EAGLE BANCORP INC
Form PRE 14A
March 31, 2015
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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 x

Filed by Party other than Registrant o

Check the appropriate box:

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

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):

x No fee required.

o 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:

(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:

o Fee paid previously with preliminary materials.

o 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:

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The Annual Meeting Of Shareholders Will Be Held At:

The Bethesda Marriott Hotel

5151 Pooks Hill Road

Bethesda, Maryland 20814-2432

on Thursday, May 21, 2015 at 10:00 A.M. EDT

To The Shareholders of Eagle Bancorp, Inc.:

Proxy Statement

The Board of Directors of the 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 21, 2015, 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 10, 2015 to shareholders of record as of March 23, 2015, the record date for the meeting. A copy of the Company s Annual Report on Form 10-K for the year ended December 31, 2014, 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. All share amounts and prices presented in this proxy statement have been adjusted to reflect the 10% stock dividend paid on June 14, 2013.

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Shareholders to be held on May 21, 2015. A copy of this proxy statement, our Annual Report on Form 10-K for the year ended December 31, 2014, and our Report to Shareholders is available online at http://viewproxy.com/eaglebankcorp/2015.

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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 2016 Annual Meeting of Shareholders and until their successors are duly elected and qualified;

2. To consider and approve an amendment to the Company s Articles of Incorporation to increase the number of authorized shares of common stock to 100,000,000;

3. To ratify the appointment of Stegman & Company as the Company s independent registered public accounting firm to audit the consolidated financial statements of the Company for the year ended December 31, 2015;

4. To vote on a non-binding advisory resolution approving the compensation of our named executive officers; and

5. 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 23, 2015 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.

<u>Registered</u> shareholders may vote:

- By Internet: go to www.cesvote.com;

- By toll-free telephone: call 1 (888) 693-8683; or
- By mail: mark, sign, date and promptly mail the enclosed proxy card in the enclosed postage-paid envelope.

If your shares are not registered in your name, please see the voting instructions provided by your recordholder 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 10, 2015

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Proxy Statement

When and where is the meeting being held?

The meeting is being held at 10:00 A.M., EDT on Thursday, May 21, 2015, at The Bethesda Marriott Hotel, 5151 Pooks Hill Road, Bethesda, Maryland.

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

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

1. the election of nine directors for a one year term until the 2016 Annual Meeting of Shareholders and until their successors are duly elected and qualified;

2. the approval of an amendment to the Company s Articles of Incorporation increasing the number of authorized shares of common stock to 100,000,000;

3. the ratification of the appointment of Stegman & Company as the Company s independent registered public accountants for the year ended December 31, 2015; and

4. 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, FOR the amendment to the Articles of Incorporation, FOR the ratification of accountants and FOR the nonbinding resolution approving our named executive officer compensation.

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 23, 2015, 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 33,303,695 shares of common stock outstanding, held by approximately 13,625 total shareholders, including 1,121 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.cesvote.com and follow the instructions provided;
- by toll-free telephone: call 1 (888) 693-8683; 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. Only 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 it instructions as to how it should vote your shares by following the instructions you received with your copy of this proxy statement. 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 receive 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 which is earlier than the deadline for voting for recordholders.

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

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Will my broker vote my shares for me?

Under the rules of the New York Stock Exchange 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. We expect that brokers will be able to vote your shares on the amendment to the Articles of Incorporation.

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 amendment to the Articles of Incorporation, **FOR** the ratification of the appointment of Stegman & Company, 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 by the Board of Directors 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;
- by 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
- by 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.

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

Under Maryland law and our bylaws, directors are elected by a plurality of the votes cast in the election, in the order of the number of votes received. Approval of the amendment to the Articles of Incorporation requires the vote of at least two-thirds of the outstanding shares of common stock. Each of the other proposals requires a majority of the votes cast on that matter in order to be approved.

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How are proxies being solicited?

Proxies may also be solicited personally or by telephone by officers, regular 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 fee of $5,500 plus 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 ends. 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 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. In order to vote all the shares you own, you must either complete, sign, and return all of the proxy cards or follow the instructions for any alternative voting procedure on each of the proxy cards voting forms you receive. Each proxy card you received came with its own prepaid return envelope. If you vote by mail, make sure you return each proxy card in the return envelope that accompanied that proxy card.

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 copy of the proxy statement and the annual report is being delivered to multiple shareholders sharing an address. However, this delivery method, called householding, is not being 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. 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.

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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 23, 2015. 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 are included in ownership 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 of control of the Company.

Name	Position	Number of Shares	Percentage(1)
Directors			
Leslie M. Alperstein, Ph.D.	Director of Company and Bank	84,064	0.25%
Dudley C. Dworken	Director of Company and Bank	233,990 (2)	0.70%
Harvey M. Goodman	Director of Company and Bank	141,183 (3)	0.42%
Ronald D. Paul	Chairman, President and Chief Executive Officer of Company, Chairman and Chief Executive Officer of Bank	1,816,129 (4)	5.44%
Robert P. Pincus	Vice Chairman of Company and Bank	232,053 (5)	0.70%
Norman R. Pozez	Director of Company and Bank	225,964 (6)	0.68%
Donald R. Rogers	Director of Company and Bank	101,512 (7)	0.30%
David P. Summers	Director of Company and Bank	91,013 (8)	0.27%
Leland M. Weinstein	Director of Company and Bank	129,839 (9)	0.39%
Other Named Executive Officers			
James H. Langmead	Executive Vice President, Chief Financial Officer of Company and Bank	84,622(10)	0.25%
Antonio F. Marquez	Executive Vice President, Chief Lending Officer Commercial Real Estate of Bank	17,033 (11)	0.05%

Susan G. Riel	Executive Vice President of Company; Senior Executive Vice President, Chief Operating Officer of Bank	164,903 (12)	0.49%
Janice L. Williams	Executive Vice President, Chief Credit Officer of Bank	67,994 (13)	0.20%
All Directors and Executive Officers as a Group (18 persons)		3,542,773 (14)	10.55%
Other 5% Shareholders			
Blackrock, Inc.		1,527,611 (15)	5.9% (15)

