April 20, 2020

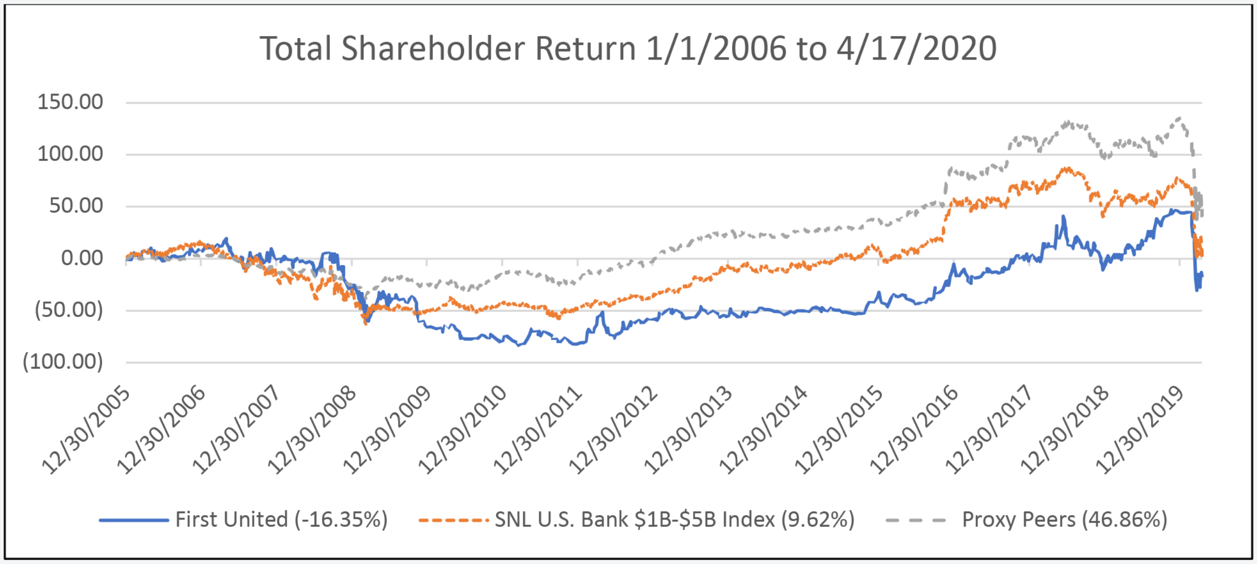
Dear Fellow Shareholders,

In Uncertain Times, a Board's Judgement, Accountability and Alignment with Shareholders Matter

We are all facing uncertain times right now and there is no clear playbook for the path forward, which is why good judgment is paramount. Using the Global Financial Crisis and ensuing Great Recession as a reference point, we believe it is clear that First United's current leadership lacks the judgment that is needed to preserve shareholder value during the current economic downturn and increase shareholder value once the immediate crisis passes.

Carissa Rodeheaver, Chairman and Chief Executive Officer, and a majority of First United's Board of Directors (the "Board"), Kathryn Burkey, John McCullough, Elaine McDonald, Gary Ruddell, Robert Rudy and Andrew Walls (together, the "Legacy Directors"), are the same individuals that put shareholders at risk during the last economic downturn and then caused First United to stagnate for years afterwards. Do not be fooled by First United's misleading presentation of its past performance or its low-road distraction campaign that involves misrepresenting our efforts to enhance value for all shareholders.

Driver Management Company (together with its affiliates, "Driver" or "we") is the largest shareholder of First United Corporation ("First United" or the "Company"), owning more than 5% of the outstanding shares. **We own more shares than the entire eleven-person Board and bloated management team of First United combined. Our interests are therefore aligned with ALL shareholders.** To help introduce the concept of good judgement into the



Source: S&P Global Market Intelligence.

boardroom and, in turn, avoid a repeat of history, we have nominated three highly-qualified and independent individuals – Michael J. Driscoll, Ed.D, Ethan C. Elzen and Lisa Narrell-Mead – for election to First United's eleven-member Board at the Company's 2020 Annual Meeting of Shareholders on June 11, 2020 (the "2020 Annual Meeting").

Hollow posturing notwithstanding, Ms. Rodeheaver and the Legacy Directors' record of value creation is singularly uninspiring. Since 2006, when Ms. Rodeheaver became an executive officer, First United has grown tangible book value per share ("TBVPS") an objective measure of value creation free from the impact of stock market gyrations—at a cumulative annual growth rate of just 1.35%, less than a third of the rate of TBVPS growth at First United's Proxy Peers[1]. After taking dividends paid into account, First United grew TBVPS at cumulative annual rate of only 1.14%, a quarter of the growth rate at First United's Proxy Peers. Driver believes that Ms. Rodeheaver and the Legacy Directors have an indisputable history of putting First United shareholders at undue risk, being responsible for the actions that ultimately led regulators to force First United to suspend its dividend for almost eight years and overseeing a 14-year period of dismal total shareholder returns ("TSR").

