

INVESTAR HOLDING CORP

FORM 8-K (Current report filing)

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
Date of report (Date of earliest event reported): December 19, 2019

Investar Holding Corporation
(Exact name of registrant as specified in its charter)

Louisiana
(State or other jurisdiction
of incorporation)

001-36522
(Commission
File Number)

27-1560715
(I.R.S. Employer
Identification No.)

10500 Coursey Blvd.
Baton Rouge, Louisiana 70816
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (225) 227-2222

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, \$1.00 par value per share	ISTR	The Nasdaq Global Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01 Entry into a Material Definitive Agreement.

Agreement and Plan of Reorganization with Cheaha Financial Group, Inc.

On December 19, 2019, Investar Holding Corporation (“Investar”), the holding company for Investar Bank, National Association, Baton Rouge, Louisiana, entered into an Agreement and Plan of Reorganization (the “Reorganization Agreement”) with Cheaha Financial Group, Inc. (“Cheaha”), the holding company for Cheaha Bank, Oxford, Alabama, and High Point Acquisition, Inc., a Louisiana corporation and wholly-owned subsidiary of Investar (“Merger Subsidiary”). The Reorganization Agreement provides for the merger of the Merger Subsidiary with and into Cheaha, with Cheaha as the surviving corporation. Immediately following the merger, Cheaha will be merged with and into Investar, with Investar as the surviving corporation, and then Cheaha Bank will be immediately merged with and into Investar Bank, with Investar Bank as the surviving bank.

Under the terms of the Reorganization Agreement, each of the issued and outstanding shares of Cheaha common stock will be converted into and represent the right to receive \$80.00 in cash from Investar. In the aggregate, Cheaha’s shareholders will receive approximately \$41.1 million in cash consideration as a result of the merger.

The Reorganization Agreement contains customary representations, warranties and covenants by the parties. Included among the covenants contained in the Reorganization Agreement is the obligation of Cheaha not to solicit, initiate, encourage or facilitate the making of any inquiries with respect to, or provide any information to, conduct any assessment of or negotiate with any other person with respect to any alternative business combination transaction, subject to certain exceptions. In the event that Cheaha receives an unsolicited proposal with respect to an alternative business combination transaction that its board of directors determines to be superior to the transaction with Investar, Investar will have an opportunity to match the terms of such proposal, subject to certain requirements. The terms of the Reorganization Agreement also permit Cheaha to pay its regular, annual dividend to shareholders prior to the closing of the merger.

The assertions embodied in the representations and warranties contained in the Reorganization Agreement were made solely for purposes of the Reorganization Agreement and may be subject to important qualifications and limitations agreed to by the parties in connection with negotiating terms. Moreover, the representations and warranties are subject to contractual standards of materiality that may be different from what may be viewed as material to shareholders, and the representations and warranties may have been used to allocate risk between Investar and Cheaha rather than establishing matters as facts. For the foregoing reasons, no one should rely on such representations, warranties, covenants or other terms, provisions or conditions as statements of factual information regarding Investar or Cheaha at the time they were made or otherwise. The representations and warranties of the parties will not survive the closing.

Consummation of the transactions contemplated by the Reorganization Agreement is subject to various customary conditions, including, without limitation (i) the approval of the shareholders of Cheaha, (ii) the receipt of certain regulatory approvals, (iii) the accuracy of the representations and warranties of the parties and compliance by the parties with their respective covenants and obligations under the Reorganization Agreement (subject to customary materiality qualifiers), and (iv) the absence of a material adverse change with respect to Cheaha.

The Reorganization Agreement contains certain termination rights, including the right, subject to certain exceptions, of either party to terminate the Reorganization Agreement if the closing has not occurred by June 30, 2020, and the right of Cheaha to terminate the Reorganization Agreement, subject to certain conditions, to accept a business combination transaction deemed by its board of directors to be superior to the proposed merger. The Reorganization Agreement is subject to termination by either party under certain conditions and provides for the payment of a termination fee of \$1,235,000 payable by Cheaha upon termination of the Reorganization Agreement under certain circumstances.

The foregoing summary of the Reorganization Agreement is qualified in its entirety by reference to the complete text of the Reorganization Agreement, which is filed as Exhibit 2.1 to this Current Report on Form 8-K and incorporated herein by reference in its entirety.

The Reorganization Agreement has been approved by the boards of directors of each of Investar and Cheaha, and the Reorganization Agreement has been executed and delivered by each of the parties. Subject to the satisfaction of all closing conditions, including the receipt of all required regulatory and shareholder approvals, the merger is expected to be completed in the second quarter of 2020. In connection with the execution of the Reorganization Agreement, certain directors and executive officers of Cheaha entered into customary non-competition agreements and voting agreements related to the transaction. The non-competition agreements provide generally that the executing party will not solicit the former employees or customers of Cheaha for eighteen months following the effective date of the merger, or otherwise engage in banking activities in competition with

Investar, for a period of twelve months following the effective date of the merger, subject to certain exceptions. The voting agreements generally provide that the executing party will vote his or her shares in favor of the Reorganization Agreement at any meeting of the Cheaha shareholders called to consider such transaction(s).

Private Placement of Common Stock

On December 20, 2019, Investar also entered into a Stock Purchase Agreement with certain institutional and other accredited investors relating to the sale by Investar in a private placement offering (the "Private Placement") of an aggregate of 1,290,323 shares of its common stock (the "Private Placement Shares") at a purchase price of \$23.25 per share. The Private Placement closed on December 20, 2019, with Investar receiving aggregate gross proceeds of approximately \$30.0 million. Investar estimates the net proceeds of the Private Placement will be approximately \$28.5 million, after deducting placement agent fees and other offering related expenses. Investar intends to use the net proceeds from the offering to support the acquisition of Cheaha and for general corporate purposes, including organic growth and other potential acquisitions.

The Stock Purchase Agreement contained representations and warranties, covenants, and indemnification provisions that are customary for private placements of shares of common stock by companies that have securities registered with the Securities and Exchange Commission (the "Commission"). The representations and warranties made by Investar will survive for a period of two years following closing. The representations, warranties and agreements by Investar and the purchasers in the Stock Purchase Agreement were included for the purpose of the allocating certain risks between the parties to the agreement and were for the benefit of the parties to such agreements, and not any third parties. Accordingly, like those contained in the Reorganization Agreement, no one should rely on such representations, warranties, covenants or other terms, provisions or conditions as statements of factual information regarding Investar at the time they were made or otherwise.

The Private Placement Shares have not been registered under the Securities Act of 1933, as amended (the "Securities Act"), in reliance on the exemption from registration in Section 4(a)(2) of the Securities Act and Regulation D of the Commission promulgated under the Securities Act, and, as a result, the Private Placement Shares may not be offered or sold in the United States absent a registration statement or exemption from registration.

Contemporaneously with the execution of the Stock Purchase Agreement, Investar and each of the purchasers under the Stock Purchase Agreement entered into the Registration Rights Agreement, by which Investar has agreed, subject to certain exceptions, to file with the Commission a registration statement with respect to the resale of the Private Placement Shares no later than 60 days following the closing of the Private Placement and to have the registration statement declared effective by the Commission no later than the earlier of (i) the fifth trading day after the Commission notifies Investar that it will not review or has completed its review of the registration statement, or (ii) the 120th calendar day following the closing of the Private Placement (or the 150th calendar day following the closing in the event that the registration statement is subject to review by the Commission).

The resale registration rights set forth in the Registration Rights Agreement terminate with respect to shares that (i) are sold or otherwise transferred under an effective registration statement under the Securities Act, (ii) cease to be outstanding, (iii) are transferred in a transaction in which the purchaser's rights are not assigned to the transferee of the securities, (iv) are sold in accordance with Rule 144 promulgated under the Securities Act ("Rule 144"), or (v) become eligible for resale without volume or manner-of-sale restrictions under Rule 144 (or any successor rule then in effect) and without the requirement for Investar to be in compliance with the current public information requirement under Rule 144.

The foregoing summary of the Stock Purchase Agreement and Registration Rights Agreement is qualified in its entirety by reference to the complete text of those documents, the forms of which are filed as Exhibits 10.1 and 4.1, respectively, to this Current Report on Form 8-K and incorporated herein by reference in their entirety.

Item 3.02 Unregistered Sales of Equity Securities.

The information contained in Item 1.01 of this Form 8-K under the heading "Private Placement of Common Stock" is incorporated by reference into this Item 3.02

Item 7.01 Regulation FD Disclosure.

On December 20, 2019, Investar issued a press release announcing the execution of the Reorganization Agreement and the Private Placement, a copy of which is furnished as Exhibit 99.1.

Investar used the presentation materials furnished herewith as Exhibit 99.2 to present the Private Placement to eligible purchasers. Investar does not undertake to update these materials after the date of this report, nor will this report be deemed a determination or admission as to the materiality of any information contained herein (including the information in Exhibit 99.2).

The information set forth in this Item 7.01 (including the information in Exhibits 99.1 and 99.2 hereto) is being furnished to the Commission and shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to liability under the Exchange Act. Such information shall not be incorporated by reference into any registration statement or other document filed under the Securities Act or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits.

Exhibit Number	Description of Exhibit
2.1	Agreement and Plan of Reorganization, dated December 19, 2019, by and among Investar Holding Corporation, Cheaha Financial Group, Inc. and High Point Acquisition, Inc.*
4.1	Form of Registration Rights Agreement, dated December 20, 2019, by and between Investar Holding Corporation and the purchasers set forth therein.
10.1	Form of Stock Purchase Agreement, dated December 20, 2019, by and between Investar Holding Corporation and the purchasers set forth therein.
99.1	Press Release, issued by Investar Holding Corporation, dated December 20, 2019
99.2	Investor Presentation Materials

* The registrant has omitted schedules and similar attachments to the subject agreement pursuant to Item 601(b)(2) of Regulation S-K. The registrant will furnish a copy of any omitted schedule or similar attachment to the Commission upon request.

Forward-Looking Statements

This Current Report on Form 8-K may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are typically identified by words or phrases such as "may," "will," "anticipate," "estimate," "expect," "project," "intend," "plan," "believe," "target," "forecast," and other words and terms of similar meaning. Forward-looking statements involve estimates, expectations, projections, goals, forecasts, assumptions, risks and uncertainties. Investar cautions readers that any forward-looking statement is not a guarantee of future performance and that actual results could differ materially from those contained in the forward-looking statements. Such forward-looking statements include, but are not limited to, statements about the benefits of the proposed merger involving Investar and Cheaha, including future financial and operating results; Investar's plans, objectives, expectations and intentions; the expected timing of completion of the transaction and other statements that are not historical facts. Important factors that could cause actual results to differ materially from those indicated by such forward-looking statements include risks and uncertainties relating to: (i) the ability to obtain the requisite shareholder approvals; (ii) the risk that Investar may be unable to obtain governmental and regulatory approvals required to consummate the proposed transaction, or required governmental and regulatory approvals may delay the merger or result in the imposition of conditions that could cause the parties to abandon the merger; (iii) the risk that a condition to closing may not be satisfied; (iv) the timing to consummate the proposed merger; (v) the risk that the businesses will not be integrated successfully; (vi) the risk that the cost savings and any other synergies from the transaction may not be fully realized or may take longer to realize than expected; (vii) disruption from the transaction making it more difficult to maintain relationships with customers, employees or vendors; (viii) the diversion of management time on merger-related issues; and (ix) other factors which Investar discusses or refers to in the "Risk Factors" section of its most recent Annual Report on Form 10-K filed with the Commission. Each forward-looking statement speaks only as of the date of the particular statement and Investar undertakes no obligation to update or revise its forward-looking statements, whether as a result of new information, future events or otherwise.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

INVESTAR HOLDING CORPORATION

Date: December 23, 2019

By: /s/ John J. D'Angelo
John J. D'Angelo
President and Chief Executive Officer

AGREEMENT AND PLAN OF REORGANIZATION

BY AND AMONG

INVESTAR HOLDING CORPORATION
BATON ROUGE, LOUISIANA

CHEAHA FINANCIAL GROUP INC.
OXFORD, ALABAMA

AND

HIGH POINT ACQUISITION, INC.
BATON ROUGE, LOUISIANA

DATED AS OF DECEMBER 19, 2019

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AGREEMENT AND PLAN OF REORGANIZATION

This AGREEMENT AND PLAN OF REORGANIZATION (this "Agreement") is made and entered into as of the 19th day of December, 2019, by and among Investar Holding Corporation, a Louisiana corporation ("Investar"), Cheaha Financial Group Inc., an Alabama corporation ("CFG"), and High Point Acquisition, Inc., a Louisiana corporation and wholly-owned subsidiary of Investar (the "Interim Company").

RECITALS

WHEREAS, Investar owns all of the issued and outstanding shares of capital stock of Investar Bank, National Association, a national banking association headquartered in Baton Rouge, Louisiana ("Investar Bank");

WHEREAS, CFG owns all of the issued and outstanding shares of capital stock of Cheaha Bank, an Alabama state non-member bank headquartered in Oxford, Alabama ("Cheaha Bank");

WHEREAS, Investar desires to acquire all of the issued and outstanding shares of common stock, par value \$0.01 per share, of CFG ("CFG Stock") in exchange for cash consideration through the merger of Interim Company with and into CFG, with CFG surviving such merger, followed by the merger of CFG with and into Investar, with Investar surviving such merger;

WHEREAS, immediately following the above described merger of CFG with and into Investar, Investar desires to merge Cheaha Bank with and into Investar Bank, with Investar Bank surviving such merger;

WHEREAS, the boards of directors of Investar and CFG have determined that the acquisition of CFG and Cheaha Bank and the other Contemplated Transactions (as defined herein), in accordance with the terms of this Agreement, are desirable and in the best interests of their respective companies and shareholders; and

WHEREAS, as a condition and inducement to Investar's willingness to enter into this Agreement, (i) each director of CFG and Cheaha Bank who is a shareholder of CFG has simultaneously executed and delivered to Investar a Voting Agreement, in the form attached as Exhibit D, pursuant to which such persons agree to vote in favor of this Agreement and the Contemplated Transactions at any CFG shareholders' meeting called for the purpose of considering such matters, and (ii) each director of CFG and Cheaha Bank has executed and delivered to Investar a Support Agreement in the form attached hereto as Exhibit C, which contains certain confidentiality and non-competition obligations.

NOW, THEREFORE, in consideration of the foregoing and of the mutual representations, warranties, covenants and agreements contained in this Agreement, and other good, valuable and lawful consideration and cause, the parties agree as follows:

ARTICLE I
THE MERGERS

Section 1.01 The Holdco Mergers.

(A) Upon the terms and subject to the conditions contained in this Agreement, at the Effective Time, the Interim Company shall merge with and into CFG in accordance with the applicable provisions of the Louisiana Business Corporation Act ("LBCA") and the Alabama Business Corporation Law ("ABCL") (the "First Step Merger"). CFG will be the surviving corporation in the First-Step Merger (the "First Step Surviving Corporation") and will continue its corporate existence under the laws of the State of Alabama. At the Effective Time, the separate corporate existence of Interim Company will cease.

(B) Upon the terms and subject to the conditions contained in this Agreement, immediately following the First Step Merger, CFG shall merge with and into Investar in accordance with the applicable provisions of the LBCA and the ABCL (the "Second Step Merger" and, together with the First Step Merger, the "Holdco Mergers"). Investar will be the surviving corporation of the Second Step Merger (the "Surviving Corporation") and will continue its corporate existence under the laws of the State of Louisiana. The separate corporate existence of CFR will cease immediately upon the Second Step Merger.

Section 1.02 Time and Place of the Closing and Closing Date. The closing ("Closing") shall occur within fifteen (15) Business Days following the satisfaction or (to the extent permitted by Legal Requirements) waiver of the conditions set forth in Article VII (other than those conditions that by their terms are to be satisfied at the Closing, but subject to the satisfaction or (to the extent permitted by Legal Requirements) waiver of those conditions), of which one party hereto shall have notified the other party, or such other date that may be agreed to by the parties.

Section 1.03 Effective Time. The First Step Merger shall be effected by the filing of Articles of Merger (the "First Step Articles of Merger") and the First Step Merger Agreement attached hereto as Exhibit E with the Secretary of State of the State of Alabama and the Secretary of State of the State of Louisiana on the date of Closing (the "Closing Date"), in accordance with the ABCL and the LBCA. The "Effective Time" shall mean the date and time upon which the First Step Articles of Merger are filed with the Secretary of State of the State of Alabama or, as the case may be, at such later date and time as may be specified in the First Step Articles of Merger. The Second Step Merger shall be effected by the filing of Articles of Merger (the "Articles of Merger") and the Second Step Merger Agreement attached hereto as Exhibit E, with the Secretary of State of the State of Louisiana and the Secretary of State of the State of Alabama on the Closing Date in accordance with the LBCA and the ABCL. The Second Step Merger shall become effective at the date and time upon which the Articles of Merger are filed with the Secretary of State of the State of Louisiana or, as the case may be, at such later date and time as may be specified in the Articles of Merger. CFG and Investar shall use commercially reasonable efforts to cause the Second Step Merger to be effective on the same date as the Effective Time.

Section 1.04 Effects of the Holdco Mergers. At and following the Effective Time, the First Step Merger and the Second Step Merger will have the effects set forth in this Agreement and

each Plan of Merger and section 10A-2-11.06 of the ABCL and Section 1107 of the LBCA. Without limiting the generality of and subject to the foregoing, all of the property, rights, privileges, powers and franchises of CFG and Interim Company, and all debts, liabilities, obligations, restrictions and duties of CFG and Interim Company, will continue in the Surviving Corporation and any successors thereto.

Section 1.05 Constituent Documents. At the Effective Time and until thereafter changed in accordance with any Legal Requirement or the Constituent Documents of the First Step Surviving Corporation, the Constituent Documents of the First Step Surviving Corporation will be the Constituent Documents of CFG as in effect immediately prior to the Effective Time. At and after the effective time of the Second Step Merger and until thereafter changed in accordance with any Legal Requirement or the Constituent Documents of the Surviving Corporation, the Constituent Documents of the Surviving Corporation will be the Constituent Documents of Investar as in effect immediately prior to the Effective Time.

Section 1.06 Directors and Executive Officers. At the Effective Time and until thereafter changed in accordance with applicable Legal Requirements or the Constituent Documents of the First Step Surviving Corporation, the executive officers and members of the board of directors of Interim Company at the Effective Time will be the executive officers and board of directors of the First Step Surviving Corporation. At and after the effective time of the Second Step Merger and until thereafter changed in accordance with applicable Legal Requirements or the Constituent Documents of the Surviving Corporation, the executive officers and members of the board of directors of Investar immediately prior to the Effective Time will be the executive officers and members of the board of directors of the Surviving Corporation.

Section 1.07 The Bank Merger. Upon the terms and subject to the conditions contained in this Agreement and the bank merger agreement to be executed by and between Investar Bank and Cheaha Bank in the form attached hereto as Exhibit A (the "Bank Merger Agreement"), immediately following the effective time of the Second Step Merger or at such later time as Investar may determine, Investar will cause Cheaha Bank to merge with and into Investar Bank in accordance with the applicable provisions of the National Bank Act and the Alabama Banking Code (the "Bank Merger"). Investar Bank will be the surviving bank and will continue its existence under the laws of the United States of America. The separate existence of Cheaha Bank will cease immediately upon the Bank Merger. Cheaha Bank and Investar Bank have executed and delivered the Bank Merger Agreement to each other on the date hereof. The receipt of all regulatory approvals related to the Bank Merger shall be a condition to the consummation of the Holdco Mergers unless such condition is waived by Investar.

ARTICLE II CONSIDERATION AND EXCHANGE PROCEDURES

Section 2.01 Merger Consideration. At the Effective Time, by virtue of the Holdco Mergers and without any further action on the part of Investar, CFG or Interim Company, or any of their respective shareholders:

(A) The sole share of common stock of Interim Company issued and outstanding immediately prior to the Effective Time will be converted into one fully paid and nonassessable share of the common stock of the First Step Surviving Corporation, which share shall remain outstanding and held by Investar from and after the Effective Time, and shall not be entitled to receive any Per Share Consideration (as defined herein).

(B) Each share of CFG Stock, other than a Dissenting Share, which is issued and outstanding immediately prior to the Effective Time will be cancelled and converted into

the right of the holder thereof to receive an amount of cash equal to \$80.00 (the “Per Share Consideration”).

Section 2.02 Pre-Closing Dividend. Subject to receipt of any consents or approvals of any Governmental Authority under applicable Legal Requirements, CFG will, prior to the Effective Time, be permitted to pay a special dividend to the holders of CFG Stock in an amount equal to \$2.50 per share (the “Pre-Closing Dividend”).

Section 2.03 Dissenting Shares. Each share of CFG Stock issued and outstanding immediately prior to the Effective Time, the holder of which has properly perfected such holder’s right to dissent by following the exact procedure required by under the ABCL, is referred to herein as a “Dissenting Share.” Each Dissenting Share owned by each holder thereof who has not effectively withdrawn or lost his or her rights to dissent, shall not be converted into or represent the right to receive the Per Share Consideration pursuant to Section 2.01, shall be cancelled upon the Effective Time, and shall be entitled only to such rights as are available to such holder pursuant to the applicable provisions of the ABCL. Each holder of Dissenting Shares shall be entitled to receive the fair value of such Dissenting Shares held by him in accordance with and to the extent required under the applicable provisions of the ABCL; provided, such holder complies with the procedures contemplated by and set forth in the applicable provisions of the ABCL. If any holder of any Dissenting Shares shall effectively withdraw or lose his rights to dissent under the applicable provisions of the ABCL, each such Dissenting Share shall be deemed to have been converted into and to have become exchangeable for, the right to receive the Per Share Consideration for each of such holder’s Dissenting Shares without any interest thereon in accordance with the provisions of Section 2.01.

Section 2.04 Rights as Shareholders; Stock Transfers. At the Effective Time, holders of CFG Stock will cease to be, and will have no rights as, shareholders of CFG, other than rights as holders of Dissenting Shares or to receive the consideration described in Section 2.03 upon compliance with the exchange procedures described in Section 2.05. From and following the Effective Time, the stock transfer books of CFG will be closed, and there will be no transfers on the stock transfer books of CFG of the shares of CFG Stock that were outstanding immediately prior to the Effective Time other than to settle transfers of CFG Stock that occurred prior to the Effective Time.

Section 2.05 Exchange Procedures.

(A) At or prior to the Effective Time, Investar shall deposit with American Stock Transfer & Trust Company LLC (the “Paying Agent”), for the benefit of the holders of Certificates (as defined below), for exchange in accordance with this Section 2.05, an amount of cash equal to the Per Share Consideration *multiplied* by the number of shares of CFG Stock issued and outstanding immediately prior to the Effective Time (which is hereinafter referred to as the “Exchange Fund”). The Exchange Fund shall not be used for any other purpose other than as provided in this Agreement.

(B) No later than five Business Days after the Effective Time, Investar will instruct the Paying Agent mail to each record holder of CFG Stock, other than to holders of

Dissenting Shares, a letter of transmittal that will (i) specify that delivery will be effected, and risk of loss and title to CFG Stock will pass, only upon delivery of the stock certificates (the "Certificates") for certificated shares of CFG Stock to the Paying Agent, (ii) the Certificate(s) with respect to certificated shares of CFG Stock in exchange for the consideration to which the holder is entitled, and (iii) include such other commercially reasonable provisions consistent with the terms hereof as the Paying Agent may specify. Upon surrender of a Certificate for cancellation to the Paying Agent, together with such letter of transmittal, duly completed and executed, and such other documents as Investar may reasonably require, the holder of such Certificate will be entitled to receive the Per Share Consideration described in Section 2.01. The Paying Agent will cancel the Certificates surrendered in accordance with this Section 2.05. Until surrendered, the Certificates will represent the right to receive the Per Share Consideration.

(C) No interest will be paid or will accrue to the holders of the Certificate(s) with respect to the consideration to which the holder may be entitled. Notwithstanding anything herein to the contrary, none of Investar, the Interim Company, Investar Bank, CFG, Cheaha Bank or the Paying Agent will be liable to any former holder of CFG Stock with respect to any amount delivered in good faith to a public official in accordance with any applicable abandoned property, escheat or similar laws.

(D) If any Certificate has been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Person claiming such Certificate to be lost, stolen or destroyed and, if required by Investar or the Paying Agent, the posting by such Person of a bond in such reasonable amount as Investar may determine is necessary as indemnity against any claim that may be made against it with respect to such Certificate, Investar will deliver in exchange for the lost, stolen or destroyed Certificate the consideration due to such Person under this Agreement.

(E) Any shares of CFG Stock held directly or indirectly by Investar, Investar Bank, CFG or Cheaha Bank immediately prior to the Effective Time (other than shares held in a fiduciary or agency capacity or in connection with debts previously contracted) shall, at the Effective Time, cease to exist, and the certificates for such shares shall be canceled as promptly as practicable thereafter, and no payment or distribution shall be made in consideration therefor.

(F) Any portion of the Exchange Fund that remains unclaimed by the shareholders of CFG as of the one (1) year anniversary of the Effective Time may, to the extent permitted by Legal Requirements, be returned to Investar. In such event, any former shareholders of CFG who have not theretofore complied with Section 2.05 shall thereafter look only to Investar with respect to the Per Share Consideration without any interest thereon.

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF CFG

Except as specifically set forth in the Schedules, CFG makes the following representations and warranties to Investar as of the date of this Agreement and as of the Closing Date, except with

respect to those representations and warranties specifically made as of an earlier date (in which case such representations and warranties are made as of such earlier date).

Section 3.01 Organization and Qualification.

(A) CFG is a corporation duly organized, validly existing and in good standing under the laws of the State of Alabama. CFG is duly registered as a bank holding company under the Bank Holding Company Act of 1956, as amended. CFG has all requisite corporate power and authority (including all licenses, franchises, permits and other governmental authorizations as are legally required) to carry on its business as now being conducted, to own, lease and operate its properties and assets, including, but not limited to, as now owned, leased or operated, and to enter into and carry out its obligations under this Agreement and all related agreements. CFG is duly qualified to do business in all jurisdictions where its ownership or leasing of property or assets or its conduct of business requires it to be so qualified or in which the failure to qualify would have, individually or in the aggregate a Material Adverse Effect on CFG. True and complete copies of the Constituent Documents of CFG, as amended to date, have been delivered or made available to Investar. CFG is not in material violation of any provision of its Constituent Documents.

(B) Cheaha Bank is an Alabama state non-member bank, duly organized, validly existing and in good standing under the laws of the State of Alabama. Cheaha Bank has all requisite corporate power and authority (including all licenses, franchises, permits and other governmental authorizations as are legally required) to carry on its business as now being conducted, to own, lease and operate its properties and assets, including, but not limited to, as now owned, leased or operated. Cheaha Bank is duly qualified to do business in all jurisdictions where its ownership or leasing of property or assets or its conduct of business requires it to be so qualified or in which the failure to qualify would have, individually or in the aggregate a Material Adverse Effect on CFG. Cheaha Bank is an “insured depository institution” as defined in the Federal Deposit Insurance Act and applicable regulations thereunder. The deposits of Cheaha Bank are insured by the FDIC to the fullest extent permitted by law, and all premiums and assessments due and owing required in connection therewith have been paid by Cheaha Bank. True and complete copies of the Constituent Documents of Cheaha Bank, as amended to date, have been delivered to Investar. Cheaha Bank is not in material violation of any provision of its Constituent Documents.

(C) Except as disclosed in Section 3.01(C) of the Schedules, CFG has no equity interest in any Entity, except Cheaha Bank. All of the issued and outstanding shares of the capital stock of Cheaha Bank are owned of record by CFG free and clear of any Lien with respect thereto.

(D) Cheaha Bank has no Subsidiaries and no equity interest in any Entity, except (i) in the ordinary course of business as part of the investment portfolio of Cheaha Bank; (ii) as acquired through settlement of indebtedness, foreclosure, the exercise of creditors’ remedies or in a fiduciary capacity; or (iii) as disclosed in Section 3.01(D) of the Schedules.

Section 3.02 Capitalization.

(A) The authorized capital stock of CFG consists of 5,000,000 shares of common stock, \$0.01 par value per share, 513,964 shares of which are issued and outstanding and 28,536 shares held in treasury, and 1,000,000 shares of preferred stock, \$0.01 par value per share, no shares of which are issued and outstanding. The outstanding shares of CFG Stock have been duly authorized and are validly issued and outstanding, fully paid and nonassessable, and have not been issued in violation of the preemptive rights of any Person and have been issued in compliance with applicable securities laws. Except under restrictions imposed under applicable Legal Requirements, there are no restrictions applicable to the payment of dividends on the shares of CFG Stock, and all dividends declared on the common stock of CFG prior to the date of this Agreement have been paid. Except as disclosed in Section 3.02(A) of the Schedules, (i) none of the capital stock of CFG is subject to preemptive rights or any other similar rights; (ii) there are no outstanding options or other equity-based awards, warrants, scrip, rights to subscribe to, calls, agreements, arrangements or commitments of any character whatsoever relating to, or securities or rights convertible into, or exercisable or exchangeable for, or evidencing the right to subscribe for, purchase or receive any shares of capital stock of CFG, (iii) there are no contracts, commitments, understandings or arrangements by which CFG is or may become bound to issue additional shares of capital stock of CFG or options or other equity-based awards, warrants, scrip, rights to subscribe to, calls or commitments of any character whatsoever relating to, or securities or rights convertible into, or exercisable or exchangeable for, or evidencing the right to subscribe for, purchase or receive any shares of capital stock of CFG; (iv) other than as set forth in the CFG Financial Statements, there are no material outstanding debt securities, notes, credit agreements, credit facilities or other agreements, arrangements, commitments, documents or instruments evidencing indebtedness of CFG or by which CFG is bound, other than credit agreements or facilities entered into by CFG in the ordinary course of its business; (v) there are no outstanding securities or instruments, agreements, commitments, understandings or arrangements of CFG that contain any redemption or similar provisions, and there are no contracts, commitments, understandings or arrangements by which CFG is or may become bound to sell, transfer, dispose, repurchase or redeem a security of CFG; (vi) there are no shareholder agreements, voting trusts or similar agreements relating to the CFG Stock to which CFG is a party of that CFG has Knowledge; and (vii) there are no outstanding contractual obligations of CFG to vote or dispose of any shares of CFG Stock.

(B) The authorized capital stock of Cheaha Bank consists of 5,000,000 shares of common stock, \$1.00 par value per share, 1,000 shares of which are issued and outstanding. The outstanding shares of common stock of Cheaha Bank have been duly authorized and are validly issued and outstanding, fully paid and nonassessable, and have not been issued in violation of the preemptive rights of any Person and have been issued in compliance with applicable securities laws. There are no restrictions applicable to the payment of dividends on the shares of the capital stock of Cheaha Bank, except under applicable Legal Requirements, and all dividends declared on the common stock of Cheaha Bank prior to the date of this Agreement have been paid. No shares of the capital stock of Cheaha Bank are subject to preemptive rights or any other similar rights. There are no (i)

outstanding options or other equity-based awards, warrants, scrip, rights to subscribe to, calls, agreements, arrangements or commitments of any character whatsoever relating to, or securities or rights convertible into, or exercisable or exchangeable for, or evidencing the right to subscribe for, purchase or receive any shares of capital stock of Cheaha Bank, (ii) contracts, commitments, understandings or arrangements by which Cheaha Bank is or may become bound to issue additional shares of capital stock of Cheaha Bank or options or other equity-based awards, warrants, scrip, rights to subscribe to, calls or commitments of any character whatsoever relating to, or securities or rights convertible into, or exercisable or exchangeable for, or evidencing the right to subscribe for, purchase or receive any shares of capital stock of Cheaha Bank; (iii) material outstanding debt securities, notes, credit agreements, credit facilities or other agreements, arrangements, commitments, documents or instruments evidencing indebtedness of Cheaha Bank or by which Cheaha Bank is bound, other than credit agreements or facilities entered into by Cheaha Bank in the ordinary course of its business and other than as set forth in the CFG Financial Statements; (iv) outstanding securities or instruments, agreements, commitments, understandings or arrangements of Cheaha Bank that contain any redemption or similar provisions, or contracts, commitments, understandings or arrangements by which Cheaha Bank is or may become bound to sell, transfer, dispose, repurchase or redeem a security of Cheaha Bank; or (v) except as set forth in Section 3.02(B) of the Schedules, shareholder agreements, voting trusts or similar agreements relating to the common stock of Cheaha Bank to which Cheaha Bank is a party or outstanding contractual obligations of Cheaha Bank to vote or dispose of any shares of the capital stock of Cheaha Bank.

Section 3.03 Execution and Delivery; No Violation.

(A) CFG has full corporate power and authority to execute and deliver this Agreement and, subject to the receipt of all required regulatory and shareholder approvals, to perform its obligations under this Agreement. CFG has taken all requisite corporate action necessary to authorize the execution, delivery and (provided the required regulatory and shareholder approvals are obtained) performance of this Agreement and the other agreements and documents contemplated by this Agreement to which it is a party. This Agreement has been duly and validly executed and delivered by CFG to Investar. Assuming due authorization, execution and delivery by Investar, this Agreement constitutes the legal, valid and binding obligation of CFG, enforceable against CFG in accordance with its terms and conditions, except as enforceability may be limited by the Enforceability Exceptions.

(B) Subject to the receipt of any consents and approvals set forth in Section 3.08 and the expiration of related waiting periods, neither the execution, delivery or performance of this Agreement nor the consummation of the Contemplated Transactions, constitutes or will constitute (i) a breach or violation of any provision of the Constituent Documents of CFG or any of its Subsidiaries; (ii) a violation of any Legal Requirement applicable to CFG, any of its Subsidiaries or any of their respective properties or assets; or (iii) a breach or violation of, a conflict with, the loss of any benefit under, a default (or an event which, with notice or the lapse of time, or both, would constitute a default) under, an event of termination or cancellation under, an event giving rise to acceleration of the performance required by

or rights or obligations under, or an event resulting in the creation of any Lien upon any of the properties or assets of CFG or any of its Subsidiaries under, any loan or credit agreement, note, bond, mortgage, indenture, lease or other agreement, instrument, permit, concession, franchise, license or similar authorization to which CFG or any of its Subsidiaries is a party, or by which it or any of its properties, assets or business activities may be bound or affected.

(C) As of the date of this Agreement, the CFG board of directors, by resolution adopted by a unanimous vote of the entire CFG board of directors at a meeting duly called and held, has (i) determined that this Agreement and the Contemplated Transactions are fair and in the best interests of CFG and its shareholders; (ii) directed that such matter be submitted to the shareholders of CFG for consideration at the Shareholder Meeting; and, (iii) recommended that the shareholders of CFG approve this Agreement and the Contemplated Transactions at the Shareholder Meeting. As of the date of this Agreement, the Cheaha Bank board of directors, by resolution adopted by a unanimous vote of the entire Cheaha Bank board of directors at a meeting duly called and held, has approved the Bank Merger and has approved and adopted the Bank Merger Agreement.

Section 3.04 Compliance with Laws and Regulatory Filings.

(A) Except as disclosed in Section 3.04(A) of the Schedules, CFG and each of its Subsidiaries has complied in all material respects with and is not in material default or violation under the Legal Requirements applicable to it, including all Banking Laws. Neither CFG nor any of its Subsidiaries has had material incidents of fraud involving CFG, any of its Subsidiaries or any of their respective officers, directors or Affiliates during the last two (2) years. Each of CFG and Cheaha Bank has timely and properly filed and maintained in all material respects all requisite Currency Transaction Reports and has systems that are designed to properly monitor transaction activity. To CFG's Knowledge, each of CFG and Cheaha Bank in all material respects has timely and properly filed all requisite Suspicious Activity Reports.

(B) Each of CFG and Cheaha Bank has timely filed all reports, registrations, statements and other documents, together with any amendments required to be made thereto, that are required to be filed with the Federal Deposit Insurance Corporation (the "FDIC"), the Alabama State Banking Department (the "ASBD") and the Board of Governors of the Federal Reserve System (the "FRB"), and such reports, registrations and statements as finally amended or corrected, are true and correct, in all material respects, and comply as to form with all Legal Requirements. There is no unresolved violation, criticism or exception by any Governmental Authority with respect to any report relating to any examination of CFG or Cheaha Bank.

(C) Except as set forth in Section 3.04(C) of the Schedules, neither CFG nor any of its Subsidiaries, or, to CFG's Knowledge, director, officer, employee, agent or other Person acting on behalf of CFG or any of its Subsidiaries has, directly or indirectly, (i) used any funds of CFG or any of its Subsidiaries for unlawful contributions, unlawful gifts, unlawful entertainment or other expenses relating to political activity, (ii) made any unlawful payment to foreign or domestic governmental officials or employees or to foreign or domestic

political parties or campaigns from funds of CFG or any of its Subsidiaries, (iii) violated any provision of the Foreign Corrupt Practices Act of 1977, as amended, or any similar law, (iv) established or maintained any unlawful fund of monies or other assets of CFG or any of its Subsidiaries, (v) made any fraudulent entry on the books or records of CFG or any of its Subsidiaries, or (vi) made any unlawful bribe, unlawful rebate, unlawful payoff, unlawful influence payment, unlawful kickback or other unlawful payment to any Person, private or public, regardless of form, whether in money, property or services, to obtain favorable treatment in securing business to obtain special concessions for CFG or any of its Subsidiaries, to pay for favorable treatment for business secured or to pay for special concessions already obtained for CFG or any of its Subsidiaries, or is currently subject to any United States sanctions administered by the Office of Foreign Assets Control of the United States Department of the Treasury.

(D) Cheaha Bank is “well capitalized” as defined by applicable federal banking regulations, and its Community Reinvestment Act of 1977 rating is no less than “satisfactory.” Cheaha Bank has not been informed by any of its banking regulators that its regulatory status will change.

Section 3.05 CFG Financial Statements. CFG has furnished to Investor true and complete copies of the audited consolidated financial statements of CFG as of and for the years ended December 31, 2018, 2017 and 2016, including balance sheets and the related statements of income, comprehensive income, changes in stockholders’ equity and cash flows, and an unaudited balance sheet, interim statement of income and interim statements of changes in stockholders’ equity and cash flows as of September 30, 2019 (collectively, the “CFG Financial Statements”). Except as set forth in Section 3.05 of the Schedules, the CFG Financial Statements were prepared in accordance with the books of account and other financial records of CFG and Cheaha Bank, as applicable, and fairly present in all material respects the financial condition, results of operations and cash flows of CFG, on a consolidated basis, as of the dates thereof and for the periods covered thereby in accordance with GAAP (subject, in the case of the unaudited CFG Financial Statements, to the footnotes, statement of cash flows and normal year-end adjustments), applied on a basis consistent during the periods involved.

Section 3.06 Call Reports. Investor has access to true and complete copies of the Reports of Condition and Income of Cheaha Bank as of and for the period ended September 30, 2019, June 30, 2019 and March 31, 2019 (each, a “Call Report”). Each Call Report fairly presents, in all material respects, the financial position of Cheaha Bank and the results of its operations at the date and for the period indicated in conformity with the Instructions for the Preparation of Call Reports as promulgated by applicable Governmental Authorities.

Section 3.07 Proceedings. Except as set forth in Section 3.07 of the Schedules, there are no Proceedings pending or, to the Knowledge of CFG, threatened against CFG or any of its Subsidiaries. To the Knowledge of CFG, no event has occurred or circumstance exists that is reasonably likely to give rise to or serve as a basis for the commencement of any Proceeding. Neither CFG nor any of its Subsidiaries is in material default with respect to any judgment, order, writ, injunction, decree, award, rule or regulation of any Governmental Authority.

Section 3.08 Consents and Approvals. Except for the approval of the Holdeco Mergers by the shareholders of CFG, the Requisite Regulatory Approvals or as disclosed in Section 3.08 of the Schedules, no approval, consent, order or authorization of, or registration, declaration or filing with, any Governmental Authority or other third party is required to be made or obtained by CFG or any of its Subsidiaries in connection with the execution, delivery or performance of this Agreement or the completion by CFG or Cheaha Bank of the Contemplated Transactions.

Section 3.09 Undisclosed Liabilities. Neither CFG nor any of its Subsidiaries has incurred any material liability or obligation, accrued, absolute, contingent or otherwise and whether due or to become due (including, without limitation, unfunded obligations under any CFG Employee Plan or liabilities for Taxes or assessments or liabilities under any tax sharing agreements between CFG and any of its Subsidiaries), that is not reflected in or disclosed in the CFG Financial Statements as required by GAAP or Call Reports as required by the Instructions for the Preparation of Call Reports as promulgated by applicable Governmental Authorities, except those liabilities and expenses incurred in the ordinary course of business since the date of the CFG Financial Statements or Call Reports or as disclosed in Section 3.09 of the Schedules and expenses related to this Agreement and the Contemplated Transactions.

Section 3.10 Title to Assets.

(A) Section 3.10(A) of the Schedules contains a true, correct and complete list of all real property owned or leased by CFG or Cheaha Bank, including other real estate owned (but excluding residential other real estate) (the “CFG Real Property”), and the owner or lessee thereof, as well as all mortgages, deeds of trust, security agreements and other documents describing encumbrances to which such CFG Real Property is subject. True and complete copies of all deeds and leases for, or other documentation evidencing ownership of or a leasehold interest in, CFG Real Property, title insurance policies for CFG Real Property that are owned by CFG or Cheaha Bank, and all mortgages, deeds of trust or security agreements to which the CFG Real Property is subject in the possession of CFG have been furnished or made available to Investor.

(B) Except as set forth in Section 3.10(B) of the Schedules, no lease or deed with respect to any CFG Real Property is subject to any current or potential interests of third parties or other restrictions or limitations that would impair, or be inconsistent with, in any material respect, the use, transferability or value of such CFG Real Property pertaining to its current primary business purpose.

(C) None of the buildings and structures located on any CFG Real Property, nor any appurtenances thereto or equipment therein, nor the operation or maintenance thereof, violates in any manner any restrictive covenants or encroaches on any property owned by others, nor does any building or structure of third parties encroach upon any CFG Real Property, except for those violations and encroachments which in the aggregate could not reasonably be expected to cause a Material Adverse Change. No condemnation proceeding is pending or, to CFG’s Knowledge, threatened, that could reasonably be expected to preclude or materially impair the use of any CFG Real Property in the manner in which it is currently being used.

(D) Except as disclosed in Section 3.10(D) of the Schedules, CFG or its Subsidiaries has good and indefeasible title to, or a valid and enforceable leasehold interest in, all CFG Real Property, and such interest is free and clear of all Liens, including tax liens, charges, imperfections of title or other encumbrances, except (i) statutory liens for amounts not yet delinquent or which are being contested in good faith through proper proceedings and for which adequate reserves have been provided in the CFG Financial Statements, (ii) easements, covenants, restrictions and other matters of record which do not, individually or in the aggregate, materially adversely affect the use and enjoyment of the relevant CFG Real Property, and (iii) Liens disclosed in the Financial Statements.

