

SMARTFINANCIAL, INC.
Human Resources and Compensation Committee Charter

Approved by the Board of Directors on July 27, 2017

1. Purpose

The Human Resources and Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of SmartFinancial, Inc. (the “Company”) has been established to assist the Board in:

- (a) Approving compensation, compensation plans and benefit plans.
- (b) Reviewing and adopting human resources policies for the Company.
- (c) Ensuring that the overall personnel needs of the Company are being met.

2. Members

The Committee must be comprised of at least three members of the Board. The Committee must be comprised solely of independent directors.

An independent director must not be an officer or employee of the Company or its subsidiaries and must not have any relationship that, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

Each member of the Committee must (i) be an Independent Director within the meaning of the rules of the Nasdaq Stock Market LLC (“NASDAQ”) and the Securities and Exchange Commission (“SEC”), (ii) not accept, directly or indirectly, any consulting, advisory or other compensatory fee from the Company or a subsidiary of the Company, (iii) be a “non-employee director” within the meaning of Rule 16b-3 issued by the SEC, and (iv) be an “outside director” within the meaning of Section 162(m) of the Internal Revenue Code, as amended. For purposes of the foregoing, compensatory fees shall not include such fees and amounts that are permitted to be excluded by the rules of NASDAQ. In determining whether a director is eligible to serve on the Committee, the Board shall also consider whether the director is affiliated with the Company, a subsidiary of the Company, or an affiliate of the Company or a subsidiary of the Company to determine whether such affiliation would impair the director’s judgment as a member of the Committee.

No Committee member may participate in any discussion with respect to, or vote on, any matter in which he or she is not independent. If there is any basis for believing a Committee member is not independent, the facts and circumstances should be reported to the Chairman of the Board, and the Committee member should not participate or vote on any matter until the Board has determined that the Committee member is independent.

The members of the Committee shall be nominated for membership on the Committee by the Nominating Committee and appointed by the Board and shall serve for such term as the Board determines. The Board shall have the power at any time to change the membership of the

Committee and to fill vacancies on the Committee. The Board shall designate one member of the Committee as its chairperson (the “Chair”).

3. Responsibilities

The Committee shall have the responsibility to oversee the Company’s overall compensation structure and strategy for the Company’s executive officers and such other key employees as may be determined by the Committee. The Committee is responsible to the Board for the following duties:

- (a) Reviewing and adopting all human resources policies.
- (b) Ensuring that the overall personnel needs of the Company are being met.
- (c) Adopting succession and management development plans for appropriate personnel and reporting such plans to the Board at least annually.
- (d) Reviewing future personnel needs and recruitment program results.
- (e) Adopting and monitoring the Company’s Affirmative Action Plan.
- (f) Overseeing the performance evaluation system.
- (g) Evaluating employee morale and human resources risk.
- (h) Providing oversight for all matters of compensation and benefits.
- (i) Reviewing annually and determining the individual compensation and incentive arrangements (including any employment or severance agreements) for the executive officers of the Company and its subsidiaries and reviewing compensation and incentive arrangements for all other officers of the Company and its subsidiaries.
- (j) Establishing strategies and compensation policies and programs for employees of the Company to provide incentives for delivery of value to the Company’s shareholders.
- (k) Establishing policies to hire and retain senior executives, with the objective of aligning the compensation of senior management with the business of the Company and the interests of the Company’s shareholders.
- (l) At least annually, discussing, reviewing and evaluating with the Chief Risk Officer, the senior executive officer compensation plans and the employee compensation plans and the risks these plans pose to the Company, so as to (i) identify features in any senior executive officer compensation plans or employee compensation plans that pose imprudent risks to the Company and limit those features to ensure the Company is not unnecessarily exposed to risk, and (ii) identify any features of any employee compensation plan that could encourage manipulation of the reported earnings of the Company to enhance an employee’s compensation and limit these features.

(m) Reviewing and discussing with management the Compensation Discussion and Analysis included in the Company's proxy statement and/or annual report on Form 10-K, and providing a report disclosing this review and discussion and whether, based thereon, the Committee recommended that the Compensation Discussion and Analysis be included in the proxy statement and/or report.

(n) Preparing a report, regarding executive compensation, for inclusion in the Company's proxy statement or annual report as required by, and in accordance with, applicable rules and regulations.

(o) Reviewing all employee benefit programs, including new plans and revisions, overall cost and regulatory compliance.

(p) Overseeing the overall compensation strategies of the Company and its subsidiaries and ensuring that all compensation arrangements comply with applicable law.

(q) Reviewing the Company's stock option plans or equity-related incentives to ensure they provide proper incentives and avoid excessive dilution of ownership by existing shareholders and making recommendations to the Board and shareholders with respect to amendments to the plans, including changes in the number of shares authorized for issuance thereunder.

(r) Approving for submission to stockholders all new equity-related incentive plans, and material amendments thereto, required to be approved by the shareholders under applicable listing requirements of NASDAQ or any stock exchange on which the Company's securities are then listed.

(s) Implementing and administering incentive compensation programs for executive officers and authorizing all awards to such individuals under the incentive programs.