We believe shareholders have a risk-free vote at the 2020 Annual Meeting: our three strong-pedigreed nominees are independent from First United's deep-rooted and shockingly interconnected Board a Board that has put shareholders at risk while failing to deliver sustainable long-term value. Driver believes that the facts speak for themselves: First United shareholders have suffered for far too long and the last thing they should want is a repeat of history. That is why we are asking that you vote on the enclosed **WHITE Proxy Card** today to elect a slate of individuals who will challenge the existing status quo and champion your interests as fellow shareholders to improve the Board and our bank. If you have already voted using First United's blue proxy card, a later dated **WHITE Proxy Card** will revoke that vote. Only your latest dated card counts.

Before the Last Crisis That Ensued in 2008-2009, First United's Board Rebuffed Shareholders' Requests to Explore a Combination with a More Stable and Well-Capitalized Bank

In 2006, over the strenuous objections of the Board[2], a shareholder (the "Proposing Shareholder") was able to include a proposal (the "Sale Proposal") in the Company's proxy statement requesting the Board "seek to improve shareholder value by sale or merger of [First United] to another institution."[3] The rationale for the Sale Proposal was that First United was a "small fish in a small pond" and would experience "slow" and "stagnant" growth in the future. This was a FORESHADOWING ALERT.

In adamantly recommending shareholders vote against the Sale Proposal, First United's Legacy Directors – including John McCullough, who Driver is seeking to replace– took the curious position that "neither the Board nor [the Proposing Shareholder] has the ability to predict the future, and the Board believes that any asserting by the [Proposing Shareholder] to the contrary is irresponsible." However, as events later demonstrated, the Proposing Shareholder demonstrated sound judgement in predicting the (at least immediate) future. Unfortunately for shareholders, the Proposing Shareholder hit the nail on the head when predicting that First United would suffer from "slow" and "stagnant" growth, since, as the Board later explained, it was the "slow and stagnant growth" in its core markets that led to adopting the strategies that would ultimately destroy millions of dollars in shareholder value.

Immediately Prior to the Last Crisis, due to "Slow and Stagnant" Earnings Growth, First United's Board Embraced a Series of Risky Strategies

Immediately prior to the Financial Crisis, First United made disastrous changes in strategy with horrific results, including:

- Loading up on pooled trust preferred securities,[4] despite later claiming that First United "was not sophisticated" and "had no expertise" with respect to pooled trust preferred securities;[5]

- Expanding purchases of out of market loan participations, primarily involving the hotel industry;[6] and
- Increasing its concentration of land acquisition and development loans.[7]

As a result of these and other actions approved by the Legacy Directors, shareholders lost $12.8 million in 2009 and $11.8 million in 2010. It is also important to remember that despite First United's constant claims that its focus was to serve community-oriented business owners,[8] these strategies approved by the Board were designed for one purpose only: to boost earnings as growth within core markets had become "slow and stagnant."[9]

First United's Current Chairman, Carissa Rodeheaver, Remained Oblivious to Obvious Impeding Dangers

At First United's 2008 Annual Meeting, Ms. Rodeheaver famously said:

> *Well, during 2007, I reminded myself many times to play the glad game. During the year, the banking industry faced compressing margins, intense competition for retail deposits, an economic downturn, a decline of one percent in the Fed Funds rate and a crumbling housing market. Kind of hard to find much good in this picture isn't it? But, as I thought about what I would present to you today, I couldn't help but think of all of the things that we as owners of First United Corporation have to be glad about. Aren't you glad that in spite of all of the financial obstacles, we had yet another profitable year for our company? Aren't you glad that we continue to see steady, profitable growth in our assets? Because of this profitability, aren't you glad that we continued to pay a healthy dividend to our shareholders? How about this, aren't you glad we weren't part of the sub-prime housing crisis experienced by many banks in 2007?*[10]

Unfortunately, Ms. Rodeheaver didn't realize until it was too late just how exposed First United was (through the pooled trust preferred securities that she was in charge of buying) to the very banks that she glibly dismissed in her "glad game" speech.[11]

The Board Refused to Accept the Blame for Value-Destructive Decisions

Instead of owning up to the fact that its bad decisions resulted in the destruction of shareholder value, First United blamed rating agencies[12] and accounting rules[13] for the losses incurred by investing in risky securities[14] and anyone else they could think of[15] for its failure to adequately asses the risk of participation loans.

