

CAPITAL BANCORP, INC.
CHARTER OF THE AUDIT COMMITTEE

MAY 8, 2018

This Charter of the Audit Committee (the “Committee”) of the Board of Directors (the “Board”) of Capital Bancorp, Inc. (“Capital”) has been adopted by the Capital Board for the purpose set forth below.

Purpose of the Committee

The purpose of the Committee established by this Charter will be to oversee the corporate financial reporting process and the internal and external audits of Capital and all of its subsidiaries, including but not limited to Capital Bank, N.A. (the “Bank” and together with Capital and its other subsidiaries, the “Company”). The Committee will undertake those specific duties, responsibilities and processes listed below, and such other duties as the Capital Board from time to time may prescribe.

Composition of the Committee

The Committee will consist of at least three directors. Each member of the Committee will serve on the Committee only for so long as he or she meets the independence requirements established by the Capital Board and as set forth in applicable laws, rules and regulations, including, without limitation, the rules of The NASDAQ Stock Market, LLC (“Listed Company Rules”) and Section 10A-3(b)(1) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Each member of the Committee will, in the judgment of the Capital Board, have the ability to read and understand fundamental financial statements and otherwise meet the financial sophistication standards established by the requirements of the Listed Company Rules. At least one member of the Committee will, in the judgment of the Capital Board, be an “audit committee financial expert” as defined by the rules and regulations promulgated pursuant to the Exchange Act. The Capital Board will determine, at least annually, the eligibility of the Committee’s members.

The Capital Board will appoint the members of the Committee and the Chair of the Committee. The Capital Board may remove any member from the Committee at any time with or without cause. Any vacancy on the Committee will be filled by the Capital Board. Any director serving on the Committee will automatically cease to be a member of the Committee at the time that he or she ceases to be a director. No director may serve as a member of the Committee if that director serves on the audit committee of more than two other public companies.

Duties, Responsibilities and Powers

The primary responsibility of the Committee is to oversee the Company’s consolidated financial reporting process on behalf of the Capital Board and report the results of its activities to the Capital Board. 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 consolidated financial statements are complete and accurate and prepared in

accordance with generally accepted accounting principles in the United States (“GAAP”) and requirements of law. Management is responsible for the preparation, presentation, and integrity of the Company’s consolidated financial statements and for the appropriateness and legality of the accounting principles and reporting policies that are used by the Company. The independent registered public accounting firm (the “Independent Auditor”) is responsible for auditing the Company’s consolidated financial statements annually, for reviewing the Company’s unaudited interim consolidated financial statements, and for reporting on certain matters to the Committee.

In discharging its oversight role, the Committee is empowered to investigate any matter brought to its attention. The Committee will have access to the Company’s books, records, facilities, and personnel. In fulfilling its responsibilities, the Committee may delegate any or all of its responsibilities to one or more subcommittees of the Company, as determined by the Committee; provided, however, that the Committee may not delegate to a subcommittee any power or authority required by applicable law or regulation, or the Listed Company Rules, to be exercised by the Committee as a whole.

The Committee will have the following additional duties and responsibilities:

Oversight of the Company’s Independent Auditor

1. The Committee will have the sole authority and direct responsibility to appoint, retain, compensate, evaluate and, where appropriate, replace the Independent Auditor (subject to shareholder ratification if required or sought by the Capital Board), and will advise the Capital Board on these matters. The Independent Auditor and each other independent registered public accounting firm engaged for the Company are accountable to the Capital Board and the Committee and will report directly to the Committee. The Independent Auditor and each other independent registered public accounting firm engaged for the Company are accountable to the Capital Board and the Committee and will report directly to the Committee.

2. The Committee will obtain from the Independent Auditor, at least annually, a report to the Committee regarding the Independent Auditor’s internal quality control procedures and any material issues raised by the most recent internal quality-control or peer review or by any inquiry or investigations by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the independent registered public accounting firm that is the Independent Auditor and any steps taken to deal with such issues. The Committee will obtain from the Independent Auditor such a report to the Committee promptly after any review, inquiry or investigation referred to in the preceding sentence. The Committee will obtain and review each inspection report issued by the Public Company Accounting Oversight Board (“PCAOB”).

