

**BUSINESS FIRST BANCSHARES, INC.
500 Laurel Street, Suite 101
Baton Rouge, Louisiana 70801**

**PROXY STATEMENT
FOR
ANNUAL MEETING OF SHAREHOLDERS
to be held on June 29, 2017**

The date of this proxy statement is May 15, 2017

This proxy statement contains information about the 2017 annual meeting of the shareholders of Business First Bancshares, Inc. The meeting is scheduled to be held on Thursday, June 29, 2017, beginning at 8:00 a.m., local time, at 500 Laurel Street, Suite 101, Baton Rouge, Louisiana. We are providing these proxy materials to you in connection with the solicitation of proxies by our board of directors for the 2017 annual meeting of shareholders and for any adjournment or postponement of the meeting. *In this proxy statement, when we refer to "Business First Bancshares," "the Company," "our Company," "we," "our" and "us," we are referring to Business First Bancshares, Inc. When we refer to "the Bank," we are referring to Business First Bank.*

GENERAL INFORMATION ABOUT THE ANNUAL MEETING

Purpose of the annual meeting

At the annual meeting, you will be asked to consider and vote upon the following:

1. A proposal to elect sixteen directors;
2. A proposal to approve the Business First Bancshares, Inc. 2017 Equity Incentive Plan; and
3. A proposal to ratify the appointment of Hannis T. Bourgeois, LLP as the Company's auditor for the year ending December 31, 2017.

You may also be asked to consider any other business that may properly come before the annual meeting or any adjournment or postponement of the annual meeting. Shareholders will have an opportunity to ask questions at the meeting. Each of the proposals is described in more detail in this proxy statement, which you should read carefully in its entirety before voting.

Voting at the annual meeting; solicitation and revocation of proxies

You are entitled to one vote on each proposal for every share of common stock that you owned at the close of business on May 15, 2017, our record date. At the close of business on May 15, 2017, approximately 6,932,570 shares of our common stock were issued and outstanding.

In order for business to be conducted at the annual meeting, a quorum must be present. A quorum consists of a majority of the shares of our common stock entitled to vote and present at the annual meeting. Shares of our common stock represented at the annual meeting in person or by a properly executed proxy (including shares that abstain or do not vote with respect to one or more of the matters to be acted upon) will be counted for purposes of determining whether a quorum exists. If a quorum does not exist, the annual

meeting will be adjourned until a quorum is obtained. **Accordingly, we urge you to vote by proxy even if you plan to attend the meeting so that we will know as soon as possible that enough votes will be present for us to hold the meeting.**

You may vote by completing and returning the enclosed proxy card, online, or in person at the meeting. We encourage you to attend the annual meeting, and execution of the enclosed proxy will not affect your right to attend the meeting and vote in person. However, to ensure that your shares are voted in accordance with your wishes and that a quorum is present at the meeting so that we can transact business, we urge you to complete, sign and return the enclosed proxy card to us as promptly as possible in the enclosed, self-addressed, stamped envelope. For your convenience, internet voting of your proxy is also available. Please refer to instructions on your proxy card. Your prompt response will help reduce proxy costs, which are paid for by us.

Voting by Proxy. If you vote by proxy, your proxy will be voted in accordance with your instructions. If you execute a proxy card, but do not specify a choice with respect to any of the proposals or with respect to the election of directors, your proxy will be voted in favor of the persons nominated by our board of directors to serve as directors and will be voted “FOR” each of the other proposals. The board of directors does not know of any other matters to be presented for a vote at the annual meeting other than the proposals described herein. If any other matters are brought before the annual meeting, the persons named in the proxies, acting under the proxy, would have the discretion to vote on those matters in accordance with their best judgment.

Voting in Person. If you attend the meeting, you may deliver your completed proxy card in person or you may vote by completing a ballot which will be available at the meeting.

Revocation of Proxies. You may change your vote by revoking your proxy in either of the following ways:

- by providing a written notice of revocation to our Secretary at or before the meeting; or
- by completing, signing and dating another proxy card and filing it with our Secretary at or before the meeting.

Mere attendance at the annual shareholders’ meeting will not of itself revoke a proxy. To be effective, a new proxy card or written revocation must be received by our Secretary prior to the exercise of the proxy at the annual shareholders’ meeting. If the annual meeting is postponed or adjourned, your proxy will still be valid and may be voted at the postponed or adjourned meeting. You will still be able to change or revoke your proxy until it is voted.

Shares registered in another name. If your shares are not registered in your name, you will need to bring appropriate documentation from the record shareholder to vote in person at the annual shareholders’ meeting. If you have any questions regarding the documentation required, please contact Heather Roemer at (225) 248-7635.

Vote required to approve proposals

Proposal One – Election of Directors. If a quorum is present at the annual meeting, directors will be elected by a plurality of the votes actually cast, in person or by proxy, at the annual meeting. A plurality voting standard means that the individuals with the largest number of favorable votes are elected as directors, up to the maximum number of directors to be chosen at the meeting. Therefore, the sixteen nominees receiving the most votes, even if they do not receive a majority of the votes, will be elected to

our board. If the sixteen persons named in this proxy statement are the only persons properly nominated to serve as directors, and each nominee receives some votes, all sixteen persons will be elected as directors.

Proposal Two – Approval of Business First Bancshares, Inc. 2017 Equity Incentive Plan. The proposal to approve the Business First Bancshares, Inc. 2017 Equity Incentive Plan requires the affirmative vote of the holders of at least a majority of the votes cast, either in person or by proxy, at the annual meeting.

Proposal Three – Ratification of Audit firm. The proposal requests ratification of the appointment of Hannis T. Bourgeois, LLP as the auditor for the Company and must be approved by the affirmative vote of the holders of at least a majority of the voting power present in person or by proxy at the annual meeting.

Your board of directors unanimously recommends that you vote “FOR” the election of the sixteen directors nominated by the board, “FOR” the proposal to approve the Business First Bancshares, Inc. 2017 Equity Incentive Plan, and “FOR” the proposal to ratify the appointment of Hannis T. Bourgeois, LLP as the auditor for the Company for the year ending December 31, 2017. Abstentions will be counted as present for determining the presence of a quorum but will not be counted as a vote “FOR” or “AGAINST” any director or any other proposal. However, because the Proposal Two and Proposal Three each require a specific number of affirmative votes to be approved, an abstention will have the same effect as a vote against that particular proposal.

If you return a signed proxy card, the persons named in the enclosed proxy will vote it “FOR” each of the nominated directors, unless you withhold authority to vote for the election of any of the nominees as directors by marking your proxy to that effect, and “FOR” the other proposals, unless you indicate a vote against the proposals or abstain from voting by marking the proxy to that effect.

We know of no other business that is likely to be brought before the annual meeting. If any other matters are properly brought before the meeting, or any adjournment or postponement thereof, the persons named in the proxies, acting under the proxy, will have discretion to vote on those matters in accordance with their best judgment.

Record date

Our board of directors has fixed the close of business on May 15, 2017, as the record date for the annual meeting or any adjournment or postponements thereof. Only shareholders of record of our common stock at the close of business on the record date are entitled to receive notice of, and to vote at, the annual meeting.

Expense of solicitation

Proxies are being solicited by and on behalf of our board of directors. We will bear the costs of preparing and mailing the proxy materials to our shareholders in connection with the annual meeting. We will solicit proxies by mail, and our directors, officers, and employees may also solicit proxies by telephone or personal interview. These persons will receive no additional compensation for these services but may be reimbursed for reasonable out-of-pocket expenses.

Recommendation of the board

Our board of directors has considered the proposals to be presented to our shareholders at the annual meeting and unanimously recommends that our shareholders vote in favor of Proposals One, Two and Three.

PROPOSAL ONE — ELECTION OF DIRECTORS

Our articles of incorporation and bylaws provide that the number of directors of the Company shall be as determined from time to time by the board of directors. Each director shall hold office until the next annual meeting of shareholders or until his successor has been duly elected and qualified. Our board currently consists of sixteen members, each of whom has been nominated by the board to serve as directors until our 2018 annual meeting of shareholders. The names, positions with Business First Bancshares, and principal occupations of the director nominees are listed on the following page.

<u>Name</u>	<u>Title/Position with Business First Bancshares</u>	<u>Principal Occupation</u>
Lloyd Alford.....	Director	President /Owner, Benny's Car Wash
John Graves.....	Director	President, Evans -Graves Engineers, Inc.
Robert Greer, Jr.....	Chairman	Chairman of the Board, Business First Bank
David Laxton, III.....	Director	Retired
Rolfe McCollister, Jr.....	Director	Publisher & CEO, Louisiana Business, Inc.
Andrew McLindon.....	Director	President, Mainspring Companies, LLC
David Melville, III.....	Director, President & CEO	President & CEO, Business First Bank
Patrick Mockler.....	Director	President, Mockler Beverage, Baton Rouge / Southern Eagle, New Orleans
David Montgomery.....	Director	Partner, Montgomery Agency, Inc.
Arthur Price.....	Director	CFO, Badger Oil
Fayez K. Shamieh, MD.....	Director	Physician, Neuro Associates
C. Stewart Slack.....	Director	Vice President, KDC Real Estate Development & Investments
Kenneth Smith.....	Director	President & CEO, T. Baker Smith, LLC
Thomas Everett Stewart.....	Director	Retired
Steve White.....	Director	Business Manager, William A. Robinson Trust
Robert Yarborough.....	Director	CEO, Manda Packing Co., LLC

Vote required to elect nominees

If a quorum is present at the meeting, directors will be elected by a plurality of votes actually cast, in person or by proxy, at the annual meeting. A plurality voting standard means that the individuals with the largest number of favorable votes are elected as directors, up to the maximum number of directors to be chosen at the meeting. Therefore, the sixteen nominees receiving the most votes, even if they do not receive a majority of the votes, will be elected to our board. If the sixteen persons named in this proxy statement are the only persons properly nominated to serve as directors, and each nominee receives some votes, all sixteen persons will be elected as directors.

