First Priority Financial Corp.
2 West Liberty Boulevard, Suite 104
Malvern, Pennsylvania 19355
877-533-4420

March 31, 2017

Dear Shareholder:

The annual meeting of shareholders will be held on Thursday April 27, 2017 at 9:30 a.m. at The Desmond Great Valley Hotel and Conference Center, 1 Liberty Boulevard, Malvern, Pennsylvania 19355, for the following purposes, all of which are described in the accompanying proxy statement:

1. To elect four Class II directors of First Priority Financial Corp.;

2. To approve an advisory (non-binding) proposal on executive compensation; and

3. To ratify the appointment of BDO USA, LLP as our independent registered public accounting firm for the year ending December 31, 2017; and

4. To address such other matters as may properly come before the annual meeting or any adjournment thereof.

Please review the enclosed material and sign, date and return the proxy card. Alternatively, voting instructions via the Internet are included with your proxy card. Regardless of whether you plan to attend the annual meeting in person, please vote now so that the matters coming before the meeting may be acted upon.

Coffee and danish will be available at 8:30 a.m. for those arriving before the meeting and management will be in attendance at that time to discuss any questions you may have. In addition, directions to the Desmond are enclosed with your proxy materials.

I look forward to seeing you at the annual meeting.

Very truly yours,

David E. Sparks
Chairman & Chief Executive Officer

FIRST PRIORITY FINANCIAL CORP.
2 WEST LIBERTY BOULEVARD, SUITE 104
MALVERN, PENNSYLVANIA 19355

NOTICE OF 2017 ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD ON THURSDAY, APRIL 27, 2017

To Our Shareholders:

NOTICE IS HEREBY GIVEN that, pursuant to the call of its directors, the annual meeting of shareholders of First Priority Financial Corp. (the "Company") will be held at The Desmond Great Valley Hotel and Conference Center, 1 Liberty Boulevard, Malvern, Pennsylvania 19355 on Thursday, April 27, 2017, at 9:30 a.m. for the purpose of considering and voting on the following matters:

1. To elect four Class II directors of the Company, each to serve for a term of three years and until their successors shall have been duly elected and qualified (Matter No. 1);
2. To approve the following advisory (non-binding) proposal (Matter No. 3);

   "RESOLVED, that the Company's shareholders approve, on an advisory basis, the compensation of the named executive officers, as disclosed in the Company's Proxy Statement for the 2017 Annual Meeting of Shareholders, including the Compensation Discussion and Analysis, the 2016 Summary Compensation Table and the other related tables and disclosure.";
3. To ratify the appointment of BDO USA, LLP as independent registered public accounting firm of the Company for the year ending December 31, 2017 (Matter No. 3); and
4. To address such other matters as may properly come before the annual meeting or any adjournment thereof.

Only those shareholders of record at the close of business on March 10, 2017 shall be entitled to notice of and to vote at the meeting.

A proxy statement, proxy card and a self-addressed postage prepaid envelope are enclosed. Alternatively, voting instructions via the Internet are included with your proxy card. Please complete, sign and date the proxy card and return it promptly in the envelope provided. If you attend the meeting, you may revoke your proxy and vote in person.

This notice, the accompanying proxy statement and a proxy card are sent to you by order of the board of directors.

Ali D. Flaherty

Alice D. Flaherty,
Corporate Secretary

Malvern, Pennsylvania
March 31, 2017

FIRST PRIORITY FINANCIAL CORP.
2 West Liberty Boulevard, Suite 104
Malvern, Pennsylvania 19355

PROXY STATEMENT

2017 ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON THURSDAY APRIL 27, 2017

GENERAL

Introduction

The board of directors of First Priority Financial Corp. is soliciting proxies for use at the annual meeting of shareholders to be held on Thursday April 27, 2017, at 9:30 a.m., Eastern Daylight Savings Time, at The Desmond Great Valley Hotel and Conference Center, 1 Liberty Boulevard, Malvern, Pennsylvania 19355. This proxy statement and the enclosed proxy card are being mailed to shareholders on or about March 31, 2017. The Company's Annual Report on Form 10-K for the year ended December 31, 2016, is included with this proxy statement, which is being mailed to our shareholders of record as of March 10, 2017. It should not be regarded as proxy solicitation material. First Priority Financial Corp. (which is sometimes referred to as "First Priority," or "the Company" is the holding company for First Priority Bank, a Pennsylvania state-chartered commercial bank (the "Bank").

Solicitation of Proxies

First Priority will bear the cost of soliciting proxies, if applicable. In addition to the use of the mail, some of the Company's directors and officers may solicit proxies without receiving compensation, in person, by telephone, or otherwise. First Priority may make arrangements with banks, brokerage houses and other custodians, nominees and fiduciaries to forward solicitation material to the beneficial owners of shares held by them of record, and First Priority may reimburse them for reasonable expenses they incur.

Voting Securities

As of the close of business on the record date, March 10, 2017, there were 6,540,919 shares of common stock outstanding, with a par value of $1.00 per share. Holders of record of First Priority common stock as of the close of business on the record date are entitled to notice of and to vote at the annual meeting. Each share of common stock has the same relative rights as, and is identical in all respects with, each other share of common stock. Each holder of common stock is entitled to only one vote for each share held of record on all matters submitted to a vote of holders of First Priority common stock and is not permitted to cumulate his or her votes in the election of the Company's directors.

If you appropriately mark, sign and return the enclosed proxy card in time to be voted at the annual meeting, the shares represented by the proxy will be voted in accordance with your instructions. Signed proxies not marked to the contrary will be voted "FOR" the election of the nominees for First Priority's board of directors, "FOR" the advisory (non-binding) proposal on executive compensation, and "FOR" the ratification of the appointment of the independent registered public accounting firm.

Right of Revocation

You may revoke your proxy at any time before it has been exercised by filing with the Corporate Secretary of First Priority an instrument of revocation or a duly executed proxy bearing a later date. If you attend the annual meeting, you may also revoke a previously granted proxy by voting in person at the meeting. Attendance at the meeting will not constitute a revocation of your proxy unless you take one of these additional acts.

Quorum

Under the Company's bylaws, the presence, in person or by proxy, of shareholders entitled to cast at least a majority of the votes that all shareholders are entitled to cast constitutes a quorum for the transaction of business at the annual meeting.

Principal Shareholders

Based on the Company's records as of March 10, 2017, the only shareholder who beneficially owned five percent (5%) or more of the outstanding shares of the common stock was PRB Investors LP who owned 7% of the outstanding shares of the common stock of the Company.

MATTER NO. 1

ELECTION OF FIRST PRIORITY DIRECTORS

General

The Company's Articles of Incorporation provide that the number of directors shall consist of not less than five (5) nor more than twenty-five (25) members, as fixed by the board from time to time. First Priority's board of directors currently consists of fourteen (14) members. The board believes that twelve (12) directors are independent pursuant to the listing standards of the NASDAQ Global Market ("NASDAQ"). David E. Sparks and Steven A. Ehrlich are not independent by reason of their current employment relationship with First Priority. Under the board of director policy on retirement, Mr. Irvin Cohen will not stand for election to serve on the board of directors at the conclusion of the 2017 Annual Shareholders Meeting. He will serve as a director emeritus for First Priority and will continue to serve as a director of the Bank. Mr. Cohen has been a director of the Company since 2013 and prior to that a director of Affinity Bancorp, Inc. since its inception in 2009. The Company expresses its sincere gratitude and appreciation to Mr. Cohen for his years of dedicated service and is pleased that he will continue as a director of the Bank.

