

DRIVER MANAGEMENT COMPANY LLC

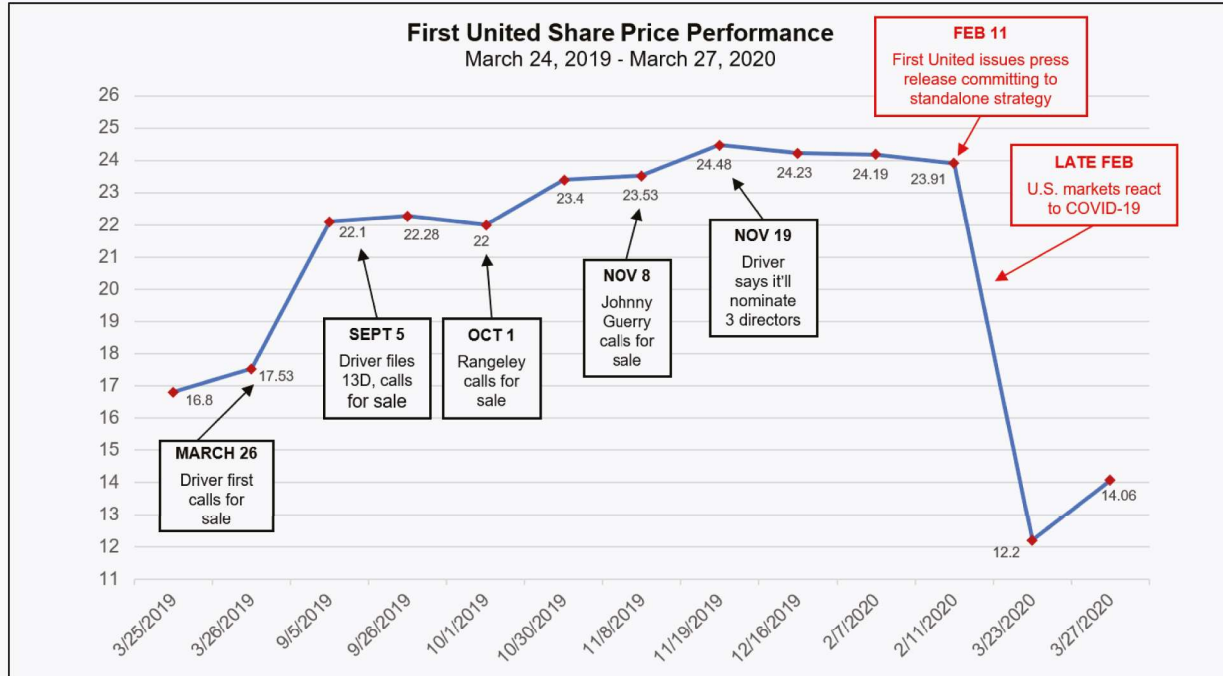
March 31, 2020

Dear Fellow 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 approximately 5% of the Company's outstanding shares. We are writing to you today in connection with our nomination of three highly-qualified, independent candidates – Michael J. Driscoll, Ed.D, Ethan C. Elzen and Lisa Narrell-Mead – for election to First United's Board of Directors (the "Board") at the Company's 2020 Annual Meeting of Shareholders (the "Annual Meeting").

As outlined in this letter, Driver is very concerned about First United's direction under the current Board, and we believe that it is particularly important that you vote for the election of new directors this year. We contend that urgent change is needed in the boardroom and plan to send you materials showing you how to vote for new shareholder-nominated directors on the WHITE proxy card. These materials will be distinct and separate from the materials that you receive from First United recommending that you vote for the incumbent directors on the blue proxy card. We encourage you to not return any blue proxy card sent to you from First United.

DESPITE SHAREHOLDER SUPPORT FOR SELLING FIRST UNITED TO A STRONGER BANK THAT COULD HAVE PAID \$26–\$33 PER SHARE IN A STOCK TRANSACTION, THE BOARD REMAINED DEFIANT AND PUT US ALL AT RISK¹.