Your board of directors unanimously recommends a vote “FOR” the persons nominated by the board to serve as directors until the 2018 annual meeting of shareholders. If you return a signed proxy card, the persons named in the enclosed proxy will vote to elect the nominees as directors, unless you withhold authority to vote for the election of the nominees as directors by marking the proxy to that effect.

PROPOSAL TWO — APPROVAL OF EQUITY INCENTIVE PLAN

General

We are asking our shareholders to approve and adopt the Business First Bancshares, Inc. 2017 Equity Incentive Plan (which we refer to hereinafter as the “2017 Plan”). A copy of the 2017 Plan is attached to this proxy statement as Appendix A.

The purpose of the 2017 Plan is to attract and retain the best available personnel for positions of substantial responsibility, to provide additional incentives to selected employees, directors and consultants and to promote the success of Company’s and the Bank’s businesses by offering these individuals an opportunity to acquire a proprietary interest in the success of our organization. To be successful, we believe that our employees and directors need to think like owners. Consistent with this philosophy, our equity program will be broad-based to provide us with a competitive advantage in our efforts to hire and retain top talent. In order to make grants of equity in accordance with this compensation philosophy, our board has approved, and is asking our shareholders to approve, the 2017 Plan.

Material terms of the 2017 Plan

The following summary of the material terms of the 2017 Plan is qualified in its entirety by the full text of the 2017 Plan, which is included as Appendix A to this proxy statement. While our board believes that the following discussion covers the material terms of the 2017 Plan, this summary may not contain all of the information that is important to you. You should carefully read the full text of the 2017 Plan for a more complete understanding of the plan.

Administration. The board of directors of the Company or, at its direction, the Compensation Committee of the board, will administer the 2017 Plan.

Term. The 2017 Plan became effective when our board approved and adopted the 2017 Plan on April 27, 2017. Unless earlier terminated by our board in accordance with its terms, the 2017 Plan shall continue in effect until the date that all shares issuable under the 2017 Plan have been purchased or acquired in accordance with the 2017 Plan; provided, however, that in no event may any options be granted under the 2017 Plan more than ten (10) years after the effective date of the 2017 Plan.

Eligibility. Persons eligible to receive awards under the 2017 Plan include employees, directors and consultants of the Company and the Bank. Incentive stock options may only be granted to employees of the Company and the Bank. Nonstatutory stock options, stock appreciation rights (SARs), restricted stock, restricted stock units, performance units, performance shares and other stock based awards may be granted to employees, directors and consultants of Company and the Bank. Our board or, at its direction, the Compensation Committee of our board, determines from time to time the participants to whom awards will be granted and the terms of such awards.

Authorized Shares. The maximum number of shares of our common stock that may be issued or transferred pursuant to awards under the 2017 Plan equals 500,000, all of which may be subject to incentive stock option treatment.

If any shares of stock covered by an award granted under the 2017 Plan are not purchased or are forfeited or expire, or if an award otherwise terminates without delivery of any shares of stock subject thereto, or is settled in cash in lieu of shares of stock, then the number of shares of stock counted against the aggregate number of shares of stock available under the 2017 Plan with respect to the award will again be available for making awards under the 2017 Plan.

Currently Outstanding Awards. As of the date of this proxy statement, there were no outstanding awards under the 2017 Plan.

Adjustments for Changes in Capitalization. In connection with recapitalizations, stock dividends, stock splits, combination of shares or other changes in the stock, our board or, at its direction, the Compensation Committee of our board, will make adjustments that it deems appropriate to the aggregate number of shares of common stock that may be issued under the 2017 Plan and the terms of outstanding awards.

Incentive Awards. The 2017 Plan authorizes the grant of stock options, SARs, restricted stock, restricted stock units, performance-based awards, as well as other awards described in the 2017 Plan. The 2017 Plan retains the flexibility to offer competitive incentives and to tailor benefits to specific needs and circumstances. Any award may be paid or settled in cash. An option or SAR will expire, or other award will vest, in accordance with the schedule set forth in the applicable award agreement.

Stock Options. A stock option is the right to purchase shares of common stock at a future date at a specified price per share generally equal to, but no less than, the fair market value of a share on the date of grant. An option may either be an incentive stock option, or ISO, or a nonstatutory stock option, or NSO. ISO benefits are taxed differently from NSOs, as described below under “Federal Income Tax Treatment of Awards under the 2017 Plan.” ISOs also are subject to more restrictive terms and are limited in amount by the Internal Revenue Code and the 2017 Plan. Full payment for shares purchased on the exercise of any option must be made at the time of such exercise in a manner approved by our board or, at its direction, the Compensation Committee of our board.

Stock Appreciate Rights. A stock appreciate right, or SAR, is the right to receive payment of an amount equal to the excess of the fair market value of a share of common stock on the date of exercise of the SAR over the fair market value of a share of common stock the date on the date of grant.

Restricted Stock. A restricted stock award is typically for a fixed number of shares of common stock that remain forfeitable unless and until specified conditions are met. Upon satisfaction of the applicable conditions, the holder of a restricted stock award may sell or transfer the shares.

Restricted Stock Units. A restricted stock unit is an award that entitles the recipient to receive a share of our common stock or an amount of cash equal to the fair market value of a share of our common stock upon the satisfaction of applicable restrictions. Restricted stock units are similar to restricted stock; however restricted stock units are a promise to deliver shares or cash, while an award of restricted stock is a grant of actual shares of our common stock subject to transfer restrictions.

Performance-Based Awards. Our board or, at its direction, the Compensation Committee of our board, may designate any award, the exercisability or settlement of which is subject to the achievement of performance conditions, as a performance-based award that is intended to qualify as performance-based compensation within the meaning of Section 162(m) of the Internal Revenue Code. In order to qualify as performance-based compensation, the performance objectives used for the performance-based award must be from the list of performance goals set forth in Section 2(dd) of the 2017 Plan, which is included as Appendix A to this proxy statement.

Our board or, at its direction, the Compensation Committee of our board, may select one or more specified performance objectives when establishing the performance measures of a performance-based award, and such objectives shall be evidenced by the applicable award agreement specifying the performance period and such other terms and conditions as our board or, at its direction, the Compensation Committee of our board, shall determine. The 2017 Plan allows performance objectives to be described in

terms of objectives that are related to an individual participant or objectives that are company-wide or related to a subsidiary, division, department, region, function or business unit and may be measured on an absolute or cumulative basis or on the basis of percentage of improvement over time, and may be measured in terms of company performance (or performance of the applicable subsidiary, division, department, region, function or business unit) or measured relative to selected peer companies or a market index.

Acceleration of Awards; Possible Early Termination of Awards. Upon a change in control, if an acquiror does not assume or replace the outstanding awards, then all outstanding awards under the 2017 Plan will automatically vest prior to the change in control. Further, either in advance of any actual or anticipated change in control or at the time of an actual change in control, the administrator of the 2017 Plan may provide for the full or partial automatic vesting and exercisability of outstanding awards in connection with a change in control. The administrator of the 2017 Plan may also effectuate the automatic cashout and termination of awards immediately prior to a change in control. For this purpose, a change in control is generally defined to include certain changes in the majority of our board, the sale of all or substantially all of our assets and the consummation of certain mergers or consolidations.

Transfer Restrictions. Subject to certain exceptions, awards under the 2017 Plan are not transferable by the recipient other than by will or the laws of descent and distribution and are generally exercisable, during the recipient's lifetime, only by him or her.

Termination of or Changes to the 2017 Plan. Our board or, at its direction, the Compensation Committee of our board, may amend, alter or terminate the 2017 Plan or any award outstanding under the 2017 Plan at any time and in any manner. Unless required by applicable law, shareholder approval for any amendment, alteration or termination of the 2017 Plan will not be required. Unless previously terminated by our board, the 2017 Plan will terminate on the tenth anniversary of its effective date. Outstanding awards may be amended, subject, however, to the consent of the holder if the amendment materially and adversely affects the holder.

Federal Income Tax Treatment of Awards under the 2017 Plan. Federal income tax consequences relating to awards under the 2017 Plan are summarized in the following discussion. This summary is not intended to be exhaustive and, among other considerations, does not describe the deferred compensation provisions of Section 409A of the Internal Revenue Code to the extent an award is subject to and does not satisfy those rules, nor does it describe state, local, or international tax consequences. Further, federal income tax law is subject to change at any time.

For NSOs, we are generally entitled to deduct (and the optionee recognizes taxable income in) an amount equal to the difference between the option exercise price and the fair market value of the shares at the time of exercise. For ISOs, we are generally not entitled to a deduction nor does the participant recognize income at the time of exercise. The current federal income tax consequences of other awards authorized under the 2017 Plan generally follow certain basic patterns: SARs are taxed and deductible in substantially the same manner as NSOs; nontransferable restricted stock subject to a substantial risk of forfeiture results in income recognition equal to the excess of the fair market value over the price paid (if any) only at the time the restrictions lapse (unless the recipient elects to accelerate recognition as of the date of grant); bonuses and performance share awards are generally subject to tax at the time of payment; cash-based awards are generally subject to tax at the time of payment; and compensation otherwise effectively deferred is taxed when paid. We will generally have a corresponding deduction at the time the participant recognizes income. However, as for those awards subject to ISO treatment, we would generally have no corresponding compensation deduction.