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Footnotes

(1)	Represents percentage of 33,303,695 shares issued and outstanding as of March 23, 2015, except with respect to (a) individuals holding options exercisable within 60 days of that date, in which event, represents percentage of shares issued and outstanding plus the number of shares for which that person holds options exercisable within 60 days of March 23, 2015, and (b) all directors and executive officers of the Company as a group, in which case represents 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 18,216 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, 4,000 shares held for members of his family, 4,718 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 59,880 shares of common stock. An aggregate of 253,476 shares are pledged as collateral. Includes 57,823 shares held by a charitable foundation over which Mr. Paul shares voting and investment power. Includes 10,000 shares held by a defined benefit plan over which Mr. Paul shares voting and investment power. Includes 569,330 shares held by third party trustees in trust for the benefit of family members of Mr. Paul, as to which he disclaims beneficial ownership. Does not include 181,199 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. Mr. Paul s business address outside the bank is c/o Ronald D. Paul Companies, Inc. 4416 East West Highway, Bethesda, Maryland 20814.
(5)	Includes options to purchase 68,115 shares of common stock, 2,274 shares held by his spouse, 55,711 shares held in retirement accounts and 10,041 shares held by a family LLC. Includes 8,000 shares held by a trust for the benefit of Mr. Pincus son.
(6)	Includes 55,000 shares held by pension or retirement plans, 148,000 shares held by a company controlled by Mr. Pozez and 7,078 shares over which Mr. Pozez has or shares voting or investment power.
(7)	Includes 24,538 shares held for the benefit of his children and 29,551 shares held by his spouse.
(8)	Includes 18,438 shares held jointly with Mr. Summer s spouse, 2,519 shares held jointly with his child, 1,392 shares held in trust for his spouse, and 663 shares held by his spouse.
(9)	Includes 54,829 shares held jointly and 63,053 shares held in a retirement account.
(10)	Includes options to purchase 28,270 shares of common stock and 27,919 shares held jointly with his spouse.
(11)	Includes 1,567 shares held jointly with his spouse.
(12)	Includes options to purchase 41,250 shares of common stock.
(13)	Includes options to purchase 29,260 shares of common stock.
(14)	Includes options to purchase 284,866 shares of common stock.
(15)	Based solely on beneficial ownership of shares and percentage of outstanding shares as reported in a Schedule 13G filed on February 2, 2015. Based on the numbers of shares outstanding as of the record date, and assuming no change in the number of shares beneficially owned by Blackrock, Inc., Blackrock, Inc. would beneficially own 4.5% of the outstanding common shares. Blackrock, Inc. s address is: 55 East 52nd Street, New York, New York 10055.

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Proposal 1: Election of Directors

The Board of Directors has nominated nine persons for election as directors at the meeting, for a one-year period until the 2016 Annual Meeting of Shareholders and until their successors have been elected and qualified.

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, 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. Except as noted below, each nominee has served as a director of the Company since its organization.

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Nominees for the Board of Directors

Leslie M. Alperstein, Ph.D.
Mr. Alperstein, 72, 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 September 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.
Dudley C. Dworken
Mr. Dworken, 65, 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, 59, 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.

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Ronald D. Paul

Mr. Paul, 59, 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. 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. He is active in private investments, including as Chairman of Bethesda Investments, Inc., a private venture capital fund. Mr. Paul was a director of Allegiance from 1990 until September 1997, and a director of Allegiance Banc Corporation from 1990 until its acquisition by F&M, including serving as Vice Chairman of the Board of Directors from 1995. Mr. Paul is also active in various charitable organizations, including serving as Vice Chairman of the Board of Directors of the National Kidney Foundation from 1996 to 1997, and the Chairman from 2002 to 2003. 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 other public companies 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 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. Previous honors include: Father of the Year , Entrepreneur of the Year (2009), Washingtonian of the Year (2010) and being inducted into the Washington Business Hall of Fame (2012).

Robert P. Pincus

Mr. Pincus, 68, serves as Vice Chairman of the Board of Directors of the Company and the Bank. Prior to joining the Company in August 2008 upon the acquisition of Fidelity & Trust Financial Corporation (Fidelity), Mr. Pincus served as Chairman of its wholly owned subsidiary, Fidelity & Trust Bank (F&T Bank) from 2005. He previously served as Chairman of Milestone Merchant Partners, LLC. He was Chairman of the Board of BB&T, DC Metro Region, and was Regional President from 1998 to 2002. From 1991 to 1998, Mr. Pincus was President and Chief Executive Officer of Franklin National Bank of Washington, DC. From 1986 to 1991, Mr. Pincus was the regional president of the DC metropolitan region of Sovran National Bank. From 1971 to 1986, Mr. Pincus was with DC National Bancorp, Inc., where he eventually rose to be President and Chief Executive Officer, prior to its merger with Sovran Bank. Mr. Pincus was a Trustee of the University of Maryland Foundation, Inc. and was a Trustee at American University. He is a member of the board of directors of Comstock Homebuilding Companies, Inc., and until 2007 was a director of Mills Corp. Mr. Pincus brings to the Board a wealth of experience in the worlds of commercial and investment banking. He has previously served as CEO of two different community banks and as a member of the executive committee for major regional banks. He has a strong background in many facets of the financial services industry, as well as the real estate and homebuilding industries and mergers and acquisitions. He has prior experience at both the Board and Audit Committee level with other public companies.

Norman R. Pozez

Mr. Pozez, 60, is the Chairman and Chief Executive Officer of The Uniwest Companies, Uniwest Construction, Inc., and Uniwest Commercial Realty, Inc., and of Ridemakerz, LLC. 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. 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 not-for-profit organizations serving community needs in and around the Washington, DC metropolitan area. Mr. Pozez served as Chairman of the Board of 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.

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Donald R. Rogers

Mr. Rogers, 69, has been engaged in the private practice of law since 1972 with the Rockville, Maryland-based firm Shulman, Rogers, Gandal, Pordy & Ecker, P.A., of which he is a principal. Mr. Rogers was a director of Allegiance from 1987 until October 1997. Mr. Rogers has served as a director of the Company since 2007 and of the Bank since its organization. Mr. Rogers has vast business knowledge and experience gained through his position as a senior partner and chair of the commercial business practice for the largest law firm in Montgomery County, Maryland. He has served as adviser to hundreds of privately owned businesses. He has extensive knowledge of the Company through his service on the Company s and Bank s Boards. For the past six years he has been Chairman of the EagleBank Foundation, which has raised more than $2.1 million for the fight against breast cancer. In addition Mr. Rogers continues to serve as a member of the Board of Directors of a number of privately held companies.

David P. Summers

Mr. Summers, 63, served as the Chief Executive Officer of Virginia Heritage Bank (VHB) from May 2007, and Chairman of the Board of VHB from September 2007, until the acquisition of VHB by the Company on October 31, 2014, at which time he joined the Board of Directors of the Company and the Bank. Mr. Summers previously served as a director and an Executive Vice President of Mercantile Safe Deposit & Trust Company from 2005 to 2007. He was formerly President and Chief Executive Officer and a member of the board of directors of Community Bank of Northern Virginia (CBNV), for 13 years until the sale of CBNV to Mercantile Bankshares Corporation in May 2005.