3. The Committee will obtain from the Independent Auditor on a periodic basis, but at least annually, a formal written statement made to the Company and the Committee delineating all relationships between the Independent Auditor and the Company, including each non-audit service provided to the Company and addressing at least the matters set forth in PCAOB Rule 3526 or any successor rule thereto. The Committee will discuss with the Independent Auditor whether any disclosed relationships or services, or any other factors have affected or may affect the objectivity and independence from the Company of the Independent Auditor and will recommend

to the Capital Board that the Capital Board take appropriate action to satisfy itself or the Independent Auditor regarding the Independent Auditor's independence from the Company.

4. The Committee will have authority to approve all fees and terms of engagement of the Independent Auditor and will pre-approve, or adopt appropriate procedures to pre-approve, all audit and non-audit services to be provided by the Independent Auditor and each other registered public accounting firm engaged for the benefit of the Company, if applicable, in accordance with the Company's Audit and Non-Audit Services Pre-Approval Policy (the "Pre-Approval Policy"), which is attached hereto as Exhibit A. The Committee may delegate certain types of pre-approval authority under the Pre-Approval Policy to one or more of its members in accordance with the Pre-Approval Policy. In no event will any such authority be delegated to an officer or employee of the Company, including an officer or employee of the Company who is also a director of the Company.

5. The Committee will set clear hiring policies for employees or former employees of the Independent Auditor and for audit partner rotation and independent auditor rotation in compliance with applicable laws, rules and regulations and the rules and audit standards of the PCAOB. If applicable laws, rules and regulations or the rules of the PCAOB do not require periodic rotation of the Company's Independent Auditor, the Committee will consider and present its recommendations to the Capital Board annually whether, in order to assure continuing auditor independence, a regular rotation of the Independent Auditor auditing the Company's consolidated financial statements should occur.

6. The Committee will discuss with management and the Independent Auditor, and resolve, any disagreements regarding financial reporting. The Committee will review with the Independent Auditor any audit problems, disagreements or difficulties and management's response thereto.

Oversight of the Company's Internal Audit Function

1. The Committee will oversee the function of the Bank's Internal Audit and Compliance Committee.

2. The Chief Risk Officer, to whom the Internal Audit Manager reports, will report directly to the Bank's Internal Audit and Compliance Committee and as necessary to the Committee to promote independence and assure adequate consideration of audit findings and recommendations.

3. The Committee is responsible for reviewing at least annually the risk areas of the institution's activities, assessing the extent of auditing involvement needed over each area, and determining what type of auditing program will best meet the Company's needs.

Compliance and Regulatory Oversight Responsibilities

1. The Committee will receive from management, as appropriate, communications and presentations on significant operating and control issues in internal audit reports, management letters, and regulatory authorities' examination reports, and any communications regarding the initiation and status of significant special investigations affecting the Company. The Committee

will initiate such other inquiries into the affairs of the Company as it deems necessary or appropriate.

2. The Committee will receive periodic presentations from management and the Independent Auditor on the identification and resolution status of material weaknesses and reportable conditions in the internal control environment, including any deficiencies in the design or operation of the Company's disclosure controls and procedures or internal control over financial reporting maintained under Rule 13a-15 promulgated under the Exchange Act that could adversely affect the Company's ability to record, process, summarize and report financial data, and on any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's disclosure controls and procedures, internal control over financial reporting or other internal controls. The Committee will review management's periodic assessment of the effectiveness of the Company's internal controls and procedures for financial reporting (i.e., the Company's internal control over financial reporting) and the Independent Auditor's report as to management's assessments, as well as the periodic certifications of members of management of the Company as to the internal controls and procedures for financial reporting and related matters, each as required by applicable laws, rules and regulations and the Listed Company Rules.