If an award is accelerated under the 2017 Plan in connection with a change in control (as this term is used under the Internal Revenue Code), we may not be permitted to deduct the portion of the

compensation attributable to the acceleration (“parachute payments”) if it exceeds certain threshold limits under the Internal Revenue Code (and certain related excise taxes may be triggered). Furthermore, we may not be permitted a deduction in certain circumstances with respect to aggregate compensation in excess of \$1,000,000 attributable to awards which are not “performance-based” within the meaning of Section 162(m) of the Internal Revenue Code, or do not fall within any other applicable exceptions.

Potential dilution

Under the 2017 Plan, we are asking our shareholders to authorize an aggregate total of 500,000 shares of common stock for future issuance under the 2017 Plan. If all authorized shares are issued during the life of the 2017 Plan, this would contribute to a potential dilution of approximately 7.0%. This potential dilution was calculated by dividing the aggregate number of shares available for issuance during the term of the 2017 Plan (500,000 shares) by the number of issued and outstanding shares of common stock as of the record date, May 15, 2017 (6,932,570 shares).

Vote required to elect nominees

The proposal to approve the 2017 Plan requires the affirmative vote of the holders of at least a majority of the votes cast, either in person or by proxy, at the annual meeting.

Your board of directors unanimously recommends a vote “FOR” the proposal to approve the Business First Bancshares, Inc. 2017 Equity Incentive Plan. If you return a signed proxy card, the persons named in the enclosed proxy will vote “FOR” the proposal to approve the Business First Bancshares, Inc. 2017 Equity Incentive Plan, unless you indicate a vote against the proposal or abstain from voting by marking the proxy to that effect.

PROPOSAL THREE — RATIFICATION OF AUDIT FIRM

The proposal to ratify the appointment of Hannis T. Bourgeois, LLP as the auditor for the Company must be approved by the affirmative vote of the holders of at least a majority of the voting power present in person or by proxy at the annual meeting.

Your board of directors unanimously recommends a vote “FOR” the proposal to ratify Hannis T. Bourgeois, LLP as the auditor for the Company for the year ending December 31, 2017. If you return a signed proxy card, the persons named in the enclosed proxy will vote “FOR” the proposal to ratify the appointment of Hannis T. Bourgeois, LLP as the auditor for the Company for the year ending December 31, 2017, unless you indicate a vote against the proposal or abstain from voting by marking the proxy to that effect.

OTHER MATTERS

Our board of directors does not know of any matters to be presented at the meeting other than those set forth in the accompanying notice. However, if any other matters properly come before the annual meeting or any adjournments or postponements thereof, the proxy holders will vote or abstain thereon in their discretion.

**PLEASE VOTE:
SUBMIT YOUR PROXY
ONLINE OR BY MAIL TODAY**

APPENDIX A

BUSINESS FIRST BANCSHARES, INC. 2017 EQUITY INCENTIVE PLAN

APPENDIX A

BUSINESS FIRST BANCSHARES, INC. 2017 Equity Incentive Plan

(adopted by the Company's Board of Directors on April 27, 2017)
(approved by the Company's shareholders on [•], 2017)

1. Purposes of the Plan. The purposes of this Business First Bancshares, Inc. 2017 Equity Incentive Plan (this "**Plan**") are to attract and retain the best available personnel for positions of substantial responsibility, to provide additional incentives to selected Employees, Directors and Consultants and to promote the success of the Company's business. The Plan provides for the grant of Incentive Stock Options, Nonstatutory Stock Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, Performance Units, Performance Shares and Other Stock-Based Awards.

2. Definitions. For purposes of this Plan, the following terms shall have the following meanings:

(a) "**Administrator**" means the Board or, at its direction, the Compensation Committee of the Board, who will administer the Plan in accordance with Section 4 hereof.

(b) "**Applicable Law**" means any applicable legal requirements relating to the administration of and the issuance of securities under equity securities-based compensation plans, including, without limitation, the requirements of U.S. state corporate laws, U.S. federal and state securities laws, U.S. federal law, the Code, the laws of the State of Louisiana, and the requirements of any stock exchange or quotation system upon which the Common Stock may then be listed or quoted and the applicable laws of any other country or jurisdiction where Awards are, or shall be, granted under the Plan. For all purposes of this Plan, references to statutes and regulations shall be deemed to include any successor statutes or regulations, to the extent reasonably appropriate as determined by the Administrator.

(c) "**Award**" means, individually or collectively, a grant under the Plan of Options, SARs, Restricted Stock, Restricted Stock Units, Performance Units, Performance Shares or Other Stock-Based Awards.

(d) "**Award Agreement**" means the written or electronic agreement setting forth the terms and provisions applicable to each Award granted under the Plan. The Award Agreement is subject to the terms and conditions of the Plan.

(e) "**Awarded Stock**" means the Common Stock subject to an Award.

(f) "**Bank**" means the Business First Bank, a Louisiana state bank and wholly-owned subsidiary of the Company, or any successor thereto.

(g) "**Board**" means the Board of Directors of the Company.

(h) “**Cause**” means, with respect to a Participant’s termination by the Bank or the Company as a Service Provider, that such termination is for “Cause” as such term (or word of like import) is expressly defined in a then-effective written agreement between the Participant and the Bank or the Company, or in the absence of such then-effective written agreement and definition, is based on, in the sole determination of the Administrator, the Participant’s: (i) performance of any act or failure to perform any act in bad faith and to the detriment of the Bank or the Company; (ii) dishonesty, intentional misconduct or material breach of any agreement with the Bank or the Company; or (iii) commission of a crime involving dishonesty, breach of trust, or physical or emotional harm to any person; provided, however, that with regard to any agreement that defines “Cause” on the occurrence of or in connection with a Change in Control, such definition of “Cause” shall not apply until immediately after a Change in Control is consummated. Whether Cause exists, whether Cause is susceptible to correction and whether Cause has been corrected shall be determined in the sole discretion of the Company. Notwithstanding anything in this Plan or in any Award Agreement to the contrary, if the Participant’s status as a Service Provider is terminated without Cause, the Company shall have the sole discretion to later use after-acquired evidence to retroactively re-characterize the prior termination as a termination for Cause if such after-acquired evidence supports such an action. If after-acquired evidence is obtained after a Participant has exercised an Award granted under the Plan, the Company shall repurchase the Shares with no consideration being provided to the Participant other than the exercise price, if applicable.

(i) “**Change in Control**” means, except as otherwise defined in an applicable Award Agreement, the occurrence of any of the following events:

(i) the consummation of a transaction as a result of which any person becomes the “beneficial owner” (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company or the Bank representing fifty percent (50%) or more of the total voting power represented by the Company’s or the Bank’s then outstanding voting securities. For the purposes of this paragraph (i), the term “person” shall have the same meaning as when used in Sections 13(d) and 14(d) of the Exchange Act but shall exclude:

(1) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or an affiliate of the Company;

(2) a corporation or other entity owned directly or indirectly by the shareholders of the Company in substantially the same proportions as their ownership of common stock of the Company;

(3) the Company; and

(4) a corporation or other entity of which at least a majority of its combined voting power is owned directly by the Company;

(ii) the consummation of the sale, lease, transfer or other disposition by the Company or the Bank of all or substantially all of the assets of either the Company or the Bank to any third party other than (A) the sale or disposition of all or substantially all of the assets of the Company to a person or persons who beneficially own, directly or indirectly, at least fifty percent

(50%) or more of the combined voting power of the outstanding voting securities of the Company at the time of the sale or (B) to a corporation or other entity owned directly or indirectly by the shareholders of the Company in substantially the same proportions as their ownership of the common stock of the consolidation or corporate reorganization which does not result in a Change in Control as defined herein;

(iii) a change in the effective control of the Company which occurs on the date that a majority of members of the Board is replaced during any twelve (12) month period by directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of the appointment or election. For the purpose of this paragraph, if any person is considered to be in effective control of the Company, the acquisition of additional control of the Company by the same person will not be considered a Change in Control;

(iv) a complete winding up, liquidation or dissolution of the Company or the Bank; or

(v) the consummation of a merger or consolidation of the Company or the Bank with or into any other entity or any other corporate reorganization, other than a merger, consolidation or other corporate reorganization that would result in the voting securities of the Company or the Bank outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or the Bank, or such surviving entity or its parent outstanding immediately after such merger, consolidation or other corporate reorganization, but excluding any series of transactions that the Administrator determines shall not be a Change in Control.

Notwithstanding any provision of this Section 2(i) to the contrary, the following transactions shall not constitute a Change in Control for purposes of this Plan or any Award Agreement:

(A) if the transaction's sole purpose is to change the legal jurisdiction of the Company's or the Bank's incorporation or to create a holding company that will be owned in substantially the same proportions by the persons who held the securities of the Company or the Bank immediately before such transaction, such transaction shall not constitute a Change in Control; or

(B) a sale by the Company of its securities in a transaction, the primary purpose of which is to raise capital for the Company's or the Bank's operations and business activities, including, without limitation, an initial public offering of Shares under the Securities Act or other Applicable Law shall not constitute a Change in Control.

(j) "**Code**" means the U.S. Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

(k) "**Committee**" means a committee of Directors or other individuals satisfying Applicable Law appointed by the Board in accordance with Section 4 hereof.

(l) “**Common Stock**” means the common stock of the Company, par value \$1.00 per share, or in the case of SARs, Performance Units, Restricted Stock Units, and certain Other Stock-Based Awards, the cash equivalent thereof, as applicable.

(m) “**Company**” means Business First Bancshares, Inc., a Louisiana corporation, or any successor thereto.

