

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

**Charter of the Nominating, Governance and Community Affairs Committee
of the Boards of Directors**

I. Purpose

The Nominating, Governance and Community Affairs 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”) to (i) identify individuals qualified to become Board members, (ii) recommend individuals to be nominated by the Board for election as directors of the Company, (iii) nominate candidates for election to the Board in the event of a vacancy between shareholder meetings, (iv) advise the Board with respect to committees; (v) oversee the evaluation of the Board and (vi) assist the Board in establishing and maintaining effective corporate governance practices.

II. Composition

The Committee shall consist of a minimum of three (3) directors. Each Committee member shall be “independent” under all applicable requirements of the Securities and Exchange Commission (“SEC”) and any exchange on which the stock of Holdings may be listed. The Boards shall appoint the Committee members after considering the Committee’s non-binding recommendations. The Committee members shall serve for such term or terms as the Boards may determine and until their successors shall be duly qualified and appointed. The Committee shall designate one Committee member as its chairperson.

III. Meetings, Structure and Operations

The Committee shall meet no less than two times each year, or more frequently as the Committee deems necessary, in person or telephonically at a time and place determined by the Committee chairperson. The Committee chairperson or a majority of the Committee members may call a meeting at any time in addition to any regularly scheduled meetings. Actions may be taken by unanimous written consent, when deemed necessary or desirable by the Committee or its chairperson. The Committee shall maintain minutes of its meetings, which minutes shall be submitted to the Boards for approval at the next meeting of each Board following the Committee meeting. The Committee shall report to the Boards on significant actions taken by the Committee. Certain actions by the Committee may be similarly reported to the Boards for approval, ratification and/or confirmation. The Committee may form and delegate authority to subcommittees when appropriate. All meetings of and other actions by the Committee shall be held or otherwise taken pursuant to the Company Bylaws, including with respect to actions without meetings, notice of meetings and waiver of notice, quorums and voting requirements.

IV. Duties and Responsibilities

The following are the duties and responsibilities of the Committee, which may be supplemented from time to time by the Boards:

Composition of Boards, Evaluation and Nominating Activities

- A. Review annually the composition of the Boards and their committees to ensure that they meet the requirements for independence under the applicable rules of the SEC and any exchange on which the stock of Holdings may be listed and the applicable standards as “non-employee directors” within the meaning of Rule 16b-3 under the Securities Exchange Act of 1934, as amended, and “outside directors” within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended;
- B. Periodically evaluate the size of the Boards and determine the criteria for Board membership and recommend to the Boards any changes;
- C. Seek to identify potential director candidates who will strengthen the Boards and remedy any perceived deficiencies in the selection criteria identified below;
- D. Evaluate the performance of current Board members proposed for reelection and, subject to the terms of any existing shareholder or voting agreements of the Company, recommend the director nominees each year for approval by the Boards and the shareholders, select and evaluate candidates to fill any new positions or vacancies on the Boards, review any candidates recommended by shareholders in accordance with the Company Bylaws and provide a process for receipt and consideration of any such recommendations and any other communications received from shareholders;
- E. Evaluate each new director candidate and each incumbent director before recommending to the Boards that the nominee stand for election or re-election as a director at the Company’s annual shareholder meeting or, if applicable, at a special Company shareholder meeting, or to fill any vacancy on the Boards, based on the extent to which such individual meets the criteria set forth herein;
- F. Review the continuation on a Board of any director who tendered a letter of proposed resignation from such Board and recommend to such Board whether, in light of all circumstances, such Board should accept the proposed resignation or request that the director continue to serve;
- G. Evaluate the Boards annually to determine whether the Boards function effectively by soliciting comments from all directors, provide a verbal report to the Boards annually of the Committee’s findings and assessment of Board performance and, in such report, focus on the Boards’ contributions to the Company and provide recommendations for improvement;
- H. Evaluate directors’ service on other boards to determine whether such service is consistent with the Corporate Governance Guidelines or impairs their ability to effectively serve as directors of the Company.

