

BUSINESS FIRST BANCSHARES, INC.
AUDIT COMMITTEE CHARTER

As adopted by the Board of Directors

Purpose of the Committee

This Charter of the Audit Committee (the “Committee”) of the Board of Directors (the “Board”) of Business First Bancshares, Inc. (the “Company”) has been adopted by the Board for the purposes set forth below.

The purposes of the Committee are to assist the Board in its oversight of:

1. Accounting, financial reporting, and business practices;
2. Independent auditor’s qualifications, independence and performance;
3. Internal controls and operational processes; and
4. Accounting and audits of the financial statements and all functional areas.

The Committee shall also prepare any report required to be included in the Company’s annual proxy statement and filings with the Securities and Exchange Commission (“SEC”).

Composition of the Committee

The Committee shall consist of three or more members of the Board of Directors (the “Board”), each of whom is determined by the Board to be “independent” under Section 10A(m)(3) of the Securities Exchange Act of 1934 (the “Exchange Act”), the rules of the NASDAQ Stock Market, LLC (“Nasdaq”) and the rules and regulations of the SEC. Each member shall qualify as an “outside director” as defined in Section 702 of the Louisiana Directors’ Examination Rules. The membership of the Committee will also comply with the requirements of 12 C.F.R. Part 363. Additionally, each member of the Committee must not have participated in the preparation of the financial statements of the Company or any current subsidiary in the last three years. Each member shall be free of any relationship that, in the opinion of the Board, would interfere with his or her individual exercise of independent judgment.

In accordance with the regulations of the SEC, the Committee will be required to have at least one member who meets the definition of an “audit committee financial expert”. The “audit committee financial expert” will be covered by the SEC safe harbor rules deeming that an audit committee financial expert will not be deemed an “expert” for any purpose, including for purposes of Section 11 of the Securities Act of 1933, and that the designation of a person as an audit committee financial expert does not impose any duties, obligations or liability on the person that are greater than those imposed on such a person as a member of the Committee in the absence of such designation, nor does it affect the duties, obligations or liability of any other member of the Committee or Board.

All members of the Committee must be able to read and understand financial statements at the time of their appointment.

Chairperson of the Committee

The Board, or the Chairperson of the Board, will appoint the Chairperson of the Committee. The appointment of the Committee Chairperson will be ratified annually by the Board. The Chairperson will chair all regular sessions of the Committee and set the agenda for Committee meetings. The Chairperson shall maintain regular communication with the Chief Executive Officer, the Chief Financial Officer, the lead audit partner from the Company's independent auditor and the person, if any, who directs the Company's internal audit function.

Appointment and Removal

The members of the Audit Committee shall be appointed by the Board upon the recommendation of the Nominating/Corporate Governance Committee and shall serve until such member's successor is duly elected and qualified or until such member's earlier resignation or removal. The members of the Committee may be removed, with or without cause, by a majority vote of the Committee or the Board. The Board will annually ratify the appointment of the members of the Committee.

Committee members shall not serve simultaneously on the audit committees of more than two other companies unless the Board determines that such simultaneous service would not impair the ability of such director to serve effectively on the Committee.

Delegation to Subcommittees

In fulfilling its responsibilities, the Committee shall be entitled to delegate any or all of its responsibilities to a subcommittee of the Committee or another Committee of the Board, consistent with legal and regulatory requirements.

Meetings

The Committee shall meet as often as it determines but no less than once per quarter, either in person or telephonically, and at such times and places as the Committee shall determine. The Committee should meet regularly with each of management, the principal internal auditor or outside internal audit firm of the Company and the independent auditors in separate executive sessions to discuss any matters that the Committee or either of these groups believes should be discussed privately. In addition, the Committee or its Chairperson should meet with the independent auditors and management to review the Company's financial statements. The Committee will have the authority to convene in executive session with the independent auditors and such other individuals as determined by the Chairperson of the Committee.