The board of directors, as provided in the Articles of Incorporation, is divided into three classes, each being as nearly equal in number as possible. The directors in each class serve a term of three years each and until their successors are duly elected and have been qualified. Under the Company's bylaws, a person who is elected to fill a vacancy on the board of directors will serve as a director for the remaining term of office of the class to which he or she was elected.

The current members and class composition of the board are set forth in the following table:

Class II Nominees (to serve until 2020)	**Class III (to serve until 2018)**	**Class I (to serve until 2019)**
Burton A. MacLean, Jr. Barry L. Myers Patrick M. Smith David E. Sparks	Steven A. Ehrlich Jerome I. Marcus Alan P. Novak Christopher E. Spinieo Michael G. Wade	Frank Sabatucci Mel A. Shaftel Vincent P. Small, Jr. William L. Wetty

Nominees and Continuing Directors

The board of directors has nominated Burton A. (Mackie) MacLean, Jr., Barry L. Myers, Patrick M. Smith and David E. Sparks for election as Class II directors, each of whom will serve a three year term which will expire at the 2020 Annual Meeting of Shareholders and until his successor is duly elected and has been qualified. Director MacLean became a director of First Priority and the Bank on July 28, 2016. Director Myers became a director of First Priority and the Bank on February 28, 2013 in connection with the merger of First Priority and Affinity Bancorp, Inc. ("ABI"). Director Smith has been a director of the Bank since 2008. He previously served as a director of First Priority from March, 2009 until the merger of ABI in 2013 and was subsequently reappointed to the board of directors of First Priority in January, 2015. Director Sparks has been a director of First Priority since its formation in 2007 and has been a director of the Bank since its founding in 2005.

The Company's bylaws permit nominations for election to the board of directors to be made by the board of directors or by any shareholder as may be permitted by Pennsylvania law. Notice of nominations which are proposed by the board of directors shall be given to the Chairman of the Board or the Corporate Secretary. As of the date hereof, no nominations for directors were received other than those proposed by the board.

Directors of First Priority are elected by the shareholders. In elections for directors, voting need not be by ballot unless required by vote of the shareholders before the voting for election of directors begins. Candidates receiving the highest number of votes, up to the number of directors to be elected, will be elected. Abstentions and broker non-votes will not constitute or be counted as "votes" cast for purposes of the annual meeting, but will be counted for purposes of determining the presence of a quorum.

Shares represented by proxies, unless marked otherwise, will be voted for the nominees listed, each of whom is now a director of First Priority and each of whom has expressed his willingness to serve, or for any substitute nominee or nominees designated by the board of directors in the event any nominee or nominees become unavailable for election. We have no reason to believe that any of the nominees will not serve if elected.

The following tables set forth as to each of the nominees for election as a Class II director and as to each of the continuing Class III and Class I directors, his age, principal occupation and business experience, the period during which he has served as a director of First Priority, or an affiliate or predecessor, and other business relationships. There are no family relationships between any of the listed persons.

Nominees for Election as Class II Directors - Term Expires in 2020

Name and Principal Occupation	Age	Director Since	Directorships in Public Cos. and Registered Investment Cos.
Burton A. MacLean, Jr. Mr. MacLean is a Managing Partner of Diversified Search, a retained executive search firm, and has been with that company since 1992 (1)	75	2016	None
Barry L. Myers An owner and director of GES, Inc. a national environmental consulting company. Former Chairman, CEO and President of B.L. Myers Bros., Inc., a water well drilling company until December 2001 (2)	69	2013	None
Patrick M. Smith Certified Public Accountant & Partner of Rosenberg, Smith, Cooney and Migliore, P.C. (3)	61	2015	None
David E. Sparks Chairman and CEO of First Priority Financial Corp. and Chairman of First Priority Bank (4)	72	2007	None

(1) Mr. MacLean was appointed to serve as a director of First Priority and the Bank on July 28, 2016.

(2) Mr. B. Myers was a director of ABI since 2009 and a director of AB since its founding in 2002. He served as Chairman, CEO and President of B.L. Myers Bros., Inc. until December 2001 when he sold the company.

(3) Mr. Smith has been a partner in the certified public accounting firm of Rosenberg, Smith, Cooney and Migliore, P.C. since 1991. Mr. Smith has been a director of the Bank since 2008 and previously served as a director of First Priority from March 17, 2009 until the merger of ABI in 2013. Mr. Smith was re-appointed by the board of directors of First Priority on January 29, 2015.

(4) Mr. Sparks has served as a director of First Priority since its formation in 2007, and was the founder and a director of the Bank since its inception in 2005. Mr. Sparks has served as Chairman, President and CEO of First Priority from its inception in 2007. Mr. Sparks also has served as Chairman and CEO of the Bank from its inception in 2005. Effective with the merger of First Priority and ABI on February 28, 2013, Mr. Sparks became Chairman and CEO of First Priority and Chairman of the Bank. Mr. Sparks was the founder, Chairman and CEO of Millennium Bank from 1998 to 2004.

THE BOARD RECOMMENDS THAT YOU CAST YOUR VOTES "FOR" THE ELECTION OF THE ABOVE-NAMED NOMINEES TO SERVE AS CLASS II DIRECTORS.

Continuing Class III Directors - Term Expires in 2018

Name and Principal Occupation	Age	Director Since	Directorships in Public Cos. and Registered Investment Cos.
Steven A. Ehrlich President of First Priority Financial Corp. and President and CEO of First Priority Bank (1)	55	2013	None
Jerome I. Marcus Private Investor and former Medical Director and CEO of Omega Medical Laboratories (2)	66	2013	None
Alan P. Novak Attorney, Lamb McErlane PC; President, Novak Strategic Advisors; and Partner, Rooney Novak Group(3)	67	2007	None
Christopher E. Spinieo Owner and President of Spinieo Incorporated (4)	46	2015	None
Michael G. Wade Owner , Knights Abstract, Inc. (5)	48	2015	None

(1) Mr. Ehrlich served as Chairman, CEO and President of ABI and AB since their founding in 2009 and 2002, respectively. He currently serves as Board President of the Wilson School District in Berks County, Pennsylvania.

(2) Dr. Marcus served as a director of ABI and AB since February 1, 2012. He was the Medical Director and CEO of Omega Medical Laboratories until January 2005 when he sold the business. Dr. Marcus is on the board of directors of the Berks County Medical Society.

(3) Mr. Novak has been a director of First Priority since its formation in 2007 and a director of the Bank since 2006. Mr. Novak is an attorney with the law firm of Lamb McErlane PC since November, 2015. Prior to that, Mr. Novak had been an attorney with the law firm of Conrad O'Brien from 1994. Mr. Novak has served as President of Novak Strategic Advisors since 2001. Mr. Novak is also a partner in Rooney Novak Group since 2015. Mr. Novak was Chairman of the Republican State Committee of Pennsylvania from 1996 to 2005.

(4) Mr. Spinieo served as a director of First Priority and the Bank from February 29, 2008 until the merger with ABI on February 28, 2013. In 2015 Mr. Spinieo was re-elected to serve as a director of First Priority and the Bank. Mr. Spinieo is the owner and President of Spinieo Incorporated, specializing in both commercial and residential construction which he founded in 1990. Mr. Spinieo is also involved in multiple development projects throughout Bucks, Montgomery and Monroe Counties.

(5) Mr. Wade served as a director of First Priority from March 17, 2009 until the merger with ABI on February 28, 2013. In 2015 Mr. Wade was re-elected to serve as a director of First Priority. He has been a director of the Bank since February 29, 2008. Mr. Wade founded and has operated Knights Abstract, Inc., a title insurance company, since 1995.

