

AUDIT AND RISK COMMITTEE CHARTER

PURPOSE

The Board of Directors (the “**Board**”) of National Bank Holdings Corporation (the “**Company**”) appoints the Audit and Risk Committee (the “**Committee**”) to:

1. Assist the Board in monitoring (a) the integrity of the financial statements and internal controls of the Company, (b) the qualifications and independence of the registered public accounting firm serving as the Company’s independent auditor (the “**Independent Auditor**”), (c) the performance of the Company’s internal audit function and independent external auditors of the Company, (d) the Company’s compliance with legal and regulatory requirements, and (e) the Company’s risk exposure and management;
2. Decide whether to appoint, retain, or terminate the Company’s independent external auditors and to pre-approve all audit, audit-related, tax, and other services, if any, to be provided by independent external auditors; and
3. To prepare the report of the Committee required by the rules of the Securities and Exchange Commission (the “**SEC**”) to be included in the Company’s annual proxy statement.

COMMITTEE MEMBERSHIP

1. The Committee shall consist of no fewer than three members. The members of the Committee shall be appointed by the Board on the recommendation of the Nominating and Governance Committee. Unless appointed by the Board, the Committee shall appoint one of its members as Committee Chair (the “**Chair**”). The members and the Chair shall serve for such terms as the Board may determine and may be replaced at any time by the Board. A Committee member may resign by giving written notice to the Board and may resign Committee membership without resigning from the Board.
2. Each Committee member shall meet the independence and experience requirements of the New York Stock Exchange (the “**NYSE**”), Section 10A(m)(3) of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), Rule 10A-3 promulgated under the Exchange Act, and all other applicable rules and regulations of the SEC, and any standards prescribed for purposes of any federal securities, tax, banking, or other laws relating to the Committee’s duties and responsibilities.
3. Each Committee member shall be able to read and understand financial statements, including the Company’s balance sheet, income statement and cash flow statement. At least one Committee member shall have employment experience in finance, accounting or auditing, or other comparable experience such that he or she, in the judgment of the Board, qualifies as a “financial expert” as such term is defined in Item 407(d) of Regulation S-K or any successor regulations thereto. Committee members shall not simultaneously serve on the audit committees of more than two other public companies.

MEETINGS

The Committee shall meet as often as it determines necessary to carry out its responsibilities, but not less frequently than quarterly. The Committee shall meet periodically in separate executive sessions with management (including the Chief Executive Officer (the “**CEO**”), Chief Financial Officer (“**CFO**”), Chief Accounting Officer, General Counsel and such other persons whose attendance is appropriate for the matters under consideration), the internal auditors and the Independent Auditor. The Committee may request any officer or associate of the Company or representatives of the Company’s outside counsel, Independent Auditor, or other advisors to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee. Furthermore, the Committee shall have such other direct and independent interaction with such persons from time to time as the members of the Committee deem appropriate. The Committee shall meet periodically with the Company’s Independent Auditor with no officers or associates of the Company present.

All meetings of the Committee shall be held pursuant to the Bylaws of the Company with regard to notice and waiver thereof, and written minutes of each meeting shall be duly filed in the Company’s records.

Unless the Chair determines otherwise, the Company’s Corporate Secretary or Assistant Secretary shall be Secretary of the Committee and shall maintain minutes of the Committee’s meetings.

COMMITTEE AUTHORITY AND RESPONSIBILITIES

Pursuant to the requirements of Section 10A(m)(2) of the Exchange Act, the rules promulgated thereunder, and the standards of the NYSE, the Committee shall be directly responsible for the appointment (subject to shareholder ratification, if applicable), compensation, retention and oversight of the work of the Independent Auditor (including resolution of disagreements between management and the Independent Auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work. The Independent Auditor shall report directly to the Committee.

The Committee shall pre-approve all auditing services, internal control-related services, and permitted non-audit services (including the fees and terms thereof) to be performed for the Company by its Independent Auditor, subject to the de minimis exceptions for non-audit services described in Section 10A(i)(1)(B) of the Exchange Act that are approved by the Committee prior to the completion of the audit. In no event shall the Independent Auditor perform any non-audit services for the Company which are prohibited by Section 10A(g) of the Exchange Act or the rules of the SEC.

The Committee shall review and discuss with the Independent Auditor any documentation supplied by the Independent Auditor as to the nature and scope of any tax services to be approved, as well as the potential effects of the provision of such services on the Independent Auditor’s independence.

