

SANDY SPRING BANCORP INC
Form S-4/A
August 23, 2017
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As filed with the Securities and Exchange Commission on August 23, 2017

Registration No. 333-219353

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Amendment No. 1
to
FORM S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

SANDY SPRING BANCORP, INC.

(Exact name of the registrant as specified in its charter)

Maryland (State or other jurisdiction of Incorporation or organization)	6022 (Primary Standard Industrial Classification Code Number) 17801 Georgia Avenue, Olney, Maryland 20832	52-1532952 (I.R.S. Employer Identification No.)
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(301) 774-6400

(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

Ronald E. Kuykendall, Esq.

Executive Vice President,

General Counsel and Secretary

17801 Georgia Avenue

Olney, Maryland 20832

(301) 774-6400

(Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent for Service)

Copies to:

Aaron M. Kaslow, Esq.

Stephen F. Donahoe, Esq.

Kilpatrick Townsend & Stockton LLP

607 14th Street, NW, Suite 900

Washington, D.C. 20005

Phone: (202) 508-5800

Jacob A. Lutz III, Esq.

Mark W. Jones, Esq.

Troutman Sanders LLP

1001 Haxall Point, 15th Floor

Richmond, Virginia 23219

Phone: (804) 697-1200

Approximate date of commencement of proposed sale to the public: As soon as practicable after this Registration Statement becomes effective and the conditions to the closing of the merger described herein have been satisfied or waived.

If the securities being registered on this Form are to be offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box:

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or emerging growth company. See the definitions of large accelerated filer, accelerated filer, smaller reporting company and emerging growth company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company)

Accelerated filer

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act.

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer)

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer)

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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Information contained herein is subject to completion or amendment. A registration statement relating to these securities has been filed with the Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This document shall not constitute an offer to sell or the solicitation of any offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

PRELIMINARY SUBJECT TO COMPLETION DATED AUGUST 23, 2017

Proxy Statement

Prospectus

MERGER AND SHARE ISSUANCE PROPOSED YOUR VOTE IS NEEDED

Dear Stockholder:

On May 15, 2017, Sandy Spring Bancorp, Inc., a Maryland corporation (which we refer to as **Sandy Spring**), WashingtonFirst Bankshares, Inc., a Virginia corporation (which we refer to as **WashingtonFirst**), and Touchdown Acquisition, Inc., a Virginia corporation and a wholly-owned subsidiary of Sandy Spring (which we refer to as **Merger Sub**), entered into an Agreement and Plan of Merger (which we refer to as the **merger agreement**) that provides for the combination of Sandy Spring and WashingtonFirst. Under the terms of the merger agreement, (i) Merger Sub will merge with and into WashingtonFirst (which we refer to as the **first-step merger**), with WashingtonFirst continuing as the surviving corporation in the first-step merger and as a wholly-owned subsidiary of Sandy Spring, (ii) immediately following the completion of the first-step merger, WashingtonFirst will merge with and into Sandy Spring (which we refer to as the **second-step merger**) and, together with the first-step merger, the **integrated mergers**), with Sandy Spring continuing as the surviving corporation in the second-step merger, and (iii) immediately following the completion of the integrated mergers, WashingtonFirst Bank, a Virginia state-chartered bank and a wholly-owned subsidiary of WashingtonFirst, will merge with and into Sandy Spring Bank, a Maryland state-chartered trust company with commercial banking powers and a wholly-owned subsidiary of Sandy Spring, with Sandy Spring Bank being the surviving bank (which we refer to as the **bank merger**) and, together with the integrated mergers, the **Transactions**).