(n) “**Consultant**” means any natural person, including an advisor, who is engaged by the Company, or any Parent or Subsidiary, to render bona fide consulting or advisory services to such entity and who is compensated for those services; provided, however, that the term “Consultant” does not include (i) Employees, (ii) Directors who are paid only a director’s fee by the Bank or the Company or who are not compensated by the Bank or the Company for their services as Directors, (iii) securities promoters, (iv) independent agents, franchisees and salespersons who do not have employment relationships with the Company from which they derive at least fifty percent (50%) of their annual income, or (v) any other person who would not be a “consultant” or “advisor” as defined under Rule 701 of the Securities Act or any applicable rulings or regulations interpreting Rule 701.

(o) “**Date of Grant**” means the date an Award is granted to a Participant in accordance with Section 16 hereof.

(p) “**Director**” means a member of the Board.

(q) “**Disability**” means a total and permanent disability as defined in Section 22(e)(3) of the Code, provided that in the case of Awards other than Incentive Stock Options, the Administrator in its sole discretion may determine whether a total and permanent disability exists in accordance with uniform and non-discriminatory standards adopted by the Administrator from time to time.

(r) “**Dividend Equivalent**” means a credit, made at the sole discretion of the Administrator, to the account of a Participant in an amount equal to the value of dividends paid on one Share for each Share represented by an Award held by such Participant. Under no circumstances shall the payment of a Dividend Equivalent be made contingent on the exercise of an Option or Stock Appreciation Right.

(s) “**Employee**” means any person, including officers and Directors, employed by the Company or the Bank, or any Parent or Subsidiary. A person shall not cease to be an Employee in the case of (i) any leave of absence approved by the Company, the Bank or any Parent or Subsidiary, including sick leave, military leave, or any other personal leave, or (ii) transfers between locations of the Company, the Bank or any Parent or Subsidiary, or any successor. For purposes of Incentive Stock Options, no such leave may exceed ninety (90) days, unless reemployment upon expiration of such leave is guaranteed by statute or contract. If reemployment upon expiration of a leave of absence approved by the Company or the Bank is not so guaranteed, then three (3) months following the ninety first (91st) day of such leave, any Incentive Stock Option held by the Participant shall cease to be treated as an Incentive Stock Option and shall be treated for tax purposes as a Nonstatutory Stock Option. Neither service as a Director nor payment of a

director's fee by the Company, the Bank or any Parent or Subsidiary shall be sufficient to constitute "employment" by the Company, the Bank or any Parent or Subsidiary.

(t) "**Exchange Act**" means the U.S. Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

(u) "**Exchange Program**" means a program under which (i) outstanding Awards are surrendered or cancelled in exchange for Awards of the same type (which may have lower exercise prices and different terms), Awards of a different type, and/or cash, and/or (ii) the exercise price of an outstanding Award is reduced. The terms and conditions of any Exchange Program shall be determined by the Administrator in its sole discretion.

(v) "**Fair Market Value**" means, as of any date, the value of the Common Stock determined as follows:

(i) if the Common Stock is listed on any established stock exchange or a national market system, the Fair Market Value shall be the closing sales price for such stock (or the closing bid, if no sales were reported) as quoted on such exchange or system for the day of determination, as reported in *The Wall Street Journal* or such other source as the Administrator deems reliable;

(ii) if the Common Stock is regularly quoted by a recognized securities dealer but selling prices are not reported, the Fair Market Value of a Share of Common Stock shall be the mean of the high bid and low asked prices for the Common Stock on the day of determination, as reported in *The Wall Street Journal* or any other source as the Administrator deems reliable; or

(iii) in the absence of an established market for the Common Stock, the Fair Market Value shall be determined in good faith by the Administrator.

Notwithstanding the preceding, for federal, state, and local income tax reporting purposes and for such other purposes as the Administrator deems appropriate, the Fair Market Value shall be determined by the Administrator in accordance with uniform and nondiscriminatory standards adopted by it from time to time.

(w) "**Incentive Stock Option**" means an Option intended to qualify and receive favorable tax treatment as an incentive stock option within the meaning of Section 422 of the Code, as designated in the applicable Award Agreement.

(x) "**Nonstatutory Stock Option**" means an Option that by its terms does not qualify or is not intended to qualify as an Incentive Stock Option.

(y) "**Option**" means an option to purchase Common Stock granted pursuant to the Plan.

(z) "**Other Stock-Based Awards**" means any other awards not specifically described in the Plan that are valued in whole or in part by reference to, or are otherwise based on, Shares and are created by the Administrator pursuant to Section 12.

(aa) “**Outside Director**” means an “outside director” within the meaning of Section 162(m) of the Code.

(bb) “**Parent**” means a “parent corporation” with respect to the Company or the Bank, whether now or hereafter existing, as defined in Section 424(e) of the Code.

(cc) “**Participant**” means a Service Provider who has been granted an Award under the Plan.

(dd) “**Performance Goals**” means goals which have been established by the Administrator in connection with an Award and are based on one or more of the following criteria, as determined by the Administrator in its absolute and sole discretion: growth in interest income and expense; net-income; net interest margin; efficiency ratio; reduction in non-accrual loans and non-interest expense; growth in non-interest income and ratios to earnings assets; net revenue growth and ratio to earning assets; capital ratios; asset or liability interest rate sensitivity and gap; effective tax rate; deposit growth and composition; liquidity management; securities portfolio (value, yield, spread, maturity, or duration); earning asset growth and composition (loans, securities); non-interest income (e.g., fees, premiums and commissions, loans, wealth management, treasury management, insurance, funds management); overhead ratios, productivity ratios; credit quality measures; return on assets; return on equity; economic value of equity; compliance and regulatory ratings; internal controls; enterprise risk measures (e.g., interest rate, loan concentrations, portfolio composition, credit quality, operational measures, compliance ratings, balance sheet, liquidity, insurance); volume in production or loans; cash flow; cost; revenues; sales; ratio of debt to debt plus equity; net borrowing, credit quality or debt ratings; profit before tax; economic profit; earnings before interest and taxes; earnings before interest, taxes, depreciation and amortization; gross margin; profit margin; earnings per Share; operating earnings; capital expenditures; expenses or expense levels; economic value added; ratio of operating earnings to capital spending or any other operating ratios; free cash flow; net profit; net sales; net asset value per Share; the accomplishment of mergers, acquisitions, dispositions, public offerings or similar extraordinary business transactions; sales growth; price of the Company’s common shares; return on investment; return on assets, equity or stockholders’ equity; market share; inventory levels, inventory turn or shrinkage; customer satisfaction; or total return to stockholders.

(ee) “**Performance Period**” means the time period during which the Performance Goals or performance objectives must be met.

(ff) “**Performance Share**” means Shares issued pursuant to a Performance Share Award under Section 10 of the Plan.

(gg) “**Performance Unit**” means, pursuant to Section 10 of the Plan, an unfunded unsecured promise to deliver Shares, cash or other securities equal to the value set forth in the Award Agreement.

(hh) “**Period of Restriction**” means the period during which the transfer of Shares of Restricted Stock are subject to restrictions and therefore, the Shares are subject to a substantial risk of forfeiture. Such restrictions may be based on the passage of time, the

achievement of Performance Goals or other target levels of performance, or the occurrence of other events as determined by the Administrator.

(ii) “**Restricted Stock**” means Shares issued pursuant to a Restricted Stock Award under Section 8 or issued pursuant to the early exercise of an Option.

(jj) “**Restricted Stock Unit**” means, pursuant to Sections 4 and 11 of the Plan, an unfunded and unsecured promise to deliver Shares, cash or other securities equal in value to the Fair Market Value of one Share in the Company on the date of vesting or settlement, or as otherwise set forth in the Award Agreement.

(kk) “**Rule 16b-3**” means Rule 16b-3 of the Exchange Act or any successor to Rule 16b-3, as in effect when discretion is being exercised with respect to the Plan.

(ll) “**Section 16(b)**” means Section 16(b) of the Exchange Act.

(mm) “**Securities Act**” means the U.S. Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

(nn) “**Service Provider**” means an Employee, Director or Consultant to the Bank or the Company.

(oo) “**Share**” means a share of Common Stock, as adjusted in accordance with Section 15 hereof.

(pp) “**Stock Appreciation Right**” or “**SAR**” means, pursuant to Section 9 of the Plan, an unfunded and unsecured promise to deliver Shares, cash or other securities equal in value to the difference between the Fair Market Value of a Share as of the date such SAR is exercised/settled and the Fair Market Value of a Share as of the date such SAR was granted, or as otherwise set forth in the Award Agreement.

(qq) “**Subsidiary**” means a “subsidiary corporation” with respect to the Company or the Bank, whether now or hereafter existing, as defined in Section 424(f) of the Code.

3. Stock Subject to the Plan.

(a) Basic Limitation. Subject to the provisions of Section 15 hereof, the maximum aggregate number of Shares that may be issued pursuant to all Awards under the Plan shall not exceed five hundred thousand (500,000) Shares, all of which may be subject to Incentive Stock Option treatment. Shares shall not be deemed to have been issued pursuant to the Plan with respect to any portion of an Award that is settled in cash. Upon payment in Shares pursuant to the exercise of an Award, the number of Shares available for issuance under the Plan shall be reduced only by the number of Shares actually issued in such payment. If a Participant pays the exercise price (or purchase price, if applicable) of an Award through the tender of Shares, or if Shares are tendered or withheld to satisfy any withholding obligations of the Company, the number of Shares so tendered or withheld shall again be available for issuance pursuant to future Awards under the Plan.

(b) Lapsed Awards. If any outstanding Award expires or is terminated or canceled without having been exercised or settled in full, or if Shares acquired pursuant to an Award subject to forfeiture or repurchase are forfeited or repurchased by the Company, the Shares allocable to the terminated portion of the Award or the forfeited or repurchased Shares shall again be available for grant under the Plan.

