

**CapStar Financial Holdings, Inc.
and CapStar Bank
Nashville, Tennessee**

Charter of the Risk Committee of the Boards of Directors

I. Purpose

The Risk Committee (the “Committee”) is appointed by the Boards of Directors (collectively, the “Boards”) of CapStar Financial Holdings, Inc. (“Holdings”) and CapStar Bank (the “Bank” and, collectively with Holdings, the “Company”) and is responsible for reviewing and approving the Board’s risk appetite parameters to be used by management to operate the Company. This Committee’s purpose is to assist the Board in its oversight of the Company’s enterprise risk management governance and processes. Generally, these risks can be categorized in the following classifications – strategic and reputational risk, credit risk (including concentration risks, industry risks and credit product risks), compliance and regulatory (including BSA, CRA, and SARs) risk, operational risk, information technology (including key technology projects and information security) risk, asset/liability risk, capital risk, financial reporting risk, liquidity risk, and legal risk. The Committee shall perform duties and responsibilities enumerated in and consistent with this Charter, and shall consider risk in relation to the potential for growth and increase in shareholder value.

II. Committee Membership

- A. The Committee shall consist of a minimum of three (3) members of the Boards, at least a majority of whom shall be “independent” as defined in the Company’s Corporate Governance Guidelines. At least one member shall have experience in finance or accounting and all members shall be financially literate.
- B. Members of the Committee shall be appointed by the Boards on the recommendation of the Nominating and Corporate Governance Committee and shall serve at the discretion of the Boards.
- C. The Boards shall designate a Chairperson for the Committee.

III. Committee Meetings and Structure

- A. The Committee shall meet at least four times a year or more frequently if the Committee deems necessary. The Committee shall have direct access to, and complete and open communication with, management, and may obtain advice and assistance from internal and/or external, legal, accounting or other advisors to assist it in the performance of its duties.
- B. In its discretion, the Committee may meet in executive session at any meeting of the Committee. In executive session, the Committee may meet without representatives of management present or with such representatives of management as the Committee may deem appropriate. The Committee may request any officer or employee of the Company to attend a

meeting of the Committee or to meet with any members of, or consultants to, the Committee.

- C. A majority of the members of the Committee shall constitute a quorum for the transaction of business, and the act of a majority of the members of the Committee present at any meeting at which there is a quorum shall be the act of the Committee.
- D. Minutes of all meetings of the Committee shall be kept and recorded, and shall be provided to the Boards at subsequent meetings of the Boards.

IV. Committee Authority and Responsibilities

In fulfilling its responsibilities, the Committee shall have the following authority and responsibilities relating to the Company as applicable:

- A. The Committee shall review the Company's strategic plan in advance of the plan being presented the Company's Board for approval.
- B. The Committee shall quarterly review and approve management's enterprise wide risk management assessment. This assessment will address management's current rating of the individual risk factors outlined in the Committee's Purpose on page 1, along with the current direction of the risk.
- C. The Committee shall make recommendations to the Boards or other Board committees as deemed appropriate concerning the Company's overall risk tolerance, its tolerance for specific risks, and the impact of risk tolerance on the Company's Strategic Plan.
- D. The Committee shall annually review the Company's insurance risk management program including D&O, financial institution bond, physical plant and workers compensation insurance.
- E. The Committee shall satisfy itself that the Company's internal policies, procedures, and guidelines are appropriate to manage risk within the Company. The Committee shall make recommendations as necessary.
- F. The Committee shall satisfy itself that the Company is responsive to planned actions and recommendations for improvement from regulators and auditors.
- G. The Committee shall review the Company's capital structure and capital adequacy in light of statutory or regulatory requirements, current or planned business activities, and established policy on Board limits/objectives.
- H. The Committee shall monitor and review the Company's interest rate risk management, with particular attention to interest rate sensitivity and risk, projected net interest income reports and current hedging strategies.
- I. The Committee shall review and approve the asset/liability and investment policies of the Company.

- J. The Committee shall monitor, review and provide feedback to the Audit Committee regarding the Company's exposure to and assessment of the allowance for loan and lease losses.
- K. The Committee shall monitor and review management of the Company's liquidity risk, funding sources and cost of funds.
- L. The Committee shall coordinate with other Board-level and management-level committees as appropriate concerning risk management issues within the other committees' respective areas of responsibility.
- M. The Committee shall ensure that communications are periodically made with appropriate federal and state regulators.
- N. The Committee shall consider human resource risk and resource allocations to address risk management in the Company.
- O. The Committee shall conduct a preliminary review of the annual operating budget of the Company. The Committee shall review the Company's capital expenditures over \$ 100,000 for approval and shall review the preliminary plan for capital expenditures in the annual budget.
- P. The Committee shall perform any other activities consistent with this Charter, the Company's Charter and Bylaws, and governing law, as applicable, as the Committee or the Boards deem appropriate or as requested by the Boards.
- Q. The Committee shall make quarterly reports to the Boards summarizing the matters reviewed and actions taken at each Committee meeting.
- R. The Committee shall review and reassess the adequacy of this charter on an annual basis and recommend any proposed changes to the Boards for approval.
- S. The Committee shall Provide recommendations on corporate performance goals for annual incentive plans to Compensation and Human Resources Committee in order to assess any potential risk aspects.
- T. The Committee shall conduct an annual self-evaluation to determine whether it is functioning effectively, receive comments from all directors and report annually to the Boards with an assessment of its performance. This assessment should focus on the Committee's contribution to the Company and specifically focus on areas in which the Boards believe the Committee could improve.

The Committee shall have direct access to, and complete and open communications with, management, and may obtain advice and assistance from legal, accounting or other advisors to assist it. In the course of performing its duties and responsibilities, the Committee also is authorized to select, retain, terminate, and approve the fees and other retention terms of independent legal, accounting or other advisors as it deems appropriate, without seeking approval of management or the Boards. The Company shall be responsible for all costs or expenses so incurred.