The Board Demonstrated Poor Judgement in Responding to the Financial Crisis

Despite losing $12.8 million in 2009, leaving its ratio of tangible common equity to tangible equity at mere 3.22% as of December 31, 2009,[16] First United paid out approximately $4.3 million in dividends, depleting shareholders' capital as credit issues intensified. First United paid out an additional $184.7 thousand in dividends in 2010, despite recording a loss of $11.76 million for the year, until regulators stepped in to force First United to suspend all dividends in order to preserve capital.[17]

As evidence of First United's poor decisions prior to and during the Financial Crisis, First United's Texas Ratio, a commonly used metric to identify financial institutions at the greatest risk of failure,[18] began to rise. By September

30, 2009, First United's Texas Ratio had jumped to 98.82%[19] --dangerously close to the point at which failure is probable.[20]

Instead of immediately raising common equity to serve as a buffer for potential losses like many banks, however, in December 2009, First United issued expensive trust preferred,[21] a type of capital viewed by regulators as inferior to common equity,[22] apparently to avoid attracting the type of shareholders who would hold the Board accountable for poor performance and bad judgement.[23] Within a year of issuing the trust preferred, First United was forced by its regulators to suspend dividend payments on the trust preferred,[24] which were not resumed until 2014.[25] Ultimately, First United was not able to resume paying dividends on its common stock until 2018, after it had redeemed all of the trust preferred stock issued in 2009.[26]

First United Was One of the Last Banks to Fully Repay the Government "Bailout" it Needed

First United accepted a $30 million investment in the form of preferred stock (the "TARP Preferred"), as part of the Troubled Asset Relief Program initiated by the U.S. Treasury in early 2009.[27] Despite First United's many claims to the contrary,[28] the U.S. Treasury's investment in First United was a bailout.[29] By the end of 2010, the Board of Governors of the Federal Reserve Board (the "FRB") had forced First United to cease paying dividends to the U.S. Treasury in order to preserve capital. Again, First United sought to hide facts from its shareholders, falsely claiming that First United had "elected" to defer dividends "at the request of" the FRB[30] despite the fact that First United was subject to a regulatory order with the FRB, as well as federal and state regulators, prohibiting the payment of any dividends without prior approval.[31]

Because First United missed six quarterly dividend payments on the TARP Preferred, by 2013, the U.S. Treasury had the right to elect two directors to the Board.[32] First United was not able to resume payments on the TARP Preferred until April 23, 2014.[33] In early 2014, the dividend rate on the TARP Preferred increased from 5% to 9%. Rather than continue to hold its investment until some uncertain time in the future, when First United might be financially sound enough to repay it, the U.S. Treasury auctioned off the TARP Preferred to private investors in November 2014.[34]

Ultimately, First United did not fully repay the TARP Preferred Stock that was originally issued to the U.S. Treasury in 2009 until 2017, after 97.5% of the total amount of capital issued under the Capital Purchase Program had been repaid.

The Board Did Not Learn From Its Mistakes

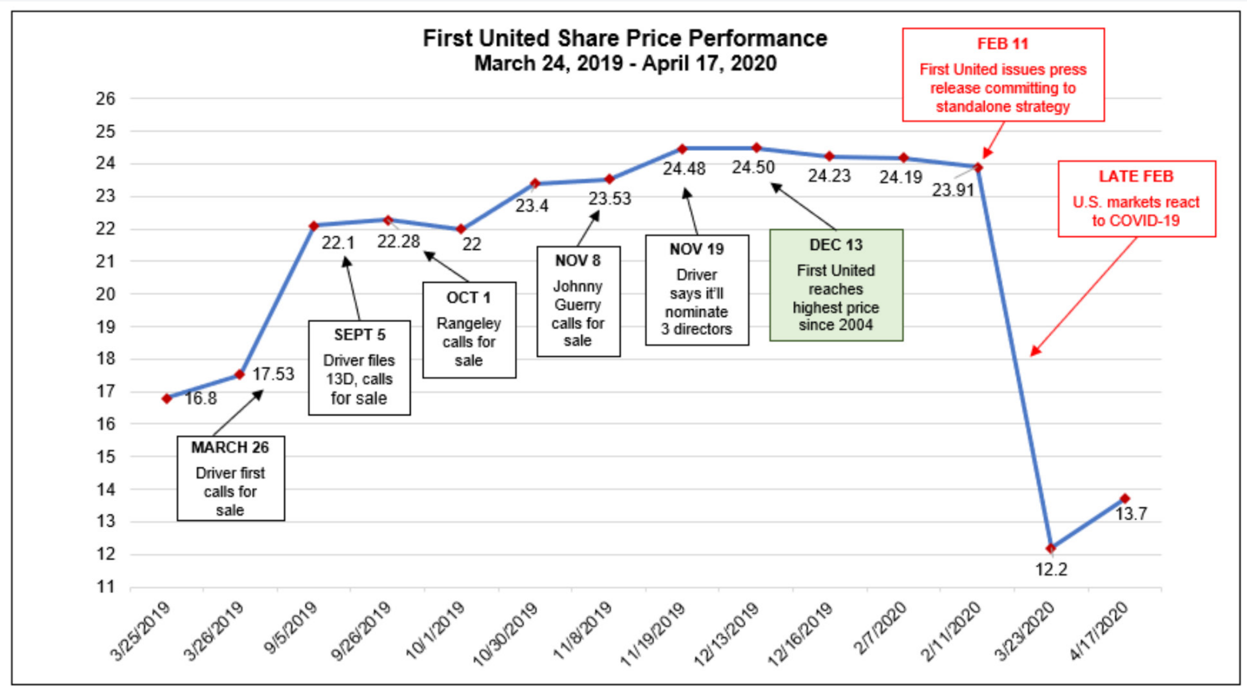
Despite the losses incurred during the last Financial Crisis, First United kept making large participation loans, like the $8 million "participation development loan" placed on non-accrual in 2019. First United continues to emphasize land acquisition and development lending despite the issues experienced during the Great Recession,[35] with such loans making up 11% of its current loan portfolio. First United's loan underwriting also continues to lag peers, as non-performing assets to total assets[36] as of December 31, 2019 was 56% higher than that for the SNL U.S. Bank $1B-$5B index.