(c) Share Reserve. The Company, during the term of the Plan, shall at all times reserve and keep available such number of Shares as shall be sufficient to satisfy the requirements of the Plan. Shares subject to performance awards with target and maximum payout levels shall be reserved at the maximum levels.

(d) Shares under Plans of Acquired Companies. Shares issued or transferred pursuant to an Award granted in substitution for outstanding awards, or in connection with assumed awards, previously granted by a company or other entity acquired by the Company or with which the Company combines, shall not count against the limits in the first sentence of Section 3(a) hereof.

4. Administration of the Plan.

(a) Procedure.

(i) Multiple Administrative Bodies. Different Committees with respect to different groups of Service Providers may administer the Plan.

(ii) Section 162(m). To the extent that the Administrator determines it to be desirable and necessary to qualify Awards granted under this Plan as “performance-based compensation” within the meaning of Section 162(m) of the Code, the Plan shall be administered by a Committee of two or more Outside Directors.

(iii) Rule 16b-3. If a transaction is intended to be exempt under Rule 16b-3 of the Exchange Act, it shall be structured to satisfy the requirements for exemption under Rule 16b-3.

(iv) Other Administration. Other than as provided above, the Plan shall be administered by (A) the Board or (B) a Committee constituted to satisfy Applicable Law.

(v) Delegation of Authority for Day-to-Day Administration. Except to the extent prohibited by Applicable Law, the Administrator may delegate to one or more individuals the day-to-day administration of the Plan and any of the functions assigned to it in this Plan. Such delegation may be revoked at any time.

(b) Powers of the Administrator. Subject to the provisions of the Plan and, in the case of a Committee, the specific duties delegated by the Board to such Committee, the Administrator shall have the authority, in its discretion:

- (i) to determine the Fair Market Value of Awards;

hereunder;

- (ii) to select the Service Providers to whom Awards may be granted

- (iii) to determine the number of Shares to be covered by each Award granted hereunder;

- (iv) to approve the forms of Award Agreement for use under the Plan;

- (v) to determine the terms and conditions, not inconsistent with the terms of the Plan, of any Award granted hereunder including, but not limited to, the exercise price, the time or times when Awards may be exercised (which may be based on Performance Goals or other performance criteria), any vesting acceleration or waiver of forfeiture or repurchase restrictions, any non-competition restrictions, and any other restriction or limitation regarding any Award or the Shares relating thereto, based in each case on such factors as the Administrator, in its sole discretion, shall determine;

- (vi) to reduce, with or without Participant consent, the exercise price of any Award to the then Fair Market Value (or higher value) if the Fair Market Value of the Common Stock covered by such Award shall have declined since the date the Award was granted;

- (vii) to institute an Exchange Program;

- (viii) to prescribe, amend and rescind rules and regulations relating to the Plan, including rules and regulations relating to the creation and administration of sub-plans;

- (ix) to allow Participants to satisfy withholding tax obligations by electing to have the Company withhold from the Shares or cash to be issued upon exercise or vesting of an Award that number of Shares or cash having a Fair Market Value equal to the minimum amount required to be withheld, or such higher limit if applicable under accounting rules without triggering liability classification. The Fair Market Value of any Shares to be withheld shall be determined on the date that the amount of tax to be withheld is to be determined. All elections by Participants to have Shares or cash withheld for this purpose shall be made in such form and under such conditions as the Administrator may deem necessary or advisable;

- (x) to amend the terms of any outstanding Award, including the discretionary authority to extend the post-termination exercise period of Awards and accelerate the satisfaction of any vesting criteria or waiver of forfeiture or repurchase restrictions, provided that any amendment that would adversely affect the Participant's rights under an outstanding Award shall not be made without the Participant's written consent. Notwithstanding the foregoing, an amendment shall not be treated as adversely affecting the rights of the Participant if the amendment causes an Incentive Stock Option to become a Nonstatutory Stock Option or if the amendment is made to the minimum extent necessary to avoid the adverse tax consequences of Section 409A of the Code;

- (xi) to include a provision whereby the Participant may elect at any time while a Service Provider to exercise any part or all of the Option prior to full vesting of the Option, and any unvested Shares received pursuant to such exercise may be subject to a repurchase right

in favor of the Bank or the Company or to any other restriction the Administrator determines to be appropriate;

(xii) to correct administrative errors;

(xiii) to construe and interpret the terms of the Plan and Award granted pursuant to the Plan;

(xiv) to allow a Participant to defer the receipt of the payment of cash or the delivery of Shares that would otherwise be due to the Participant under an Award;

(xv) to determine whether Awards shall be settled in Shares, cash or in a combination of Shares and cash;

(xvi) to determine whether Awards shall be adjusted for Dividend Equivalents;

(xvii) to create Other Stock-Based Awards for issuance under the Plan;

(xviii) to establish a program whereby Service Providers designated by the Administrator can reduce compensation otherwise payable in cash in exchange for Awards under the Plan;

(xix) to impose such restrictions, conditions or limitations as it determines appropriate as to the timing and manner of any resales by a Participant or other subsequent transfers by the Participant of any Shares issued as a result of or under an Award, including without limitation, (A) restrictions under an insider trading policy, and (B) restrictions as to the use of a specified brokerage firm for such resales or other transfers;

(xx) to establish one or more programs under the Plan to permit selected Participants the opportunity to elect to defer receipt of consideration upon exercise of an Award, satisfaction of Performance Goals or other performance criteria, or other event that absent the election, would entitle the Participant to payment or receipt of Shares or other consideration under an Award; and

(xxi) to make any other determination and take any other action that the Administrator deems necessary or desirable for the administration of the Plan.

The express grant in the Plan of any specific power to the Administrator shall not be construed as limiting any power or authority of the Administrator. However, the Administrator may not exercise any right or power reserved to the Board.

(c) Delegation of Authority to Officers. Subject to Applicable Law, the Administrator may delegate limited authority to specified officers of the Bank to execute on behalf of the Company and/or the Bank any instrument required to effect an Award previously granted by the Administrator.

(d) Effect of Administrator's Decision. All decisions, determinations, actions and interpretations of the Administrator shall be final, conclusive and binding on all persons having an interest in the Plan.

(e) Indemnification. In addition to such other rights of indemnification as they may have as members of the Board or as officers or Employees of the Company or the Bank, members of the Board and any officers or Employees of the Company to whom authority to act for the Board, the Administrator or the Company or the Bank is delegated shall be defended and indemnified by the Company or the Bank to the extent permitted by law. Such indemnification shall cover all reasonable expenses, including attorneys' fees, actually and necessarily incurred in connection with the defense of any claim, investigation, action, suit or proceeding, or in connection with any appeal therein, to which they or any of them may be a party by reason of any action taken or failure to act under or in connection with the Plan, or any Award granted hereunder, and against all amounts paid by them in settlement thereof (provided such settlement is approved by the Company) or paid by them in satisfaction of a judgment in any such claim, investigation, action, suit or proceeding. Notwithstanding the foregoing, such indemnification shall not include any matters to which it shall be adjudged in the claim, investigation, action, suit or proceeding that the subject person is liable for gross negligence, bad faith or intentional misconduct; provided, however, that within thirty (30) days after the institution of such claim, investigation, action, suit or proceeding, such person shall offer to the Company or the Bank, in writing, the opportunity at the Company's or the Bank's expense to defend the same.

5. Eligibility.

(a) General Rule. Nonstatutory Stock Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, Performance Units, Performance Shares, and Other Stock-Based Awards may be granted to Service Providers. Incentive Stock Options may be granted only to Employees.

(b) Shareholder with Ten-Percent Holdings. An Employee who owns more than ten percent (10%) of the total combined voting power of all classes of outstanding securities of the Company or any Parent or Subsidiary shall not be eligible for the grant of an Incentive Stock Option unless (i) the exercise price is at least one hundred ten percent (110%) of the Fair Market Value on the Date of Grant, and (ii) the Incentive Stock Option by its terms is not exercisable after the expiration of five (5) years from the Date of Grant. For purposes of this Section 5(b), in determining ownership of securities, the attribution rules of Section 424(d) of the Code shall apply.

6. Limitations for Incentive Stock Options. Each Option shall be designated in the Award Agreement as either an Incentive Stock Option or a Nonstatutory Stock Option. However, notwithstanding a designation of an Option as an Incentive Stock Option, to the extent that the aggregate Fair Market Value of the Shares with respect to which Incentive Stock Options are exercisable for the first time by a Participant during any calendar year (under all plans of the Company and any Parent or Subsidiary) exceeds U.S. \$100,000 (or such higher annual limit as may be set by the Code for Incentive Stock Options), such Options with respect to such Shares exceeding such amount shall be treated as Nonstatutory Stock Options. For purposes of this

Section 6, Incentive Stock Options shall be taken into account in the order in which they were granted. The Fair Market Value of the Shares shall be determined as of the Date of Grant.

7. Options.

(a) Term of Option. The Award Agreement shall specify the term of the Option; provided, however, that the term shall not exceed ten (10) years from the Date of Grant, and a shorter term may be required by Section 5(b) hereof. Subject to the preceding sentence, the Administrator in its sole discretion shall determine when an Option is to expire.

(b) Exercise Price. Each Award Agreement shall specify the exercise price. The exercise price of an Incentive Stock Option shall not be less than one hundred percent (100%) of the Fair Market Value of the Shares on the Date of Grant, and a higher percentage may be required by Section 5(b) hereof. Subject to the preceding sentence, the exercise price under any Option shall be determined by the Administrator in its sole discretion. The exercise price shall be payable in accordance with Section 7(d) hereof and the applicable Award Agreement. Notwithstanding anything to the contrary in the foregoing or in Section 5(b), in the event of a transaction described in Section 424(a) of the Code, then, consistent with Section 424(a) of the Code, Incentive Stock Options may be issued at an exercise price other than as required by the foregoing and Section 5(b).