Continuing Class I Directors - Term Expires in 2019

Name and Principal Occupation	Age	Director Since	Directorships in Public Cos. and Registered Investment Cos.
Frank Sabatucci Owner of Sabatucci Wealth Strategies, LLC. President of North Temple Builders, Inc. (1)	57	2013	None
Mel A. Shaftel Private Investor (2)(5)	73	2007	None
Vincent P. Small, Jr. Private Investor and Business Consultant (3)(5)	73	2007	None
William L. Wetty Private Investor and retired founder and President of A&L Handles, Inc. (4)(5)	72	2007	None

(1) Mr. Sabatucci was a director of ABI since 2009 and a director of Affinity Bank of Pennsylvania ("AB") since its founding in 2002. Mr. Sabatucci is the owner of Sabatucci Wealth Strategies, LLC, a wealth management firm. Mr. Sabatucci is also President of North Temple Builders, Inc., a land development and construction company, and is an Associate Broker with Re/Max of Reading, a real estate sales company, and is Secretary of the Muhlenberg Township Planning Commission.

(2) Mr. Shaftel has been a private investor since 2004. He was Managing Director of Rosetta Group, an investment management and financial advisory firm, from 1998 through 2003 and a member of the board of directors of Millennium Bank from 1998 until 2004. Mr. Shaftel was a Vice Chairman of Lehman Brothers until his retirement in 1997.

(3) Mr. Small retired as a partner from PricewaterhouseCoopers in 1999. He served as a member of the board of directors of Millennium Bank from 2002 to 2004, and as a member of the board of directors of Harleysville National Corporation from 2004 to 2005.

(4) Mr. Wetty founded A&L Handles, Inc., Pottstown, Pennsylvania and served as the company's owner, President and Chief Executive Officer until its sale and his retirement in 2002.

(5) Messrs. Shaftel, Small and Wetty have been directors of First Priority since its formation in 2007 and were founding directors of the Bank at its inception in 2005.

SECURITY OWNERSHIP OF MANAGEMENT

The following table sets forth information concerning the number of shares of common stock beneficially owned, as of March 10, 2017, by each present director, nominee for director, and each executive officer named in the Summary Compensation Table appearing below (the "named executive officers"). The mailing address of each person is c/o First Priority, 2 West Liberty Boulevard, Suite 104, Malvern, Pennsylvania 19355.

Name of Beneficial Owner	Shares Beneficially Owned(1)	Percent Beneficial Ownership(1)
Irvin Cohen	114,336	1.75%
Lawrence E. Donato	180,842(3)(6)(7)	2.76%
Steven A. Ehrlich	137,171(5)(7)	2.08%
Burton A. MacLean, Jr.	5,000	*
Jerome I. Marcus	168,854	2.58%
Mary Ann Messmer	43,504(3)(6)(7)	*
Barry L. Myers	30,476	*
Mark J. Myers	36,768(6)(7)	*
Alan P. Novak	24,673(2)(6)(8)	*
Frank Sabatucci	60,531	*
Mel A. Shaftel	151,818(2)(3)(6)(8)	2.32 %
Vincent P. Small, Jr.	88,251(2)(6)(8)	1.35%
Patrick M. Smith	22,289(3)(4)(6)(8)	*
David E. Sparks	300,737(3)(6)(7)	4.58%
Christopher E. Spinieo	48,205 (3)(4)(6)(8)	*
Michael G. Wade	21,789(3)(4)(6)(8)	*
William L. Wetty	133,392(2)(3)(6)(8)	2.04%
All present and nominee directors and named executive officers as a group (17 persons)	1,568,636	23.42%

* Less than 1%

(1) Shares are deemed to be beneficially owned by a person if he or she directly or indirectly has or shares the power to vote or dispose of the shares, whether or not he or she has any economic interest in the shares. Unless otherwise indicated, the named beneficial owner has sole voting and investment power with respect to the shares. Also includes shares the holder has the right to acquire within sixty (60) days of March 10, 2017, and therefore amounts shown include options to acquire First Priority common stock that are exercisable on or before May 9, 2017. As of the date of this proxy statement, the number of shares represented by vested options which have been granted to all directors and named executive officers as a group totaled 156,470.

(2) Includes a total of 1,000 options granted on December 11, 2008, to each non-employee director at an exercise price of $10.25 per share, which vested in full four years from the date of grant and will terminate ten years from the date of grant.

(3) Mr. Donato’s beneficial ownership includes 82,671 shares of common stock owned jointly with his wife and 19,203 shares of common stock owned by his adult children with respect to which Mr. Donato does not exercise voting or investment power.

Ms. Messmer’s beneficial ownership includes 5,000 shares of common stock held jointly with her husband.

Mr. Shaftel’s beneficial ownership includes 53,935 shares of common stock owned by trusts in which Mr. Shaftel shares voting and investment power.

Mr. Smith’s beneficial ownership includes 5,000 shares of common stock held jointly with his wife.

Mr. Sparks’ beneficial ownership includes 75,200 shares of common stock owned by his wife; 1,750 shares of common stock owned by his adult children with respect to which Mr. Sparks does not exercise voting and investment power; and 11,671 shares of common stock in a family trust which Mr. Sparks exercises shared voting and investment power with his wife and adult children.

Mr. Spinieo’s beneficial ownership includes 2,662 shares of common stock held in the name of his wife.

Mr. Wade’s beneficial ownership includes 10,000 shares of common stock held jointly with his wife.

Mr. Wetty’s beneficial ownership includes 123,642 shares of common stock owned jointly with his wife and 250 shares of common stock owned by his adult child with respect to which Mr. Wetty does not exercise voting or investment power.

(4) Beneficial ownership for Mr. Smith, Mr. Spinieo and Mr. Wade includes 2,500, 10,000 and 2,500, respectively, vested options with an exercise price of $10.00 per share that expire October 18, 2017, issued to former directors of Prestige Community Bank as a grant for their contribution to Prestige Community Bank’s at-risk organizing capital.

(5) The number of shares beneficially owned includes 38,270 options issued to Mr. Ehrlich as former CEO of ABI which became fully vested upon the change of control effective with the merger of ABI into First Priority Financial Corp. and 42,696 shares of common stock held in the estate of his parents of which Mr. Ehrlich shares voting and investment power with his siblings. .

(6) Includes the following number of options which were granted May 6, 2011, at an exercise price of $5.58 and are fully vested: Mr. Sparks – 25,000 options; Mr. Donato – 15,000 options; Ms. Messmer – 15,000 options; Mr. M. Myers – 10,000 options; Mr. Novak – 1,000 options; Mr. Shaftel – 5,500 options; Mr. Small – 5,500 options; Mr. Smith – 2,000 options; Mr. Wetty – 2,000 options; Mr. Spinieo – 1,000 options; and Mr. Wade – 1,000 options.

(7) Includes the following number of shares of restricted stock granted on July 1, 2015, pursuant to the Company’s Stock Compensation Program: Mr. Sparks – 12,500 shares; Mr. Ehrlich – 2,600 shares; Mr. Donato – 4,300 shares; Ms. Messmer – 2,600 shares; and Mr. M. Myers – 5,200 shares. The restricted shares vest on the earlier to occur of: four years of continued employment; the mutually agreed retirement of the executive after the age of 66; or a change in control of the Company. The individuals exercise voting power over the restricted shares, but do not have investment power until the restriction is removed.