(E) All buildings and other facilities used in the business of CFG and each of its Subsidiaries are in adequate condition, normal wear and tear excepted, and are free from defects which could reasonably be expected to materially interfere with the current or future use of such facilities consistent with past practices.

Section 3.11 Personal Property. Except as set forth in Section 3.11 of the Schedules, each of CFG and its Subsidiaries has good title to, or a valid leasehold interest in, all movable personal property, whether corporeal or incorporeal, used in the conduct of its business (the “CFG Personal Property”), free and clear of all Liens, except statutory liens for amounts not yet delinquent or which are being contested in good faith through proper proceedings and for which adequate reserves have been provided in the CFG Financial Statements and such other Liens as do not individually or in the aggregate materially adversely affect the use and enjoyment of the relevant CFG Personal Property. None of the premises or equipment of CFG or any of its Subsidiaries are in need of maintenance or repairs other than ordinary routine maintenance and repairs that are not material in nature or cost.

Section 3.12 Absence of Certain Changes or Events. Since December 31, 2018, except with respect to the Contemplated Transactions or as required or permitted by this Agreement, CFG and each of its Subsidiaries have carried on their respective businesses in all material respects in the ordinary course and has not, other than as disclosed in Section 3.12 of the Schedules:

(A) Incurred any obligation or liability, absolute, accrued, contingent or otherwise, whether due or to become due, except deposits taken and federal funds purchased and current liabilities for trade or business obligations, none of which, individually or in the aggregate, result in a Material Adverse Change;

(B) Discharged or satisfied any Lien or paid any obligation or liability, whether absolute or contingent, due or to become due, other than in the ordinary course of business consistent with past practices;

(C) Except for regular dividends declared and paid consistent with past practices, declared or made any payment of dividends or other distribution to its shareholders, or purchased, retired or redeemed, or obligated itself to purchase, retire or redeem, any of its shares of capital stock or other securities;

(D) Issued, reserved for issuance, granted, sold or authorized the issuance of any shares of its capital stock or other securities or subscriptions, options, warrants, calls, rights or commitments of any kind relating to the issuance thereto;

(E) Acquired any capital stock or other equity securities or acquired any equity or ownership interest in any Entity (except (i) through settlement of indebtedness, foreclosure, or the exercise of creditors' remedies or (ii) in a fiduciary capacity, the ownership of which does not expose it to any liability from the business, operations or liabilities of such Person);

(F) Mortgaged, pledged or subjected to Lien any of its property, business or assets, tangible or intangible except (i) statutory liens not yet delinquent, (ii) landlord liens, (iii) minor defects and irregularities in title and encumbrances that do not materially impair the use thereof for the purpose for which they are held, (iv) pledges of assets to secure public funds deposits, and (v) those assets and properties disposed of for fair value;

(G) Sold, transferred, leased to others or otherwise disposed of any of its assets (except for assets disposed of for fair value) or canceled or compromised any debt or claim, or waived or released any right or claim of material value, other than in the ordinary course of business consistent with past practices;

(H) Terminated, canceled or surrendered, or received any notice of or threat of termination or cancellation of any contract, lease or other agreement or suffered any damage, destruction or loss (whether or not constituting, or may reasonably be anticipated to result in, a Material Adverse Change covered by insurance), which, in any case or in the aggregate, may reasonably constitute a Material Adverse Change;

(I) Disposed of, permitted to lapse, transferred or granted any rights under, or entered into any settlement regarding the breach or infringement of, any United States or foreign license or Intellectual Property (as defined in Section 3.17) or modified any existing rights with respect thereto (other than in the ordinary course of business and consistent with past practices);

(J) Made any change in the rate of compensation, commission, bonus, vesting or other direct or indirect remuneration payable, or paid or agreed or orally promised to pay, conditionally or otherwise, any bonus, extra compensation, pension or severance or vacation pay, to or for the benefit of any of its shareholders, directors, officers, employees or agents other than in the ordinary course of business consistent with past practices, or entered into any employment or consulting contract or other agreement with any director, officer or employee or adopted, amended in any material respect or terminated any pension, employee welfare, retirement, stock purchase, stock option, stock appreciation rights, termination, severance, income protection, golden parachute, savings or profit sharing plan (including trust agreements and insurance contracts embodying such plans), any deferred compensation, or collective bargaining agreement, any group insurance contract or any other incentive, welfare or Employee Benefit Plan or agreement maintained by it for the benefit of its directors, employees or former employees;

- (K) Except for improvements or betterments relating to its properties, made any capital expenditures or capital additions or betterments in excess of an aggregate of \$25,000;
- (L) Instituted, had instituted against it, settled, agreed to settle, threatened or had threatened against it any Proceeding relating to it or its assets;
- (M) Entered into or given any promise, assurance or guarantee of the payment, discharge or fulfillment of any undertaking or promise made by any Person, firm or corporation, other than in the ordinary course of business and consistent with past business practices;
- (N) Sold, or knowingly disposed of, or otherwise divested itself of the ownership, possession, custody or control, of any corporate books or records of any nature that, in accordance with sound business practice, normally are retained for a period of time after their use, creation or receipt, except at the end of the normal retention period;
- (O) Made any, or acquiesced with any, change in any accounting methods, principles or material practices except as required by GAAP or regulatory accounting principles; or
- (P) Entered into any agreement or made any commitment whether in writing or otherwise to take any of the types of action described in this Section 3.12.

Section 3.13 Certain Leases, Contracts and Agreements.

- (A) Except as set forth in Section 3.13(A) of the Schedules, neither CFG nor any of its Subsidiaries is a party to or bound by any of the following (whether written or oral) agreements (each, a "Contract"):
 - (i) agreement, arrangement, policy or commitment relating to the employment of a consultant or the employment, election or retention in office of any present or former director, officer or employee of CFG or any of its Subsidiaries, including any such agreement, arrangement, policy or commitment as a result of which any payment will become due and payable as a result of or following the consummation of the Contemplated Transactions;
 - (ii) bonus, stock option, restricted stock, stock appreciation, deferred compensation arrangement, profit-sharing plan, pension plan, retirement plan, welfare plan or other employee benefit agreement or arrangement;
 - (iii) any material lease or license with respect to any CFG Personal Property, or any lease, sublease or license with respect to any CFG Real Property, whether as lessor, lessee, sublessor, sublessee, licensor or licensee;
 - (iv) contract or commitment for capital expenditures in excess of \$25,000;

(v) material contract or commitment for the purchase of materials or supplies or for the performance of services over a period of more than sixty (60) days after the date of this Agreement which in each instance cannot be cancelled on sixty (60) days' or less notice without penalty or payment;

(vi) contract or option to purchase or sell any CFG Real Property or CFG Personal Property other than any contract for (a) the purchase of personal property not exceeding \$25,000 or (b) for the sale of property classified by CFG as other real estate owned for an amount equal to or exceeding the carrying value (net of any specific allowance) of such other real estate owned, in each instance in the ordinary course of business consistent with past practices;

(vii) contract, agreement or letter with respect to the management or operations of CFG or any of its Subsidiaries with or by any Governmental Authority;

(viii) note, debenture, agreement, contract or indenture related to the borrowing by CFG or any of its Subsidiaries of money other than those entered into by Cheaha Bank in the ordinary course of business;

(ix) guaranty of any obligation for the borrowing of money, excluding endorsements made for collection, repurchase or resell agreements, letters of credit and guaranties made by Cheaha Bank in the ordinary course of business;

(x) agreement with or extension of credit to any Executive Officer or director of CFG or any of its Subsidiaries, any holder of ten percent (10%) or more of the issued and outstanding CFG Stock, or any affiliate of any such Person;

(xi) agreement with any Executive Officer or director of CFG or any of its Subsidiaries or holder of ten percent (10%) or more of the issued and outstanding CFG Stock or any affiliate of such Person, relating to bank owned life insurance;

(xii) agreement containing covenants that limit the ability of CFG, any of its Subsidiaries or any of its directors, officers or employees to compete in any line of business or with any Person, or that involve any restriction on the geographic area in which, or method by which, CFG or any of its Subsidiaries (including any successor thereof) may carry on its business (other than as may be required by law or any Governmental Authority);

(xiii) data processing or other electronic banking services agreement or contract that may not be terminated without payment or penalty upon notice of thirty (30) days or less;

(xiv) agreement, arrangement, policy or understanding obligating CFG or any of its Subsidiaries to indemnify any director, officer, employee or agent of CFG or any of its Subsidiaries;

(xv) agreement, arrangement, or understanding, any of the benefits of which will be increased, the vesting of the benefits of which will be accelerated or that will be triggered by the occurrence of any of the Contemplated Transactions, or the value of any of the benefits of which will be calculated on the basis of any of the Contemplated Transactions;

(xvi) agreement by which CFG or any of its Subsidiaries may become obligated to invest in or contribute capital to any Person; or

(xvii) contracts, other than the foregoing, with payments aggregating \$100,000 or more, not made in the ordinary course of business.

(B) Each Contract is (i) legal, valid and binding on CFG or one of its Subsidiaries, as applicable, and, to the Knowledge of CFG, on the other parties thereto, (ii) in full force and effect, and (iii) enforceable against CFG or such Subsidiary, as applicable, in accordance with its terms, except as enforceability may be limited by the Enforceability Exceptions. Each of CFG and its Subsidiaries, as applicable, and, to the Knowledge of CFG, each other party thereto has performed in all material respects all obligations required to be performed by it to date under each Contract. To the Knowledge of CFG, no party to any such Contract is in breach, violation or default of such Contract, and there are no allegations or assertions of such by any party under such Contract or any events that with notice, lapse of time or the happening or occurrence of any other event would be reasonably likely to constitute a breach, violation or default by any party to any such Contract. A true and complete copy of each Contract has been delivered or made available to Investor.

Section 3.14 Taxes and Tax Returns.

(A) Subject to applicable extension periods, CFG and each of its Subsidiaries has filed all Tax Returns that each was required to file, including any Tax Returns of any affiliated, consolidated, combined or unitary group of which either CFG or any of its Subsidiaries is or was a member. At the time of filing, all such Tax Returns were correct and complete in all material respects and were prepared in material compliance with all applicable Legal Requirements. All Taxes due and owing by CFG or any of its Subsidiaries

and any affiliated, consolidated, combined or unitary group of which either CFG or any of its Subsidiaries is or was a member (whether or not shown on any Tax Return) have been paid. Neither CFG nor any of its Subsidiaries is currently the beneficiary of any extension of time within which to file any Tax Return. Since January 1, 2013, no claim has been received by CFG or any of its Subsidiaries in writing from an authority in a jurisdiction where CFG or any of its Subsidiaries does not file Tax Returns that CFG or any of its Subsidiaries is or may be subject to taxation by that jurisdiction. There are no Liens on any of the assets of CFG or any of its Subsidiaries that arose in connection with any failure (or alleged failure) of CFG or any of its Subsidiaries to pay any Tax, other than Liens for Taxes not yet due and payable or for Taxes that CFG or any of its Subsidiaries is contesting in good faith through appropriate proceedings, if any, and for which adequate reserves have been established on the most recent applicable balance sheet in accordance with GAAP, as disclosed in Section 3.14(A) of the Schedules.

(B) Except as set forth in Section 3.14(B) of the Schedules, CFG and each of its Subsidiaries have collected or withheld and duly paid to the appropriate Governmental Authority all Taxes required to have been collected or withheld in connection with amounts paid or owing to any employee, independent contractor, creditor, shareholder, or other third party, and all Forms W-2 and 1099 required with respect thereto have been properly completed and timely filed.

(C) There is currently no Proceeding concerning any Tax liability of CFG or any of its Subsidiaries either claimed or raised by any Governmental Authority in writing or as to which CFG or any of its Subsidiaries has Knowledge that has not been resolved. CFG has made available to Investar correct and complete copies of all federal income Tax Returns for 2016, 2017 and 2018. CFG has made available to Investar correct and complete copies of all examination reports, and statements of deficiencies assessed against or agreed to by CFG or any of its Subsidiaries in each case with respect to all taxable periods that are still open under the applicable statute of limitations. Except as disclosed in Section 3.14(C) of the Schedules, there are no federal, state, local and foreign Tax returns filed with respect to CFG or any of its Subsidiaries for any taxable period that are still open under the applicable statute of limitations which have been audited, that are currently the subject of audit, or that CFG or any of Subsidiaries has Knowledge that a Governmental Authority is otherwise investigating such Tax returns.

(D) Except as disclosed in Section 3.14(D) of the Schedules, since January 1, 2013, neither CFG nor any of its Subsidiaries has waived any statute of limitations in respect of Taxes or agreed to any extension of time with respect to a Tax assessment or deficiency.

(E) Neither CFG nor any of its Subsidiaries has been a United States real property holding corporation within the meaning of Section 897(c)(2) of the Code during the applicable period specified in Code Section 897(c)(1)(A)(ii). Neither CFG nor any of its Subsidiaries has participated in a reportable or listed transaction as defined under Section 6011 or 6111 of the Code and Treasury Regulation section 1.6011-4. Except as set forth in Section 3.14(E) of the Schedules, neither CFG nor any of its Subsidiaries (i) is a

party to any Tax allocation or sharing agreement, (ii) has been a member of an Affiliated Group filing a consolidated federal income Tax Return (other than the Affiliated Group of which CFG is the common parent) or (iii) has any liability for the Taxes of any Person (other than CFG and its Subsidiaries) under Treasury Regulation Section 1.1502-6 (or any similar provision of state, local, or foreign law), as a transferee or successor, by contract, or otherwise.

(F) Except as disclosed in Section 3.14(F) of the Schedules, neither CFG nor any of its Subsidiaries has been required to disclose on its federal income Tax Returns any position that could reasonably be expected to give rise to a substantial understatement of federal income tax within the meaning of Section 6662 of the Code.

(G) Neither CFG nor any of its Subsidiaries will be required to include any item of income in, nor will CFG or any of its Subsidiaries be required to exclude any item of deduction from, taxable income for any taxable period (or portion thereof) ending on or after the Closing Date as a result of any: (i) change in method of accounting for a taxable period ending on or prior to the Closing Date, or other reason, under Section 481 of the Code (or any corresponding or similar provision of state, local or foreign income Tax law); (ii) "closing agreement" as described in Section 7121 of the Code (or any corresponding or similar provision of state, local or foreign income Tax law) executed on or prior to the Closing Date; (iii) intercompany transaction or excess loss account described in the Treasury Regulations under Section 1502 of the Code (or any corresponding or similar provision of state, local or foreign Tax law); (iv) installment sale or open transaction disposition made on or prior to the Closing Date; (v) prepaid amount received on or prior to the Closing Date; or (vi) election by CFG or any of its Subsidiaries under Section 108(i) of the Code

(H) Neither CFG nor any of its Subsidiaries has constituted either a "distributing corporation" or a "controlled corporation" (within the meaning of Section 355(a)(1)(A) of the Code) in a distribution of stock under Section 355 of the Code (i) in the two (2) years prior to the date of this Agreement or (ii) in a distribution which could otherwise constitute part of a "plan" or "series of related transactions" (within the meaning of Section 355(e) of the Code) in conjunction with the Contemplated Transactions.

(I) The Taxes of CFG and each of its Subsidiaries that: (i) were not yet due and payable as of December 31, 2018 did not, as of such date, exceed the current liability accruals for Tax liabilities (excluding any reserves for deferred Taxes established to reflect timing differences between book and Tax income) set forth in the CFG Financial Statements as of such date; and (ii) are not yet due and payable do not exceed such current liability accruals for Taxes (excluding reserves for any deferred Taxes) as adjusted for the passage of time through the Closing Date in accordance with the past custom and practice of CFG and its Subsidiaries in filing its Tax Returns.

Section 3.15 Insurance.

(A) CFG and each of its Subsidiaries are insured for reasonable amounts with reputable insurance companies against such risks as management reasonably has determined

to be prudent. Section 3.15(A) of the Schedules contains a true, correct and complete list of all fidelity bonds and insurance policies (including any bank owned life insurance) owned or held by or on behalf of CFG or any of its Subsidiaries (other than credit-life policies), including the insurer, policy numbers, amount of coverage, deductions, type of insurance, effective and termination dates and any material pending claims thereunder.

(B) All policies listed in Section 3.15(A) of the Schedules (i) are sufficient for compliance by CFG and each of its Subsidiaries with all Legal Requirements and all agreements to which CFG or any of its Subsidiaries is a party, (ii) will not in any material respect be affected by, and will not terminate or lapse by reason of, the Contemplated Transactions, (iii) are valid, outstanding and enforceable according to their terms, except as enforceability may be limited by the Enforceability Exceptions and (iv) are presently in full force and effect. No notice has been received of the cancellation, or threatened or proposed cancellation, of any such policy, and there are no unpaid premiums due thereon. Neither CFG nor any of its Subsidiaries is in default under any such policy or bond, and all material claims thereunder have been filed. Neither CFG nor any of its Subsidiaries has been denied or had revoked or rescinded any policy of insurance during the last three (3) years. There have been no claims under any fidelity bonds or directors' and officers' liability policies of CFG or its Subsidiaries within the last three (3) years, and CFG has no Knowledge of any facts that would form the basis of a claim under such policies or bonds.

Section 3.16 No Material Adverse Change. Except as set forth in Section 3.16 of the Schedules, since December 31, 2018, there has not been any Material Adverse Change with respect to CFG or any of its Subsidiaries, and no event or condition has occurred that has resulted in, or, to the Knowledge of CFG, is reasonably likely to result in a Material Adverse Change of CFG or any of its Subsidiaries.

Section 3.17 Proprietary Rights. CFG and each of its Subsidiaries owns, possesses, licenses or has other rights to use all foreign and domestic patents, patent applications, trade and service marks, trade and service mark registrations, brand names, trade names, copyrights, designs, inventions, trade secrets, technology, Internet domain names, know-how and other intellectual property (collectively, the "Intellectual Property"), free and clear of all Liens and third party rights, necessary for the conduct of their respective businesses as currently conducted. Except where such violations, misappropriations, infringements or unauthorized use would not be material to CFG or any of its Subsidiaries and (i) there are no rights of third parties to any Intellectual Property owned by CFG or its Subsidiaries; (ii) there is no infringement, misappropriation or unauthorized use by third parties of any Intellectual Property owned by CFG or its Subsidiaries; (iii) there is no pending or, to the Knowledge of CFG, threatened Proceeding by any Person challenging CFG's and its Subsidiaries' rights in or to any such Intellectual Property; (iv) there is no pending or, to the Knowledge of CFG, threatened Proceeding by any Person challenging the validity or scope of any such Intellectual Property; and (v) there is no pending or, to the Knowledge of CFG, threatened Proceeding by any Person that CFG or any of its Subsidiaries infringes, misappropriates or otherwise violates any Intellectual Property of any other Person. To CFG's Knowledge, CFG and each of its Subsidiaries complies in all material respects with all Legal Requirements with respect to the

protection of personal privacy, personally identifiable information, sensitive personal information and any special categories of personal information regulated thereunder.

Section 3.18 Investments. A true, correct and complete list, as of September 30, 2019, of all securities, including municipal bonds, owned by CFG or any of its Subsidiaries has been provided to Investar. Except as set forth in Section 3.18 of the Schedules, all such securities are owned by CFG or one of its Subsidiaries of record, except those held in bearer form, and free and clear of all Liens. Section 3.18 of the Schedules also discloses any investment in which the ownership interest of CFG, whether held directly or indirectly, equals five percent (5%) or more of the issued and outstanding voting securities of the issuer thereof. There are no voting trusts or other agreements or understandings with respect to the voting of any of the securities listed in Section 3.18 of the Schedules to which CFG or any of its Subsidiaries is a party.

Section 3.19 Loan Portfolio and Reserve for Loan Losses.

(A) All evidences of indebtedness and leases, including any renewals and extensions (individually a "Loan" and collectively, the "Loans") of CFG or any of its Subsidiaries, were solicited, originated and currently exist in compliance in all material respects with all Legal Requirements. Except as set forth in Section 3.19(A) of the Schedules, all Loans that are reflected as assets of CFG or any of its Subsidiaries (i) have been made for good, valuable and adequate consideration in the ordinary course of business; (ii) are evidenced by notes, agreements or other evidences of indebtedness that are true, genuine and what they purport to be; (iii) to the extent secured, have been secured by valid Liens and security interests that have been perfected; (iv) are not subject to any known or threatened defenses, offsets or counterclaims that may be asserted against CFG or any of its Subsidiaries or the present holder thereof; and (v) are enforceable in accordance with their respective terms, except as enforceability may be limited by the Enforceability Exceptions. Neither CFG nor any of its Subsidiaries has entered into any oral modifications or amendments or additional agreements related to the Loans that are not reflected in its records. The credit files of each of CFG and each of its Subsidiaries contain all material information (excluding general, local or national industry, economic or similar conditions) that is reasonably required to evaluate in accordance with CFG's practices the collectability of the loan portfolio (including Loans that will be outstanding if it advances funds it is obligated to advance).

(B) Except as set forth in Section 3.19(B) of the Schedules as of September 30, 2019, neither CFG nor any of its Subsidiaries is a party to any written: (i) loan agreement, note or borrowing arrangement, under the terms of which the obligor was sixty (60) days delinquent in payment of principal or interest or in default of any other material provision; (ii) loan agreement, note or borrowing arrangement that has been classified as "substandard," "doubtful," "loss," "other loans especially mentioned," "other assets especially mentioned" or any comparable classifications; (iii) loan agreement, note or borrowing arrangement, including any loan guaranty, with any director or Executive Officer of CFG or any of its Subsidiaries, or any ten percent (10%) or more shareholder of CFG, or any Person controlling, controlled by or under common control with any of the foregoing; (iv) loan agreement, note or borrowing arrangement in material violation of any Legal Requirement

applicable to CFG or any of its Subsidiaries; or (v) loan that is required to be accounted for as a troubled debt restructuring in accordance with Statement of Financial Accounting Standards Codification (ASC) Subtopic 310-40.

(C) Investar has been provided a “watch list” of loans of Cheaha Bank as of September 30, 2019. To the Knowledge of CFG, there is no other Loan, loan agreement, note or borrowing arrangement which should be included on the watch list based on CFG’s or Cheaha Bank’s ordinary course of business practices.

(D) The allowance for loan losses and the carrying value of CFG’s other real estate shown on the CFG Financial Statements and the Call Reports were, as of the date of such CFG Financial Statement or CFG Call Report calculated in accordance with GAAP or the Instructions for the Preparation of Call Reports as promulgated by applicable Governmental Authorities, respectively, each in all material respects as applied to banking institutions.

Section 3.20 Employee Relationships.

(A) Schedule 3.20 of the Schedules sets forth a true and complete list of all persons who are employees of CFG and Cheaha Bank as of September 30, 2019, and sets forth for each such individual the following: (i) name; (ii) title or position (including whether full or part time); (iii) hire date; (iv) current annual base compensation rate and 2020 increases; (v) commission, bonus or other incentive-based compensation arrangement (including target bonus, if applicable); and (vi) accrued but unused vacation.

(B) CFG and each of its Subsidiaries is, and during the past three (3) years has at all times been, in compliance in all material respects with all Legal Requirements relating to employment and fair employment practices, immigration, terms and conditions of employment, compensation, benefits, employment discrimination and harassment, workers compensation, occupational safety and health, and wages and hours. Neither CFG nor any of its Subsidiaries is a party to or otherwise bound by any consent decree with or citation by any Governmental Authority relating to employees or employment practices. No key employee has given notice to CFG of his or her intent to terminate his or her employment or service relationship with CFG. CFG and each of its Subsidiaries is, and during the past three (3) years has at all times been, in material compliance with all Legal Requirements concerning the classification of employees and independent contractors and has properly classified all such individuals for purposes of participation in the CFG Employee Plans. No strike, grievance, or labor dispute exists or, to the Knowledge of CFG, is threatened with respect to any of the employees of CFG or any of its Subsidiaries. Neither CFG nor any of its Subsidiaries is a party to any collective bargaining agreement or employs any member of a union that relates to such employee’s relationship with CFG or any of its Subsidiaries, and, to its Knowledge, there is no activity involving its employees seeking to certify a collective bargaining unit or engaging in other organizational activity. To the Knowledge of CFG, no Executive Officer is, or is now expected to be, in violation of any material term of any employment contract, confidentiality, disclosure or proprietary information agreement, non-competition agreement or similar agreement, and the continued employment

of each such Executive Officer does not subject CFG or any of its Subsidiaries to any material liability with respect to any of the foregoing matters.

(C) All accrued material obligations and liabilities of and all payments by CFG and each of its Subsidiaries, and all CFG Employee Plans, whether arising by Legal Requirement, by contract or by past custom, for payments to trusts or other funds, to any Government Authority or to any present or former director, officer, employee or agent (or his or her heirs, legatees or Representatives) have been and are being paid to the extent required by Legal Requirement or by the plan, trust, contract or past custom or practice, and adequate actuarial accruals and reserves for such payments have been and are being made by CFG or its Subsidiaries, as applicable, according to GAAP applied on a consistent basis and actuarial methods with respect to: (i) withholding taxes, unemployment compensation or social security benefits; (ii) all pension, profit-sharing, savings, stock purchase, stock bonus, stock ownership, stock option, phantom stock and stock appreciation rights plans and agreements; (iii) all employment, deferred compensation (whether funded or unfunded), salary continuation, consulting, retirement, early retirement, severance, reimbursement, bonus or collective bargaining plans and agreements; (iv) all executive and other incentive compensation plans, programs, or agreements; (v) all group insurance and health contracts, policies and plans; and (vi) all other incentive, welfare (including vacation and sick pay), retirement or Employee Benefit Plans or Agreements maintained or sponsored, participated in, or contributed to by CFG or any of its Subsidiaries, as applicable, for its current or former directors, officers, employees and agents. All material obligations and liabilities of CFG and each of its Subsidiaries for all other forms of compensation that are or may be payable to their current or former directors, officers, employees or agents, or under any CFG Employee Plan, have been and are being paid to the extent required by Legal Requirement or by the plan or contract, and adequate actuarial accruals and reserves for payment therefor have been and are being made by CFG according to GAAP applied on a consistent basis. All accruals and reserves referred to in this Section 3.20(C) are, in all material respects, correctly and accurately reflected and accounted for in all material respects in the CFG Financial Statements and the books, statements and records of CFG and its Subsidiaries.

Section 3.21 Environmental Laws.

(A) CFG and each of its Subsidiaries and any business owned or operated by any of them, whether or not held in a fiduciary or representative capacity, are and for the last three (3) years have been in compliance in all material respects with all Environmental Laws (as defined below) and permits thereunder. Neither CFG nor any of its Subsidiaries has received notice of any violation of any Environmental Laws or generated, stored, or disposed of any materials designated as Hazardous Materials (as defined below), and neither is subject to any Lien under any Environmental Laws. No CFG Real Property and no real property currently owned, operated or leased (including any property acquired by foreclosure or deeded in lieu thereof) by CFG or any of its Subsidiaries or, to the Knowledge of CFG, owned, operated or leased by CFG or any of its Subsidiaries within the three (3) years preceding the date of this Agreement, requires any environmental investigation, cleanup or response action to comply with Environmental Laws, or has been the site of any release of

any Hazardous Materials. Except as set forth in Section 3.21(A) of the Schedules, to CFG's Knowledge, (a) all CFG Real Property is free of asbestos, (b) no real property currently or previously owned by it or any Subsidiary or their respective predecessors has been a heavy industrial site or landfill, and (c) there are no underground storage tanks at any properties owned or operated by CFG or any of its Subsidiaries and no underground storage tanks have been closed or removed from any properties owned or operated by CFG or any of its Subsidiaries. CFG has made available to Investar all environmental audits, site assessments, documentation regarding off-site disposal of Hazardous Materials, reports and other material environmental documents related to CFG Real Property, any real property formerly owned or operated by CFG or any of its Subsidiaries or any of their respective predecessors, and any other real property acquired by foreclosure or deeded in lieu thereof, which are in the possession of CFG or any of its Subsidiaries.

(B) For purposes of this Agreement, "Environmental Laws" means the Legal Requirements now or hereafter in effect, relating to pollution, preservation, remediation or protection of the environment, natural resources, human health or safety, or Hazardous Materials, including the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. § 9601, et seq.; the Hazardous Materials Transportation Authorization Act, as amended, 49 U.S.C. § 5101, et seq.; the Resource Conservation and Recovery Act of 1976, as amended, 42 U.S.C. § 6901, et seq.; the Federal Water Pollution Control Act, as amended, 33 U.S.C. § 1201, et seq.; the Toxic Substances Control Act, 15 U.S.C. § 2601, et seq.; the Clean Air Act, 42 U.S.C. § 7401, et seq.; and the Safe Drinking Water Act, 42 U.S.C. § 300f, et seq. For purposes of this Agreement, "Hazardous Material" means any pollutant, contaminant, chemical, or toxic or hazardous substance, constituent, material or waste, or any other chemical, substances, constituent or waste including, without limitation, (i) any petroleum or petroleum products, natural gas, or natural gas products, radioactive materials, friable asbestos, mold, urea formaldehyde foam insulation, transformers or other equipment that contains dielectric fluid containing levels of polychlorinated biphenyls, and radon gas; (ii) any chemicals, materials, waste or substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "extremely hazardous wastes," "restricted hazardous wastes," "toxic substances," "toxic pollutants," "contaminants," or "pollutants," or words of similar import, under any Environmental Laws; and (iii) any other chemical, material, waste or substance which is in any way regulated as hazardous or toxic by any Governmental Authority, including mixtures thereof with other materials; provided, however, that "Hazardous Material" does not mean or include any such Hazardous Material used, generated, manufactured, stored, disposed of or otherwise handled in normal quantities in the ordinary course of the business of CFG or its Subsidiary in compliance with all Environmental Laws, or such that may be naturally occurring in any ambient air, surface water, ground water, land surface or subsurface strata.

Section 3.22 Regulatory Actions.

(A) Neither CFG nor any of its Subsidiaries is now or has been, within the last five (5) years, (i) subject to any cease-and-desist or other order or enforcement action issued

by, (ii) a party to any written agreement, consent agreement or memorandum of understanding with, (iii) a party to any commitment letter or similar undertaking to, (iv) subject to any order or directive by, (v) ordered to pay any civil penalty by, (vi) a recipient of a supervisory letter from, or (vii) subject to any board resolutions adopted at the request or suggestion of, any Governmental Authority that restricts the conduct of its business or that relates or related to its capital adequacy, its ability to pay dividends, its credit or risk management policies, its management or its business, nor has CFG or any of its Subsidiaries been notified by any Governmental Authority that it is considering initiating any such item.

(B) Neither CFG nor any of its Subsidiaries has Knowledge of any fact or circumstance relating to it that would materially impede or delay receipt of any Requisite Regulatory Approvals, the Holdco Mergers, the Bank Merger or the other Contemplated Transactions.

Section 3.23 Accounting Controls.

(A) CFG and each of its Subsidiaries maintains accurate books and records reflecting its assets and liabilities and maintains proper and adequate internal accounting controls that provide assurance that (i) transactions are executed with management's general or specific authorizations; (ii) transactions are recorded as necessary to permit preparation of the CFG Financial Statements and Call Reports in accordance with GAAP or the Instructions for the Preparation of Call Reports as promulgated by applicable Governmental Authorities, respectively, and to maintain asset and liability accountability; (iii) access to its assets and incurrence of its liabilities are permitted only in accordance with management's specific or general authorizations; (iv) the recorded accountability for assets and liabilities is compared with the existing assets and liabilities at reasonable intervals and appropriate action is taken with respect to any difference; and (v) extensions of credit and other receivables are recorded accurately, and proper and adequate procedures are implemented to effect the collection thereof on a current and timely basis. None of the systems, internal accounting controls, data or information of CFG or any of its Subsidiaries is recorded, stored, maintained, operated or otherwise wholly or partly dependent on or held by any means (including any electronic, mechanical or photographic process, whether computerized or not) which (including all means of access thereto and therefrom) are not under the exclusive ownership and direct control of CFG, its Subsidiaries or their respective accountants, except as would not reasonably be expected to have a materially adverse effect on the system of internal accounting controls described in the preceding sentence or pursuant to agreement with third party providers for certain services as is customary in the banking industry. Since January 1, 2016, (i) no material weakness in internal controls has been identified by the auditors of CFG or any of its Subsidiaries, (ii) there have been no significant changes in internal controls that could reasonably be expected to materially and adversely affect internal controls, and (iii) neither CFG nor any of its Subsidiaries has been advised of any material deficiencies in the design or operation of internal controls over financial reporting which could reasonably be expected to adversely affect its ability to record, process, summarize and report financial data, or any fraud, whether or not material, that involves management.

(B) Since January 1, 2016, (i) through the date hereof, neither CFG nor any of its Subsidiaries has received or had Knowledge of any material complaint, allegation, assertion or claim regarding the accounting or auditing practices, procedures, methodologies or methods of CFG or any of its Subsidiaries or their respective internal accounting controls, including any material complaint, allegation, assertion or claim that CFG or any of its Subsidiaries has engaged in questionable accounting or auditing practices, and (ii) neither CFG nor any of its Subsidiaries, whether or not employed by CFG or any of its Subsidiaries, has reported evidence of a material violation of securities laws, breach of fiduciary duty or similar violation by CFG or any of its officers, directors, employees or agents to the board of directors of CFG or any committee thereof or to any director or officer of CFG.

Section 3.24 Books and Records. The minute books, stock certificate books and stock transfer ledgers of CFG and each of its Subsidiaries have been kept accurately in the ordinary course of business and are complete and correct in all material respects; the transactions entered therein represent bona fide transactions; and there have been no transactions involving the business of CFG or any of its Subsidiaries that properly should have been set forth therein and that have not been accurately so set forth. The minute books of CFG and each of its Subsidiaries have been made available for inspection by Investar.

Section 3.25 Trust Business. Neither CFG nor any of its Subsidiaries has been appointed or acted in a fiduciary or representative capacity in respect of any trust, executorship, administration, guardianship, conservatorship, or other fiduciary representative capacity. Neither CFG nor any of its Subsidiaries administers or otherwise holds any indenture, pooling and servicing, private label, paying agency, collateral or disbursing agency, securities (whether bond, note, debenture or other) registrar, transfer agency, document custody or other fiduciary or agency contracts.

Section 3.26 Guaranties. Except for items in the process of collection in the ordinary course of Cheaha Bank's business or as set forth on Section 3.26 of the Schedules, no obligation or liability of CFG or any of its Subsidiaries is guaranteed by any other Person, nor, except in the ordinary course of business and in compliance with all Legal Requirements, has CFG or any of its Subsidiaries guaranteed any obligation or liability of any other Person.

Section 3.27 Employee Benefit Plans.

(A) Section 3.27(A) of the Schedules lists all Employee Benefit Plans, arrangements or agreements providing benefits or compensation to any current or former employees, directors or consultants of CFG or any other Entity that, together with CFG, is or at any time during the six (6) years preceding date hereof was deemed a single employer within the meaning of Section 414 of the Code (an "ERISA Affiliate") that are sponsored or maintained by CFG or any of its ERISA Affiliates or to which CFG or any of its ERISA Affiliates contributes or is obligated to contribute on behalf of current or former employees, directors or consultants of CFG or any of its ERISA Affiliates or with respect to which CFG or any of its ERISA Affiliates has any liability, including any employee welfare benefit plan within the meaning of section 3(1) of the Employee Retirement Income Security Act of 1974, as amended (together with the rules and regulations promulgated thereunder, "ERISA"), determined without regard to whether such plan is subject to ERISA (whether

written or oral) any employee pension benefit plan within the meaning of Section 3(2) of ERISA, determined without regard to whether such plan is subject to ERISA (whether written or oral), any employment, consulting or independent contractor agreement, any collective bargaining agreement, employee stock ownership, bonus, incentive, deferred compensation, supplemental retirement plan, stock purchase, stock option, and other equity or equity-based compensation plan or agreement, severance, retention or change of control or fringe benefit plan and each other compensation or benefit plan, fund, policy, program, agreement, arrangement or scheme (whether written or oral) (each of the foregoing, an "CFG Employee Plan"). There is no pending or, to the Knowledge of CFG, threatened Proceeding relating to any CFG Employee Plan. All of the CFG Employee Plans comply and have been administered in all material respects with their terms and all Legal Requirements. There has occurred no "prohibited transaction" (as defined in Section 406 of ERISA or Section 4975 of the Code) with respect to any CFG Employee Plan that is likely to result in the imposition of any penalties or Taxes upon CFG or any of its Subsidiaries under Section 502(i) of ERISA or Section 4975 of the Code. All contributions, premiums or other payments required under the terms of all CFG Employee Plans and all Legal Requirements have been made by the due date thereof.

(B) Except as set forth in Section 3.27(B) of the Schedules, neither CFG nor any of its Subsidiaries has any liabilities for post-retirement or post-employment welfare benefits under any CFG Employee Plan, except for coverage required by Part 6 of Title I of ERISA or Section 4980B of the Code, or similar state laws, the cost of which is borne by the insured individuals. Each CFG Employee Plan that purports or is intended to be a "qualified plan" within the meaning of Section 401(a) of the Code and any trust that is part of such CFG Employee Plan that purports or is intended to be exempt are so qualified, are subject to a favorable determination, advisory or opinion letter from the IRS, as applicable, and, each such CFG Employee Plan has been maintained, operated and administered at all times in material compliance with its terms and all Legal Requirements (including ERISA and the Code). The terms of each other CFG Employee Plan satisfy the material Legal Requirements (including, ERISA and the Code), and each such plan has been maintained, operated and administered at all times in accordance with its material terms and all material Legal Requirements (including ERISA and the Code). CFG has provided or made available accurate, current and complete copies of (i) where the CFG Employee Plan has been reduced to writing, the plan documents together with all amendments; (ii) where the CFG Employee Plan has not been reduced to writing, a written summary of all material plan terms; (iii) the most recent summary plan descriptions and all material modifications thereto; (iv) each trust agreement, insurance policy or other instrument relating to the funding or administration of any CFG Employee Plan; (v) in the case of any CFG Employee Plan for which a Form 5500 is required to be filed, the three most recent filed annual reports (Form 5500 series) and accompanying schedules; (vi) the most recent determination, opinion or advisory letter issued by the IRS with respect to each CFG Employee Plan that is intended to qualify under section 401(a) of the Code; (vii) the most recent available financial statements for each CFG Employee Plan; (viii) the most recent audited financial statements for each CFG Employee Plan for which audited statements are required by ERISA, (ix) copies of material notices, letters or other correspondence with the IRS, Department of Labor, Pension Benefit Guaranty

Corporation or any other Governmental Authority relating to the CFG Employee Plan; (x) the nondiscrimination tests results performed under the Code for the past three (3) plan years; and (xi) in the case of any CFG Employee Plan for which a Form 1094-B, 1094-C, 1095-B or Form 1095-C is required to be filed or distributed a copy of the most recently filed of each such applicable form.

(C) Except as set forth in Section 3.27(C) of the Schedules, neither CFG nor any ERISA Affiliate has any liability with respect to, or has, at any time during the last six (6) years, contributed to or been obligated to contribute to any “multiple employer plan” or “multi-employer plan” within the meaning of ERISA. Neither CFG nor any ERISA Affiliate of CFG has incurred any withdrawal liability under Part I of Subtitle E of Title IV of ERISA that has not been satisfied in full. Neither CFG nor any ERISA Affiliate of CFG sponsors, maintains or contributes to any Employee Benefit Plan that is subject to Title IV of ERISA, and neither CFG nor any ERISA Affiliate of CFG has, at any time during the last six (6) years, sponsored, maintained, contributed to or been obligated to contribute to any plan subject to Title IV of ERISA.

(D) There does not now exist, nor, to the Knowledge of CFG, do any circumstances exist that could result in, any liability of CFG or any of its Subsidiaries (i) under Title IV of ERISA, (ii) under Section 302 of ERISA, (iii) under Sections 412 and 4971 of the Code, (iv) with respect to any CFG Employee Plan that is described in Section 413(c) of the Code or Section 3(40)(A) of ERISA, (v) as a result of a failure to comply with the continuation coverage requirements of Section 601 et seq. of ERISA and Section 4980B of the Code or similar state law, (vi) as a result of “voluntary employees’ beneficiary association” under Section 501(c)(9) of the Code and (vii) under corresponding or similar provisions of foreign laws or regulations, now or following the Closing.

(E) Except as set forth in Section 3.27(E) of the Schedules, the consummation of the Contemplated Transactions will not, either alone or in combination with another event, (i) entitle any current or former director, officer, employee, contractor or consultant of CFG or any of its Subsidiaries to severance pay, retention bonuses, parachute payments, non-competition payments, unemployment compensation or any other payment, (ii) accelerate the time of payment or vesting, or increase the amount of compensation due any such employee, (iii) increase the amount payable under or result in any other material obligation pursuant to any CFG Employee Plan (other than ordinary administration expenses and for benefits accrued in the ordinary course but not yet paid and expect as required by applicable Legal Requirement, (iv) result in the forgiveness of any indebtedness of any current or former director, officer, employee, contractor or consultant or (v) give rise to the payment by CFG or any of its Subsidiaries of any amount that would not be deductible pursuant to the terms of Section 162(m). Except as set forth in Section 3.27(E) of the Schedules, no amount paid or payable (whether in cash, in property, or in the form of benefits) in connection with the Contemplated Transactions (either alone or upon the occurrence of any additional or subsequent events) will be an “excess parachute payment” within the meaning of Section 280G of the Code, or would constitute an “excess parachute payment” if such amounts were subject to the provisions of Section 280G of the Code, or will be subject to a Tax under

Section 4999 of the Code. Except as set forth in Section 3.27(E) of the Schedules, no CFG Employee Plan provides for and neither CFG nor any of its Subsidiaries has any obligation to make a “gross-up” or similar payment in respect of any Taxes that may become payable under Section 4999 of the Code.

(F) Except as set forth in Section 3.27(F) of the Schedules, there are no outstanding compensatory equity awards, including any arrangements awarding stock options, stock appreciation rights, stock appreciation units, restricted stock, deferred stock, phantom stock or any other equity compensation to any employee, director or other service provider of CFG or any ERISA Affiliate of CFG.

(G) Except as set forth in Section 3.27(G) of the Schedules, (i) no CFG Employee Plan is invested in or provides the opportunity for the purchase of any employer security (within the meaning of ERISA Section 407(d)) and (ii) each CFG Employee Plan may be amended or terminated at any time by CFG or Cheaha Bank, without any early termination fee or penalty, subject to compliance with (i) the terms of such plan or agreement and (ii) regulations promulgated under the Code, ERISA, and the regulations of the Pension Benefit Guaranty Corporation and without CFG or any of its Subsidiaries making any additional contributions to such CFG Employee Plan.