3. The Committee will review with management the Company's program for compliance with all applicable laws, rules and regulations and review the record of such compliance; and review, if applicable, significant legal cases outstanding against the Company or any of its subsidiaries and other regulatory or legal matters that may have a material effect on the Company's consolidated financial statements.

4. The Committee will review regulatory authorities' examination reports pertaining to the Company, its subsidiaries and associated companies.

5. The Committee will review management reports issued by the Company and the corresponding Independent Auditor's attestation and agreed-upon procedures reports.

6. The Committee will review and approve all related party transactions including but not limited to Regulation O of the Board of Governors of the Federal Reserve, as adopted by the Office of the Comptroller of the Currency.

Financial Statement and Disclosure Matters

1. The Committee will review and discuss the scope of the audit of the Company's consolidated financial statements for each fiscal year, at least annually, with management and the Independent Auditor.

2. The Committee will review the Company's interim consolidated financial statements and the disclosures in the related Management's Discussion and Analysis of Financial Condition and Results of Operations (including the sections thereof addressing off-balance sheet arrangements, market risks and related matters, if any) to be included in a Quarterly Report on Form 10-Q of the Company with management of the Company and the Independent Auditor prior to the filing of that Quarterly Report on Form 10-Q with the SEC. In addition, the Committee will discuss the results of the quarterly review and any other matters required to be communicated to

the Committee by the Independent Auditor under GAAP and the auditing standards adopted by the PCAOB.

3. The Committee will review with management and the Independent Auditor, prior to the filing of each Annual Report on Form 10-K of the Company with the SEC, the Company's annual consolidated financial statements and the disclosures in the related Management's Discussion and Analysis of Financial Condition and Results of Operations (including the sections thereof addressing off-balance sheet arrangements, market risks and related matters, if any) to be included in that Annual Report on Form 10-K (or in any annual report to shareholders prepared and distributed in accordance with Rule 14a-3 under the Exchange Act if such annual report to shareholders for a particular fiscal year is distributed before the Annual Report on Form 10-K for that fiscal year is filed with the SEC). The Committee will make a recommendation to the Capital Board whether the audited consolidated financial statements of the Company for a fiscal year should be included in the Company's Annual Report on Form 10-K for that fiscal year.

4. The Committee will review and discuss with management and the Independent Auditor representations that the consolidated financial statements to be issued by the Company were prepared in accordance with GAAP and fairly present the consolidated results of operations and consolidated financial condition of the Company for the periods and as of the dates covered by those consolidated financial statements (subject, in the case of interim consolidated financial statements, to normal year-end adjustments).

5. The Committee will review and discuss with Company management and the Bank's Internal Audit and Compliance Committee communications with governmental officials and generally reliable reports that raise material issues regarding the Company's financial statements or accounting matters. The Committee will prepare the Committee report required by the rules of the SEC to be included in the Company's proxy statement relating to the Company's annual meeting of its shareholders.

6. The Committee will review and discuss with management, the Independent Auditor, and receive a timely report from the Independent Auditor with respect to, any significant accounting, income tax, financial, reporting policies, issues or judgments estimates made in connection with the preparation, or audit, of the Company's consolidated financial statements and other financial or informational reports, including any major issues regarding or significant changes in the Company's selection or application of accounting principles, the development, selection and disclosure of critical accounting estimates or judgments (including accruals for contingent liabilities and the establishment of reserves), an analysis of the effect of any alternative assumptions, estimates or GAAP methods on the consolidated financial statements of the Company, and the effect of regulatory examinations or any regulatory and accounting initiatives, as well as off-balance sheet structures, on the consolidated financial statements of the Company, and obtain from the Independent Auditor a timely report relating to any material communications between the Independent Auditor and management, such as any "management letter" or schedule of unadjusted differences.

7. The Committee will review internal accounting control reports (management letters) submitted by the Independent Auditor which relate to the Company and summaries of significant issues in management letters addressed to subsidiaries of the Company. The

Committee will also monitor testing of the internal accounting control reports and review the Independent Auditor's reports on the effectiveness of disclosures controls and procedures and the certifications of the Company's officers' requirement by law with respect thereto.