(c) Exercisability. At the time an Option is granted, the Administrator shall fix the period within which the Option may be exercised and shall determine any conditions that must be satisfied before the Option may be exercised. The Administrator, in its sole discretion, may accelerate the satisfaction of such conditions at any time.

(d) Form of Consideration. The Administrator shall determine the acceptable form of consideration for exercising an Option, including the method of payment. In the case of an Incentive Stock Option, the Administrator shall determine the acceptable form of consideration at the time of grant.

(i) General Rule. The entire exercise price for Shares issued under the Plan shall be payable in cash or cash equivalents at the time when the Shares are purchased, except as otherwise provided in this Section 7(d).

(ii) Services Rendered. At the sole discretion of the Administrator and to the extent so provided in the agreements evidencing Awards of Shares under the Plan, Shares may be awarded under the Plan in consideration of services rendered to the Company or any Parent or Subsidiary prior to the Award.

(iii) Net Exercise. At the sole discretion of the Administrator, consideration may be paid in the form of a "net exercise," such that, without the payment of any funds, the Participant may exercise the Option and receive the net number of Shares equal to (A) the number of Shares as to which the Option is being exercised, multiplied by (B) a fraction, the numerator of which is the Fair Market Value per Share (on such date as is determined by the Administrator) less the exercise price per Share, and the denominator of which is such Fair Market Value per Share (the number of net Shares to be received shall be rounded down to the nearest whole number of Shares);

(iv) Other Forms of Consideration. At the sole discretion of the Administrator, all or a portion of the exercise price may be paid by any other form of consideration and method of payment to the extent permitted by Applicable Law, including through the tender of other Shares with a Fair Market Value equal to the exercise price per Share.

(e) Exercise Procedure. Any Option granted hereunder shall be exercisable according to the terms hereof at such times and under such conditions as may be determined by the Administrator and as set forth in the Award Agreement; provided, however, that an Option shall not be exercised for a fraction of a Share.

(i) An Option shall be deemed exercised when the Company receives (A) written or electronic notice of exercise (in accordance with the Award Agreement) from the person entitled to exercise the Option and (B) full payment for the Shares with respect to which the Option is exercised (including provision for any applicable tax withholding). Full payment may consist of any consideration and method of payment authorized by the Administrator in accordance with Section 7(d) hereof and permitted by the Award Agreement.

(ii) Shares issued upon exercise of an Option shall be issued in the name of the Participant or, if requested by the Participant, in the name of the Participant and his or her spouse. Until the Shares are issued (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), no right to vote or receive dividends or any other rights as a stockholder shall exist with respect to the Awarded Stock, notwithstanding the exercise of the Option. The Company shall issue (or cause to be issued) such Shares promptly after the Option is exercised. No adjustment shall be made for a dividend or other right for which the record date is prior to the date the Shares are issued, except as provided in Section 15 of the Plan or the applicable Award Agreement.

(iii) Exercise of an Option in any manner shall result in a decrease in the number of Shares thereafter available for sale under the Option, by the number of Shares as to which the Option is exercised.

(f) Termination of Service (other than by death).

(i) Except to the extent an Award Agreement provides otherwise, if a Participant ceases to be a Service Provider for any reason other than death, then the Participant's Options shall expire on the earlier of:

(A) The expiration date determined by Section 7(a) hereof;

(B) The ninetieth (90th) day following the termination of the Participant's relationship as a Service Provider for any reason other than Disability or Cause, or such other date as the Administrator may determine and specify in the Award Agreement; provided that no Option that is exercised after the ninetieth (90th) day following the termination of the Participant's relationship as an Employee for any reason other than Disability or Cause shall be treated as an Incentive Stock Option;

(C) The last day of the twelve (12) month period following the termination of the Participant's relationship as a Service Provider by reason of Disability, or such

other date as the Administrator may determine and specify in the Award Agreement; provided that no Option that is exercised after the last day of the twelve (12) month period following the termination of the Participant's relationship as an Employee shall be treated as an Incentive Stock Option; or

(D) The Participant's date of the termination as a Service Provider if such termination is for Cause.

(ii) Following the termination of the Participant's relationship as a Service Provider, the Participant may exercise all or any part of the Participant's Option at any time before the expiration of the Option as set forth in Section 7(f)(i) hereof, but only to the extent that the Option was vested and exercisable as of the date of termination of the Participant's relationship as a Service Provider (or became vested and exercisable as a result of the termination). Unless otherwise provided by the Administrator, if on the date of termination the Participant is not vested as to his entire Option, the Shares covered by the unvested portion of the Option shall revert to the Plan. If the Participant does not exercise his Option as to all of the vested Shares within the time specified by the Award Agreement, the Option shall terminate, and the remaining Shares covered by the Option shall revert to the Plan.

(iii) In the event that the Participant dies after the termination of the Participant's relationship as a Service Provider but before the expiration of the Participant's Option as set forth in Section 7(f)(i) hereof, all or part of the Option may be exercised (prior to expiration) by the executors or administrators of the Participant's estate or by any person who has acquired the Option directly from the Participant by beneficiary designation, bequest or inheritance, but only to the extent that the Option was vested and exercisable as of the termination date of the Participant's relationship as a Service Provider (or became vested and exercisable as a result of the termination). If the Option is not exercised as to all of the vested Shares within the time specified by the Administrator, the Option shall terminate, and the remaining Shares covered by such Option shall revert to the Plan.

(g) Death of Participant.

(i) If a Participant dies while a Service Provider, then the Participant's Option shall expire on the earlier of the following dates:

(A) The expiration date determined by Section 7(a) hereof; or

(B) The last day of the twelve (12) month period following the Participant's death, or such later date as the Administrator may determine and specify in the Award Agreement.

(ii) All or part of the Participant's Option may be exercised at any time before the expiration of the Option as set forth in Section 7(g)(i) hereof by the executors or administrators of the Participant's estate or by any person who has acquired the Option directly from the Participant by beneficiary designation, bequest or inheritance, but only to the extent that the Option was vested and exercisable as of the date of the Participant's death or had become vested and exercisable as a result of the death. Any remaining Options that are unvested as of the date of the Participant's death, or that did not become vested and exercisable as a result of the

Participant's death, shall be immediately forfeited upon the Participant's death. If the Option is not exercised as to all of the vested Shares within the time specified by the Administrator, the Option shall terminate, and the remaining Shares covered by such Option shall revert to the Plan.

8. Restricted Stock.

(a) Grant of Restricted Stock. Subject to the terms and provisions of the Plan, the Administrator, at any time and from time to time, may grant Shares of Restricted Stock to Service Providers in such amounts as the Administrator, in its sole discretion, shall determine.

(b) Restricted Stock Agreement. Each Award of Restricted Stock shall be evidenced by an Award Agreement that shall specify the Period of Restriction, the number of Shares granted, and such other terms and conditions as the Administrator, in its sole discretion, shall determine. Unless the Administrator determines otherwise, Shares of Restricted Stock shall be held by the Company as escrow agent until the restrictions on the Shares have lapsed.

(c) Removal of Restrictions. Except as otherwise provided in this Section 8, Shares of Restricted Stock covered by each Award made under the Plan shall be released from escrow as soon as practical after the last day of the Period of Restriction. The Administrator, in its sole discretion, may accelerate the time at which any restrictions shall lapse or be removed.

(d) Voting Rights. During the Period of Restriction, Service Providers holding Shares of Restricted Stock may exercise full voting rights with respect to those Shares, unless the Administrator determines otherwise.

(e) Dividends and Other Distributions. During the Period of Restriction, Service Providers holding Shares of Restricted Stock shall be entitled to receive all dividends and other distributions paid with respect to such Shares unless otherwise provided in the Award Agreement. If any dividends or distributions are paid in Shares, the Shares shall be subject to the same restrictions on transferability and forfeitability as the Shares of Restricted Stock with respect to which they were paid.

(f) Return of Restricted Stock to Company. On the date set forth in the Award Agreement, the Restricted Stock for which restrictions have not lapsed shall revert to the Company and again shall become available for grant under the Plan.

9. Stock Appreciation Rights

(a) Grant of SARs. Subject to the terms and conditions of the Plan, a SAR may be granted to Service Providers at any time and from time to time as shall be determined by the Administrator, in its sole discretion. The Administrator shall have complete discretion to determine the number of SARs granted to any Service Provider. The Administrator, subject to the provisions of the Plan, shall have complete discretion to determine the terms and conditions of SARs granted under the Plan, including the sole discretion to accelerate exercisability at any time.

(b) SAR Agreement. Each SAR grant shall be evidenced by an Award Agreement that shall specify the exercise price, the term, the conditions of exercise, and such other terms and conditions as the Administrator, in its sole discretion, shall determine.

(c) Expiration of SARs. A SAR granted under the Plan shall expire upon the date determined by the Administrator, in its sole discretion, as set forth in the Award Agreement. Notwithstanding the foregoing, the rules of Sections 7(f) and 7(g) shall also apply to SARs.

(d) Payment of SAR Amount. Upon exercise of a SAR, a Participant shall be entitled to receive payment from the Company in an amount determined by multiplying:

(i) The difference between the Fair Market Value of a Share on the date of exercise over the exercise price; times

(ii) The number of Shares with respect to which the SAR is exercised.

(iii) At the sole discretion of the Administrator, the payment upon the exercise of a SAR may be in cash, in Shares of equivalent value, or in some combination thereof.