(8) Includes the following fully vested options granted to non-employee directors as compensation for their service on the board of directors and board committees on which they served for the year 2012 which were granted on May 4, 2012 at an exercise price of $5.87 per share and will terminate ten years from the date of grant: Messrs. Shaftel, Small, Smith and Wetty – 3,000 options each; Messrs. Novak, Spinieo and Wade – 1,000 options each.

Board and Board Committees

The board of directors held eleven (11) meetings in 2016. The board of directors maintains an audit and governance committee, a compensation committee, a nominating committee and a strategic finance committee.

The membership of the compensation committee consists of Messrs. Novak (Chairman), MacLean, Marcus, B. Myers, Shaftel, Small and Spinieo and the committee met three times in 2016. Each member of the Compensation Committee is "independent" as determined under NASDAQ listing standards and SEC rules. In determining the independence of members of the Compensation Committee, the Board considers all factors specifically relevant to determining whether the director has a relationship to the Company that is material to that director's ability to be independent from management in connection with the duties of a compensation committee member, including (i) the source of the directors' compensation, including any consulting, advisory or other compensation fees; and (ii) any affiliate relationship between the director and the Company or any of its subsidiaries. The compensation committee operates under a written charter. The committee's criteria for determining executive compensation are discussed below in the Compensation Discussion and Analysis section.

The nominating committee consists of Messrs. Wetty (Chairman), Marcus, Novak, Small, Smith, Spinieo and Wade and met once during 2016. Each member of the nominating committee is "independent" as determined under NASDAQ listing standards. The nominating committee operates under a written charter. The nominating committee develops and recommends criteria for the selection of director nominees to the board, including, but not limited to, diversity, age, skills, experience, and time availability (including consideration of the number of other boards on which the proposed director sits) in the context of the needs of the board and First Priority and such other criteria as the committee determines to be relevant at the time. The committee has adopted and the board of directors has approved a policy that disallows a person from standing for election to the board of directors once they have reached the age of 76. The committee has the power to apply these criteria in connection with the identification of individuals to be board members, as well as to apply the standards for independence imposed by NASDAQ and all applicable federal laws in connection with this identification process. The nominating committee considers potential candidates recommended by its members, management and others, including shareholders. The nominating committee applies the same criteria for evaluating the qualifications of directors proposed or nominated by shareholders as it applies to director nominees proposed or nominated by board members or other parties. Messrs. Sparks and Ehrlich serve as ex-officio members of the nominating committee.

The audit and governance committee consists of Messrs. Small (Chairman), Cohen, Marcus, Sabatucci, Shaftel and Smith. Each member of the audit and governance committee is "independent" under NASDAQ listing standards and SEC rules. The audit and governance committee operates under a written charter. Messrs. Small and Smith have been designated the "audit and governance committee financial experts," and meet the qualifications to serve as such under the NASDAQ listing standards.

The strategic finance committee consists of Messrs. Shaftel (Chairman), Cohen, B. Myers, Sabatucci, Small, Smith and Sparks. The committee does not operate under a written charter. The committee's responsibility is to evaluate capital structure and financing opportunities, capital market activities and strategic opportunities which may be identified by the Company. Messrs. Donato and Ehrlich serve as ex-officio members of the strategic finance committee

During 2016, all directors attended at least 75% of the aggregate number of board and committee meetings to which they are members.

Compensation Committee Interlocks and Insider Participation

No member of the compensation committee is or has been an officer or employee of the Company or the Bank. Also, during 2016, none of First Priority's executive officers served as a member of the compensation committee of another entity, one of whose executive officers served on First Priority's compensation committee.

Compensation Discussion and Analysis

Our Compensation Philosophy. Our compensation philosophy begins with the premise that the success of First Priority depends, in large part, on the capabilities, dedication and commitment of the individuals we place in key management and production positions, and the incentives we provide such persons to successfully implement our business strategy and other corporate objectives. We recognize that First Priority operates in a competitive environment for qualified, talented and experienced individuals, and our approach to compensation considers the full range of compensation opportunities that must enable us to compare favorably with our peers as we seek to attract and retain key personnel.

We base compensation decisions on four basic principles:

- Meeting the Demands of the Market – Our goal is to compensate our employees at competitive levels that position us as an employer of choice among our peers who provide similar financial services in the markets we serve.

- Aligning with Shareholders – We intend to use incentive components in the form of equity compensation as a key component of our compensation mix to develop a culture of ownership among our key personnel and to align their individual financial interests with the interests of our shareholders.

- Driving Performance – We base compensation in part on the attainment of companywide, business unit and individual targets that return positive results to the Company's financial performance.

- Reflecting our Business Philosophy – Our approach to compensation reflects our values and the way we do business in the communities we serve.

The Company's compensation program relies on three primary elements: (i) base compensation or salary; (ii) an annual incentive compensation plan which is based on company financial performance and achievement of individual goals and objectives; and (iii) a longer term Incentive Stock Plan which includes stock options and restricted stock. We believe that we can meet the objectives of our compensation philosophy by achieving a balance among these three elements that is competitive with our industry peers and that creates appropriate incentives for our management team. To help achieve the necessary balance, the management of our Company works closely with an independent compensation advisor who provides expertise on competitive compensation practices and who evaluates and compares our compensation program and financial performance with that of our peers.

Compensation Objectives. The overall objectives of First Priority's compensation programs are to retain, motivate and reward employees and officers for performance, and to provide competitive compensation to attract talent to the organization. The methods used to achieve these goals for executive officers are strongly influenced by the compensation and employment practices of First Priority's competitors within the financial services industry and elsewhere in the marketplace. We also consider each executive officer's individual performance and contribution in achieving corporate goals, which may be subjective in nature. The compensation program is designed to reward executive officers based on their level of assigned management responsibilities, individual experience and performance levels, and knowledge of the organization. The creation of long-term value is highly dependent on the development and effective execution of a sound business strategy by the Company's executive officers.

Considerations influencing the design of the executive compensation program include the following:

- the Bank operates in a highly regulated industry. Experience in the financial services industry that promotes the safe and sound operation of First Priority and the Bank is highly valued;

- the need for executives with sufficient experience in our markets to meet the needs of our customers in various phases of the economic cycle;

- executives with sufficient experience with different products, services and investments in various phases of the economic cycle;

- we operate in interest rate and credit markets that are often volatile. We value experience and disciplined decision-making that respects our business plan but adapts quickly to change; and

- we value the retention and development of incumbent executives who meet or exceed performance objectives. Recruiting executives can be expensive, unpredictable, and have a disruptive effect on our operations.

Components of Compensation. Compensation in 2016 consisted primarily of base salary, incentive compensation based on the Company's performance, broad-based benefits generally available to all full-time employees, and perquisites related to business generation which were available only to certain executive officers and business development personnel. The incentive compensation plan is a companywide plan that awards an annual cash bonus to all employees including executive management based on (1) board approved profitability levels and (2) individual goals.

We also provide to our executive officers certain broad-based benefits available to all qualifying employees of First Priority, as well as fringe benefits and perquisites, retirement and other termination benefits generally available to all qualifying employees of First Priority.

The following summarizes the significant broad-based benefits in which the executive officers were eligible to participate in during 2016:

- a defined contribution 401(k) retirement plan;
- medical coverage (all employees share approximately 20% of the cost of their elections);
- pre-tax health and dependent care spending accounts; and
- life and AD&D insurance.