At the effective time of the first-step merger, each outstanding share of the common stock, par value \$0.01 per share, of WashingtonFirst (which we refer to as **WashingtonFirst common stock**) and each share of WashingtonFirst Series A non-voting common stock (which we refer to as the **WashingtonFirst non-voting common stock**), except for (i) specified shares of WashingtonFirst common stock and WashingtonFirst non-voting common stock owned by WashingtonFirst or Sandy Spring and (ii) shares of WashingtonFirst non-voting common stock whose holders have validly exercised and perfected their appraisal rights under Virginia law (which we collectively refer to as the **excluded shares**), will be converted into the right to receive 0.8713 shares (such number being referred to as the **exchange ratio**) of the common stock, par value \$1.00 per share, of Sandy Spring (which we refer to as the **Sandy Spring common stock**), together with cash in lieu of fractional shares, subject to adjustment if the volume-weighted average price of Sandy Spring common stock on the Nasdaq Global Select Market, for the twenty trading day period ending on the fifth trading day before the day of completion of the first-step merger (which we refer to as the **Sandy Spring volume-weighted average price**), is more than \$50.15 or less than \$37.07 per share. As a result, the number of

shares of Sandy Spring common stock that WashingtonFirst stockholders will receive in the merger may fluctuate with the market price of Sandy Spring common stock and will not be known at the time that WashingtonFirst stockholders vote on the merger agreement. If the Sandy Spring volume-weighted average price is less than \$34.00, WashingtonFirst may terminate the merger agreement unless Sandy Spring adjusts the merger consideration by either (i) increasing the exchange ratio to equal \$32.30 divided by the Sandy Spring volume-weighted average price or (ii) adding a cash amount to bring the total value of the merger consideration to \$32.30 per share. In this joint proxy statement/prospectus, we refer to the number of shares of Sandy Spring common stock that a WashingtonFirst stockholder will receive in the merger, together with cash in lieu of fractional shares, as the merger consideration.

On May 15, 2017, the last full trading day before the public announcement of the Transactions, the closing price of Sandy Spring common stock was \$42.72, and on [], 2017, the most recent trading day practicable before the printing of this proxy statement/prospectus, the closing price of Sandy Spring common stock was \$[]. If \$42.72 was the Sandy Spring volume-weighted average price, WashingtonFirst stockholders would receive merger consideration of 0.8713 shares of Sandy Spring common stock for each of their shares of WashingtonFirst common stock and WashingtonFirst non-voting common stock, and if \$[] was the Sandy Spring volume-weighted average price, WashingtonFirst stockholders would receive merger consideration of [] shares of Sandy Spring common stock for each of their shares of WashingtonFirst common stock and WashingtonFirst non-voting common stock, in each case with cash paid in lieu of fractional shares. Based on an

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exchange ratio of 0.8713 and the number of shares of WashingtonFirst common stock and WashingtonFirst non-voting common stock outstanding on [], 2017 (which includes the number of shares of WashingtonFirst common stock underlying WashingtonFirst's restricted stock awards as of [], 2017), the maximum number of shares of Sandy Spring common stock estimated to be issuable at the effective time of the first-step merger is []. **We urge you to obtain current market quotations for Sandy Spring (trading symbol SASR) and WashingtonFirst (trading symbol WFBI).**

Sandy Spring will hold a special meeting of its stockholders (which we refer to as the Sandy Spring special meeting) in connection with the issuance of the shares of Sandy Spring common stock representing the merger consideration (which we refer to as the Sandy Spring share issuance). At the Sandy Spring special meeting, the holders of Sandy Spring common stock (which we refer to as Sandy Spring stockholders) will be asked to vote to approve the Sandy Spring share issuance. Approval of the Sandy Spring share issuance requires the affirmative vote of a majority of the total votes cast by the Sandy Spring stockholders at the Sandy Spring special meeting.

WashingtonFirst will hold a special meeting of its stockholders (which we refer to as the WashingtonFirst special meeting) in connection with the first-step merger. At the WashingtonFirst special meeting, the holders of WashingtonFirst common stock (which we refer to as WashingtonFirst stockholders) will be asked to vote to approve the merger agreement and related matters as described in this joint proxy statement/prospectus. Under Virginia law and WashingtonFirst's organizational documents, approval of the merger agreement requires the affirmative vote of a majority of the votes cast by WashingtonFirst stockholders entitled to vote at the WashingtonFirst special meeting.

The Sandy Spring special meeting will be held on [] at [], at [] local time. The WashingtonFirst special meeting will be held on [] at [], at [] local time.

