you hold your shares through a broker, it is extremely important that you instruct your broker how to vote your shares.** The election of directors (even if not contested) and the non-binding advisory vote on executive compensation are not considered routine matters. As such, your broker cannot vote your shares with respect to these proposals if you do not give instructions.

How many votes do I have?

You have one vote for each share of common stock you hold as of the record date on each matter submitted for the vote of shareholders. You do not have the right to cumulate votes in the election of directors.

What is the quorum requirement for the meeting?

The presence, in person or by proxy, of at least a majority of the total number of outstanding shares of common stock is necessary to constitute a quorum at the meeting.

How will proxies be voted and counted?

Properly executed proxies received by the Company in time to be voted at the meeting will be voted as you specify. If you do not specify how you want your shares voted, proxies will be voted:

- **FOR** the election of all the nominees for election as directors;
- **FOR** the ratification of the appointment of Dixon Hughes Goodman LLP; and
- **FOR** the non-binding, advisory resolution approving the compensation of our named executive officers.

We do not know of any other matters that will be brought before the meeting. If other matters are properly brought before the meeting, the persons named in the proxy intend to vote the shares to which the proxies relate in accordance with their best judgment.

The Inspector of Election appointed for the meeting will determine the presence of a quorum and will tabulate the votes cast at the meeting. Abstentions will be treated as present for purposes of determining a quorum, but as unvoted for purposes of determining the approval of any matter submitted to the vote of shareholders. If a broker advises the Company that it cannot vote on a matter because the beneficial owner has not provided voting instructions and it does not have discretionary voting authority on a particular matter, this is a broker non-vote with respect to that matter. Shares subject to broker non-votes will be counted as shares present or represented at the meeting for purposes of determining whether a quorum exists; however, such shares will not be considered as present or voted with respect to the matters on which the broker does not have the power to vote.

Can I revoke my proxy after I submit it?

Yes. You may revoke your proxy or change your vote at any time before it is voted at the meeting by:

- granting a later proxy with respect to the same shares;
- sending written notice to Jane E. Cornett, Corporate Secretary of the Company, 7830 Old Georgetown Road, Third Floor, Bethesda, Maryland 20814 at any time prior to the proxy being voted; or
- voting in person at the meeting.

Your attendance at the meeting will not, in itself, revoke your proxy. If your shares are held in the name of your broker, please see the voting form provided by your broker for additional information regarding the voting of your shares.

Table of Contents

What votes are required to approve the election of directors and the other proposals?

Under our Articles of Incorporation and Bylaws, directors are elected at the Annual Meeting by a plurality of the votes cast in the election. Since this is not a contested election, nominees who do not receive more votes cast for their election than votes withheld or cast against their election must submit their resignation after certification of the vote. Approval of the proposals to ratify the appointment of our independent registered public accounting firm and to approve the nonbinding, advisory resolution on compensation of our named executive officers requires the affirmative vote of a majority of the votes cast on such matters.

How are proxies being solicited?

In addition to the use of these proxy materials, proxies may also be solicited personally or by telephone by officers, employees or directors of the Company or its subsidiary, EagleBank, who will not receive any special compensation for their services in soliciting proxies. Additionally, we have engaged Alliance Advisors, LLC (Alliance), a proxy solicitation firm, to assist us in the distribution of proxy materials and the solicitation of votes. We will pay Alliance a base fee of \$6,000, plus per-call fees and reimbursement of its out-of-pocket expenses for its services. We may also reimburse brokers, custodians, nominees and other fiduciaries for their reasonable out-of-pocket and clerical costs for forwarding proxy materials to their principals. The cost of this proxy solicitation is being paid by the Company.

How can I find out the results of the voting at the annual meeting?

Voting results will be announced by the filing of a Current Report on Form 8-K within four business days after the Annual Meeting. If final voting results are unavailable at that time, we will file an amended Current Report on Form 8-K within four business days after the day final results are available.

What does it mean if I receive more than one set of materials?

This most likely means you hold shares of common stock in more than one way. For example, you may own some shares directly as a shareholder of record and other shares through a broker, or you may own shares through more than one broker. In these situations, you may receive multiple sets of proxy materials or Notice and Access cards. In order to vote all the shares you own, you must either complete, sign, and return all of the proxy cards or voting instruction forms, or follow the instructions for any alternative voting procedure on each of the Notice and Access cards or voting forms you receive. Each proxy card or voting instruction form you receive should come with its own prepaid return envelope. If you vote by mail, make sure you return each voting form in the return envelope that accompanied that voting form.

Why aren't all of the shareholders who are in my household getting their own copy of the proxy materials?