Bank Owned Life Insurance. In January 2014, the board of directors approved an investment in bank owned life insurance ("BOLI") policies that provide earnings to help cover the cost of employee benefit plans. These BOLI policies were issued as split dollar insurance policies which provide for a portion of the death benefit, in the amount of $100,000, to be paid to the beneficiaries of the employees covered under the BOLI policies, including the named executives listed on the Summary Compensation Table, while employed by the Bank or through change of control provisions.

Analyzing the Components of Compensation. Currently, the compensation committee, with the assistance of an outside professional compensation and benefits consulting firm, analyzes the level and relative mix of each of the principal components of compensation for all senior officers. The Chairman and Chief Executive Officer of the Company also makes recommendations to the committee relating to compensation to be paid to the executive officers other than himself.

The compensation committee reviews the other components of executive compensation (broad-based benefits and executive perquisites), but does not necessarily consider changes to those components on an annual basis. Changes to the level or types of benefits within these categories, including considerations relating to the addition or elimination of benefits and plan design changes, are made by the compensation committee on an aggregate basis with respect to the group of employees entitled to those benefits, and not with reference to a particular executive officer's compensation. Decisions about these components of compensation are made without reference to the executive officer's salary and annual cash incentives, as they involve issues of more general application and often include consideration of trends in the industry or in the employment marketplace.

The compensation committee seeks to create what it believes is the best mix of base salary and equity incentives in delivering the executive officer's total compensation. These components are evaluated in relation to benchmark data derived from information reported in publicly available proxy statements or from market survey data.

The compensation committee reviews the base salary and other non-cash components for each executive officer and determines compensation of the Chief Executive Officer.

The process of assembling target total cash compensation for the executive officers is forward-looking in nature. The at-risk annual incentive cash award component is based on the expectation that target levels of performance will be achieved over the following year. Actual performance over the applicable measurement period may exceed or fall short of the targets, resulting in the executive officer receiving an annual incentive cash award that is above or below the initial targeted level.

The objective of the compensation setting process is to establish the appropriate level and mix of total compensation for each executive officer. The compensation committee believes that the accounting treatment of any given element of total cash compensation is a relevant consideration in the design and compensation setting process and considers the effect, as applicable, when determining total cash compensation.

The compensation committee considers, but does not give undue weight to, the tax treatment of each component of compensation. Under Section 162(m) of the Internal Revenue Code, annual compensation paid to certain executive officers is not deductible if it exceeds $1 million unless it qualifies as "performance-based compensation" as defined in the Internal Revenue Code and related tax regulations. Base salary is not a form of performance-based compensation. Many fringe benefits also do not qualify as performance-based compensation. Annual incentive cash awards may qualify as a form of performance-based compensation under the income tax regulations. In 2016 and prior years, the Company has not been subject to tax deduction limitations under Section 162(m).

Exceptions to Procedures. The compensation committee may from time to time recommend to the board of directors that they approve the payment of special cash or stock compensation to one or more executive officers in addition to payments approved during the normal annual compensation setting cycle. The committee may make such a recommendation if it believes it would be appropriate to reward one or more executive officers in recognition of contributions to a particular project, or in response to competitive and other factors that were not addressed during the normal annual compensation-setting cycle.

In July 2015, the committee recommended and the board of directors approved the following actions: (1) 146,500 compensatory stock options were granted to various employees, of which Messrs. Sparks, Ehrlich, Donato, M. Myers and Ms. Messmer received 40,000, 7,500, 20,000,12,500 and 7,500, respectively; (2) 99,000 performance options were granted to various employees, of which Messrs. Ehrlich, Donato, M. Myers and Ms. Messmer received 30,000, 5,000, 2,500 and 18,000, respectively; and (3) 39,700 restricted stock grants to various employees, of which Messrs. Sparks, Ehrlich, Donato, M. Myers and Ms. Messmer received 12,500, 2,600, 4,300, 5,200 and 2,600, respectively. All options were granted at the market price of $5.94 and vest on the earlier to occur of: four years of continued employment; mutually agreed upon retirement of the employee after the age of 66; or a change in control of the Company. The restricted stock vests on the earlier to occur of: four years continued employment; the mutually agreed upon retirement of the employee after the age of 66; or a change in control of the Company.

The committee will make off-cycle compensation decisions and recommendations whenever a current employee is promoted to executive officer status, or an executive officer is hired. The committee may depart from the compensation guidelines it would normally follow for executives in the case of outside hires.

Annual Compensation – Chairman & Chief Executive Officer. In April 2015, the compensation committee recommended, and the board of directors approved, the various components of Mr. Sparks' annual compensation. Effective April 2015, the committee established a base salary for Mr. Sparks of $275,000. Details regarding Mr. Sparks' compensation are included in the compensation tables following this section. His salary amount was based on a review of comparable salaries for bank chief executive officers in the Bank's market, the overall success of the Bank, the estimated value of Mr. Sparks' services in the marketplace, and the committee's view of Mr. Sparks' role in the future success of the Company. The compensation committee took no action on Mr. Sparks' base salary in 2016.

All compensation committee actions taken with respect to Mr. Sparks' compensation were presented as recommendations for approval and were approved by the full board of directors.

Annual Compensation – Other Executive Officers. In April 2015, the compensation committee recommended, and the full board of directors approved, the total cash components of annual compensation for all other executive officers. In April 2015, the compensation committee approved base salaries for Messrs. Ehrlich, Donato, M. Myers and Ms. Messmer of $230,000, $197,500, $180,000 and $196,500, respectively. Details regarding compensation made to the executive officers are included in the detailed compensation tables following this section. The committee evaluated the overall level of total cash compensation for each executive officer (other than the Chief Executive Officer) after considering the performance of the Bank and the role of each executive officer, the criticality of each executive officer to the future success of the Bank in attaining its goals and their experience, contribution and knowledge of our organization. The compensation committee took no actions on the base salaries of the other executive officers in 2016.

Compensation Committee Report

The compensation committee of the board of directors has reviewed and discussed with management the compensation discussion and analysis set forth above. Based on such review and discussion, the compensation committee has recommended to the board of directors that the compensation discussion and analysis be included in this proxy statement.

Alan P. Novak, (Chairman)
Burton A. MacLean, Jr.
Jerome I. Marcus
Barry L. Myers
Mel A. Shaftel
Vincent P. Small, Jr.
Christopher E. Spinieo

Summary Compensation Table

The following table sets forth certain information with respect to the named executive officers for the last three fiscal years. The compensation committee establishes the salaries for these executive officers.

	Year	Salary ($)	Bonus(3) ($)	Stock Awards(4) ($)	Option Awards(4) ($)	Non-Equity Incentive Plan Compensation ($)	Nonqualified Deferred Compensation Earnings ($)	All Other Compensation(5) ($)	Total ($)
David E. Sparks, Chairman and Chief Executive Officer (1)	2016	$275,000	$0	$39,425	$15,177	None	$0	$50,795	$380,397
	2015	$268,269	$15,613	$35,423	$12,598	None	$0	$32,583	$364,486
	2014	$243,269	$0	$25,860	$14,447	None	$0	$17,545	$301,121
Steven A. Ehrlich, President (1)(2)	2016	$230,000	$0	$3,978	$2,845	None	$0	$44,340	$281,163
	2015	$228,654	$12,370	$1,989	$8,168	None	$0	$45,793	$296,974
	2014	$225,000	$0	$0	None	None	$0	$45,978	$270,978
Lawrence E. Donato, Executive Vice President and Chief Risk Officer(1)	2016	$197,500	$10,000	$23,754	$9,486	None	$0	$14,257	$254,997
	2015	$195,481	$10,576	$23,308	$7,749	None	$0	$14,146	$251,260
	2014	$187,792	$0	$19,970	$8,668	None	$0	$13,843	$230,273
Mary Ann Messmer, Executive Vice President(1)	2016	$196,500	$7,500	$21,196	$2,845	None	$0	$16,422	$244,463
	2015	$194,750	$10,536	$21,268	$8,476	None	$0	$16,138	$251,168
	2014	$187,792	$0	$19,231	$8,668	None	$0	$14,404	$230,095
Mark J. Myers, Chief Financial Officer(1)	2016	$180,000	$15,000	$24,498	$5,691	None	$0	$12,023	$237,212
	2015	$178,250	$9,643	$21,924	$4,850	None	$0	$11,961	$226,628
	2014	$171,212	$0	$17,899	$5,779	None	$0	$11,734	$206,624