(t) Approving corporate goals and objectives relevant to executive officers' compensation and setting each executive officer's compensation levels. The Committee will set compensation for the Chief Executive Officer and other key executives and review all other compensation. In determining any long-term incentive component of the Chief Executive Officer's compensation, the Committee will consider, among other relevant factors, the Company's performance, the value of incentive awards to chief executive officers at comparable companies, and the awards given to the Company's Chief Executive Officer in past years. The Chief Executive Officer of the Company may not be present during voting or deliberations by the Committee on his or her compensation.

(u) Administering the Company's stock option plan and other equity incentive plans with respect to the Company's executive officers and employees.

(v) Evaluating adherence by each executive officer to the Code of Conduct / Conflict of Interest Policy and taking such evaluation into account in determining such

executive officer's compensation levels. The Committee shall make recommendations to the Board concerning possible violations of the Company's Code of Conduct/Conflict of Interest Policy by directors or executive officers for reportable matters. The Committee may access assistance from internal sources such as Internal Audit or external sources for more technical issues.

(w) Making recommendations to the Board concerning the compensation of non-management members of the Board for service on the Board and committees thereof. The Committee is entitled to take into consideration that directors' independence may be jeopardized if director compensation and perquisites exceed customary levels, if the Company makes substantial charitable contributions to organizations with which a director is affiliated, or if the Company enters into consulting contracts with (or provides other indirect forms of compensation to) a director or an organization with which the director is affiliated. The Committee will review the form and amounts of Board compensation annually to ensure its competitiveness with other companies and its effectiveness in attracting qualified members.

(x) Reviewing and approving the creation or revision of any clawback policy allowing the Company to recoup compensation paid to employees.

(y) Reviewing and reassessing the adequacy of this charter on at least an annual basis and recommending any changes thereto to the Board.

In addition to the matters set forth herein, the Committee will perform such other functions as required by law, the listing requirements of NASDAQ or any stock exchange on which the Company's securities are then listed, the Company's Charter or Bylaws, or Board resolution.

4. Meetings

The Committee will meet at least four times per calendar year and will have additional meetings, as deemed necessary by the Chair, in consultation with the Committee members. The Chair will preside at each meeting of the Committee and, in consultation with the Committee members, shall set the length of each meeting and the agenda of items to be addressed at each meeting. At the beginning of each year, the Committee will establish a schedule of agenda subjects to be discussed during the year (to the degree these can be foreseen). The schedule will be furnished to all directors.

A majority of the members of the Committee shall constitute a quorum at a meeting, and the affirmative vote of a majority of the Committee members present at the time of the vote, if a quorum is present, shall constitute action by the Committee, provided that if action is taken by written consent in lieu of a meeting unanimous written consent shall be required of all members of the Committee. The Committee shall fix its other rules of procedure, except as expressly provided in this Charter, the charter or bylaws of the Company, the Company's Corporate Governance Guidelines, or as otherwise prohibited by law or the rules of NASDAQ. The Committee shall meet in executive session when assessing the performance of and determining the compensation for or incentives to the Chief Executive Officer and at such other times as the Chair or the Committee may determine.

The Committee may also request reports from the Chief Executive Officer, the Chief Financial Officer, the Director of Human Resources or any other officer of the Company.

5. Reporting

The Committee shall maintain written minutes of all meetings and consent actions, which shall be recorded or filed with the books and records of the Company and made available to the Board. The Committee will make regular reports to the Board with respect to the compensation of all executive officers, including incentive-compensation plans and equity-based plans, and as required by law, regulations or applicable stock exchange regulations. Reports of significant matters presented at meetings of the Committee will be given by the Chair to the Board on an as needed basis.

6. Assistance from Others

The Committee shall have the responsibility and authority, in its sole discretion, to retain, or obtain advice from, external advisers, legal counsel and compensation consultants. The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any such counsel, adviser or consultant. All external advisers engaged by the Committee shall report directly to the Committee. Specifically, the Committee shall have the sole authority to retain, obtain advice from, and terminate any compensation consultant to be used to assist in the evaluation of director, Chief Executive Officer or senior executive compensation and shall have the sole authority to approve the consultant's fees and other retention terms. The Company will provide appropriate funding, as determined by the Committee, for payment of reasonable compensation to such consultants, counsel and advisers. Before selecting or obtaining advice from any external adviser, the Committee shall consider all factors relevant to the adviser's independence from management, including the following and all other factors required to be considered under NASDAQ governance requirements:

- (a) the provision of other services to the Company by the person that employs the compensation consultant, legal counsel or other adviser;
- (b) the amount of fees received from the Company by the person that employs the compensation consultant, legal counsel or other adviser, as a percentage of the total revenue of the person that employs the compensation consultant, legal counsel or other adviser;
- (c) the policies and procedures of the person that employs the compensation consultant, legal counsel or other adviser that are designed to prevent conflicts of interest;
- (d) any business or personal relationship of the compensation consultant, legal counsel or other adviser with a member of the compensation committee;
- (e) any stock of the Company owned by the compensation consultant, legal counsel or other adviser; and

(f) any business or personal relationship of the compensation consultant, legal counsel, other adviser or the person employing the adviser with an executive officer of the Company.

7. Performance Evaluation

Each year, the Chair shall review and assess the adequacy and appropriateness of this charter and the Committee's own performance. The results of such evaluation and any proposed changes should be presented to the full Board.

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