(H) Except as set forth on Section 3.27(H) of the Schedules, each CFG Employee Plan that is a nonqualified deferred compensation plan subject to Section 409A of the Code has been operated in material compliance with section 409A of the Code, and no CFG Employee Plan provides for and neither CFG nor any of its Subsidiaries has any obligation to make a “gross-up” or similar payment in respect of any Taxes that may become payable under Section 409A of the Code.

(I) There have been no non-exempt “prohibited transactions” (as described in Section 406 of ERISA or Section 4975 of the Code) with respect to any CFG Employee Plan which have not been corrected in full, with respect to which any material Tax or material penalty is due or other liability exists, or which are not otherwise exempt under Section 4975(d) of the Code or Section 408 of ERISA. Nothing has occurred with respect to any CFG Employee Plan that has subjected such CFG Employee Plan, CFG or its or could subject any of the foregoing to (i) any material penalty or other liability under Section 502 of ERISA or (ii) material liability as a result of any breach of any fiduciary duty.

Section 3.28 Deposits. Except as disclosed in Section 3.28 of the Schedules, no deposit of Cheaha Bank (a) is a “brokered deposit” (as such term is defined in 12 C.F.R. Section 337.6(a)(2)); (b) was acquired through a deposit listing service; or (c) is subject to any encumbrance, legal restraint or other legal process (other than garnishments, pledges, set off rights, escrow limitations and similar actions taken in the ordinary course of business).

Section 3.29 Derivative Contracts. Neither CFG nor any of its Subsidiaries is a party to nor has agreed to enter into an exchange traded or over-the-counter swap, forward, future, option, cap, floor or collar financial contract or agreement, or any other contract or agreement not included

in the CFG Financial Statements that is a financial derivative contract (including various combinations thereof).

Section 3.30 Shareholders List. CFG has delivered to Investar a true, correct and complete list of the record holders of the CFG Stock as of a date within five (5) Business Days prior to the date of this Agreement, including their names, addresses and number of shares held of record by each Person, which shareholders' list is in all respects true and complete as of such date and shall be updated prior to Closing and provided in such format as may be reasonably requested by the Paying Agent.

Section 3.31 Brokers. Except as set forth in Section 3.31 of the Schedules, no broker, finder or investment banker will have, as a result of the Contemplated Transactions, any valid right, interest or claim against or upon CFG or any of its Subsidiaries for any commission, fee or other compensation under any agreement, arrangement or understanding entered into by or on behalf of CFG or any of its Subsidiaries.

Section 3.32 Repurchase Agreements. With respect to all agreements under which CFG or any of its Subsidiaries have purchased securities subject to an agreement to resell, if any, CFG or one of its Subsidiaries, as the case may be, has a valid, perfected first lien or security interest in or evidence of ownership in book entry form of the government securities or collateral securing the repurchase agreement, and the value of the collateral equals or exceeds the amount of the debt secured thereby.

Section 3.33 Mortgage Banking Business.

(A) (i) Cheaha Bank has complied in all material respects with, and (ii) all documentation in connection with the origination, processing, underwriting and credit approval of any mortgage loan originated, purchased or serviced by Cheaha Bank complies in all material respects with, (a) all applicable Legal Requirements with respect to the origination, insuring, purchase, sale, pooling, servicing, subservicing, or filing of claims in connection with mortgage loans, including all Legal Requirements relating to real estate settlement procedures, consumer credit protection, truth in lending laws, usury limitations, fair housing, transfers of servicing, collection practices, equal credit opportunity and adjustable rate mortgages, (b) the responsibilities and obligations relating to mortgage loans set forth in any agreement between Cheaha Bank and any Agency, Loan Investor or Insurer (as such terms are defined below), (c) the applicable rules, regulations, guidelines, handbooks and other requirements of any Agency, Loan Investor or Insurer and (d) the terms and provisions of any mortgage or other collateral documents and other loan documents with respect to each mortgage loan.

(B) No Agency, Loan Investor or Insurer has (i) notified Cheaha Bank in writing that Cheaha Bank has violated or has not complied with the applicable underwriting standards with respect to mortgage loans sold by Cheaha Bank to a Loan Investor or Agency, or with respect to any sale of mortgage servicing rights to a Loan Investor, (ii) imposed in writing restrictions on the activities (including commitment authority) of Cheaha Bank or (iii) notified Cheaha Bank in writing that it has terminated or intends to terminate its

relationship with Cheaha Bank for poor performance, poor loan quality or concern with respect to Cheaha Bank's compliance with laws.

(C) For purposes of this Section 3.33: (i) "Agency" means the Federal Housing Administration, the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the United States Department of Veterans' Affairs, the Rural Housing Service of the U.S. Department of Agriculture or any other Governmental Authority with authority to (A) determine any investment, origination, lending or servicing requirements with regard to mortgage loans originated, purchased or serviced by Cheaha Bank or (B) originate, purchase, or service mortgage loans, or otherwise promote mortgage lending, including state and local housing finance authorities; (ii) "Loan Investor" means any Person (including an Agency) having a beneficial interest in any mortgage loan originated, purchased or serviced by Cheaha Bank or a security backed by or representing an interest in any such mortgage loan; and (iii) "Insurer" means a Person who insures or guarantees for the benefit of the mortgagee all or any portion of the risk of loss upon borrower default on any of the mortgage loans originated, purchased or serviced by Cheaha Bank, including any Agency or any private mortgage insurer, and providers of hazard, title or other insurance with respect to such mortgage loans or the related collateral.

Section 3.34 Fairness Opinion. CFG has received an opinion from National Capital, LLC, an investment banking firm experienced in the valuation of financial institutions, to the effect that, subject to the terms, conditions and qualifications set forth therein, the Per Share Consideration and the Pre-closing Dividend to be received by the shareholders of CFG under this Agreement is fair to such shareholders from a financial point of view. Such opinion has not been amended or rescinded.

Section 3.35 Trust Preferred Securities.

(A) CFG has issued and has presently outstanding \$3,093,000 of Junior Subordinated Deferrable Interest Debentures due September 15, 2035 held by Cheaha Statutory Trust I pursuant to an Indenture dated as of August 4, 2005 between CFG, as issuer, and JPMorgan Chase Bank, National Association, as Trustee. Cheaha Statutory Trust I has issued trust preferred securities pursuant to the terms of the Amended and Restated Declaration of Trust among CFG, as sponsor, Chase Bank USA, National Association, as Delaware Trustee JPMorgan Chase Bank, National Association, as Institutional Trustee, and the administrative trustees named therein (the issuance of such securities and all documents and instruments related thereto being referred to collectively herein as the "Trust Preferred Issuance").

(B) All representations and warranties as made by CFG in the documents related to the Trust Preferred Issuance were true in all material respects when made. The Trust Preferred Issuance was authorized, issued and, to CFG's Knowledge, sold in compliance with all applicable Legal Requirements.

(C) CFG is current on all dividend payments payable with respect to Junior Subordinated Deferrable Interest Debentures due September 15, 2035 issued as part of the Trust Preferred Issuance.

Section 3.36 Information. None of the information relating to CFG or any of its Subsidiaries that is provided by CFG for inclusion in (a) a notice of special meeting of shareholders and proxy statement (including any amendment or supplement thereto), to be prepared by CFG, with the cooperation of Investar, in accordance with CFG's Constituent Documents and applicable Legal Requirements and in such form and structure as are mutually agreeable between CFG and Investar (the "Proxy Statement") and mailed to CFG's shareholders in connection with the solicitation of proxies by the board of directors of CFG for use at a special meeting of CFG's shareholders to be called to consider and vote upon this Agreement and the Contemplated Transactions (the "Shareholder Meeting"), or (b) any filings or approvals under applicable federal or state Banking Laws or regulations or federal or state securities laws, contains or will contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they are made, not misleading.

Section 3.37 Representations Not Misleading. No representation or warranty by CFG contained in this Agreement, nor the Schedules furnished to Investar by CFG under and pursuant to this Agreement, contains or will contain on the Closing Date any untrue statement of a material fact necessary to make the statements contained herein or therein, in light of the circumstances under which it was or will be made, not misleading in any material respect, and such representations and warranties would continue to be true and correct following disclosure to any Governmental Authority having jurisdiction over CFG, its Subsidiaries or its properties of the facts and circumstances upon which they were based. No information material to the Contemplated Transactions, and that is necessary to make the representations and warranties herein contained not misleading, has been withheld by CFG.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF INVESTAR

Except as specifically set forth in the Schedules, Investar and, where applicable, the Interim Company, make the following representations and warranties to CFG as of the date of this Agreement and as of the Closing Date, except with respect to those representations and warranties specifically made as of an earlier date (in which case such representations and warranties are made as of such earlier date).

Section 4.01 Organization and Qualification.

(A) Investar is a corporation duly organized, validly existing and in good standing under the laws of the State of Louisiana. Investar is duly registered as a bank holding company under the Bank Holding Company Act of 1956, as amended. Investar has all requisite corporate power and authority (including all licenses, franchises, permits and other governmental authorizations as are legally required) to carry on its business as now being conducted, to own, lease and operate its properties and assets, including, but not limited to, as now owned, leased or operated, and to enter into and carry out its obligations under this Agreement and all related agreements. Investar is duly qualified to do business in all jurisdictions where its ownership or leasing of property or assets or its conduct of business

requires it to be so qualified. True and complete copies of the Constituent Documents of Investar, as amended to date, have been delivered or made available to CFG.

(B) Interim Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Louisiana. Interim Company has all requisite corporate power and authority (including all licenses, franchises, permits and other governmental authorizations as are legally required) to carry on its business as now being conducted, to own, lease and operate its properties and assets, including, but not limited to, as now owned, leased or operated, and to enter into and carry out its obligations under this Agreement and all related agreements. Interim Company is duly qualified to do business in all jurisdictions where its ownership or leasing of property or assets or its conduct of business requires it to be so qualified. True and complete copies of the Constituent Documents of Interim Company have been delivered or made available to CFG.

(C) Investar Bank is national bank, duly organized, validly existing and in good standing under the laws of the United States of America. Investar Bank has all requisite corporate power and authority (including all licenses, franchises, permits and other governmental authorizations as are legally required) to carry on its business as now being conducted, to own, lease and operate its properties and assets, including, but not limited to, as now owned, leased or operated. Investar Bank is duly qualified to do business in all jurisdictions where its ownership or leasing of property or assets or its conduct of business requires it to be so qualified. The deposit accounts of Investar Bank are insured by the FDIC through the Deposit Insurance Fund to the fullest extent permitted by law, and all premiums and assessments due and owing as of the date hereof required in connection therewith have been paid by Investar Bank.

Section 4.02 Execution and Delivery: No Violation.

(A) Each of Investar and Interim Company has full corporate power and authority to execute and deliver this Agreement and, subject to the receipt of the Requisite Regulatory Approvals, to perform its obligations under this Agreement. Each of Investar and its Subsidiaries has taken all requisite corporate action necessary to authorize the execution, delivery and (provided the required regulatory and shareholder approvals are obtained) performance of this Agreement and the other agreements and documents contemplated by this Agreement to which it is a party. This Agreement has been duly and validly executed and delivered by Investar and Interim Company to CFG. Assuming due authorization, execution and delivery by CFG, this Agreement constitutes the legal, valid and binding obligations of Investar and Interim Company, enforceable against each in accordance with its terms and conditions, except as enforceability may be limited by the Enforceability Exceptions.

(B) Subject to the receipt of any consents and approvals set forth in Section 4.03 and the expiration of related waiting periods, neither the execution, delivery or performance of this Agreement nor the consummation of the Contemplated Transactions, constitutes or will constitute (i) a breach or violation of any provision of the Constituent Documents of Investar or its Subsidiaries; (ii) a violation of any Legal Requirement applicable to Investar

or its Subsidiaries or any of their respective properties or assets; or (iii) a breach or violation of, a conflict with, the loss of any benefit under, a default (or an event which, with notice or the lapse of time, or both, would constitute a default) under, an event of termination or cancellation under, an event giving rise to acceleration of the performance required by or rights or obligations under, or an event resulting in the creation of any Lien upon any of the properties or assets of Investar or its Subsidiaries under, any loan or credit agreement, note, bond, mortgage, indenture, lease or other agreement, instrument, permit, concession, franchise, license or similar authorization to which Investar or any of its Subsidiaries is a party, or by which it or any of its properties, assets or business activities may be bound or affected.

Section 4.03 Consents and Approvals. Except as disclosed in Section 4.03 of the Schedules, no approval, consent, order or authorization of, or registration, declaration or filing with, any Governmental Authority or other third party is required to be made or obtained by Investar, Interim Company or Investar Bank in connection with the execution, delivery or performance of this Agreement or the completion by Investar, Investar Bank or Interim Company of the Contemplated Transactions. Investar has no Knowledge of any fact or circumstance related to it that would materially impede or delay receipt of any required regulatory approvals of the Mergers or the Contemplated Transaction.

Section 4.04 Investar Financial Statements. Investar has furnished or made available to CFG true and complete copies of the audited consolidated financial statements of Investar as of and for the years ended December 31, 2018, 2017 and 2016, including balance sheets and the related statements of income, comprehensive income, stockholders' equity and cash flows, and the unaudited consolidated financial statements of Investar as of and for the nine (9) months ended September 30, 2019 (collectively, the "Investar Financial Statements"). The Investar Financial Statements and were prepared in accordance with the books of account and other financial records of Investar and Investar Bank, as applicable, and fairly present in all material respects the financial condition, results of operations and cash flows of Investar, on a consolidated basis, as of the dates thereof and for the periods covered thereby in accordance with GAAP (subject, in the case of the unaudited Investar Financial Statements, to the footnotes, statement of cash flows and normal year-end adjustments consistent with past practice that are, in the aggregate, immaterial in amount and substance), applied on a basis consistent during the periods involved.

Section 4.05 No Material Adverse Change. Since December 31, 2018, (i) Investar and Investar Bank have conducted their respective businesses in the ordinary and usual course consistent with safe and sound banking practices (except as otherwise required by this Agreement and excluding the incurrence of expenses related to this Agreement and the Contemplated Transactions), and (ii) no Material Adverse Change with respect to Investar or Investar Bank has occurred.

Section 4.06 Ability to Pay Merger Consideration. Investar will have available to it as of the business day prior to the Closing Date, funds sufficient to establish the Exchange Fund and pay all amounts required of it under this Agreement and to effect the Contemplated Transactions.

Section 4.07 Representations Not Misleading. No representation or warranty by Investar contained in this Agreement, nor any schedule furnished to CFG by Investar under and pursuant

to, or in anticipation of this Agreement, contains or shall contain on the Closing Date any untrue statement of a material fact or omits or shall omit to state a material fact necessary to make the statements contained herein or therein, in light of the circumstances under which it was or shall be made, not misleading and such representations and warranties would continue to be true and correct following disclosure to any Governmental Authority having jurisdiction over Investar, any of its Subsidiaries or their respective properties of the facts and circumstances upon which they were based. No information material to the Contemplated Transactions, and that is necessary to make the representations and warranties herein contained not misleading, has been withheld by Investar.

Section 4.08 Compliance with Laws and Regulatory Filings.

(A) Except as disclosed in Section 4.08(A) of the Schedules, Investar and each of its Subsidiaries has complied in all material respects with and is not in material default or violation under the Legal Requirements applicable to it, including all Banking Laws. Neither Investar nor any of its Subsidiaries has had material incidents of fraud involving Investar, any of its Subsidiaries or any of their respective officers, directors or Affiliates during the last two (2) years. Each of Investar and Investar Bank has timely and properly filed and maintained in all material respects all requisite Currency Transaction Reports and Suspicious Activity Reports and has systems that are designed to properly monitor transaction activity.

(B) Each of Investar and Investar Bank has timely filed all reports, registrations, statements and other documents, together with any amendments required to be made thereto, that are required to be filed with the OCC and FRB, and such reports, registrations and statements as finally amended or corrected, are true and correct, in all material respects, and comply as to form with all Legal Requirements. Except as set forth in Section 4.08(B) of the Schedules, there is no unresolved violation, criticism or exception by any Governmental Authority with respect to any report relating to any examination of Investar or Investar Bank.

(C) Except as set forth in Section 4.08(C) of the Schedules, neither Investar nor any of its Subsidiaries, or, to Investar's Knowledge, director, officer, employee, agent or other Person acting on behalf of Investar or any of its Subsidiaries has, directly or indirectly, (i) used any funds of Investar or any of its Subsidiaries for unlawful contributions, unlawful gifts, unlawful entertainment or other expenses relating to political activity, (ii) made any unlawful payment to foreign or domestic governmental officials or employees or to foreign or domestic political parties or campaigns from funds of Investar or any of its Subsidiaries, (iii) violated any provision of the Foreign Corrupt Practices Act of 1977, as amended, or any similar law, (iv) established or maintained any unlawful fund of monies or other assets of Investar or any of its Subsidiaries, (v) made any fraudulent entry on the books or records of Investar or any of its Subsidiaries, or (vi) made any unlawful bribe, unlawful rebate, unlawful payoff, unlawful influence payment, unlawful kickback or other unlawful payment to any Person, private or public, regardless of form, whether in money, property or services, to obtain favorable treatment in securing business to obtain special concessions for Investar or any of its Subsidiaries, to pay for favorable treatment for business secured or to pay for special concessions already obtained for Investar or any of its Subsidiaries, or is currently

subject to any United States sanctions administered by the Office of Foreign Assets Control of the United States Department of the Treasury.

(D) Investar Bank is “well capitalized” as defined by applicable federal banking regulations, and its Community Reinvestment Act of 1977 rating is no less than “satisfactory.” Investar Bank has not been informed by any of its banking regulators that its regulatory status will change.

ARTICLE V
CONDUCT OF BUSINESS PENDING THE MERGERS

Section 5.01 Forbearances. Except as expressly contemplated by this Agreement or required by Legal Requirement, without the prior written consent of Investar (and any such consent shall not be unreasonably conditioned or delayed), CFG will not (and will cause each of its Subsidiaries not to):

- (A) enter into any new material line of business or change its lending, investment, underwriting, risk and asset liability management and other material banking and operating policies in any material respect;
- (B) open, close or relocate any branch office, or acquire or sell or agree to acquire or sell any branch office or deposit liabilities;
- (C) issue, sell or otherwise permit to become outstanding, or dispose of or encumber or pledge, or authorize or propose the creation of, any additional shares of its capital stock or permit new shares of its stock to become subject to new grants;
- (D) issue, grant or accelerate the vesting of any option, restricted stock award, warrant, call, commitment, subscription, right to repurchase or agreement of any character related to the authorized or issued capital stock of CFG or Cheaha Bank, or any securities convertible its shares of such stock;
- (E) except with respect to the Pre-Closing Dividend, make, declare, pay or set aside for payment any dividend on or in respect of, or declare or make any distribution on any shares of its stock (other than dividends from its wholly owned Subsidiaries to it or another of its wholly owned Subsidiaries) or directly or indirectly adjust, split, combine, redeem, reclassify, purchase or otherwise acquire, any shares of its stock;
- (F) sell, transfer, mortgage, encumber or otherwise dispose of or discontinue any of its assets, deposits, business or properties, except for sales, transfers, mortgages, encumbrances or other dispositions or discontinuances in the ordinary course of business consistent with past practice and in a transaction that, together with other such transactions, is not material to CFG or Cheaha Bank, taken as a whole;
- (G) acquire (other than by way of foreclosures or acquisitions of control in a fiduciary or similar capacity or in satisfaction of debts previously contracted in good faith,

in each case in the ordinary and usual course of business consistent with past practice) all or any portion of the assets, business, deposits or properties of any other Entity or enter into any other transaction, except in the ordinary course of business consistent with past practice and in a transaction that, together with other such transactions, is not material to it and its Subsidiaries, taken as a whole;

(H) enter into, amend, renew or terminate any agreement of the type that is or would be required to be disclosed in Section 3.13(A) of the Schedules other than as contemplated by this Agreement, unless the agreement is to be performed in full prior to the Closing;

(I) amend its Constituent Documents or those of its Subsidiaries;

(J) implement or adopt any change in its accounting principles or policies, other than as may be required by GAAP or regulatory accounting principles;

(K) knowingly take or omit to take any action that is reasonably likely to result in any of the conditions to the consummation of the Contemplated Transactions set forth in Sections 7.01 or 7.02 not being satisfied;

(L) incur or guarantee any indebtedness for borrowed money other than in the ordinary course of business consistent with past practice;

(M) except as set forth in Section 5.01(M) of the Schedules, make any change in the rate of compensation, commission, bonus or other direct or indirect remuneration payable, or pay or agree or orally promise to pay, conditionally or otherwise, any bonus, extra compensation, pension or severance or vacation pay, to or for the benefit of any of its directors, officers, employees or agents, or enter into any employment or consulting contract (other than in the ordinary course consistent with past practices or as contemplated by this Agreement) or other agreement with any director, officer or employee or adopt, amend in any material respect or terminate any pension, employee welfare, retirement, stock purchase, stock option, stock appreciation rights, termination, severance, income protection, golden parachute, savings or profit-sharing plan (including trust agreements and insurance contracts embodying such plans), any deferred compensation, or collective bargaining agreement, any group insurance contract or any other incentive, welfare or Employee Benefit Plan or agreement maintained by it for the benefit of its directors, employees or former employees, in each case except in the ordinary course of business and consistent with past practices, as contemplated by this Agreement and as may be required by Legal Requirements;

(N) settle any Proceeding involving the payment by it of monetary damages or imposing a material restriction on the operations of CFG, Investar or any of their respective Subsidiaries;

(O) mortgage, pledge or subject to Lien any of its property, business or assets, corporeal or incorporeal, except (i) statutory liens not yet delinquent, (ii) landlord liens, (iii) minor defects and irregularities in title and encumbrances that do not materially impair

the use thereof for the purpose for which they are held, and (iv) pledges of assets to secure public funds deposits;

(P) sell, transfer, lease to others or otherwise dispose of any of its material assets (except any sales or leases of property acquired by Cheaha Bank by foreclosure or otherwise, in each instance, in the ordinary course of business consistent with past practices) or cancel or compromise any debt or claim, or waive or release any right or claim of a value in excess of \$25,000;

(Q) make any capital expenditures or capital additions or betterments in excess of an aggregate of \$25,000;

(R) hire or employ any new employee with an annual salary exceeding \$50,000, or hire or employ any Person for any newly created position;

(S) sell or dispose of, or otherwise divest itself of the ownership, possession, custody or control, of any corporate books or records of any nature that, in accordance with sound business practice, normally are retained for a period of time after their use, creation or receipt, except at the end of the normal retention period;

(T) materially change any method, practice or principle of accounting, except as may be required from time to time by GAAP (without regard to any early adoption date) or any Governmental Authority;

(U) sell (other than for payment at maturity) or purchase any securities other than in the ordinary course of business with past practices;

(V) make, commit to make, renew, extend the maturity of, or alter any of the material terms of any Loan in excess of \$1,000,000 without Investar's consent, which consent Investar will be deemed to have given unless it objects to the Loan within three (3) Business Days of receiving a notice from CFG identifying the proposed borrower, the loan amount, and the material Loan terms;

(W) renew, extend the maturity of, or alter any of the material terms of any Loan which has been classified as, or, in the exercise of reasonable diligence by Cheaha Bank or any Governmental Authority with supervisory jurisdiction over Cheaha Bank, should have been classified as "substandard," "doubtful," "loss," "other loans especially mentioned," "other assets especially mentioned," "watch," "pass/watch" or any comparable classifications by such Persons, in excess of \$250,000;

(X) make or commit to make a loan to any borrower with an outstanding loan agreement, note or borrowing arrangement with Cheaha Bank which has been classified as or, in the exercise of reasonable diligence by Cheaha or any Governmental Authority with supervisory jurisdiction over Cheaha Bank, should have been classified as "substandard," "doubtful," "loss," "other loans especially mentioned," "other assets especially mentioned," "watch," "pass/watch" or any comparable classifications by such Persons;

- (Y) enter into any acquisitions or leases of real property, including new leases and lease extensions, excluding the acquisition of property acquired by Cheaha Bank by foreclosure or otherwise; or
- (Z) foreclose upon or otherwise acquire any commercial real property prior to receipt and approval by Investar of a Phase I environmental review thereof;
- (AA) excluding deposits and certificates of deposit, incur or modify any indebtedness for borrowed money, including Federal Home Loan Bank advances;
- (BB) prepay any indebtedness or other similar arrangements resulting in any prepayment penalty thereunder;
- (CC) issue a replacement of any certificate representing its securities except upon (i) written notice to Investar, (ii) presentation of a properly executed lost certificate affidavit in form reasonably satisfactory to Investar and (iii) if required by Investar, the delivery of an indemnity or surety bond in the amount of the consideration payable with respect to shares of CFG Common Stock represented therein;
- (DD) take or fail to take any action which would adversely affect or delay in any material respects the ability of Cheaha Bank or Investar to obtain any approvals from any regulatory agencies or other approvals required for consummation of the Contemplated Transactions or to perform its obligations and agreements under this Agreement; or
- (EE) enter into any contract, with respect to, or otherwise agree or commit to do, any of the foregoing.

Section 5.02 Affirmative Covenants. Except with the prior written consent of Investar, (and any such consent shall not be unreasonably conditioned or delayed), CFG will (and will cause each of its Subsidiaries to):

- (A) conduct its business (including, without limitation, the making of or agreeing to make any Loans or other extensions of credit) in the ordinary and usual course and use commercially reasonable efforts to preserve intact their organizations and assets and maintain their rights, franchises and authorizations and their existing relations with customers, suppliers, employees and business associates;
- (B) extend credit only in accordance with existing lending policies and promptly classify and charge-off loans and deposit accounts overdrawn and make appropriate adjustments to loss reserves in accordance with the Call Report Instructions and CFG's policies and procedures as in effect as of the date of this Agreement;
- (C) obtain any approvals or consents required to maintain all existing material contracts, leases and documents relating to or affecting its assets, properties and business;
- (D) comply in all material respects with all Legal Requirements;

- (E) timely file all Tax Returns required to be filed by it and promptly pay all Taxes that become due and payable, except those being contested in good faith by appropriate Proceedings;
- (F) withhold from each payment made to each of its employees the amount of all Taxes required to be withheld therefrom and pay the same to the proper Governmental Authorities;
- (G) perform in all material respects all of its obligations under contracts, leases and documents relating to or affecting its assets, properties and business, except such obligations as it may in good faith reasonably dispute;
- (H) account for all transactions and prepare all CFG Financial Statements and Call Reports in accordance with GAAP and the Instructions for the Preparation of Call Reports as promulgated by applicable Governmental Authorities, respectively;
- (I) provide to Investar (A) a monthly loan report of Cheaha Bank that includes, without limitation, a report of all new, renewed, extended, modified and paid off loans, as well as monthly past due information, and (B) a monthly deposit report of Cheaha Bank;
- (J) promptly give written notice to Investar of (A) any material change in its business, operations or prospects; (B) any complaints, investigations or hearings (or communications indicating that the same may be contemplated) of any Governmental Authority having jurisdiction over CFG or any of its Subsidiaries; (C) the institution or threat of any Proceeding against CFG or any of its Subsidiaries; or (D) any event or condition that would reasonably be expected to cause any of the representations or warranties of CFG contained in this Agreement to be untrue in any material respect or which would otherwise cause a Material Adverse Change with respect to CFG;
- (K) maintain in full force and effect all insurance policies now in effect or renewals thereof and give all notices and present all claims under all insurance policies in due and timely fashion; and
- (L) timely file all reports required to be filed with all Governmental Authorities and observe and conform in all material respects to all Legal Requirements, except those being contested in good faith by appropriate Proceedings.

ARTICLE VI
COVENANTS

Section 6.01 Commercially Reasonable Efforts. Subject to the terms and conditions of this Agreement, each party will use commercially reasonable efforts to take, or cause to be taken, in good faith, all actions, and to do, or cause to be done, all things necessary, proper or desirable, or advisable under all Legal Requirements, so as to permit consummation of the Contemplated Transactions as promptly as practicable, and each party will cooperate reasonably with, and furnish information to, the other party to that end.

Section 6.02 Litigation and Claims. Each party will promptly notify the other party in writing of any Proceeding pending or, to the Knowledge of such party, threatened against any party or its Subsidiaries that questions the validity of this Agreement or any other agreement contemplated by this Agreement or any action taken or to be taken by the parties or their respective Subsidiaries with respect hereto or thereto or seeks to enjoin or otherwise restrain the Contemplated Transactions or thereby.

Section 6.03 Corporate Approvals.

(A) As soon as practicable following the date of this Agreement, CFG will prepare the Proxy Statement and any other proxy solicitation materials, in each case satisfying all applicable Legal Requirements, to be submitted to the shareholders of CFG in connection with the Shareholder Meeting. Each party will reasonably cooperate, and cause its Subsidiaries to reasonably cooperate, with the other party, its counsel and its accountants, in the preparation of the Proxy Statement and any supplements or amendments thereto. CFG will provide Investar and its counsel with a copy of the Proxy Statement prior to its being printed and mailed to CFG's shareholders. Subject to Investar's obligations to provide reasonable cooperation, CFG agrees to use commercially reasonable efforts to cause the Proxy Statement and all required amendments and supplements to the Proxy Statement to be mailed to the shareholders of CFG entitled to vote to the Shareholder Meeting, within forty-five (45) days following the date of this Agreement.

(B) Each party will promptly notify the other party if at any time it becomes aware that the Proxy Statement contains any misstatement of a material fact or omits to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. In such event, Investar will cooperate in the preparation of a supplement or amendment to such Proxy Statement which corrects such misstatement or omission, and CFG will mail an amended Proxy Statement to its shareholders.

(C) CFG will use commercially reasonable efforts to cause the Shareholder Meeting to be convened and held within a reasonable time following date of this Agreement for the purpose of considering this Agreement and the Contemplated Transactions and for such other purposes as may be, in CFG's reasonable judgment, necessary or desirable, and subject to Section 6.03(D), have its Board of Directors recommend approval of this Agreement and the Contemplated Transactions to CFG shareholders (the "CFG Recommendation"). Subject to Section 6.03(D), the board of directors of CFG shall use commercially reasonable efforts to obtain from the shareholders of CFG the required vote to approve the Contemplated Transactions, including by communicating to its shareholders its recommendation (and including such recommendation in the Proxy Statement) that they adopt and approve this Agreement and the Contemplated Transactions.

(D) The CFG board of directors shall not withdraw, amend or modify in a manner adverse to Interim Company the CFG Recommendation (a "Change in Recommendation") and will use its commercially reasonable efforts to obtain the necessary approvals by CFG's shareholders of this Agreement and the Contemplated Transactions (the "CFG Shareholder

Approval”). Notwithstanding the foregoing, if CFG has complied with Section 6.07, the CFG board of directors may effect a Change in Recommendation and cease such efforts if CFG or any of its representatives receives an unsolicited bona fide Acquisition Proposal before the CFG Shareholder Approval that the CFG board of directors has (i) determined in its good faith judgment (after consultation with its outside legal counsel and, with respect to financial matters, its financial advisors) that such Acquisition Proposal constitutes or is reasonably expected to result in a Superior Proposal and (ii) determined in its good faith judgment (after consultation with its outside legal counsel) that the failure to effect a Change in Recommendation would be inconsistent with its fiduciary duties under applicable law.

Section 6.04 Consents and Approvals. Investar will use commercially reasonable efforts, and CFG will (and will cause Cheaha Bank to) reasonably cooperate with Investar at Investar’s request, to obtain all consents, approvals, authorizations, waivers or similar affirmations described in Section 4.03 of the Schedules. CFG will use commercially reasonable efforts, and Investar will reasonably cooperate with CFG at CFG’s request, to obtain all consents, approvals, authorizations, waivers or similar affirmations described in Section 3.08 of the Schedules.

Section 6.05 Public Disclosure. No party will issue any press release, written employee communication, written shareholder communication or other public disclosure of the existence, terms, conditions or status of this Agreement or the Contemplated Transactions without first consulting with the other party, nor will any party issue any such communication or make such public statement without the consent of the other party, which will not be unreasonably withheld, delayed or conditioned. Notwithstanding the foregoing, a party may, without the prior consent of the other party (but after prior consultation, to the extent practicable under the circumstances), issue such communication or make such public statement as may be required by any Legal Requirement. Provided however, and subject to the foregoing, no later than four Business Days prior to the Effective Date and the proposed Closing Date, as applicable, Investar’s counsel shall provide Seller’s counsel with a copy of the proposed press release or any other public statement related to (i) the execution of this Agreement or (ii) the Closing, as applicable, and will not release any such press release or make such public statement without written consent from Seller’s counsel as to content of such releases/public statements.

Section 6.06 Access; Information.

(A) Except as prohibited by any Legal Requirement, upon reasonable notice from Investar, CFG will (and will cause Cheaha Bank to): (i) afford Investar and its Representatives (including legal counsel, accountants and consultants) full access to its properties, books and records during normal business hours so that Investar may have the opportunity to continue to make such reasonable investigation as it will desire to make of the affairs of CFG and Cheaha Bank, and (ii) furnish Investar with such additional financial and operating data and other information as to its business and properties as Investar may, from time to time, reasonably request; provided, however, that Investar shall request permission for all such access reasonably in advance and all such access shall be conducted in a manner designed to minimize disruption to the normal business operations and employee or customer relations of CFG and Cheaha Bank. Neither CFG nor Cheaha Bank will be

required to afford access to or disclose information that would jeopardize attorney-client privilege (after giving due consideration to the existence of any common interest, joint defense or similar agreement between the parties), contravene any binding arrangement with any third party or violate any Legal Requirement.

(B) Investar agrees that it will hold any information provided by CFG or Cheaha Bank or generated by Investar or its Representatives under Section 6.06(A) that is nonpublic and confidential to the extent required by, and in accordance with, the confidentiality provisions of that certain letter agreement regarding protection of Confidential Information (as defined therein) that has previously been entered into as between Investar and CFG (the "Confidentiality Agreement").

(C) No access by Investar to, or investigation by Investar of the business and affairs of, CFG or Cheaha Bank under this Section 6.06 or otherwise will affect or be deemed to modify or waive any representation, warranty, covenant or agreement of CFG in this Agreement or any Schedule delivered in accordance with this Agreement, the conditions to Investar's obligation to consummate the Contemplated Transactions, or any remedies available to Investar under this Agreement.

Section 6.07 Acquisition Proposals.

(A) Neither CFG, its Subsidiaries nor any of their respective directors, officers, agents or representatives shall directly or indirectly take any action to solicit, initiate, encourage or facilitate the making of any inquiries with respect to, or provide any information to, conduct any assessment of or negotiate with any other Person with respect to any Acquisition Proposal or any transaction which is reasonably expected to lead to an Acquisition Proposal.

(B) Notwithstanding anything to the contrary in Section 6.07(A), if CFG has complied with Section 6.07(A) and CFG or any of its representatives receives an unsolicited bona fide Acquisition Proposal from a third party (the "Proposing Acquirer") before the CFG Shareholder Approval that the CFG board of directors has (i) determined in its good faith judgment (after consultation with CFG's outside legal counsel and, with respect to financial matters, its financial advisors) that such Acquisition Proposal constitutes or is reasonably expected to result in a Superior Proposal, and (ii) determined in its good faith judgment (after consultation with CFG's outside legal counsel) that the failure to take such action would be inconsistent with its fiduciary duties under applicable law, then CFG or its representatives may furnish information to and enter into discussions and negotiations with the Proposing Acquirer, provided that the Proposing Acquirer executes appropriate confidentiality agreement that is no less protective of CFG's confidential information than the confidentiality provisions agreed to between CFG and Investar.

(C) CFG agrees to notify Investar in writing within forty-eight (48) hours after receipt of an unsolicited Acquisition Proposal and provide reasonable detail as to the identity of the Proposing Acquirer and the material terms of the Acquisition Proposal. CFG will keep Investar reasonably informed of the status and material terms and conditions of any

such Acquisition Proposal and of any material amendments thereto. CFG represents that as of the date of this Agreement, it is not engaged in any existing activities, discussions or negotiations with any third party that relates to any Acquisition Proposal, other than the Contemplated Transactions. CFG will, and will cause each of its Subsidiaries to, take the necessary steps to inform the appropriate persons referred to in this Section 6.07 of the obligations undertaken in this Section 6.07.

Section 6.08 Regulatory Applications.

(A) Upon receipt of a written request therefor, CFG will (and will cause Cheaha Bank to) promptly furnish to Investar all information, data and documents concerning CFG and Cheaha Bank, including financial statements, required to be included in any application or statement to be made by Investar to, or filed by Investar with, any Governmental Authority in connection with the Contemplated Transactions, or in connection with any other transactions while this Agreement is pending, and CFG represents and warrants that all information so furnished for such statements and applications will be true and correct in all material respects.

(B) CFG will (and will cause Cheaha Bank to) reasonably cooperate with Investar and Investar Bank to effect all filings and to obtain all permits, consents, approvals and authorizations of all Governmental Authorities necessary to consummate the Contemplated Transactions (the "Requisite Regulatory Approvals"), and Investar and Investar Bank will make all necessary filings in respect of those Requisite Regulatory Approvals within forty-five (45) days following the date of this Agreement. Investar will furnish to CFG a copy of the non-confidential portions of each such filing to be made in connection with the Contemplated Transactions with any Governmental Authority prior to filing. Investar will keep CFG apprised of the status of the Requisite Regulatory Approvals and will promptly provide CFG with all correspondence related to the Requisite Regulatory Approvals.

Section 6.09 Indemnification: Liability Insurance.

(A) To the extent permitted by law, for a period of six (6) years following the Effective Time, Investar shall indemnify, defend and hold harmless each person who is now, or who has been at any time before the date hereof or who becomes before the Effective Time, an officer or director of CFG or Cheaha Bank (the "Indemnified Parties") against all losses, claims, damages, costs, expenses (including attorney's fees), liabilities or judgments or amounts that are paid in settlement (which settlement shall require the prior written consent of Investar which shall not be unreasonably withheld, delayed or conditioned) of or in connection with any claim, action, suit, proceeding or investigation, whether civil, criminal, or administrative (each a "Claim"), in which an Indemnified Party is, or is threatened to be made, a party or witness in whole or in part or arising in whole or in part out of the fact that such person is or was acting solely in his or her capacity as a director or officer of CFG or Cheaha Bank if such Claim pertains to any matter of fact arising, existing or occurring at or before the Effective Time (including, without limitation, the Contemplated Transactions), regardless of whether such Claim is asserted or claimed before, or after, the Effective Time, to the fullest extent as would have been required under CFG's Constituent Documents.

(B) The rights to indemnification granted by this Section 6.09 shall be limited to the amount of the coverage provided under and the amounts covered by the Tail Coverage described in Section 6.09(D), and are subject to the limitation that amounts otherwise required to be paid by Investar to any Indemnified Party under this Section 6.09 will be reduced by any amounts that such Indemnified Party recovers from any third party, including any insurance company. Notwithstanding anything to the contrary in CFG's Constituent Documents, Investar shall have no obligation to advance any expenses incurred or to be incurred by any Indemnified Party in (i) any claim, action, suit, proceeding or investigation brought by any Indemnified Party against CFG or Cheaha Bank (or its successor) in advance of the final disposition thereof, or (ii) any claim, action, suit, proceeding or investigation brought by CFG or Cheaha Bank (or its successor) against any Indemnified Party in advance of the final disposition thereof. The indemnification obligation of Investar under this Section shall further be subject to any limitation imposed from time to time under applicable Legal Requirements, including 12 U.S.C. 1828(k) and 12 C.F.R. Part 359, and any limitations contained in CFG's Constituent Documents.

(C) Any Indemnified Party wishing to claim indemnification under this Section 6.09, upon learning of any such claim, action, suit, proceeding or investigation, shall promptly notify Investar. In any such claim, action, suit, proceeding or investigation (whether arising before or after the Effective Time), (i) Investar shall have the right to assume the defense thereof and Investar shall not be liable to a Indemnified Party for any legal expenses of other counsel or any other expenses subsequently incurred by a Indemnified Party in connection with the defense thereof, except that if Investar elects not to assume such defense or counsel for the Indemnified Party and counsel for Investar are mutually of the opinion that there are issues which raise conflicts of interest between Investar and the Indemnified Party, then the Indemnified Party may retain counsel reasonably satisfactory to Investar, and Investar shall pay the reasonable and documented fees and expenses of such counsel for the Indemnified Party (which may not exceed one firm in any jurisdiction), (ii) the Indemnified Party shall cooperate in the defense of any such matter, and (iii) Investar shall not be liable for any settlement effected without its prior written consent which shall not be unreasonably withheld, delayed or conditioned; and (iv) Investar shall have no obligation hereunder if indemnification of an Indemnified Party in the manner contemplated hereby is prohibited by applicable laws and regulations.

(D) CFG shall obtain, and prior to the Closing Date will fully pay for, past acts and extended reporting period "tail" insurance coverage with a claims period of six (6) years from and after the Effective Time with respect to CFG's and Cheaha Bank's (i) current directors' and officers' insurance policy (or comparable coverage) for each of its directors and officers currently covered under comparable policies held by CFG and Cheaha Bank, (ii) employment practices liability insurance policy, (iii) current financial institutions bond (or comparable coverage) and (iv) bankers professional liability, errors and omissions and fiduciary liability insurance policies ("Tail Coverage"). In each case, the Tail Coverage will contain coverage, amounts, terms and conditions, no less advantageous to CFG and Cheaha Bank and their respective directors, officers and employees, as applicable, than the coverage in place as of the date of this Agreement.

Section 6.10 Notification of Certain Matters.

(A) Investar will promptly notify CFG in writing if it becomes aware of any fact or condition that makes or shows to be untrue any representation or warranty made by Investar in, or any information disclosed on the Schedules provided to CFG by Investar under, this Agreement; reasonably would be expected to cause or constitute a breach of, or failure to comply with, any of the covenants or agreements of Investar contained in this Agreement; or reasonably would be expected to give rise, individually or in the aggregate, to the failure to occur of any closing condition under this Agreement. No information received by CFG under this Section 6.10(A) will affect or be deemed to modify or waive any representation, warranty, covenant or agreement of Investar in this Agreement, any Schedules delivered in accordance with this Agreement, any condition to CFG's obligation to consummate the Contemplated Transactions or any remedies available to CFG under this Agreement.