(1) Mr. Sparks is also the Chairman of the Bank. Mr. Ehrlich is also President and Chief Executive Officer of the Bank. Mr. Donato, age 68, is also Executive Vice President and Chief Operating Officer of the Bank. Ms. Messmer, age 62, is also Executive Vice President of the Bank. Mr. M. Myers, age 55, is also Chief Financial Officer of the Bank.

(2) Mr. Ehrlich's compensation with the Company is paid under an employment agreement which became effective with the merger. See "Mr. Ehrlich's Employment Agreement" below.

(3) The amounts reported represent specific performance awards approved by the compensation committee under the companywide incentive plan.

(4) The amounts reported in this column reflect the expense, which is amortized through the vesting periods, for awards of restricted stock and stock options granted to the named executive.

(5) (a) Includes for Mr. Sparks, a car allowance or car lease payments of $9,849 for 2016, $6,567 for 2015 and $7,164 for 2014 for business use of his vehicle; for Mr. Donato, a car allowance for business use of his vehicle of $6,000 for each of the three years; for Ms. Messmer, a car allowance for business use of her vehicle of $7,800 for each of the three years; for Mr. M. Myers, a car allowance for business use of his vehicle of $6,000 for each of the three years. Mr. Ehrlich's Employment Agreement provides for a car allowance that amounted to $23,683, $25,514 and $25,875 for the years 2016, 2015 and 2014, respectively. (b) Includes the expense of a club membership used for business generation for Mr. Sparks in the amount of $1,250 for 2016 and 2015 and $1,150 for 2014; for Mr. Ehrlich in the amount of $9,643 for 2016, $9,313 for 2015 and $9,268 for 2014; and Ms. Messmer of $1,950 for 2016 and $1,500 for 2015. (c) The Bank's 401(k) matching contribution amounts for Messrs. Sparks, Ehrlich, Donato and M. Myers and Ms. Messmer in 2016 were $7,298, $7,440, $6,105, $5,580 and $5,893, respectively; and in 2015 were $7,413, $7,400, $6,044, $5,527 and $6,076, respectively, and in 2014 for Messrs. Sparks, Donato and M. Myers and Ms. Messmer were $7,012, $7,291, $5,816, $5,317 and $5,868, respectively. (d) The Company reimburses Mr. Sparks a portion of the premium on a life insurance policy held by a life insurance trust that his spouse is the trustee and beneficiary. The amount reimbursed in 2016 was $30,000 and in 2015 $15,000. The Company paid the premium on a life insurance policy for Mr. Ehrlich of $1,840 for 2016 and 2015 of which his wife is the beneficiary.

Outstanding Equity Awards at Fiscal Year End – 2016

	Option Awards					Stock Awards			
Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options	Option Exercise Price	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)
David E. Sparks	25,000 0 0	0 60,000(1) 40,000	0 0 0	$5.58 $5.25 $5.94	5/6/21 12/19/23 7/1/25	12,500(2)	$61,875	0 0	0 0
Steven A. Ehrlich (4)	6,160 6,378 7,114 8,096 8,341 8,341	0 0 0 0 0 0 7,500	0 0 0 0 0 0 10,000	$11.21 $11.21 $10.19 $9.17 $9.17 $6.33 $5.94	3/1/17 3/1/18 2/27/19 3/1/20 3/1/21 3/1/22 7/1/25	2,600(2)	$12,870	0	0
Lawrence E. Donato	15,000 0	0 45,000(1) 20,000	0 0 5,000	$5.58 $5.25 $5.94	5/6/21 12/19/23 7/1/25	50(3) 4,300(2) 100(5)	$266 $21,285 $575	0 0	0 0
Mary Ann Messmer	15,000 0	0 45,000(1) 7,500	0 0 6,000	$5.58 $5.25 $5.94	5/6/21 12/19/23 7/1/25	50(3) 2,600(2) 100(5)	$266 $12,870 $575	0 0	0 0
Mark J. Myers	10,000 0	0 40,000(1) 12,500	0 0 2,500	$5.58 $5.25 $5.94	5/6/21 12/19/23 7/1/25	50(3) 5,200(2) 100(5)	$266 $25,740 $575	0 0	0 0

(1) Options granted on December 19, 2013, as part of the restructured change in control arrangements. See "Restructured Change in Control Arrangements" below. Market value per share of the restricted stock is $4.20, which is based on the tangible book value per share at September 30, 2013.

(2) Restricted stock grants to senior executives on July 1, 2015, which vest upon the earlier of: four years of continued employment; the mutually agreed upon retirement of the executive after the age of 66; or a change in control of the Company. Market value per share of $4.95 is based on the market price per share of the Company's common stock as of the close of business on July 1, 2015.

(3) Participation in a companywide restricted stock grant on July 17, 2014, which vests after three years of continuous employment. Market value per share is based on June 30, 2014, book value per share of $5.32.

(4) Mr. Ehrlich's vested options were originally issued by ABI and became fully vested with the merger of ABI and the Company.

(5) Participation in a companywide restricted stock grant on February 11, 2016, which vest after three years of continuous employment. Market value per share of $5.75 is based on the market price per share of the Company's common stock as of the close of business on February 11, 2016.

Option Exercises and Stock Vested - 2016

The named executive officers did not exercise any stock options during the year ended December 31, 2016.

Pension Benefits

The named executive officers participate in the Bank's 401(k) Plan that provides for a 50% match on the first 6% of the employees' contribution to the plan. In 2016, the Bank's match for Messrs. Sparks, Ehrlich, Donato and M. Myers and Ms. Messmer was $7,298 $7,440, $6,105, $5,580 and $5,893, respectively.

Restructured Change in Control Arrangements

During 2013, management and the board of directors took a series of steps to reduce the potential liability underlying the change-in-control agreements which had been in place since the Company's inception in 2005. These steps included a voluntary exchange of those contracts of all officers holding change-in-control contracts and stock options issued at previous dates for a new change-of-control severance plan and new stock options. The result of these steps significantly reduces the total amounts payable under such arrangements in the event of a change in control.

Accordingly, on December 19, 2013, the board of directors of the Company approved restructured change in control arrangements to replace the previously executed change in control agreements between the Company and its named executive officers: David E. Sparks, Lawrence E. Donato, Mary Ann Messmer and Mark J. Myers along with other participating senior management personnel.

In each case, the previously executed change in control agreement between the named executive officer and the Company, which generally provided for 24 months of severance payments in the event of involuntary termination of employment or resignation for specified events of "good reason" following a change in control, was terminated with the consent of the executive officer. In lieu of the change in control agreements, each of the named executive officers will instead participate in the Bank's Severance Plan (the "Severance Plan"). Under the Severance Plan, which is a broad-based severance plan applicable to certain employees of the Company and the Bank, each executive will receive a severance benefit equal to continued base salary, as defined, for a period of 12 months (18 months in the case of Mr. M. Myers) in the event that the executive's employment is terminated within one year following a "change in control" as a result of a work force reduction or job elimination.