The Board Approved a Vanity Project to Rebrand and Renovate Branches Without Regard to the Return on Shareholders' Investment

Perhaps the signature accomplishment of Ms. Rodeheaver's tenure as Chairman and CEO has been an extensive campaign to rebrand First United and renovate its branch network.[37] While nobody could have predicted the onset of COVID-19 and the impact that new realities such as social distancing will bring to modern commerce, the trend away from branch networks has been a fact of life for years.[38] Despite Driver's repeated requests, Ms. Rodeheaver has declined to disclose any information about this massive investment of shareholders' capital including: (i) cost (actual and budgeted), (ii) expected and actual return on investment (and how measured); and (iii) potential alternative uses for shareholders' capital.

Once Again, Before the Current Crisis, First United Refused Shareholders' Requests to Explore a Combination with a More Stable and Better Capitalized Bank

Driver first began publicly calling for a sale in March 2019 and in August 2019 provided the Board with a detailed analysis, advising that shareholders could receive $26-32 per share in a sale.[39] At that time, the Board refused to meet with Driver or discuss the possibility of a sale. Two other shareholders also publicly called for First United to explore a sale, as illustrated in the chart below:



Source: First United Corporation (NYSE: FUNC); Bloomberg.

First United's response began with vague banalities,[40] continued to absurd pronouncements[41] and ended with a bizarre, detail-free press release trumpeting that First United – at shareholders' expense – had hired <u>two</u> separate financial advisors to conduct <u>three</u> "strategic reviews" over <u>eight</u> months, all of which conveniently arrived at the same conclusion that Ms. Rodeheaver and the Legacy Directors reached when confronting the same issue in 2006: "executing on [First United's] current strategy [of remaining independent], rather than pursuing a sale, is in the best interest of [First United's] stakeholders."[42]

It's Time to End the Cycle of Bad Judgement by Breaking the Hold of Ms. Rodeheaver and the Legacy Directors

As First United's Chief Financial Officer prior to and during the last Financial Crisis, Ms. Rodeheaver was intimately involved in formulating and implementing a series of objectively bad decision – decisions that the Legacy Directors all approved. Together with Ms. Rodeheaver, the Legacy Directors represent eight out of the eleven current Board members. Out of the three non-Legacy Directors, one, Brian Boal, is the nephew of a Legacy Director, Robert Kurtz, whose main qualification for service on the Board, according to First United, is his disastrous stint as First United's Chief Risk Officer, when First United decided to buy pooled trust preferred securities and out of market loan participations. The Legacy Directors have an average tenure of more than twenty-one years – far too long, in our view, given their legacy of bad decisions and bad judgement.

Now is Not the Time for Half Measures, Now is the Time for Meaningful Change

As Driver has extensively detailed in its proxy statement, the history of the Board since First United became a public company is one of cronyism, poor governance and dismal performance. Driver believes that the only way to cure the cronyism ailing the Board is to add strong-willed, independent-minded and experienced individuals who will act in the best interest of shareholders, not other directors. It is time to put an end to "go along to get along" and elect directors who will ask tough questions, diligently oversee management and demand accountability. We believe the Board has:

- Dodged accountability and enabled management to do the same;
- Indulged management's revisionist accounting of current conditions and past failures; and
- Demonstrated poor and lazy judgment at every turn.

Now is the time to make a critical decision to reject the status quo by voting to elect new and truly independent directors who will fight to protect your investment and the future of our bank.

Our nominees are:

Michael J. Driscoll, Ed.D

Driver believes Dr. Driscoll would bring a host of additive qualifications to the Board, including extensive banking sector expertise, capital markets experience and a unique regional perspective. He has a deep understanding of First United's markets and the region's overall economy due to his role at Mount St. Mary's University in Maryland. His public policy acumen would also be of great benefit to First United given the current period of governmental intervention and involvement in light of the COVID-19 pandemic.