In some cases, only one set of the proxy materials is delivered to multiple shareholders sharing an address. However, this delivery method, called householding, is not used if we have received contrary instructions from one or more of the shareholders. We will deliver promptly, upon written or oral request, a separate copy of this proxy statement and the Annual Report to a shareholder at a shared address to which a single copy of the documents were delivered. To request a separate delivery of these materials now or in the future, you should submit a written request to: Jane E.

Edgar Filing: EAGLE BANCORP INC - Form DEF 14A

Cornett, Corporate Secretary, at the Company's executive offices, 7830 Old Georgetown Road, Bethesda, Maryland 20814, or by calling (301) 986-1800. Additionally, any shareholders who are presently sharing an address and receiving multiple copies of shareholder mailings and who would prefer to receive a single copy of such materials may let us know by directing that request to us in the manner provided above.

Table of Contents

Proxy Statement Summary

Introduction

Eagle Bancorp, Inc. is the parent company of EagleBank. The Bank operates as a community bank alternative to the super-regional financial institutions, which dominate its primary market area. The cornerstone of the Bank's philosophy is to provide superior, personalized service to its clients. The Bank focuses on relationship banking, providing each client with a number of services, familiarizing itself with, and addressing, client needs in a proactive, personalized fashion. Management believes that the Bank's target market segments, including small, medium and large-sized for profit and non-profit businesses and the consumer base working or living in and near the Bank's market area, demand the convenience and personal service that an independent, locally based financial institution such as the Bank can offer. It is these themes of proactive personal and ease of access service that form the basis for the Bank's business development strategies.

Our Mission

We have a mission to be the most respected and profitable community bank. To do this, we put relationships first to the delight of our customers, employees and shareholders, and relentlessly deliver the most compelling service and value.

Our Values: Relationships F I R S T

Flexible

We **begin** our relationships based on our time-tested tradition of listening to our customer, collaborating with colleagues and designing a comprehensive, creative solution that brings value to and appreciation from our customer. We enhance the relationship with empowered **YES**, We Can service and live up to our strong belief that formulas do not make good banking sense, relationships do. We are entrepreneurial it is our differentiator.

Involved

We **build** our relationships by developing a rapport that is based on partnership, mutual respect and a desire to delight. We are unwavering in our commitment to the goals and growth of our customers, colleagues and community through volunteerism. We believe that doing the little extras and staying involved with our customer demonstrates our difference.

Responsive

We **shape** our relationships by taking ownership for being ever-responsive, from beginning to end, day in and day out. We understand that reliable, accurate and time-sensitive communication is fundamental to preserving reputation and relationships, internally and externally.

Strong

We **strengthen** our relationships each time we are called upon for our expertise and know-how. We are committed to enhancing our professional knowledge in order to remain credible, current and strong partners with our customers, colleagues and community. Our history of sustaining a well-capitalized and profitable position emphasizes our strength and reinforces our relationships.

Trusted

We **uphold** our relationships with honesty, openness and reliability. We can be counted on to do the right thing. We understand that underlying a sound, long-lasting relationship is the essential element of trust. Trust can be lost in a moment, so we are vigilant in our actions and words.

Our Commitment to the Community

At EagleBank, we are proud of our role as a commercially oriented bank and equally proud of our track record as an active lender to the small business and real estate communities in the Washington metropolitan area. We consistently hold a higher percentage of our assets in loans than our peer banks, and believe that it is extremely important for EagleBank to be an active, committed lender in its community, rather than out of the area, or investing the funds in a securities portfolio.

Table of Contents

We are locally focused, with 96% of our loan portfolio in Washington, DC, Maryland and Virginia. We are passionate about our role as a lender to local small businesses. We know that both nationally and locally, small businesses are the source of the vast majority of new job creation. By lending to these small businesses, we help build and grow our employment base and our local economy.

In addition to our general lending activities, we have developed cooperative economic development programs with several state and local government entities. About five years ago, we worked with officials in Montgomery County, Maryland to develop a program in which the county places deposits in locally based community banks, and in return, those banks commit to make loans to local businesses. The program has been very successful, as the county has placed \$50 million in deposits with the participating banks and the banks have far exceeded that amount in loans originated. However, the most important outcome has been that over 1,350 jobs in the county have been created through the program. Since our goal was to build the deposits to generate the loans that stimulate the local economy, we are very excited and proud of what the program has accomplished.

Programs like the one created in Montgomery County have gained support with other jurisdictions and agencies. More recently, EagleBank worked with the Washington Suburban Sanitary Commission (WSSC) to help create that agency's Business Investment and Growth (BIG) Program. Under this initiative, WSSC has placed \$10 million of deposits with 5 local community banks. The program allows the participating banks to increase lending to small businesses in the WSSC's bi-county area, including local small and minority-owned businesses that have a relationship with WSSC.