8. The Committee will review and discuss with management the Company's earnings press releases, the substance of any earnings calls, and any earnings guidance, including confirmations and updates thereof, provided by the Company to the investment community, as well as financial and other information provided to analysts and rating agencies.

9. The Committee will review and discuss with Company management and the Bank's Internal Audit and Compliance Committee the adequacy of and effectiveness of the Company's accounting and financial controls, including guidelines and policies for assessing and managing the Company's exposure to risks not already assigned to other committees, including reputation risk, the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures.

10. The Committee will discuss with the Independent Auditor the matters required to be described by PCAOB AU Section 380 (Communication with Audit Committees), including without limitation, any difficulties encountered in the course of the work, any restriction on the scope of the Independent Auditor's activities or on access to requested information and any significant disagreements with management.

Committee Governance

The Committee will meet at such times as it determines to be necessary and appropriate, but at least once each fiscal quarter, and will report to the Capital Board at the meeting of the Capital Board next following each such Committee meeting regarding any issues of which the Capital Board should be made aware. The Committee will have the opportunity at any meeting of the Committee to meet in executive session without the presence of management. A special meeting of the Committee may be called by the Chairman of the Board, the Chairman of the Committee or by a majority of the Committee members. A majority of the Committee members will constitute a quorum for the conduct of business at Committee meetings. Committee members may attend meetings of the Committee telephonically or by video conference. The affirmative vote of a majority of the Committee members present is necessary for the adoption of any resolution of the Committee or to take another action of the Committee. In the event the Chair is not present at the meeting, the other members present at that meeting will designate one of its members as the acting chair of such meeting. The Committee may request any officer, employee or director of the Company or the Company's outside counsel, counsel engaged by the Committee to represent the Committee, the Independent Auditor, or another independent registered public accounting firm to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee and make presentations thereto. The Committee will keep regular minutes and records relating to its meetings and will report regularly to the Capital Board on its activities, as appropriate.

Access and Resources

The Committee will have the resources and authority necessary to discharge its duties and responsibilities. The Committee has sole authority to retain, to set the terms of retention, including compensation, and to terminate outside counsel to represent the Committee and other advisers, experts and consultants to advise the Committee or that the Committee determines are necessary for the Committee to discharge its duties and responsibilities. Any communications between the Committee and legal counsel in the course of obtaining legal advice will be considered privileged communications of the Company and the Committee will take all necessary steps to preserve the privileged nature of those communications. The Company will provide funding, as determined by the Committee, for payment of fees to any public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company, to any counsel or other advisors employed by the Committee and for ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

Performance Review

The Committee will review, at least annually, the Committee's Charter and recommend any proposed changes to the Capital Board for approval. The Committee will conduct, and report to the Capital Board the results of, an annual performance evaluation of the Committee, which evaluation will compare the performance of the Committee with the requirements of this Charter. The Committee will report regularly to the Capital Board, including with respect to its review of any issues that arise with respect to the quality or integrity of the Company's consolidated financial statements, the Company's compliance with legal or regulatory requirements, the performance and independence of the Independent Auditor, and the Company's internal audit function.

The Committee will establish and oversee procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and for the confidential, anonymous submission by Company employees of concerns, regarding questionable accounting or auditing matters.

Disclosure of Charter

This Charter will be made available as required by applicable laws and regulations and the Listed Company Rules.

Exhibit A

CAPITAL BANCORP, INC. AUDIT COMMITTEE AUDIT AND NON-AUDIT SERVICES PRE-APPROVAL POLICY

Statement of Principles

The Audit Committee of the Board of Directors of Capital Bancorp, Inc. (“Capital”) is responsible for the appointment, compensation and oversight of the work of the independent registered public accounting firm that audits the consolidated financial statements of Capital and its consolidated subsidiaries (the “Independent Auditor”). As part of this responsibility, the Audit Committee is required to pre-approve the audit and non-audit services performed by the Independent Auditor to ensure that the performance of those services does not impair the Independent Auditor’s independence. Accordingly, the Audit Committee has adopted, and the Board of Directors has ratified, this Audit and Non-Audit Services Pre-Approval Policy (the “Policy”), which sets forth the procedures and conditions whereby permissible services proposed to be performed by the Independent Auditor will be pre-approved.