The Sandy Spring board of directors unanimously recommends that Sandy Spring stockholders vote FOR the Sandy Spring share issuance and FOR the adjournment of the Sandy Spring special meeting, if necessary or appropriate, to solicit additional proxies in favor of the Sandy Spring share issuance.

The WashingtonFirst board of directors unanimously recommends that WashingtonFirst stockholders vote FOR the approval of the merger agreement and the transactions contemplated thereby, including the first-step merger, and FOR the adjournment of the WashingtonFirst special meeting, if necessary or appropriate, to solicit additional proxies in favor of the approval of the merger agreement.

This joint proxy statement/prospectus describes the WashingtonFirst special meeting, the Sandy Spring special meeting, the Transactions, the Sandy Spring share issuance, the documents related to the Transactions and other related matters. **Please carefully read this entire joint proxy statement/prospectus, including the section entitled Risk Factors beginning on page 26, for a discussion of the risks relating to the proposed merger and the Sandy Spring share issuance.** You can also obtain information about Sandy Spring and WashingtonFirst from documents that each has filed with the Securities and Exchange Commission (which we refer to as the SEC).

Daniel J. Schrider

President and Chief Executive Officer

Sandy Spring Bancorp, Inc.

Shaza L. Andersen

President and Chief Executive Officer

WashingtonFirst Bankshares, Inc.

Neither the SEC nor any state securities commission has approved or disapproved of the securities to be issued in the first-step merger or passed upon the adequacy or accuracy of this joint proxy statement/prospectus. Any representation to the contrary is a criminal offense.

The securities to be issued in the first-step merger are not savings or deposit accounts or other obligations of any bank or non-bank subsidiary of either Sandy Spring or WashingtonFirst, and they are not insured by the Federal Deposit Insurance Corporation or any other governmental agency.

The date of this joint proxy statement/prospectus is [], 2017, and it is first being mailed or otherwise delivered to the stockholders of Sandy Spring and WashingtonFirst on or about [], 2017.

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NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

To the Stockholders of Sandy Spring:

Sandy Spring will hold the Sandy Spring special meeting at [], local time, on [] at [] to consider and vote upon the following matters:

A proposal to approve the issuance of shares of Sandy Spring common stock in connection with the first-step merger (which we refer to as the Sandy Spring share issuance proposal); and

A proposal to adjourn the Sandy Spring special meeting, if necessary or appropriate, to solicit additional proxies in favor of the Sandy Spring share issuance proposal (which we refer to as the Sandy Spring adjournment proposal).

We have fixed the close of business on [] as the record date for the Sandy Spring special meeting (which we refer to as the Sandy Spring record date). Only Sandy Spring stockholders of record as of the Sandy Spring record date are entitled to notice of, and to vote at, the Sandy Spring special meeting, or any adjournment of the Sandy Spring special meeting. Approval of the Sandy Spring share issuance proposal requires the affirmative vote of a majority of the total votes cast by the holders of Sandy Spring common stock at the Sandy Spring special meeting. The Sandy Spring adjournment proposal will be approved if a majority of the votes cast by holders of Sandy Spring common stock at the Sandy Spring special meeting are voted in favor of the Sandy Spring adjournment proposal.

The Sandy Spring board of directors has unanimously approved the merger agreement and the transactions contemplated thereby, including the integrated mergers and the Sandy Spring share issuance, and unanimously recommends that Sandy Spring stockholders vote FOR the Sandy Spring share issuance proposal and FOR the Sandy Spring adjournment proposal.

Your vote is very important. We cannot complete the integrated mergers unless the Sandy Spring stockholders approve the Sandy Spring share issuance proposal.

Regardless of whether you plan to attend the Sandy Spring special meeting, please vote as soon as possible. If you hold stock in your name as a stockholder of record of Sandy Spring please complete, sign, date and return the accompanying proxy card in the enclosed postage-paid return envelope. You may also vote through the Internet or by telephone by following the instructions on the accompanying proxy card. If you hold your stock in street name through a bank or broker, please follow the instructions on the voting instruction card furnished by the record holder.