Relationship with Independent Auditors

The Committee shall be directly responsible, in its capacity as a committee of the Board, for the appointment, compensation, retention and oversight of the independent auditors. In this regard, the Committee shall have the sole authority to (A) appoint and retain, (B) determine the

funding for, and (C) when appropriate, terminate, the independent auditors, which shall report directly to the Committee. The Committee will be responsible for resolving any disputes between the independent auditors and the Company's management.

Duties and Responsibilities

To fulfill its responsibilities and duties the Committee shall:

Financial Reporting Processes and Documents/Reports Review

1. Review and discuss with the independent auditors: (A) the scope of the audit, the results of the annual audit examination by the auditor and any accompanying management letters, (B) any audit problems or difficulties the auditor encountered in the course of their audit work, including any restrictions on the scope of the independent auditors' activities or on access to requested information, and any significant disagreements with management and management's response to such audit problems or difficulties, and (C) any reports of the independent auditors with respect to interim periods.

2. Review and discuss with management and the independent auditors the annual audited and quarterly unaudited financial statements of the Company, including (A) analyses of management and/or the outside auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative GAAP methods on the financial statements, (B) the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations," to the extent such disclosures are required, including the development, selection and reporting of accounting policies that may be regarded as critical, and (C) major issues regarding the Company's accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles and financial statement presentations.

3. Recommend to the Board whether the financial statements should be included in the Annual Report.

4. Periodically review and discuss the adequacy of the Company's internal controls, any significant deficiencies in internal controls (and any special audit steps adopted in light of material control deficiencies), and significant changes in such controls; and review and discuss with the principal internal auditor of the Company and such others as the Committee deems appropriate, the scope and results of the internal audit program.

5. Periodically review and discuss the adequacy and effectiveness of the Company's disclosure controls and procedures and management reports thereon.

6. Review and discuss with management and the independent auditors the quarterly financial information to be included in the Bank's Quarterly Reports to the SEC on Form 10-Q and annual Form 10-K, including the Company's disclosures under "Management's Discussion and Analysis of Financial Conditions and Results of Operations". Also, the Committee shall discuss the results of the quarterly review and any other matters required to be communicated to

the Committee by the independent auditor under the standards of the Public Company Accounting Oversight Board (PCAOB).

7. Confirm that certifications and disclosures made by the Chief Executive Officer and Chief Financial Officer required under Sections 302 and 906 of the Sarbanes-Oxley Act (SOX) are timely filed with the SEC. In addition, review certifications and disclosures regarding any significant deficiencies in the design or operation of internal controls or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Company's internal controls.

8. Review and timely discuss with management and the independent auditors the effect of regulatory and accounting initiatives, as well as any material financial or non-financial arrangements of the Company that do not appear on the financial statements of the Company.

9. Review and discuss with the independent auditors their report regarding (A) all critical accounting policies and practices to be used, (B) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management officials of the Company, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditors, and (C) other material written communications between the independent auditors and Company management, including a schedule of unadjusted differences.

10. Review with financial management and the independent auditors the Company's financial statements and filings with the SEC. The Chairperson of the Committee may represent the entire Committee for purposes of this review.

11. Prepare all reports required to be included in the Company's proxy statement.

12. Discuss and review earnings press releases, including the type and presentation of information to be included in earnings press releases, in particular the use of "pro forma" or "adjusted" non-GAAP information.

13. Discuss and review financial information and earnings guidance provided to analysts and rating agencies.

14. Discuss policies with respect to risk assessment and risk management.

Independent Auditors

1. Approve in advance all audit, review or attest engagements required under the securities laws to be provided by the independent auditors, including fees and terms.

2. Establish policies and procedures for the engagement of the independent auditors to provide permissible non-audit services, which shall require preapproval by the Committee (other than with respect to de minimis exceptions described in Section 10A(i)(1)(B) of the Exchange Act that are approved by the Committee prior to the completion of the audit).

3. The authority to grant preapproval of audit and non-audit services may be delegated to one or more designated members of the Committee who are independent directors. Any such delegation shall be presented to the full Committee at its next scheduled meeting.