Before Capital or any of its subsidiaries may engage the Independent Auditor to render any service, the engagement must be (1) pre-approved by the Audit Committee without consideration of specific case-by-case services by the Audit Committee (“general pre-approval”); or (2) specifically pre-approved on a case-by-case basis by the Audit Committee (“specific pre-approval”). The Audit Committee believes that the combination of these two approaches in this Policy will result in an effective and efficient procedure to pre-approve services to be performed by the Independent Auditor. Under either approach, the Audit Committee will approve the maximum aggregate amount of the costs that may be incurred in connection with the service(s). Unless a type of service has received general pre-approval, it will require specific pre-approval by the Audit Committee if it is to be provided by the Independent Auditor.

In evaluating the scope of the engagement of the Independent Auditor, the Audit Committee will consider whether it believes the proposed services are consistent with the federal laws, as well as the rules and regulations of the Securities and Exchange Commission (“SEC”) and Public Company Accounting Oversight Board (the “PCAOB”) on auditor independence, and will not otherwise impair the Independent Auditor’s independence from Capital.

This Policy describes the particular audit, audit-related, tax and all other services that are subject to general pre-approval of the Audit Committee. The term of any general pre-approval applies to Capital’s financial year, unless the Audit Committee specifically provides for a different period. Thus, audit fees for the financial year may include work performed after the close of the calendar year. Unused pre-approval amounts will not be carried forward to the next year. Pre-approvals will be made by category of service and cannot be transferred between categories. The Audit Committee will periodically revise the list of pre-approved services that may be provided by the Independent Auditor without obtaining specific pre-approval from the Audit Committee.

Delegation

The Audit Committee may delegate pre-approval authority to one or more of its members. The member to whom such authority is delegated must report, for informational purposes only, any pre-approval decisions to the Audit Committee at or before its next scheduled meeting. Neither the Audit Committee nor the person to whom pre-approval authority is delegated may delegate its responsibilities to pre-approve services performed by the Independent Auditor to Capital's management.

Audit Services

The Audit Committee must specifically pre-approve the terms of the annual audit services engagement. The Audit Committee will monitor the audit services engagement as necessary and will consider whether any changes in terms, conditions and fees resulting from changes in audit scope, Capital corporate structure or other items are necessary or appropriate. Audit services include the annual consolidated financial statement audit (including required reviews of the quarterly consolidated financial statements of Capital and its consolidated subsidiaries), audits of Capital's subsidiaries, equity investment audits and other procedures required to be performed by the Independent Auditor to be able to form an opinion on Capital's consolidated financial statements. These other procedures include information systems and procedural reviews and testing performed in order to understand and place reliance on the systems of internal control, and consultations relating to the audit or quarterly reviews. Audit services also include the engagement for the Independent Auditor's report on Capital's internal controls for financial reporting.

In addition to the annual audit services engagement approved by the Audit Committee, the Audit Committee may grant general pre-approval for other audit services, which are those services that only the Independent Auditor reasonably can provide. Other audit services for which the Audit Committee may grant general pre-approval include (1) statutory audits or financial audits for subsidiaries or affiliates of Capital, and (2) services associated with SEC registration statements, periodic reports and other documents filed with the SEC or other documents issued in connection with securities offerings, such as comfort letters and consents, and assistance in responding to SEC comment letters. All other audit services not listed above must be specifically pre-approved by the Audit Committee.