This joint proxy statement/prospectus provides a detailed description of the Sandy Spring special meeting, the Transactions, the Sandy Spring share issuance, the documents related to the Transactions and other related matters. We urge you to read this entire joint proxy statement/prospectus, including any documents incorporated in the joint proxy statement/prospectus by reference, and its annexes carefully and in their entirety.

BY ORDER OF THE BOARD OF DIRECTORS,

Ronald E. Kuykendall

General Counsel and Secretary

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NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

To the Stockholders of WashingtonFirst:

WashingtonFirst will hold the WashingtonFirst special meeting at [], local time, on [] at [] to consider and vote upon the following matters:

A proposal to approve the merger agreement and the first-step merger, pursuant to which Merger Sub will merge with and into WashingtonFirst, as more fully described in this joint proxy statement/prospectus (which we refer to as the WashingtonFirst merger proposal); and

A proposal to adjourn the WashingtonFirst special meeting, if necessary or appropriate, to solicit additional proxies in favor of the WashingtonFirst merger proposal (which we refer to as the WashingtonFirst adjournment proposal).

We have fixed the close of business on [], as the record date for the WashingtonFirst special meeting (which we refer to as the WashingtonFirst record date). Only WashingtonFirst stockholders of record as of the WashingtonFirst record date are entitled to notice of, and to vote at, the WashingtonFirst special meeting, or any adjournment of the WashingtonFirst special meeting. Under Virginia law and WashingtonFirst's organizational documents, approval of the WashingtonFirst merger proposal requires the affirmative vote of a majority of the votes cast by WashingtonFirst stockholders entitled to vote at the WashingtonFirst special meeting. The WashingtonFirst adjournment proposal will be approved if a majority of the votes cast on such proposal at the WashingtonFirst special meeting are voted in favor of such proposal.

The WashingtonFirst board of directors has unanimously approved the merger agreement, has determined that the merger agreement and the transactions contemplated thereby, including the first-step merger, are advisable and in the best interests of WashingtonFirst and its stockholders, and unanimously recommends that WashingtonFirst stockholders vote FOR the WashingtonFirst merger proposal and FOR the WashingtonFirst adjournment proposal.

Your vote is very important. We cannot complete the integrated mergers unless the WashingtonFirst stockholders approve the WashingtonFirst merger proposal.

Regardless of whether you plan to attend the WashingtonFirst special meeting, please vote as soon as possible. If you hold stock in your name as a stockholder of record of WashingtonFirst, please complete, sign, date and return the accompanying proxy card in the enclosed postage-paid return envelope. You may also vote through the Internet or by telephone by following the instructions on the accompanying proxy card. If you hold your stock in street name through a bank or broker, please follow the instructions on the voting instruction card furnished by the record holder.

This joint proxy statement/prospectus provides a detailed description of the WashingtonFirst special meeting, the Transactions, the documents related to the Transactions and other related matters. We urge you to read the joint proxy statement/prospectus, including any documents incorporated in the joint proxy statement/prospectus by reference, and its annexes carefully and in their entirety.

BY ORDER OF THE BOARD OF DIRECTORS,

Richard D. Horn

General Counsel and Secretary

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REFERENCES TO ADDITIONAL INFORMATION

This joint proxy statement/prospectus incorporates important business and financial information about Sandy Spring and WashingtonFirst from documents filed with the SEC that are not included in or delivered with this joint proxy statement/prospectus. You can obtain any of the documents filed with or furnished to the SEC by Sandy Spring and/or WashingtonFirst at no cost from the SEC's website at <http://www.sec.gov>. You may also request copies of these documents, including documents incorporated by reference in this joint proxy statement/prospectus, at no cost by contacting the appropriate company at the following address:

Sandy Spring Bancorp, Inc.

17801 Georgia Avenue

Olney, Maryland 20832

(800) 399-5919

WashingtonFirst Bankshares, Inc.

11921 Freedom Drive, Suite 250

Reston, Virginia 20190

(703) 840-2410

You will not be charged for any of these documents that you request. To obtain timely delivery of these documents, you must request them no later than five business days before the date of your meeting. This means that Sandy Spring stockholders requesting documents must do so by [], in order to receive them before the Sandy Spring special meeting, and WashingtonFirst stockholders requesting documents must do so by [], in order to receive them before the WashingtonFirst special meeting.