(B) CFG will promptly notify Investar in writing if it becomes aware of any fact or condition that makes or shows to be untrue any representation or warranty made by CFG in, or any information disclosed on the Schedules provided to Investar by CFG under, this Agreement; reasonably would be expected to cause or constitute a breach of, or failure to comply with, any of the covenants or agreements of CFG contained in this Agreement; or reasonably would be expected to give rise, individually or in the aggregate, to the failure to occur of any closing condition under this Agreement. No information received by Investar under this Section 6.10(B) will affect or be deemed to modify or waive any representation, warranty, covenant or agreement of CFG in this Agreement, any Schedules delivered in accordance with this Agreement, any condition to Investar's obligation to consummate the Contemplated Transactions or any remedies available to Investar under this Agreement.

Section 6.11 Minutes of Director and Committee Meetings. CFG will provide Investar with the following relating to Board of Directors or senior management committee meetings held after the date of this Agreement: (i) minutes of each regular and special meeting of the board of directors of CFG or Cheaha Bank within ten (10) days of the meeting; and (ii) copies of the minutes of each regular and special meeting of any board or senior management committee of CFG or Cheaha Bank within ten (10) days after the date of the meeting. Any portion of the cited minutes may specifically exclude portions of such minutes devoted to the discussion of this Agreement, the Contemplated Transactions, an Acquisition Proposal or a Superior Proposal.

Section 6.12 Conforming Accounting Adjustments. If requested by Investar, CFG will (and will cause Cheaha Bank to), consistent with GAAP, immediately prior to Closing, make such accounting entries as Investar may reasonably request to conform the accounting records of CFG and Cheaha Bank to the accounting policies and practices of Investar and Investar Bank, respectively. No such adjustment will by itself constitute or be deemed to be a breach, violation or failure to satisfy any representation, warranty, covenant, condition or other provision or constitute grounds for termination of this Agreement or be an acknowledgment by CFG or Cheaha Bank of any adverse circumstances for purposes of determining whether the conditions to Investar's obligations under this Agreement have been satisfied or that such adjustment has any bearing on the Per Share

Consideration or the Pre-closing Dividend to be paid to the shareholders of CFG. No adjustment required by Investar will require any prior filing with any Governmental Authority or violate any Legal Requirement applicable to CFG or Cheaha Bank.

Section 6.13 Financial Statements.

(A) CFG will promptly furnish to Investar an unaudited balance sheet as of the end of each such calendar quarter after the date of this Agreement and year-to-date statement of income within thirty (30) days following the end of each calendar quarter after the date of this Agreement. In addition, CFG will cause Cheaha Bank to promptly furnish to Investar (i) each Call Report filed by Cheaha Bank after the date of this Agreement, as soon as such Call Report is available, and (ii) unaudited month-end balance sheet and year-to-date statement of income of Cheaha Bank, within fifteen (15) calendar days following the end of each calendar month after the date of this Agreement.

(B) Each unaudited financial statement provided to Investar under Section 6.13(A) will be prepared from the books and records of CFG or Cheaha Bank, as applicable, and will fairly present, in all material respects, the financial condition and results of operations of such party at the dates and for the periods indicated in conformity with GAAP applied on a consistent basis throughout the periods indicated, except that the unaudited financial statements may (i) omit the footnote disclosure required by GAAP and (ii) be subject to normal year-end audit adjustments required by GAAP. Each CFG Call Report filed by Cheaha Bank subsequent to the date of this Agreement will fairly present the financial position of Cheaha Bank and the results of its operations at the dates and for the periods indicated in compliance with all Legal Requirements.

(C) On or before April 29, 2020, if the Effective Time shall not have occurred prior to such time, CFG will promptly furnish to Investar audited consolidated financial statements of CFG as of and for the years ended December 31, 2019, which fairly present, in all material respects, the financial condition and results of operations of CFG and its Subsidiaries on a consolidated basis as of December 31, 2019 and for the year then ended in conformity with GAAP applied on a consistent basis.

Section 6.14 Employee Matters.

(A) Investar agrees that the employees of CFG or Cheaha Bank who continue their employment after the Effective Time (the "Continuing Employees") will be entitled, subject to this Section 6.14, to either (i) continue participation in any continuing CFG Employee Plans or (ii) participate as newly hired employees in the employee benefit plans and programs maintained for employees of Investar and Investar Bank, in accordance with the respective terms of such plans and programs, and Investar will take all actions reasonably necessary or appropriate to facilitate coverage of the Continuing Employees in such plans and programs from and after the Effective Time. To the extent that Investar desires to maintain the effectiveness of any CFG Employee Plan, CFG will execute and deliver such instruments and take such other actions as Investar may reasonably require in furtherance

of the transfer of such CFG Employee Plan to Investar on terms satisfactory to Investar and in accordance with all applicable Legal Requirements.

(B) Each Continuing Employee will be entitled to credit for prior service with CFG or Cheaha Bank for all purposes under the employee welfare benefit plans and other employee benefit plans and programs (excluding vesting requirements under any stock incentive plan and severance for Continuing Employees who are terminated within six (6) months following the Effective Time, which severance is addressed in Section 6.14(C)) sponsored by Investar or Investar Bank (each, an "Investar Employee Plan") to the extent permitted by such Investar Employee Plan and applicable Legal Requirements. Any eligibility waiting period and pre-existing condition exclusion applicable to such Investar Employee Plan will be waived with respect to each Continuing Employee and his or her eligible dependents. Investar will credit each Continuing Employee and his or her eligible dependents for the year during which coverage under Investar's group health plan begins, with any deductibles, co-pays or out-of-pocket payments already incurred by such Continuing Employee during such year under the CFG's group health plan.

(C) Any Continuing Employee who is not a party to an employment, change in control or severance agreement or other separation agreement that provides a benefit on termination of employment, whose employment is terminated by Investar Bank (other than for cause) within six (6) months following the Effective Time, will receive a lump sum severance payment from Investar Bank in an amount equal to two weeks compensation at such employee's base rate of compensation, multiplied by the number of whole years of service by such employee with CFG or Cheaha Bank as of the Effective Time (with a minimum of four (4) weeks of base salary and subject to a maximum of up to twenty-six (26) weeks of base salary), subject to the execution, return and non-revocation of a release of claims against Investar and its Affiliates in a form provided by Investar. For purposes of this Section, "cause" means any termination of employment due to the occurrence of one or more of the following events: (i) the employee's willful refusal to comply in any material respect with the lawful employment policies of Investar and its Subsidiaries, (ii) the employee's commission of an act of fraud, embezzlement or theft against Investar or any of its Subsidiaries, (iii) the conviction or plea of *nolo contendere* to any crime involving moral turpitude or a felony, or (iv) the failure to substantially perform the duties and responsibilities of his or her position with Investar Bank.

(D) To the extent requested by Investar, CFG shall execute and deliver such instruments and take such other actions as Investar may reasonably require in order to cause the amendment or termination of any CFG Employee Plans on terms satisfactory to Investar and in accordance with applicable Legal Requirements and effective no later than the Closing Date. All resolutions, notices, or other documents issued, adopted or executed in connection with any such amendment or termination shall be subject to Investar's reasonable prior review and approval, which shall not be unreasonably withheld.

Section 6.15 Voting Agreement. Simultaneously with the execution of this Agreement, each of the directors and executive officers of CFG and Cheaha Bank will execute a Voting

Agreement, the form of which is attached as Exhibit D, pursuant to which each agrees to vote all of their shares of CFG Stock in favor of the Contemplated Transactions.

Section 6.16 TRUPS Assumption. Investar will, and CFG will cooperate and assist CFG in CFG's efforts pursuant to this Section 6.16 to, expressly assume or discharge, in Investar's sole discretion, all of CFG's obligations in respect of the Trust Preferred Issuance (including being substituted for CFG) and execute any and all documents, instruments and agreements, including any supplemental indentures, guarantees, or declarations of trust required by the terms of the Trust Preferred Issuance, or as may reasonably be requested by the trustees thereunder.

Section 6.17 Bank Merger Transaction. CFG will (and will cause Cheaha Bank to) cooperate to take all actions (including making all such filings) as may be reasonably necessary and appropriate to effectuate the Bank Merger, to be effective immediately following the effective time of the Second Step Merger or at such later time as Investar may determine.

Section 6.18 No Control. Nothing contained in this Agreement shall give Investar, directly or indirectly, the right to control or direct the operations of CFG or any of its Subsidiaries prior to the Effective Time. Prior to the Effective Time, each of CFG and Investar shall exercise, consistent with the terms of this Agreement, complete control and supervision over its and its Subsidiaries respective operations.

ARTICLE VII
CONDITIONS PRECEDENT

Section 7.01 Conditions to Each Party's Obligation. The obligation of each party to consummate the Contemplated Transactions is subject to the satisfaction or waiver, at or prior to the Closing, of the following conditions:

- (A) This Agreement and the Contemplated Transactions will have been approved by the shareholders of CFG.
- (B) All Requisite Regulatory Approvals will have been obtained and will remain in full force and effect and all statutory waiting periods in respect thereof will have expired.
- (C) All consents and approvals listed in Section 4.03 and Section 3.08 of the Schedules will have been received and will remain in full force and effect.
- (D) No action will have been taken, and no Legal Requirement will have been promulgated, enacted, entered, enforced or deemed applicable to the Contemplated Transactions by any Governmental Authority, including the entry of a preliminary or permanent injunction, that would (i) make this Agreement or the Bank Merger Agreement, or the transactions contemplated hereby or thereby, illegal, invalid or unenforceable in any material respect, (ii) impose material limits on the ability of any party to this Agreement to consummate this Agreement or the Bank Merger Agreement, or the transactions contemplated hereby or thereby, (iii) result in the imposition of a Burdensome Condition or (iv) otherwise prohibit or restrain the Contemplated Transactions; and no Proceeding before

any Governmental Authority will be instituted or pending that would reasonably be expected to result in any of the consequences referred to in clauses (i) through (iv) above.

Section 7.02 Conditions to Obligation of Investar. The obligation of Investar to consummate the Contemplated Transactions is also subject to the satisfaction or waiver, at or prior to the Closing, of the following conditions:

(A) The representations and warranties of CFG in this Agreement will be true and correct, in all material respects, as of the date of this Agreement and as of the Closing Date (unless any such representation or warranty is made only as of a specific date, in which event it will be true and correct as of the specified date), except with respect to representations and warranties that are qualified by materiality, which will be true and correct in all respects.

(B) The covenants and obligations of CFG to be performed or observed on or prior to the Closing Date under this Agreement will have been performed or observed in all material respects.

(C) Not more than ten percent (10%) of the outstanding shares of the CFG Stock shall be Dissenting Shares.

(D) Investar will have received from each of the directors and Executive Officers of CFG and each of its Subsidiaries an instrument dated as of the Closing Date to the effect that such director or Executive Officer, as applicable, releases any claims against CFG and each of its Subsidiaries (except to certain matters described therein), the form of which is attached as Exhibit B.

(E) Each of the Support Agreements shall remain in full force and effect and shall have been complied with in all material respects.

(F) Each of the Voting Agreements shall remain in full force and effect and shall have been complied with in all material respects.

(G) Investar will have received a certificate, dated as of the Closing Date, executed by the Secretary of CFG, acting solely in his or her official capacity, certifying (i) the due adoption by the CFG board of directors of corporate resolutions attached to such certificate authorizing the Contemplated Transactions and the execution and delivery of this Agreement and the other agreements and documents contemplated by this Agreement; (ii) the approval by the shareholders of CFG of this Agreement and the Contemplated Transactions; (iii) that the copy of the Bylaws of CFG attached to such certificate is true and correct and such Bylaws have not been amended except as reflected in such copy; (iv) the incumbency and true signatures of those officers of CFG duly authorized to act on its behalf in connection with the Contemplated Transactions and to execute and deliver this Agreement and (v) the other agreements, documents and instruments contemplated by this Agreement; and a true and correct copy of the list of the shareholders of CFG as of the Closing Date.

(H) Investar will have received a certificate, dated as of the Closing Date, executed by the Chief Executive Officer or other duly authorized Executive Officer of CFG, acting solely in his or her official capacity, certifying that the conditions to Closing described in Section 7.01 and Section 7.02 have been satisfied.

(I) Investar will have received a certificate, dated as of the Closing Date, executed by the Secretary or an Assistant Secretary of Cheaha Bank, acting solely in his or her official capacity, certifying (i) the due adoption by the board of directors of Cheaha Bank of corporate resolutions attached to such certificate authorizing the Bank Merger and the execution and delivery of the Bank Merger Agreement; (ii) that the copy of the Bylaws of Cheaha Bank attached to such certificate is true and correct and such Bylaws have not been amended except as reflected in such copy; and (iii) the incumbency and true signatures of those officers of Cheaha Bank duly authorized to act on its behalf in connection with the Merger, the Bank Merger and to execute and deliver the Bank Merger Agreement and the other agreements, documents and instruments contemplated by this Agreement and the Bank Merger Agreement.

(J) Investar will have received evidence reasonably satisfactory to Investar that all consents and approvals required to be obtained by each of CFG and Cheaha Bank to consummate the Contemplated Transactions, including, but not limited to, those listed in Section 3.08 of the Schedules have been obtained and are in full force and effect.

(K) From the date of this Agreement through the Effective Time, there shall not have occurred a Material Adverse Effect with respect to CFG, nor shall any event have occurred that, with the lapse of time, is reasonably likely to cause or result in any Material Adverse Change with respect to CFG.

(L) Investar will have received certificates of existence from the Secretary of State of the State of Alabama for each of CFG and Cheaha Bank and certificates of compliance from the Alabama Department of Revenue for each of CFG and Cheaha Bank.

(M) Investar will have received such customary closing documents, certificates and instruments as are reasonably requested by Investar or its counsel.

Section 7.03 Conditions to Obligations of CFG. The obligations of CFG to consummate the Contemplated Transactions is also subject to the satisfaction or waiver, at or prior to the Closing, of the following conditions:

(A) The representations and warranties of Investar in this Agreement being true and correct, in all material respects, as of the date of this Agreement and as of the Closing Date (unless any such representation or warranty is made only as of a specific date, in which event it will be true and correct as of the specified date), except with respect to representations and warranties that are qualified by materiality, which are to be true and correct in all respects.

(B) The covenants and obligations of Investar to be performed or observed on or prior to the Closing Date under this Agreement having been performed or observed in all material respects.

(C) CFG will have received a certificate, dated as of the Closing Date, executed by the Secretary of Investar, acting solely in his or her official capacity, certifying (i) the due adoption by the board of directors of Investar and of Investar Bank of corporate resolutions attached to such certificate authorizing the Contemplated Transactions and the execution and delivery of this Agreement and the other agreements and documents contemplated by this Agreement; and (ii) the incumbency and true signatures of those officers of Investar duly authorized to act on its behalf in connection with the Contemplated Transactions and to execute and deliver this Agreement and the other agreements, documents and instruments contemplated by this Agreement.

(D) CFG will have received a certificate, dated as of the Closing Date, executed by the Secretary of Interim Company, acting solely in his or her official capacity, certifying (i) the due adoption by the board of directors of Interim Company of corporate resolutions attached to such certificate authorizing the First Step Merger and the execution and delivery of this Agreement and the other agreements and documents contemplated by this Agreement; and (ii) the incumbency and true signatures of those officers of Interim Company duly authorized to act on its behalf in connection with the First Step Merger and to execute and deliver this Agreement and the other agreements, documents and instruments contemplated by this Agreement.

(E) CFG will have received a certificate, dated as of the Closing Date, executed by the Chief Executive Officer or other duly authorized executive officer of Investar, acting solely in his or her official capacity, certifying that the conditions to Closing described in Section 7.01 and Section 7.03 have been satisfied.

(F) CFG will have received evidence reasonably satisfactory to CFG that all consents and approvals required to be obtained by Investar to consummate the Contemplated Transactions, including, but not limited to, those listed in Section 4.03 of the Schedules have been obtained and are in full force and effect.

(G) CFG will have received good standing certificates for Investar and the Interim Company from the Secretary of State of the State of Louisiana

(H) CFG shall have received such customary closing documents, certificates and instruments as are reasonably requested by CFG or its counsel.

ARTICLE VIII
TERMINATION AND ABANDONMENT

Section 8.01 Right of Termination. This Agreement may be terminated, and the Contemplated Transactions may be abandoned, at any time prior to the Effective Time, as follows, and in no other manner:

(A) By the mutual written agreement of CFG and Investar.

(B) By either Investar or CFG, if the Effective Time has not occurred by the close of business on June 30, 2020, or such later date as may be mutually agreeable to the parties; provided, however, that the right to terminate this Agreement under this Section 8.01(B) will not be available to any party whose failure to comply with its obligations under, or breach of any representation or warranty set forth in, this Agreement has resulted in, or principally caused, the failure of the Effective Time to occur on or before such date.

(C) By either Investar or CFG, if any Requisite Regulatory Approval is denied by a final, nonappealable action of any Governmental Authority, or if Investar reasonably determines in good faith after consultation with its counsel that there is a substantial likelihood that any Requisite Regulatory Approval will not be obtained or will be obtained only upon a condition or requirement, excluding standard conditions that are normally imposed by the regulatory authorities in bank merger and acquisition transactions, that would, in the good faith reasonable judgment of the board of directors of Investar, materially and adversely affect the business, operations, financial condition, property or assets of the combined enterprise of Investar and CFG or materially impair the value of CFG to Investar (a "Burdensome Condition").

(D) By either Investar or CFG (provided that the party terminating this Agreement is not then in material breach of any representation, warranty, covenant or other agreement contained in this Agreement), if there has been a material breach by the other party of any representation, warranty, covenant or agreement contained in this Agreement or in any Schedule or document delivered under this Agreement, or any such representation or warranty shall have become untrue after the date of this Agreement such that Section 7.03(A), with respect to CFG, or Section 7.02(A), with respect to Investar, would not be satisfied and such breach is not curable or, if curable, has not been cured within thirty (30) days after written notice of the breach is given by the non-breaching party to the breaching party.

(E) By CFG at any time before the CFG Shareholder Approval if before such time, CFG receives an unsolicited bona fide Acquisition Proposal and the board of directors of CFG determines in its good faith judgment (after consultation with its outside legal counsel and with respect to financial matters its financial advisors), that (i) such Acquisition Proposal (if consummated pursuant to its terms and after giving effect to the payment of the Termination Fee (as defined herein) and any changes to this Agreement agreed to by Investar pursuant to Section 8.01(E)(ii)) is reasonably likely to lead to a Superior Proposal and (ii) the failure to terminate this Agreement and accept such Superior Proposal would be inconsistent with its fiduciary duties under applicable law; provided, however, that CFG may not terminate this Agreement under this Section 8.01(E) unless:

(i) CFG has provided prior written notice to Investar at least three (3) Business Days in advance (the "Notice Period") of terminating this Agreement, which notice advises Investar that the board of directors of CFG has received a Superior Proposal, specifies the material terms and conditions of such Superior

Proposal (including the identity of the Person or "Group" (as such term is defined in Section 13(d) under the Exchange Act) making the Superior Proposal); and

(ii) during the Notice Period, CFG negotiates, and causes its financial advisor and outside legal counsel to negotiate, with Investar in good faith (to the extent Investar desires to so negotiate) to make such adjustments in the terms and conditions of this Agreement so that such Superior Proposal ceases to constitute a Superior Proposal, and the board of directors of CFG considers such adjustments in the terms and conditions of this Agreement resulting from such negotiations and concludes in good faith after consultations with its financial advisors and the advice of its outside legal counsel that such Superior Proposal remains a Superior Proposal even after giving effect to the adjustments in the terms and conditions of this Agreement proposed by Investar.

If during the Notice Period any revisions are made to the Superior Proposal and the board of directors of CFG in its good faith judgment determines such revisions are material, CFG shall deliver a new written notice to Investar and shall comply with the requirements of this Section 8.01(E) with respect to such new written notice, except that the new Notice Period shall be two (2) Business Days. Termination under this Section 8.01(E) shall not be deemed effective until payment of the Termination Fee as required by Section 8.03.

(F) By Investar if (i) CFG has breached its covenant contained in Section 6.07 prior to the termination of this Agreement in a manner materially adverse to Investar; (ii) the CFG board of directors resolves to accept a Superior Proposal; or (iii) the CFG board of directors effects a Change in Recommendation.

(G) By either Investar or CFG if the CFG Shareholder Approval shall not have been obtained by reason of the failure to obtain the required vote at the CFG Meeting.

Section 8.02 Effect of Termination. Except as provided in Section 8.03, if this Agreement is terminated, neither party will have any further liability or obligation under this Agreement; provided, however, that termination will not relieve a party from any liability for any breach by it occurring prior to termination; and provided further, that Section 6.06(B), this Section 8.02, Section 8.03 and ARTICLE IX (other than Section 9.11) will survive any termination of this Agreement.

Section 8.03 Termination Fee. To compensate Investar for entering into this Agreement, taking actions to consummate the Contemplated Transactions and incurring the costs and expenses related thereto and other losses and expenses, including foregoing the pursuit of other opportunities by Investar, CFG and Investar agree as follows:

(A) Provided that Investar is not in material breach of any covenant or obligation under this Agreement (which breach, if curable, has not been cured within fifteen (15) days following receipt of written notice thereof by CFG specifying in reasonable detail the basis of such alleged breach), if this Agreement is terminated by:

(i) CFG under the provisions of Section 8.01(E), then CFG shall pay to Investar the sum of \$1,235,000 (the “Termination Fee”) in immediately available funds;

(ii) Investar under the provisions of Section 8.01(F), then CFG shall pay to Investar the Termination Fee in immediately available funds; and

(iii) either Investar or CFG under the provisions of Section 8.01(G), if an Acquisition Proposal has been publicly announced, publicly disclosed or otherwise made known generally to CFG’s shareholders, or any Person shall have publicly announced an intention (whether or not conditional) to make such an Acquisition Proposal, if within twelve (12) months of the termination of this Agreement, CFG enters into an Acquisition Agreement with any Person with respect to any Acquisition Proposal or consummates any Acquisition Proposal (provided, that for purposes of the definition of “Acquisition Proposal” in this Section 8.03, the references to “twenty percent (20%)” in the definition of Acquisition Proposal below shall be deemed to be references to “fifty percent (50%)”), then CFG shall pay to Investar the Termination Fee in immediately available funds.

(B) The payment of the Termination Fee shall be Investar’s sole and exclusive remedy with respect to termination of this Agreement as set forth in Section 8.03(A). For the avoidance of doubt, in no event shall the Termination Fee described in Section 8.03(A) be payable on more than one occasion.

(C) Any payment required by Section 8.03 shall become payable within two (2) Business Days after receipt by the non-terminating party of written notice of termination of this Agreement; provided, however, that if the payment of the Termination Fee is required pursuant to Section 8.03(A)(iii), then such payment shall become payable on or before the date of execution by CFG of an Acquisition Agreement of consummation of an Acquisition Proposal.

ARTICLE IX
MISCELLANEOUS

Section 9.01 Definitions. In this Agreement, unless the context otherwise requires or unless otherwise specifically defined or provided in this Agreement:

“ABCL” has the meaning set forth in Section 1.01(A).

“ASBD” has the meaning set forth in Section 3.04(B).

“Acquisition Agreement” means any letter of intent, agreement in principle, memorandum of understanding, merger agreement, asset or share purchase or share exchange agreement, option agreement or any similar agreement related to any Acquisition Proposal.

“Acquisition Proposal” means any proposal (whether communicated to CFG or publicly announced to CFG’s shareholders) by any Person (other than Investar or any of its Affiliates) for an Acquisition Transaction involving CFG, any Subsidiary or any future Subsidiary of CFG, or any combination of such Subsidiaries, the assets of which constitute, or would constitute, twenty percent (20%) or more of the consolidated assets of CFG as reflected on CFG’s most recent consolidated statement of condition prepared in accordance with GAAP.

“Acquisition Transaction” means any transaction or series of related transactions (other than the Contemplated Transactions) involving: (i) any acquisition or purchase from CFG by any Person or “Group” (as such term is defined in Section 13(d) under the Exchange Act), other than Investar or any of its Affiliates, of twenty percent (20%) or more in interest of the total outstanding voting securities of CFG or any of its Subsidiaries, or any tender offer or exchange offer that if consummated would result in any Person or Group (other than Investar or any of its Affiliates) beneficially owning twenty percent (20%) or more in interest of the total outstanding voting securities of CFG or any of its Subsidiaries, or any merger, consolidation, business combination or similar transaction involving CFG or any of its Subsidiaries pursuant to which the shareholders of CFG immediately preceding such transaction hold less than eighty percent (80%) of the equity interests in the surviving or resulting entity (which includes the parent corporation of any constituent corporation to any such transaction) of such transaction; (ii) any sale or lease (other than in the ordinary course of business), or exchange, transfer, license, acquisition or disposition of twenty percent (20%) or more of the assets of CFG or any of its Subsidiaries; or (iii) any liquidation or dissolution of CFG or any of its Subsidiaries.

“Affiliate” means, with respect to any Entity, any other Entity that directly or indirectly controls, is controlled by or is under common control with such Entity. For purposes of this definition, the term “control” means the power to direct the management of such Entity through voting rights, ownership or contractual obligations.

“Affiliated Group” means any affiliated group within the meaning of Section 1504(a) of the Code.

“Articles of Merger” has the meaning set forth in Section 1.03.

“Bank Merger” has the meaning set forth in Section 1.07.

“Bank Merger Agreement” has the meaning set forth in Section 1.07.

“Banking Laws” means all laws and regulations applicable to the operations of federally insured financial institutions and their holding companies, including, without limitation, laws and regulations related to data protection or privacy, the USA PATRIOT Act, the Bank Secrecy Act, the Equal Credit Opportunity Act and Regulation B, the Fair Housing Act, the Community Reinvestment Act, the Fair Credit Reporting Act, the Truth in Lending Act and Regulation Z, the Home Mortgage Disclosure Act, the Fair Debt Collection Practices Act, the Electronic Fund Transfer Act, the Dodd-Frank Wall Street

Reform and Consumer Protection Act, any regulations promulgated by the Consumer Financial Protection Bureau, the Interagency Policy Statement on Retail Sales of Nondeposit Investment Products, the SAFE Mortgage Licensing Act of 2010, the Real Estate Settlement Procedures Act, Regulation X, Flood Disaster Protection Act, Home Owners Equity Protection Act, Right to Financial Privacy Act, Unfair, Deceptive or Abusive Acts or Practices and any other law relating to bank secrecy, discriminatory lending, financing or leasing practices, money laundering prevention, sections 23A and 23B of the Federal Reserve Act, the Sarbanes-Oxley Act, and all agency requirements relating to the origination, sale and servicing of mortgage and consumer loans.

“Business Day” means any day other than a Saturday, a Sunday or a day on which banks are authorized or required to be closed in Baton Rouge, Louisiana or Oxford, Alabama.

“Burdensome Condition” has the meaning set forth in Section 8.01(C).

“Call Report” has the meaning set forth in Section 3.06.

“CFG” has the meaning set forth in the Preamble.

“CFG Employee Plan” has the meaning set forth in Section 3.27(A).

“CFG Financial Statements” has the meaning set forth in Section 3.05.

“CFG Personal Property” has the meaning set forth in Section 3.11.

“CFG Real Property” has the meaning set forth in Section 3.10(A).

“CFG Recommendation” has the meaning set forth in Section 6.03(C).

“CFG Shareholder Approval” has the meaning set forth in Section 6.03(D).

“CFG Stock” has the meaning set forth in the Recitals.

“Change in Recommendation” has the meaning set forth in Section 6.03(D).

“Cheaha Bank” has the meaning set forth in the Recitals.

“Claim” has the meaning set forth in Section 6.09(A).

“Closing” has the meaning set forth in Section 1.02.

“Closing Date” has the meaning set forth in Section 1.03.

“Code” means the Internal Revenue Code of 1986, as amended.

“Confidentiality Agreement” has the meaning set forth in Section 6.06(B).

“Constituent Documents” means, with respect to any Entity, its certificate or articles of incorporation, bylaws and any similar charter or other organizational documents.

“Contemplated Transactions” means the Holdco Mergers, the Bank Merger and the other transactions contemplated by this Agreement.

“Continuing Employees” has the meaning set forth in Section 6.14(A).

“Contract” has the meaning set forth in Section 3.13(A).

“Effective Time” has the meaning set forth in Section 1.03.

“Employee Benefit Plans” has the same meaning given that term under Section 3(3) of ERISA.

“Enforceability Exceptions” means any limitation imposed by any bankruptcy, insolvency, fraudulent conveyance, reorganization, receivership, moratorium or similar Legal Requirement affecting creditors’ rights and remedies generally and, with respect to enforceability, by general principles of equity, including principles of commercial reasonableness, good faith and fair dealing, regardless of whether enforcement is sought in a proceeding at law or in equity.

“Entity” means any corporation, firm, unincorporated organization, association, partnership, limited liability company, trust (*inter vivos* or testamentary), estate of a deceased, insane or incompetent individual, business trust, joint stock company, joint venture or other organization, entity or business, whether acting in an individual, fiduciary or other capacity, or any Governmental Authority.

“Executive Officer” means any officer of with a title of Senior Vice President or higher, including, without limitation, President, Chief Executive Officer, Chief Financial Officer and Senior Vice President.

“FDIC” has the meaning set forth in Section 3.04(B).

“First Step Articles of Merger” has the meaning set forth in Section 1.03.

“First Step Merger” has the meaning set forth in Section 1.01(A).

“First Step Surviving Corporation” has the meaning set forth in Section 1.01(A).

“FRB” has the meaning set forth in Section 3.04(B).

“GAAP” means generally accepted accounting principles as in effect from time to time in the United States.

“Governmental Authority” means any governmental body, whether administrative, executive, judicial, legislative, regulatory, or taxing, including any federal, state, county,

municipal or other government or governmental agency, arbitrator, authority, board, body, branch, bureau, or comparable agency or Entity, commission, corporation, court, department, instrumentality, mediator, panel, system or other political unit or subdivision or other Entity of any of the foregoing.

“Environmental Laws” has the meaning set forth in Section 3.21(B).

“ERISA” has the meaning set forth in Section 3.27(A).

“ERISA Affiliate” has the meaning set forth in Section 3.27(A).

“Exchange Fund” has the meaning set forth in Section 2.05(A).

“Hazardous Material” has the meaning set forth in Section 3.21(B).

“Holdco Mergers” has the meaning set forth in Section 1.01(B).

“Indemnified Parties” has the meaning set forth in Section 6.09(A).

“Intellectual Property” has the meaning set forth in Section 3.17.

“Interim Company” has the meaning set forth in the Preamble.

“Investar” has the meaning set forth in the Preamble.

“Investar Bank” has the meaning set forth in the Recitals.

“Investar Financial Statements” has the meaning set forth in Section 4.04.

“Investar Employee Plan” has the meaning set forth in Section 6.15.

“IRS” means the Internal Revenue Service.

“Knowledge” means with respect to a party, the actual knowledge, after reasonable inquiry, of the Chairman, the President, Chief Executive Officer or Chief Financial Officer of such party.

“LBCA” has the meaning set forth in Section 1.01(A).

“Legal Requirement” means collectively, with respect to a Person, any (A) federal, state, local, municipal or other constitution, law, ordinance, code, rule, regulation, statute, treaty, or administrative pronouncement having the force of law, (B) any order, judgment, decree, decision, ruling, writ, assessment, charge, stipulation, injunction or other determination of any Governmental Authority, or any arbitration award entered into by an arbitrator, in each case having competent jurisdiction to render such, or (C) other similar requirement enacted, adopted or promulgated by any Governmental Authority, in each case, that is binding upon or applicable to such Person, as amended, unless expressly specified otherwise.

“Lien” means any mortgage, lien (statutory or other) or encumbrance, or other security agreement, arrangement or interest, hypothecation, pledge or other deposit arrangement, assignment, charge, levy, executory seizure, attachment, garnishment, encumbrance (including any unallocated title reservations or any other title matters which impairs marketability of title), conditional sale, title retention or other similar agreement, arrangement, device or restriction, preemptive or similar right, any financing lease involving substantially the same economic effect as any of the foregoing, the filing of any financing statement under the Uniform Commercial Code or comparable Legal Requirement of any jurisdiction, restriction on sale, transfer, assignment, disposition or other alienation, or any option, equity, claim or right of or obligation to, any other Person, of whatever kind and character.

“Loan” has the meaning set forth in Section 3.19(A).

“Material Adverse Change” means, with respect to CFG or Investar, respectively, any event, change, occurrence or circumstance that, individually or in the aggregate, has had or would reasonably be expected to have a material and adverse effect on the financial condition, assets, capitalization, business or results of operations of CFG and its Subsidiaries, taken as a whole, or Investar and its Subsidiaries taken as a whole, as the case may be, or the ability of a party to timely perform its obligations under this Agreement, except for any such effects resulting from: (A) changes in GAAP or regulatory accounting principles generally applicable to banks or their holding companies; (B) any action taken by CFG or any of its Subsidiaries with the prior consent of Investar in accordance with this Agreement or the Contemplated Transactions; (C) changes in laws (or interpretations thereof) that were not publicly announced prior to the date of this Agreement; (D) the announcement of this Agreement and the Contemplated Transactions, and compliance with this Agreement on the business, financial condition or results of operations of the parties and their respective Subsidiaries, including the expenses incurred by the parties hereto in consummating the Contemplated Transactions; (E) general conditions in or changes generally affecting the banking industry or the geographic region in which the party operates, including changes in Legal Requirements or interpretations thereof by any Governmental Authority prevailing market rates of interest, credit availability or liquidity; (F) changes in national or international political or social conditions including the engagement by the United States in hostilities, whether or not pursuant to the declaration of a national emergency or war, or the occurrence of any military or terrorist attack upon or within the United States, or any of its territories, possessions or diplomatic or consular offices or upon any military installation, equipment or personnel of the United States; or (H) any failure, in and of itself, by a party to meet any internal projections, forecasts or revenue or earnings projections (it being understood that the facts giving rise or contributing to such failure may be deemed to constitute, or be taken into account in determining whether there has been or would reasonably be expected to be, a Material Adverse Effect); except, with respect to clauses (A), (C), (E) and (F), to the extent that the effects of such changes or conditions disproportionately affect CFG and its Subsidiaries taken as a whole or Investar and its Subsidiaries taken as a whole, as the case may be, as compared to similarly situated banks and their holding companies located in the United States.

“Notice Period” has the meaning set forth in Section 8.01(E)(i).

“Paying Agent” has the meaning set forth in Section 2.05(A).

“Person” means any natural individual or any Entity.

“Pre-Closing Dividend” has the meaning set forth in Section 2.02.

“Proceeding” means any action, claim, demand, lawsuit, assessment, arbitration, judgment, award, decree, order, injunction, prosecution, investigation or claim for indemnification, or other proceedings before any Governmental Authority or arbitration.

“Proposing Acquirer” has the meaning set forth in Section 6.07(B).

“Proxy Statement” has the meaning set forth in Section 3.36.

“Representatives” means, when used with reference to a party, its directors, officers, employees, advisors, attorneys, accountants, consultants and other agents.

“Requisite Shareholder Approval” has the meaning set forth in Section 6.08(B).

“Shareholder Meeting” has the meaning set forth in Section 3.36.

“Second Step Merger” has the meaning set forth in Section 1.01(B).

“Schedules” means the confidential disclosure schedules supplementing the representations and warranties made by the parties under this Agreement.

“Subsidiary” means, when used with reference to an Entity, any corporation, a majority of the outstanding voting securities of which are owned directly or indirectly by such Entity or any partnership, joint venture or other enterprise in which any Entity has, directly or indirectly, a majority equity interest.

“Superior Proposal” means any bona fide written Acquisition Proposal which the CFG board of directors reasonably determines, in its good faith judgment based on, among other things, the advice of CFG’s outside counsel and its financial advisors, to be (i) more favorable from a financial point of view to the shareholders of CFG than the Holdco Mergers taking into account all terms and conditions of the Acquisition Proposal and (ii) reasonably capable of being consummated on the terms proposed, taking into account all legal, financial, regulatory (including the advice of CFG’s outside counsel regarding the potential for regulatory approval of any such proposal) and other aspects of such proposal and any other relevant factors permitted under applicable law; provided, that for purposes of the definition of “Superior Proposal,” the references to “twenty percent (20%)” and “eighty percent (80%)” in the definitions of Acquisition Proposal and Acquisition Transaction shall be deemed to be references to “fifty percent (50%).”

“Surviving Corporation” has the meaning set forth in Section 1.01(B).

“Tail Coverage” has the meaning set forth in Section 6.09(D).

“Tax” and “Taxes” mean all federal, state, local and foreign income, excise, gross receipts, gross income, ad valorem, profits, gains, property, capital, sales, transfer, use, value added, stamp, documentation, payroll, employment, severance, withholding, duties, intangibles, franchise, backup withholding, and other taxes, charges, levies or like assessments together with all penalties and additions to tax and interest thereon.

“Tax Return” means any return, declaration, report, claim for refund, or information return or statement relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

“Termination Fee” has the meaning set forth in Section 8.03(A)(i).

“Treasury Regulation” means the regulations (including temporary regulations) promulgated by the United States Department of the Treasury under the Code.

“Trust Preferred Issuance” has the meaning set forth in Section 3.35(A).

Section 9.02 Interpretation. The table of contents, headings and captions contained in this Agreement are for convenience of reference only and in no way define, describe, extend, or limit the scope or intent of this Agreement or any provision of this Agreement. When a reference is made in this Agreement to the Recitals or a Section or Schedule, such reference is to the Recitals to, a Section of, or Schedules to this Agreement unless otherwise indicated. Any agreement, instrument or statute defined or referred to in this Agreement or in any agreement or instrument that is referred to in this Agreement means such agreement, instrument or statute in effect as of the date of this Agreement unless the context in which the agreement, instrument or statute is used expressly provides otherwise. References to a Person are also to its successors and permitted assigns. Whenever the words “include,” “includes,” or “including” are used in this Agreement, they are deemed to be followed by the words “without limitation.” The words “hereof,” “herein” and “hereunder” and words of similar import when used in this Agreement refer to this Agreement as a whole and not to any particular provision of this Agreement. Each use of the masculine, feminine or neuter gender is deemed to include the other genders, and each use of the plural is deemed to include the singular, and vice versa, in each case as the context requires. This Agreement is the product of negotiation by the parties, having assistance of counsel and other advisors. The parties intend that this Agreement not be construed more strictly with regard to one party than with regard to the other. No provision of this Agreement is to be construed to require, directly or indirectly, any Person to take any action, or omit to take any action, which action or omission would violate any Legal Requirement. All references to days in this Agreement are to calendar days, unless the context expressly otherwise provides, except that any time period provided for in this Agreement that will end on a day other than a Business Day will extend to the next Business Day.

Section 9.03 Survival of Representations and Warranties. Except for those covenants and agreements expressly to be performed or observed after the Effective Time, the representations, warranties, covenants and agreements contained in this Agreement or in any instrument delivered under this Agreement will not survive the Effective Time.

Section 9.04 Expenses. Except as otherwise expressly provided in this Agreement, all costs and expenses incurred in connection with this Agreement and the Contemplated Transactions will be borne and paid by the party incurring the expense.

Section 9.05 Entire Agreement. This Agreement (and all related documents referenced in this Agreement, including the Schedules and Exhibits) constitutes the full understanding of the parties with respect to the subject matter hereof and thereof, a complete allocation of risks between them and a complete and exclusive statement of the terms and conditions of their agreement relating to the Contemplated Transactions, and, except for the Confidentiality Agreement, supersedes all prior agreements, undertakings, negotiations and discussions, whether oral or written, of the parties with respect to the subject matter hereof and thereof. There are no warranties, representations, covenants, obligations or agreements between the parties, except as set forth in this Agreement (or any such related documents).

Section 9.06 Further Cooperation. Each party will, at any time and from time to time after the Closing, upon request by the other and without further consideration, do, perform, execute, acknowledge and deliver all such further acts, deeds, assignments, assumptions, transfers, conveyances, powers of attorney, certificates and assurances as may be reasonably required to fully consummate the Contemplated Transactions in accordance its terms.

Section 9.07 Severability. If any term or other provision of this Agreement is held to be illegal, invalid or unenforceable by any Legal Requirement, (A) such term or provision will be fully severable and this Agreement will be construed and enforced as if such illegal, invalid or unenforceable provision were not a part of this Agreement; (B) the remaining provisions of this Agreement will remain in full force and effect and will not be affected by such illegal, invalid or unenforceable provision or by its severance from this Agreement; and (C) there will be added automatically as a part of this Agreement a provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible and still be legal, valid and enforceable. If any provision of this Agreement is so broad as to be unenforceable, the provision will be interpreted to be only as broad as is enforceable.

Section 9.08 Notices. All notices, requests, demands, and other communications required or permitted to be given under this Agreement will be in writing and delivered by hand, facsimile transmission, electronic mail (with acknowledgment of receipt by the recipient) or a nationally recognized overnight courier service (return receipt requested) as follows:

If to Investar or Interim Company:

Investar Holding Corporation
10500 Coursey Boulevard, 3rd Floor
Baton Rouge, Louisiana 70816
Attention: Mr. John D'Angelo, President
Fax: 225-300-8617
E-mail: john.dangelo@investarbank.com

With a copy to:

Fenimore, Kay, Harrison & Ford, LLP
812 San Antonio, Suite 600
Austin, Texas 78701
Attention: Stephanie E. Kalahurka
Fax: 512-583-5940
E-mail: skalahurka@fkhpartners.com

If to CFG:

Cheaha Financial Group Inc.
P.O. Box 7575
Oxford, Alabama 36203
Attention: Shad Williams
Fax: 256-835-1026
Email: swilliams@cheahabank.com

With a copy to:

Maynard, Cooper and Gale
1901 Sixth Avenue North
2400 Regions Harbert Plaza
Birmingham, Alabama 35203
Attention: Jennifer R. McCain, Esq.
Fax: [205-714-6318](tel:205-714-6318)
E-Mail: jmccain@maynardcooper.com

or to such other address or fax number as a party may specify by notice given in accordance with this Section. Any notice given in accordance with this Agreement will be effective in the case of personal delivery or facsimile transmission, when delivered or received if received before 5:00 p.m. local time on a Business Day, or on the next Business Day if delivered or received on a day that is not a Business Day or after 5:00 p.m. local time on a Business Day; in the case of electronic mail, when acknowledged by the recipient; and in the case of nationally recognized overnight courier service, one (1) Business Day after delivery to the courier service together with all appropriate fees or charges and instructions for overnight delivered unless signature is required, if signature is required, then it shall be effective when delivered and signed for.

Section 9.09 Governing Law; Waiver of Right to Jury Trial. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF EACH PARTY SUBJECT TO THIS AGREEMENT WILL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF LOUISIANA WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS. EACH PARTY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE CONTEMPLATED TRANSACTIONS.