10. Performance Units and Performance Shares.

(a) Grant of Performance Units and Performance Shares. Subject to the terms and conditions of the Plan, Performance Units and Performance Shares may be granted to Service Providers at any time and from time to time, as shall be determined by the Administrator in its sole discretion. The Administrator shall have complete discretion in determining the number of Performance Units and Performance Shares granted to each Service Provider.

(b) Value of Performance Units and Performance Shares. Each Performance Unit shall have an initial value established by the Administrator on or before the date of grant. Each Performance Share shall have an initial value equal to the Fair Market Value of a Share on the date of grant.

(c) Performance Objectives and Other Terms. The Administrator shall set Performance Goals or other performance objectives in its sole discretion which, depending on the extent to which they are met, shall determine the number or value of Performance Units and Performance Shares that shall be paid out to the Participant. Each award of Performance Units or Performance Shares shall be evidenced by an Award Agreement that shall specify the Performance Period and such other terms and conditions as the Administrator in its sole discretion shall determine. The Administrator may set Performance Goals or performance objectives based upon the achievement of Company-wide, divisional, or individual goals (including solely continued service), applicable federal or state securities laws, or any other basis determined by the Administrator in its sole discretion.

(d) Earning of Performance Units and Performance Shares. After the applicable Performance Period has ended, the holder of Performance Units or Performance Shares shall be entitled to receive a payout of the number of Performance Units or Performance Shares earned by the Participant over the Performance Period, to be determined as a function of the extent to which the corresponding Performance Goals or performance objectives have been achieved. After the grant of Performance Units or Performance Shares, the Administrator, in its sole discretion, may reduce or waive any performance objectives for the Performance Unit or Performance Share.

(e) Form and Timing of Payment of Performance Units and Performance Shares. Payment of earned Performance Units and Performance Shares shall be made after the expiration of the applicable Performance Period at the time determined by the Administrator. The Administrator, in its sole discretion, may pay earned Performance Units and Performance Shares in the form of cash, in Shares (which have an aggregate Fair Market Value equal to the value of the earned Performance Units or Performance Shares, as applicable, at the close of the applicable Performance Period) or in a combination of cash and Shares.

(f) Cancellation of Performance Units or Performance Shares. On the date set forth in the Award Agreement, all unearned or unvested Performance Units and Performance Shares shall be forfeited to the Company, and again shall be available for grant under the Plan.

11. Restricted Stock Units. Restricted Stock Units shall consist of a Restricted Stock, Performance Share or Performance Unit Award that the Administrator, in its sole discretion permits to be paid out in a lump sum, installments or on a deferred basis, in accordance with rules and procedures established by the Administrator

12. Other Stock-Based Awards. Other Stock-Based Awards may be granted either alone, in addition to, or in tandem with, other Awards granted under the Plan and/or cash awards made outside of the Plan. The Administrator shall have authority to determine the Service Providers to whom and the time or times at which Other Stock-Based Awards shall be made, the amount of such Other Stock-Based Awards, and all other conditions of the Other Stock-Based Awards, including any dividend or voting rights and whether the Award should be paid in cash.

13. Leaves of Absence. Unless otherwise determined by the Administrator and subject to Applicable Law, vesting of Awards granted under this Plan shall be suspended during any unpaid leave of absence and shall resume on the date the Participant returns to work on a regular schedule as determined by the Company; provided, however, that no vesting credit shall be awarded for the time vesting has been suspended during such leave of absence. A Service Provider shall not cease to be an Employee in the case of (i) any leave of absence approved by the Company or (ii) transfers between locations of the Company or between the Company, its Parent, or any Subsidiary. For purposes of Incentive Stock Options, no leave of absence may exceed ninety (90) days, unless reemployment upon expiration of such leave is guaranteed by statute or contract. If reemployment upon expiration of a leave of absence approved by the Company is not guaranteed by statute or contract, then at the end of three (3) months following the expiration of the leave of absence, any Incentive Stock Option held by the Participant shall cease to be treated as an Incentive Stock Option and shall be treated for tax purposes as a Nonstatutory Stock Option.

14. Nontransferability of Awards. Unless otherwise determined by the Administrator and provided in the applicable Award Agreement (or be amended to provide), no Award shall be sold, pledged, assigned, hypothecated, transferred, or disposed of in any manner (whether by operation of law or otherwise) other than by will or applicable laws of descent and distribution or (except in the case of an Incentive Stock Option) pursuant to a qualified domestic relations order, and shall not be subject to execution, attachment, or similar process. If the Administrator makes an Award transferable, such Award shall contain such additional terms and conditions as the Administrator deems appropriate. Upon any attempt to pledge, assign, hypothecate, transfer, or otherwise dispose of any Award or of any right or privilege conferred by this Plan contrary to the

provisions hereof, or upon the sale, levy or attachment or similar process upon the rights and privileges conferred by this Plan, such Award shall thereupon terminate and become null and void. Awards may be exercised during the lifetime of the Participant only by the Participant.

15. Adjustments; Dissolution or Liquidation; Change in Control.

(a) Adjustments. In the event of any change in the outstanding Shares of Common Stock by reason of any stock split, stock dividend or other non-recurring dividends or distributions, recapitalization, merger, consolidation, spin-off, combination, repurchase or exchange of stock, reorganization, liquidation, dissolution or other similar corporate transaction that affects the Common Stock, an adjustment shall be made, as the Administrator deems necessary or appropriate, in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan. Such adjustment may include an adjustment to the number and class of Shares which may be delivered under the Plan, the number, class and price of Shares subject to outstanding Awards, the number and class of Shares issuable pursuant to Options, and the numerical limits in Sections 3 and 6. Notwithstanding the preceding, the number of Shares subject to any Award always shall be a whole number.

(b) Dissolution or Liquidation. In the event of the proposed dissolution or liquidation of the Company, the Administrator shall notify each Participant as soon as practicable prior to the effective date of such proposed transaction. The Administrator, in its sole discretion, may provide for a Participant to have the right to exercise his or her Award, to the extent applicable, until fifteen (15) days prior to the proposed dissolution or liquidation as to all of the Awarded Stock covered thereby, including Shares as to which the Award would not otherwise be exercisable. In addition, the Administrator may provide that any Company repurchase option or forfeiture rights applicable to any Award shall lapse 100%, and that any Award vesting shall accelerate 100%, provided the proposed dissolution or liquidation takes place at the time and in the manner contemplated. To the extent it has not been previously exercised or vested, an Award will terminate immediately prior to the consummation of such proposed action.

(c) Change in Control. This Section 15(c) shall apply except to the extent otherwise provided in the Award Agreement. Upon a Change in Control, it is intended that all outstanding Awards under the Plan will be assumed or replaced by the acquirer, and if the acquirer chooses to not assume or replace such Awards, then all outstanding Awards under the Plan shall automatically vest immediately prior to a Change in Control. The Administrator shall have the sole and unilateral authority, exercisable either in advance of any actual or anticipated Change in Control or at the time of an actual Change in Control, to provide for the full or partial automatic vesting and exercisability of one or more outstanding unvested Awards under the Plan and the release from restrictions on transfer and repurchase or forfeiture rights of such Awards in connection with a Change in Control, on such terms and conditions as the Administrator may specify. Additionally, the Administrator shall have the sole and unilateral authority to effectuate the automatic cashout and termination of one or more Awards immediately prior to the Change in Control and without regard to whether the Participant consents to such cashout, provided the payment to the Participant is at the price the Participant would have received had he or she been a shareholder at the time of such Change in Control, and if such Award is an Option or a SAR, such cashout being equal to the positive "spread" (if any) between the price per Share provided in the Change in Control and the Exercise Price per Share (or if a SAR, the Exercise Price per Share as

of the Date of Grant), multiplied by the number of Optioned Shares (or if a SAR, the number of underlying units). For avoidance of doubt, if an Award is an Option or a SAR and no positive spread exists pursuant to the foregoing, then such cashout of the Award shall be effectuated with no cash payment to the Participant holding such an Award.

(d) Reservation of Rights. Except as provided in this Section 15 and in the applicable Award Agreement, a Participant shall have no rights by reason of (i) any subdivision or consolidation of Shares or other securities of any class, (ii) the payment of any dividend, or (iii) any other increase or decrease in the number of Shares or other securities of any class. Any issuance by the Company of equity securities of any class, or securities convertible into equity securities of any class, shall not affect, and no adjustment by reason thereof shall be made with respect to, the number or exercise price of Shares. The grant of an Award shall not affect in any way the right or power of the Company to make adjustments, reclassifications, reorganizations, or changes of its capital or business structure, to merge or consolidate or to dissolve, liquidate, sell, or transfer all or any part of its business or assets.

16. Date of Grant. The Date of Grant of an Award shall, for all purposes, be the date on which the Administrator makes the determination to grant the Award, or such other later date as is determined by the Administrator; provided, however, that the Date of Grant of an Incentive Stock Option shall be no earlier than the date on which the Service Provider becomes an Employee. Notice of the determination shall be provided to each participant within reasonable time after the date of such grant.

17. Board and Shareholder Approval; Term of Plan.

(a) Approval by Shareholders. The Plan shall be subject to approval by the shareholders of the Company within twelve (12) months before or after the date the Plan is adopted by the Board. Such approval by shareholders of the Company shall be obtained in the degree and manner required under Applicable Law.