4. Review, at least annually, any reports prepared by the independent auditors describing (A) the firm's internal quality-control procedures, (B) any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities, within the last five years, respecting one or more independent audits carried out by the independent auditors, and any steps taken to deal with any such issues, (C) all relationships between the independent auditors and the Company, and (D) any other matters required to be set forth in Public Company Accounting Oversight Board ("PCAOB") Rule 3526 or any successor rule thereto. The Committee will obtain and review each inspection report issued by the PCAOB with respect to the independent auditors.

5. In connection with the report review described in the previous paragraph, review and evaluate the lead partner of the independent auditors and present to the Board the Committee's conclusions with respect to the qualifications and performance of the independent auditors.

6. Consider, at least annually, the independence of the independent auditors, including whether the independent auditors' performance of permissible non-audit services is compatible with the auditors' independence; obtain and review the report by the independent auditors describing any relationships between the independent auditors and the Company referred to in paragraph four above or any relationships between the independent auditors and the Company or any other relationships that may adversely affect the independence of the auditor; discuss with the independent auditors any disclosed relationship or services that may impact the objectivity and independence of the auditor; and present to the Board the Committee's conclusions with respect to the independence of the independent auditors.

7. Ensure rotation of the independent auditors, to the extent required by law, Nasdaq listing rules or PCAOB rules, or as deemed advisable by the Audit Committee or the Board, and consider further whether, to assure continuing auditor independence, there should be a regular rotation of the independent auditors.

8. Establish policies for the hiring of employees and former employees of the independent auditors.

9. Discuss with the national office of the independent auditors, if any, issues on which they were consulted by the Company's audit team and matters of audit quality and consistency.

Outside Advisors

1. The Committee shall have the authority to retain such outside counsel, accountants, experts and other advisors as it determines appropriate to assist the Committee in the performance of its duties. The Committee shall have sole authority to approve related fees and retention terms.

Ethical and Legal Compliance

1. Review, with the Company's counsel, any legal matter that could have a significant impact on the Company's financial statements.
2. Establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, including procedures for confidential, anonymous submission of concerns by employees regarding accounting and auditing matters.
3. Approve of and oversee all internal investigations concerning any violations of law, breaches of fiduciary duty, unsafe or unsound banking practices or conditions or conflicts of interest as the Committee, in consultation with the Company's counsel, believes are appropriate.
4. Perform any other activities consistent with this Charter, the Company's bylaws and governing law, as the Committee or the Board deems necessary or appropriate.

Oversight of the Internal Audit Function

1. Select and hire an internal auditor who shall be independent of the Company's and its subsidiaries' banking operations; set salary and benefits; and evaluate the performance of the internal auditor and department.
2. Discuss with management the internal audit department responsibilities, independence, budget and staffing.
3. Secure, review, and approve the Company's internal audit charter and, as applicable, the internal audit charter of the Company's subsidiaries.
4. Secure and approve the internal auditor's annual risk assessment of the Company and its subsidiaries. This assessment should be developed with management input, document the Company's major financial risk exposures, and take into consideration the steps management has taken to monitor and control such exposures.
5. Approve the annual internal audit plan and budget.
6. Review adherence to the internal audit plan and require explanations for deviations from the plan.
7. Review internal audit programs, reports and supporting documentation and report to the Board all significant audit findings.
8. Review all internal audit findings and recommendations and require management to adequately and timely resolve outstanding issues communicated by external and internal auditors, regulatory authorities, and other external contract advisors.

Additional Duties

1. Secure, review, and approve the Committee's charter on an annual basis.
2. Maintain minutes and supporting documentation of meetings and activities of the Committee.
3. Review Audit Committee Questionnaires completed by the Internal Audit department annually.

Reports and Performance Review

The Committee shall report its actions and any recommendations to the Board after each Committee meeting and shall conduct and present to the Board an annual performance evaluation of the Committee. The Committee shall review at least annually the adequacy of this Charter and recommend any proposed changes to the Board for approval.

Limitation of Audit 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 generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of management and the outside auditor.

Disclosure of Charter

This Charter will be made available in accordance with applicable rules and regulations of the SEC and Nasdaq.