

**BUSINESS FIRST BANCSHARES, INC.
COMPENSATION COMMITTEE CHARTER**

As adopted by the Board of Directors

Purpose of the Committee

This Charter of the Compensation 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. The Company’s overall compensation structure, policies and programs and assessing whether the compensation structure establishes appropriate incentives to officers and employees and meets the Company’s corporate objectives;
2. Compensation of the Company’s and its subsidiaries’ executive officers (as defined in Rule 3b-7 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) (the “Executive Officers”); and
3. Administration of the Company’s compensation and benefit plans, including each equity incentive plan, cash incentive plan, retirement plan, profit sharing plan or other compensatory plan adopted by the Company or its subsidiaries that otherwise requires or provides for approval or administration by the Board (collectively, the “Plans”).

Composition of the Committee

The Committee will consist of at least three directors of the Company. The Board will appoint the members and the Chairperson of the Committee. The Chairperson will be responsible for the leadership of the Committee, including presiding over meetings and making regular reports to the Board. The Board may remove any director from the Committee at any time with or without cause. Any vacancy on the Committee will be filled by the 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 of the Company.

A director may serve as a member of the Committee only during periods in which the director: (i) meets the independence requirements contained in the rules applicable to companies with shares of their capital stock registered with the Securities and Exchange Commission (“SEC”) and listed with NASDAQ Stock Market LLC (“Nasdaq”), (ii) is a “non-employee director” within the meaning of Rule 16b-3 under the Exchange Act, and (iii) is an “outside director” within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended (the “Code”). In determining whether a director is eligible to serve on the Committee, the Board will consider whether the director is affiliated with the Company, a subsidiary of the Company or an affiliate of a subsidiary of the Company to determine whether such affiliation would impair the director’s judgment as a member of the Committee. In addition, in affirmatively determining the independence of any director who will serve on the Committee, the Board of Directors will

consider all factors specifically relevant to determining whether a director has a relationship to the Company which is material to that director's ability to be independent from management in connection with the duties of a Committee member, including, but not limited to the source of compensation of such director, including any consulting, advisory or other compensatory fee paid by the Company or one of its affiliates to such director, and whether such director is otherwise affiliated with the Company, a subsidiary of the Company, or an affiliate of a subsidiary of the Company. When considering the sources of a director's compensation for purposes of Committee membership, the Board should consider whether the director receives compensation from any person or entity that would impair the director's ability to make independent judgments about the Company's executive compensation.

The Committee will comply with all applicable requirements for compensation committees promulgated from time to time by the SEC, Nasdaq listing rules and the Internal Revenue Code. The Board will determine, at least annually, the eligibility of the Committee's members.

Duties, Responsibilities and Powers

Although the Committee may have other duties from time to time as specifically established by action of the Board, the general recurring duties, responsibilities and powers of the Committee in carrying out its oversight role are described below.

1. The Committee will review the annual compensation, annual incentive opportunities (including equity and non-equity incentives) and any other matter relating to the compensation of the Executive Officers as presented by the Chief Executive Officer. The Committee will review and determine, and recommend to the Board for its confirmation, the annual compensation, annual incentive opportunities (including equity and non-equity incentives) and any other matter relating to the compensation of the Chief Executive Officer. The Company's Chief Executive Officer may not be present for any deliberations or voting with respect to the determination of his or her compensation.

2. The Committee will review and determine, and make recommendations to the Board with respect to all employment agreements, severance or termination agreements, change in control agreements or similar agreements proposed to be entered into between any Executive Officer and the Company.

3. The Committee will review and determine, and recommend to the Board for its confirmation modifications to the Company's philosophy and practices relating to compensation of its Executive Officers and to compensation of the Company's and its subsidiaries' directors and management.

4. The Committee will review and determine, and will recommend to the Board for its confirmation the establishment of the performance measures applicable to each performance-based cash incentive and equity incentive award to be made under any Plan, and the applicable performance targets for each such performance measure for each such award granted under a Plan.

5. The Committee will have separate but concurrent authority to take all actions required or permitted under the terms of each of the Plans;

6. The Committee will have the authority to review, approve and administer each of the Plans and perform such other duties and responsibilities as may be assigned to the Committee under the terms of the Plans, including:

(a) the institution of, revision of, terminations of, and other actions under Plans that are required to be approved by the Board;

(b) the reservation of authorized and unissued shares of the common stock of the Company for issuance upon the exercise or vesting of grant awards under any of the Plans, for use in settlement of grants or awards under the Plans or as contributions or sales to any trustee of a Plan;

(c) the grant of awards under the Plan and the modification of awards outstanding under a Plan that the Committee deems in the best interest of the Company and its shareholders; and

(d) the purchase of shares of the common stock of the Company for transfer upon exercise or vesting of grants under the Plans, for use in payments of grants or awards under the Plans and for transfer as contributions or sales to any trustee of a Plan.