Dr. Driscoll's relevant, demonstrated experience includes:

- Serving as Dean of The Richard J. Bolte, Sr. School of Business at Mount St. Mary's University, the site of frequent recruiting efforts by First United.
- Previously, serving as Clinical Professor and Senior Executive in Residence at the Robert B. Willumstad School of Business at Adelphi University.
- Spending nearly three decades operating across the capital markets while working on Wall Street.

- Amassing a wealth of expertise in the areas of fiscal and monetary policy issues through his various role in business and academia.
- Earning a Bachelor of Science from SUNY Maritime College, a Master of Business Administration from Adelphi University, and a Doctor of Education in higher education management from the University of Pennsylvania.

Ethan C. Elzen

Driver believes Mr. Elzen would add a number of sorely-needed qualifications to the Board, including additive banking sector expertise, e-commerce and online financial services knowledge, as well as corporate transaction and turnaround experience. His extensive banking sector experience would assist First United to move beyond the narrow scope of its current geographic footprint and business model to help unlock new opportunities for all stakeholders. He also would offer additive perspectives about operating an institution successfully during the COVID-19 pandemic given his experiences helping financial services organizations navigate the Global Financial Crisis more than a decade ago.

Mr. Elzen's relevant, demonstrated experience includes:

- Serving as both President of Colorado Federal Savings Bank and Silver Queen Financial Services, Inc.
- Serving as Senior Advisor to Provident Funding Associates, L.P. and the Pica Family of Companies.
- Previously holding the role of senior investment banker at UBS Investment Bank, where he was originating and executing transactions for financial institutions.
- Acting as a key member of restructuring team at Ally Financial, where he focused on cost cutting and alternatives for Residential Capital LLC.
- Starting his career at Bank of America, where he amassed extensive experience in investment banking, treasury and balance sheet management and merger integration.
- Earning a Bachelor of Science in Business Administration from Appalachian State University.

Lisa Narrell-Mead

Driver believes Ms. Narrell-Mead would bring a number of qualifications to the Board that are currently lacking, including deep banking sector in the areas of strategic planning, risk management, regulatory compliance, law and talent management. Her comprehensive legal and sector experience would provide practical insight into how similarly situated financial institutions have enhanced efficiency and profitability while serving stakeholders. She would offer high-quality perspectives that can help the Board navigate and rebound from the COVID-19 crisis, particularly in light of her experience helping guide banks across the country effectively manage their people, resources and processes amidst previous crises.

Ms. Narrell-Mead's relevant, demonstrated experience includes:

- Serving as Chief Executive Officer of Workplace Advisors LLC, a provider of strategic advice and execution resources for regional and community banks.
- Amassing extensive experience in talent management and human resources, including through senior executive roles at Cadence Bank, Regions Financial Corporation and AmSouth Bank.
- Holding seats on the board of directors of INBank in Denver, Colorado; Argent Trust Company in Nashville,

Tennessee; and Verdigris Holdings in Phoenix, Arizona.

- Previously holding seats on the board of directors of River Road Financial Corporation in New Orleans, Louisiana.
- Earning a Bachelor of Science from Birmingham Southern College and Juris Doctorate from Emory University School of Law.

This year, for the first time ever, you have a choice when electing directors. As the saying goes, a leopard never changes its spots, and it is unlikely that a Board that has done so little to increase shareholder value in the past will suddenly start to increase shareholder value in the future, particularly when its record during the last crisis was so bad. Driver believes the choice is clear and ultimately comes down to this: a vote for the same directors who oversaw a destruction in shareholder value in the last recession, deprived you of a dividend for almost eight years and refused to contemplate selling when First United's stock price was at decade highs, OR a vote for well-credentialed and integrity-rich individuals who are capable, independently-minded and qualified.

Vote on the **WHITE Proxy Card** for our slate of three independent directors who will bring much-needed sound judgement, accountability and a focus on shareholder value to the Board.

J. Abbott R. Cooper
Managing Member
Driver Management Company LLC

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1. Proxy Peers are a peer group determined by First United for executive compensation purposes and constituent members are listed on page 35 of First United's Proxy Statement filed April 16, 2020 available at https://www.sec.gov/Archives/edgar/data/763907/000110465920048280/tm2016149d1_defc14a.htm. Riverview Financial Corporation excluded from cumulative annual growth rate calculation since it was not in existence prior to 2013

2. See, Letter from Andrew D. Bulgin to U.S. Securities and Exchange Commission, dated December 2, 2005 (pathetically pleading that the Proposing Shareholders' "assertion . . . that [First United] is a 'small fish in a small pond' is materially false and misleading")

3. First United 2006 Proxy Statement (the "2006 Proxy Statement") p. 15 available at https://www.sec.gov/Archives/edgar/data/763907/000114420406010793/v038157_def14a.htm

4. See First United 2010 Annual Meeting Presentation (the "2010 Annual Meeting Presentation") p. 40 available at https://www.sec.gov/Archives/edgar/data/763907/000114420410026634/v184639_ex99-1.htm (then chairman and CEO Bill Grant noting "we did acquire a higher percentage of [pooled trust preferred securities than most community banks")