Committee Matters

- I. Periodically review the Board committees, including the number, identity, purposes, duties, composition, size, chairperson and rotation of members and make appropriate recommendations to the Boards taking into consideration applicable requirements of

the SEC and any exchange on which the stock of Holdings may be listed, overlapping responsibilities and such other factors the Committee deems appropriate, including recommendations as to the membership of the Board Committees;

- J. Periodically review the charter of each Board committee and make recommendations to the Boards for the creation of additional Board committees or for the change in mandate or dissolution of Board committees;
- K. Evaluate Board committees annually to determine whether the Board committees function effectively by soliciting comments from all directors, provide a verbal report to the Boards annually of the Committee's findings and assessment of Board committees' performance and, in such report, focus on Board committees' contributions to the Company and provide recommendations for improvement;

Corporate Governance Generally

- L. Periodically review and assess the Corporate Governance Guidelines, Code of Ethics and Conflicts of Interest Policy and other codes of conduct to assure guidelines are appropriate for the Company and are in compliance with applicable requirements of the SEC and any exchange on which the stock of Holdings may be listed and recommend to the Boards appropriate changes;
- M. Ensure that the Code of Ethics and Conflicts of Interest Policy and other codes of conduct apply to all directors, officers and employees of the Company, comply with the definition of a "code of ethics" as set out in the Sarbanes-Oxley Act of 2002 and the regulations promulgated thereunder, are publicly available and provide for an appropriate enforcement mechanism;
- N. Refer to the Boards, for their consideration and approval or disapproval, any requests for waivers of the Code of Ethics and Conflicts of Interest Policy and other codes of conduct;
- O. Consider questions of possible conflicts of interest of Board members and of corporate officers and review actual and potential conflicts of interest of Board members and corporate officers;
- P. Review the Company's reporting channels and processes for providing information to the Boards for the quality and timeliness of the information received;
- Q. Review and reassess the adequacy of this Charter at least annually and recommend changes as necessary and submit the Charter to the Boards for approval;
- R. Ensure that, if and as required, Holdings certifies to any applicable stock exchange that it has adopted a formal, written Nominating, Governance and Community Affairs Committee Charter addressing the nominations process and such related matters as may be required under the federal securities laws or the rules of any such exchange;
- S. Oversee the process of orientation of new directors and guidelines for continuing education of existing directors;
- T. Consider guidelines for ownership of the stock of Holdings by directors and executive officers and recommend to the Boards such guidelines;
- U. In collaboration with the Compensation and Human Resources Committee, periodically review the succession plan for the CEO, those officers of the Company who have been designated as "Section 16 Officers" and other Executive Officers as appropriate;
- V. Annually make recommendations to the Board concerning the election or re-election of officers of the Company with a title of executive vice president or higher;