EagleBank has consistently been among the leading originators of SBA guaranteed loans issued by community banks in the Washington, DC region. In addition, through selected tax credit investments, we have been involved in the redevelopment of historically significant properties in Washington, DC, and the development and redevelopment of affordable housing in the area.

And finally, we are pleased to note that the EagleBank Foundation has, over the last 9 years, raised and contributed in excess of \$3.5 million to medical research and treatment agencies in our local community, primarily to support the fight against breast cancer.

Eagle Bancorp, Inc. at a Glance 2017

<p>How Did We Perform?</p>	<ul style="list-style-type: none"> • Assets grew to \$7.5 billion. EagleBank is a large community bank founded in the Washington, DC area. • 2017 continued a trend of strong and sustained underlying financial performance across each line of business (diluted EPS growth of 2%, or 17% on an operating basis, excluding the impact of the reduction in the corporate income tax rate). • Return on Average Assets grew to 1.41% last year (1.62% on an operating basis). • Maintained market capitalization of approximately \$2 billion.
<p>How Did We Pay our Named Executive Officers (NEOs)?</p>	<ul style="list-style-type: none"> • Utilized a double trigger provision in our senior executives' employment agreements. • Paid our named executive officers (NEOs) commensurate with 2017 performance and appropriately situated relative to peers.

Edgar Filing: EAGLE BANCORP INC - Form DEF 14A

<p>What are Our Pay Practices and Perspective?</p>	<ul style="list-style-type: none"> • Utilized a performance-vested share component as part of our Long Term Incentive Plan (LTIP). • NEO compensation components are decided through goal-based cash bonuses and equity-based compensation that align our executives' interests with shareholder interests. • Executives do <u>not</u> receive any significant special perks or gross-ups. • Compensation is subject to strong corporate governance and independent board oversight. • Compensation plans reflect valued feedback from shareholder engagement efforts. • Pay policies are consistent with best practices, including maintaining a sound set of compensation principles, managing our equity awards responsibly and closely monitoring competitors and market opportunities for our executives.
<p>How Do We Address Risk?</p>	<ul style="list-style-type: none"> • We impose clawback/recovery provisions. • We continue our extensive risk assessment process. • We maintain Share Ownership, Anti-Hedging and Pledging Policies.

(table continued on following page)

Table of Contents

Eagle Bancorp, Inc. at a Glance 2017 (cont.)

<p>Why Should our Shareholders Approve our Say on Pay Advisory Vote?</p>	<ul style="list-style-type: none"> • Our 2017 performance represents outstanding performance compared to our performance goals and peer group performance. (See Peer Group tables on page 42-43) • Pay is commensurate with Company and individual performance, and peers. • Pay programs were revised in 2017 and continue to evolve in 2018 in response to prior shareholder feedback. • Pay practices and policies are aligned with interests of shareholders. • Pay is subject to extensive risk and control features.
---	---

Shareholder Engagement and How We've Responded

Our Engagement Process

Our Board and management are committed to engaging with our shareholders and soliciting their views and input on important performance, governance, executive compensation, and other matters.

Year-Round Engagement and Board Reporting. Our investor relations team conducts shareholder outreach throughout the year and informs our management and our Board about the issues that our shareholders tell us matter most to them.

Transparency and Informed Governance Enhancements. Our Board regularly reviews our governance practices and policies, including our shareholder engagement practices, with an eye toward continual improvement. Shareholder input is shared with our Board and its committees, facilitating a dialogue that provides shareholders with insight into our governance practices and informs them of our Company's enhancement of those practices. In addition to considering shareholder sentiments, our Board regularly reviews the voting results of our Annual Meetings, the governance practices of our peers and other companies, and current trends in governance.

The Shareholder Engagement Process

Table of Contents

Investor Outreach

We value the opinion of our shareholders and look forward to a continued, open dialogue on compensation and governance matters relevant to our business. Following 2017's advisory Say-on-Pay vote, which received the support of over 96% of votes cast (a substantial improvement from the vote in 2016) we continued our enhanced shareholder outreach. In 2017, we again reached out to our top 30 shareholders in order to gather feedback regarding our executive compensation program and disclosures, and had substantive discussions with many of them.

Some of the positive feedback reflected our meaningful level of insider ownership and alignment with shareholders, with some investors noting having particular comfort that our Chief Executive Officer holds a significant number of shares. (In fact, Ronald D. Paul, our Chairman and Chief Executive Officer, and his family's interests and trusts own or control shares representing, as of December 31, 2017, over 100 times his 2017 base salary.) He and his family's interests and family trusts collectively are our 4th largest shareholder and together they control over 4.6% of the Company. There was general support that total direct compensation, including that of our Chief Executive Officer, aligns with performance. There was also acknowledgement and appreciation of the changes we made in the last few years.