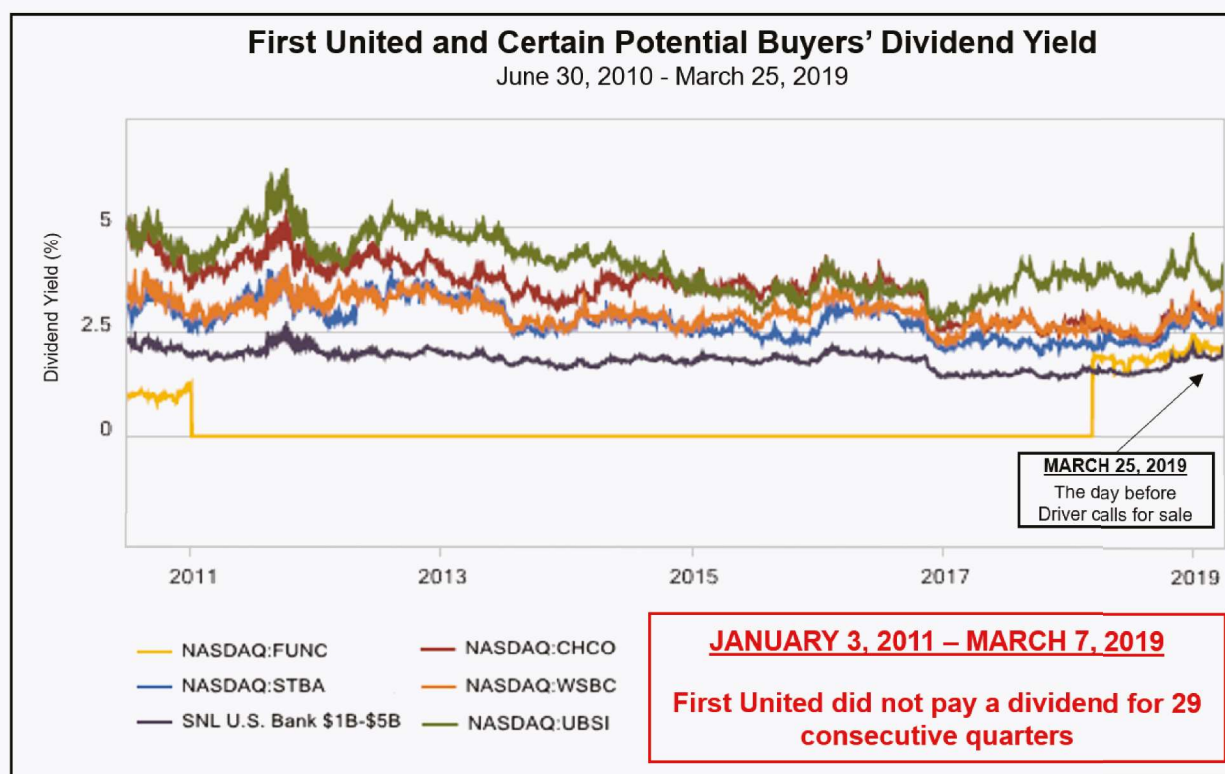
Source: First United Corporation (NYSE: FUNC); Bloomberg

¹ Driver presentation entitled "First United: Still No Strategy," October 30, 2019.

ATTENTION SHAREHOLDERS: SIGN UP FOR UPDATES AT WWW.RENOVATEMYBANK.COM

Rather than appreciate the market’s clear enthusiasm for a combination with a stronger bank and heed the public calls of shareholders, the Board opted to reject investor feedback throughout the fall and winter and, in our view, put the safety of the Company at risk. The Board went as far as to brazenly declare in a February press release that, following an assessment of “macro-level changes” in its most recent strategic review, it still “unanimously concluded [...] that executing on the Company’s current strategy, rather than pursuing a sale, is in the best interests of the Company’s stakeholders.”²

We Believe Shareholders Should Recall What Happened to First United During and After the Global Financial Crisis, When the Company Could Not Even Make Payments on Its Government Bailout



Source: S&P Global Market Intelligence.

Unfortunately, this is not the first time that the Board has failed shareholders by stubbornly ignoring red flags. Prior to the Great Recession, First United embarked on a disastrous strategy led by current Chairman and Chief Executive Officer Carissa Rodeheaver and current director and former Chief Risk Officer Robert Kurtz. This strategy resulted in massive financial losses, layoffs, value destruction and the elimination of the Company’s dividend for more than seven years. First United’s woes continued long after the financial crisis ended, and the Company was unable to fully redeem the preferred stock first issued to the U.S. Treasury as part of the Troubled Asset Relief Program until 2017.