The Committee may delegate authority and responsibility to individuals or to subcommittees consisting of one or more Committee members when it deems appropriate and when such delegation is permitted under applicable laws, regulations and rules.

The Committee hereby delegates to the Chair, and may from time to time, in its discretion, delegate to one or more of its other members, the authority to pre-approve any audit or permitted non-audit services to be performed by the Independent Auditors, provided that any such approvals shall be presented to the full Committee at its next scheduled meeting.

The Committee shall have the authority to retain independent legal, accounting, or other advisors, as it determines necessary to carry out its duties. The Company shall provide appropriate funding, as determined by the Committee, for payment of compensation to the Independent Auditor or any other auditor engaged for the purpose of rendering or issuing an audit report or performing other audit, review, or attest services for the Company and to any advisors employed by the Committee, as well as funding for the payment of ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

The Committee shall make regular reports to the Board.

The Committee shall annually review its own performance.

The Committee, to the extent it deems necessary or appropriate, shall perform the following tasks.

A. Financial Statement and Disclosure Matters

1. *Audited Financial Statements.* The Committee shall review and discuss with management and the Independent Auditor the annual audited financial statements, including specific disclosures under the management discussion and analysis of financial condition and results of operation (the “**MD&A**”), and review and consider with the Independent Auditor the matters required to be discussed by the applicable Statements of Auditing Standards. The Committee will resolve any disagreements between management and the Independent Auditor. The Committee will consider whether the audited financial statements are consistent with the information known to the Committee. The Committee will advise the Board whether it recommends that the audited financial statements be included in the Annual Report on Form 10-K (or the Annual Report to Shareholders).

2. *Interim Financial Statements; Earnings Releases.*
 - a. The Committee will review and discuss with management and the Independent Auditor, prior to the filing thereof, the Company's interim financial results, including specific disclosures under the MD&A to be included in the Company's quarterly reports on Form 10-Q. The Committee will consider whether the financial statements are consistent with the information known to the Committee.
 - b. The Committee or the Chair will discuss with management the Company's earnings press releases, including the use of "pro forma" or "adjusted" information that does not conform to generally accepted accounting principles ("**GAAP**"), as well as financial information and earnings guidance provided to analysts and rating agencies. Such discussions may be general (consisting of discussing the types of information to be disclosed and the types of presentations to be made), and each earnings release or each instance in which the Company provides earnings guidance need not be discussed in advance.
3. *Financial Reporting Practices.* In connection with the preparation of the Company's financial statements, the Committee shall review with management and the Independent Auditor:
 - a. Changes in the Company's selection or application of accounting policies and practices and significant judgments that may affect the financial results;
 - b. The nature of any unusual or significant commitments or contingent liabilities together with the underlying assumptions and estimates of management; and
 - c. The impact of relevant professional or regulatory pronouncements.
4. *Internal Controls.* The Committee will discuss and review:
 - a. With management, the Company's disclosure controls and procedures and internal control procedures for financial reporting and the documentation used to verify the controls;
 - b. Separately with the Independent Auditor, with management absent, the Company's internal controls over financial reporting;
 - c. With management and the Independent Auditor, any major issues as to the adequacy of the Company's internal controls, any special steps adopted in light of material control deficiencies, and the adequacy of disclosures about changes in internal control over financial reporting; and
 - d. With management (including the senior internal audit executive) and the Independent Auditor, the Company's internal controls report and the Independent Auditor's attestation of the report prior to the filing of the Company's Form 10-K.

