



**INVESTAR BANK  
BOARD COMPLIANCE COMMITTEE CHARTER**

**June 16, 2021**

## **Purpose**

The role of the Board Compliance Committee (“Committee”) of the Board of Directors (“Board”) of Investar Bank (“Investar”) is to assist the Board in fulfilling its responsibilities relating to reviewing the Company's operational compliance with applicable regulatory requirements and sound ethical standards. The Compliance Committee's primary duties and responsibilities are to:

- Establish, in conjunction with Investar management, programs regarding operational and regulatory compliance and sound business ethics for Investar.
- Oversee Investar’s relationships with its principal regulatory authorities.
- Review matters relating to Investar compliance education, training and communications to help ensure that Investar’s policies and procedures on regulatory compliance and ethics are properly disseminated, understood, and followed.
- Monitor and review Investar’s activities to help ensure that regulatory requirements and high standards of business and personal ethics are communicated and are being met by Investar, its employees and business partners.

## **Membership**

The Committee shall consist of at least three Board members as determined from time to time by the Board. The Board shall appoint members of the Committee on the recommendation of the Nominating and Governance Committee, who shall serve at the pleasure of, and may be removed at any time (with or without cause) by, the Board. The Board shall fill any vacancy on the Committee. Unless a Chair is elected by the full Board, the members of the Committee shall designate a Chair by majority vote of the full Committee. The Chair shall be responsible for the leadership of the Committee, including presiding over meetings and making regular reports to the Board. Each member of the Committee must be free from any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the Committee.

Additional members are:

Compliance Officer  
Audit Representative (Non-Voting)  
Chief Risk Management Officer  
Chief Executive Officer (Optional attendee)

## **Meetings**

The Committee shall meet as often as it deems appropriate to perform its responsibilities, but no less than once per calendar quarter, and at such times and places as the Chair may determine. The Compliance Officer shall ensure that the agenda for each meeting is circulated to each Committee member in advance of the meeting. If the Chair is not present at the meeting, the other members present at that meeting shall designate an acting chair for such meeting. The Committee shall be governed by the same rules regarding meetings, actions without meetings, notice, waiver of notice, quorum and voting requirements as applicable to the Board under the Restated Articles of Incorporation of Investar, as amended (the “Articles”), the Bylaws of Investar, as amended (the “Bylaws”), and applicable laws and regulations. The Committee shall keep regular minutes and records relating to its meetings and will report regularly to the Board on its activities, as appropriate.

The Committee may invite any director, officer or employee of Investar or Investar Bank, Investar’s outside counsel or independent auditor, and such other person as it deems appropriate to attend its meetings (or portions thereof) or to meet with or provide relevant information to any members of, or consultants to, the Committee. The Committee shall meet privately in executive session at such times as it may determine and shall meet with senior management, internal audit personnel, the independent auditor, and Investar’s regulatory examiners as appropriate. The Chair is responsible for deciding who may or may not attend meetings of the Committee (or portions thereof).

### **Duties and Responsibilities**

The Committee shall be knowledgeable about the content and operation of the Compliance Management System (CMS) and shall exercise reasonable oversight with respect to the implementation and effectiveness of the CMS. In addition, the Committee will be responsible for the following:

- Provide oversight to the Compliance Officer(s), who shall be delegated day-to-day operational responsibility for the CMS. Oversight should include a review of the adequacy and appropriateness of resources and authority.
- Provide oversight to the CMS to ensure that it is reasonably designed, implemented, and enforced so that the program is generally effective in preventing and detecting regulatory violations of law as well as ensuring compliance with applicable federal regulations;
- Review the effectiveness of the Compliance Management System's execution of the following:
  - Ensure Investar's mission, values, and Standards of Conduct are properly communicated to all employees.
  - Establish standards and procedures to effectively prevent and detect non-compliance and regulatory violations of law.
  - Communicate its policies and procedures, and other aspects of the CMS to the Board, Investar's employees, and agents by conducting effective training programs and otherwise disseminating information appropriate to such individuals' respective roles and responsibilities.
  - Implement and publicize a system whereby Investar's employees and agents may report or seek guidance regarding potential or actual regulatory violations of law without fear of retaliation.
  - Periodically assess the risk of non-compliance and regulatory violations of law and take appropriate steps to reduce the risk of such conduct.
  - Monitor and audit compliance with laws and regulations.
  - Respond appropriately to any non-compliance or regulatory violations of law, take reasonable steps to remedy the harm, and prevent further similar conduct, including making modifications to the CMS.
  - Enforce appropriate disciplinary measures for engaging in non-compliance and regulatory violations of law and for failing to take reasonable steps to prevent or detect such conduct.
- Review the findings of any examinations by regulatory agencies, and any auditor observations;
- Obtain regular updates from management and legal counsel regarding compliance matters;
- Present to the Board of Directors, as appropriate, such measures and recommend such actions as may be necessary or desirable to assist Investar in conducting its activities in full compliance with all applicable laws, regulations, policies, and Investar's Standards of Conduct; and
- Establish and review procedures for the receipt, retention and treatment of consumer complaints received by Investar.

### **Other Activities**

The Committee shall perform any other activities consistent with this Charter, the Articles, the Bylaws, applicable regulations, as the Committee or the Board deems necessary or appropriate.

### **Delegation of Authority**

In fulfilling its responsibilities, the Committee may delegate any or all of its responsibilities to one or more subcommittees consisting of one or more members, as determined by the Committee; provided, however, that the Committee may not delegate any power or authority required by applicable law or regulation or the Nasdaq listing rules to be exercised by the Committee as a whole.

### **Performance Review**

The Committee shall evaluate its performance on an annual basis. In conducting this review, the Committee shall evaluate the adequacy of the scope of this Charter and recommend to the Board any changes that it deems necessary or appropriate. The Committee shall also address all matters that the Committee considers relevant to its performance, including the adequacy, appropriateness and quality of information and recommendations presented by the Committee to the Board, the manner in which they were discussed or debated, and whether the meetings of the Committee during such year, and the resources available to the Committee, were adequate for the Committee to complete its work in a thorough and thoughtful manner. The Committee shall deliver to the Board a report, which may be oral, setting forth the results of its evaluation, including any recommended changes to this Charter or Investar's or the Board's policies and procedures.

### **Limitation of Committee's Role**

While the Committee has the responsibilities and powers set forth in this Charter, the Committee is not providing any expertise or assurances as to the adequacy of Investar's Compliance Management System (CMS), internal controls, accuracy and completeness of regulatory responsibilities and disclosures. These responsibilities rest with Investar's management including Compliance Department staff.

The Committee's function is one of oversight. Management is responsible for all aspects of Investar's CMS. The Committee and the Board recognize that management has more resources and time and more detailed knowledge and information regarding Investar's regulatory responsibilities and disclosures, auditing, internal control and regulatory reporting practices than does the Committee. Accordingly, the Committee does not provide any expert or special assurance as to the adequacy of Investar's CMS, regulatory responsibilities and disclosures and other information provided by Investar to its shareholders and others.

In fulfilling their responsibilities, the members of the Committee are not charged with the duty or responsibility to conduct "field work" or other types of auditing or regulatory reviews or procedures or to set auditor independence standards, and each member of the Committee will be entitled to rely on the integrity of those persons and organizations within and outside Investar from which it receives information and the accuracy of the regulatory and other information provided to the Committee, in either instance absent actual knowledge to the contrary.

Nothing contained in this Charter is intended to create, or should be construed as creating, any responsibility or liability of the members of the Committee, except to the extent otherwise provided under applicable laws and regulations.

### **Access and Resources**

The Committee may conduct or authorize investigations into or studies of matters within the Committee's scope of responsibilities with full access to all books, records, facilities and personnel of Investar and its subsidiaries. The Committee will have all resources and authority appropriate to discharge its duties and responsibilities, including the authority to select, retain and approve the fees and other retention terms of special or independent counsel, consultants or other experts or advisors, as it deems appropriate to carry out its duties. Investar shall provide appropriate funding for payment of the fees and other expenses of any public accounting or compliance firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for Investar, to any counsel or other advisors employed by the Committee and for ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

**Disclosure of Charter**

This Charter shall be made available as required by laws and regulations.