You should rely only on the information contained in, or incorporated by reference into, this document. No one has been authorized to provide you with information that is different from that contained in, or incorporated by reference into, this document. This document is dated [], and you should assume that the information in this document is accurate only as of such date. You should assume that the information incorporated by reference into this document is accurate as of the date of such document, and neither the mailing of this document to WashingtonFirst stockholders or Sandy Spring stockholders nor the issuance by Sandy Spring of shares of Sandy Spring common stock in connection with the first-step merger will create any implication to the contrary.

This document does not constitute an offer to sell, or a solicitation of an offer to buy, any securities, or the solicitation of a proxy, in any jurisdiction to or from any person to whom it is unlawful to make any such offer or solicitation in such jurisdiction. Except where the context otherwise indicates, information contained in this document regarding WashingtonFirst has been provided by WashingtonFirst and information contained in this document regarding Sandy Spring has been provided by Sandy Spring.

See "Where You Can Find More Information" beginning on page [] for more details.

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QUESTIONS AND ANSWERS

*The following are some questions that you, as a Sandy Spring stockholder or a WashingtonFirst stockholder, may have about the Transactions, the Sandy Spring share issuance, the Sandy Spring special meeting or the WashingtonFirst special meeting, as applicable, and brief answers to those questions. We urge you to read carefully the remainder of this joint proxy statement/prospectus because the information in this section does not provide all of the information that might be important to you with respect to the Transactions, the Sandy Spring share issuance, the Sandy Spring special meeting or the WashingtonFirst special meeting, as applicable. For details about where you can find additional important information, please see the section of this joint proxy statement/prospectus entitled *Where You Can Find More Information* beginning on page [].*

*Unless the context otherwise requires, references in this joint proxy statement/prospectus to *Sandy Spring* refer to *Sandy Spring Bancorp, Inc.*, a Maryland corporation, and its subsidiaries, and references to *WashingtonFirst* refer to *WashingtonFirst Bankshares, Inc.*, a Virginia corporation, and its subsidiaries.*

Q: What are the Transactions?

A: Sandy Spring, WashingtonFirst and Merger Sub entered into the merger agreement on May 15, 2017. The first-step merger is the first step in a series of transactions to combine Sandy Spring and WashingtonFirst, and their respective subsidiary banks, Sandy Spring Bank and WashingtonFirst Bank.

Under the terms of the merger agreement:

Merger Sub will merge with and into WashingtonFirst, with WashingtonFirst continuing as the surviving corporation in such merger and as a wholly-owned subsidiary of Sandy Spring (which we refer to as the first-step merger).

Immediately following the completion of the first-step merger, WashingtonFirst, as the surviving corporation in the first-step merger, will merge with and into Sandy Spring, with Sandy Spring being the surviving corporation (which we refer to as the second-step merger and, together with the first-step merger, the integrated mergers).

Immediately following the completion of the integrated mergers, WashingtonFirst Bank will merge with and into Sandy Spring Bank, with Sandy Spring Bank being the surviving bank (which we refer to as the bank merger, and together with the integrated mergers, the Transactions).

A copy of the merger agreement is included in this joint proxy statement/prospectus as Annex A.

The integrated mergers cannot be completed unless, among other things:

The holders (which we refer to as the Sandy Spring stockholders) of the common stock, par value \$1.00 per share, of Sandy Spring (which we refer to as the Sandy Spring common stock) approve the issuance of the shares of Sandy Spring common stock in connection with the first-step merger (which we refer to as the Sandy Spring share issuance).

The holders (which we refer to as the WashingtonFirst stockholders) of the common stock, par value \$0.01 per share, of WashingtonFirst (which we refer to as the WashingtonFirst common stock) approve the merger agreement and the transactions contemplated thereby, including the first-step merger (which we refer to as the WashingtonFirst merger proposal).