5. *Disclosures and Certifications.* The Committee will review disclosures and certifications by the CEO and CFO pursuant to Sections 302 and 906 of the Sarbanes-Oxley Act and other specific disclosures under the MD&A in Form 10-K and Form 10-Q about any significant deficiencies in the design or operation of internal controls or material weaknesses therein and any fraud involving management or other associates who have a significant role in the Company's internal controls, and as the Committee otherwise deems appropriate or necessary.
6. *Accounting and Auditing Policies and Procedures.* The Committee shall review and discuss quarterly reports from the Independent Auditor on:
 - a. All critical accounting policies and practices to be used;
 - b. Any alternative treatments of financial information within GAAP that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the Independent Auditor;
 - c. Other material written communications between the Independent Auditor and management, such as any management letter or schedule of unadjusted differences;
 - d. Compliance programs and corrective actions regarding any deficiencies noted by auditors or examiners regarding compliance or compliance programs;
 - e. Significant findings of any examination by regulatory authorities or agencies and corrective actions regarding any deficiencies noted in regulatory examinations; and
 - f. Any other matters required to be discussed by applicable Statements of Auditing Standards ("SAS").
7. *Other Matters.* The Committee will discuss and review:
 - a. With management and the Independent Auditor, the effect of regulatory and accounting initiatives, as well as off-balance sheet structures on the Company's financial statements;
 - b. With management, the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies; and
 - c. With the Independent Auditor the matters required to be discussed by SAS No. 61 or SAS No. 114, as applicable, relating to the conduct of the audit, including any difficulties encountered in the course of the audit work, any restrictions on the

scope of activities or access to requested information, and any significant disagreements with management.

B. Oversight of the Company's Relationship with the Independent Auditor

In the course of its oversight of the Independent Auditor of the Company, as provided under this Charter, the Committee will be guided by the premise that the Independent Auditor is accountable to the Board and the Committee.

1. The Committee shall:
 - a. Discuss with the Independent Auditor material issues on which the national office of the Independent Auditor was consulted by the Company's audit team;
 - b. Meet with the Independent Auditor prior to the audit to discuss the planning and staffing of the audit;
 - c. Receive from the Independent Auditor annually, a formal written statement delineating the relationships between the auditors and the Company consistent with Independence Standards Board Standard Number 1;
 - d. Discuss with the Independent Auditor the scope of any such disclosed relationships and their impact or potential impact on the Independent Auditor's independence and objectivity; and
 - e. Recommend that the Board take appropriate action in response to the Independent Auditor's report to satisfy itself of the Independent Auditor's independence.
2. The Committee shall review and approve the proposed scope of the annual independent audit of the Company's financial statements and the associated fees, as well as any significant variations in the actual scope of the independent audit and the associated fees. The Committee shall have authority to pay all fees and expenses of the Independent Auditor as it deems appropriate.
3. The Committee shall review the Independent Auditor's report relating to reportable conditions in the internal control structure and financial reporting practices.
4. The Committee shall offer reports as required by Item 407(d) of Regulation S-K.
5. The Committee shall obtain from the Independent Auditor assurance that the audit was conducted in compliance with Section 10A of the Exchange Act.
6. Before the engagement of an Independent Auditor and at least annually thereafter, the Committee shall review and discuss with the Independent Auditor the Independent Auditor's written communications to the Committee regarding the relationships between the auditor and the Company that, in the auditor's professional judgment, may reasonably

be thought to bear on its independence and affirm in writing to the Committee that the auditor is independent.

7. The Committee shall review and evaluate the lead partner of the Independent Auditor team.
8. The Committee shall obtain and review a report from the Independent Auditor at least annually regarding: (a) the Independent Auditor's internal quality control procedures; (b) any material issues raised by the most recent internal quality control review, peer review, or Public Company Accounting Oversight Board review of the Independent Auditor, or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the Independent Auditor; and (c) any steps taken to deal with any such issues.
9. The Committee shall evaluate the qualifications, performance and independence of the Independent Auditor, including considering whether the Independent Auditor's quality controls are adequate and the provision of permitted non-audit services is compatible with maintaining the auditor's independence, taking into account the opinions of management and internal auditors. The Committee shall present its conclusions with respect to the Independent Auditor to the Board.
10. The Committee shall ensure the rotation of the audit partners as required by law and shall consider whether, in order to ensure continuing auditor independence, it is appropriate to adopt a policy of rotating the independent auditing firm on a regular basis.

C. Oversight of the Company's Internal Audit Function

1. The Committee shall review the appointment and replacement of the senior internal auditing executive.
2. The Committee is authorized to establish the compensation of the senior internal auditing executive.
3. The Committee shall review and discuss with the senior internal auditing executive and such other members of senior management as the Committee deems appropriate and with the Independent Auditors:
 - a. The quality and adequacy of the Company's internal accounting controls and the scope of the internal auditor's review thereof;
 - b. Organization of the internal audit department, its responsibilities, the adequacy of its staffing and resources, and the competence of the internal audit staff;
 - c. The audit risk assessment process and the proposed scope of the internal audit department for the upcoming year, any recommended changes, and the coordination of that scope with Independent Auditor;

- d. Results of the internal auditors' examinations together with management's response thereto;
- e. The significant reports to management prepared by the internal auditing department and management's responses;
- f. Reports of any significant deficiencies and material weaknesses;
- g. Any difficulties encountered during the course of any internal audits, including any restriction on the scope of audit work or access to required information; and
- h. The internal audit department's performance compared to the Institute of Internal Auditors' "Standards of the Professional Practice of Internal Auditing".