We also held a conversation with a prominent shareholder advisory firm to appreciate further its policies and perspectives.

We listened carefully and over the last few years have made many substantial changes to our compensation and governance practices based on the Say-on-Pay votes and to the subsequent shareholder engagements. Below we summarize the feedback over the last several years, and how we responded. Greater detail can be found later in this proxy statement, in the Compensation Discussion and Analysis section starting [on page 25](#).

Board and Shareholder Engagement

The Board maintains a process for shareholders and interested parties to communicate with the Board. Shareholders and interested parties may write or call our Board as provided below:

WRITE

CALL

EMAIL

WEB

Corporate Secretary

(301) 986-1800

jcornett@eaglebankcorp.com

<http://ir.eaglebankcorp.com>

Eagle Bancorp, Inc.

click **Contact Us** in the upper right hand corner

7830 Old Georgetown Road, 3rd Floor
Bethesda, Maryland 20814

WHAT WE HEARD in 2015-2017:	WHAT WE DID:
<i>Compensation Program, Practices and Disclosure</i>	
Adopt a pure double trigger provision to the employment agreements of senior executives including the Chief Executive Officer.	All senior executive agreements were revised in 2017 to utilize a pure double trigger in the event of a change in control.
Reduce the component of the Chief Executive Officer's incentive plan that is discretionary in nature.	The incentive plan of the Chief Executive Officer now provides for only 25% of the award payout to be determined by non-objective factors.

(table continued on following page)

Table of Contents

WHAT WE HEARD in 2015-2017 (cont.):	WHAT WE DID (cont.):
<i>Compensation Program, Practices and Disclosure (cont.)</i>	
<p>Add a performance-based component to our Long Term Incentive Plan for executive officers.</p>	<p>In 2016, the Compensation Committee adopted a performance-based component to the Long Term Incentive Plan (LTIP) incorporating performance shares beginning with the 2016 equity grants. Performance shares awarded for 2016 and 2017 are based on our relative performance as compared to the banks comprising the KBW NASDAQ Regional Banking Index (KRX) (the Index) over a three year period for:</p> <ul style="list-style-type: none"> • Earnings Per Share (EPS) growth, • Return on Average Assets (ROAA), and • Total Shareholder Return (TSR). <p>For 2018, the LTIP utilizes two metrics for Performance shares: ROAA versus the Index, and Earnings Per Share versus the Company budget. Performance shares awarded in 2018 represent approximately 50% of a named executive officer s total equity compensation, up from 35% in 2016 and 42.5% in 2017.</p>
<p>The short term Senior Executive Incentive Plan should include absolute caps on bonuses eligible to be earned, to minimize the risk of decisions being made at the expense of long term perspectives.</p>	<p>We have adopted caps in the SEIP.</p>
<p>The short term Senior Executive Incentive Plan should not have a line item for discretionary awards, although the Compensation Committee always has the right outside of the Plan to exercise its discretion.</p>	<p>We eliminated the line item inside the SEIP for a discretionary component. (No discretionary awards were made to the named executive officers for 2017 performance.)</p>
<p>The proxy statement should explain the process of compensation awarded to each named executive officer in greater detail than in previous years.</p>	<p>This year s proxy statement continues to describe the philosophy and procedures utilized again by the Compensation Committee in making awards.</p>

Edgar Filing: EAGLE BANCORP INC - Form DEF 14A

<p>The proxy statement should not just state whether a named executive officer's goal was met or exceeded, but include the underlying details and rationale to allow shareholders to independently reach the conclusion that a NEO met or exceeded the stated goal.</p>	<p>This year's proxy statement again includes greater details and the rationale for our pay decisions.</p>
<p>Company directors and all executive officers should be subject to certain minimum Company stock ownership requirements, affording each of them time to satisfy the requirement.</p>	<p>In 2016, the Company adopted a policy requiring the following ownership requirements:</p> <ul style="list-style-type: none"> • CEO: 6 times base salary • Directors: 3 times annual retainer/base fee • Executive Officers: 2 times base salary <p>Directors and executive officers subject to the policy have five years after they commence service to satisfy the requirement; those serving as of the implementation of the policy have until December 31, 2020. See page 10 for current insider ownership levels.</p>

(table continued on following page)