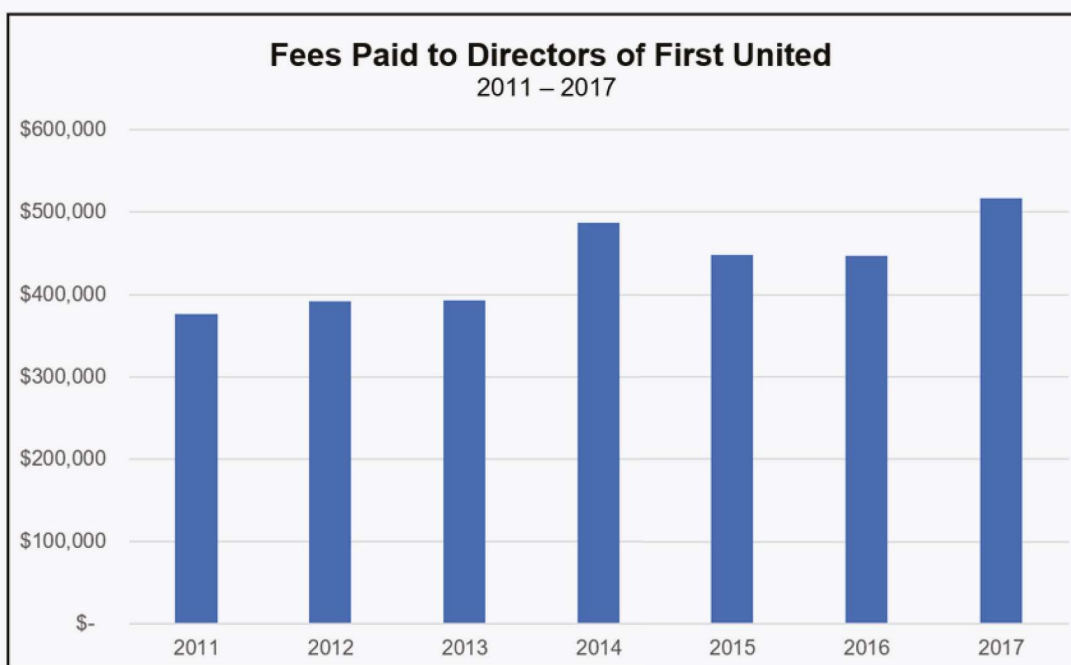
In keeping with First United’s apparent disregard for corporate accountability, many of the directors that presided over the Company’s crisis-era woes remain on the Board today, including Kathryn Burkey, Robert Rudy, Andrew

² First United’s Board Of Directors Concludes Latest Strategic Review And Confirms Strategy, February 11, 2020.

Walls, John McCullough, Elaine McDonald and Gary Ruddell. Robert Kurtz, who retired after the last financial crisis, retained his seat on the Board. Carissa Rodeheaver, Chief Financial Officer at the time, was subsequently elevated to her current roles despite being at the center of the strategy that led to years of losses for First United's shareholders.

As evidence of the lack of accountability that Driver believes is pervasive at the Board level, the aggregate compensation paid to directors increased during the years when no dividends were paid to shareholders.

From 2011 to 2017, while shareholders received no dividend payments from First United, these directors were paid over \$3 million in fees.³



Source: First United Corporation; Securities and Exchange Commission ("SEC") Filings.

We Believe First United Will Face Significant Headwinds if Another Prolonged Financial Crisis Results From the Coronavirus Pandemic

Even before the Coronavirus outbreak in the United States, Driver repeatedly warned First United that it faced a very challenging bank operating environment ahead, due to slowing economic growth and lower interest rates. Rather than listen to us, First United chose to spend shareholders' money fighting us and paying for a series of self-serving "strategic reviews" to justify maintaining the status quo. Based on this, we can only surmise that the current Board is either completely clueless or totally disingenuous, but, in any event, ill-equipped to navigate what might be another prolonged economic downturn.

³First United Corporation's Securities and Exchange Commission ("SEC") filings.

We Believe Shareholders Should Know That First United Opted to Fight Its Largest Shareholder Rather Than Proactively Enhance Its Board Structure and Address Its Failed Strategy

Although First United has gone to great lengths to disparage Driver, the reality is that we have been a fully-aligned and staunch advocate for all shareholders. We spent the majority of the past year trying to convince the Board that selling First United to one of the many viable acquirers in the industry was a superior alternative to betting on the Company's bleak prospects.⁴ We showed that combining with a larger bank could unlock cost-efficiencies, improve technology and install superior management—leading to better outcomes for all shareholders, as well as the customers and communities that the Board claims to care so much about.

We recently held discussions with the Board about a settlement that could have enhanced the Company's leadership and saved shareholders the expense of a proxy contest. After refusing to pursue a sale and presiding over more than a 50% drop in share price, the Board rejected our commonsense proposal to:

1. Immediately refresh the Board by appointing two of Driver's highly-qualified, independent nominees, each of whom possess robust banking and financial sector expertise;
2. Immediately improve corporate governance by splitting the Chief Executive Officer and Chairman roles currently held by Ms. Rodeheaver, and;
3. Immediately establish proper procedures to ensure bids from potential acquirers are properly assessed.

We Are Offering Shareholders a Clear Path to Improving the Board and Protecting Your Investment in First United

As noted, we have nominated three exceptional director candidates to bring credibility to the boardroom: Michael J. Driscoll, Ed.D, Ethan C. Elzen, and Lisa Narrell-Mead. We believe there is minimal risk in adding all three of our nominees to the Board, especially since 11 directors currently serve on the Board. In our view, it will only benefit shareholders for independent thinkers to be able to encourage a boardroom dialogue about improved governance, enhanced investor transparency and the need to credibly assess sale options that can unlock significant value.

Remember, the Board does not simply appoint directors. They must be elected by shareholders. This year, you have a real choice and can vote for new director candidates nominated by Driver, who are independent and aligned with your interests.

As always, Driver is aligned with you and committed to transparent information sharing. We invite all shareholders to visit www.RenovateMyBank.com to learn more about our case for change and nominees.

Sincerely,

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

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⁴Driver presentation entitled "First United: Still No Strategy," October 30, 2019.