(b) Term of the Plan. Subject to approval by shareholders of the Company in accordance with Section 17(a) hereof, the Plan shall become effective upon the earlier to occur of its adoption by the Board or its approval by the shareholders of the Company as described in Section 17(a) hereof. In the event that the shareholders of the Company fail to approve the Plan within twelve (12) months prior to or after its adoption by the Board, any Options that have been granted and any Shares that have been awarded or purchased under the Plan shall be rescinded, and no additional Options shall be granted thereafter. Unless sooner terminated under Section 18 hereof, the Plan shall continue in effect until the date that all Shares issuable under the Plan have been purchased or acquired in accordance with the Plan; provided, however, that in no event may any Options be granted under the Plan more than ten (10) years after the earlier of the date on which the Plan is adopted by the Board or the date on which the Plan is approved by the shareholders of the Company.

18. Amendment and Termination of the Plan.

(a) Amendment and Termination. The Board may at any time amend, alter, suspend, or terminate the Plan. Notwithstanding the foregoing, the Board shall obtain approval of the shareholders of any Plan amendment if required by Applicable Law.

(b) Effect of Amendment or Termination. No amendment, alteration, suspension, or termination of the Plan shall materially and adversely impair the rights of any Participant, unless mutually agreed otherwise between the Participant and the Administrator, which agreement must be in writing and signed by the Participant and the Company. Termination of the Plan shall not affect the Administrator's ability to exercise the powers granted to it hereunder with respect to Awards granted under the Plan prior to the date of such termination. Notwithstanding the foregoing, or anything in the Plan to the contrary, the Administrator shall have unilateral authority to amend an Award, without Participant consent, to the minimum extent necessary to comply with Section 409A of the Code and such amendment shall not be deemed to materially impair the rights of such Participant.

19. Conditions upon issuance of shares.

(a) Legal Compliance. Notwithstanding any other provision of the Plan or any agreement entered into by the Company or the Bank pursuant to the Plan, neither the Company nor the Bank shall be obligated, and shall have no liability for failure to deliver any Shares under the Plan unless the issuance and delivery of Shares comply with (or are exempt from) all Applicable Law, including, without limitation, the Securities Act, U.S. state securities laws and regulations, and the regulations of any stock exchange or other securities market on which the Company's securities may then be traded, and shall be further subject to the approval of counsel for the Company with respect to such compliance.

(b) Investment Representations. As a condition to the exercise or receipt of an Award, the Company may require the person exercising or receiving the Award to represent and warrant at the time any such exercise or receipt that the Shares are being acquired only for investment purposes and without any present intention to sell, transfer, or distribute the Shares if, in the opinion of counsel for the Company, such representation is required.

(c) Taxes. No Shares shall be delivered under the Plan to any Participant or other person until the Participant or other person has made arrangements as the Administrator may require for the satisfaction of any U.S. federal, state, local or non-U.S. income and employment tax withholding obligations, including without limitation, obligations incident to the receipt of Shares. Upon exercise or vesting of an Award, the Company shall withhold or collect from the Participant an amount sufficient to satisfy such tax obligations, including, but not limited to, by surrender of the whole number of Shares covered by the Award sufficient to satisfy the minimum applicable tax withholding obligations incident to the exercise or vesting of an Award, or such higher withholding limit if applicable under accounting rules without triggering liability classification. Without limiting the generality of the foregoing, upon the exercise or settlement of any Award, the Company or the Bank shall have the right to withhold taxes from any compensation or other amounts that the Bank may owe to the Participant, or to require the Participant to pay to

the Company or the Bank the amount of any taxes that the Company or the Bank may be required to withhold with respect to the Shares issued to the Participant.

20. Severability. Notwithstanding any contrary provision of the Plan or an Award to the contrary, if any one or more of the provisions (or any part thereof) of this Plan or the Awards shall be held invalid, illegal, or unenforceable in any respect, such provision shall be modified so as to make it valid, legal, and enforceable, and the validity, legality, and enforceability of the remaining provisions (or any part thereof) of the Plan or Award, as applicable, shall not in any way be affected or impaired thereby.

21. Inability to Obtain Authority. The inability of the Company to obtain authority from any regulatory body having jurisdiction, which authority is deemed by the Company's counsel to be necessary to the lawful issuance and sale of any Shares hereunder, shall relieve the Company of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority shall not have been obtained.

22. No Rights as a Service Provider. Neither the Plan nor any Award shall confer upon any Participant any right to continue his or her relationship as a Service Provider with the Bank or the Company for any period of specific duration or interfere in any way with his or her right or the right of the Bank or the Company (or any Parent or Subsidiary employing or retaining the Participant), which rights are hereby expressly reserved by each, to terminate such relationship at any time, with or without cause, and with or without notice.

23. Unfunded Obligation. This Section 23 shall only apply to Awards that are not settled in Shares. Participants shall have the status of general unsecured creditors of the Company. Any amounts payable to Participants pursuant to the Plan shall be unfunded and unsecured obligations for all purposes, including, without limitation, Title I of the Employee Retirement Income Security Act of 1974, as amended. Neither the Company nor any Parent or Subsidiary shall be required to segregate any monies from its general funds, or to create any trusts, or establish any special accounts with respect to such obligations. The Company shall retain at all times beneficial ownership of any investments, including trust investments, which the Company may make to fulfill its payment obligations under this Plan. Any investments or the creation or maintenance of any trust for any Participant account shall not create or constitute a trust or fiduciary relationship between the Administrator, the Company or any Parent or Subsidiary and Participant, or otherwise create any vested or beneficial interest in any Participant or the Participant's creditors in any assets of the Company or Parent or Subsidiary. The Participants shall have no claim against the Company or any Parent or Subsidiary for any changes in the value of any assets that may be invested or reinvested by the Company with respect to the Plan.

24. No Rights to Awards. No Participant, eligible Service Provider, or other person shall have any claim to be granted any Award under the Plan, and there is no obligation for uniformity of treatment of a Service Provider, Participant, or holders or beneficiaries of Awards

under the Plan. The terms and conditions of Awards need not be the same with respect to any Participant or with respect to different Participants.

25. No Stockholder Rights. Except as otherwise provided in an Award Agreement, a Participant shall have none of the rights of a stockholder with respect to Shares covered by an Award until the Participant becomes the record owner of the Shares.

26. Fractional Shares. No fractional Shares shall be issued and the Administrator shall determine, in its sole discretion, whether cash shall be given in lieu of fractional Shares or whether such fractional Shares shall be eliminated by rounding up or down as appropriate.

27. Governing Law. The Plan, all Award Agreements, and all related matters, shall be governed by the laws of the State of Louisiana, without regard to choice of law principles that direct the application of the laws of another state.

28. Minimum Regulatory Capital Requirements. Notwithstanding any provision of this Plan or any agreement to the contrary, Awards granted under the Plan will expire or be forfeited, to the extent not exercised or settled, within forty-five (45) days following the receipt of notice from the Company's and/or the Bank's primary federal or state regulator ("**Regulator**") that (i) the Company and/or the Bank has not maintained its minimum capital requirements (as determined by the Regulator); and (ii) the Regulator is requiring termination or forfeiture of the Awards. Upon receipt of such notice from the Regulator, the Company and/or the Bank will promptly notify each Participant that such Awards have become fully exercisable and vested to the full extent of the grant and that the Participant must exercise the Award or the Award must be settled, as applicable, prior to the end of the 45-day period or such earlier period as may be specified by the Regulator or the Participant will forfeit such Awards. In case of forfeiture, no Participant will have a cause of action, of any kind or nature, with respect to the forfeiture against the Company, the Bank or any Parent or Subsidiary. None of the Company, the Bank, or any Parent or Subsidiary will be liable to any Participant due to the failure or inability of the Company and/or the Bank to provide adequate notice to the Participant.

29. Section 409A. It is the intention of the Company that no Award shall be "deferred compensation" subject to Section 409A of the Code, unless and to the extent that the Administrator specifically determines otherwise, and the Plan and the terms and conditions of all Awards shall be interpreted accordingly. The following rules shall apply to Awards intended to be subject to Section 409A of the Code ("**409A Awards**"):

(a) Any distribution of a 409A Award following a separation from service that would be subject to Section 409A(a)(2)(A)(i) of the Code as a distribution following a separation from service of a "specified employee" (as defined under Section 409A(a)(2)(B)(i) of the Code) shall occur no earlier than the expiration of the six-month period following such separation from service.

(b) In the case of a 409A Award providing for distribution or settlement upon vesting or lapse of a risk of forfeiture, if the time of such distribution or settlement is not otherwise specified in the Plan or Award Agreement or other governing document, the distribution or

settlement shall be made no later than March 15 of the calendar year following the calendar year in which such 409A Award vested or the risk of forfeiture lapsed.

(c) In the case of any distribution of any other 409A Award, if the timing of such distribution is not otherwise specified in the Plan or Award Agreement or other governing document, the distribution shall be made not later than the end of the calendar year during which the settlement of the 409A Award is specified to occur.

30. Construction. Headings in this Plan are included for convenience and shall not be considered in the interpretation of the Plan. References to sections are to Sections of this Plan unless otherwise indicated. Pronouns shall be construed to include the masculine, feminine, neutral, singular or plural as the identity of the antecedent may require. This Plan shall be construed according to its fair meaning and shall not be strictly construed against the Company.

31. Compensation Recoupment. All compensation and Awards payable or paid under the Plan and any sub-plans shall be subject to the Company's ability to recover incentive-based compensation from executive officers, as is required by the provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act, any regulations or rules promulgated thereunder, or any other "clawback" provision required by Applicable Law or the listing standards of any applicable stock exchange or national market system.

[Signature Page Follows]

IN WITNESS WHEREOF, the Company, acting by and through its duly authorized officer, has executed this Plan on this the [•] day of [•], 2017.

BUSINESS FIRST BANCSHARES, INC.

By: _____
David R. Melville III
President and Chief Executive Officer