Table of Contents

WHAT WE HEARD in 2015-2017 (cont.):	WHAT WE DID (cont.):
Board/Governance Practices	
Positive feedback on our enhanced proxy disclosure in 2016.	The 2018 Proxy maintains the level of transparency contained in recent proxies.
In light of the combined position of Chairman and Chief Executive Officer, the Board should elect a Lead Director .	The Board has created the position of Lead Director and the independent directors elected Compensation Committee Chair Leland Weinstein to the position. The Board also re-established the position of Vice Chairman and the directors elected Governance and Nominating Committee Chair Norman Pozez to the position.
Directors in uncontested elections should require a majority vote to be elected.	The Company's Articles of Incorporation were amended to require the resignation of director nominees who do not receive more votes cast for their election than are withheld or cast against their election in an uncontested election.
Company directors and all executive officers should be subject to a policy addressing hedging of Company stock .	The Company adopted a policy prohibiting hedging by directors and executive officers.
Company directors and all executive officers should be subject to a policy addressing pledging of Company stock .	The Company adopted a policy limiting pledging by directors and executive officers to one-half of applicable holdings, and that the value of such pledged stock cannot exceed 25% of the person's net worth.
There should be diversity on the Company Board of Directors , with an emphasis on gender diversity.	The Company desires to increase diversity on the Company Board of Directors. It uses the EagleBank Board of Directors as a means for directors to learn about EagleBank and the industry, and gain experience and knowledge, with the opportunity to be nominated later for service on the Company Board of Directors. We note the recent addition to the Company Board of Kathy A. Raffa and Susan G. Riel.

We found the shareholder engagement to be a valuable exercise for the Company, and we will continue such efforts during 2018 and beyond.

Governance Highlights

Edgar Filing: EAGLE BANCORP INC - Form DEF 14A

The Company believes good governance is integral to achieving long term shareholder value. We are committed to governance policies and practices that serve the interests of the Company and its shareholders. The Board of Directors monitors developments in governance best practices to assure that it continues to meet its commitment to thoughtful and independent representation of shareholder interests. The following table summarizes certain corporate governance practices and facts:

- ii 7 of our 9 Director Nominees are Independent

- ii Active Board Participation in CEO Succession Planning

- ii Active Shareholder Engagement

- ii Annual Say on Pay Advisory Votes

- ii Annual Board and Committee Evaluation Process

- ii Annual Election of Directors

- ii Board and Committee Authority to Retain Independent Advisors

- ii Board Oversight of Company Strategy

- ii Executive Sessions of Independent Directors

- ii Longstanding Commitment to Corporate Responsibility

- ii Majority Voting for All Directors

- ii No Shareholder Rights Plan (Poison Pill)

Edgar Filing: EAGLE BANCORP INC - Form DEF 14A

- ii Policies Prohibiting Hedging, Short Sales and Limiting Pledging of Company Stock

- ii Policy Providing for Return of Incentive Compensation (Clawback Policy)

- ii Position of Vice Chair Re-Established with Appointment of a Highly Qualified Independent Director

- ii Position of Independent Lead Director Created

- ii Risk Oversight by Full Board and Committees

- ii Code of Ethics

- ii Share Ownership Requirements for Executives and Directors

- ii Strong Independent Vice Chair and Strong Independent Lead Director

Table of Contents**Evolution of Equity Awards**

In response to shareholder engagement, the Company enhanced its Long Term Incentive Plan starting in 2016 to include performance-vested shares. A similar plan was adopted in 2018 for the three-year period 2018-2020.

	2015	2016	2017	2018
Form of Grant	100% Time-vested restricted stock	35% Performance-vested restricted stock units 65% Time-vested restricted stock	42.5% Performance-vested restricted stock units 57.5% Time-vested restricted stock	50% Performance-vested restricted stock units 50% Time-vested restricted stock
Performance Metrics for Long Term Equity Award	N/A	<u>Relative to KRX Index:</u> EPS growth ROAA Total Shareholder Return (TSR)	<u>Relative to KRX Index:</u> EPS growth ROAA Total Shareholder Return (TSR)	EPS versus Budget ROAA versus KRX Index
Performance Assessment	Company 2014 performance was considered in award grants, but no future performance metrics were included	Average performance relative to the KRX Index over a single 3 year period, 2016-2018	Average performance relative to the KRX Index over a single 3 year period, 2017-2019	Average performance relative to the Budget and KRX Index, respectively, over a single 3 year period, 2018-2020
Vesting Period	<i>Time-vested:</i> 3 equal annual installments <i>Performance-vested:</i> N/A	<i>Time-vested:</i> 3 equal annual installments <i>Performance-vested:</i> Single 3 year period	<i>Time-vested:</i> 3 equal annual installments <i>Performance-vested:</i> Single 3 year period	<i>Time-vested:</i> 3 equal annual installments <i>Performance-vested:</i> Single 3 year period

Performance-Vested Shares

Edgar Filing: EAGLE BANCORP INC - Form DEF 14A

For awards of performance-vested shares made in February 2018 relating to 2017 performance, the Company's performance in the following performance measures will determine whether the awards are earned at the end of the 2018-2020 three-year period.