Leland M. Weinstein

Mr. Weinstein, 52, Is currently the CEO of Newbridge-Turing a technology sales and consulting firm. Prior to Newbridge-Turing Lee was a partner and served as President of Syscom Services, Inc., a technology consulting and integration firm, from 1997-2014. In December of 2014 Syscom Services, Inc s web technologies division was sold to a group of investors and rebranded as Brightfind. Previously, he spent thirteen years with Automated Digital Systems, an integrator of duplication and facsimile technologies, where he rose to president and owner of the company, which he sold to Alco Standard Corporation, which became Ikon Office Solutions. Mr. Weinstein has been appointed to advisory councils for Xerox, Intel/Dialogic, Sharp Electronics, Opentext/Rightfax, Autonomy/Cardiff, Murata Business Systems, Brooktrout Technologies, Panasonic Electronics, and was Chairman of the technology council of the American Society of Association Executives (ASAE) and is the incoming Chair of ASAE s Industry Partner Alliance (IPA). He was formerly a member of the Board of Governors of the University of Maryland Alumni Association, where he chaired the Admissions Committee. Currently Mr. Weinstein sits on the advisory council for Ektron, a leading developer of content management software for the web. . Mr. Weinstein has served as a director of the Company since 2005 and of the Bank since 1998. Mr. Weinstein has vast business knowledge and experience gained through his position as CEO of a successful technology-based enterprise. His expertise in regard to technology issues is valuable as it relates to the Company s business development and operating strategies. He has extensive knowledge of the Company through his service at the Board and committee levels.

Vote Required and Board Recommendation

Nominees receiving a plurality of the votes cast at the meeting in the election of directors will be elected as directors, in the order of the number of votes received. **The Board of Directors unanimously recommends that shareholders vote FOR each of the nominees for election as directors.**

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Additional Directors of the Bank

If elected, the nominees for election as directors intend to cause the Company to vote for each of the nominees and the following persons to serve as directors of the Bank. Each of the following persons currently serves as a director of the Bank.

Steven L. Fanaroff

Mr. Fanaroff, 55, has served as Managing Director of Fanaroff & Steppa, LLC a real estate holding company, since 2005. He also serves as Managing Director of Bedrock, LLC, an asset management company. Mr. Fanaroff served on the Board of Directors of Allegiance from 1990 until 1997. Mr. Fanaroff has served as a director of the Bank since its organization.

Benson Klein

Mr. Klein, 70, has been an attorney in Montgomery County since 1970, and a principal with Ward & Klein, Chartered, since 1978. Mr. Klein is also engaged in real estate investment activities in Montgomery County. He served as a director of Allegiance from 1996 to 1997 and previously served as a director of Lincoln National Bank. Mr. Klein is currently, and has been, a member of a variety of community, business and charitable institutions in the Washington, DC/Montgomery County area. Mr. Klein has served as a director of the Bank since its organization.

Susan Lacz

Ms. Lacz, 54, is a Principal and is Chief Executive Officer of Ridgewells Caterers. She joined the firm in 1986 and purchased it with her business partners in 1997. Active in the community, Ms. Lacz serves on the boards of the Greater Washington Board of Trade, Junior Achievement, Marymount University, Don Bosco Cristo Rey High School and Imagination Stage. Prior to joining the Board of Directors of the Bank in August of 2008, Ms. Lacz served as a director of F&T Bank from 2005 to 2008.

Bruce H. Lee

Mr. Lee, 50, is President of Development for Lee Development Group, a closely held, family real estate business founded in 1920 and based in downtown Silver Spring. He is principal broker of record for Montgomery Land Company, LLC, which specializes in commercial sales, leasing, and property management and the general partner of Montgomery 1936 Land Company LLC and General Manager of Acorn Self Storage. Mr. Lee was the charter president of the Greater Silver Spring Chamber in 1993. Mr. Lee currently serves as Co-Chair of the ICSC Alliance Committee and is involved with a wide array of local and regional business, charitable and industry associations. Mr. Lee was an elected Council member and Chairman of the Township of Chevy Chase View, Maryland. Mr. Lee has served as a director of the Bank since 2000.

Kathy A. Raffa

Ms. Raffa, 56, has served as an owner-partner and Vice President at Raffa, PC, one of the top 100 accounting firms in the nation and the 5th largest in the Washington, DC region. She oversees the client services for a wide range of non-profit entities. She is also involved in a variety of aspects of the firm s internal operations, including leading business development efforts, directing certain human resource functions, and monitoring financial operations. Prior to joining Raffa, PC, she spent the first 10 years of her career at Coopers & Lybrand (now PricewaterhouseCoopers). She has a CPA certificate from Maryland and is a member of American Institute of Certified Public Accountants.

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Benjamin M. Soto

Mr. Soto, 46 is an attorney practicing in the areas of real estate transactions and bankruptcy. He is the principal of Premium Title and Escrow, LLC, a Washington, DC-based full service title company. In addition he is the owner of Paramount Development, LLC, which is focused on the acquisition and ground up development of commercial buildings and hotels in Washington, DC. He frequently lectures to members of the DC Bar, is a former board member of the National Bar Association, and of the DC Sports and Entertainment Commission, and a former Vice-Chair of the DC Board of Real Property Assessment and Appeals. Mr. Soto is a member of the DC Builders Industry Association, the Maryland Land Title Association, and a member of the Board of Directors of the DC Chamber of Commerce. He is also a Director of the DC Land Title Association and the DC Public Education Fund. Mr. Soto has served as a director of the Bank since 2006.

James A. Soltesz

Mr. Soltesz, 60, has served as Chief Executive Officer of Soltesz, Inc., a land development engineering and consulting firm, since 1997. Mr. Soltesz serves on the Board of Trustees of Georgetown Preparatory School, Mater Dei School, as a Life Director of the Maryland-National Capital Area Building Industry Association, and Catholic Charities Foundation. His firm includes 280 people located in six offices throughout the Washington, DC metropolitan area. Mr. Soltesz has served as a director of the Bank since 2007.

Meetings, Committees, and Procedures of the Board of Directors

Our Board of Directors met twelve (12) times during 2014. All members of the Board of Directors of the Company attended at least 75% of the meetings held by the Board of Directors and by all committees on which such member served during the 2014 fiscal year or any portion thereof.

The Board of Directors has a standing Audit Committee, Compensation Committee and Governance & Nominating Committee. The following is membership and meeting information for each of these committees during the fiscal year ended December 31, 2014, as well as a description of each committee and its functions.

Name	Audit Committee	Compensation Committee	Governance & Nominating Committee
Leslie M. Alperstein, Ph.D.	X	X	
Dudley C. Dworken	C	X	
Harvey M. Goodman		X	
Ronald D. Paul			
Robert P. Pincus	X	X	X
Norman R. Pozez	X	X	C
Donald R. Rogers		CC(1)	
David P. Summers (2)			
Leland M. Weinstein	X	CC	X
Number of Meetings in 2014	4	5	4

C = Denotes Chairperson of committee.

CC = Denotes Co-Chairperson of committee.

(1) Mr. Rogers resigned from the Compensation Committee effective January 12, 2015.

(2) Mr. Summers joined the Board of Directors on October 31, 2014.

