



SmartFinancial, Inc.

HUMAN RESOURCES AND COMPENSATION COMMITTEE CHARTER

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 approving compensation, compensation plans and benefit plans for the Company’s executive officers, as well as providing oversight and guidance for the Company in compensation and compensation related matters.

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 an associate 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 (“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.

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”).

RESPONSIBILITIES

The Committee is responsible to the Board for the following activities:

- (a) Ensuring that the executive management team needs of the Company are being met.

- Adopting succession and management development plans for executive-level personnel and reporting such plans to the Board at least annually.
 - Overseeing the performance evaluation system for executive officers.
- (b) Providing oversight for all matters of compensation and benefits for executive officers.
- Approving corporate goals and objectives relevant to executive officers' compensation and approving each executive officer's compensation levels, including the Chief Executive Officer. The Chief Executive Officer of the Company may not be present during voting or deliberations by the Committee on his or her compensation.
 - Reviewing annually, determining and approving the individual compensation and incentive arrangements (including any employment or severance agreements) for the executive officers of the Company and its subsidiaries.
 - Establishing strategies and compensation policies and programs for executive officers to provide incentives for delivery of value to the Company's shareholders.
 - At least annually, discussing, reviewing and evaluating with the Chief Risk Officer the Company's compensation programs to determine whether any risks arising from such compensation programs are reasonably likely to have a material adverse effect on the Company.
 - 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 based on such review and discussion, determine whether or not to recommend to the Board that the Compensation Discussion and Analysis be included in the proxy statement and/or report.
 - Preparing the annual Compensation Committee report for inclusion in the Company's proxy statement or annual report as required by, and in accordance with, applicable rules and regulations.
 - Reviewing all associate programs, including new plans and revisions, overall cost and regulatory compliance.
 - Preparing the annual Compensation Committee report for inclusion in the Company's proxy statement or annual report as required by, and in accordance with, applicable rules and regulations.
 - Overseeing the overall compensation strategies for executive officers of the Company and its subsidiaries.
 - Reviewing the Company's equity-based incentive 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.

- 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.
- Implementing and administering incentive compensation programs for executive officers and approving all awards to such individuals under the incentive programs.
- Administering the Company's equity-based incentive plans and other equity-related incentives.
- Reviewing and approving the creation or revision of any claw back policy allowing the Company to recoup compensation paid to associates.
- Receiving periodic reports on the Company's compensation programs as they affect all associates.
- Reviewing and reassessing the adequacy of this charter on at least an annual basis and recommending any changes thereto to the Board.
- Forming and delegating authority and duties to subcommittees as it deems appropriate.

(c) Providing oversight for all matters of compensation and benefits for the Company.

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.

MEETINGS

The Committee will meet as often as necessary to carry out its responsibilities. The Chair, or such other Committee member as may be appointed to preside at such meeting if the Chair is not present, will preside at each meeting of the Committee and, in consultation with the Committee members, shall set 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 shall have the authority to delegate any of its responsibilities, along with the authority to take action in relation to such responsibilities, to one or more subcommittees as the Committee may deem appropriate in its sole discretion.

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.

Company management, outside counsel and other consultants and/or advisors may attend meetings at the invitation of the Committee.

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 equity-based incentive plans and equity-related incentives, 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.

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 executive officer 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 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.

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.

Date of last revision: January 2020
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