5. In an arbitration claim brought against the securities dealer from whom Ms. Rodeheaver, as Chief Investment Officer, bought more than $75 million of trust preferred securities (and later recorded $30.89 in write-offs), the crux of First United's allegations were that someone else should be responsible for First United's losses since First United didn't know what it was buying. Amended Statement of Claim, First United Corp. et al. v. FTN Securities Corp., et al. FINRA No. 12-02057 dated October 17, 2012 (the "PreTSLs Claim"); Respondents' Answer to Amended Statement of Claim, Counter-Claim, and Third-Party Claim, First United Corp. et al. v. FTN Financial Securities Corp. et al. FINRA No. 12-02057 dated January 16, 2013 (the "PreTSLs Counterclaim"). The risks of significant investment in pooled trust preferred securities were well known to regulators. See OCC Bulletin 2002-19 "Unsafe and Unsound Investment Portfolio Practices: Supplemental Guidance," May 22, 2002 available at https://www.occ.treas.gov/news-issuances/bulletins/2002/bulletin-2002-19.html noting:

> A number of banks have acquired significant amounts of trust preferred securities and failed to recognize the associated interest rate, liquidity and credit risks arising from the terms of these securities. . . . It is unsafe and unsound to buy long term securities from corporate issuers without appropriate controls over credit, interest rate and liquidity risks. Credit risks associated with trust preferred securities are especially high, given their long maturities, but occasionally receive inadequate attention from bank management.

6. First United 2011 Annual Meeting Presentation (the "2011 Annual Meeting Presentation") available at https://www.sec.gov/Archives/edgar/data/763907/000114420411028333/v222085_ex99-1.htm

> Those loans, many of which are in the hospitality industry located outside of our market, represent approximately 16% of the [total commercial real estate]

portfolio and have provided the most challenge to us as we have worked through troubled credits. In many cases, our investment constituted participation interests in loans made by other banks and our ability to communicate and work directly with the borrowers has been hindered by disengaged, non-bank servicers with different business objectives.

7. First United 2009 Annual Meeting Presentation (the "2009 Annual Meeting Presentation") available at https://www.sec.gov/Archives/edgar/data/763907/000114420409026235/v149135_ex99-2.htm (noting that "In 2007 and into 2008, First United was dealing with a concentration of what we call A&D loans or 'acquisition and development' loans")

8. See, First United 2007 Annual Meeting Presentation p. 25 available at https://www.sec.gov/Archives/edgar/data/763907/000114420407020283/v072376_ex99-1.htm (Mr. Grant noting "we will be paying particular attention to business owners withing our markets who are oriented to the communities in which they live and work"). Despite these sentiments, during 2007, First United began building up its position in pooled trust preferred securities, disclosing a "$45 million leverage strategy," and "expanded [First United's] commercial loan participations with other financial institutions." First United Annual Report on Form 10-K for the year ended December 31, 2007 available at https://www.sec.gov/Archives/edgar/data/763907/000114420408014719/v106556_10k.htm

9. 2011 Annual Meeting Presentation

> Going back to 2006 and 2007, [First United] embarked on expansions into new growth markets through branch expansions into Morgantown and Martinsburg WV, and Frederick and Hagerstown, MD. The reason for expansion was to foster profitable growth in these growing markets. Growth within the traditional markets where [First United] had been became slow and stagnant. The efforts in the new areas would provide growth opportunities. There would, however, be a "ramp-up" period where we would have the expenses associated with the new branches, but the offsetting growth would take a while.
>
> In an effort to temporarily offset this lag in earnings, effort would be made to grow [First United's] earning assets through the acquisition of institutional quality securities called trust preferreds, and participation interests in select loans made by other banks.

10. First United 2008 Annual Meeting Presentation p. 5 available at https://www.sec.gov/Archives/edgar/data/763907/000114420408026750/v112922_ex99-1.htm

11. See, 2009 Annual Meeting Presentation Ms. Rodeheaver noting "Due to the distressed financial industry and our exposure to this industry in the collateralized debt obligation portfolio, the Bank recorded non-cash charges of approximately $3 million in 2008, $27 million in 2009 and $8 million in 2010 as a result of other-than-temporary impairment analysis performed on our investment portfolio throughout each year")

12. See, 2010 Annual Meeting Presentation p. 39 (Mr. Grant blaming losses relating to First United's pooled trust preferred securities the on the fact that "In early 2009, the rating agencies abruptly dropped the investment ratings on these securities by several classes. This caused the market to essentially collapse in a very short time."