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Audit Committee

The Audit Committee is responsible for the selection, review and oversight of the Company s independent registered public accounting firm, occasionally referred to as the independent accountants, the approval of all audit, review and attest services provided by the independent accountants, the integrity of the Company s reporting practices and evaluation of the Company s internal controls and accounting procedures, including review and approval of quarterly and annual filings with the Securities and Exchange Commission on Forms 10-Q and 10-K and internal audit departments plans and reports. It also periodically reviews audit reports with the Company s independent accountants. The Board of Directors has adopted a written charter for the Audit Committee. A copy of the charter is available on the Company s website at www.eaglebankcorp.com. Each of the members of the Audit Committee is independent, as determined under the definition of independence adopted by NASDAQ for audit committee members in Rule 5605(c)(2)(A). The Board of Directors has determined that Mr. Alperstein is the audit committee financial expert as defined under regulations of the Securities and Exchange Commission.

The Audit Committee is also responsible for the pre-approval of all non-audit services provided by its independent accountants. Non-audit services are only provided by the independent auditors to the extent permitted by law. Pre-approval is required unless a *de minimis* exception is met. To qualify for the *de minimis* exception, the aggregate amount of all such non-audit services provided to the Company must constitute not more than five percent of the total amount of revenues paid by the Company to its independent accountants during the fiscal year in which the non-audit services are provided; such services were not recognized by the Company at the time of the engagement to be non-audit services; and the non-audit services are promptly brought to the attention of the committee and approved by one or more members of the committee to whom authority to grant such approval has been delegated by the committee prior to the commencement of the non-audit services.

Compensation Committee

The Compensation Committee makes determinations with respect to salary levels, bonus compensation and equity compensation awards for executive officers. The Compensation Committee has the sole responsibility for determining executive compensation, including that of the named executive officers. Each of the members of the Compensation Committee is independent, as determined under the definition of independence adopted by NASDAQ for compensation committee members in Rule 5605(d)(2)(A). The Board of Directors has adopted a charter for the Compensation Committee. A copy of the charter is available on the Company s website at www.eaglebankcorp.com.

During 2014, the Compensation Committee retained and worked with Meyer-Chatfield Compensation Advisors (MCCA), an executive compensation and benefits consulting firm of national scope and reputation, to advise it in connection with executive compensation decisions for 2014.

Governance & Nominating Committee

The Board of Directors has a standing Governance & Nominating Committee, consisting of three members of the Board of Directors who are independent directors within the meaning of NASDAQ Rule 5605(a)(2). The Governance & Nominating Committee is responsible for the evaluation of nominees for election as director, the recommendation to the Board of Directors of director candidates for nomination for election by the shareholders, the evaluation of sitting directors and the setting of compensation for directors. The Board of Directors has adopted a charter for the Governance & Nominating Committee addressing the nominations process. A copy of the charter is available on the Company s website at www.eaglebankcorp.com.

The Board has not developed a formal policy for the identification or evaluation of nominees. In general, when the Board determines that expansion of the Board or replacement of a director is necessary or appropriate, the nominating committee will review, through candidate interviews with members of the Board and management, consultation with the candidate s associates and through other means, a candidate s honesty, integrity, reputation in and commitment to the community, judgment, personality and thinking style, willingness to invest in the Company, residence, willingness to devote the necessary time, potential conflicts of interest, independence, understanding of financial statements and issues, and the willingness and ability to engage in meaningful and constructive discussion regarding Company issues. The Governance & Nominating Committee would review any special expertise, for example, expertise that

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qualifies a person as an audit committee financial expert, and membership or influence in a particular geographic or business target market, or other relevant business experience. The Board of Directors and the Governance & Nominating Committee have not established a specific diversity component in their consideration of candidates for director. To date the Company has not paid any fee to any third party to identify or evaluate, or to assist it in identifying or evaluating, potential director candidates.

The Governance & Nominating Committee will consider director candidates nominated by shareholders during such times as the Company is actively considering obtaining new directors, on the same basis as candidates proposed by the committee, the Board or other sources. Candidates recommended by shareholders will be evaluated based on the same criteria described above. Shareholders desiring to suggest a candidate for consideration should send a letter to the Company s Corporate Secretary and include: (a) a statement that the writer is a shareholder (providing evidence if the person s shares are held in street name) and is proposing a candidate for consideration; (b) the name and contact information for the candidate; (c) a statement of the candidate s business and educational experience; (d) information regarding the candidate s qualifications to be director, including but not limited to an evaluation of the factors discussed above which the Board would consider in evaluating a candidate; (e) information regarding any relationship or understanding between the proposing shareholder and the candidate; (f) information regarding potential conflicts of interest; and (g) a statement that the candidate is willing to be considered and willing to serve as director if nominated and elected. Because of the limited resources of the Company and the limited opportunity to seek additional directors, there is no assurance that all shareholder proposed candidates will be fully considered, that all candidates will be considered equally, or that the proponent of any candidate or the proposed candidate will be contacted by the Company or the Board, and no undertaking to do so is implied by the willingness to consider candidates proposed by shareholders.

In addition, the Governance & Nominating Committees regularly discusses the contributions of the persons then serving as directors, to ensure alignment with the strategic and tactical directions of the Company.

Compensation Committee Interlocks and Insider Participation

No member of the Compensation Committee has served as an officer or employee of the Company or Bank at any time. None of our executive officers serve as a member of the Compensation Committee of any other company that has an executive officer serving as a member of our Board of Directors. None of our executive officers serve as a member of the board of directors of any other company that has an executive officer serving as a member of the Compensation Committee. Except for loans and deposit transactions in the ordinary course of business made on substantially the same terms, including interest rates and collateral, as those for comparable transactions with unaffiliated parties, and not presenting more than the normal risk of collectability or other unfavorable features, and for transactions described under Director Compensation and Certain Relationships and Related Transactions, no member of the Compensation Committee or any of their related interests has any material interest in any transaction involving more than $120,000 to which the Company is a party.

Board Leadership Structure and Risk Oversight Role

The role of Chairman of the Board of Directors and Chief Executive Officer of the Company are currently held by the same person, Mr. Paul. This structure is not mandated by any provision of law or our articles of incorporation or bylaws. The Board of Directors reserves the right to establish a different structure in the future. The Board of Directors currently believes that this structure is the most appropriate leadership structure for the Company. Under the Company s bylaws, the official role and power of the Chairman is limited, and is related largely to the conduct of meetings of the Board of Directors and shareholders. The Board of Directors believes that the Chief Executive Officer is in the best position to be aware of major issues facing the Company on a day-to-day and long-term basis, and is in the best position to identify key risks and developments facing the Company that may need to be brought to the full Board s attention. Further, a combined Chairman/Chief Executive Officer position eliminates the potential for confusion as to who leads the Company, providing the Company with a single public face in dealing with customers, shareholders, employees, regulators, analysts and other constituencies. To date, this structure has worked successfully for the Company. The Board of Directors does not have a designated lead director and all members of the Board of Directors are active in their oversight of management.

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The Board of Directors of the Company, all of the members of which are also members of the Board of Directors of the Bank, is actively involved in the Company s and Bank s risk oversight activities. These directors, as well as the directors of the Bank, working through numerous committees of the Company and Bank, review and approve the policies of the Company and Bank. The Boards of Directors regularly review the minutes and other reports from the various Board committees.