The completion of the integrated mergers is subject to the fulfillment of additional customary conditions, which are discussed in the section of this joint proxy statement/prospectus entitled The Merger Agreement Conditions to Complete the Integrated Mergers beginning on page [].

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Q: Why am I receiving this joint proxy statement/prospectus?

A: We are delivering this document to you because it is a joint proxy statement being used by both the Sandy Spring board of directors (which we refer to as the Sandy Spring board) and the WashingtonFirst board of directors (which we refer to as the WashingtonFirst board) to solicit proxies of the stockholders of Sandy Spring and WashingtonFirst, as applicable, in connection with approval of the Sandy Spring share issuance and the first-step merger, as applicable, and related matters.

In order to approve the Sandy Spring share issuance, Sandy Spring has called a special meeting of the Sandy Spring stockholders (which we refer to as the Sandy Spring special meeting). In order to approve the merger agreement and the transactions contemplated thereby, including the first-step merger, WashingtonFirst has called a special meeting of the WashingtonFirst stockholders (which we refer to as the WashingtonFirst special meeting). This document also serves as a notice of the Sandy Spring special meeting and the WashingtonFirst special meeting, and describes the proposals to be presented at each special meeting.

In addition, this document is also a prospectus that is being delivered to WashingtonFirst stockholders because Sandy Spring is offering shares of Sandy Spring common stock to WashingtonFirst stockholders in connection with the first-step merger.

This joint proxy statement/prospectus contains important information about the Transactions. This document also contains important information about the proposals being voted on at the Sandy Spring special meeting and the WashingtonFirst special meeting, respectively. You should read this document carefully and in its entirety. The enclosed materials allow you to have your shares voted by proxy without attending your special meeting. **Your vote is important.** We encourage you to submit your proxy as soon as possible.

Q: In addition to the Sandy Spring share issuance, what else are Sandy Spring stockholders being asked to vote on at the Sandy Spring special meeting?

A: In addition to voting on the Sandy Spring share issuance (which we refer to as the Sandy Spring share issuance proposal), Sandy Spring is soliciting proxies from the Sandy Spring stockholders with respect to a proposal to adjourn the Sandy Spring special meeting, if necessary or appropriate, to solicit additional proxies in favor of the Sandy Spring share issuance proposal (which we refer to as the Sandy Spring adjournment proposal). Completion of the integrated mergers is not conditioned upon approval of the Sandy Spring adjournment proposal.

Q: In addition to the approval of the merger agreement and the first-step merger, what else are WashingtonFirst stockholders being asked to vote on at the WashingtonFirst special meeting?

A: In addition to voting on the WashingtonFirst merger proposal, WashingtonFirst is soliciting proxies from the WashingtonFirst stockholders with respect to a proposal to adjourn the WashingtonFirst special meeting, if necessary or appropriate, to solicit additional proxies in favor of the WashingtonFirst merger proposal (which we refer to as the WashingtonFirst adjournment proposal). Completion of the integrated mergers is not conditioned upon approval of the WashingtonFirst adjournment proposal.

Q: What will WashingtonFirst stockholders be entitled to receive in the first-step merger?

A: If the first-step merger is completed, each outstanding share of WashingtonFirst common stock and each share of WashingtonFirst non-voting common stock, except for (i) specified shares of WashingtonFirst common stock and WashingtonFirst non-voting common stock owned by WashingtonFirst or Sandy Spring and (ii) shares of WashingtonFirst non-voting common stock whose holders have validly exercised and

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perfected their appraisal rights under Virginia law (which we collectively refer to as the excluded shares), will be converted into the right to receive 0.8713 shares (such number being referred to as the exchange ratio) of Sandy Spring common stock, together with cash in lieu of fractional shares, and subject to adjustment if the volume-weighted average price of Sandy Spring common stock on the Nasdaq Global Select Market, for the twenty trading day period ending on the fifth trading day before the day of completion of the first-step merger (which we refer to as the Sandy Spring volume-weighted average price), is more than \$50.15 or less than \$37.07 per share (which we refer to as the merger consideration). WashingtonFirst stockholders who would otherwise be entitled to receive a fractional share of Sandy Spring common stock upon the completion of the first-step merger will instead be entitled to receive an amount in cash (rounded to the nearest cent) based on the final exchange ratio.