7. The Committee will review with the Chief Executive Officer the compensation payable to employees other than Executive Officers, including equity and non-equity incentive compensation and other benefits and the Company's total incentive compensation program envisioned for each fiscal year.

8. The Committee will consult with the Chief Executive Officer regarding a succession plan for the Executive Officers of the Company, including the Chief Executive Officer. As part of this process, the Committee will review the leadership development process for senior management positions. The Committee also will review compensation, incentive and other programs to promote such development. The succession plan will be reviewed annually by the Committee and subsequently by the Board.

9. The Committee will review the performance of the Executive Officers for each fiscal year.

10. The Committee will review and discuss with management any compensation discussion that is to be included in the Company's annual meeting proxy statement or other filings with the SEC, and, based on such review and discussion, determine whether or not to recommend to the Board that such discussion be so included. The Committee will also review the procedures and controls for the preparation of these disclosures and recommend any appropriate changes to the Board.

11. To the extent required under applicable laws or Nasdaq listing rules, the Committee will produce a Compensation Committee Report on executive officer compensation for inclusion in the Company's annual meeting proxy statement.

12. The Committee will review annually and recommend to the Board the non-management director compensation program for each year to compensate non-management directors for their service on the Board and Board committees.

13. The Committee will at least annually review the overall performance, operation and administration of the Plans.

14. The Committee will have sole and exclusive authority, without prior approval of the full Board, to take action on the following:

(a) To the extent that the Company's employees or consultants are subject to Section 16 of the Exchange Act, administering the Plans with respect to employees and consultants who are subject to the short-swing profit restrictions of Section 16(b) of the Exchange Act for the purposes and with the intent of having the exemption provided under Rule 16b-3 promulgated under the Exchange Act available to the directors and officers of the Company.

(b) Retaining, or obtaining the advice of, such compensation consultants, legal counsel, or other advisers as the Committee deems necessary or appropriate for the Committee to carry out its duties, with the Company to provide appropriate funding, as determined by the Committee, for the payment of reasonable compensation to such compensation consultants, legal counsel and other advisers; provided, that when determining whether to engage any compensation consultant, legal counsel or other adviser, the Committee will consider any factors required to be so considered by applicable laws and Nasdaq listing rules, including those factors set forth in Rule 10C(b)(4) under the Exchange Act and Rule 5605(d)(3) of the Nasdaq listing rules.

15. From time to time the Committee may, by resolution, delegate to one or more other committees of the Board separate but concurrent authority, to the extent specified in such resolution, to administer the Plans with respect to employees of the Company and its subsidiaries and consultants who are not subject to the short-swing profit restrictions of Section 16(b) of the Exchange Act.

16. The Committee will oversee and make recommendations to the Board regarding the Company's compliance with any applicable laws and Nasdaq listing rules regarding shareholder approval of certain executive compensation matters, including advisory votes on executive compensation and golden parachute compensation, and any requirements that shareholders approve equity compensation plans. The Committee will also review any proxy statement disclosures related to any of the foregoing.

17. The Committee will perform any other responsibilities consistent with this charter, the Company's corporate governance documents, applicable laws and Nasdaq listing rules as the Committee or the Board deems necessary or appropriate.

Committee Governance

The Committee will conduct its business in accordance with this Charter, the Company's bylaws, the Louisiana Business Corporation Act in effect from time to time, and any direction set by the full Board.

The Committee will meet at such times as it determines to be necessary or appropriate and will report to the Board at the meeting of the Board next following each such Committee meeting regarding any issues of which the Board should be made aware. A special meeting of the Committee may be called by the Chairman of the Board, the Chairperson of the Committee or by a majority of the Committee members upon not less than 48 hours' notice. 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, by video conference or by other means whereby all committee members may hear each other. 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. The Committee may invite any director, officer or employee of the Company or its subsidiaries, and such other persons as it deems appropriate, to attend its meetings (or portions thereof) or to meet with or provide relevant information to any members of, or consultants to, the Committee. The Committee will have the opportunity at any meeting of the Committee to meet in executive session without the presence of management. The Committee will keep regular minutes and records relating to its meetings and will report regularly to the Board on its activities, as appropriate.

The Committee will have the resources and authority necessary 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.

Performance Review

The Committee will evaluate its performance under this Charter on an annual basis. In conducting this review, the Committee will evaluate the adequacy of the scope of the Charter and recommend to the Board any changes that it deems necessary or appropriate.

Disclosure of Charter

This Charter will be made available as required by applicable laws and Nasdaq listing rules.