Shareholder Communications

If you wish to communicate with the Board of Directors or an individual director, you can write to Eagle Bancorp, Inc., 7830 Old Georgetown Road, Bethesda, Maryland 20814, Attention: Jane E. Cornett, Corporate Secretary. Your letter should indicate that you are a shareholder, and whether you own your shares as a registered holder or in street name. Depending on the subject matter, management will: (a) forward the communication to the director or directors to whom it is addressed; (b) handle the inquiry directly or delegate it to appropriate employees, such as where the communication is a request for information, a stock related matter, or a matter related to ordinary course matters in the conduct of the Company s banking business; or (c) not forward the communication where it is primarily commercial or political in nature, or where it relates to an improper, frivolous or irrelevant topic. Communications which are not forwarded will be retained until the next Board meeting, where they will be available to all directors.

Director Attendance at the Annual Meeting

The Board of Directors believes it is important for all directors to attend the annual meeting of shareholders in order to show their support for the Company and to provide an opportunity for shareholders to communicate any concerns to them. Accordingly, it is the policy of the Company to encourage all directors to attend each annual meeting of shareholders unless they are unable to attend by reason of personal or family illness or pressing matters. All of the eight directors in office at the time attended the 2014 annual meeting of shareholders.

Audit Committee Report

The Audit Committee has been appointed to assist the Board of Directors in fulfilling the Board s oversight responsibilities by reviewing the financial information that will be provided to the shareholders and others, the systems of internal controls established by management and the Board and the independence and performance of the Company s audit process.

The Audit Committee has:

1. reviewed and discussed with management the audited consolidated financial statements included in the Company s Annual Report on Form 10-K;

2. discussed with Stegman & Company, the Company s independent registered public accounting firm, the matters required to be discussed by Statement on Auditing Standards No. 61, as amended, as adopted by the Public Company Accounting Oversight Board in Rule 3200T; and

3. received the written disclosures and letter from Stegman & Company as required by the applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountants communications with the Audit Committee concerning independence, and has discussed with Stegman & Company, its independence.

Based on these reviews and discussions, the Audit Committee has recommended to the Board of Directors that the audited consolidated financial statements be included in the Company s Annual Report on Form 10-K for the year ended December 31, 2014. The Audit Committee has also considered whether the amount and nature of non-audit services provided by Stegman & Company is compatible with the auditor s independence.

Members of the Audit Committee

Dudley C. Dworken, Chairman	Leslie M. Alperstein	Robert P. Pincus
Norman R. Pozez	Leland M. Weinstein	

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Director Compensation

The following table sets forth information regarding compensation paid to non-employee directors of the Company during the year ended December 31, 2014 for service as members of the Company and Bank Boards of Directors. Members of the Board of Directors who are employees do not receive additional cash compensation for service on the Board of Directors.

Name	Fees Earned or Paid in Cash	Stock Awards(1)	Option Awards(2)	All Other Compensation	Total
Leslie M. Alperstein, Ph.D.	$56,250	$102,524	$--	$6,019(3)	$164,793
Dudley C. Dworken	$93,000	$102,524	$--	$3,845(3)	$199,369
Harvey M. Goodman	$54,750	$102,524	$--	$2,808(3)	$160,082
Robert P. Pincus	$844,624	$64,440	$--	$45,760(3)(4)	$954,824
Norman R. Pozez	$53,750	$102,524	$--	$2,858(3)	$159,132
Donald R. Rogers	$52,500	$102,524	$--	$4,810(3)	$159,834
David P. Summers	$50,000	$102,524	$--	$--(3)	$152,524
Leland M. Weinstein	$86,000	$102,524	$--	$2,023(3)	$190,547

(1) Represents the grant date fair value of shares of restricted stock awarded during 2014. At December 31, 2014, the non-employee directors had unvested shares of restricted common stock as follows: Mr. Alperstein 6,888 shares; Mr. Dworken 6,888 shares; Mr. Goodman 6,888 shares; Mr. Pincus 10,223 shares; Mr. Pozez 6,888 shares; Mr. Rogers 6,888 shares; Mr. Summers 0 shares and Mr. Weinstein 6,888 shares.

(2) At December 31, 2014, the non-employee directors had outstanding option awards, vested and unvested, to purchase shares of common stock as follows: Mr. Alperstein 0 shares; Mr. Dworken 0 shares; Mr. Goodman 0 shares; Mr. Pincus 68,115 shares; Mr. Pozez 0 shares; Mr. Rogers 0 shares; Mr. Summers -60,385 shares; and Mr. Weinstein 0 shares.

(3) Includes premiums on long term care insurance provided to non-employee directors other than Mr. Pincus and Mr. Summers.

(4) Includes a life insurance allowance of $10,000 and $30,000 of payments to defer the cost of health insurance and auto expenses.

During 2014 each non-employee director of the Company, other than Mr. Pincus and Mr. Summers, received an annual retainer of $10,000 in cash ($15,000 if a member of both the Company and Bank Board of Directors), plus a cash fee of $1,500 for each meeting attended of the Board of Directors of the Company or a committee of the Company Board, and a cash fee of $750 for each meeting attended of the Board of Directors of the Bank or a committee of the Board of the Bank. The chairs of the Audit and Compensation Committees received an additional retainer of $15,000 per year and per meeting fees of $3,000, instead of $1,500. The chair of the Governance and Nominating Committee received an additional retainer of $5,000 per year and per meeting fees of $2,000, instead of $1,500. The per meeting fees payable to chairs of certain Bank level committees ranged from $1,000 to $1,500 in 2014. In 2014, an aggregate of $396,250 in cash retainers and meeting fees were paid to members of the Board of Directors of the Company (other than Mr. Paul, Mr. Pincus and Mr. Summers) for service on the Board of Directors of the Company and Bank, and $119,500 in cash retainers and meeting fees was paid to members of only the Board of Directors of the Bank for such service. In March 2014, each non-employee director of the Company other than Mr. Pincus was awarded 2,840 shares of restricted stock, Mr. Pincus received an award of 2,000 shares of restricted stock, and each non-employee director serving only on the Bank Board of Directors received an award of 620 shares of restricted stock. All of these awards vest in three annual installments commencing on the first anniversary of the date of grant.

For 2015, director cash compensation rates are unchanged.