Metric	Percentage of Total Award	Threshold	Target	Maximum
Average Annual Earnings Per Share versus Company Budget	50%	75%	100%	125%
Average Annual Return on Average Assets versus KRX Index	50%	Median	62.5% Percentile	75% Percentile
Payout Range (% of Target)	100%	50%	100%	150%

Voting Securities and Principal Shareholders

Securities Ownership of Directors, Nominees, Officers and Certain Beneficial Owners

The following table sets forth certain information concerning the number and percentage of whole shares of the Company's common stock beneficially owned by its directors, its executive officers whose compensation is disclosed in this proxy statement, and by its directors and all executive officers as a group, as of March 21, 2018. Except as otherwise indicated, all shares are owned directly, the named person possesses sole voting and sole investment power with respect to all such shares, and none of such shares are pledged as security. Unvested shares of restricted stock (time-vested only) are included in ownership

Edgar Filing: EAGLE BANCORP INC - Form DEF 14A

Table of Contents

amounts. Except as set forth below, the Company knows of no other person or persons who may beneficially own in excess of five percent of the Company's common stock. Further, the Company is not aware of any arrangement which at a subsequent date may result in a change in control of the Company.

Name	Position	Shares	Percentage(1)
<i>Directors</i>			
Leslie M. Alperstein	Director of Company and Bank	89,852	0.26%
Dudley C. Dworken	Director of Company and Bank	239,990(2)	0.70%
Harvey M. Goodman	Director of Company and Bank	129,683(3)	0.38%
Ronald D. Paul	Chairman, President and Chief Executive Officer of Company, Chairman and Chief Executive Officer of Bank	1,621,867(4)	4.72%
Norman R. Pozez	Director of Company and Bank	50,667(5)	0.15%
Kathy A. Raffa	Director of Company and Bank	6,015	0.02%
Susan G. Riel	Director, Executive Vice President of Company; Director, Senior Executive Vice President, Chief Operating Officer of Bank	186,323(6)	0.54%
Donald R. Rogers	Director of Company and Bank	111,512(7)	0.33%
Leland M. Weinstein	Director of Company and Bank	117,473(8)	0.34%
<i>Other Named Executive Officers</i>			
Charles D. Levingston	Executive Vice President, Chief Financial Officer of Company and Bank	4,247	0.01%

Edgar Filing: EAGLE BANCORP INC - Form DEF 14A

Antonio F. Marquez	Executive Vice President of Company; EVP, Chief Lending Officer Commercial Real Estate of Bank	23,623(9)	0.07%
Janice L. Williams	Executive Vice President of Company; EVP, Chief Credit Officer of Bank	58,889	0.17%
All Directors and Executive Officers as a Group (13 persons)		2,649,311(10)	7.71%
Other 5% Shareholders			
BlackRock		2,132,141(11)	6.24%
Vanguard		2,677,068(12)	7.83%
Wasatch Advisors, Inc.		2,631,962(13)	7.70%

Footnotes:

(1) Represents the percentage of 34,307,680 shares issued and outstanding as of March 21, 2018, except with respect to: (a) individuals holding options exercisable within 60 days of that date, in which event, represents the percentage of shares issued and outstanding plus the number of shares for which that person holds options exercisable within 60 days of March 21, 2018, and (b) all directors and executive officers of the Company as a group, in which case represents the percentage of shares issued and outstanding plus the number of shares for which those persons hold such options. Certain shares beneficially owned by the Company's directors and executive officers may be held in accounts with third party firms, where such shares may from time to time be subject to a security interest for margin credit provided in accordance with such firm's policies.

(2) Includes 74,461 shares held in a trust of which Mr. Dworken is beneficiary, 23,544 shares held jointly, 34,062 shares held in pension or retirement accounts, 68,092 shares held by relatives sharing the same household and 16,216 shares held by or in trust for the benefit of a member of his family.

(3) Includes shares held jointly with Mr. Goodman's spouse, 3,000 shares held for members of his family, 4,818 shares held in profit or retirement accounts for his benefit, 2,330 shares held by an estate over which Mr. Goodman has voting power, and 306 shares held as trustee.

(4) Includes options to purchase 39,561 shares of common stock. An aggregate of 319,480 shares are pledged as collateral, which represents approximately 20% of holdings by Mr. Paul and his family and family trusts. Includes 118,856 shares held by a charitable foundation over which Mr. Paul shares voting and investment power. Includes 15,000 shares held by a defined benefit plan over which Mr. Paul shares voting and investment power. Includes 75,406 shares of common stock held by trusts in which members of Mr. Paul's family have discretionary interests, over which he does not have voting or investment power, and as to which he disclaims beneficial ownership. Does not include 119,037 shares of common stock contributed to Charitable Lead Annuity Trusts in which Mr. Paul has a residual interest, but as to which he does not have or share voting or dispositive power.