Community Affairs and Compliance Matters

- W. Establish and oversee a Community Reinvestment Act (“CRA”) Program and Fair Lending Compliance Program consisting of the following:
 - i. a CRA/Fair Lending Committee that meets regularly and consists of members from various levels and departments of the Company;
 - ii. a review of the metrics of the CRA Program at least annually in order to measure the current position of the Company, including a high level review of community service and community development initiatives, as well as an assessment of the Company’s major areas of focus, including affordable housing, education for low and moderate income families, and financial literacy;
 - iii. a review of the metrics of the status of the Fair Lending program at least annually in order to measure the current position of the Company, including review of the geographic distribution of loans in the Company’s assessment area;
 - iv. review of the Company’s outreach efforts and marketing strategies in order to reach low and moderate income individuals, families and geographies, as well as minority applicants and geographies, and evaluation of the success of any outreach efforts or marketing strategies; and
 - v. review of the CRA and Fair Lending Risk Assessment at least annually.
- X. Establish and oversee a Compliance Risk Program that enables the Company to identify, measure, monitor, and control compliance risks related to related to regulatory and internal and external oversight, including CRA, Fair Lending and similar consumer regulations, consisting of the following:
 - i. a designated compliance officer who is responsible for conducting a comprehensive compliance assessment, developing appropriate policies and procedures for compliance, reviewing and monitoring compliance areas to ensure compliance, and reporting weaknesses to senior management;
 - ii. a compliance risk committee that meets regularly and consists of personnel from various levels and departments;
 - iii. periodic reports by management to the committee discussed in item ii above;
 - iv. regular internal and external audits tailored to the Company’s needs which are designed to identify areas of weakness and strengths;
 - v. review of significant findings and/or observations noted in regulatory or other reports and examinations; and
 - vi. tracking and review of management responses and progress toward resolution of any findings that are discovered based on the audits contemplated by this Charter.
- Y. Oversee the Company’s community involvement efforts, maintaining a commitment to three primary areas of focus: Health and Human Services, Education and the Arts;
- Z. Promote corporate contributions and investments as well as employee engagement and involvement in the communities served by the Company;
- AA. Oversee the Company’s relationships with government agencies and membership in organizations such as the TBA and ABA;
- BB. Oversee reputation management efforts related to current perceptions of the Company by shareholders, customers, employees and the general public; public relations and

sponsored activities; internal and external communications and communications plans; advertising policies, programs and plans; investor relations activities; and service quality statistics; and

CC. Perform any other duties and responsibilities consistent with this Charter, the Company Bylaws and governing law as the Boards shall expressly delegate to the Committee.

V. Selection Criteria

The Committee's criteria for identifying reviewing and selecting potential director nominees for election to a Board shall reflect at a minimum all applicable laws, rules, regulations and listing standards. The Committee shall consider and assess the skills and background of the individual and any other issues and factors that the Committee deems appropriate, including an individual's integrity, education, business experience, accounting and financial expertise, age, diversity, reputation, civic and community relationships, knowledge and experience in matters impacting financial institutions such as the Company, and the ability of the individual to devote the necessary time to serving on a Board. The Committee should base each annual decision to re-nominate incumbent directors on a careful consideration of each such individual's contributions, including the value of his or her experience as a director of the Company, the availability of new director candidates who may offer unique contributions, and the Company's changing needs. Each director should:

- A. Be of the highest character and integrity, with an inquiring mind, vision, a willingness to ask hard questions and the ability to work well with others;
- B. Be free of any conflict of interest that would violate any applicable laws or regulations or interfere with the proper performance of the responsibilities of a director;
- C. Be willing and able to devote sufficient time to the affairs of the Company and be diligent in fulfilling the responsibilities of a director and Board committee member, as applicable, including developing and maintaining sufficient knowledge of the Company and its industry; reviewing and analyzing reports and other information important to Board and committee responsibilities; preparing for, attending and participating in Board and committee meetings; and satisfying appropriate orientation and continuing education guidelines); and
- D. Have the capacity and desire to represent the balanced, best interests of the shareholders as a whole and not primarily a special interest group or constituency.

VI. Annual Performance Evaluation

The Committee will conduct an annual self-evaluation to determine whether it is functioning effectively. The Committee will receive comments from all directors and report annually to the Boards with an assessment of its performance. The assessment will focus on the Committee's contribution to the Company and specifically focus on areas in which the Boards believe the Committee could improve.

VII. Resources and Authority

The Committee shall have the necessary and appropriate resources and authority to discharge the duties and responsibilities conferred to the Committee by this Charter and any other supplemental duties and responsibilities expressly delegated to the Committee by the Boards. The Committee shall have the sole authority to select, retain, terminate and approve the fees and other retention terms of any search firm to be used to identify director candidates, as it deems appropriate, without seeking approval of management or the Boards. The Company shall provide for appropriate funding, as determined by the Committee, for the payment of any such fees.

VIII. Consistency with Charter and Bylaws

To the extent that any provision or section of this Charter may be inconsistent with any article, provision or section of the Charter or the Bylaws of the Company, as appropriate, shall fully control.