Mr. Pincus, the Company and Bank are parties to an agreement, effective June 1, 2014, pursuant to which he is retained as Vice Chairman of the Board of Directors of the Company and Bank. Under that agreement, and the agreement which it replaced, Mr. Pincus receives an annual payment, in lieu of all other cash fees for service on the Board of Directors. During 2014, this payment was $470,800, and he is

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currently entitled to receive $503,756 for 2015. The amount of the fee is subject to annual increase to reflect, at a minimum, the increase in the consumer price index. Mr. Pincus is also eligible to receive incentive bonuses pursuant to Board approved plans, and $40,000 of reimbursements. The agreement has a term extending until May 31, 2015, subject to automatic renewal for a one year term unless either party gives 60 days notice of nonrenewal. In the event of early termination of the agreement by the Bank, or as a result of Mr. Pincus death or disability, or as a result of nonrenewal by the Bank, Mr. Pincus (or his estate) would be entitled to receive for a period of one year following termination, continued payment on a monthly basis of his annual payment and one twelfth of the amount of the most recent annual bonus, and continuation of the reimbursement payments, subject to his continued compliance with the confidentiality, noncompete and nonsolicitation provisions of the agreement. The agreement provides that during the term and for a period of eighteen months after termination, Mr. Pincus will not in any capacity: (i) provide any advice, assistance or services to a bank or financial services business, including but not limited to any consumer savings, commercial banking, insurance or trust business, or a savings and loan or mortgage business, or other business in which the Bank or Company has engaged in within the two prior years in anticipation of commencing, or to any person or entity that is attempting to form such a business if it operates any office, branch or other facility that is (or is proposed to be) located within a fifty mile radius of the location of any office of the Company or Bank or their affiliates, or sell or solicit sales of competitive products within such area; or (ii) induce or attempt to induce any customers, suppliers, officers, employees, contractors, consultants, agents or representatives of, or any other person that has a business relationship with, the Company or Bank or their affiliates, to discontinue, terminate or reduce the extent of their relationship with such entity or to solicit any such customer for any competitive product or service, or otherwise solicit any customer or employee of the Company, or the Bank.

Under the agreement, in the event that: (i) Mr. Pincus s retention by the Bank terminated without cause within 120 days prior to, or within twelve months after, a change in control; (ii) Mr. Pincus is not reelected or nominated for reelection as a director of the Company or Bank, or any successor, following a change in control or if he voluntarily resigns as a director within 12 months following a change in control; or (iii) he voluntarily terminates the agreement within the thirty day period following twelve months after a change in control, Mr. Pincus would be entitled to receive a lump sum payment equal to 1.99 times the sum of his highest rate of retainer compensation in effect within the twelve months prior to termination, and cash bonuses paid within the most recent twelve months, subject to adjustment to avoid adverse tax consequences resulting from characterization of such payment for tax purposes as a parachute payment. He would also be entitled to three years of continued personal reimbursements, subject to the provision of certain releases.

Mr. Pincus is also a party a non-compete agreement with the Bank. The non-compete agreement provides that in the event of termination of his service with the Bank without cause as defined in the agreement pursuant to which he serves as Vice Chairman, including without limitation, in the event of a change in control and subject to timely signing and delivering to the Bank (a) a General Release and Waiver and (b) a monthly certification regarding compliance with the confidentiality and noncompetion provisions of the non-compete agreement and reporting other compensation, the Bank shall, for one (1) year following the date on which the release is executed and delivered to the Bank, continue to pay Mr. Pincus, monthly in arrears, his retainer compensation at the rate being paid as of the termination date, together with an additional amount equal to one-twelfth of the most recent annual cash bonus (incentive plan and discretionary), if any, for each month of the period during which he is in full compliance with the provisions of the agreement.

The non-compete agreement requires that for one year after termination of his service, Mr. Pincus will not, without express written consent of the Bank (except for services performed for or on behalf of the Bank and its affiliates), directly or indirectly, in any capacity (whether as a proprietor, owner, agent, officer, director, shareholder, organizer, partner, principal, manager, member, employee, contractor, consultant or otherwise) engage in employment or provide services to any person or entity in return for remuneration or a right to remuneration of any kind, including but not limited to current or deferred compensation, wages, salary, fees, benefits, tangible or intangible property or ownership rights or interests or other property rights, whether paid or conveyed to the officer or promised in the future by any person, business or other entity as a result of, or in exchange for, any work or services performed, or any intellectual property conveyed by such officer.

If Mr. Pincus were entitled to receive the termination benefits as of December 31, 2014, he would receive approximately (a) $884,624 if terminated other than in connection with a change in control, or (b) approximately $2,525,426 in connection with a change in control (before analysis of the tax computation

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regarding excess parachute payments and assuming that he receives the entire amount payable under the non-compete agreement). Additionally, unvested shares of restricted stock having an inherent value as of such date of $363,121, would vest.

In connection with the his appointment as a member of the Board of Directors of the Company and EagleBank, Mr. Summers entered into a Director Compensation Agreement with the Company and EagleBank pursuant to which he will be compensated for his services as a member of the Boards of Directors of the Company and EagleBank. Mr. Summers will receive compensation of $300,000 on an annualized basis, subject to annual increase, in lieu of all other fees for service on the Boards of Directors. The agreement has an initial term expiring May 31, 2016, subject to his election or appointment as a member of the Board of Directors of the Company or EagleBank. The agreement provides that during the term and, subject to continued payment of his then current compensation on a monthly basis, for a period of eighteen months after termination of his services as a director, Mr. Summers will not in any capacity (i) provide any advice, assistance or services of the kind which he provides to the Company, EagleBank and their affiliates or regarding any activities in which they engage, to a bank or financial services business, including but not limited to any consumer savings, commercial banking, insurance or trust business, or a savings and loan or mortgage lending, or other business in which EagleBank has invested significant resources in anticipation of commencing, or to any person or entity that is attempting to form such a business if it operates any office, branch or other facility that is (or is proposed to be) located within a fifty mile radius of the location of the Company s headquarter or any branch of the Company, EagleBank or their affiliates, or (ii) sell or solicit sales of such products within such area, or assist any competitor in such sales activities.

The agreement also provides that Mr. Summers shall not on his own behalf on behalf of any other person, induce or attempt to induce any customers, suppliers, officers, directors, employees, contractors, consultants, agents or representatives of, or any other person that has a business relationship with, the Company, the Bank, or their affiliates, to discontinue, terminate or reduce the extent of their relationship with such entity or to solicit any such customer for any competitive product or service, or otherwise solicit any customer or employee of the Company, EagleBank or their affiliates.

The Company does not maintain any non-equity incentive plans or compensation programs, deferred compensation, defined contribution or defined benefit retirement plans, for non-employee directors, or in which such directors may participate.

Executive Officers Who Are Not Directors

Set forth below is certain information regarding persons who are executive officers of the Company or the Bank and who are not directors of the Company. Except as otherwise indicated, the occupation listed has been such person s principal occupation for at least the last five years.

Laurence E. Bensignor, Esquire

Mr. Bensignor, 58, Executive Vice President and General Counsel of the Company and Bank, joined the Company in April 2010 after 29 years in the legal and real estate industries in the Washington, DC area. From February 2009 until joining the Company, he was a principal in CastleGate Partners, LLC, a real estate investment firm. Previously, from 1999 through 2008, Mr. Bensignor served as Trustee of the Van Metre Family Trusts, the controlling owner of a private, multifaceted real estate organization. Previously, he was a partner and chaired the real estate practice group in the Washington, DC office of the national law firm of Arter & Hadden and formerly was a partner in the Washington, DC law firm of Melrod, Redman & Gartlan. Mr. Bensignor is a Fellow of the American College of Real Estate Lawyers.