Section 9.10 Multiple Counterparts. This Agreement may be signed in multiple counterparts, each of which will be deemed an original, and all counterparts together will be deemed to be one and the same Agreement. A facsimile or electronic transmission in "PDF" format of a signed counterpart of this Agreement will be sufficient to bind the party or parties whose signature(s) appear thereon.

Section 9.11 Specific Performance. Each party acknowledges that the other party or parties would be irreparably damaged and would not have an adequate remedy at law for money damages in the event that the provisions contained in this Agreement were not performed in accordance with their respective terms or otherwise were materially breached. Therefore, each party agrees that, without the necessity of proving actual damages or posting bond or other security, the other party or parties will be entitled to seek a temporary or permanent injunction or injunctions to prevent breaches of such performance and to seek specific enforcement of such covenants in addition to any other remedy to which it may be entitled, at law or in equity.

Section 9.12 Attorneys' Fees and Costs. Except as otherwise provided in this Agreement, if attorneys' fees or other costs are incurred to secure performance of any of the obligations herein provided for, or to establish damages for the breach thereof, or to obtain any other appropriate relief, the prevailing party will be entitled to recover from the non-prevailing party reasonable attorneys' fees and costs incurred therein and determined by the court to be justified.

Section 9.13 Binding Effect; Assignment. Except as otherwise expressly provided in this Agreement, no party will assign this Agreement or any of its rights or obligations, in whole or in part, without the prior written consent of the other parties, and any such assignment made or attempted in violation of this Section will be void and of no effect. Subject to the foregoing, this Agreement will be binding upon and will inure to the benefit of the parties and their respective successors and permitted assigns.

Section 9.14 Third Parties. Nothing in this Agreement, whether express or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any persons other than the parties and their respective successors and permitted assigns. Nothing in this Agreement will act to relieve or discharge the obligation or liability of any third party to any party to this Agreement, nor will any provision give any third party any right of subrogation or action over or against any party to this Agreement.

Section 9.15 Amendment; Waiver; Extension. Except as prohibited by any Legal Requirement, Investar and CFG may by mutual agreement amend this Agreement, extend the time for the performance of any obligations or other acts of any other party to this Agreement, waive any inaccuracy in the representations and warranties contained in this Agreement or any Schedules provided in accordance with this Agreement, or waive compliance with any agreements or conditions contained in this Agreement by an instrument signed in writing by or on behalf of each party. No party to this Agreement will by any act (other than a written instrument) be deemed to have waived any right or remedy hereunder or to have acquiesced in any breach of any of the terms and conditions of this Agreement. No failure to exercise, nor any delay in exercising, any right, power or privilege hereunder by any party will operate as a waiver. No waiver of any provision, or any portion of any provision, of this Agreement will constitute a waiver of any other part of the provision or any other

provision of this Agreement, nor will it operate as a waiver, or estoppels with respect to, any subsequent or other failure. Notwithstanding the foregoing, a party may unilaterally waive a right that is solely applicable to it.

Section 9.16 Disclosure Schedules; Supplements to the Disclosure Schedules.

(A) Information contained in the Schedules qualifies the representations and warranties in the Section to which the particular Schedule relates (or makes cross-reference), as well as representations and warranties in other Sections of this Agreement, but only to the extent that the specific item on any such Schedule is reasonably apparent on its face as being applicable to such other Section(s).

(B) Either of CFG and Investar may from time to time prior to the Closing, and each of CFG and Investar will at least five (5) days prior to the Closing, supplement the Schedules delivered by such party as of the date hereof with respect to any matter that (i) arises and becomes known by such party after the date of this Agreement and that would have been required or permitted to be set forth or described on the Schedules had such matter existed as of the date of this Agreement, and (ii) does not arise from a breach of this Agreement. No such supplemental disclosure will be deemed to have cured any breach of a representation or warranty made in this Agreement by such disclosing party unless the receiving party waives the breach in the manner set forth in this Agreement.

[SIGNATURE PAGES FOLLOW]

*[INVESTAR AND INTERIM COMPANY SIGNATURE PAGE TO
AGREEMENT AND PLAN OF REORGANIZATION]*

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed by their duly authorized officers as of the date first above written.

INVESTAR HOLDING CORPORATION

By: /s/ John J. D'Angelo
John J. D'Angelo
President and Chief Executive Officer

HIGH POINT ACQUISITION, INC.

By: /s/ John J. D'Angelo
John J. D'Angelo
President and Chief Executive Officer

[CFG SIGNATURE PAGE TO AGREEMENT AND PLAN OF REORGANIZATION]

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed by its duly authorized officer as of the date first above written.

CHEAHA FINANCIAL GROUP INC.

By: /s/ Shad Williams
Shad Williams
President and Chief Executive Officer

EXHIBIT A
FORM OF BANK MERGER AGREEMENT

This AGREEMENT AND PLAN OF BANK MERGER (this "Bank Merger Agreement"), dated as of December 19, 2019, is by and between Investar Bank, National Association, a national banking association ("Investar Bank") and Cheaha Bank, an Alabama banking corporation.

RECITALS

WHEREAS, Investar Holding Corporation ("Investar"), a Louisiana corporation and registered bank holding company for Investar Bank, High Point Acquisition, Inc., a Louisiana corporation and wholly owned subsidiary of Investar, and CFG have entered into that certain Agreement and Plan of Reorganization, dated as of December 19, 2019 (the "Reorganization Agreement"), providing for the acquisition of Cheaha Bank by Investar through the merger of CFG with and into Investar;

WHEREAS, Cheaha Bank is an Alabama banking association, duly organized and existing under the laws of the State of Alabama, having its principal office in the City of Oxford, County of Calhoun, State of Alabama, with authorized capital stock consisting of 5,000,000 shares of common stock, par value \$1.00 per share (the "Cheaha Bank Stock"), 1,000 of which are issued and outstanding;

WHEREAS, Investar Bank is a national banking association duly organized and existing under the laws of the United States, having its principal office in the City of Baton Rouge, East Baton Rouge Parish, State of Louisiana, with authorized capital stock consisting of 40,000,000 shares of common stock, par value \$1.00 per share (the "Investar Bank Stock"), of which 3,943,600 shares are issued and outstanding;

WHEREAS, a majority of the Boards of Directors of each of Cheaha Bank and Investar Bank, pursuant to the authority given by and in accordance with the provisions of Section 5-7A-40 of the Alabama Banking Code, Section 10A-2-11.01 et seq. of the Alabama Business and Nonprofit Entities Code and 12 U.S.C § 215a-1, have approved this Bank Merger Agreement pursuant to which Cheaha Bank is to be merged with and into Investar Bank (the "Merger") and have authorized the execution hereof; and

WHEREAS, as and when required by the provisions of this Bank Merger Agreement, all such action as may be necessary or appropriate is to be taken by Cheaha Bank and Investar Bank in order to consummate the Merger.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing premises, Cheaha Bank and Investar Bank hereby agree that Cheaha Bank is to be merged with and into Investar Bank on the following terms and conditions:

1. Merger of Cheaha Bank and Investar Bank. At the Effective Time (as defined in Section 11 of this Bank Merger Agreement), Cheaha Bank will be merged with and into Investar Bank pursuant to Section 5-7A-40 of the Alabama Banking Code, Section 10A-2-11.01 et seq. of the Alabama Business and Nonprofit Entities Code and 12 U.S.C § 215a-1.

2. Effects of the Merger. The Merger will have the effects set forth under the National Bank Act and the Alabama Banking Code. At the Effective Time, Investar Bank will continue as the bank resulting from the Merger (the "Resulting Bank"), and the separate corporate existence of Cheaha Bank will cease. At the Effective Time, all rights, title and interests to all real estate and other property owned by each of Cheaha Bank and Investar Bank will be allocated to and vested in the Resulting Bank without reversion or impairment, without further act or deed, and without any transfer or assignment having occurred, but subject to any existing liens or encumbrances thereon. At the Effective Time, all liabilities and obligations of Cheaha Bank and Investar Bank will be allocated to the Resulting Bank, and the Resulting Bank will be the primary obligor therefor and no other party to the Merger will be liable therefor. At the Effective Time, a proceeding pending by or against either Cheaha Bank or Investar Bank may be continued as if the

Merger did not occur, or the Resulting Bank may be substituted in the proceedings. The name of the Resulting Bank will be "Investar Bank, National Association." The existing main office of Investar Bank located at 7244 Perkins Road, Baton Rouge, Louisiana 70808, will be the main office of the Resulting Bank following the Merger, the branches of Investar Bank existing immediately before the Merger will remain branches of the Resulting Bank after completion of the Merger, and the existing main office and all branches of Cheaha Bank will become branch offices of the Resulting Bank after completion of the Merger.

3. Directors and Senior Executive Officers. The directors and officers of Investar Bank at the Effective Time shall be the directors and officers of the Resulting Bank at the Effective Time, and each of such persons shall hold office from the Effective Time until their respective successors are duly elected or appointed and qualified in the manner provided in the Articles of Association and Bylaws of the Resulting Bank or as otherwise provided by law.
 4. Articles of Association and Bylaws. The Articles of Association of Investar Bank will continue in effect as the Articles of Association of the Resulting Bank until the same will be amended and changed as provided by law. The Bylaws of Investar Bank will continue in effect as the Bylaws of the Resulting Bank until the same have been amended and changed as provided by law.
 5. Manner and Basis of Converting Shares of Cheaha Bank Stock and Investar Bank Stock. At the Effective Time, by virtue of the Merger and without any action on the part of or any party as holder thereof,
 - (a) each share of Cheaha Bank Stock outstanding at the Effective Time shall cease to be outstanding, shall be cancelled and retired, and shall cease to exist; and
 - (b) each of the 3,943,600 shares of Investar Bank Stock issued and outstanding at the Effective Time shall remain issued and outstanding from and after the Effective Time and shall be the only issued and outstanding shares of capital stock of the Resulting Bank.
 6. Stock Transfer Books. The stock transfer books of Cheaha Bank will be closed as of the close of business at the Effective Time, and no transfer of record of any of the shares of Cheaha Bank Stock will take place thereafter.
 7. Shareholder Approval. This Bank Merger Agreement will be submitted for approval to the sole shareholders of each of Cheaha Bank and Investar Bank. Upon approval by the sole shareholders of each of Cheaha Bank and Investar Bank, this Bank Merger Agreement will be made effective in the manner provided in Section 11 hereof.
 8. Conditions to Consummation of the Merger. All obligations of the parties under this Bank Merger Agreement are subject to the satisfaction (or waiver) of all conditions to the consummation of the transactions contemplated by the Reorganization Agreement.
 9. Termination. This Bank Merger Agreement shall terminate and be abandoned upon termination of the Reorganization Agreement. Upon termination, the Bank Merger Agreement shall be void and of no further force and effect.
 10. Waiver, Amendment and Modification. Any of the terms or conditions of this Bank Merger Agreement may be waived at any time, whether before or after action thereon by the shareholders of Cheaha Bank or Investar Bank, by the party that is entitled to the benefits thereof. This Bank Merger Agreement may be modified or amended at any time, whether before or after action thereon by the shareholders of Cheaha Bank or Investar Bank, by action of both Cheaha Bank and Investar Bank. Any waiver, modification or amendment of this Bank Merger Agreement must be in writing.
 11. Effective Time. Subject to the terms and conditions specified in this Bank Merger Agreement and the Reorganization Agreement, and upon satisfaction of all requirements of law, the Merger will become effective at
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the date and time specified in the certification of the Merger to be issued by the Office of the Comptroller of the Currency, such time being herein called the "Effective Time."

12. Multiple Counterparts. For the convenience of the parties hereto, this Bank Merger Agreement may be executed in multiple counterparts, each of which is to be deemed an original, and all counterparts hereof so executed by the parties hereto, whether or not such counterpart bears the execution of each of the parties hereto, is deemed to be, and is to be construed as, one and the same Bank Merger Agreement. A telecopy or facsimile transmission of a signed counterpart of this Bank Merger Agreement is sufficient to bind the party or parties whose signature(s) appear thereon.

13. Governing Law. **THIS BANK MERGER AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF LOUISIANA, AND TO THE EXTENT NOT INCONSISTENT WITH THE LAWS OF THE STATE OF LOUISIANA, THE LAWS OF THE UNITED STATES OF AMERICA. VENUE FOR ANY CAUSE OF ACTION ARISING OUT OF THIS BANK MERGER AGREEMENT WILL BE IN EAST BATON ROUGE PARISH, LOUISIANA.**

14. Further Assurances. Each party hereto agrees from time to time, as and when requested by the other party hereto, or by its successors or assigns, to execute and deliver, or cause to be executed and delivered, all such deeds and instruments and to take or cause to be taken such further or other acts, either before or after the Effective Time, as may be deemed necessary or desirable in order to vest in and confirm to the Resulting Bank title to and possession of any assets of Cheaha Bank or Investor Bank acquired or to be acquired by reason of or as a result of the Merger and otherwise to carry out the intent and purposes hereof, and the officers and directors of the parties hereto are fully authorized in the name of their respective corporate names to take any and all such actions.

15. Assignment. This Bank Merger Agreement is binding upon and will inure to the benefit of the parties hereto and their respective successors and assigns, but no party to this Bank Merger Agreement may assign this Bank Merger Agreement, by operation of law or otherwise, in whole or in part, without the prior written consent of the other party. Any assignment made or attempted in violation of this Section 15 is void and of no effect.

16. Severability. If any provision of this Bank Merger Agreement is held to be illegal, invalid or unenforceable under present or future laws, then (a) such provision is fully severable and this Bank Merger Agreement is to be construed and enforced as if such illegal, invalid or unenforceable provision were not a part hereof; (b) the remaining provisions of this Bank Merger Agreement will remain in full force and effect and are not to be affected by such illegal, invalid or unenforceable provision or by its severance from this Bank Merger Agreement; and (c) there will be added automatically as a part of this Bank Merger Agreement a provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible and still be legal, valid and enforceable.

17. Specific Performance. Each of the parties hereto acknowledges that the other parties would be irreparably damaged and would not have an adequate remedy at law for money damages in the event that any of the covenants contained in this Bank Merger Agreement were not performed in accordance with its terms or otherwise were materially breached. Each of the parties hereto therefore agrees that, without the necessity of proving actual damages or posting bond or other security, the other party will be entitled to temporary or permanent injunction or injunctions to prevent breaches of such performance and to specific enforcement of such covenants in addition to any other remedy to which they may be entitled, at law or in equity.

18. Rules of Construction. Descriptive headings as to the contents of particular sections are for convenience only and do not control or affect the meaning, construction or interpretation of any provision of this Bank Merger Agreement. Each use herein of the masculine, neuter or feminine gender includes the other genders. Each use herein of the plural includes the singular and vice versa, in each case as the context requires or as it is otherwise appropriate.

19. Articles, Sections, Exhibits and Schedules. All articles and sections referred to herein are articles and sections, respectively, of this Bank Merger Agreement and all exhibits referred to herein are exhibits attached to this Bank Merger Agreement. Any and all schedules, exhibits, annexes, statements, reports, certificates or other

documents or instruments referred to herein or attached hereto are incorporated herein by reference hereto as though fully set forth herein verbatim.

[Signature Page Follows]

[Signature Page to Agreement and Plan of Bank Merger]

IN WITNESS WHEREOF, Investar Bank and Cheaha Bank have caused this Bank Merger Agreement to be executed by their duly authorized officers as of the date first written above.

INVESTAR BANK, NATIONAL ASSOCIATION

By:

John J. D'Angelo
President and Chief Executive Officer

CHEAHA BANK

By:

Shad Williams
President and Chief Executive Officer

EXHIBIT B
FORM OF RELEASE

This RELEASE (this "Release"), dated as of December 19, 2019, is made by [•], (the "Releasor"), in favor of Cheaha Financial Group, Inc., an Alabama corporation ("CFG").

RECITALS:

WHEREAS, the Releasor is a duly elected or appointed director or executive officer of CFG as of the date hereof;

WHEREAS, Investar Holding Corporation, a Louisiana corporation ("Investar"), High Point Acquisition, Inc., a Louisiana corporation and wholly owned subsidiary of Investar, and CFG, are parties to that certain Agreement and Plan of Reorganization dated as of December [], 2019 (as such agreement may be amended or supplemented from time to time, the "Reorganization Agreement"), pursuant to which CFG will merge with and into Investar, with Investar surviving the merger (the "Merger"); and

WHEREAS, it is a covenant of CFG pursuant to Section 7.02(D) of the Reorganization Agreement that the Releasor execute and deliver this Release as of the Closing Date to confirm the absence of, and release, any and all claims by the Releasor Persons (as defined below) other than the Reserved Claims (as defined below) against CFG and each of its Subsidiaries (as defined in the Reorganization Agreement) existing as of the date hereof.

NOW, THEREFORE, for and in consideration of the premises contained herein, the consummation of the transactions contemplated by the Reorganization Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned Releasor hereby agrees as follows:

1. Capitalized Terms. All capitalized terms not otherwise defined in this Release will have the meanings accorded them in the Reorganization Agreement.
2. Release; Related Matters.

(a) Effective as of the date hereof, the Releasor, on his own behalf and on behalf of his heirs, representatives, executors, and administrators (collectively, the "Releasor Persons") irrevocably and unconditionally releases, waives and forever discharges CFG, each of its Subsidiaries and the respective successors of CFG and each of its Subsidiaries (each, a "Released Party" and collectively, the "Released Parties") from any and all manners of actions, obligations, liabilities, causes of action, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, executions, claims and demands of every type and nature whatsoever, liquidated or unliquidated, to the extent known, in law or equity (each a "Claim" and collectively, the "Claims") relating to, arising out of or in connection with CFG, its Subsidiaries and their respective businesses or assets, including any Claims arising out of or resulting from the Releasor's status, relationship, affiliation, rights, obligations or duties as a director, officer, employee or security holder of CFG or any of its Subsidiaries, as the case may be, for all periods through the date hereof; *provided, however*, that a Released Party is not released from any of its obligations or liabilities to the Releasor or other Releasor Person(s): (i) in connection with any accrued compensation and rights under any benefit plans or arrangements of CFG or any of its Subsidiaries existing as of the date hereof; (ii) as to any rights of indemnification and related benefits pursuant to any applicable law, the Reorganization Agreement, the articles of incorporation or bylaws of either CFG or any of its Subsidiaries, or otherwise, or to claim insurance coverage or to be defended under any insurance coverage, including without limitation any directors and officers insurance coverage which applies to or benefits directors and/or officers of CFG or its Subsidiaries and which applies to the Releasor or the other Releasor Persons; (iii) in connection with any deposits, loans or accounts of the Releasor or the other Releasor Persons at Cheaha Bank, an Alabama state bank and wholly-owned subsidiary of CFG, as of the date hereof; (iv) any Per Share Consideration to which the Releasor or the other Releasor Persons are entitled; and (v) any rights or claims of the Releasor or the other Releasor Persons under the Reorganization Agreement (collectively, the "Reserved Claims").

(b) The Releasor represents and warrants that, in his or her capacity as a director, officer, employee or security holder of CFG and any of its Subsidiaries, as applicable, the Releasor has no knowledge of any Claims that the Releasor may have against the Released Parties other than the Reserved Claims. The Releasor further represents and warrants to the Released Parties that the Releasor is the sole owner of, and has not sold, assigned or otherwise transferred (with or without consideration) to any person, any Claims that would otherwise be released by this Release, but for such sale, assignment or transfer.

(c) The Releasor irrevocably covenants to refrain from, directly or indirectly, asserting any claim or demand, or commencing, instituting or causing to be commenced, any proceeding of any kind against any Released Party based upon any matter purported to be released hereby.

(d) Each Released Party hereby (a) irrevocably and unconditionally releases, waives and forever discharges the Releasor and the other Releasor Persons from all Claims relating to, arising out of or in connection with CFG, its Subsidiaries, their respective businesses and/or assets, including any Claims arising out of or resulting from the Releasor's status, relationship, affiliation, rights, obligations and/or duties as a director, officer, employee or security holder of CFG or any of its Subsidiaries for all periods through the date hereof only and (b) irrevocably covenants to refrain from, directly or indirectly, asserting any claim or demand, or commencing, instituting or causing to be commenced or instituted, any proceeding of any kind against any Releasor Persons based upon any matter released hereby; *provided, however*, that no Releasor Person is released from any of its obligations or liabilities to Cheaha Bank arising from any loan, extension of credit, commitment or other lending relationship.

3. No Admission. Neither the execution or the delivery of this Release, nor the performance of the terms hereof, by any of the parties to this Release will be considered an admission by any of them of any present or past wrongdoing or liability, and any and all such alleged admissions or liabilities are expressly denied by all of the parties to this Release.

4. Covenant Not To Sue. It is expressly intended and agreed that none of the parties to this Release will assert against any other party any claim based on the matters encompassed by this Release, other than with respect to the Reserved Claims.

5. Authority. The Releasor represents and warrants that he or she has full power and authority to enter into, execute and deliver this Release, all proceedings required to be taken to authorize the execution, delivery and performance of this Release and the agreements and undertakings relating hereto and the transactions contemplated hereby have been validly and properly taken and this Release constitutes a valid and binding obligation of the Releasor in the capacity in which executed. The Releasor further represents and warrants that he or she has entered into this Release freely of his or her own accord and without reliance on any representations of any kind or character not set forth herein.

6. Successors. This Release shall be binding upon the undersigned Releasor, the Releasor Persons and their respective heirs, executors, and administrators, and shall inure to the benefit of the Releasor, the Releasor Persons, the Released Parties and their respective successors, predecessors, parents, subsidiaries, affiliates and other related parties.

7. Governing Law; Construction. This Release and the rights and obligations of each party subject to this Release will be governed by, and construed and enforced in accordance with, the laws of the State of Alabama, without giving effect to any principles of conflicts of law. This Release is executed and delivered in connection with and under the Reorganization Agreement and will be construed as a part of the transactions contemplated by the Reorganization Agreement.

8. Entire Agreement; Amendment. This Release represents the entire understanding between the parties relating to the subject matter of the Release and supersedes all prior agreements and negotiations between the parties. This Release will not be amended, modified, or altered in any manner except in writing signed by the parties to this Release.

9. Severability/Modification. If any term or other provision of this Release is held by a court of competent jurisdiction to be illegal, invalid or unenforceable under present or future laws, (i) such term or provision will be fully severable and this Release will be construed and enforced as if such illegal, invalid or unenforceable provision were not a part of this Release; (ii) the remaining provisions of this Release will remain in full force and effect and will not be affected by such illegal, invalid or unenforceable provision or by its severance from this Release; and (iii) there will be added automatically as a part of this Release a provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible and still be legal, valid and enforceable. If any provision of this Release is so broad as to be unenforceable, the provision will be interpreted to be only as broad as is enforceable.

10. Counterparts. This Release may be signed in multiple counterparts, each of which will be deemed an original, and all executed counterparts together will be deemed to be one and the same instrument. A facsimile or electronic scan in "PDF" format of a signed counterpart of this Release will be sufficient to bind the party or parties whose signature(s) appear thereon.

11. Termination of Agreement. This Release is executed and delivered contemporaneously with the execution and delivery of the Reorganization Agreement. This Release shall become effective only upon the consummation of the Merger. If Reorganization Agreement is terminated in accordance with its terms prior to consummation of the Merger, this Release shall not become effective but shall be null and void and of no force or effect.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Release as of the date first above written.

CHEAHA FINANCIAL GROUP

By:

Shad Williams
President and Chief Executive Officer

RELEASOR

EXHIBIT C
FORM OF SUPPORT AGREEMENT

This Director Support Agreement (this "Support Agreement"), dated as December 19, 2019 (the "Execution Date"), is made and entered into by and among, Investar Holding Corporation, a Louisiana corporation ("Investar"), Cheaha Financial Group, Inc., an Alabama corporation ("CFG"), and [•], an individual residing in the State of Alabama (the "Director").

RECITALS

WHEREAS, contemporaneously with the execution of this Support Agreement, Investar, High Point Acquisition, Inc., a Louisiana corporation and wholly owned subsidiary of Investar, and CFG, are entering into that certain Agreement and Plan of Reorganization (as such agreement may be amended or supplemented from time to time, the "Reorganization Agreement"), providing for the acquisition of Cheaha Bank by Investar through the merger of CFG with and into Investar (the "Merger").

WHEREAS, the Director is a director and shareholder of CFG, and will, as a result of his or her equity ownership in CFG, receive pecuniary and other benefits as a result of the Merger;

WHEREAS, the Director, as a director and shareholder of CFG and as a director of its wholly owned subsidiary, Cheaha Bank, an Alabama banking corporation, has had access to certain confidential information, including, without limitation, information concerning the business of CFG, Cheaha Bank and the other subsidiaries of CFG (collectively, the "CFG Entities") and the relationships between the CFG Entities, their vendors and customers, and the CFG Entities' status and relationship with peer institutions that compete with the CFG Entities;

WHEREAS, the Director, through his or her association with the CFG Entities, has obtained knowledge of the trade secrets, customer goodwill and proprietary information of the CFG Entities and their businesses, which trade secrets, customer goodwill and proprietary information constitute a substantial asset to be acquired by Investar;

WHEREAS, the Director recognizes that Investar's entry into the Reorganization Agreement is dependent on the Director entering into this Support Agreement and, therefore, this Support Agreement is incident thereto; and

WHEREAS, any capitalized term not defined herein shall have the meaning set forth in the Reorganization Agreement.

NOW, THEREFORE, based upon the valuable consideration that the Director will receive as a shareholder and director of CFG as a result of the Merger, for the new confidential information the Director will be provided after the Execution Date and for other good and valuable consideration contained herein and in the Reorganization Agreement, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Director Support. The Director agrees to use his or her best efforts to refrain from harming the goodwill of Investar and the CFG Entities and their respective subsidiaries, affiliates or successors, and their respective customer and client relationships.

2. Director Covenants.

(a) Director acknowledges that he or she has received substantial, valuable consideration, including confidential trade secret and proprietary information relating to the identity and special needs of the CFG Entities' current and prospective customers, the CFG Entities' current and prospective services, the CFG Entities' business projections and market studies, the CFG Entities' business plans and strategies, and the CFG Entities' studies and information concerning special services unique to the CFG Entities. Director further acknowledges and agrees that this consideration constitutes fair and adequate consideration for the execution of the non-solicitation restriction set forth below. Accordingly, other than in any capacity for or on behalf of

Investar or any subsidiary of Investar (or as otherwise permitted below), Director agrees that Director will not, directly or indirectly, individually or as an employee, partner, officer, director or shareholder or in any other capacity whatsoever:

- (i) solicit the business of any person or entity who is a customer of any CFG Entity as of the date of this Support Agreement or as of the Closing Date on behalf of any other insured depository institution;
- (ii) (A) acquire any interest in (directly or indirectly), charter, operate or enter into any franchise or other management agreement with, any insured depository institution that has a location within a fifty (50) mile radius of any location of any of the CFG Entities (the "Noncompete Area"), *provided, however*, that Director may (1) retain any existing ownership interest in any insured depository institution as disclosed on Schedule 1 attached hereto, (2) acquire an ownership interest in any privately-held or publicly-traded depository institution, so long as that ownership interest does not exceed 10% of the total number of shares outstanding of that depository institution (unless such acquisition is through bequest or inheritance and is promptly disclosed to Investar in writing), and (3) invest in an existing mutual fund that invests, directly or indirectly, in such insured depository institutions;
- (B) serve as an officer, director, employee, agent or consultant to any insured depository institution that has a location within the Noncompete Area; or
- (C) establish or operate a branch or other office of an insured depository institution within the Noncompete Area; *provided, however*, that nothing in this Section 2(a)(ii) shall prevent Director from continuing to serve in his or her existing capacity with the insured depository institution(s) as listed on Schedule 1, attached hereto (Schedule 1 to list institution(s), position(s) currently held and dates of service in such position(s)); or
- (iii) recruit, hire, assist others in recruiting or hiring, discuss employment with, or refer others concerning employment, any person who is, or within the twelve (12) months preceding the Closing Date was, an employee of CFG unless such person's employment has been terminated by Investar prior to the time of such solicitation; but nothing in this Section 2(a)(ii) applies to employment other than in the financial services business.

Director may not avoid the purpose and intent of this Section 2(a) by engaging in conduct within the geographically limited area from a remote location through means such as telecommunications, written correspondence, computer generated or assisted communications, or other similar methods.

- (b) If any court of competent jurisdiction should determine that the terms of this Section 2 are too broad in terms of time, geographic area, lines of commerce or otherwise, that court is to modify and revise any such terms so that they comply with applicable law.
- (c) Director agrees that (i) this Support Agreement is entered into in connection with the sale to Investar of the goodwill of the business of the CFG Entities, (ii) Director is receiving valuable consideration for this Support Agreement, (iii) the restrictions imposed upon Director by this Support Agreement are essential and necessary to ensure Investar acquires the goodwill of the CFG Entities and (iv) all the restrictions (including particularly the time and geographical limitations) set forth in this Support Agreement are fair and reasonable.

3. Early Resolution Conference. This Support Agreement is understood to be clear and enforceable as written and is executed by both parties on that basis. However, should Director later challenge any provision as unclear, unenforceable, or inapplicable to any competitive activity that Director intends to engage in, Director will first notify Investar in writing and meet with an Investar representative and a neutral mediator (if Investar elects to retain one at its expense) to discuss resolution of any disputes between the parties. Director will provide this notification at least fourteen (14) days before Director engages in any activity on behalf of a competing business or engages in other activity

that could foreseeably fall within a questioned restriction. If Director fails to comply with this requirement, Director waives his right to challenge the reasonable scope, clarity, applicability or enforceability of this Support Agreement and its restrictions at a later time.

4. Effective Dates; Termination. Section 2 of this Support Agreement shall become effective only upon the consummation of the Merger on the Closing Date; the remainder of this Support Agreement shall be effective as of the Effective Date of the Reorganization Agreement. This Support Agreement and all obligations hereunder will terminate on the earlier of (a) the date the Reorganization Agreement is terminated pursuant to its terms prior to the consummation of the Merger, or (b) the date that is eighteen (18) months after the Closing Date, *provided* that the obligations under Section 2(a)(ii) will automatically terminate twelve (12) months after the Closing Date.

5. Injunctive Relief. Investar and Director hereby acknowledge and agree that Investar and CFG will be irreparably damaged if this Support Agreement is not specifically enforced. Accordingly, Investar and CFG are entitled to injunctive relief restraining any violation of this Support Agreement by Director (without any bond or other security being required), or any other appropriate decree of specific performance. Such remedies are not to be exclusive and are in addition to any other remedy that Investar or CFG may have at law or in equity.

6. Assignability. Director may not assign its obligations under this Support Agreement without the prior written consent of Investar.

7. Parties Bound. This Support Agreement is binding upon and inures to the benefit of the parties hereto and their respective legal representatives, successors and assigns, except as otherwise expressly provided herein.

8. Applicable Law; Venue. This Support Agreement is to be construed under and according to the laws of the State of Alabama, without giving effect to any principles of conflicts of law. Venue for any cause of action arising from this Support Agreement will lie in Calhoun County, Alabama.

9. Legal Construction. If any of the provisions contained in this Support Agreement are for any reason held to be invalid, illegal or unenforceable in any respect, that provision is to be fully severable, such invalidity, illegality or unenforceability is not to affect any other provision hereof, and this Support Agreement is to be construed and enforced as if such invalid, illegal or unenforceable provision had never been contained herein, and the remaining provisions of this Support Agreement are to remain in full force and effect. Furthermore, in lieu of that illegal, invalid or unenforceable provision, there is to be added automatically as a part of this Support Agreement, a provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible and be valid and enforceable.

10. Notice. Any and all payments (other than payments at the Closing), notices, requests, instructions and other communications required or permitted to be given under this Support Agreement after the date of this Support Agreement by any party hereto to any other party may be delivered personally or by nationally recognized overnight courier service or sent by mail or (except in the case of payments) by facsimile transmission or electronic mail, at the respective addresses or transmission numbers set forth below and is deemed delivered (a) in the case of personal delivery, facsimile transmission or electronic mail, when received; (b) in the case of mail, upon the earlier of actual receipt or five (5) Business Days after deposit in the United States Postal Service, first class certified or registered mail, postage prepaid, return receipt requested; and (c) in the case of an overnight courier service, one (1) Business Day after delivery to such courier service with and instructions for overnight delivery. The parties may change their respective addresses and transmission numbers by written notice to all other parties, sent as provided in this Section. All communications must be in writing and addressed as follows:

If to Investar:

Investar Holding Corporation
10500 Coursey Blvd. 3rd Floor
Baton Rouge, Louisiana 70816
Attn: Mr. John D'Angelo
Fax: (225) 300-8617

Electronic mail: john.dangelo@investarbank.com

If to CFG (prior to the Closing Date):

Cheaha Financial Group, Inc.
1320 Highway Drive
Oxford, Alabama 36203 Attention: Shad Williams
Fax: 256-835-1026
Electronic mail: swilliams@cheahabank.com

If to the Director, at the address set forth under the Director's signature page hereto; or to such other address or to such other Person as any party hereto has last designated by notice to the other parties in accordance herewith. "Business Day" means any day that is not a Saturday, a Sunday or other day on which banks are required or authorized by law to be closed in Baton Rouge, Louisiana.

11. No Delay, Waiver, Etc. No delay on the part of the parties hereto in exercising any power or right hereunder is to operate as a waiver thereof, nor is any single or partial exercise of any power or right hereunder to preclude other or further exercise thereof or the exercise of any other power or right.
 12. Modification. No amendment of this Support Agreement is effective unless contained in a written instrument signed by the parties hereto.
 13. Headings. The descriptive headings of the sections of this Support Agreement are inserted for convenience only and do not constitute a part of this Support Agreement.
 14. Counterparts. This Support Agreement may be executed simultaneously in multiple counterparts, each of which will be deemed an original, but all of which shall constitute one and the same instrument. An electronic scan in "PDF" format of a signed counterpart of this Support Agreement delivered by electronic mail or otherwise will be sufficient to bind the party or parties whose signature(s) appear thereon.
[Signature Page Follows]
-

IN WITNESS WHEREOF, the parties hereto have caused this Support Agreement to be duly executed as of the date first written above.

INVESTAR HOLDING CORPORATION

By: _____
John J. D'Angelo
President and Chief Executive Officer

CHEAHA FINANCIAL GROUP

By: _____
Shad Williams
President and Chief Executive Officer

DIRECTOR

Name: _____

Notice Address: _____

Electronic mail: _____

[Signature Page to Support Agreement]

SCHEDULE 1

[-]

EXHIBIT D
FORM OF VOTING AGREEMENT

This Voting Agreement (this "Voting Agreement"), dated as of December 19, 2019, is executed by and among Investar Holding Corporation ("Investar"), a Louisiana corporation, Cheaha Financial Group, Inc. ("CFG"), an Alabama corporation, and the persons who are signatories hereto (each a "Shareholder" and collectively the "Shareholders").

RECITALS:

WHEREAS, contemporaneously with the execution of this Voting Agreement, Investar, High Point Acquisition, Inc., a Louisiana corporation and wholly owned subsidiary of Investar ("Interim Company"), and CFG are entering into that certain Agreement and Plan of Reorganization (as such agreement may be amended or supplemented from time to time, the "Reorganization Agreement"), pursuant to which CFG will be merged with and into Investar, with Investar as the surviving entity (the "Merger");

WHEREAS, applicable law requires that the Reorganization Agreement and the Merger be approved by the Shareholders of CFG;

WHEREAS, as a condition and inducement to Investar's willingness to enter into the Reorganization Agreement, Investar requires that this Voting Agreement be executed by the undersigned Shareholders, contemporaneously with the execution of the Reorganization Agreement, providing that, subject to the terms hereof, each such Shareholder will vote his or her shares of CFG Stock in favor of approval of the Reorganization Agreement and the transactions contemplated thereby;

WHEREAS, Investar and CFG are relying on this Voting Agreement in incurring expenses in their continuing review of CFG's business, in preparing the Proxy Statement for the shareholders of CFG, in proceeding with the filing of applications for regulatory approvals and in undertaking other actions necessary for the consummation of the Merger; and

WHEREAS, any capitalized term not defined herein shall have the meaning set forth in the Reorganization Agreement.

NOW, THEREFORE, in consideration of the substantial expenses that Investar will incur in connection with the transactions contemplated by the Reorganization Agreement and to induce Investar to execute the Reorganization Agreement and to proceed to incur such expenses, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby, severally and not jointly or *in solido*, agree as follows:

1. Ownership of Shares. Each of the Shareholders hereby severally represents and warrants to Investar and CFG that such Shareholder is the registered owner or beneficial owner of, or has full voting power with respect to, the number of shares of the CFG Stock set forth below the Shareholder's name on the signature page of this Voting Agreement (the "Shares"). While this Voting Agreement is in effect, each Shareholder shall not, directly or indirectly, (a) sell or otherwise dispose of or encumber prior to the record date for the CFG shareholders' meeting referred to in Section 6.03 of the Reorganization Agreement (the "CFG Shareholders Meeting") any or all of his or her Shares, except for transfers by operation of law, by will, pursuant to the laws of descent and distribution or as a result of a court order or proceeding, or (b) deposit any of his or her Shares into a voting trust or enter into a voting agreement or arrangement with respect to any of his or her Shares or grant any proxy with respect thereto, other than to other members of the CFG board of directors for the purpose of voting to approve the Reorganization Agreement and the transactions contemplated thereby or as provided herein. Any transfer or other disposition in violation of the terms of this Section 1 shall be null and void and of no effect.

2. Voting for Reorganization Agreement. Each Shareholder hereby agrees during the term of this Voting Agreement to vote his or her Shares, and any additional shares of CFG Stock acquired by such Shareholder after the date hereof and prior to the CFG Shareholders' Meeting, in favor of the approval and adoption of the Reorganization Agreement and the transactions contemplated thereby at the CFG Shareholders' Meeting.

3. Acquisition Proposals. Each Shareholder, solely in his or her capacity as a shareholder and without limiting in any way his or her ability to exercise his or her duties as a director or an officer of CFG or its wholly owned subsidiary, Cheaha Bank, an Alabama state bank, or otherwise to take any action permitted by the Reorganization Agreement (i) shall not invite or seek any Acquisition Proposal, support (or suggest that anyone else should support) any Acquisition Proposal that may be made, or ask the CFG board of directors to consider, support or seek any Acquisition Proposal, or otherwise take any action designed to make any Acquisition Proposal more likely; and (ii) meet or otherwise communicate with any Person that has made or is considering making an Acquisition Proposal or any representative of such Person after becoming aware that the Person has made or is considering making an Acquisition Proposal.

4. Reliance of Parties. Investar and CFG each represent to each Shareholder that it is relying on this Voting Agreement in incurring expenses in continuing to review CFG's business, in preparing the Proxy Statement, in proceeding with the filing of applications for regulatory approvals, and in undertaking other actions necessary for the consummation of the Merger. Each Shareholder and CFG acknowledges that the performance of this Voting Agreement is intended to benefit Investar.

5. Term. This Voting Agreement shall continue in effect until the earlier to occur of (a) the termination of the Reorganization Agreement in accordance with its terms or (b) the consummation of the Merger.

6. Director and Officer Duties. Nothing in this Voting Agreement shall be deemed to restrict any Shareholder from taking any action in his or her capacity as a director or officer of CFG or Cheaha Bank that such Shareholder shall believe is necessary to fulfill such Shareholder's duties and obligations as a director or officer (if applicable).

7. Authority and Enforceability. Each Shareholder has the legal capacity, power and authority to enter into and perform all of the Shareholder's obligations under this Voting Agreement. This Voting Agreement has been duly and validly executed and delivered by the Shareholder and constitutes the legal, valid and binding obligation of the Shareholder, enforceable against the Shareholder in accordance with its terms except as the enforceability may be limited by bankruptcy, insolvency or other laws affecting creditors rights. If the Shareholder is married and the Shareholder's Shares constitute community property, this Voting Agreement has been, to the extent necessary, duly authorized, executed and delivered by, and, if so executed, constitutes a valid and binding agreement of, the Shareholder's spouse, enforceable against such person in accordance with its terms subject to the foregoing exception.

8. Dissenters' Rights. Each Shareholder confirms his or her knowledge of the availability of appraisal rights of CFG's shareholders under the Alabama Business Corporation Law with respect to the Merger and has reviewed or had the opportunity to review the applicable statutory provisions related to appraisal rights. Each Shareholder agrees not to exercise any appraisal rights that the Shareholder may now or hereafter have with respect to any Shares.

9. Amendment. This Voting Agreement may not be modified, amended, altered or supplemented with respect to a particular Shareholder except upon the execution and delivery of a written agreement executed by Investar, CFG and such Shareholder.

10. Counterparts. This Voting Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument. An electronic scan in "PDF" format of a signed counterpart of this Voting Agreement delivered by electronic mail or otherwise will be sufficient to bind the party or parties whose signature(s) appear thereon.

11. Entire Agreement. This Voting Agreement, together with the Reorganization Agreement and the other agreements contemplated thereby, embody the entire agreement and understanding of the parties hereto in respect to the subject matter contained herein. This Voting Agreement supersedes all prior agreements and understandings among the parties with respect to such subject matter contained herein.

12. Notices. All notices, requests, demands and other communications required or permitted hereby shall be in writing and shall be delivered to the addresses of the parties hereto set forth below their signature on the signature pages hereof (or to such other address as any party may have furnished to the others in writing in accordance herewith)) either personally, by nationally recognized overnight courier service or sent by mail or by electronic mail, and all such communications are deemed delivered (a) in the case of personal delivery or electronic mail, when received; (b) in the case of mail, upon the earlier of actual receipt or five (5) Business Days after deposit in the United States Postal Service, first class certified or registered mail, postage prepaid, return receipt requested; and (c) in the case of an overnight courier service, one (1) Business Day after delivery to such courier service with instructions for overnight delivery. "Business Day" means any day that is not a Saturday, a Sunday or other day on which banks are required or authorized by law to be closed in Baton Rouge, Louisiana.

13. Equitable Relief. Each Shareholder recognizes and acknowledges that a breach by such Shareholder of any covenants or agreements contained in this Voting Agreement will cause Investar to sustain damages for which it would not have an adequate remedy at law for money damages, and therefore the parties hereto agree that, in the event of any such breach, Investar shall be entitled to seek the remedy of specific performance of such covenants and agreements and injunctive and other equitable relief in addition to any other remedy to which it may be entitled, at law or in equity. No Shareholder shall be responsible or liable for a breach of this Agreement by any other Shareholder(s).

14. Governing Law; Venue. This Voting Agreement shall be governed by and construed in accordance with the laws of the State of Alabama, without giving effect to any principles of conflicts of law.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties have executed this Voting Agreement as of the date above written.