13. First United 2008 Annual Letter to Shareholders available at https://www.sec.gov/Archives/edgar/data/763907/000114420409016687/v143211_ex99-1.htm

> A third area of loss has to do with the ill conceived notion of mark-to-market accounting. This idea is to require institutions to adjust the value of securities to what the market value may be at a given point in time. While this appears to be good on paper, and in the interest of transparency, it is truly distortive of earnings, and unnecessarily burns capital. As you know from your readings, [First United] has investments in securities known as trust preferreds. With the economic downturn, the liquidity in the market for these securities dried up. While the securities continue to perform at, or very near their earlier projections, the illiquidity of the market has forced us to take unrealistically large losses, under the doctrine that they are "other than temporary impaired".
>
> Mark to market accounting rules notwithstanding, by April 2011, banks and thrifts that had issued trust preferred securities into pools were failing at a rate close to twice that of all banks and thrifts. Federal Reserve Bank of Philadelphia Working Paper No 11-22, The Trust Preferred CDO Market: From Start to (Expected) Finish, Table 7 available at https://www.philadelphiafed.org/-/media/research-and-data/publications/working-papers/2011/wp11-22.pdf (comparing 9.7% failure rate for banks and thrifts in TruPS CDOs to 4.7% failure rate for total FDIC-insured banks and thrifts)

14. The riskiness of pooled trust preferred securities is demonstrated by the fact that by the end of 2011, the combined default and deferral rate for banks that had issued trust preferred securities into pools was 32.13%. "Fitch: U.S. bank TruPS CDOs defaults and deferral trends continue," December 22, 2011 available at https://www.reuters.com/article/idINWLA066720111222. Indeed, with respect to the pooled trust preferred securities that First United still (amazingly) owns, the range of non-performing issuers for the various pools is 9% to 28%. First United Annual Report on Form 10-K for the year ended December 31. 2019 (the "2019 10-K")p. 44 available at https://www.sec.gov/Archives/edgar/data/763907/000156276220000119/func-20191231x10k.htm

15. Like an unidentified "well-known international oil company" for "reneging on contractual obligations" for a 90% loss on a participation loan for the construction of an out of market ethanol plant. First United 2012 Annual Meeting Presentation available at https://www.sec.gov/Archives/edgar/data/763907/000114420412027367/v312413_ex99-1.htm

16. Source: S&P Global Market Intelligence

17. First United Annual Report on Form 10-K for the year ended December 31, 2010 p. 23 available at https://www.sec.gov/Archives/edgar/data/763907/000121390011001190/f10k2010_firstunited.htm

18. See Federal Reserve Bank of Dallas, "The So-Called Texas Ratio," Financial Insights, November 28, 2012 (the "So-Called Texas Ratio") available at https://www.dallasfed.org/~/media/documents/outreach/fi/2012/fi1203.pdf

19. Source: S&P Global Market Intelligence

20. The So-Called Texas Ratio (noting that when a bank's Texas Ratio "exceeds 100 percent, a bank's capital cushion is no longer adequate to absorb potential

losses from troubled assets. In other words, the bank is at greater risk of going bust.")

21. First United Current Report on Form 8-K dated December 30, 2009 available at https://www.sec.gov/Archives/edgar/data/763907/000121390009003805/f8k123009_firstunited.htm

22. See, "Trust Preferred Securities and the Capital Strength of Banking Organizations, FDIC Supervisory Insights, Winter 2010 available at https://www.fdic.gov/regulations/examinations/supervisory/insights/siwin10/trust.html#f7

23. See, First United 2013 Annual Meeting of Shareholders Presentation, May 9, 2013 p. 37 available at https://www.sec.gov/Archives/edgar/data/763907/000114420413027215/v344318_ex99-2.htm

> As the financial crisis unfolded, many turned to the capital markets for significant capital injections. In several cases, these injections came from private equity funds, hedge funds and investment bankers. Sometimes the interest of these investors is not in alignment with community banking. . . . Despite the temptation to do this, and despite guidance from some "experts" to do this, we resisted.

Driver views these statements as reflecting a pernicious self-delusion that Driver believes permeates the Board: clearly, the strategy of excessive amounts of pooled trust preferred securities and out of market loan participations is not particularly aligned with "community banking."

24. First United Current Report on Form 8-K dated December 15, 2010 available at https://www.sec.gov/Archives/edgar/data/763907/000121390010005311/f8k121510_firstunited.htm

25. First United Current Report on Form 8-K dated February 26, 2014 available at https://www.sec.gov/Archives/edgar/data/763907/000114420414011604/v369797_8k.htm

26. See First United 2015 Annual Meeting Presentation p. 9 available at https://www.sec.gov/Archives/edgar/data/763907/000114420415030354/v410527_ex99-1.htm (Ms. Rodeheaver noting First United's "ability to pay cash dividends on the common stock will be dependent on the key initiatives of repaying the higher cost debt and equity and strengthening our core earnings"); First United 2016 Annual Meeting Presentation p. 9 available at https://www.sec.gov/Archives/edgar/data/763907/000114420417028285/v467291_ex99-1.htm (Ms. Rodeheaver noting that "changing the mix in [First United's] capital structure from the higher cost trust preferred and preferred stock to common equity has brought [First United] one step closer to resuming payment of [First United's] dividend")