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Charles C. Brockett
Mr. Brockett, 51, Executive Vice President and Director of Operations of the Bank, joined the Company in October 2014 in connection with the merger with VHB. Prior to joining EagleBank, he served at VHB, where he was a founding director, as well as Chief Financial Officer since 2005, and Chief Operating Officer since 2010. From 1998 until 2005, he was Managing Partner of Enterprise Financial Consulting, a financial consulting firm founded by him in 1998. Prior to founding Enterprise Financial Consulting, Mr. Brockett spent the majority of his career in banking, starting in 1980, with First Commercial Bank in Arlington, Virginia. During his nearly 16 years with First Commercial Bank until its sale to United Bankshares in 1996, he held positions covering virtually all aspects of the bank including retail banking, loan accounting and servicing, operations, consumer lending, commercial lending and Chief Financial Officer.
Michael T. Flynn
Mr. Flynn, 67, has served as Executive Vice President and Chief Operating Officer of the Company since June 2006, previously served as President - District of Columbia Division of the Bank, from June 2006 until August 2008, and was President of the Bank from January 2004 until June 2006. Mr. Flynn has over 40 years of experience in the banking industry in the Washington, DC and Maryland region. Prior to joining EagleBank in January 2004, he was the Washington region executive for Mercantile Bankshares Corporation from April 2003. He previously was the Director of Strategic Planning for Allfirst Financial, Inc., and prior to that held several executive level positions for Bank of America and predecessor companies. He has been involved in community affairs throughout his career, particularly educational groups including the American Institute of Banking and the Corcoran College of Art & Design.
James H. Langmead, CPA
Mr. Langmead, 65, Executive Vice President and Chief Financial Officer of the Company since January 2007, and Executive Vice President and Chief Financial Officer of the Bank since January 2005, previously served as Chief Financial Officer of Sandy Spring Bank and Sandy Spring Bancorp, Inc. Mr. Langmead, a Certified Public Accountant, served in various financial and senior management roles with Sandy Spring Bank from 1992 through 2004. Prior to that time, Mr. Langmead was Chief Financial Officer and managed the Finance Group at the Bank of Baltimore and Baltimore Bancorp. He has over 44 years of experience in the commercial banking industry.
Antonio F. Marquez
Mr. Marquez, 56, Executive Vice President and Chief Lending Officer - Commercial Real Estate, joined the Company in August 2011. Mr. Marquez has over 30 years of experience in the banking industry. Prior to joining EagleBank, he established the real estate lending franchise for HSBC for the Washington, DC market. Earlier he was the head of Commercial Real Estate lending at Chevy Chase Bank from 1997 to 2005 and previously held various lending positions at The Riggs National Bank in Washington, DC after starting his career at the Chase Manhattan Bank in New York.
Steven A. Reeder
Mr. Reeder, 48, Executive Vice President and Chief Deposit Officer of the Bank, joined the Company in February 2014. Mr. Reeder brings over two decades of retail banking and management experience. Prior to joining EagleBank, he was the Executive Vice President and Chief Deposit Officer at Virginia Commerce Bank from 2005 until 2014, when it was acquired by United Bankshares Corporation (United). Previously, he served as Senior Vice President at BB&T in Northern Virginia (after its acquisition of First Virginia Bank), where he had a combined 15 years of service.
Lindsey Rheaume
Mr. Rheaume, 54, Executive Vice President and Chief Lending Officer Commercial and Industrial, joined the Bank in December 2014. Prior to joining the Bank, he served as relationship executive for JPMorgan Chase, responsible for business development in the DC, suburban Maryland and Northern Virginia market. Previously, he served as Executive Vice President and Commercial Lending Manager at Virginia Commerce Bank, which was acquired by United in 2014, where he managed the bank s entire commercial and industrial lending activities. Earlier in his career, he held senior commercial lending and credit positions with SunTrust Bank, GE Capital and Bank of America.

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Susan G. Riel
Ms. Riel, 65, is currently Senior Executive Vice President - Chief Operating Officer of the Bank, and Executive Vice President of the Company. She was formerly Executive Vice President - Chief Operating Officer of the Bank and Chief Administrative Officer, and previously served as Executive Vice President - Chief Operating Officer of Columbia First Bank, FSB from 1989 until that institution s acquisition by First Union Bancorp in 1995. Ms. Riel has over 35 years of experience in the commercial banking industry. Ms. Riel has been with the Company since its inception in 1997.
Janice L. Williams, Esquire
Ms. Williams, 58, Executive Vice President and Chief Credit Officer of the Bank, has served with the Bank as Credit Officer, Senior Credit Officer, and Chief Credit Officer since 2003. Prior to employment with the Bank, Ms. Williams served with Capital Bank, Sequoia Bank, and American Security Bank. Additionally, Ms. Williams, a graduate of Georgetown University Law Center and a Member of the Maryland Bar, was previously employed in the private practice of law in Maryland.

Compensation Discussion and Analysis

This Compensation Discussion and Analysis provides information about the 2014 compensation for our Chief Executive Officer, Chief Financial Officer and our next three most highly-compensated executive officers who were serving as an executive officer at the end of 2014:

- Ronald D. Paul, our President and Chief Executive Officer;
- James H. Langmead, our Executive Vice President and Chief Financial Officer;
- Antonio F. Marquez, our Executive Vice President, Chief Lending Officer Commercial Real Estate;
- Susan G. Riel, our Senior Executive Vice President and Chief Operating Officer; and
- Janice L. Williams, our Senior Executive Vice President and Chief Credit Officer.

Compensation information for these individuals, who we refer to collectively as our named executive officers, is presented in the compensation tables following this Compensation Discussion and Analysis.

This Compensation Discussion and Analysis describes our executive compensation program for 2014. It also describes how the Compensation Committee of our Board of Directors (the Compensation Committee) arrived at the specific compensation decisions for our named executive officers, and discusses key factors that the Compensation Committee considered in determining their compensation.

Executive Summary - Our Business

The Company, headquartered in Bethesda, Maryland, was incorporated under the laws of the State of Maryland on October 28, 1997, to serve as the bank holding company for EagleBank (the Bank). The Company was formed by a group of local businessmen and professionals with significant prior experience in community banking in the Company s market area, together with an experienced community bank senior management team.

The Bank, a Maryland chartered commercial bank, which is a member of the Federal Reserve System, is the Company s principal operating subsidiary. It commenced banking operations on July 20, 1998. As of December 31, 2014, the Bank operated twenty-two banking offices: ten in Northern Virginia; seven in Montgomery County, Maryland; and five in the District of Columbia.