INVESTAR HOLDING CORPORATION

By: _____
Name: John J. D'Angelo
Title: President and Chief Executive Officer

Address: Investar Holding Corporation
10500 Coursey Blvd. 3rd Floor
Baton Rouge, Louisiana 70816

[Investar Signature Page to Voting Agreement]

CHEAHA FINANCIAL GROUP, INC.

By: _____
Name: Shad Williams
Title: President and Chief Executive Officer

Address: Cheaha Financial Group, Inc.
1320 Highway Drive
Oxford, Alabama 36203

SHAREHOLDER:

Address for Shareholder:

Name:

Number of Shares:

Common

[Shareholder Signature Page to Voting Agreement]

EXHIBIT E

FORM OF FIRST STEP MERGER AGREEMENT

THIS FIRST STEP PLAN OF MERGER (this "Plan") dated as of December 19, 2019 is by and between Cheaha Financial Group, Inc., Oxford, Alabama, an Alabama corporation ("CFG"), and High Point Acquisition, Inc., Baton Rouge, Louisiana, a Louisiana corporation ("Interim Company," and together with CFG, the "Merger Entities").

RECITALS

WHEREAS, CFG and Interim Company are parties to that certain Agreement and Plan of Reorganization, dated as of December 19, 2019, (the "Reorganization Agreement") by and among CFG, Interim Company and Investar Holding Corporation, a Louisiana corporation and sole shareholder of Interim Company ("Investar"), of which this Plan is a material component thereof;

WHEREAS, the Reorganization Agreement provides for the merger of Interim Company with and into CFG, with CFG surviving such merger (the "First Step Merger");

WHEREAS, as a result of the First Step Merger, CFG shall become the wholly-owned subsidiary of Investar;

WHEREAS, the respective boards of directors of each of CFG and Interim Company have determined that this Plan is in the best interests of their respective constituencies, and have each unanimously approved the Plan and the First Step Merger.

NOW, THEREFORE, in consideration of the premises and the mutual agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the parties hereto agree as follows:

1. First Step Merger.

(a) Pursuant to the provisions of Section 10A-2-11.01 *et seq.* of the Alabama Business Corporation Law ("ABCL") and Section 12:1-1101 *et seq.* of the Louisiana Business Corporation Act, Interim Company shall be merged with and into CFG, with CFG as the surviving company (the "First Step Surviving Company") in the First Step Merger. As of the Effective Time (as defined herein), the separate corporate existence of Interim Company shall cease.

(b) At the Effective Time, for all purposes of the laws of the State of Louisiana and Alabama, the First Step Surviving Company shall be considered the same business and corporate entity as the Merging Entities and thereupon and thereafter, and without any order or other action on the part of any court or otherwise, shall possess all the property (real, personal, and mixed) rights, privileges, powers, interests, and franchises of the Merging Entities, and shall be subject to all the restrictions, debts, liabilities and obligations of the Merging Entities, and shall have succeeded to all of Interim Company's relationships, fiduciary or otherwise, property rights (real, personal, and mixed), and all debts due to Interim Company on whatever account, as well for all other things and actions or belonging to Interim Company to the same extent as if each of such interest had been originally acquired, incurred or entered into by the First Step Surviving Company. In addition, any reference to Interim Company in any contract, will, lease, deed or other document, whether executed or taking effect before or after the Effective Time, shall be considered a reference to the First Step Surviving Company if not inconsistent with the other provisions of the contract, will, lease, deed or other document; and any pending action or other judicial proceeding to which Interim Company is a party shall not be deemed to have abated or to have been discontinued by reason of the First Step Merger, and the First Step Surviving Company may be substituted as a party to such action or other judicial proceeding, and any judgment, order or decree against Interim Company may be rendered against the First Step Surviving Company as it would have been rendered against Interim Company if the First Step Merger had not occurred.

2. **Effective Time of the First Step Merger.** The First Step Merger shall become effective on the day and time that the Articles of Merger reflecting the First Step Merger become effective with the Secretary of State of the State of Alabama (the "Effective Time").
3. **The Surviving Company.** Following the Effective Time:
- (a) The name of the First Step Surviving Company shall be "Cheaha Financial Group, Inc."
 - (b) The Articles of Incorporation of the First Step Surviving Company shall be the Articles of Incorporation of CFG in effect immediately prior to the Effective Time. The Bylaws of the First Step Surviving Company shall be the Bylaws of CFG in effect immediately prior to the Effective Time.
4. **Conversion of Shares.** As a result of the First Step Merger
- (a) Each share of the common stock of CFG, par value 0.01 per share, issued and outstanding at the Effective Time shall cease to be outstanding, shall be cancelled and retired, shall cease to exist and shall only represent the right to receive an amount of cash equal to \$80.00 per share (the "Per Share Consideration"), or, in the case of a holder of CFG common stock who dissents from the First Step Merger in compliance with applicable provisions of the ABCL, such payment in respect of his or her shares of CFG common stock as provided by the ABCL; and
 - (b) The sole share of common stock, \$1.00 par value per share, of the Interim Company (the "Interim Company Common Stock") issued and outstanding immediately prior to the Effective Time shall be converted into one fully paid and nonassessable share of the common stock of the First Step Surviving Company, which share shall remain outstanding and held by Investar from and after the Effective Time, and shall not be entitled to receive any Per Share Consideration.
5. **Conditions Precedent to the First Step Merger.** All obligations of the parties under this Plan are subject to the satisfaction (or waiver) of all conditions to the consummation of the transactions contemplated by the Reorganization Agreement.
6. **Miscellaneous.**
- (a) This Plan shall terminate and be abandoned upon termination of the Reorganization Agreement. Upon termination, this Plan shall be void and of not further force and effect.
 - (b) This Plan may be amended by a subsequent writing signed by the parties hereto upon the approval of their respective boards of directors.
 - (c) This Plan shall be governed by and construed in accordance with the laws of the State of Alabama.
 - (d) This Plan may be executed simultaneously in multiple counterparts, each of which will be deemed an original, but all of which shall constitute one and the same instrument. An electronic scan in "PDF" format of a signed counterpart of this Plan delivered by electronic mail or otherwise will be sufficient to bind the party or parties whose signature(s) appear thereon.
 - (e) This Plan shall be binding on the successors of CFG and the Interim Company.

[Remainder of page intentionally left blank]

[Signature Pages follow]

IN WITNESS WHEREOF, each of the parties has caused this Plan to be executed on behalf of its duly authorized officers as of the day and year first written above.

HIGH POINT ACQUISITION, INC.
(INTERIM COMPANY)

John J. D'Angelo
President and Chief Executive Officer

Christopher Hufft
Corporate Secretary

[Interim Company Signature Page to First Step Plan of Merger]

IN WITNESS WHEREOF, each of the parties has caused this Plan to be executed on behalf of its duly authorized officers as of the day and year first written above.

CHEAHA FINANCIAL GROUP, INC.
(CFG)

Shad Williams
President and Chief Executive Officer

Barbara Montgomery
Corporate Secretary

[CFG Signature Page to First Step Plan of Merger]

EXHIBIT F

FORM OF SECOND STEP MERGER AGREEMENT

THIS SECOND STEP PLAN OF MERGER (this "Plan") dated as of December 19, 2019 is by and between Cheaha Financial Group, Inc., Oxford, Alabama, an Alabama corporation ("CFG"), and Investar Holding Corporation, Baton Rouge, Louisiana, a Louisiana corporation ("Investar" and, together with CFG, the "Merger Entities").

RECITALS

WHEREAS, CFG and Investar are parties to that certain Agreement and Plan of Reorganization, dated as of December 19, 2019, (the "Reorganization Agreement") by and among CFG, Investar and High Point Acquisition, Inc., Baton Rouge, Louisiana, a Louisiana corporation and wholly-owned subsidiary of Investar ("Interim Company"), of which this Plan is a material component thereof;

WHEREAS, the Reorganization Agreement provides for the merger of Interim Company with and into CFG, with CFG surviving such merger (the "First Step Merger");

WHEREAS, as a result of the First Step Merger, CFG shall become the wholly-owned subsidiary of Investar for a moment in time;

WHEREAS, the Reorganization Agreement contemplates that, immediately following the effective time of the First Step Merger, CFG will merge with and into Investar, with Investar surviving such merger (the "Second Step Merger");

WHEREAS, the respective boards of directors of each of Investar and CFG have determined that this Plan is in the best interests of their respective constituencies, and have each unanimously approved the Plan and the Second Step Merger.

NOW, THEREFORE, in consideration of the premises and the mutual agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the parties hereto agree as follows:

1. Second Step Merger.

(a) Pursuant to the provisions of Section 10A-2-11.01 *et seq.* of the Alabama Business Corporation Law ("ABCL") and Section 12:1-1101 *et seq.* of the Louisiana Business Corporation Act, CFG shall be merged with and into Investar, with Investar as the surviving company (the "Second Step Surviving Company") in the Second Step Merger. As of the Effective Time (as defined herein), the separate corporate existence of CFG shall cease.

(b) At the Effective Time, for all purposes of the laws of the State of Louisiana and Alabama, the Second Step Surviving Company shall be considered the same business and corporate entity as the Merging Entities and thereupon and thereafter, and without any order or other action on the part of any court or otherwise, shall possess all the property (real, personal, and mixed) rights, privileges, powers, interests, and franchises of the Merging Entities, and shall be subject to all the restrictions, debts, liabilities and obligations of the Merging Entities, and shall have succeeded to all of CFG's relationships, fiduciary or otherwise, property rights (real, personal, and mixed), and all debts due to CFG on whatever account, as well for all other things and actions or belonging to CFG to the same extent as if each of such interest had been originally acquired, incurred or entered into by the Second Step Surviving Company. In addition, any reference to CFG in any contract, will, lease, deed or other document, whether executed or taking effect before or after the Effective Time, shall be considered a reference to the Second Step Surviving Company if not inconsistent with the other provisions of the contract, will, lease, deed or other document; and any pending action or other judicial proceeding to which CFG is a party shall not be deemed to have abated or to have been discontinued by

reason of the Second Step Merger, and the Second Step Surviving Company may be substituted as a party to such action or other judicial proceeding, and any judgment, order or decree against CFG may be rendered against the Second Step Surviving Company as it would have been rendered against CFG if the Second Step Merger had not occurred.

2. **Effective Time of the Second Step Merger.** The Second Step Merger shall become effective on the day and time that the Articles of Merger reflecting the Second Step Merger become effective with the Secretary of State of the State of Louisiana (the "Effective Time").

3. **The Surviving Company.** Following the Effective Time:

(a) The name of the Second Step Surviving Company shall be "Investar Holding Corporation."

(b) The Articles of Incorporation of the Second Step Surviving Company shall be the Articles of Incorporation of Investar in effect immediately prior to the Effective Time. The Bylaws of the Second Step Surviving Company shall be the Bylaws of Investar in effect immediately prior to the Effective Time.

4. **Conversion of Shares.** As a result of the Second Step Merger (a) the sole share of common stock, \$0.01 par value per share, of CFG issued and outstanding immediately prior to the Effective Time shall be cancelled and shall cease to exist from and after the Effective Time, and (b) each share of common stock of Investar, par value \$1.00 per share, issued and outstanding immediately prior to the Effective Time, shall remain issued and outstanding from and after the Effective Time.

5. **Conditions Precedent to the Second Step Merger.** All obligations of the parties under this Plan are subject to the satisfaction (or waiver) of all conditions to the consummation of the transactions contemplated by the Reorganization Agreement.

6. **Miscellaneous.**

(a) This Plan shall terminate and be abandoned upon termination of the Reorganization Agreement. Upon termination, this Plan shall be void and of no further force and effect.

(b) This Plan may be amended by a subsequent writing signed by the parties hereto upon the approval of their respective boards of directors.

(c) This Plan shall be governed by and construed in accordance with the laws of the State of Louisiana.

(d) This Plan may be executed simultaneously in multiple counterparts, each of which will be deemed an original, but all of which shall constitute one and the same instrument. An electronic scan in "PDF" format of a signed counterpart of this Plan delivered by electronic mail or otherwise will be sufficient to bind the party or parties whose signature(s) appear thereon.

(e) This Plan of Merger shall be binding on the successors of Investar and CFG.

[Remainder of page intentionally left blank]

[Signature Pages follow]

IN WITNESS WHEREOF, each of the parties has caused this Plan to be executed on behalf of its duly authorized officers as of the day and year first written above.

INVESTAR HOLDING CORPORATION
(INVESTAR)

John J. D'Angelo
President and Chief Executive Officer

Randolf F. Kassmeier
Corporate Secretary

[Investar Signature Page to Second Step Plan of Merger]

IN WITNESS WHEREOF, each of the parties has caused this Plan to be executed on behalf of its duly authorized officers as of the day and year first written above.

CHEAHA FINANCIAL GROUP
(CFG)

Shad Williams
President and Chief Executive Officer

Barbara Montgomery
Corporate Secretary

[CFG Signature Page to Second Step Plan of Merger]

FORM OF REGISTRATION RIGHTS AGREEMENT

This Registration Rights Agreement (this "Agreement") is made and entered into as of December 20, 2019, by and among Investar Holding Corporation, a Louisiana corporation (the "Company"), and the several purchasers signatory hereto (each a "Purchaser" and collectively, the "Purchasers").

This Agreement is made pursuant to that certain Stock Purchase Agreement, dated as of the date hereof between the Company and each Purchaser (the "Purchase Agreement").

NOW, THEREFORE, IN CONSIDERATION of the mutual covenants contained in this Agreement, and for other good and valuable consideration, the receipt and adequacy of which are acknowledged, the Company and each of the Purchasers agree as follows:

1. Definitions.

In this Agreement, unless the context otherwise requires or unless otherwise specifically provided in this Agreement:

"Advice" has the meaning set forth in Section 3(e).

"Affiliate(s)" means, with respect to any Person, such Person's immediate family members, partners, members or parent and subsidiary corporations, and any other Person directly or indirectly controlling, controlled by, or under common control with said Person and their respective Affiliates. For purposes of this definition, "control" when used with respect to any Person has the meaning specified in Rule 12b-2 promulgated under the Exchange Act; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Agreement" has the meaning set forth in the Preamble.

"Allowable Grace Period" has the meaning set forth in the Section 2(d).

"Business Day" means any day except a Saturday, a Sunday or other day on which the SEC or banks in the City of New York are authorized or required by law to be closed.

"Closing Date" has the meaning set forth in the Purchase Agreement.

"Common Stock" means the common stock of the Company, par value \$1.00 per share, and any securities into which such shares of common stock may hereinafter be reclassified.

"Company" has the meaning set forth in the Preamble.

"Effective Date" means the date that the Registration Statement filed under Section 2(a) is first declared effective by the SEC.

"Effectiveness Deadline" means, with respect to the Initial Registration Statement or the New Registration Statement, the earlier of (i) the 120th calendar day following the Closing Date (or the 150th calendar day following the Closing Date in the event that such registration statement is subject to review by the SEC) and (ii) the 5th Trading Day after the date the Company is notified (orally or in writing, whichever is earlier) by the SEC that such Registration

Statement will not be “reviewed” or will not be subject to further review; provided, however, that if the Effectiveness Deadline falls on a Saturday, Sunday or other day that the SEC is closed for business, the Effectiveness Deadline will be extended to the next Business Day on which the SEC is open for business.

“Effectiveness Period” has the meaning set forth in [Section 2\(b\)](#).

“Exchange Act” means the Securities Exchange Act of 1934, as amended, and any successor statute thereto, and the rules and regulations of the SEC promulgated thereunder.

“Filing Deadline” means, with respect to the Initial Registration Statement required to be filed under [Section 2\(a\)](#), the 60th calendar day following the Closing Date; provided, however, that if the Filing Deadline falls on a Saturday, Sunday or other day that the SEC is closed for business, the Filing Deadline will be extended to the next Business Day on which the SEC is open for business.

“FINRA” means the Financial Industry Regulatory Authority, Inc.

“Grace Period” has the meaning set forth in [Section 2\(d\)](#).

“Holder” or “Holders” means the Purchasers and permitted assignees of the Purchasers under the Agreement, in each case to the extent that they continue to hold Registrable Securities.

“Indemnified Party” has the meaning set forth in [Section 5\(c\)](#).

“Indemnifying Party” has the meaning set forth in [Section 5\(c\)](#).

“Initial Registration Statement” has the meaning set forth in [Section 2\(a\)](#).

“Losses” has the meaning set forth in [Section 5\(a\)](#).

“New Registration Statement” has the meaning set forth in [Section 2\(a\)](#).

“Person” means an individual, a corporation (whether or not for profit), a partnership, a limited liability company, a joint venture, an association, a trust, an unincorporated organization, a government or any department or agency thereof (including a governmental agency) or any other entity or organization.

“Principal Market” means the Trading Market on which the Common Stock is primarily listed on and quoted for trading, which, as of the Closing Date, is the Nasdaq Global Select Market.

“Proceeding” means an action, claim, suit, investigation or proceeding (including, without limitation, an investigation or partial proceeding, such as a deposition), whether commenced or threatened.

“Prospectus” means the prospectus included in a Registration Statement (including, without limitation, a prospectus that includes any information previously omitted from a prospectus filed as part of an effective registration statement in reliance upon Rule 430A promulgated under the Securities Act), as amended or supplemented by any prospectus supplement, with respect to the offering of any portion of the Registrable Securities covered by a Registration Statement, and all other amendments and supplements to the Prospectus, including post-effective amendments, and all material incorporated by reference or deemed to be incorporated by reference in such Prospectus.

“Purchase Agreement” has the meaning set forth in the Preamble.

“Purchaser” or “Purchasers” has the meaning set forth in the Preamble.

“Registrable Securities” means, as of any date of determination, all of the Shares, and any other securities issued or issuable with respect to any such Shares by way of share split, share dividend, distribution, recapitalization,

merger, exchange, replacement or similar event or otherwise; provided, however, that any such securities will cease to be Registrable Securities (and the Company will not be required to maintain the effectiveness of any Registration Statement hereunder with respect thereto) upon the earliest to occur of the date: (i) such securities are sold or otherwise transferred under an effective registration statement under the Securities Act, (ii) such securities cease to be outstanding, (iii) such securities are transferred in a transaction in which the Purchaser's rights under this Agreement are not assigned to the transferee of the securities, (iv) such securities are sold in accordance with Rule 144, and (v) such securities become eligible for resale without volume or manner-of-sale restrictions under Rule 144 (or any successor rule then in effect) and without the requirement for the Company to be in compliance with the current public information requirement under Rule 144.

"Registration Statements" means any one or more registration statements of the Company filed under the Securities Act that covers the resale of any of the Registrable Securities in accordance with the provisions of this Agreement (including without limitation the Initial Registration Statement, the New Registration Statement and any Remainder Registration Statements), amendments and supplements to such Registration Statements, including post-effective amendments, all exhibits and all material incorporated by reference or deemed to be incorporated by reference in such Registration Statements.

"Remainder Registration Statement" has the meaning set forth in Section 2(a).

"Rule 144" means Rule 144 promulgated under the Securities Act and any successor provision.

"Rule 415" means Rule 415 promulgated under the Securities Act and any successor provision.

"Rule 424" means Rule 424 promulgated under the Securities Act and any successor provision.

"SEC" means the U.S. Securities and Exchange Commission.

"SEC Guidance" means (i) any publicly-available written or oral guidance, comments, requirements or requests of the SEC staff and (ii) the Securities Act.

"Securities Act" means the Securities Act of 1933, as amended, and any successor statute thereto, and the rules and regulations of the SEC promulgated thereunder.

"Selling Stockholder Questionnaire" means a questionnaire in the form attached as Annex B, or such other form of questionnaire as may reasonably be adopted by the Company from time to time.

"Shares" means the shares of Common Stock issued or issuable to the Purchasers under the Purchase Agreement.

"Trading Day" means (i) a day on which the Common Stock is listed or quoted and traded on its Principal Trading Market, or (ii) if the Common Stock is not listed on a Trading Market, a day on which the Common Stock is quoted in the over-the-counter market as reported in the "pink sheets" by OTC Markets Group Inc. (or any similar organization or agency succeeding to its functions of reporting prices); provided, however, that in the event that the Common Stock is not listed or quoted as set forth in clause (i) or (ii) above, then Trading Day will mean a Business Day.

"Trading Market" means whichever of the New York Stock Exchange, the NYSE MKT, the NASDAQ Global Select Market, the NASDAQ Global Market, the NASDAQ Capital Market or the applicable OTC Markets Group Inc. tier on which the Common Stock is listed or quoted for trading on the date in question.

2. Registration.

- (a) On or prior to the Filing Deadline, the Company will prepare and file with the SEC a Registration Statement covering the resale of all of the Registrable Securities not already covered by an existing and effective

Registration Statement for an offering to be made on a continuous basis under Rule 415 or, if Rule 415 is not available for offers and sales of the Registrable Securities, by such other means of distribution of Registrable Securities as the Company may reasonably determine (the "Initial Registration Statement"). The Initial Registration Statement will be on Form S-3 (except if the Company is then ineligible to register for resale of the Registrable Securities on Form S-3, in which case such registration will be on such other form available to the Company to register for resale of the Registrable Securities as a secondary offering) and will contain (except if otherwise required in accordance with written comments received from the SEC upon a review of such Registration Statement) the "Plan of Distribution" section substantially in the form attached as Annex A, or such other reasonable method of distribution elected by the Holders. Notwithstanding the registration obligations set forth in this Section 2, in the event the SEC informs the Company that all of the Registrable Securities cannot, as a result of the application of Rule 415, be registered for resale as a secondary offering on a single registration statement, the Company will promptly (i) inform each of the Holders thereof and use its commercially reasonable efforts to file amendments to the Initial Registration Statement as required by the SEC and/or (ii) withdraw the Initial Registration Statement and file a new registration statement (a "New Registration Statement"), in either case covering the maximum number of Registrable Securities permitted to be registered by the SEC, on Form S-3 or such other form available to the Company to register for resale the Registrable Securities as a secondary offering; *provided, however*, that prior to filing such amendment or New Registration Statement, the Company will be obligated to use its commercially reasonable efforts to advocate with the SEC for the registration of all of the Registrable Securities in accordance with the SEC Guidance, including without limitation, Compliance and Disclosure Interpretation 612.09. Notwithstanding any other provision of this Agreement, if any SEC Guidance sets forth a limitation of the number of Registrable Securities or other shares of Common Stock permitted to be registered on a particular Registration Statement as a secondary offering (and notwithstanding that the Company used diligent efforts to advocate with the SEC for the registration of all or a greater number of Registrable Securities), the number of Registrable Securities or other shares of Common Stock to be registered on such Registration Statement will be reduced on a pro rata basis. In the event the Company amends the Initial Registration Statement or files a New Registration Statement, as the case may be, under clauses (i) or (ii) above, the Company will use its commercially reasonable efforts to file with the SEC, as promptly as allowed by the SEC or SEC Guidance provided to the Company or to registrants of securities in general, one or more registration statements on Form S-3 or such other form available to the Company to register for resale those Registrable Securities that were not registered for resale on the Initial Registration Statement, as amended, or the New Registration Statement (the "Remainder Registration Statements"). No Holder will be named as an "underwriter" in any Registration Statement without such Holder's prior written consent.

(b) The Company will use its commercially reasonable efforts to cause each Registration Statement to be declared effective by the SEC as soon as practicable and, with respect to the Initial Registration Statement or the New Registration Statement, as applicable, no later than the Effectiveness Deadline, and will use its commercially reasonable efforts to keep each Registration Statement continuously effective under the Securities Act with respect to a Holder until the date upon which such Holder no longer holds any Registrable Securities (the "Effectiveness Period"). The Company will request effectiveness of a Registration Statement as of 5:00 p.m. New York City time on a Trading Day. The Company will promptly notify the Holders via facsimile or electronic mail of a "pdf" format data file of the effectiveness of a Registration Statement within one Business Day of the Effective Date. The Company will, by 9:30 a.m. New York City time on the first Trading Day after the Effective Date, file a final Prospectus with the SEC, as required by Rule 424(b).

(c) Each Holder will to furnish to the Company a completed Selling Stockholder Questionnaire not more than ten Trading Days following the date of this Agreement. At least five Trading Days prior to the first anticipated filing date of a Registration Statement for any registration under this Agreement, the Company will notify each Holder of the information the Company requires from that Holder other than the information contained in the Selling Stockholder Questionnaire, if any, which will be completed and delivered to the Company promptly upon request and, in any event, within two Trading Days prior to the applicable anticipated filing date. Each Holder further agrees that it will not be entitled to be named as a selling securityholder in the Registration Statement or use the Prospectus for offers and resales of Registrable Securities at any time, unless such Holder has returned to the Company a completed and signed Selling Stockholder Questionnaire and a response to any requests for further information as described in the previous sentence. If a Holder of Registrable Securities returns a Selling Stockholder Questionnaire or a request for further information, in either case, after its respective deadline, the Company will use its commercially reasonable efforts at the expense of the Holder who failed to return the Selling Stockholder Questionnaire or to respond for further information to take such

actions as are required to name such Holder as a selling security holder in the Registration Statement or any pre-effective or post-effective amendment thereto and to include (to the extent not theretofore included) in the Registration Statement the Registrable Securities identified in such late Selling Stockholder Questionnaire or request for further information. Each Holder acknowledges and agrees that the information in the Selling Stockholder Questionnaire or request for further information as described in this Section 2(c) will be used by the Company in the preparation of the Registration Statement and consents to the inclusion of such information in the Registration Statement.

(d) Notwithstanding anything to the contrary herein, at any time after the Registration Statement has been declared effective by the SEC, the Company may delay the disclosure of material non-public information concerning the Company if the disclosure of such information at the time is not, in the good faith judgment of the Company, in the best interests of the Company (a "Grace Period"); provided, however, the Company will promptly (i) notify the Holders in writing of the existence of material non-public information giving rise to a Grace Period (provided that the Company will not disclose the content of such material non-public information to the Holders) or the need to file a post-effective amendment, as applicable, and the date on which such Grace Period will begin, (ii) use reasonable best efforts to terminate a Grace Period as promptly as practicable and (iii) notify the Holders in writing of the date on which the Grace Period ends; provided, further, that no single Grace Period will exceed 30 consecutive days, and during any 365-day period, the aggregate of all Grace Periods will not exceed an aggregate of 60 days (each Grace Period complying with this provision being an "Allowable Grace Period"). For purposes of determining the length of a Grace Period, the Grace Period will be deemed to begin on and include the date the Holders receive the notice referred to in clause (i) above and will end on and include the later of the date the Holders receive the notice referred to in clause (iii) above and the date referred to in such notice; provided, however, that no Grace Period will be longer than an Allowable Grace Period. Notwithstanding anything to the contrary, the Company will cause the Transfer Agent to deliver unlegended Common Stock to a transferee of a Holder in accordance with the terms of the Purchase Agreement in connection with any sale of Registrable Securities with respect to which a Holder has entered into a contract for sale prior to the Holder's receipt of the notice of a Grace Period and for which the Holder has not yet settled.

(e) In the event that Form S-3 is not available for the registration of the resale of Registrable Securities hereunder, the Company will (i) use commercially reasonable efforts to register the resale of the Registrable Securities on another appropriate form and (ii) undertake to use commercially reasonable efforts to register the Registrable Securities on Form S-3 promptly after such form is available; provided, however, that the Company will use commercially reasonable efforts to maintain the effectiveness of the Registration Statement then in effect until such time as a Registration Statement on Form S-3 covering the Registrable Securities has been declared effective by the SEC.

3. Registration Procedures

The following procedures will apply in connection with the registration obligations set forth under this Agreement:

(a) Not less than three Trading Days prior to the filing of a Registration Statement and not less than one Trading Day prior to the filing of any related Prospectus or any amendment or supplement thereto (except for Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K and any similar or successor reports), the Company will, furnish to the Holder copies of such Registration Statement, Prospectus or amendment or supplement thereto, as proposed to be filed, which documents will be subject to the review of such Holder (it being acknowledged and agreed that if a Holder does not object to or comment on the aforementioned documents within such three Trading Day or one Trading Day period, as the case may be, then the Holder will be deemed to have consented to and approved the use of such documents). The Company will not file any Registration Statement or amendment or supplement thereto in a form to which a Holder reasonably objects in good faith, provided that the Company is notified of such objection in writing within the three Trading Day or one Trading Day period described above, as applicable.

(b) The Company will prepare and file with the SEC such amendments (including post-effective amendments) and supplements, to each Registration Statement and the Prospectus used in connection therewith as may be necessary to keep such Registration Statement continuously effective as to the applicable Registrable Securities for its Effectiveness Period (except during an Allowable Grace Period).

(c) The Company will respond as promptly as reasonably practicable to any comments received from the SEC with respect to each Registration Statement or any amendment thereto and, as promptly as reasonably possible, provide the Holders true and complete copies of all correspondence from and to the SEC relating to such Registration Statement that pertains to the Holders as "Selling Stockholders" but not any comments that would result in the disclosure to the Holders of material and non-public information concerning the Company.

(d) The Company will comply with the provisions of the Securities Act and the Exchange Act with respect to the disposition of all Registrable Securities covered by a Registration Statement until such time as all of such Registrable Securities will have been disposed of (subject to the terms of this Agreement) in accordance with the intended methods of disposition by the Holders thereof as set forth in such Registration Statement as so amended or in such Prospectus as so supplemented; provided, however, that each Purchaser will be responsible for the delivery of the Prospectus to the Persons to whom such Purchaser sells any of the Registrable Securities in accordance with Rule 172 under the Securities Act, and each Purchaser will dispose of Registrable Securities in compliance with the plan of distribution described in the Registration Statement and otherwise in compliance with applicable federal and state securities laws.

(e) The Company will notify the Holders as promptly as reasonably practicable (i) when the Prospectus or any Prospectus supplement or post-effective amendment has been filed and, with respect to such Registration Statement or any post-effective amendment, when the same has become effective, (ii) of any request by the SEC or other federal or state governmental authority for amendments or supplements to such Registration Statement or related Prospectus or to amend or to supplement such Prospectus or for additional information, (iii) of the issuance by the SEC or any other federal or state governmental authority of any stop order suspending the effectiveness of a Registration Statement covering any or all of the Registrable Securities or the initiation of any proceedings for that purpose; (iv) of the receipt by the Company of any notification with respect to the suspension of the qualification or exemption from qualification of any of the Registrable Securities for sale in any jurisdiction, or the initiation or threatening of any proceeding for such purpose; and (v) of the occurrence of any event or passage of time that makes the financial statements included in a Registration Statement ineligible for inclusion therein or any statement made in such Registration Statement or Prospectus or any document incorporated or deemed to be incorporated therein by reference untrue in any material respect or that requires any revisions to such Registration Statement, Prospectus or other documents so that, in the case of such Registration Statement or the Prospectus, as the case may be, it will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein (in the case of any Prospectus, form of prospectus or supplement thereto, in light of the circumstances under which they were made), not misleading. Each Holder agrees that, upon receipt of a notice from the Company of the occurrence of any event of the kind described in clauses (ii)-(v), such Holder will discontinue disposition of such Registrable Securities under a Registration Statement until it is advised in writing (the "Advice") by the Company that the use of the applicable Prospectus (as it may have been supplemented or amended) may be resumed. The Company may provide appropriate stop orders to enforce the provisions of this paragraph.

(f) The Company will use commercially reasonable efforts to avoid the issuance of, or, if issued, obtain the withdrawal of (i) any order suspending the effectiveness of a Registration Statement, or (ii) any suspension of the qualification (or exemption from qualification) of any of the Registrable Securities for sale in any jurisdiction, as soon as practicable.

(g) The Company will, if requested by a Holder, furnish to such Holder, without charge, at least one conformed copy of each Registration Statement and each amendment thereto and all exhibits to the extent requested by such Person (including those previously furnished or incorporated by reference) promptly after the filing of such documents with the SEC; provided, however, that the Company will have no obligation to provide any document under this clause that is available on the SEC's EDGAR system.

(h) The Company will, prior to any resale of Registrable Securities by a Holder, use its commercially reasonable efforts to register or qualify or cooperate with the selling Holders in connection with the registration or qualification (or exemption from the registration or qualification) of such Registrable Securities for the resale by the Holder under the securities or Blue Sky laws of such jurisdictions within the United States as any Holder reasonably requests in writing, to keep each registration or qualification (or exemption therefrom) effective during the Effectiveness

Period and to do any and all other acts or things reasonably necessary to enable the disposition in such jurisdictions of the Registrable Securities covered by each Registration Statement; provided, however, that the Company will not be required to qualify generally to do business in any jurisdiction where it is not then so qualified, subject the Company to any material tax in any such jurisdiction where it is not then so subject or file a general consent to service of process in any such jurisdiction.

(i) The Company will cooperate with the Holders to facilitate the timely preparation and delivery of certificates representing Registrable Securities to be delivered to a transferee under the Registration Statement, which certificates will be free, to the extent permitted by the Purchase Agreement and under law, of all restrictive legends, and to enable such Registrable Securities to be in such denominations and registered in such names as any such Holders may reasonably request. Certificates for Registrable Securities free from all restrictive legends may be transmitted by the transfer agent to a Holder or transferee by crediting the account of such Person's prime broker with DTC as directed by such Holder.

(j) The Company will following the occurrence of any event contemplated by Section 3(e)(ii)-(v), as promptly as reasonably practicable (taking into account the Company's good faith assessment of any adverse consequences to the Company and its stockholders of the premature disclosure of such event), prepare and file a supplement or amendment, including a post-effective amendment, to the affected Registration Statements or a supplement to the related Prospectus or any document incorporated or deemed to be incorporated therein by reference, and file any other required document so that, as thereafter delivered, no Registration Statement nor any Prospectus will contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein (in the case of any Prospectus, form of prospectus or supplement thereto, in light of the circumstances under which they were made), not misleading.

(k) The Company may require each selling Holder to furnish to the Company a certified statement as to the number of shares of Common Stock beneficially owned by such Holder and any Affiliate thereof, any FINRA affiliations, any natural persons who have the power to vote or dispose of the Common Stock, including the Registrable Securities, and any other information as may be requested by the SEC, FINRA or any state securities commission. If any Holder fails to furnish such information within three Trading Days of the Company's request, the Company's obligations with respect to the registration of Registrable Securities will be tolled until the third Business Day following the date on which such information is delivered to the Company.

(l) The Company will cooperate with any registered broker through which a Holder proposes to resell its Registrable Securities in effecting a filing with FINRA under FINRA Rule 5110 as requested by any such Holder and the Company will pay the filing fee required for the first such filing within two Business Days of the request therefor.

(m) Provided the Company is eligible to use Form S-3 as of the date of this Agreement or becomes eligible to use Form S-3 during the term of this Agreement, the Company will use its commercially reasonable efforts to maintain eligibility for use of Form S-3 (or any successor form thereto) for the registration of the resale of Registrable Securities.

(n) If requested by a Holder, the Company will promptly incorporate in a Prospectus supplement or post-effective amendment to the Registration Statement such information as the Company reasonably agrees should be included therein and make all required filings of such Prospectus supplement or such post-effective amendment as soon as reasonably practicable after the Company has received notification of the matters to be incorporated in such Prospectus supplement or post-effective amendment.

4. Registration Expenses.

All fees and expenses incident to the Company's performance of or compliance with its obligations under this Agreement (excluding any underwriting discounts and selling commissions and all legal fees and expenses of legal counsel for any Holder) will be borne by the Company whether or not any Registrable Securities are sold under a Registration Statement. The fees and expenses referred to in the foregoing sentence consist of (i) registration and filing fees, (ii) printing expenses, if the printing of Prospectuses is reasonably requested by the holders of a majority of the

Registrable Securities included in the Registration Statement, (iii) messenger, telephone and delivery expenses, (iv) fees and disbursements of counsel for the Company, (v) Securities Act liability insurance, if the Company so desires such insurance, and (vi) fees and expenses of all other Persons retained by the Company in connection with the consummation of the transactions contemplated hereby; provided, however, that such expenses will not include any underwriting and placement discounts and commissions, agency and placement fees, brokers' commissions and transfer taxes, if any, relating to the sale or disposition of any Registrable Securities, as well as any other legal expenses or other costs incurred by such Holders in connection with the transactions contemplated hereby.

5. Indemnification.

(a) Indemnification by the Company. The Company will, notwithstanding any termination of this Agreement, indemnify, defend and hold harmless each Holder, the officers, directors, agents, partners, members, managers, stockholders, Affiliates, investment advisers and employees of each of them, each Person who controls any such Holder (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act) and the officers, directors, partners, members, managers, stockholders, agents, investment advisers and employees of each such controlling Person, to the fullest extent permitted by applicable law, from and against any and all losses, claims, damages, liabilities, costs (including, without limitation, reasonable costs of preparation and investigation and reasonable attorneys' fees) and expenses (collectively, "Losses"), as incurred, that arise out of or are based upon any untrue or alleged untrue statement of a material fact contained in any Registration Statement, any Prospectus or any form of prospectus or in any amendment or supplement thereto or in any preliminary prospectus, or arising out of or relating to any omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein (in the case of any Prospectus or form of prospectus or supplement thereto, in light of the circumstances under which they were made) not misleading, except to the extent, but only to the extent, that (i) such untrue statements, alleged untrue statements, omissions or alleged omissions are based solely upon information regarding such Holder furnished in writing to the Company by such Holder expressly for use therein, or to the extent that such information relates to such Holder or such Holder's proposed method of distribution of Registrable Securities and was reviewed and approved by such Holder expressly for use in the Registration Statement, such Prospectus or such form of Prospectus or in any amendment or supplement thereto (it being understood that each Holder has approved Annex A for this purpose), or (ii) in the case of an occurrence of an event of the type specified in Section 3(e)(ii)-(iv), related to the use by a Holder of an outdated or defective Prospectus after the Company has notified such Holder in writing that the Prospectus is outdated or defective and prior to the receipt by such Holder of the Advice contemplated in Section 3(e), but only if and to the extent that following the receipt of the Advice the misstatement or omission giving rise to such Loss would have been corrected. The Company will notify the Holders promptly of the institution, threat or assertion of any Proceeding arising from or in connection with the transactions contemplated by this Agreement of which the Company is aware. Such indemnity will remain in full force and effect regardless of any investigation made by or on behalf of an Indemnified Party and will survive the transfer of the Registrable Securities by the Holders.

(b) Indemnification by Holders. Each Holder will, severally and not jointly, indemnify and hold harmless the Company, its directors, officers, agents and employees, each Person who controls the Company (within the meaning of Section 15 of the Securities Act and Section 20 of the Exchange Act), and the directors, officers, agents or employees of such controlling Persons, to the fullest extent permitted by applicable law, from and against all Losses, as incurred, arising out of or are based upon any untrue or alleged untrue statement of a material fact contained in any Registration Statement, any Prospectus, or any form of prospectus, or in any amendment or supplement thereto or in any preliminary prospectus, or arising out of or relating to any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein (in the case of any Prospectus, or any form of prospectus or supplement thereto, in light of the circumstances under which they were made) not misleading (i) to the extent, but only to the extent, that such untrue statements or omissions are based solely upon information regarding such Holder furnished in writing to the Company by such Holder expressly for use therein or (ii) to the extent, but only to the extent, that such information relates to such Holder or such Holder's proposed method of distribution of Registrable Securities and was reviewed and approved by such Holder expressly for use in a Registration Statement (it being understood that the Holder has approved Annex A for this purpose), such Prospectus or such form of Prospectus or in any amendment or supplement thereto or (iii) in the case of an occurrence of an event of the type specified in Section 3(e)(iii)-(v), to the extent, but only to the extent, related to the use by such Holder of an outdated or defective Prospectus after the Company has notified such Holder in writing that the Prospectus is outdated or defective and prior to the receipt by

such Holder of the Advice contemplated in Section 3(e), but only if and to the extent that following the receipt of the Advice the misstatement or omission giving rise to such Loss would have been corrected. In no event will the liability of any selling Holder hereunder be greater in amount than the dollar amount of the net proceeds received by such Holder upon the sale of the Registrable Securities giving rise to such indemnification obligation.

(c) Conduct of Indemnification Proceedings. If any Proceeding will be brought or asserted against any Person entitled to indemnity hereunder (an "Indemnified Party"), such Indemnified Party will promptly notify the Person from whom indemnity is sought (the "Indemnifying Party") in writing, and the Indemnifying Party will have the right to assume the defense thereof, including the employment of counsel reasonably satisfactory to the Indemnified Party and the payment of all reasonable fees and expenses incurred in connection with defense thereof; provided, however, that the failure of any Indemnified Party to give such notice will not relieve the Indemnifying Party of its obligations or liabilities under this Agreement, except to the extent that it will be finally determined by a court of competent jurisdiction (which determination is not subject to appeal or further review) that such failure will have materially and adversely prejudiced the Indemnifying Party.

An Indemnified Party will have the right to employ separate counsel in any such Proceeding and to participate in the defense thereof, but the fees and expenses of such counsel will be at the expense of such Indemnified Party or Parties unless: (i) the Indemnifying Party has agreed in writing to pay such fees and expenses; (ii) the Indemnifying Party will have failed promptly to assume the defense of such Proceeding and to employ counsel reasonably satisfactory to such Indemnified Party in any such Proceeding; or (iii) the named parties to any such Proceeding (including any impleaded parties) include both such Indemnified Party and the Indemnifying Party, and such Indemnified Party will have been advised by counsel that a conflict of interest exists if the same counsel were to represent such Indemnified Party and the Indemnifying Party; provided, however, that the Indemnifying Party will not be liable for the fees and expenses of more than one separate firm of attorneys at any time for all Indemnified Parties. The Indemnifying Party will not be liable for any settlement of any such Proceeding effected without its written consent, which consent will not be unreasonably withheld, delayed or conditioned. No Indemnifying Party will, without the prior written consent of the Indemnified Party, effect any settlement of any pending Proceeding in respect of which any Indemnified Party is a party, unless such settlement includes an unconditional release of such Indemnified Party from all liability on claims that are the subject matter of such Proceeding.

Subject to the terms of this Agreement, all fees and expenses of the Indemnified Party (including reasonable fees and expenses to the extent incurred in connection with investigating or preparing to defend such Proceeding in a manner not inconsistent with this Section 5(c)) will be paid to the Indemnified Party, as incurred, within 20 Trading Days of written notice thereof to the Indemnifying Party; provided, however, that the Indemnified Party will promptly reimburse the Indemnifying Party for that portion of such fees and expenses applicable to such actions for which such Indemnified Party is finally judicially determined to not be entitled to indemnification hereunder.