27. First United Current Report on Form 8-k dated January 28, 2009 available at https://www.sec.gov/Archives/edgar/data/763907/000114420409004702/v138466_8k.htm

28. See, 2009 Annual Meeting Presentation, p. 46 (asserting "CPP is not a bailout). Perhaps one of the most striking aspects of First United's participation in TARP is how frequently (and obviously) First United mischaracterized fundamental aspects of the program, including when it might be paid pack. See, First United 2011 Annual Meeting Presentation available at https://www.sec.gov/Archives/edgar/data/763907/000114420411028333/v222085_ex99-1.htm (Mr. Grant claiming "we do, with the consent of our regulators have the right to repay [the TARP Preferred] at any time"). Based on Mr. Grant's breezy assessment of First United's ability to repay the TARP Preferred, perhaps First United was just not inclined to fully repay the TARP Preferred until 2017.

29. See, Written Testimony by Acting Assistant Secretary Timothy G. Massad Before the Senate Committee on Banking, Housing and Urban Affairs, March 17, 2011 available at https://www.treasury.gov/press-center/press-releases/Pages/tg1108.aspx (noting "while it may ultimately take longer for Treasury to recoup its investment in these small banks, the fact remains that without TARP, many more of these institutions, and the communities they serve, would have been in jeopardy")

30. See, First United Annual Report on Form 10-K for the year ended December 31, 2010 (the "2010 10-K") p. 23 available at https://www.sec.gov/Archives/edgar/data/763907/000121390011001190/f10k2010_firstunited.htm (claiming that First United "elected, at the request of the [FRB] and to preserve capital resources, to defer dividends" on the TARP Preferred)

31. 2010 10-K

> [First United] is a party to an informal agreement with the Federal Reserve Bank of Richmond (the "FRBR") pursuant to which [First United] agreed not to pay dividends on outstanding shares of its common or preferred stock, make interest payments under the junior subordinated debentures underlying the trust preferred securities issued by the Trusts (the "TPS Debentures"), or take any other action that reduces regulatory capital without the prior approval of the FRBR. [First United] is a party to a similar agreement with the FDIC and the Maryland Commissioner. These agreements give our regulators the ability to prohibit a proposed dividend payment, or any other distribution with respect to outstanding securities, including the repurchase of stock, at a time or times when applicable banking and corporate laws would otherwise permit such a dividend or distribution.

32. First United Annual Report on Form 10-K for the year ended December 31, 2012 p. 22 available at https://www.sec.gov/Archives/edgar/data/763907/000114420413015491/v338228_10k.htm

33. First United Current Report on Form 8-K dated April 23, 2014 available at https://www.sec.gov/Archives/edgar/data/763907/000114420414024597/v375803_8-k.htm

34. https://www.treasury.gov/press-center/press-releases/Pages/jl9707.aspx

35. See, 2009 Annual Meeting Presentation p. 10 (stating that regarding commercial land development, "this sector representing 18% of our commercial real estate loans and has been the hardest hit during this recession")

36. See, First United 2009 Annual Meeting Presentation (Mr. Grant noting that non-performing assets to total assets "is a test as to the loan quality within [First United]")

37. See, First United 2016 Annual Meeting Presentation p. 2 available at https://www.sec.gov/Archives/edgar/data/763907/000114420417028285/v467291_ex99-1.htm (Ms. Rodeheaver explaining "we took the promise of enriching the lives of our customers to new heights as we introduced a new look and feel for [First United]")

38. "Banks Shutter 1,700 Branches in Fastest Decline on Record," Wall Street Journal, February 5, 2018 available at https://www.wsj.com/articles/banks-double-down-on-branch-cutbacks-1517826601

39. https://www.sec.gov/Archives/edgar/data/763907/000147793219005271/dmc_ex993.htm

40. See, First United Current Report on Form 8-K dated September 5, 2019 (claiming "First United maintains an open dialog with its shareholders and welcomes their constructive input toward the shared goal of enhancing value")

41. See, First United Current Report on Form 8-K dated November 20, 2019 available at https://www.sec.gov/Archives/edgar/data/763907/000110465919067051/tm1923845d1_8k.htm

> on November 20, 2019, the Board of Directors authorized the Trust Department of First United Bank & Trust (the "Trust Department") to use up to 10% of the assets in the First United Corporation noncontributory defined benefit pension plan (the "Pension Plan") to purchase up to 150,000 shares of Common Stock to be held as an investment in the Pension Plan.

As disclosed in the 2019 10-K, "the Pension Plan did not hold any shares of First United Corporation common stock at December 31, 2019 or 2018." However, what the Pension Plan did have was a current unfunded balance of $166 thousand.

42. First United Press Release dated February 11, 2020 available at https://www.sec.gov/Archives/edgar/data/763907/000110465920016122/tm207517d1_ex99-1.htm