During 2014, the Company achieved a number of significant goals: completing and successfully integrating the acquisition of VHB, which helped push the Company s total assets over $5 billion and significantly enhanced its presence and capacity in the highly attractive Northern Virginia market; consummated an offering of $70 million of 5.75% fixed rate subordinated debt; and successfully planned for the redemption, by 2016 and the increase in dividend rate to 9%, of the Company s SBLF Preferred Stock. The Company also continued its streak of consecutive quarters of record earnings, extending it to 24 quarters through 2014. For 2014, EagleBank was the most profitable Maryland-headquartered bank.

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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 itself to, client needs in a proactive, personalized fashion. Management believes that the Bank s target market segments, small to medium-sized for profit and non-profit businesses and the consumer base working or living in and near of the Bank s market area, demand the convenience and personal service that a smaller, independent financial institution such as the Bank can offer. It is these themes of convenience and proactive personal service that form the basis for the Bank s business development strategies.

Based on June 30, 2014 deposit market share, EagleBank held the highest rank among Washington area community banks and was the only locally based community bank in the top 10 as reported by the FDIC.

Record Setting Performance

2014 Financial Results and Operating Highlights

	Period Ending					
Index	**12/31/09**	**12/31/10**	**12/31/11**	**12/31/12**	**12/31/13**	**12/31/14**
Eagle Bancorp, Inc.	100.00	137.82	138.87	190.74	321.81	373.18
	100.00	118.15	117.22	138.02	193.47	222.16

NASDAQ Stock Market Index-(U.S. Companies)						
NASDAQ Bank Index	100.00	114.16	102.17	121.26	171.86	180.31
S&P 500	100.00	115.06	117.49	136.30	180.44	205.14

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During 2014, we experienced increases in our key financial and operational metrics, resulting in record financial results:

- Net Income was $54.3 million, a 15% increase over 2013;
- Assets increased to $5.25 billion, compared to $3.77 billion at December 31, 2013, a 39% increase;
- Total loans (excluding loans held for sale) were $4.31 billion at December 31, 2014 compared to $2.95 billion at December 31, 2013, a 46% increase.
- Total deposits were $4.31 billion at December 31, 2014, compared to $3.23 billion at December 31, 2013, a 34% increase;
- The investment portfolio totaled $382.3 million at December 31, 2014, a 1% increase from the $378.1 million balance at December 31, 2013; and
- The Company s capital position remains substantially in excess of regulatory requirements for well capitalized status:
    - Total Risk Based Capital ratio of 12.97% at December 31, 2014.
    - Tier 1 Risk Based Capital of 10.39% at December 31, 2014.
    - A Leverage Ratio of 10.69% at December 31, 2014.
    - Tangible Common Equity of 8.54% at December 31, 2014.

This performance continues the Company s historical trend of ongoing improved performance, with increased earnings in each quarter since the fourth quarter of 2008. In addition, the Company has achieved strong five-year compound annual growth rates (CAGR) in several key areas, including:

- **5-Year CAGR of Tangible Book Value/Common Share: 14%**
- **5-Year CAGR of Earnings per diluted Common Share: 31%**
- **5-Year CAGR of Deposits: 24%**
- **5-Year CAGR of Loans: 25%**

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Compensation Components

2014 Executive Pay-for-Performance

2014 was an outstanding performance year for the Company, as we exceeded our financial objectives on many fronts. As in prior years, our 2014 executive compensation awards reflected both financial and operational results that our Board of Directors determined critical to our long-term strategic objectives. The connection between our performance results and named executive officer compensation awards continues to be at the forefront of decision-making. The Compensation Committee also takes into account risk management practices within the organization, including results of federal and state regulatory examinations and internal control matters that may arise from internal and independent audits throughout the year.

The key components of our 2014 executive compensation program for all named executive officers consist of a base salary, a performance-based cash incentive plan (the Senior Executive Incentive Plan, the SEIP), an equity based compensation plan (the 2006 Stock Plan), a 401(k) Plan and a nonqualified supplemental executive retirement benefit program for all named executive officers except Mr. Paul.

Based on peer reviews and the results of market survey data prepared by Meyer-Chatfield Compensation Advisors (MCCA), the Company s outside compensation consultant, the Compensation Committee took the following actions with respect to the 2014 compensation of the named executive officers:

- ***Base Salaries***

The Board of Directors believes that base salaries for named executive officers should be targeted at market competitive levels. Base salaries are reviewed annually and adjusted based on our review of market data and assessment of Company and individual executive performance. In 2014, our named executive officers received base salary increases of 6% to 10% over 2013 base salary levels.

- ***Senior Executive Incentive Plan***

The SEIP was established to reward our executives for achieving or exceeding predefined performance goals. In 2014, all named executive officers participated in the SEIP. Under the plan, an executive is eligible to earn a percentage of his or her base salary based on achievement of Company and individual performance objectives. With respect to 2014 performance, executives could earn an incentive payment of 25% to 60% of their base salary at target performance levels. For 2014, a participant could receive a pay out of incentive awards above target, if performance results were beyond performance expectations (referred to as target plus). Performance must be at least 15% above budgeted goals to achieve target plus payouts. In addition, beginning in 2014, a performance factor was added to reward executives for exceptional performance and compensate at the appropriate market level compared to peers. Performance at the 75th percentile (and higher or lower) should receive compensation commensurate with the 75th percentile of the peer group, taking into account both company and individual performance. Payments for performance in excess of target are not capped,

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but increase in proportion to the level of performance achieved. Reflecting our above-target performance for the year, the named executive officers received nondiscretionary bonus payments that were 57% to 163% of their target bonus opportunities.

We believe our use of annual performance metrics versus longer term metrics is appropriate, in that current economic conditions and unforeseeable changes in business can so significantly impact (for better or for worse) the results of operations, that it would be inordinately difficult to establish appropriate multi-year targets. In addition, use of multi-year targets, or targets based on market performance of our stock, could negatively impact participants who perform admirably but not receive recognition for it at compensation market levels. We also recognized that the banking industry generally does not utilize multi-year targets and adopting such an approach would hinder efforts at retention of our named executive officers. Significantly, we have incorporated a longer term element in our plan by adopting a vesting period for equity awards that creates not only a golden handcuff, but provides an impetus for achieving continued performance. In addition, equity awards are based on the overall performance of the company.

For 2014, the target goals, the Company s actual performance and the weighting of each goal for purposes of determining the amount of the award to each named executive officer were as set forth in the table below.

	Mr. Paul	Mr. Langmead	Mr. Marquez	Ms. Riel	Ms. Williams	Actual Performance
Net Operating Income (available to common shareholders	35%	15%		20%		Exceeded Target
Non-Interest Income		15%				Below Threshold
Nonperforming Assets			15%		30%	Exceeded Target
Strategic Alignment	25%	15%		20%		N/A
Total Loan Growth (Average Balance CRE)			30%			Exceeded Target-Plus
Average Core Deposit Growth (CRE Team)			15%			Exceeded Target-Plus
Efficiency Ratio		20%		15%		Exceeded Target
Non-Interest Expenses (Salaries, Benefits, Other Expenses)				20%	20%	