



## Compensation Committee Charter

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### Purpose

The Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of Eagle Bancorp, Inc. (the “Company”) has overall responsibility for evaluating and approving the Company’s compensation philosophy, plans, policies, programs and disclosures. The Committee’s purpose shall be:

- To discharge the Board’s responsibilities relating to the compensation of (i) members of the Board, including any lead independent director (the “Lead Independent Director”) and executive or non-executive chairman of the Board (in either case, the “Chairman of the Board”), and (ii) the Company’s executive officers, including the Chief Executive Officer, and other specified responsibilities relating to personnel and compensation matters affecting the Company;
- To ensure management compensation is at competitive levels for Executive Vice Presidents and above;
- To review, discuss and recommend for inclusion in the Company’s proxy statement, the Compensation Disclosure and Analysis and the Compensation Committee Report appearing in the proxy statement;
- To ensure sound compensation programs that:
  - Provide employees incentives that do not encourage excessive risk-taking beyond the organization’s ability to effectively identify and manage risk;
  - Are compatible with effective controls and risk management; and
  - Are supported by strong corporate governance.

### Membership and Structure

The Committee shall be composed of three or more members of the Board, each of whom is determined by the Board to: (a) at all times to be independent as defined by the listing standards of The NASDAQ Stock Market; and (b) qualify as “non-employee directors” as defined in the rules promulgated under Section 16 of the Securities Exchange Act of 1934, as amended (“Exchange Act”). The members of the Committee and the Committee Chair shall be appointed, and may be replaced, by the Board, upon the recommendation of the Governance and Nominating Committee. Committee members shall serve until they are replaced, they resign, or their successors are duly elected and qualified. The Committee may form and delegate any of its responsibility to subcommittees as it deems necessary or appropriate in its sole discretion.



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### Meetings

The Committee shall meet as often as the Committee considers appropriate, but no fewer than two times annually. The Committee Chair or his or her designee will preside at each meeting of the Committee, and in consultation with the other members of the Committee, shall set the agenda of items to be addressed at each meeting. The Committee Chair or his or her designee will report the highlights of Committee meetings and other Committee actions to the full Board at the Board's next regular meeting or earlier, if appropriate.

The Committee may invite directors and/or such members of management to its meetings as it deems appropriate. However, the Committee shall meet regularly without such members present, and in all cases the Chairman of the Board, the Chief Executive Officer and any other such officers shall not be present at the portions of meetings at which such person's own compensation or performance is discussed or determined. The Chief Executive Officer may, with the consent of the Committee, be present for voting or deliberations of compensation for other executive officers.

The Committee is governed by the same rules regarding meetings (including meetings in person or by telephone or other similar communications equipment), action without meetings, notice, waiver of notice, and quorum and voting requirements as are applicable to the Board.

A meeting agenda and materials will be sent to the members of the Committee as soon as administratively practicable prior to a scheduled meeting.

### Responsibilities and Duties

The Committee shall have the following duties and responsibilities:

- Review and recommend to the Board the appointment of each officer who is to be designated by the Board as an Executive Officer of the Company for purposes of Section 16 of the Exchange Act (Designated Executive Officers) as amended, and such other executive positions as the members of the Committee may from time to time determine to be appropriate, and shall evaluate, and report to the Board, on the performance of each such officer and any other designated executive and the Chairman of the Board (unless non-executive), on at least an annual basis.
- Establish overall corporate philosophy and design long-term strategies for executive compensation plans, such as retention, severance, incentive policies and programs of the Company, including executive salary structure, short-term incentive programs, non-qualified deferred compensation and equity or equity-based incentive programs. Employee Benefit policies are established by Management.
- Review and approve annual corporate goals and objectives relevant to Chief Executive Officer Compensation, evaluate the Chief Executive Officer's performance in light of those goals and objectives, and have sole authority to determine the Chief Executive Officer's compensation level based on this evaluation. In determining the incentive



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component of Chief Executive Officer Compensation, the Committee will consider the Company's performance and relative shareholder return, the value of similar incentive grants and awards to Chief Executive Officers at comparable companies, market practice, and the awards given to the Company's Chief Executive Officer in past years. In evaluating and determining the Chief Executive Officer's compensation, the Committee shall consider the results of the most recent stockholder advisory vote on executive compensation ("Say on Pay Vote") required by Section 14A of the Exchange Act.