D. Compliance Oversight Responsibilities

- 1. The Committee shall obtain from the Independent Auditor assurance that if it detects or becomes aware of any illegal act, that the Committee will be adequately informed and provided with a report if required under the Exchange Act.
- 2. The Committee shall obtain reports from management, the Company's senior internal auditing executive and the Independent Auditor that the Company and its subsidiaries or affiliated entities are in conformity with applicable legal requirements and the Company's Code of Business Conduct and Ethics.
- 3. The Committee shall review reports and disclosures of insider and related party transactions.
- 4. The Committee shall advise the Board with respect to the Company's policies and procedures regarding compliance with applicable laws and regulations and with the Company's Code of Business Conduct and Ethics.
- 5. The Committee shall establish procedures for (i) the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters and (ii) the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.
- 6. The Committee shall discuss with management and the Independent Auditor any correspondence with regulators or governmental agencies and any published reports that raise material issues regarding the Company's financial statements or accounting policies.
- 7. The Committee shall discuss with the Company's General Counsel any legal matters that may have a material impact on the financial statements or the Company's compliance policies and internal controls.

E. Other Audit Related Duties

1. The Committee shall review and reassess the adequacy of this Charter on an annual basis.
2. The Committee shall prepare the report of the Committee and review, to the extent deemed necessary by the Committee, any other applicable disclosures required by the rules of the SEC to be included in the Company's annual proxy statement.
3. The Committee shall set policies for the Company's hiring of employees or former employees of the Independent Auditor.
4. The Committee shall perform such other activities consistent with this charter, the Company's Bylaws, and governing laws that the Board or the Committee determine are necessary or appropriate.

The Committee is responsible for overseeing the above matters and activities by management and the Independent Auditor. The Committee shall have access to all documents and personnel of the Company and its subsidiaries in performing its responsibilities. The management of the Company, however, remains responsible for preparing the financial statements and the internal control process and the Independent Auditor is responsible for auditing those financial statements and reviewing the internal control process. In carrying out its oversight responsibilities, the Committee is not providing any special assurance as to the Company's financial statements or internal control process or any professional certification as to the Independent Auditor's work.

F. Risk Responsibilities

The Committee shall perform the functions and have the risk responsibilities described below:

1. The Committee shall discuss with management periodically management's assessment of the Company's market, credit, liquidity, fraud and other financial, operational, and reputational risks, and the guidelines, policies and processes for managing such risks.
2. The Committee shall periodically review, and receive updates and reports from management on, the Company's policies and practices with respect to risk assessment and risk management over, including steps taken by management to control for risks related to, information technology, information/cybersecurity and data privacy protection.
3. The Committee shall review and approve the Company's Risk Management Program and the Board-approved policies for each individual risk category, at least annually.
4. The Committee shall monitor the Company's risk exposure in all risk categories through regular periodic reports prepared by management and such other reports as the Committee may request from time to time.

5. The Committee shall monitor the quality of risk management processes through reports that summarize the risk assessment process and monitor the progress of key initiatives that are undertaken to establish or enhance risk management processes.
6. When exceptions to policy occur or significant risk issues (internal or external) arise, the Committee shall provide guidance to the CEO and management, evaluate the causal factors or likely impact of such events, review management's plan to resolve the matter (and approve if acceptable), and monitor progress against the plan until the exception or the risk issue is resolved or the risk is mitigated to an acceptable level.
7. To the extent not being done by the Board or by another committee of the Board, the Committee shall monitor the progress of compliance with significant new laws, regulations and accounting guidance and of implementing recommendations of regulators, internal auditors, and outside certified public accountants of the Company.
8. Request special analyses or reports from management, as necessary, to improve the Committee's understanding of specific risk issues.

LIMITATION OF COMMITTEE'S ROLE

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and are in accordance with GAAP and applicable rules and regulations. These are the responsibilities of management and the Independent Auditor.