Q: What will Sandy Spring stockholders be entitled to receive in the first-step merger?

A: Sandy Spring stockholders will not be entitled to receive any merger consideration and will continue to hold the shares of Sandy Spring common stock that they held immediately prior to the completion of the first-step merger.

Q: How will the first-step merger affect WashingtonFirst equity awards?

A: The WashingtonFirst equity awards will be affected as follows:

Restricted Stock Awards: At the effective time of the first-step merger (which we refer to as the effective time), each restricted stock award granted by WashingtonFirst will become fully vested and each holder of such restricted stock awards will be entitled to receive the per share merger consideration for each share of WashingtonFirst common stock held by such holder.

Stock Options: Also at the effective time, all outstanding and unexercised options to purchase shares of WashingtonFirst common stock will be canceled and will be cashed out for an amount equal to the value of the per share merger consideration less the option exercise price, assuming for purposes of this calculation that all such options were 100% vested as of the effective time. The value of the per share merger consideration for this purpose will be the exchange ratio multiplied by the Sandy Spring volume-weighted average price.

Q: Will the value of the merger consideration change between the date of this joint proxy statement/prospectus and the time that the first-step merger is completed?

A: Perhaps. The value of the merger consideration may fluctuate between the date of this joint proxy statement/prospectus and the closing date because the market value for Sandy Spring common stock fluctuates.

Q: How does the Sandy Spring board recommend that I vote at the Sandy Spring special meeting?

A:

The Sandy Spring board unanimously recommends that you vote FOR the Sandy Spring share issuance proposal and FOR the Sandy Spring adjournment proposal.

Q: How does the WashingtonFirst board recommend that I vote at the WashingtonFirst special meeting?

A: The WashingtonFirst board unanimously recommends that you vote FOR the WashingtonFirst merger proposal and FOR the WashingtonFirst adjournment proposal.

Q: When and where are the meetings?

A: The Sandy Spring special meeting will be held at [] on [] at [], local time.

The WashingtonFirst special meeting will be held at [] on [] at [], local time.

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Q: What do I need to do now?

A: Please carefully read and consider the information contained in and incorporated by reference into this joint proxy statement/prospectus. After you have carefully read this joint proxy statement/prospectus and have decided how you wish to vote your shares, please vote your shares promptly as described under **Q: How do I vote?** immediately below. In order to assure that your shares are represented and voted at your special meeting, please submit your proxy as instructed on the accompanying proxy card even if you currently plan to attend your special meeting in person.

Q: How do I vote?

A: You may vote **FOR**, **AGAINST** or **ABSTAIN** on any proposal. The procedures for voting are as follows:
Voting by Proxy:

If you hold your shares in your name as a stockholder of record, you may vote by mail, through the Internet or by telephone.

To vote by mail, you must complete, sign, date and mail your proxy card in the enclosed postage-paid return envelope as soon as possible. Please respond promptly to ensure your proxy card is mailed sufficiently in advance to ensure receipt prior to your special meeting.

To vote through the Internet, please follow the instructions on the accompanying proxy card as soon as possible. The instructions in the enclosed proxy card contain the applicable deadlines and other information about voting your shares through the Internet.

To vote by telephone, please follow the instructions on the accompanying proxy card as soon as possible. The instructions in the enclosed proxy card contain the applicable deadlines and other information about voting your shares by telephone.

If you hold your shares in *street name* through a bank or broker, you must direct your bank or broker how to vote in accordance with the instructions you have received or will receive from your bank or broker.

If your special meeting is postponed or adjourned for any reason, at any subsequent reconvening of your special meeting all proxies will be voted in the same manner as the proxies would have been voted at the original convening of your special meeting, except for any proxies that have at that time effectively been revoked or withdrawn, even if the proxies had been effectively voted on the same or any other matter at a previous meeting.