In connection with the termination of the previously executed change in control agreements and the adoption of the new Severance Plan, the named executive officers received a grant of stock options under the Company's existing Stock Compensation Program. Such options, which vest only upon a change in control of the Company, are exercisable for a period of ten years at an exercise price of $5.25 in the following amounts: Mr. Sparks – 60,000 shares; Mr. Donato – 45,000 shares; Ms. Messmer – 45,000 shares; and Mr. M. Myers – 40,000 shares. Such options were granted to replace previously granted options, in equal amounts for Messrs. Sparks, Donato and Ms. Messmer and 15,000 for Mr. M. Myers, which the Company and each executive mutually agreed to terminate and which had exercise prices of either $10.00 or $10.25 per share.

Mr. Ehrlich's Employment Agreement

As a condition to consummation of the merger of First Priority and ABI, Mr. Ehrlich entered into an employment agreement with First Priority. The employment agreement provides that Mr. Ehrlich serves as the President of First Priority as well as the President and Chief Executive Officer of the Bank. The agreement has a term of three years that is automatically renewed on each anniversary date of the agreement for an additional year unless either party gives notice to the other of non-renewal at least 60 days prior to such anniversary date. The agreement provides Mr. Ehrlich with a base salary of $230,000, as adjusted effective April 1, 2013 by the ABI board of directors, and benefits commensurate with other First Priority executive officers, including health insurance, five weeks of vacation, use of a company vehicle, supplemental life insurance and disability coverage, among other things. Under the agreement, Mr. Ehrlich's employment can be terminated for "cause" as defined in the agreement.

If First Priority were to terminate Mr. Ehrlich's employment without cause, or if Mr. Ehrlich were to terminate his employment for "good reason", as defined, including but not limited to, a change in control of First Priority, he will be entitled to receive post termination benefits as follows: an amount equal to three (3) times the sum of (i) the highest salary paid to him in the year of termination or prior two calendar years; (ii) the highest bonus paid to him in one of the three calendar years prior to termination; and (iii) an adjustment for benefits.

Compensation of Directors

The following table sets forth a summary of the compensation that the Company paid to its non-employee directors in 2016.

Name	Fees Earned Or Paid In Cash ($) (1)	Stock Awards ($)	Option Awards (1)	All Other Compensation ($)	Total
Irvin Cohen	$5,000	$8,805	-	-	$13,805
Burton A. MacLean, Jr.	$5,000	$8,730	-	-	$13,730
Jerome I. Marcus	$5,000	$8,805	-	-	$13,805
Barry L. Myers	$5,000	$8,805	-	-	$13,805
Alan P. Novak	$5,000	$8,805	-	-	$13,805
Frank Sabatucci	$5,000	$8,805	-	-	$13,805
Mel A. Shaftel	$5,000	$8,805	-	-	$13,805
Vincent P. Small, Jr.	$5,000	$8,805	-	-	$13,805
Patrick M. Smith	$5,000	$8,805	-	-	$13,805
Christopher E. Spinieo	$5,000	$8,805	-	-	$13,805
Michael G. Wade	$5,000	$8,805	-	-	$13,805
William L. Wetty	$5,000	$8,805	-	-	$13,805

(1) For their service on the First Priority board of directors from the date of the 2016 annual shareholders' meeting to the 2017 annual shareholders' meeting, all non-employee directors of the Company were compensated with a retainer fee of $5,000 and 1,500 shares of restricted common stock of the Company, which vest after three years of service and were valued at $5.87 per share, the market value of the Company's common stock at the close of business on June 30, 2016. Mr. MacLean, who was elected to the Board on July 28, 2016, was compensated under the same terms as described above and his stock award was valued at $5.82 per share, the market value of the Company's common stock at the close of business on July 28, 2016

AUDIT AND GOVERANCE

COMMITTEE REPORT

The audit and governance committee met eight (8) times in 2016. The committee recommended to the board of directors, and the board approved, the engagement of BDO USA, LLP as the independent registered public accounting firm for First Priority for the years ended December 31, 2016, and December 31, 2015. The audit and governance committee of the board of directors is comprised exclusively of independent directors as determined under NASDAQ listing standards. The audit and governance committee operates under a written charter.

The audit and governance committee reviewed the audited financial statements of First Priority for the year ended December 31, 2016, and discussed them with management. The audit and governance committee discussed with representatives of BDO USA, LLP, First Priority's independent registered public accounting firm, the matters required to be discussed by the Public Company Accounting Oversight Board's Auditing Standard No. 16 *Communications with Audit Committees.*

The audit and governance committee received and reviewed the written disclosures and the letter from the independent auditor required by the Public Company Accounting Oversight Board ("PCAOB") Ethics and Independence Rule 3526, *Communication with Audit Committees Concerning Independence,* as amended, by the PCAOB, and discussed with the auditor the auditor's independence.

Based on the review and discussions described above, the audit and governance committee recommended to the board of directors that First Priority's audited financial statements for the fiscal year ended December 31, 2016, be included in First Priority's Annual Report for that fiscal year.

Vincent P. Small, Jr. (Chairman)
Irvin Cohen
Jerome I. Marcus
Frank Sabatucci
Mel A. Shaftel
Patrick M. Smith

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Fees of Independent Registered Public Accounting Firm

The following table sets forth the aggregate fees billed to the Company by BDO USA, LLP for the fiscal years ended December 31, 2016, and December 31, 2015.

December 31, 2016	
Audit Fees	$131,100
Audit-Related Fees	$ --
Tax Fees	$ 17,700
All Other Fees	$ --

December 31, 2015	
Audit Fees	$ 123,500
Audit-Related Fees	$ --
Tax Fees	$ 14,500
All Other Fees	$ --

Audit fees include audit fees related to the audit of the Company's annual consolidated financial statements, quarterly reviews and related expenses and for the year ended December 31, 2106 audit fees related to the filing of the S-8 registration statement for up to 1,308,000 shares of common stock offered through the Company's Stock Compensation Plan. Tax fees include the preparation of the Company's tax return. All fees paid to BDO USA, LLP were pre-approved by the audit and governance committee.

FINANCIAL INFORMATION

Requests for printed financial material (including our Annual Report and Call Reports) should be directed to Alice D. Flaherty, C/O First Priority Financial Corp., 2 West Liberty Boulevard, Suite 104, Malvern, Pennsylvania 19355, telephone 610-280-7100.

TRANSACTIONS WITH RELATED PARTIES

Transactions with Related Parties

Certain directors and executive officers of First Priority, and their associates, were customers of and had transactions with the Bank in the ordinary course of business during the fiscal year ended December 31, 2016. Similar transactions may be expected to take place in the future. Such transactions included the purchase of certificates of deposit and extensions of credit in the ordinary course of business on substantially the same terms, including interest rate and collateral, as those prevailing at the time for comparable transactions with other persons and did not involve more than the normal risks of collectability or present other unfavorable features. It is expected that any other transactions with directors and officers and their associates in the future will be conducted on the same basis. The aggregate extensions of credit to all such persons, as a group, totaled $8,315,000 with loans outstanding of $5,466,000 at December 31, 2016.