Table of Contents

- (5) Includes 26,164 shares held by pension or retirement plans.
- (6) Includes options to purchase 35,200 shares of common stock. Approximately 8,170 shares are owned by Ms. Riel and her spouse and pledged as collateral, which represents approximately 5% of holdings by Mr. and Mrs. Riel.
- (7) Includes 24,537 shares held for the benefit of Mr. Roger's children and 29,552 shares held by his spouse.
- (8) Includes 52,662 shares held jointly and 57,321 shares held in a retirement account.
- (9) Includes 1,567 shares held jointly with Mr. Marquez's spouse.
- (10) Includes options to purchase 74,671 shares of common stock. An aggregate of 327,650 shares are pledged by members of this group as collateral, which represents 12.41% of their aggregate holdings.
- (11) Based solely on beneficial ownership of shares and percentage of outstanding shares as reported in a Schedule 13G/A filed on January 29, 2018. BlackRock's address is 55 East 52nd Street, New York, New York 10055.
- (12) Based solely on beneficial ownership of shares and percentage of outstanding shares as reported in a Schedule 13G/A filed on February 9, 2018. Vanguard Group's address is 100 Vanguard Boulevard, Malvern, Pennsylvania 19355.
- (13) Based solely on beneficial ownership of shares and percentage of outstanding shares as reported in a Schedule 13G filed on February 14, 2018. Wasatch Advisors Inc.'s address is 505 Wakara Way, 3rd Floor, Salt Lake City, Utah 84108.

Proposal 1: Election of Directors

The Board of Directors has nominated nine persons for election as directors at the 2018 Annual Meeting, for a one-year period until the 2019 Annual Meeting of Shareholders and until their successors have been elected and qualified.

Edgar Filing: EAGLE BANCORP INC - Form DEF 14A

Unless you withhold authority to vote for one or more nominees for election as director, all proxies received in response to this solicitation will be voted for the election of the nominees listed below. Each of the nominees for election as a director currently serves as a member of the Board of Directors. Each nominee has indicated a willingness to serve if elected. However, if any nominee becomes unable to serve, the proxies received in response to this solicitation will be voted for a replacement nominee selected in accordance with the best judgment of the persons named as proxies.

The rules of The NASDAQ Stock Market (NASDAQ) require that a majority of the members of the Board be independent directors. The Board of Directors has determined that each director and nominee for election as director, other than Mr. Paul and Ms. Riel, is an independent director as that term is defined in Rule 5605(a)(2) of the NASDAQ rules. The Board has also considered whether the members of the Audit and Compensation Committees are independent under the heightened standards of independence required by Sections 5605(c)(2)(A) and 5605(d)(2)(A), respectively, of the NASDAQ rules, and has determined that they are. In making these determinations, the Board of Directors was aware of and considered the loan and deposit relationships with directors and their related interests which the Company enters into in the ordinary course of its business, the arrangements which are disclosed under Certain Relationships and Related Transactions in this proxy statement, and the compensation arrangements described under Director Compensation.

As required under applicable NASDAQ listing standards, our independent directors meet in regularly scheduled executive sessions at which only independent directors are present.

Set forth below is information concerning the nominees for election as directors. Except as otherwise indicated, the occupation listed has been such person's principal occupation for at least the last five years. Each of the nominees also serves as a director of the Bank.

Nominees for the Board of Directors

Leslie M. Alperstein, Ph.D.

Mr. Alperstein, 75, has been President of Washington Analysis LLC and its predecessor firm, Washington Analysis Corp., a leading governmental policy investment research group in Washington, DC, since its inception in 1973. He has served as Executive Managing Director and Director of Research of HSBC Securities, Inc., Director of Economic and Investment Research for NatWest Securities, Prudential Securities, Shields Model Roland, Inc. and Legg Mason & Co. His professional memberships include the National Association of Business Economists, the National Economists Club, and the CFA Society of Washington. Mr. Alperstein was appointed to the Board of Directors in 2003, and has served as a director of the Bank since 2009. Mr. Alperstein's knowledge and experience in the fields of economics and investment management make him uniquely qualified for the Board. His contributions are important in the areas of asset-liability management, investment policy and other strategic issues.

Table of Contents

Dudley C. Dworken

Mr. Dworken, 68, is a private investor and real estate developer and the principal of Dworken Associates, LLC. Mr. Dworken was the owner of Curtis Chevrolet, an automobile dealership in Washington, DC. Mr. Dworken was a Director of F&M Bank Allegiance and its predecessor Allegiance Bank, N.A. (collectively Allegiance) from 1987 until October 1997, and a director of Allegiance Banc Corporation from 1988 until its acquisition by F&M National Corporation, which was subsequently acquired by BB&T Corporation (F&M). Mr. Dworken is an active member of numerous community, business, charitable and educational institutions in the Washington, DC/Montgomery County area. Mr. Dworken has served as a director of the Company and Bank since 1999. In addition to his many years of service on the boards of banking institutions, Mr. Dworken brings entrepreneurial business knowledge and experience to the Board through his ownership and operation of one of the largest automobile dealerships in Washington, DC and his real estate development activities. He is Chairman of the Washington Area, the Philadelphia Area and the Eastern Pennsylvania Better Business Bureaus, and is a former Trustee of the Washington Area New Automobile Dealers Association. He has intimate knowledge of the Company through his experience as Chairman of the Company's Audit Committee.