(d) Contribution. If a claim for indemnification under Section 5(a) or Section 5(b) is unavailable to an Indemnified Party or insufficient to hold an Indemnified Party harmless for any Losses, then each Indemnifying Party, in lieu of indemnifying such Indemnified Party, will contribute to the amount paid or payable by such Indemnified Party as a result of such Losses, in such proportion as is appropriate to reflect the relative fault of the Indemnifying Party and Indemnified Party in connection with the actions, statements or omissions that resulted in such Losses as well as any other relevant equitable considerations. The relative fault of such Indemnifying Party and Indemnified Party will be determined by reference to, among other things, whether any action in question, including any untrue or alleged untrue statement of a material fact or omission or alleged omission of a material fact, has been taken or made by, or relates to information supplied by, such Indemnifying Party or Indemnified Party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such action, statement or omission. The amount paid or payable by a party as a result of any Losses will be deemed to include, subject to the limitations set forth in this Agreement, any reasonable attorneys' or other reasonable fees or expenses incurred by such party in connection with any Proceeding to the extent such party would have been indemnified for such fees or expenses if the indemnification provided for in this Section 5 was available to such party in accordance with its terms.

The parties hereto agree that it would not be just and equitable if contribution under this Section 5(d) were determined by pro rata allocation or by any other method of allocation that does not take into account the equitable

considerations referred to in the immediately preceding paragraph. Notwithstanding the provisions of this Section 5(d), no Holder will be required to contribute, in the aggregate, any amount in excess of the amount by which the net proceeds actually received by such Holder from the sale of the Registrable Securities subject to the Proceeding exceeds the amount of any damages that such Holder has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) will be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation.

The indemnity and contribution agreements contained in this Section 5 are in addition to any liability that the Indemnifying Parties may have to the Indemnified Parties and are not in diminution or limitation of the indemnification provisions under the Purchase Agreement.

6. Miscellaneous.

(a) Remedies. The parties agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms. It is accordingly agreed that the parties will be entitled to seek specific performance of the terms hereof, this being in addition to any other remedies to which they are entitled at law or equity.

(b) Compliance. Each Holder covenants and agrees that it will comply with the prospectus delivery requirements of the Securities Act as applicable to it (unless an exemption therefrom is available) in connection with sales of Registrable Securities under a Registration Statement and will sell the Registrable Securities only in accordance with a method of distribution described in the Registration Statement.

(c) Amendments and Waivers. No provision of this Agreement may be amended, modified or supplemented, or waived except in writing and signed by the Company and Holders holding at least two-thirds of the then outstanding Registrable Securities; provided, however, that any party may give a waiver as to itself. Notwithstanding the foregoing, a waiver or consent to depart from the provisions hereof with respect to a matter that relates exclusively to the rights of Holders and that does not directly or indirectly affect the rights of other Holders may be given by Holders of all of the Registrable Securities to which such waiver or consent relates.

(d) Notices. Any notices, requests, instructions and other communications required or permitted to be provided hereunder will be delivered as set forth in the Purchase Agreement; provided, however, that all documents required to be delivered to a Holder under Section 3(a) hereof may be delivered to the Holder by e-mail to the e-mail address(es) provided by such Holder to the Company solely for such specific purpose.

(e) Successors and Assigns. This Agreement will inure to the benefit of and be binding upon the successors and permitted assigns of each of the parties and will inure to the benefit of each Holder. The Company may not assign its rights, except by merger or in connection with another entity acquiring all or substantially all of the Company's assets, or obligations hereunder without the prior written consent of all the Holders of the then outstanding Registrable Securities. Each Holder may assign its respective rights hereunder only in the manner as permitted under the Purchase Agreement.

(f) Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered will be deemed to be an original and all of which taken together will constitute but one and the same instrument. In the event that any signature is delivered by facsimile transmission, or by e-mail delivery of a ".pdf" format data file, such signature will create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile signature page were an original thereof.

(g) Governing Law. All questions concerning the construction, validity, enforcement and interpretation of this Agreement will be determined in accordance with the provisions of the Purchase Agreement.

(h) Cumulative Remedies. The remedies provided herein are cumulative and not exclusive of any other remedies provided by law.

(i) Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein will remain in full force and effect and will in no way be affected, impaired or invalidated, and the parties will use their good faith reasonable efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction.

(j) Interpretation. When a reference is made in this Agreement to a Section or Annex, such reference is to a Section or Annex of this Agreement unless otherwise indicated. Any statute, rule or regulation defined or referred to in this Agreement means such statute, rule or regulation as of the date of this Agreement as the same may be amended from time to time. The words "hereof," "herein" and "hereunder" and words of similar import when used in this Agreement refer to this Agreement as a whole and not to any particular provision of the Agreement. All headings and subheadings used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement. Whenever the context may require, any pronoun includes the corresponding masculine, feminine, and neuter forms. Further, the parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement will be construed as if drafted jointly by the parties hereto, and no presumption or burden of proof will arise favoring or disfavoring any party hereto by virtue of the authorship of any provisions of this Agreement.

(k) No Third Party Beneficiary. This Agreement is made for the sole benefit of Company and the Holders, and no other Person will be deemed to have any privity of contract hereunder nor any right to rely hereon to any extent or for any purpose whatsoever, nor will any other Person have any right of action of any kind hereon or be deemed to be a third party beneficiary hereunder.

(l) Independent Nature of Holders' Obligations and Rights. The obligations of a Holder under this Agreement are several and not joint with the obligations of any other Holder, and no Holder will be responsible in any way for the performance of the obligations of any other Holder under the Agreement. Nothing contained in this Agreement, and no action taken by any Holder in accordance herewith, will be deemed to constitute the Holders as a partnership, an association, a joint venture or any other kind of entity, or create a presumption that the Holders are in any way acting in concert or as a group with respect to such obligations or the transactions contemplated by the Agreement. Each Holder will be entitled to independently protect and enforce its rights, including without limitation the rights arising out of this Agreement, and it will not be necessary for any other Holder to be joined as an additional party in any proceeding for such purpose.

(m) Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and may not be modified or amended in any manner other than by supplemental written agreement executed by the parties hereto as set forth herein. No party, in entering into this Agreement, has relied upon any representation, warranty, covenant, condition or other term that is not set forth in this Agreement.

(n) Expenses. Except as set forth in Section 4, all fees, costs, and expenses incurred in connection with this Agreement and the transactions contemplated hereby, including accounting and legal fees, will be paid by the party incurring such expenses.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by its duly authorized representative as of the date first above written.

COMPANY:

INVESTAR HOLDING CORPORATION

By:

John J. D'Angelo
President and Chief Executive Officer

IN WITNESS WHEREOF, the Purchaser has caused this Agreement to be executed by its duly authorized representative as of the date first above written.

PURCHASER:

[]

By:

Name:
Title:

PLAN OF DISTRIBUTION

We are registering the shares of our common stock issued to the selling stockholders named herein to permit the resale of those shares by the holders of such shares from time to time after the date of this prospectus. We will not receive any of the proceeds from the sale of shares of our common stock by the selling stockholders. We will bear all fees and expenses incident to our obligation to register the common stock.

The selling stockholders may sell all or a portion of the common stock beneficially owned by them and offered hereby from time to time directly or through one or more underwriters, broker-dealers or agents. If the common stock is sold through underwriters or broker-dealers, the selling stockholders will be responsible for underwriting discounts or commissions or agent's commissions. The common stock may be sold on any national securities exchange or quotation service on which the securities may be listed or quoted at the time of sale, in the over-the-counter market or in transactions otherwise than on these exchanges or systems or in the over-the-counter market and in one or more transactions at fixed prices, at prevailing market prices at the time of the sale, at varying prices determined at the time of sale, or at negotiated prices. These sales may be effected in transactions, which may involve crosses or block transactions. The selling stockholders may use any one or more of the following methods when selling common stock:

- ordinary brokerage transactions and transactions in which the broker-dealer solicits purchasers;
- block trades in which the broker-dealer will attempt to sell the shares as agent but may position and resell a portion of the block as principal to facilitate the transaction;
- purchases by a broker-dealer as principal and resale by the broker-dealer for its account;
- an exchange distribution in accordance with the rules of the applicable exchange;
- privately negotiated transactions;
- settlement of short sales entered into after the effective date of the registration statement of which this prospectus is a part;
- broker-dealers may agree with the selling stockholders to sell a specified number of such securities at a stipulated price per share;
- through the writing or settlement of options or other hedging transactions, whether such options are listed on an options exchange or otherwise;
- a combination of any such methods of sale; and
- any other method permitted under applicable law.

The selling stockholders also may resell all or a portion of the common stock in open market transactions in reliance upon Rule 144 under the Securities Act, as permitted by that rule, or Section 4(a)(1) under the Securities Act, if available, rather than under this prospectus, provided that they meet the criteria and conform to the requirements of those provisions.

Broker-dealers engaged by the selling stockholders may arrange for other broker-dealers to participate in sales. If the selling stockholders effect such transactions by selling shares of our common stock to or through underwriters, broker-dealers or agents, such underwriters, broker-dealers or agents may receive commissions in the form of discounts, concessions or commissions from the selling stockholders or commissions from purchasers of the common stock for whom they may act as agent or to whom they may sell as principal. Such commissions will be in amounts to be

negotiated, but, except as set forth in a supplement to this Prospectus, in the case of an agency transaction will not be in excess of a customary brokerage commission in compliance with FINRA Rule 2121.

In connection with sales of the common stock or otherwise, the selling stockholders may enter into hedging transactions with broker-dealers or other financial institutions, which may in turn engage in short sales of the common stock in the course of hedging in positions they assume. The selling stockholders may also sell common stock short and if such short sale will take place after the date that the Registration Statement of which this prospectus is a part is declared effective by the SEC, the selling stockholders may deliver common stock covered by this prospectus to close out short positions and to return borrowed shares in connection with such short sales. The selling stockholders may also loan or pledge common stock to broker-dealers that in turn may sell such shares, to the extent permitted by applicable law. The selling stockholders may also enter into option or other transactions with broker-dealers or other financial institutions or the creation of one or more derivative securities which require the delivery to such broker-dealer or other financial institution of shares offered by this prospectus, which shares such broker-dealer or other financial institution may resell pursuant to this prospectus (as supplemented or amended to reflect such transaction). Notwithstanding the foregoing, the selling stockholders have been advised that they may not use shares registered on this registration statement to cover short sales of our common stock made prior to the date the registration statement, of which this prospectus forms a part, has been declared effective by the SEC.

The selling stockholders may, from time to time, pledge or grant a security interest in some or all of the common stock owned by them and, if they default in the performance of their secured obligations, the pledgees or secured parties may offer and sell the common stock from time to time pursuant to this prospectus or any amendment to this prospectus under Rule 424(b)(3) or other applicable provision of the Securities Act of 1933, as amended, amending, if necessary, the list of selling stockholders to include the pledgee, transferee or other successors in interest as selling stockholders under this prospectus. The selling stockholders also may transfer and donate the common stock in other circumstances in which case the transferees, donees, pledgees or other successors in interest will be the selling beneficial owners for purposes of this prospectus.

The selling stockholders and any broker-dealer or agents participating in the distribution of the common stock may be deemed to be "underwriters" within the meaning of Section 2(11) of the Securities Act in connection with such sales. In such event, any commissions paid, or any discounts or concessions allowed to, any such broker-dealer or agent and any profit on the resale of the shares purchased by them may be deemed to be underwriting commissions or discounts under the Securities Act. Selling Stockholders who are "underwriters" within the meaning of Section 2(11) of the Securities Act will be subject to the applicable prospectus delivery requirements of the Securities Act and may be subject to certain statutory liabilities of, including but not limited to, Sections 11, 12 and 17 of the Securities Act and Rule 10b-5 under the Securities Exchange Act of 1934, as amended, or the Exchange Act.

Each selling stockholder has informed the Company that it is not a registered broker-dealer and does not have any written or oral agreement or understanding, directly or indirectly, with any person to distribute the common stock. Upon the Company being notified in writing by a selling stockholder that any material arrangement has been entered into with a broker-dealer for the sale of common stock through a block trade, special offering, exchange distribution or secondary distribution or a purchase by a broker or dealer, a supplement to this prospectus will be filed, if required, under Rule 424(b) under the Securities Act, disclosing (i) the name of each such selling stockholder and of the participating broker-dealer(s), (ii) the number of shares involved, (iii) the price at which such the common stock was sold, (iv) the commissions paid or discounts or concessions allowed to such broker-dealer(s), where applicable, (v) that such broker-dealer(s) did not conduct any investigation to verify the information set out or incorporated by reference in this prospectus, and (vi) other facts material to the transaction. In no event will any broker-dealer receive fees, commissions and markups, which, in the aggregate, would exceed 8.0%.

Under the securities laws of some states, the common stock may be sold in such states only through registered or licensed brokers or dealers. In addition, in some states the Common Stock may not be sold unless such shares have been registered or qualified for sale in such state or an exemption from registration or qualification is available and is complied with.

There can be no assurance that any selling stockholder will sell any or all of the common stock registered under the registration statement of which this prospectus forms a part.

Each selling stockholder and any other person participating in such distribution will be subject to applicable provisions of the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder, including, without limitation, to the extent applicable, Regulation M of the Exchange Act, which may limit the timing of purchases and sales of any of the common stock by the selling stockholder and any other participating person. To the extent applicable, Regulation M may also restrict the ability of any person engaged in the distribution of the common stock to engage in market-making activities with respect to the common stock. All of the foregoing may affect the marketability of the common stock and the ability of any person or entity to engage in market-making activities with respect to the common stock.

We will pay all expenses of the registration of the common stock under the registration rights agreement, including, without limitation, SEC filing fees and expenses of compliance with state securities or "blue sky" laws; provided, however, that each selling stockholder will pay all underwriting discounts and selling commissions, if any and any related legal expenses incurred by it. We will indemnify the selling stockholders against certain liabilities, including some liabilities under the Securities Act, in accordance with the registration rights agreement, or the selling stockholders will be entitled to contribution. We may be indemnified by the selling stockholders against civil liabilities, including liabilities under the Securities Act, that may arise from any written information furnished to us by the selling stockholders specifically for use in this prospectus, in accordance with the related registration rights agreements, or we may be entitled to contribution.

INVESTAR HOLDING CORPORATION
SELLING STOCKHOLDER NOTICE AND QUESTIONNAIRE

The undersigned holder of shares of common stock of Investar Holding Corporation, a Louisiana corporation (the "Company"), issued under that certain Securities Purchase Agreement by and among the Company and the Purchasers named therein, dated as of December 20, 2019, understands that the Company intends to file with the Securities and Exchange Commission a registration statement on Form S-3 (the "Resale Registration Statement") for the registration and the resale under Rule 415 of the Securities Act of 1933, as amended (the "Securities Act"), of the Registrable Securities in accordance with the terms of that certain Registration Rights Agreement by and among the Company and the Purchasers named therein, dated as of December 20, 2019 (the "Agreement"). All capitalized terms not otherwise defined herein will have the meanings ascribed thereto in the Agreement.

In order to sell or otherwise dispose of any Registrable Securities under the Resale Registration Statement, a holder of Registrable Securities generally will be required to be named as a selling stockholder in the related prospectus or a supplement thereto (as so supplemented, the "Prospectus"), deliver the Prospectus to purchasers of Registrable Securities (including under Rule 172 under the Securities Act) and be bound by the provisions of the Agreement (including certain indemnification provisions, as described below). Holders must complete and deliver this Notice and Questionnaire in order to be named as selling stockholders in the Prospectus. Holders of Registrable Securities who do not complete, execute and return this Notice and Questionnaire within 10 Trading Days following the date of the Agreement will not be named as selling stockholders in the Resale Registration Statement or the Prospectus and may not use the Prospectus for resales of Registrable Securities.

Certain legal consequences arise from being named as a selling stockholder in the Resale Registration Statement and the Prospectus. Holders of Registrable Securities are advised to consult their own securities law counsel regarding the consequences of being named or not named as a selling stockholder in the Resale Registration Statement and the Prospectus.

NOTICE

The undersigned holder (the "Selling Stockholder") of Registrable Securities hereby gives notice to the Company of its intention to sell or otherwise dispose of Registrable Securities owned by it and listed below in Item (3), unless otherwise specified in Item (3), under the Resale Registration Statement. The undersigned, by signing and returning this Notice and Questionnaire, understands and agrees that it will be bound by the terms and conditions of this Notice and Questionnaire and the Agreement.

The undersigned provides the following information to the Company and represents and warrants that such information is accurate and complete:

QUESTIONNAIRE

1. Name.

(a) Full legal name of Selling Stockholder:

(b) Full legal name of registered holder (if not the same as (a) above) of shares of the Company's common stock listed in Item 3 below:

(c) Full legal name of natural control person (which means a natural person who directly or indirectly alone or with others has power to vote or dispose of the shares of the Company's common stock covered by the questionnaire):

2. Contact information for notices to Selling Stockholder:

Address:

Telephone:

Fax:

Contact Person

Email Address for Contact Person

3. Beneficial Ownership of Registrable Securities:

(a) Type and number of shares of common stock beneficially owned:

(b) Number of shares of common stock to be registered under this Notice for resale:

4. Broker-Dealer Status:

(a) Are you a broker-dealer?

Yes No

(b) If "yes" to Section 4(a), did you receive your shares of the Company's common stock as compensation for investment banking services provided to the Company or any of its Affiliates?

Yes No

Note: If no, the SEC's staff has indicated that you should be identified as an underwriter in the Registration Statement.

(c) Are you an affiliate of a broker-dealer?

Yes No

Note: If yes, provide a narrative explanation below:

(c) If you are an affiliate of a broker-dealer, do you certify that you bought the shares of Company common stock in the ordinary course of business, and at the time of the purchase of the shares to be resold, you had no agreements or understandings, directly or indirectly, with any person to distribute the shares?

Yes No

Note: If no, the SEC's staff has indicated that you should be identified as an underwriter in the Registration Statement.

5. Beneficial Ownership of other Company Securities Owned by Selling Stockholder.

Except as set forth below in this Item 5, the undersigned is not the beneficial or registered owner of any securities of the Company other than the shares of common stock listed above in Item 3.

Type and amount of other securities beneficially owned:

6. Relationships with the Company:

Except as set forth below, neither the undersigned nor any of its Affiliates, officers, directors or principal equity holders (owners of 5% or more of the equity securities of the undersigned) has held any position or office or has had any other material relationship with the Company (or its predecessors or affiliates) during the past three years.

State any exceptions here:

7. Plan of Distribution:

The undersigned has reviewed the form of Plan of Distribution attached as Annex A to the Registration Rights Agreement, and hereby confirms that, except as set forth below, the information contained therein regarding the undersigned and its plan of distribution is correct and complete.

State any exceptions here:

By signing below, the undersigned consents to the disclosure of the information contained herein in its answers to Items (1) through (7) above and the inclusion of such information in the Resale Registration Statement and the Prospectus. The undersigned understands that such information will be relied upon by the Company in connection with the preparation or amendment of any such Registration Statement and the Prospectus. The undersigned will promptly notify the Company of any inaccuracies or changes in the information provided herein that may occur subsequent to the date hereof.

By signing below, the undersigned acknowledges that it understands its obligation to comply, and agrees that it will comply, with the provisions of the Exchange Act and the rules and regulations thereunder, particularly Regulation M in connection with any offering of shares of the Company's common stock under the Resale Registration Statement. The undersigned also acknowledges that it understands that the answers to this Questionnaire are furnished for use in connection with Registration Statements filed under the Registration Rights Agreement and any amendments or supplements thereto filed with the SEC under the Securities Act.

The undersigned confirms that, to the best of its knowledge and belief, the foregoing statements (including without limitation the answers to this Questionnaire) are correct.

IN WITNESS WHEREOF the undersigned, by authority duly given, has caused this Questionnaire to be executed and delivered either in person or by its duly authorized agent.

Dated: _____

Beneficial Owner: _____

By: _____

Name: _____

Title: _____

FORM OF STOCK PURCHASE AGREEMENT

This Stock Purchase Agreement (the "Agreement") is entered into as of December 20, 2019, by and among Investar Holding Corporation, a Louisiana corporation (the "Company"), and the purchasers, severally and not jointly, listed on signature pages hereto (collectively, the "Purchasers" and each, a "Purchaser").

RECITALS

WHEREAS, the Company is offering for sale to the Purchasers approximately \$30.0 million in aggregate subscription amount of its common stock, par value \$1.00 per share (the "Shares"), on the terms and subject to the conditions contained herein.

WHEREAS, the Company has engaged Janney Montgomery Scott LLC as its exclusive placement agent ("Placement Agent") for the offering of the Shares;

WHEREAS, each of the Purchasers is an accredited investor as that term is defined in Rule 501 of Regulation D ("Regulation D") promulgated under the Securities Act of 1933, as amended (the "Securities Act"), or a qualified institutional buyer as that term is defined in Rule 144A promulgated under the Securities Act ("QIB");

WHEREAS, the offer and sale of the Shares by the Company is being made in reliance upon the exemption from registration under Section 4(a)(2) of the Securities Act and Rule 506(b) of Regulation D promulgated under the Securities Act; and

WHEREAS, each Purchaser has agreed to purchase from the Company Shares having a subscription amount set forth on such Purchaser's signature page hereto in accordance with the terms, subject to the conditions and in reliance on, the recitals, representations, warranties, covenants and agreements set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants, conditions and agreements herein contained and other good and valuable consideration, the receipt of which is acknowledged, the undersigned parties agree as follows:

AGREEMENT

1. DEFINITIONS: INTERPRETATION.

1.1 Defined Terms. In this Agreement, unless the context otherwise requires or unless otherwise specifically provided in this Agreement:

"Action" means any action, suit, inquiry, notice of violation, proceeding (including any partial proceeding such as a deposition) or investigation pending or, to the Company's Knowledge, threatened in writing against the Company, any Subsidiary or any of their respective properties or any officer, director or employee of the Company or any Subsidiary acting in his or her capacity as an officer, director or employee before or by any Governmental Entity.

"Affiliate(s)" means, with respect to any Person, such Person's immediate family members, partners, members or parent and subsidiary corporations, and any other Person directly or indirectly controlling, controlled by, or under common control with said Person and their respective Affiliates. For purposes of this definition, "control" when used

with respect to any Person has the meaning specified in Rule 12b-2 promulgated under the Exchange Act; and the terms “controlling” and “controlled” have meanings correlative to the foregoing.

“Agency” means the Federal Housing Administration, the Federal Home Loan Mortgage Corporation, the Farmers Home Administration (now known as Rural Housing and Community Development Services), the Federal National Mortgage Association, the United States Department of Veterans’ Affairs, the Rural Housing Service of the U.S. Department of Agriculture or any other federal or state agency with authority to (i) determine any investment, origination, lending or servicing requirements with regard to mortgage loans originated, purchased or serviced by the Company or any of its Subsidiaries or (ii) originate, purchase, or service mortgage loans, or otherwise promote mortgage lending, including state and local housing finance authorities.

“Agreement” is defined in the preamble.

“Bank” means Investor Bank, National Association, a national banking association and wholly owned subsidiary of the Company.

“Board of Directors” means the Board of Directors of the Company.

“BHC Act” means the Bank Holding Company Act of 1956, as amended.

“BHC Act Control” is defined in [Section 3.43](#).

“Business Day” means any day except a Saturday, a Sunday or other day on which the SEC or banks in the City of New York are authorized or required by law to be closed.

“Chosen Courts” is defined in [Section 7.4](#).

“Closing” is defined in [Section 2.2](#).

“Closing Date” is defined in [Section 2.2](#).

“Company” is defined in the preamble and will include any successors to the Company.

“Company Financial Statements” mean (i) the audited financial statements of the Company for the year ended December 31, 2018; and (ii) the unaudited financial statements of the Company for the quarters ended March 31, 2019, June 30, 2019 and September 30, 2019.

“Company Reports” is defined in [Section 3.9](#).

“Covered Person” is defined in Rule 506(d)(1) of Regulation D promulgated under the Securities Act.

“Disclosure Materials” is defined in [Section 3.6](#).

“Disqualification Events” is defined in [Section 3.26](#).

“DTC” means The Depository Trust Company.

“ERISA” is defined in [Section 3.38](#).

“Environmental Laws” is defined in [Section 3.15](#).

“Exchange Act” means the Securities Exchange Act of 1934, as amended, and any successor statute thereto, and the rules and regulations of the SEC promulgated thereunder.

“FDIC” means the Federal Deposit Insurance Corporation.

“Federal Reserve” means the Board of Governors of the Federal Reserve System.

“GAAP” means generally accepted accounting principles in effect from time to time in the United States of America.

“Governmental Entity” means, individually or collectively, any arbitrator, court, governmental body, commission, board, regulatory body, administrative agency or authority or agency with jurisdiction over the Company or any Subsidiary of the Company or any of their respective properties, assets or operations.

“Holder” is defined in [Section 5.1\(c\)](#).

“Indebtedness” is defined in [Section 3.3\(c\)](#).

“Indemnified Party” is defined in [Section 6.3](#).

“Indemnifying Party” is defined in [Section 6.3](#).

“Insurer” means a Person who insures or guarantees for the benefit of the mortgagee all or any portion of the risk of loss upon borrower default on any of the mortgage loans originated, purchased or serviced by the Company or any of its Subsidiaries, including the Federal Housing Administration, the United States Department of Veterans’ Affairs, the Rural Housing Service of the U.S. Department of Agriculture and any private mortgage insurer, and providers of hazard, title or other insurance with respect to such mortgage loans or the related collateral.

“Intellectual Property” is defined in [Section 3.28](#).

“Investor Presentation” means the presentation dated December 2019 prepared by the Company concerning the offering of Shares described in this Agreement and the proposed acquisition of Cheaha Financial Group, Inc.

“Knowledge” means the knowledge of such party based on the actual knowledge of such party’s Chief Executive Officer and Chief Financial Officer or such other persons holding equivalent offices or individuals performing similar functions.

“Law” is defined in [Section 3.18](#).

“Lien” is defined in [Section 3.3\(b\)](#).

“Loan Investor” means any Person (including an Agency) having a beneficial interest in any mortgage loan originated, purchased or serviced by the Company or any of its Subsidiaries or a security backed by or representing an interest in any such mortgage loan

“Losses” is defined in [Section 6.2](#).

“Material Adverse Effect” means any change or effect that (i) is or would be reasonably likely to be material and adverse to the condition (financial or otherwise), results of operations, assets, properties or business of the Company and its Subsidiaries taken as a whole, or (ii) would materially impair the ability of the Company to perform its obligations under any of the Transaction Documents or otherwise materially impede the consummation of the transactions contemplated by the Transaction Documents; provided, however, that “Material Adverse Effect” will not be deemed to include the impact of (1) changes in banking and similar Laws, rules or regulations of general applicability or interpretations thereof by Governmental Entities, (2) changes in GAAP or regulatory accounting requirements applicable to financial institutions and their holding companies generally, (3) changes in general economic or capital market conditions affecting financial institutions or their market prices generally and not specifically related to the Company or its Subsidiaries, including changes in prevailing interest rates, credit availability and liquidity, currency exchange

rates, and price levels or trading volumes in the United States or foreign securities markets, (4) direct effects of compliance with this Agreement on the operating performance of the Company or its Subsidiaries, including expenses incurred by the Company or its Subsidiaries in consummating the transactions contemplated by this Agreement, (5) the effects of any action or omission taken by the Company with the prior written consent of each of the Purchasers, or as otherwise contemplated by this Agreement, (6) changes in global or national political conditions, including the outbreak, continuation or escalation of war, hostilities or acts of terrorism (whether declared or undeclared), any national or international calamity, or any natural disasters, (7) changes in the market price or trading volume of the common stock of the Company or any other equity, equity-related, or debt securities of the Company or its Affiliates (it being understood that the underlying circumstances, events, or reasons giving rise to any such change can be taken into account in determining whether a Material Adverse Effect has occurred or would reasonably be expected to occur), and (8) any failure by the Company or its Subsidiaries to meet any internal or public projections, forecasts, estimates, or guidance for any period (it being understood that the underlying circumstances, events, or reasons giving rise to any such failure can be taken into account in determining whether a Material Adverse Effect has occurred or would reasonably be expected to occur).

“NASDAQ” means the NASDAQ Global Market.

“OFAC” is defined in [Section 3.35](#).

“Person” means an individual, a corporation (whether or not for profit), a partnership, a limited liability company, a joint venture, an association, a trust, an unincorporated organization, a government or any department or agency thereof (including a Governmental Entity) or any other entity or organization.

“Placement Agent” is defined in the recitals.

“Press Release” is defined in [Section 5.5](#).

“Previously Disclosed” with regard to the Company means any information set forth in, or incorporated by reference into, any filing made by the Company under the Exchange Act with the SEC.

“Purchaser” or “Purchasers” is defined in the preamble.

“Purchase Price” is defined in [Section 2.1](#).

“Purchaser-Related Parties” is defined in [Section 6.2](#).

“QIB” is defined in the recitals.

“Registration Rights Agreement” means that certain agreement, by and among the Company and each of the Purchasers, dated as of the date of this Agreement, providing certain resale registration rights with respect to the Shares under the Securities Act.

“Regulation D” is defined in the recitals.

“Regulatory Agreement” is defined in [Section 3.20](#).

“Rule 144” means Rule 144 promulgated under the Securities Act and any successor provision.

“SEC” means the U.S. Securities and Exchange Commission.

“SEC Reports” is defined in [Section 3.6](#).

“Securities Act” is defined in the recitals.

“Shares” is defined in the recitals.

“Significant Subsidiary” is defined in Rule 1-02 of Regulation S-X promulgated under the Exchange Act.

“Subsidiary” means with respect to any Person, any corporation or entity in which a majority of the outstanding equity interests is directly or indirectly owned by such Person.

“Transaction Documents” means this Agreement and the Registration Rights Agreement.

“U.S. Sanctions Laws” is defined in Section 4.16.

1.2 Interpretation. The foregoing definitions are equally applicable to both the singular and plural forms of the terms defined. The words “hereof”, “herein” and “hereunder” and words of like import when used in this Agreement will refer to this Agreement as a whole and not to any particular provision of this Agreement. The word “including” when used in this Agreement without the phrase “without limitation,” will mean “including, without limitation.” With respect to any reference in this Agreement to any defined term, (i) if such defined term refers to a Person, then it will also mean all heirs, legal representatives and permitted successors and assigns of such Person, and (ii) if such defined term refers to a document, instrument or agreement, then it will also include any amendment, replacement, extension or other modification thereof. All headings and subheadings used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement. Whenever the context may require, any pronoun includes the corresponding masculine, feminine, and neuter forms. Further, the parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement will be construed as if drafted jointly by the parties hereto, and no presumption or burden of proof will arise favoring or disfavoring any party hereto by virtue of the authorship of any provisions of this Agreement.

2. Purchase; Closing.

2.1 Purchase. On the basis of the representations, warranties, agreements and covenants herein contained and subject to the terms and conditions herein set forth, the Company will issue and sell to each Purchaser, severally and not jointly, and each Purchaser, severally and not jointly, will purchase from the Company, the number of Shares set forth on such Purchaser’s signature page hereto, at a purchase price of \$23.25 per share (the “Purchase Price”).

2.2 Closing. The closing of the purchase of the Shares by the Purchasers (the “Closing”) will occur at 10:00 a.m., Central time, on the date hereof at the offices of the Company, or remotely via the electronic or other exchange of documents and signature pages, or such other date or location as agreed by the parties. The date of the Closing is referred to as the “Closing Date.”

2.3 Company Closing Deliverables. In conjunction with and as additional (but independent) supporting evidence for certain of the covenants, representations and warranties made by the Company herein, at the Closing, the Company will deliver or cause to be delivered to each Purchaser each of the following, the delivery of which will be a condition to the Purchaser’s obligation to purchase the Shares:

(a) The Agreement, duly executed by the Company;

(b) One or more certificates representing the Shares in definitive form (or facsimile or “.pdf” copies of such certificates for purposes of Closing with the original certificates to be delivered by the Company or its transfer agent by overnight delivery on the next Business Day after the Closing Date in accordance with the written delivery instructions of the Purchaser) or, at the election of the Purchaser, evidence of the book entry issuance of the Shares, in each such case, registered in the name of such Purchaser or its nominees in accordance with Purchaser’s written delivery instructions.

(c) A certificate of the Secretary of the Company, (i) attaching a certified copy the Articles of Incorporation of the Company, (ii) certifying as to and attaching a copy of the current Bylaws of the Company, and

(iii) certifying as to and attaching a copy of the resolutions of the Board of Directors authorizing the issuance of the Shares and the execution, delivery and performance of the Transaction Documents;

(d) A certificate of the Chief Executive Officer and Chief Financial Officer of the Company representing, warranting and certifying that (i) the representations and warranties of the Company contained in this Agreement are true and correct as of the Closing Date, as though made on and as of such date (except for such representations and warranties that speak as of a specific date), and (ii) the Company has performed, satisfied and complied in all material respects with all covenants, agreements and conditions required by the Transaction Documents to be performed, satisfied or complied with by it at or prior to the Closing;

(e) A good standing certificate of the Company issued by the Secretary of State of the State of Louisiana;

(f) An incumbency certificate of the Secretary of the Company certifying the names of the officer or officers of the Company authorized to sign the Transaction Documents, together with a sample of the true signature of each such officer;

(g) An opinion of counsel to the Company, dated as of the Closing Date, substantially in the form of Exhibit A attached hereto and addressed to the Purchasers; and

(h) The Registration Rights Agreement, duly executed by the Company.

2.4 Purchaser Closing Deliverables. In conjunction with and as additional (but independent) supporting evidence for certain of the covenants, representations and warranties made by each Purchaser herein, at the Closing, each Purchaser, severally and not jointly, will deliver or cause to be delivered to the Company each of the following, the delivery of which will be a condition to the Company's obligation to issue the Shares to the Purchaser:

(a) The Agreement, duly executed by such Purchaser;

(b) The full amount of the Purchase Price for the Shares being purchased hereunder by such Purchaser, in immediately available funds, by wire transfer to an account designated by the Company;

(c) The Registration Rights Agreement, duly executed by such Purchaser; and

(d) A fully completed and duly executed Accredited Investor Questionnaire in the form attached hereto as Exhibit B.

3. Representations and Warranties of the Company.

The Company represents and warrants to each Purchaser as of the date hereof as follows:

3.1 Organization and Authority. The Company has no direct or indirect Significant Subsidiaries, except as set forth in Exhibit 21 to the Company's Annual Report on Form 10-K for the year ended December 31, 2018. Each of the Company and its Subsidiaries is a corporation, bank or other entity duly organized, validly existing and good standing under the Laws of the jurisdiction of its incorporation or organization, is duly qualified to do business and is in good standing as a foreign corporation or other entity in all other jurisdictions where its ownership or leasing of property and assets or the conduct of its business requires it to be so qualified except where any failure to be so qualified would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, and has the corporate or other organizational power and authority to own its properties and assets and to carry on its business as it is now being conducted. The Company is duly registered as a bank holding company under the BHC Act and applicable state Laws.

3.2 Company Subsidiaries. The Company owns, directly or indirectly, all of the capital stock and other comparable entity interests of each Subsidiary of the Company free and clear of any and all Liens, and all of the issued

and outstanding shares of capital stock or comparable equity interests of each Subsidiary are validly issued and fully paid, non-assessable and free of preemptive and similar rights to subscribe for or purchase securities, except to the extent provided in 12 U.S.C §55. The Bank is the only banking Subsidiary of the Company, and the deposit accounts of the Bank are insured by the FDIC up to the fullest extent permitted by the Federal Deposit Insurance Act, as amended, and the rules and regulations of the FDIC thereunder, and all premiums and assessments required to be paid in connection therewith have been paid when due (after giving effect to any applicable extensions). The Company beneficially owns all of the outstanding capital securities and has sole control of the Bank.

3.3 Authorization; No Conflicts; No Default.

(a) The Company has the corporate power and authority to enter into and to consummate the transactions contemplated by the Transaction Documents and to perform its obligations thereunder. The execution, delivery and performance of the Transaction Documents by the Company and the consummation of the transactions contemplated thereby have been duly authorized by all necessary corporate action on the part of the Company. No further corporate action is necessary or required by the Company, the Board of Directors or the Company's shareholders for the execution and delivery by the Company of the Transaction Documents, the performance by it of its obligations thereunder or the consummation by it of the transactions contemplated thereby. Each of the Transaction Documents has been duly and validly executed and delivered by the Company and, assuming due authorization, execution and delivery by each Purchaser, is the valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except as enforcement may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer and similar Laws of general applicability relating to or affecting creditors' rights or by general equity principles (whether applied in equity or at law).

(b) Neither the execution, delivery or performance by the Company of the Transaction Documents, nor the consummation by the Company of the transactions contemplated thereby, nor compliance by the Company with any of the provisions hereof or thereof, will (i) violate, conflict with, or result in a breach of any provision of, or constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) under, or result in the termination of, or result in the loss of any benefit or creation of any right on the part of any third party under, or accelerate the performance required by, or result in a right of termination or acceleration of, or result in the creation of any lien, charge, adverse right or claim, pledge, covenant, title defect, security interest and other encumbrance of any kind ("Lien") upon any of the properties or assets of the Company or any Subsidiary of the Company, under any of the terms, conditions or provisions of (1) the articles of incorporation, charter or bylaws (or similar governing documents) of the Company or any of its Subsidiaries or (2) any note, bond, mortgage, indenture, deed of trust, license, lease, agreement or other instrument or obligation to which the Company or any of its Subsidiaries is a party or by which it may be bound, or to which the Company or any of its Subsidiaries, or any of the properties or assets of the Company or any of its Subsidiaries may be subject, or (ii) violate any Law or regulation applicable to the Company or any of its Subsidiaries or any of their respective properties or assets, except in the case of clauses (i)(2) and (ii) of this paragraph for such violations, conflicts and breaches as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(c) None of the Company, the Bank or any other Subsidiary of the Company is in violation or default (i) of any provision of its articles of incorporation, charter or bylaws (or similar governing documents), or (ii) in the performance, observance or fulfillment of any of the terms, obligations, covenants, conditions or provisions contained in any indenture or other agreement creating, evidencing or securing Indebtedness of any kind or pursuant to which any such Indebtedness is issued, or other agreement or instrument to which the Company, Bank or any other Subsidiary of the Company is a party or by which the Company, the Bank or any other Subsidiary of the Company or their respective properties may be bound or affected, except, in the case of clause (ii), only such defaults that would not reasonably be expected to have, singularly or in the aggregate, a Material Adverse Effect. For purposes of this Agreement, "Indebtedness" means: (1) all items arising from the borrowing of money that, according to GAAP as in effect from time to time, would be included in determining total liabilities as shown on the consolidated balance sheet of the Company; and (2) all obligations secured by any Lien in property owned by the Company whether or not such obligations will have been assumed; provided, however, Indebtedness will not include deposits or other indebtedness created, incurred or maintained in the ordinary course of the Company's or the Bank's business (including, without limitation, federal funds purchased, advances from any Federal Home Loan Bank, Federal Reserve Bank, secured

deposits of municipalities and repurchase arrangements) and consistent with customary banking practices and applicable Laws and regulations.

3.4 Issuance of Common Stock. The Shares being purchased by each Purchaser hereunder have been duly authorized and, when issued, sold, and delivered in accordance with the terms of this Agreement for the consideration expressed herein, will be duly and validly issued, fully paid, and nonassessable, and will be free of restrictions on transfer other than restrictions under applicable state and federal securities Laws.

3.5 Capitalization. The authorized capital stock of the Company consists of (i) 40,000,000 shares of common stock, of which 9,933,452 were issued and outstanding as of the date of this Agreement (excluding 1,290,323 shares of common stock to be issued under this Agreement) and (ii) 5,000,000 shares of preferred stock, none of which are issued and outstanding. All issued and outstanding shares of the Company's capital stock have been duly authorized and validly issued and are fully paid and nonassessable. There are no outstanding rights or obligations of the Company to repurchase or redeem any of its capital stock. No shares of the Company's capital stock are subject to preemptive rights or other similar rights. Except for the Registration Rights Agreement, there are no agreements or arrangements under which the Company is obligated to register the sale of any shares of the Company's common stock under the Securities Act. There are no securities or instruments containing anti-dilution or similar provisions that will be triggered by the issuance of the Shares.

3.6 Reporting Company, Form S-3. The Company has filed all reports, forms, statements and other documents required to be filed by it under the Exchange Act, including under Section 13(a) or 15(d) thereof, for the twelve months preceding the date hereof (the foregoing materials, including the exhibits thereto and documents incorporated by reference therein, being collectively referred to herein as the "SEC Reports" and together with this Agreement and the Exhibits hereto, the Investor Presentation, the other Transaction Documents, and any other factual information concerning the Company furnished in connection with the offering of the Shares, the "Disclosure Materials"), on a timely basis or has received a valid extension of such time of filing and has filed any such SEC Reports prior to the expiration of any such extension. As of their respective filing dates, the SEC Reports complied in all material respects with the requirements of the Securities Act and the Exchange Act and the rules and regulations of the SEC promulgated thereunder, and none of the SEC Reports, when filed, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. To the Company's Knowledge, there are no facts or circumstances that reasonably would be expected to prohibit or materially delay the preparation and filing of a registration statement on Form S-3 in accordance with the Registration Rights Agreement for the resale of the Shares by the Purchasers.

3.7 Governmental and Other Consents. No orders, permissions, consents, approvals, waivers or authorizations from any Governmental Entity are required to be obtained by the Company of any of its Subsidiaries that have not been obtained, and no notice, registrations, declarations, applications or filings are required to be filed by the Company or any of its Subsidiaries that have not been filed in connection with, or, in contemplation of, the execution and delivery of, and performance under, the Transaction Documents, except for applicable requirements, if any, of the Securities Act, the Exchange Act or state securities Laws or "blue sky" Laws of the various states, any applicable federal or state banking Laws and regulations, and the rules and regulations of NASDAQ.

3.8 Financial Statements. The Company Financial Statements (including the related notes, where applicable) included in the SEC Reports (i) have been prepared from, and are in accordance with, the books and records of the Company; (ii) fairly present in all material respects the results of operations, cash flows, changes in stockholders' equity and financial position of the Company and its consolidated Subsidiaries, for the respective fiscal periods or as of the respective dates therein set forth (subject in the case of unaudited statements to recurring year-end audit adjustments normal in nature and amount), as applicable; (iii) complied as to form, as of their respective dates of filing in all material respects with applicable accounting and banking requirements as applicable, with respect thereto; and (iv) have been prepared in accordance with GAAP consistently applied during the periods involved, except, in each case, as indicated in such statements or in the notes thereto.

3.9 Reports. Since December 31, 2017, the Company and each Subsidiary of the Company have filed all reports, registrations, documents, filings, statements and submissions, together with any required amendments thereto, that were required to be filed with any Governmental Entity (collectively, the “Company Reports”) and have paid all fees and assessments due and payable in connection therewith. As of their respective filing dates, the Company Reports complied in all material respects with all Laws, as the case may be.