- Evaluate, determine, and approve compensation (which may include cash, equity and/or other compensation elements) for the members of the Board, including committee fees, fees for the chairman of each committee of the Board, and fees for the Lead Independent Director, if any, and fees for the Chairman of the Board.
- With respect to the Chief Executive Officer, Designated Executive Officers and Executive Vice Presidents and above of the Company, the Committee shall:
  - Review and approve the overall compensation program;
  - Approve the appointment, promotion, and continuing service of those officers.<sup>1</sup> All other officer promotions and hires are approved by Designated Executive Officers of the Company; and
  - Review and determine the annual base salary, short-term and long-term incentive compensation (cash and equity-based) opportunities and awards, perquisites or benefits paid in kind, employment agreements, severance arrangements, change in control agreements or provisions, and special or supplemental opportunities or award.
- Make all determinations necessary or advisable in the administration of the Company's Equity Plan, as amended from time to time, and the Company's non-qualified deferred compensation plans.
- Recommend to the Board changes with respect to incentive plans or arrangements of the Company which require shareholder approval.
- Review and approve all incentive plans including those for Chief Executive Officer and Designated Executive Officers; and evaluate and discuss with Chief Risk Officer at least annually, or when substantive changes made to incentive plans, any risks posed by such executive officer and other employee compensation incentive plans, and arrangements, and how to limit the risks of:
  - material threats to the Company's capital or earnings;
  - encouraging taking undue or excessive risks; and
  - encouraging manipulation of financial data in order to increase the size of an award.

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<sup>1</sup> **NOTE:** The Committee has granted management the approval to act, with the concurrence of the Chief Executive Officer and/or the Chair of the Compensation Committee, when necessary, regarding matters of hiring and unscheduled salary increases and promotions, and report such action at the next Compensation Committee meeting.



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- Review and approve compensation, promotion, and other personnel matters involving employees that are Immediate Family Members<sup>2</sup> of Designated Executive Officers or members of the Board ("Covered Employee").

In determining whether to approve such Covered Employee's compensation, promotion or other personnel arrangement, the Compensation Committee shall determine whether the proposed terms are fair and reasonable to the Company and commensurate under the circumstances with terms no more favorable than terms generally available to an unaffiliated third party under the same or similar circumstances.

In making the foregoing determination, the Compensation Committee shall consider, among other things:

- whether there are demonstrable business reasons for the Company to enter into the Related Party Employee Transaction;
  - whether the Related Party Employee Transaction would impair the independence of a Director;
  - whether the Related Party Employee Transaction would present an improper conflict of interest for any Director or Designated Executive Officer;
  - whether the qualifications of the Related Party Employee are commensurate with the requirements for the responsibilities described in the job description;
  - and any other information considered to be relevant by the Compensation Committee regarding the Transaction.
- Review and approve the Company's executive management succession plan on an annual basis and recommend to the Board of Directors, for their approval, the Company's executive management succession plan.
  - Approve significant changes to the Employee Handbook which is reviewed on an annual basis by management.
  - Review, discuss, and approve for inclusion in the Company's proxy statement, the Compensation Disclosure and Analysis and the related executive compensation information, and the Compensation Committee Report appearing in the proxy statement.
  - Review and recommend to the Board for approval the frequency with which the Company will conduct Say on Pay Votes, taking into account the results of the most recent shareholder advisory vote on frequency of Say on Pay Votes required by Section 14A of the Exchange Act, and review and approve the proposals regarding the Say on Pay Vote and the frequency of the Say on Pay Vote to be included in the Company's proxy statement.

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<sup>2</sup> Immediate Family Member is defined by the SEC pursuant to 17 CFR Section 229.404 (Item 404) and the Company's Related Party Transaction Policy.



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- Maintain minutes of Committee meetings and records relating to those meetings and Committee activities.
- Undertake from time to time additional activities within the scope of the Committee's charter as it may deem appropriate.
- Review and assess annually the adequacy of this charter and recommend any proposed changes to the Board.
- Conduct a biennial self-assessment.

To the extent the membership of the Compensation Committee is identical to the membership of the Board, it shall not be necessary for the Board to approve acts of the Compensation Committee, and such acts of the Compensation Committee shall be deemed to be the acts of the Board where applicable.

### Delegation of Authority

The Committee has the authority to act on all of the items listed above under duties and responsibilities.

### Outside Advisors

The Committee shall have the authority, in its sole discretion, to select, retain and obtain the advice of, and to terminate, one or more compensation consultants as necessary to assist it with the performance of its duties and responsibilities as set forth in the Charter. The Committee shall set the compensation, and oversee the work, of any such compensation consultant(s).

The Committee shall have the authority, in its sole discretion, to retain and obtain the advice and assistance of, and to terminate, outside legal counsel and such other advisors as it deems necessary to perform its duties and responsibilities under this Charter. The Committee shall set the compensation, and oversee the work, of its outside legal counsel and other advisors.

The Company shall provide appropriate funding, as determined by the Committee in its capacity as a committee of the Board, for the payment of reasonable compensation to its compensation consultants, outside legal counsel and any other advisors. The Committee shall not be required to implement or act consistently with the advice or recommendations of its compensation consultant, legal counsel or other advisor to the Committee, and the authority granted in this Charter shall not affect the ability or obligation of the Committee to exercise its own judgment in fulfillment of its duties under this Charter.

In retaining or seeking advice from compensation consultants, outside legal counsel and any other advisors (other than in-house legal counsel) retained by or providing advice to the Committee, the Committee shall assess all factors relevant to such advisors' independence, by



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taking into account such factors as required by the Securities and Exchange Commission, NASDAQ and other applicable law, and such other factors as the Committee deems relevant.