Harvey M. Goodman

Mr. Goodman, 62, has been with The Goodman, Gable, Gould Company, the Maryland based public insurance adjusting firm where he serves as President, since 1977. He is a director and past president of the National Association of Public Insurance Adjusters, and is a principal, and formerly a director, of Adjusters International, a national public adjusting firm. Mr. Goodman has served as a director of the Company since 2007, and of the Bank since its organization. Mr. Goodman brings both entrepreneurial experience and a wealth of knowledge of the financial services industry, with a specialty in insurance. He possesses valuable expertise in the areas of risk management and compliance. He has expertise in corporate governance through his board service to organizations in the insurance industry.

Ronald D. Paul

Mr. Paul, 62, is President, Chief Executive Officer and Chairman of the Board of Directors of the Company. He has served as Chairman since May 2008, and prior to that time was Vice Chairman and Chief Executive Officer since the organization of the Company in 1997. He also has served as Chairman of the Board of Directors of the Bank since its organization. Since June 2006, he has served as Chief Executive Officer of the Bank, and he served as Interim President of the Bank from November 3, 2003 until January 26, 2004. Mr. Paul is President of RDP Management, Inc., which is engaged in the business of real estate investment and management. Mr. Paul is also active in various charitable organizations, including chairing the Ron & Joy Paul Kidney Center at George Washington University, and serving as the Chairman from 2002 to 2003 of the National Kidney Foundation. Mr. Paul's qualifications for the Board include his entrepreneurial, management and real estate expertise developed through his operation of a significant real estate and property management company in the Washington, DC metropolitan area. Mr. Paul also has significant experience in corporate governance issues from his prior board service with another public company and major non-profit organizations. He has extensive knowledge of the Company due to his service in Board and management positions since the inception of the Company. In 2017, Mr. Paul received the Lifetime Achievement Award from the Urban Land Institute. In 2013, Mr. Paul was the recipient of the American Banker magazine Community Banker of the Year award and, in 2014, Mr. Paul was named Community Banker of the Year East Region by the Independent Community Bankers of America. Other honors include Father of the Year, Entrepreneur of the Year (2009), Washingtonian of the Year (2010), inducted into the Washington Business Hall of Fame (2012), named Community Banker of the Year by American Banker Magazine (2012), and Montgomery County (Maryland) Business Hall of Fame (2015). Mr. Paul is also a member of the Community Depository Institutions Advisory Council of the Federal Reserve Bank of Richmond and a Director of the Montgomery County Maryland Economic Development Corporation.

Norman R. Pozez

Edgar Filing: EAGLE BANCORP INC - Form DEF 14A

Mr. Pozez, 63, is the Vice Chairman of the Company and the Bank. He is Chairman and Chief Executive Officer of The Uniwest Companies, Uniwest Construction, Inc., and Uniwest Commercial Realty, Inc. Mr. Pozez has been in the real estate development field for over thirty years. Previously, Mr. Pozez was Chief Operating Officer of The Hair Cuttery of Falls Church, Virginia. Mr. Pozez has also served as a Regional Director of Real Estate and Construction for Payless ShoeSource. During his tenure at Payless and for some years thereafter, Mr. Pozez served on the Board of Directors of Bookstop, Inc., which was sold to Barnes and Noble in 1989.

Table of Contents

Mr. Pozez is a licensed Real Estate Broker in Washington, DC, Maryland and Virginia. Since 1979, Mr. Pozez has been an active member of the International Council of Shopping Centers and is a Board member of a number of non-profit organizations serving community needs in and around the Washington, DC metropolitan area. Mr. Pozez served as Chairman of the Board of Fidelity & Trust Financial Corporation (Fidelity) from April 2004 until February 2005, and as a director of Fidelity from September 2007 until August 2008, at which time Fidelity was acquired by the Company and Mr. Pozez became a director of the Company and Bank. Mr. Pozez s qualifications for Board service include over 30 years of management experience at both regional and national companies such as the Hair Cuttery and Payless ShoeSource. His experience in company operations and real estate are very beneficial in light of the Company s business objectives. He has experience in corporate governance through his prior board service with other companies and non-profit organizations.

Kathy A. Raffa