MATTER NO. 2
ADVISORY (NON-BINDING) VOTE ON EXECUTIVE COMPENSATION

As described in the "Compensation Discussion and Analysis" section and the compensation tables of this proxy statement, the Company's compensation program is designed to:

- align the interests of executive officers with the long-term interests of shareholders;
- create a culture that rewards the superior performance of the Company's executive officers through the attainment of specified performance objectives and targets; and
- attract, motivate, and retain the highest level of executive talent and experience for the benefit of the Company's investors.

We are submitting a proposal to allow shareholders to cast an advisory vote on the executive compensation program at the annual meeting of shareholders. This proposal, commonly known as a "Say-on-Pay" proposal, gives you as a shareholder an opportunity to endorse or not endorse the executive compensation programs and policies through the following resolution:

"RESOLVED, that the Company's shareholders approve, on an advisory basis, the compensation of the named executive officers, as disclosed in the Company's Proxy Statement for the 2017 Annual Meeting of Shareholders, including the Compensation Discussion and Analysis, the 2016 Summary Compensation Table and the other related tables and disclosure."

Your vote is advisory, and therefore it is not binding upon the board of directors. However, the compensation committee does take into account the outcome of the vote when considering future executive compensation programs and arrangements.

Opponents of "Say-on-Pay" proposals have suggested that the impact on shareholder value of these proposals remains unproven because shareholders currently, for example, have the right to approve certain compensation plans, such as stock option plans. Furthermore, the non-binding nature of these proposals may have a weaker impact on corporate governance and compensation programs than other corporate governance measures and shareholder actions currently available to shareholders, such as shareholders reflecting their confidence or lack of confidence in the compensation committee's work through the election of directors.

Therefore, it is not possible to assess what measurable impact, if any, this proposal will have in the creation of shareholder value or improving corporate governance, in light of the corporate governance standards that are currently in place.

It is believed that both the Company and its shareholders benefit from maintaining a constructive dialogue with its shareholders. This proposal is only one part of the Company's corporate governance program and practices that maintain this dialogue with shareholders and the commitment to the creation of long-term shareholder value.

THE BOARD OF DIRECTORS RECOMMENDS THAT THE SHAREHOLDERS VOTE "FOR" THE ADVISORY (NON-BINDING) VOTE ON EXECUTIVE COMPENSATION.

The affirmative vote of a majority of all votes cast at the Annual Meeting is required to approve Matter No. 2. Abstentions and broker non-votes will not affect the outcome of the voting on Matter No. 2. All proxies will be voted "FOR" Matter No. 2 unless a shareholder specifies to the contrary on such shareholder's proxy card.

MATTER NO. 3
PROPOSAL TO RATIFY THE
APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The audit and governance committee recommended to the board of directors, and the board of directors approved, the appointment of BDO USA, LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2017. No determination has been made as to what action the audit and governance committee and the board of directors would take if shareholders do not ratify the appointment.

BDO USA, LLP conducted the audit of the consolidated financial statements for the years ended December 31, 2016, and December 31, 2015. Representatives of BDO USA, LLP are expected to be present at the meeting, and will be given an opportunity to make a statement if they desire to do so, and they will be available to answer appropriate questions from shareholders.

THE BOARD OF DIRECTORS RECOMMENDS THAT SHAREHOLDERS VOTE "FOR" RATIFICATION OF BDO USA, LLP AS INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR THE 2017 FISCAL YEAR.

The affirmative vote of a majority of all votes cast at the Annual Meeting is required to approve Matter No. 3. Abstentions and broker non-votes will not affect the outcome of the voting on Matter No. 3. All proxies will be voted "FOR" Matter No. 3 unless a shareholder specifies to the contrary on such shareholder's proxy card.

OTHER MATTERS

The board of directors knows of no other matters to be presented at the annual meeting. If, however, any other business should properly come before the annual meeting, or any adjournment thereof, it is intended that the proxies will be voted with respect thereto in accordance with the best judgment of the persons named in the proxies.

SHAREHOLDER COMMUNICATIONS

Shareholders and other interested parties who desire to communicate directly with the Company's independent, non-employee directors should submit communications in writing addressed to Audit and Governance Committee Chair, First Priority Financial Corp., 2 West Liberty Boulevard, Suite 104, Malvern, Pennsylvania 19355.

Shareholders, employees and other interested parties who desire to express a concern relating to accounting or auditing matters should communicate directly with the audit and governance committee in writing addressed to: Audit and Governance Committee Chair, First Priority Financial Corp., 2 West Liberty Boulevard, Suite 104, Malvern, Pennsylvania 19355.

SHAREHOLDER PROPOSALS FOR NEXT ANNUAL MEETING

Any shareholder desiring to present a proposal to be considered for inclusion in our proxy materials relating to our 2018 Annual Meeting of Shareholders should submit the proposal in writing to: Chairman, First Priority Financial Corp., 2 West Liberty Boulevard, Suite 104, Malvern, Pennsylvania 19355, no later than November 30, 2017.

By Order of the Board of Directors

Alice D. Flaherty
Corporate Secretary

March 31, 2017

The Desmond Great Valley Hotel and Conference Center

One Liberty Blvd.
Malvern, PA 19355
800-575-1776
(610) 296-9800
Fax: (610) 889-9869

Directions

From Philadelphia: Take the Schuylkill Expressway (I-76W). Follow I-76W to Route 202 South (West Chester). Take Route 202S to the Great Valley/Route 29 North Exit. At the end of the ramp, proceed through the light onto Liberty Blvd. Hotel will be on the right.

From South Jersey: Take I-95 South to Route 322 West. Take 322 West to U.S. Route 1 South to Route 202 North. Take Route 202 North to the Great Valley/Route 29 North Exit. At the end of the ramp, turn right onto Matthews Road. Turn right at the next light onto Morehall Rd (Route 29 North). Turn right at the second light onto Liberty Blvd. The Hotel will be on the left.

From Philadelphia Airport: Take I-95 South to I-476 North. Follow I-476 North to the Schuylkill Expressway (I-76W) to Route 202 South (West Chester). Take Route 202S to the Great Valley/Route 29 North Exit. At the end of the ramp, proceed through the light onto Liberty Blvd. The Hotel will be on the right hand side.

From Wilmington and Points South: (Delaware and Maryland) Take I-95 North to Route 202 North. Follow Route 202 North to the Great Valley/Route 29 North Exit. At the end of the ramp, turn right on Matthews Road. Turn right at next light onto Morehall Rd (Route 29 North). Turn right at the second light onto Liberty Blvd. The Hotel will be on the left.

From New York and Points North: Take the New Jersey Turnpike I-95S to Exit 6, I-276 Pennsylvania Turnpike Connector. Follow the Turnpike I-276W to Exit 326, Valley Forge. Take the first exit, Route 202S (West Chester) to the Great Valley/Route 29N Exit. At the end of the ramp, proceed through the light onto Liberty Blvd. The Hotel will be on the right.
E-Z Pass Holders: Take Exit 320 Malvern. (Exit 320 is an electronic interchange for E-Z Pass holders only.) Turn left on Route 29 towards Malvern. At the fourth light make a left on Liberty Boulevard. The Desmond will be on your left.

From Harrisburg and Points West: Take the PA Turnpike I-76E to Exit 326, Valley Forge. Take Route 202S (West Chester) to the Great Valley/Route 29N Exit. At the end of the ramp, proceed through the light onto Liberty Blvd. The Hotel will be on the right hand side.
E-Z Pass Holders: Take the PA Turnpike I-76 to Exit 320 Malvern. (Exit 320 is an electronic interchange for E-Z Pass holders only.) Turn left and follow signs for Malvern. At the fourth light, make a left on Liberty Boulevard. The Desmond Hotel will be on your left.