Voting in Person at Your Special Meeting:

If you hold your shares in your name as a stockholder of record and wish to attend your special meeting and vote in person, you may request a ballot when you arrive. *Street name* stockholders who wish to vote in person at their special meeting will need to obtain a legal proxy from the institution that holds their shares.

Q: What constitutes a quorum for the Sandy Spring special meeting?

A: The presence at the Sandy Spring special meeting, in person or by proxy, of holders representing at least a majority of the outstanding shares of Sandy Spring common stock entitled to be voted at the Sandy Spring special meeting will constitute a quorum for the transaction of business at the Sandy Spring special meeting. Once a share is represented for any purpose at the Sandy Spring special meeting, it is deemed present for quorum purposes for the remainder of the Sandy Spring special meeting or for any adjournment(s) thereof. Abstentions and broker non-votes, if any, will be included in determining the number of shares present at the meeting for the purpose of determining the presence of a quorum.

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Q: What constitutes a quorum for the WashingtonFirst special meeting?

A: The presence at the WashingtonFirst special meeting, in person or by proxy, of holders representing at least a majority of the issued and outstanding shares of WashingtonFirst common stock entitled to be voted at the WashingtonFirst special meeting will constitute a quorum for the transaction of business at the WashingtonFirst special meeting. Once a share is represented for any purpose at the WashingtonFirst special meeting, it is deemed present for quorum purposes for the remainder of the WashingtonFirst special meeting or for any adjournment(s) thereof. Abstentions and broker non-votes, if any, will be included in determining the number of shares present at the meeting for the purpose of determining the presence of a quorum.

Q: What is the vote required to approve each proposal at the Sandy Spring special meeting?

A: *Sandy Spring share issuance proposal:*

Standard: Approval of the Sandy Spring share issuance proposal requires the affirmative vote of a majority of the total votes cast by the holders of Sandy Spring common stock at the Sandy Spring special meeting.

Effect of abstentions and broker non-votes: If you mark **ABSTAIN** on your proxy, fail to submit a proxy or fail to vote in person at the Sandy Spring special meeting, or fail to instruct your bank or broker how to vote with respect to the Sandy Spring share issuance proposal, it will have no effect on the Sandy Spring share issuance proposal.

Sandy Spring adjournment proposal:

Standard: Approval of the Sandy Spring adjournment proposal requires the affirmative vote of a majority of the total votes cast by the holders of Sandy Spring common stock at the Sandy Spring special meeting.

Effect of abstentions and broker non-votes: If you mark **ABSTAIN** on your proxy, fail to submit a proxy or fail to vote in person at the Sandy Spring special meeting, or fail to instruct your bank or broker how to vote with respect to the Sandy Spring adjournment proposal, it will have no effect on the Sandy Spring adjournment proposal.

Q: What is the vote required to approve each proposal at the WashingtonFirst special meeting?

A: WashingtonFirst merger proposal:

Standard: Approval of the WashingtonFirst merger proposal requires the affirmative vote of a majority of the outstanding shares of WashingtonFirst common stock entitled to vote at the WashingtonFirst special

meeting.

Effect of abstentions and broker non-votes: If you mark **ABSTAIN** on your proxy, fail to submit a proxy or fail to vote in person at the WashingtonFirst special meeting, or fail to instruct your bank or broker how to vote with respect to the WashingtonFirst merger proposal, it will have the effect of a vote against the WashingtonFirst merger proposal.

WashingtonFirst adjournment proposal:

Standard: Approval of the WashingtonFirst adjournment proposal requires the affirmative vote of a majority of the votes cast by WashingtonFirst stockholders entitled to vote at the WashingtonFirst special meeting.

Effect of abstentions and broker non-votes: If you mark **ABSTAIN** on your proxy, fail to submit a proxy or fail to vote in person at the WashingtonFirst special meeting, or fail to instruct your bank or broker how to vote with respect to the WashingtonFirst adjournment proposal, it will have no effect on the WashingtonFirst adjournment proposal.

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Q: Why is my vote important?

A: If you do not vote, it will be more difficult for Sandy Spring or WashingtonFirst to obtain the necessary quorum to hold their respective special meetings. If you are a Sandy Spring stockholder, your fa