Audit-related Services

Audit-related services, including internal control-related services, are assurance and related services that are reasonably related to the performance of the audit or review of Capital's financial statements or Capital's internal control over financial reporting and that are traditionally performed by the Independent Auditor. The Audit Committee believes that the provision of audit-related services does not impair the independence of the auditor. Other audit-related services for which the Audit Committee may grant general pre-approval include (1) due diligence services pertaining to potential business acquisitions or dispositions, (2) employee benefit plan audits, (3) agreed-upon or expanded audit procedures related to accounting and/or other records required to respond to or comply with financial, accounting or regulatory reporting matters, (4) consultations by management with the Independent Auditor as to the accounting and disclosure treatment of transactions or events and/or the actual or potential impact of final or proposed rules, standards or

interpretations of the SEC, PCAOB or any other regulatory or standard-setting bodies, (5) internal control reviews, and (6) attestation services not required by statute or regulation. All audit-related services not listed above must be specifically pre-approved by the Audit Committee.

Tax Services

The Audit Committee believes that the Independent Auditor can provide tax services to Capital, such as tax compliance, tax planning and tax advice, without impairing the auditor's independence. Tax services for which the Audit Committee may grant general pre-approval include (1) U.S. federal, state and local tax planning and compliance, and (2) review of U.S. federal, state and local income, franchise and other tax returns. All tax services not listed above must be specifically pre-approved by the Audit Committee. In addition, all tax services involving large and complex transactions must be specifically pre-approved by the Audit Committee. The Audit Committee will consult with Capital's Chief Financial Officer or outside counsel to determine that the tax planning and reporting positions are consistent with this Policy.

All Other Services

The Audit Committee may pre-approve permissible non-audit services classified as other non-audit services to be provided by the Independent Auditor, so long as it believes that the provision of services would not impair the independence of the auditor. Due to the nature of these services, all such services must be specifically pre-approved by the Audit Committee.

Prohibited Services

The Audit Committee may not engage Capital's Independent Auditor to provide any service that is prohibited by law or regulation to be provided to an audit client by an independent auditor. The Audit Committee should consult with Capital's outside counsel if any question arises as to the nature or scope of any prohibited non-audit services, including the applicability of any exceptions.

Pre-Approval Fee Levels or Budgeted Amounts

The Audit Committee may consider the amount or range of estimated fees as a factor in determining whether a proposed service would impair the Independent Auditor's independence. Pre-approval fee levels or budgeted amounts for each category of pre-approval services or specifically pre-approved services to be provided by the Independent Auditor will be established annually by the Audit Committee, subject to periodic review of such amounts by the Audit Committee. Any proposed services for which the cost to Capital will materially exceed these levels or amounts will require specific pre-approval by the Audit Committee.

Procedures

All requests or applications for services to be provided by the Independent Auditor that do not require specific approval by the Audit Committee will be submitted to the Chief Financial Officer of Capital and must include a detailed description of the services to be rendered. The Chief Financial Officer will determine, upon consultation with the chairman of the Audit Committee, whether such services are included within the list of services that have received the general pre-

approval of the Audit Committee. The Audit Committee will be informed on a timely basis of any such services rendered by the Independent Auditor.

Requests or applications to provide services that require specific approval by the Audit Committee will be submitted to the Audit Committee by both the Independent Auditor and the Chief Financial Officer, and must include a joint statement as to whether, in their view, the request or application is consistent with the SEC's and PCAOB's rules on auditor independence.

The Audit Committee has designated the Chief Financial Officer to assist it in monitoring all services provided by the Independent Auditor and determining whether such services are being provided in compliance with this Policy. The Chief Financial Officer will report to the Audit Committee on a periodic basis on the results of its monitoring. Management of Capital will immediately report to the chairman of the Audit Committee any breach of this Policy that comes to their attention.

Additional Requirements

The Audit Committee will take additional measures on an annual basis to meet its responsibility to oversee the work of the Independent Auditor and to assure the Independent Auditor's independence from Capital, such as reviewing a formal written statement from the Independent Auditor delineating all relationships between the Independent Auditor and Capital, and discussing with the Independent Auditor its methods and procedures for ensuring independence.

[End of Policy]