3.10 Books and Records; Internal Accounting and Disclosure Controls. The books and records of the Company and its Subsidiaries are complete and correct in all material respects. No written or, to the Knowledge of the Company, oral notice or allegation of any material inaccuracies or discrepancies in such books and records has been received by the Company. The records, systems, controls, data and information of the Company and its Subsidiaries are recorded, stored, maintained and operated under means, including any electronic, mechanical or photographic process, whether computerized or not, that are under the exclusive ownership and direct control of the Company or its Subsidiaries or accountants, including all means of access thereto and therefrom, except for any non-exclusive ownership and non-direct control that would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

3.11 Off Balance Sheet Arrangements. There is no transaction, arrangement, or other relationship between the Company or any of its Subsidiaries and an unconsolidated or other affiliated entity that is required to be disclosed by the Company on the Company Financial Statements that is not so disclosed or that otherwise would be reasonably likely to have a Material Adverse Effect.

3.12 Risk Management Instruments. All material derivative instruments, including swaps, caps, floors and option agreements entered into for the Company’s or any of its Subsidiaries’ own account were entered into only in the ordinary course of business, in accordance with prudent practices and in all material respects with all applicable Laws, and with counterparties believed to be financially responsible at the time; and each of them constitutes the valid and legally binding obligation of the Company or its Subsidiary, as applicable, enforceable in accordance with its terms, except as enforcement may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer and similar Laws of general applicability relating to or affecting creditors’ rights or by general equity principles, whether applied in equity or at law. Neither the Company nor, to its Knowledge, any other parties thereto is in breach of any of its material obligations under any such agreement or arrangement.

3.13 No Undisclosed Liabilities. There are no liabilities of the Company or any of its Subsidiaries of any kind whatsoever, whether accrued, contingent, absolute, determined, determinable or otherwise, except for liabilities adequately reflected or reserved against in accordance with GAAP in the Company Financial Statements and liabilities that have arisen in the ordinary and usual course of business and consistent with past practice since December 31, 2017, and that have not or would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

3.14 Absence of Certain Changes. Since the date of the latest audited financial statements included in the SEC Reports, except as Previously Disclosed, (i) the Company and the Company Subsidiaries have conducted their respective businesses in all material respects in the ordinary and usual course of business consistent with past practices, (ii) none of the Company or any Company Subsidiary has incurred any material liability or obligation, direct or contingent, for borrowed money, except borrowings in the ordinary course of business, (iii) the Company has not made or declared any distribution in cash or in kind to its shareholders or issued or repurchased any shares of its capital stock, except for quarterly dividends to holders of Company common stock, (iv) through (and including) the date of this Agreement, no fact, event, change, condition, development, circumstance or effect has occurred that has had or would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, and (v) no material default (or event which, with notice or lapse of time, or both, would constitute a material default) exists on the part of the Company or any Company Subsidiary or, to the Knowledge of the Company, on the part of any other party, in the due performance and observance of any term, covenant or condition of any agreement to which the Company or any Company Subsidiary is a party and which would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

3.15 Environmental Matters. Neither the Company nor any of its Subsidiaries (i) is in violation of any statute, rule, regulation, decision or order of any governmental agency or body or any court, domestic or foreign, relating to the use, disposal or release of hazardous or toxic substances or relating to the protection or restoration of the environment or human exposure to hazardous or toxic substances (collectively, "Environmental Laws"), (ii) owns or operates any real property contaminated with any substance that is in violation of any Environmental Laws, (iii) is liable for any off-site disposal or contamination pursuant to any Environmental Laws, or (iv) is subject to any claim relating to any Environmental Laws; in each case, which violation, contamination, liability or claim has had or would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect; and, to the Company's Knowledge, there is no pending or threatened investigation that might lead to such a claim.

3.16 Litigation. There is no Action which (i) adversely affects or challenges the legality, validity or enforceability of any of the Transaction Documents or the Shares or (ii) except as Previously Disclosed, is reasonably likely to have a Material Adverse Effect, individually or in the aggregate, if there were an unfavorable decision. Except as Previously Disclosed, neither the Company nor any Company Subsidiary, nor any director or officer thereof, is or has been the subject of any Action involving a claim of violation of or liability under federal or state securities Laws or a claim of breach of fiduciary duty. There has not been, and to the Company's Knowledge there is not pending or contemplated, any investigation by the SEC involving the Company or any current or former director or officer of the Company. The SEC has not issued any stop order or other order suspending the effectiveness of any registration statement filed by the Company or any of its Subsidiaries under the Exchange Act or the Securities Act. There are no outstanding orders, judgments, injunctions, awards or decrees of any court, arbitrator or governmental or regulatory body against the Company or any executive officers or directors of the Company in their capacities as such, which individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect.

3.17 Employment Matters. No labor dispute exists or, to the Company's Knowledge, is imminent with respect to any of the employees of the Company which would have or reasonably be expected to have a Material Adverse Effect. None of the Company's employees is a member of a union that relates to such employee's relationship with the Company, and neither the Company nor any of its Subsidiaries is a party to a collective bargaining agreement, and the Company and each Company Subsidiary believes that its relationship with its employees is good. To the Company's Knowledge, no executive officer is, or is now expected to be, in violation of any material term of any employment contract, confidentiality, disclosure or proprietary information agreement or non-competition agreement, or any other contract or agreement or any restrictive covenant in favor of a third party, and to the Company's Knowledge, the continued employment of each such executive officer does not subject the Company or any Company Subsidiary to any liability with respect to any of the foregoing matters. The Company is in compliance with all Laws relating to employment and employment practices, terms and conditions of employment and wages and hours, except where the failure to be in compliance would not have or reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

3.18 Compliance with Laws. The Company and each of its Subsidiaries have all permits, licenses, franchises, authorizations, orders and approvals of, and have made all filings, applications and registrations with, Governmental Entities that are required in order to permit them to own or lease their properties and assets and to carry on their business as presently conducted and that are material to the business of the Company and each such Subsidiary, except where the failure to have such permits, licenses, franchises, authorizations, orders and approvals, or to have made such filings, applications and registrations, would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. The Company and each Subsidiary of the Company have complied in all material respects and (i) are not in default or violation in any respect of, (ii) to the Company's Knowledge, are not under investigation with respect to, and (iii) to the Company's Knowledge, have not been threatened to be charged with or given notice of any material violation of, any applicable domestic (federal, state or local) or foreign law, statute, ordinance, license, rule, regulation, policy or guideline, order, demand, writ, injunction, decree or judgment of any Governmental Entity (each, a "Law"), other than such noncompliance, defaults or violations that would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. Except for statutory or regulatory restrictions of general application, no Governmental Entity has placed any material restriction on the business or properties of the Company or any of its Subsidiaries. As of the date hereof, the Bank has a Community Reinvestment Act rating of "satisfactory" or better.

3.19 Listing Compliance. The Company is in material compliance with the requirements of the NASDAQ for continued listing of the Company's common stock thereon. The Company has taken no action designed to, or likely to have the effect of, terminating the registration of its common stock under the Exchange Act or the listing of its common stock on the NASDAQ, nor has the Company received any notification that the SEC or the NASDAQ is contemplating terminating such registration or listing. The transactions contemplated by this Agreement will not contravene in any material respect the rules and regulations of the NASDAQ.

3.20 Agreements with Regulatory Agencies. Neither the Company nor any Company Subsidiary (i) is subject to any cease-and-desist or other similar order or enforcement action issued by, (ii) is a party to any written agreement, consent agreement or memorandum of understanding with, (iii) is a party to any commitment letter or similar undertaking to, (iv) is subject to any capital directive by, or (v) has adopted any board resolutions at the request of, any Governmental Entity that currently restricts in any material respect the conduct of its business or that in any manner relates to its capital adequacy, its liquidity and funding policies and practices, its ability to pay dividends, its credit, risk management or compliance policies, its internal controls, or its management (each item in this sentence, a "Regulatory Agreement"), nor has the Company nor any of its Subsidiaries been advised by any Governmental Entity that it is considering issuing, initiating, ordering, or requesting any such Regulatory Agreement.

3.21 Brokers and Finders. Except for commissions paid to the Placement Agent, neither the Company nor any Affiliate of the Company is obligated to pay any brokerage commission or finder's fee to any Person in connection with the transactions contemplated by this Agreement.

3.22 Tax Matters. The Company (i) has prepared and filed all foreign, federal and state income and all other tax returns, reports and declarations required by any jurisdiction to which it is subject, (ii) has paid all taxes and other governmental assessments and charges that are material in amount, shown or determined to be due on such returns, reports and declarations, except those being contested in good faith, with respect to which adequate reserves have been set aside on the books of the Company and (iii) has set aside on its books provisions reasonably adequate for the payment of all taxes for periods subsequent to the periods to which such returns, reports or declarations apply, except, in the case of clauses (i) and (ii) above, where the failure to so pay or file any such tax, assessment, charge or return would not have or reasonably be expected to have a Material Adverse Effect. No deficiencies for any taxes have been proposed or assessed in writing against the Company or any of its Subsidiaries and there is no outstanding audit, assessment, dispute or claim concerning any tax liability of the Company or any of its Subsidiaries.

3.23 Offering of Securities. Neither the Company nor any Person acting on its behalf has taken any action which would subject the offering, issuance or sale of the Shares to the registration requirements of the Securities Act. Neither the Company nor any Person acting on its behalf has engaged in any form of general solicitation or general advertising (within the meaning of Regulation D under the Securities Act) in connection with any offer or sale of the Shares. Assuming the accuracy of each Purchaser's representations and warranties set forth in this Agreement, no registration under the Securities Act is required for the offer and sale of the Shares by the Company to the Purchasers.

3.24 Integration: Other Issuances of Shares. Neither the Company nor its Subsidiaries or any Affiliates, nor any Person acting on its or their behalf, has issued any shares of the common stock of the Company, or any securities or instruments convertible into, exchangeable for or otherwise entitling the holder thereof to acquire shares of common stock of the Company which would be integrated with the sale of the Shares to the Purchasers for purposes of the Securities Act, except as contemplated by this Agreement, nor will the Company or its Subsidiaries or Affiliates take any action or steps that would require registration of the Shares offered hereby under the Securities Act, except as provided in the Transaction Documents, or cause the offering of the Shares to be integrated with other securities offerings.

3.25 Investment Company Status. The Company is not, and upon consummation of the issuance and sale of the Shares will not be, an "investment company," a company controlled by an "investment company" or an "affiliated Person" of, or "promoter" or "principal underwriter" of, an "investment company," as such terms are defined in the Investment Company Act of 1940, as amended.

3.26 No "Bad Actor" Disqualification. The Company has exercised reasonable care, in accordance with SEC rules and guidance, and has conducted a factual inquiry including the procurement of relevant questionnaires from

each Covered Person or other means, the nature and scope of which reflect reasonable care under the relevant facts and circumstances, to determine whether any Covered Person is subject to any of the "bad actor" disqualifications described in Rule 506(d)(1)(i) to (viii) under the Securities Act ("Disqualification Events"). To the Company's Knowledge, after conducting such sufficiently diligent factual inquiries, no Covered Person is subject to a Disqualification Event, except for a Disqualification Event covered by Rule 506(d)(2) or (d)(3) under the Securities Act. The Company has complied, to the extent applicable, with any disclosure obligations under Rule 506(e) under the Securities Act.

3.27 Title to Assets. The Company and its Subsidiaries have good and marketable title to all real property and tangible personal property owned by them which is material to the business of the Company and its Subsidiaries, taken as a whole, in each case free and clear of all Liens except such as do not materially affect the value of such property or do not interfere with the use made and proposed to be made of such property by the Company and any of its Subsidiaries. Any real property and facilities held under lease by the Company and any of its Subsidiaries are held by them under valid, subsisting and enforceable leases with such exceptions as are not material and do not interfere with the use made and proposed to be made of such property and buildings by the Company and its Subsidiaries.

3.28 Patents and Trademarks. The Company and its Subsidiaries own, possess, license or have other rights to use all foreign and domestic patents, patent applications, trade and service marks, trade and service mark registrations, trade names, copyrights, inventions, trade secrets, technology, Internet domain names, know-how and other intellectual property (collectively, the "Intellectual Property") necessary for the conduct of their respective businesses as now conducted or as proposed to be conducted in the SEC Reports, except where the failure to own, possess, license or have such rights would not have or reasonably be expected to have a Material Adverse Effect. Except where such violations or infringements would not have or reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect, (i) there are no rights of third parties to any such Intellectual Property; (ii) there is no infringement by third parties of any such Intellectual Property; (iii) there is no pending or threatened Action by others challenging the Company's and its Subsidiaries' rights in or to any such Intellectual Property; (iv) there is no pending or threatened Action by others challenging the validity or scope of any such Intellectual Property; and (v) there is no pending or threatened action by others that the Company or any Company Subsidiary infringes or otherwise violates any patent, trademark, copyright, trade secret or other proprietary rights of others.

3.29 Insurance. The Company and each of its Subsidiaries are insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as the Company believes to be prudent and customary in the businesses and locations in which the Company and the Subsidiaries are engaged. All premiums due and payable under all such policies and bonds have been timely paid, there has been no lapse in coverage during the terms of such policies and bonds, and the Company and its Subsidiaries are in material compliance with the terms of such policies and bonds. Neither the Company nor any of its Subsidiaries has received any notice of cancellation of any such insurance, nor, to the Company's Knowledge, will it or any Subsidiary be unable to renew their respective existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business at a cost that would not be materially higher than their existing insurance coverage.

3.30 Internal Control Over Financial Reporting. Except as Previously Disclosed, the Company maintains internal control over financial reporting (as such term is defined in Rule 13a-15(f) under the Exchange Act) designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and such internal control over financial reporting is effective.

3.31 Sarbanes-Oxley; Disclosure Controls. The Company is in compliance in all material respects with all of the provisions of the Sarbanes-Oxley Act of 2002 which are applicable to it. Except as Previously Disclosed, the Company maintains disclosure controls and procedures (as such term is defined in Rule 13a-15(e) and 15d-15(e) under the Exchange Act), and such disclosure controls and procedures are effective.

3.32 Unlawful Payments. Neither the Company nor any of its Subsidiaries, nor to the Company's Knowledge, any directors, officers, employees, agents or other Persons acting at the direction of or on behalf of the Company or any of its Subsidiaries has, in the course of its actions for, or on behalf of, the Company: (i) directly or indirectly, used any corporate funds for unlawful contributions, gifts, entertainment or other unlawful expenses relating

to foreign or domestic political activity; (ii) made any direct or indirect unlawful payments to any foreign or domestic governmental officials or employees or to any foreign or domestic political parties or campaigns from corporate funds; (iii) violated any provision of the Foreign Corrupt Practices Act of 1977, as amended, or (iv) made any other unlawful bribe, rebate, payoff, influence payment, kickback or other material unlawful payment to any foreign or domestic government official or employee.

3.33 Application of Takeover Protections: Rights Agreements. Except as Previously Disclosed, the Company has not adopted any stockholder rights plan or similar arrangement relating to accumulations of beneficial ownership of common stock of the Company or a change in control of the Company. The Company and its Board of Directors have taken all necessary action, if any, in order to render inapplicable any control share acquisition, business combination, poison pill (including any distribution under a rights agreement) or other similar anti-takeover provision under the Company's Articles of Incorporation or other organizational documents or the Laws of the jurisdiction of its incorporation or otherwise which is or could become applicable to any Purchaser solely as a result of the transactions contemplated by this Agreement, including, without limitation, the Company's issuance of the Shares and any Purchaser's ownership of the Shares.

3.34 Absence of Manipulation. The Company has not, and to the Company's Knowledge no one acting on its behalf has, taken, directly or indirectly, any action designed to cause or to result in the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of any of the Shares.

3.35 OFAC. Neither the Company nor any Subsidiary nor, to the Company's Knowledge, any director, officer, agent, employee, Affiliate or Person acting on behalf of the Company or any Subsidiary is currently subject to any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department ("OFAC"), and the Company will not knowingly use the proceeds of the sale of the Shares towards any sales or operations in Cuba, Iran, Syria, Sudan, Myanmar or any other country sanctioned by OFAC or for the purpose of financing the activities of any Person currently subject to any U.S. sanctions administered by OFAC.

3.36 No Additional Agreements. The Company does not have any agreement or understanding with any Purchaser with respect to the transactions contemplated by the Transaction Documents other than as specified in the Transaction Documents.

3.37 Well Capitalized. As of September 30, 2019, the Bank met or exceeded the standards necessary to be considered "well capitalized" under the FDIC's regulatory framework for prompt corrective action.

3.38 ERISA. The Company is in compliance in all material respects with all presently applicable provisions of the Employee Retirement Income Security Act of 1974, as amended, including the regulations and published interpretations thereunder ("ERISA"); no "reportable event" (as defined in ERISA) has occurred with respect to any "pension plan" (as defined in ERISA) for which the Company would have any liability; the Company has not incurred and does not expect to incur liability under Title IV of ERISA with respect to termination of, or withdrawal from, any "pension plan" or Sections 412 or 4971 of the Code; and each "Pension Plan" for which the Company would have liability that is intended to be qualified under Section 401(a) of the Code is so qualified in all material respects and nothing has occurred, whether by action or by failure to act, which would cause the loss of such qualification.

3.39 Shell Company Status. The Company is not, and has never been, an issuer identified in Rule 144(i)(1).

3.40 No More Favorable Terms. Except for the number of Shares being purchased hereunder by each Purchaser, each Purchaser is receiving Shares on the same terms and conditions as all other Purchasers, including the Purchase Price for the Shares.

3.41 Mortgage Banking Business. Except as has not had and would not reasonably be expected to have a Material Adverse Effect:

(a) Each of the Company and the Bank has complied with, and all documentation in connection with the origination, processing, underwriting and credit approval of any mortgage loan originated, purchased or serviced by the Company or the Bank satisfied, (A) all applicable Laws with respect to the origination, insuring, purchase, sale, pooling, servicing, subservicing, or filing of claims in connection with mortgage loans, including all laws relating to real estate settlement procedures, consumer credit protection, truth in lending laws, usury limitations, fair housing, transfers of servicing, collection practices, equal credit opportunity and adjustable rate mortgages, (B) the responsibilities and obligations relating to mortgage loans set forth in any agreement between the Company or the Bank and any Agency, Loan Investor or Insurer, (C) the applicable rules, regulations, guidelines, handbooks and other requirements of any Agency, Loan Investor or Insurer and (D) the terms and provisions of any mortgage or other collateral documents and other loan documents with respect to each mortgage loan; and

(b) No Agency, Loan Investor or Insurer has (A) claimed in writing that the Company or the Bank has violated or has not complied with the applicable underwriting standards with respect to mortgage loans sold by the Company or the Bank to a Loan Investor or Agency, or with respect to any sale of mortgage servicing rights to a Loan Investor, (B) imposed in writing restrictions on the activities (including commitment authority) of the Company or the Bank or (C) indicated in writing to the Company or the Bank that it has terminated or intends to terminate its relationship with the Company or the Bank for poor performance, poor loan quality or concern with respect to the Company's or the Bank's compliance with Laws.

3.42 Change in Control. The issuance of the Shares to the Purchasers as contemplated by this Agreement will not trigger any rights under any "change of control" provision in any of the agreements to which the Company or any of its Subsidiaries is a party, including any employment, "change in control," severance or other compensatory agreements and any benefit plan, which results in payments to the counterparty or the acceleration of vesting of benefits.

3.43 Common Control. The Company is not and, to the Company's Knowledge after giving effect to the offering and sale of the Shares, will not be under the control (as defined in the BHC Act and the Federal Reserve's Regulation Y ("BHC Act Control") of any company (as defined in the BHC Act and the Federal Reserve's Regulation Y). The Company is not in BHC Act Control of any federally insured depository institution other than the Bank. The Bank is not under the BHC Act Control of any company (as defined in the BHC Act and the Federal Reserve's Regulation Y) other than Company. Other than the Company's ownership of the Bank, neither the Company nor the Bank controls, in the aggregate, more than five percent of the outstanding voting class, directly or indirectly, of any federally insured depository institution. The Bank is not subject to the liability of any commonly controlled depository institution under to Section 5(e) of the Federal Deposit Insurance Act.

3.44 No Misstatement. None of the representations, warranties, covenants and agreements made in this Agreement or in any certificate or other document delivered to the Purchasers by or on behalf of the Company under or in connection with this Agreement contains any untrue statement of a material fact, or omits to state a material fact necessary to make the statements contained therein not misleading in light of the circumstances when made or furnished to Purchasers and as of the date of this Agreement and as of the Closing Date.

4. Representations and Warranties of the Purchasers.

Each Purchaser, severally and not jointly, represents and warrants to the Company as of the date hereof as follows:

4.1 Legal Power and Authority. Purchaser has all necessary power and authority to execute, deliver and perform its obligations under the Transaction Documents and to consummate the transactions contemplated hereby. If an entity, Purchaser is duly organized, validly existing and in good standing under the Laws its jurisdiction of organization.

4.2 Authorization and Execution. The execution, delivery and performance of the Transaction Documents have been duly authorized by all necessary action on the part of such Purchaser, and assuming due authorization, execution and delivery by the Company, each of the Transaction Documents is a legal, valid and binding obligation of such Purchaser, enforceable against such Purchaser in accordance with its terms, except as enforcement thereof may

be limited by bankruptcy, insolvency, reorganization, moratorium or other similar Laws relating to or affecting creditors' rights generally or by general equitable principles.

4.3 No Conflicts. Neither the execution, delivery or performance by the Purchaser of the Transaction Documents nor the consummation of any of the transactions contemplated thereby will conflict with, violate, constitute a breach of or a default (whether with or without the giving of notice or lapse of time or both) under (i) Purchaser's organizational documents, (ii) any agreement to which it is party, (iii) any Law applicable to it, or (iv) any order, writ, judgment, injunction, decree, determination or award binding upon or affecting it, except in the case of clauses (ii) – (iv) above, for such conflicts, violations, breaches or defaults which would not, individually or in the aggregate, reasonably be expected to have a material adverse effect of the ability of such Purchaser to perform its obligations under the Transaction Documents.

4.4 Governmental and Other Consents. No orders, permissions, consents, approvals, authorizations or non-objections from any Governmental Entity are required to be obtained by the Purchaser that have not been obtained in connection with, or, in contemplation of, the execution and delivery of, and performance under, this Agreement.

4.5 Purchase for Investment. Purchaser is purchasing the Shares for its own account and not with a view to distribution and with no present intention of reselling, distributing or otherwise disposing of the same. Purchaser has no present or contemplated agreement, undertaking, arrangement, obligation, indebtedness or commitment providing for, or which is likely to compel, a disposition of the Shares in any manner.

4.6 Accredited Investor. Purchaser is (i) an "accredited investor" as such term is defined in Rule 501(a) of Regulation D, or (ii) a QIB.

4.7 Financial and Business Sophistication. Purchaser has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of the prospective investment in the Shares and of making an informed investment decision, and has so evaluated the merits and risks of such investment. Purchaser has relied solely upon its own knowledge of, and/or the advice of its own legal, financial or other advisors with regard to, the legal, financial, tax and other considerations involved in deciding to invest in the Shares.

4.8 Ability to Bear Economic Risk of Investment. Purchaser recognizes that an investment in the Shares involves substantial risk. Purchaser has the ability to bear the economic risk of the prospective investment in the Shares or any other securities of the Company, including the ability to hold the Shares indefinitely, and further including the ability to bear a complete loss of all of its investment in the Company. Purchaser understands that the Shares are not savings or deposit accounts or other obligations of the Bank or any other Company Subsidiary, and the Shares are not insured by the FDIC or any other Governmental Entity.

4.9 Information. Purchaser acknowledges that: (i) it is not being provided with the disclosures that would be required if the offer and sale of the Shares were registered under the Securities Act, nor is it being provided with any offering circular or prospectus prepared in connection with the offer and sale of the Shares or any other securities of the Company; (ii) it has conducted its own examination of the Company and its business, as well as the terms and conditions of the Shares to the extent it deems necessary to make its decision to invest in the Shares; (iii) it has availed itself of publicly available financial and other information concerning the Company to the extent it deems necessary to make its decision to purchase the Shares (including meeting with representatives of the Company); and (iv) it has not received nor relied on any form of general solicitation or general advertising (within the meaning of Regulation D) from the Company or the Placement Agent in connection with the offer and sale of the Shares. Purchaser has reviewed or had access to the information set forth in the Company Financial Statements and the SEC Reports.

4.10 Access to Information. Purchaser acknowledges that it has had the opportunity to review the Disclosure Materials and has been afforded (i) the opportunity to ask such questions as it has deemed necessary of, and to receive answers from, representatives of the Company concerning the terms and conditions of the offering of the Shares and the merits and risks of investing in the Shares and any such questions have been answered to such Purchaser's reasonable satisfaction; (ii) access to information about the Company and its Subsidiaries and their respective financial condition, results of operations, business, properties, management and prospects sufficient to enable it to evaluate its

investment; (iii) the opportunity to obtain such additional information that the Company possesses or can acquire without unreasonable effort or expense that is necessary to make an informed investment decision with respect to the investment; and (iv) the opportunity to ask questions of management and any such questions have been answered to such Purchaser's reasonable satisfaction.

4.11 Investment Decision. Purchaser has made its own investment decision based upon its own judgment, due diligence and advice from such advisors as it has deemed necessary and not upon any view expressed by any other Person, including the Placement Agent. Neither such inquiries nor any other due diligence investigations conducted by it or its advisors or representatives, if any, will modify, amend or affect its right to rely on the Company's representations and warranties contained herein. Purchaser is not relying upon, and has not relied upon, any advice, statement, representation or warranty made by any Person by or on behalf of the Company, including, without limitation, the Placement Agent, except for the express statements, representations and warranties of the Company made or contained in the Transaction Documents. Furthermore, Purchaser acknowledges that (i) the Placement Agent has not performed any due diligence review on behalf of it and (ii) nothing in this Agreement or any other Disclosure Materials presented by or on behalf of the Company to it in connection with the purchase of the Shares constitutes legal, tax or investment advice.

4.12 Private Placement, No Registration. Purchaser understands and acknowledges that the Shares are characterized as "restricted securities" under the Securities Act and are being sold by the Company in a transaction not involving a public offering and without registration under the Securities Act in reliance on the exemption from federal and state registration set forth in, respectively, Rule 506(b) of Regulation D promulgated under Section 4(a)(2) of the Securities Act and Section 18 of the Securities Act, or any state securities Laws, and accordingly, may be resold, pledged or otherwise transferred only in compliance with the registration requirements of federal and state securities Laws or if exemptions from the Securities Act and applicable state securities Laws are available to it.

4.13 Placement Agent. Purchaser will purchase the Share(s) directly from the Company and not from the Placement Agent and understands that neither the Placement Agent nor any other broker or dealer has any obligation to make a market in the Shares.

4.14 Short Sales. Since the time such Purchaser was first contacted by the Placement Agent, such Purchaser has not taken, and prior to the public announcement of the transaction after the Closing such Purchaser will not take, any action that has caused or will cause such Purchaser to have, directly or indirectly, sold or agreed to sell any shares of common stock of the Company, effected any short sale, whether or not against the box, established any "put equivalent position" (as defined in Rule 16a-1(h) under the Exchange Act with respect to the common stock of the Company, granted any other right (including, without limitation, any put or call option)) with respect to the common stock of the Company or with respect to any security that includes, relates to or derived any significant part of its value from the common stock of the Company.

4.15 No Group. Other than Affiliates of such Purchaser who are also purchasing Shares under this Agreement, such Purchaser is not under common control with or acting in concert with any other person and is not part of a "group" within the meaning of Section 13(d)(3) of the Exchange Act and Rule 13d-5(b)(1) thereunder with respect to the purchase of the Shares under this Agreement.

4.16 OFAC and Anti-Money Laundering. Such Purchaser understands, acknowledges, represents and agrees that (i) such Purchaser is not the target of any sanction, regulation, or law promulgated by the OFAC, the Financial Crimes Enforcement Network or any other U.S. Governmental Authority ("U.S. Sanctions Laws"); (ii) such Purchaser is not owned by, controlled by, under common control with, or acting on behalf of any person that is the target of U.S. Sanctions Laws; (iii) such Purchaser is not a "foreign shell bank" and is not acting on behalf of a "foreign shell bank" under applicable anti-money laundering laws and regulations; (iv) such Purchaser's entry into this Agreement or consummation of the transactions contemplated hereby will not contravene U.S. Sanctions Laws or applicable anti-money laundering laws or regulations; (v) such Purchaser will promptly provide to any regulatory or law enforcement authority such information or documentation as may be required to comply with U.S. Sanctions Laws or applicable anti-money laundering laws or regulations; and (vi) the Company may provide to any regulatory or law enforcement

authority information or documentation regarding, or provided by, such Purchaser for the purposes of complying with U.S. Sanctions Laws or applicable anti-money laundering laws or regulations.

4.17 Accuracy of Representations. Purchaser understands that each of the Placement Agent and the Company will rely upon the truth and accuracy of the foregoing representations, acknowledgements and agreements in connection with the transactions contemplated by this Agreement.

5. ADDITIONAL AGREEMENTS.

5.1 Transfer Restrictions.

(a) Compliance with Laws. Notwithstanding any other provision of this Article 5, each Purchaser covenants that it understands that it may not sell or transfer the Shares except under an effective registration statement under, and in compliance with the requirements of, the Securities Act, or pursuant to an available exemption from, or in a transaction not subject to, the registration requirements of the Securities Act, and in compliance with any applicable state, federal or foreign securities Laws. In connection with any sale or transfer of the Shares other than (i) under an effective registration statement, (ii) to the Company or (iii) under Rule 144 (provided that the transferor provides the Company with reasonable assurances (in the form of a seller representation letter and, if applicable, a broker representation letter) that such securities may be sold under such rule), the Company may require the transferor thereof to provide to the Company and the Company's transfer agent, at the transferor's expense, an opinion of counsel selected by the transferor and reasonably acceptable to the Company and the transfer agent, the form and substance of which opinion will be reasonably satisfactory to the Company and the transfer agent, to the effect that such transfer does not require registration of such transferred Shares under the Securities Act. As a condition of transfer (other than under clauses (i), (ii) or (iii) of the preceding sentence), any such transferee will agree in writing to be bound by the terms of this Agreement.

(b) Legends. Certificates evidencing the Shares will bear any legend as required by the "blue sky" Laws of any state and a restrictive legend in substantially the following form, until such time as they are not required under Section 5.1(c) or applicable Law:

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE AND WERE OFFERED AND SOLD IN RELIANCE UPON EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE SECURITIES MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT AND OTHER APPLICABLE LAWS PURSUANT TO REGISTRATION OR EXEMPTION FROM REGISTRATION REQUIREMENTS THEREUNDER, AND IN THE CASE OF A TRANSACTION EXEMPT FROM REGISTRATION, UNLESS THE COMPANY HAS RECEIVED AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO IT THAT SUCH TRANSACTION DOES NOT REQUIRE REGISTRATION UNDER THE SECURITIES ACT AND SUCH OTHER APPLICABLE LAWS."

(c) Removal of Legends. The restrictive legend set forth in Section 5.1(b) above will be removed and the Company will issue a certificate without such restrictive legend or any other restrictive legend to the holder of the applicable Shares (the "Holder") or issue to such Holder by electronic delivery at the applicable balance account at DTC, if (i) such Shares are registered for resale under the Securities Act, (ii) such Shares are sold or transferred in accordance with Rule 144 (if the transferor is not an Affiliate of the Company), or (iii) such Shares are eligible for sale under Rule 144, without the requirement for the Company to be in compliance with the current public information required under Rule 144 as to such securities and without volume or manner of sale restrictions. Any fees associated with the removal of such legend, other than with respect to a Purchaser's or Holder's counsel, will be borne by the Company. If the legend is no longer required as a result of the foregoing, the Company will, no later than three Business Days following the delivery by a Purchaser or Holder to the Company of a legended certificate or instrument representing such Shares, properly endorsed or with stock powers attached, signatures guaranteed, and together with such other

documents as may reasonably requested by the Company, the Company will deliver or cause to be delivered to such Purchaser or Holder a certificate or instrument, as the case may be, representing such Shares without such legend.

(d) Stop Transfer. The Company may cause the Shares to be subject to a stop transfer order with the Company's transfer agent that restricts the transfer of such Shares in a manner consistent with this Section 5.1 and will promptly cancel such stop transfer order upon the date that the restrictive legend is eligible for removal from all Shares under Section 5.1(c).

5.2 Information Available to Facilitate Resales. With a view to making available to the Purchaser or Holder the benefits of certain rules and regulations of the SEC permitting the sale of the Shares without registration as soon as allowed, the Company will, for a period of one year following the Closing Date, maintain the registration of the Company's common stock under Section 12(b) or 12(g) of the Exchange Act and timely file all reports required to be filed by the Company after the date hereof under the Exchange Act. During such one year period, if the Company is not required to file reports under such Laws, it will prepare and furnish to the Purchasers and make publicly available the information with respect to the Company described in Rule 144(c) or any similar or analogous rules promulgated under the Securities Act, if the provision of such information will allow resales of the Shares under Rule 144.

5.3 Form D and Blue Sky. The Company will timely file a Form D with respect to the Shares as required under Regulation D. The Company, on or before the Closing Date, will take such action as the Company will reasonably determine is necessary in order to obtain an exemption for or to qualify the Shares for sale to the Purchasers at the Closing under this Agreement under applicable securities or "blue sky" Laws of the states of the United States (or to obtain an exemption from such qualification). The Company will make all filings and reports relating to the offer and sale of the Shares required under applicable securities or "blue sky" Laws of the states of the United States following the Closing Date.

5.4 No Integration. The Company will not, and will use its commercially reasonable efforts to ensure that no Affiliate of the Company will, sell, offer for sale or solicit offers to buy or otherwise negotiate in respect of any security (as defined in Section 2 of the Securities Act) that will be integrated with the offer or sale of the Shares in a manner that would require the registration under the Securities Act of the sale of the Shares to the Purchasers.

5.5 Securities Laws Disclosure: Publicity. Subject to the provisions of Section 7.13 hereof, the Company will, by 9:00 a.m., New York City time, on the first Business Day immediately following the date of this Agreement, (i) issue one or more press releases (collectively, the "Press Release") reasonably acceptable to the Purchasers disclosing all material terms of the transactions contemplated hereby and any other material, nonpublic information that the Company may have provided any Purchaser at any time prior to the filing of the Press Release, and (ii) file a Current Report on Form 8-K with the SEC describing the terms of the Transaction Documents (and including as exhibits to such Current Report on Form 8-K the material Transaction Documents). Notwithstanding the foregoing, the Company will not publicly disclose the name of any Purchaser or any Affiliate or investment adviser of any Purchaser, or include the name of any Purchaser or any Affiliate or investment adviser of any Purchaser in any press release or filing with the SEC or any regulatory agency or Trading Market, without the prior written consent of such Purchaser, except (i) as required by Law in connection with any registration statement contemplated by the Registration Rights Agreement and (ii) to the extent such disclosure is required by Law, at the request of the staff of the SEC or Trading Market regulations, in which case the Company will provide the Purchasers with prior written notice of such disclosure permitted under this subclause (ii). From and after the issuance of the Press Release, no Purchaser will be in possession of any material, non-public information received from the Company, the Bank or any of their respective officers, directors or employees or the Placement Agent. Each Purchaser, severally and not jointly with the other Purchasers, covenants that until such time as the transactions contemplated by this Agreement are publicly disclosed by the Company, such Purchaser will maintain the confidentiality of the existence and terms of the transaction contemplated herein.

5.6 Listing of Common Stock. The Company will use its reasonable best efforts to list the Shares for quotation on the NASDAQ as soon as practicable following the Closing Date.

5.7 No Control. Each Purchaser agrees that it will not, without the prior consent of the Company, contribute capital to the Company or acquire an amount of voting securities of the Company that in either case would

cause such Purchaser to be deemed to control the Company for purposes of the BHC Act or the Change in Bank Control Act of 1978, as amended, or applicable state Law.

5.8 Transfer Taxes. On the Closing Date, all transfer or other similar taxes which are required to be paid in connection with the sale and transfer of the Shares to be sold to the Purchasers hereunder will be, or will have been, fully paid or provided for by the Company, and all Laws imposing such taxes will be or will have been complied with in all material respects.

5.9 Use of Proceeds. The Company intends to use the net proceeds from the issuance of the Shares hereunder to support the acquisition of Cheaha Financial Group, Inc. and for general corporate purposes, including organic growth and other potential acquisitions.

6. Indemnification

6.1 Survival of Agreement, Non-Survival of Company Representations and Warranties. Notwithstanding any investigation made by any party to this Agreement or by the Placement Agent, all covenants and agreements made by the Company and the Purchaser herein will survive the execution of this Agreement, the delivery to the Purchaser of the Shares being purchased and the payment therefor. Each Purchaser will be responsible only for its own representations and warranties, agreements and covenants hereunder. The representations and warranties made by the Company and each Purchaser herein survive for a period of two years following the date of this Agreement.

6.2 Indemnification by the Company. The Company will indemnify the Purchasers and its current and former officers, directors, partners, members, managers, shareholders, accountants, attorneys, agents and employees (collectively, "Purchaser Related Parties") from, and hold each of them harmless against, any and all actions, suits, proceedings (including any investigations, litigation or inquiries), demands, and causes of action, and, in connection therewith, and promptly upon demand, pay or reimburse each of them for all costs, losses, liabilities, damages, or expenses of any kind or nature whatsoever, including, without limitation, the reasonable fees and disbursements of counsel and all other reasonable expenses (collectively, "Losses") incurred in connection with investigating, defending or preparing to defend any such matter that may be incurred by them or asserted against or involve any of them as a result of, arising out of, or in any way related to, (i) any breach of any of the representations, warranties or covenants made by or of the Company contained in the Transaction Documents, provided that such claim for indemnification relating to a breach of the representations or warranties is made prior to the expiration of such representations or warranties or (ii) any Action instituted against a Purchaser Related Party in any capacity by any shareholder of the Company (who is not an Affiliate of such Purchaser) with respect to any of the transactions contemplated by this Agreement. The Company will not be liable to any Purchaser Related Party under this Agreement to the extent, but only to the extent that a loss, claim, damage or liability is attributable to any Purchaser Related Party's breach of any of the representations, warranties, covenants or agreements made by such Purchaser Related Party in the Transaction Documents. Notwithstanding anything herein to the contrary, the Company's aggregate liability for Losses under this Section 6.2 will not exceed the aggregate Purchase Price received by it for the Shares sold under this Agreement.

6.3 Indemnification Procedure. Promptly after any Purchaser Related Party (hereinafter, the "Indemnified Party") has received notice of any indemnifiable claim hereunder, or the commencement of any Action by a third Person, which the Indemnified Party believes in good faith is an indemnifiable claim under this Agreement, the Indemnified Party will give the indemnitor or indemnitors hereunder (the "Indemnifying Party") written notice of such claim or the commencement of such Action, but failure to so notify the Indemnifying Party will not relieve the Indemnifying Party from any liability it may have to such Indemnified Party hereunder except to the extent that the Indemnifying Party is materially prejudiced by such failure. Such notice will state the nature and the basis of such claim to the extent then known. The Indemnifying Party will have the right to defend and settle, at its own expense and by its own counsel who will be reasonably acceptable to the Indemnified Party, any such matter as long as the Indemnifying Party pursues the same diligently and in good faith. If the Indemnifying Party undertakes to defend or settle, it will promptly notify the Indemnified Party of its intention to do so, and the Indemnified Party will cooperate with the Indemnifying Party and its counsel in all commercially reasonable respects in the defense thereof and the settlement thereof. Such cooperation will include, but will not be limited to, furnishing the Indemnifying Party with any books, records and other information reasonably requested by the Indemnifying Party and in the Indemnified Party's possession or control. Such cooperation

7.4 Submission to Jurisdiction; Venue; Waiver of Trial by Jury. Each party agrees that it will bring any Action in respect of any claim arising out of or related to this Agreement or the transactions contemplated hereby exclusively in any federal or state court of competent jurisdiction located in the State of Louisiana (the "Chosen Courts"), and, solely in connection with claims arising under this Agreement or the transactions that are the subject of this Agreement, (i) irrevocably submits to the exclusive jurisdiction of the Chosen Courts, (ii) waives any objection to laying venue in any such Action in the Chosen Courts, (iii) waives any objection that the Chosen Courts are an inconvenient forum or do not have jurisdiction over any party and (iv) agrees that service of process upon such party in any such Action will be effective if notice is given in accordance with Section 7.2. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE, EACH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (I) NO REPRESENTATIVE, AGENT, OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER; (II) EACH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER; (III) EACH PARTY MAKES THIS WAIVER VOLUNTARILY; AND (IV) EACH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS SET FORTH IN THIS SECTION 7.4.

7.5 Specific Performance. The parties agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms. It is accordingly agreed that the parties will be entitled to seek specific performance of the terms hereof, this being in addition to any other remedies to which they are entitled at law or equity.

7.6 Severability. Any provision of this Agreement which is unenforceable or invalid or contrary to Law, or the inclusion of which would adversely affect the validity, legality or enforcement of this Agreement, will be of no effect and, in such case, all the remaining terms and provisions of this Agreement will subsist and be fully effective according to the tenor of this Agreement the same as though any such invalid portion had never been included herein. Notwithstanding any of the foregoing to the contrary, if any provisions of this Agreement or the application thereof are held invalid or unenforceable only as to particular persons or situations, the remainder of this Agreement, and the application of such provision to persons or situations other than those to which it will have been held invalid or unenforceable, will not be affected thereby, but will continue valid and enforceable to the fullest extent permitted by Law.

7.7 Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and may not be modified or amended in any manner other than by supplemental written agreement executed by the parties hereto as set forth herein. No party, in entering into this Agreement, has relied upon any representation, warranty, covenant, condition or other term that is not set forth in this Agreement.

7.8 No Third Party Beneficiary. This Agreement is made for the sole benefit of Company and the Purchasers, and no other Person will be deemed to have any privity of contract hereunder nor any right to rely hereon to any extent or for any purpose whatsoever, nor will any other Person have any right of action of any kind hereon or be deemed to be a third party beneficiary hereunder; provided, however, that the Placement Agent may rely on the representations and warranties contained herein to the same extent as if it were a party hereto.

7.9 Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered will be deemed to be an original and all of which taken together will constitute but one and the same instrument. In the event that any signature is delivered by facsimile transmission, or by e-mail delivery of a ".pdf" format data file, such signature will create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile signature page were an original thereof.

7.10 Expenses. Except as otherwise provided in this Agreement, each of the parties will bear and pay all other costs and expenses incurred by it or on its behalf in connection with the transactions contemplated by this Agreement.

7.11 Independent Nature of Purchasers' Obligations and Rights. The obligations of the Purchaser under this Agreement are several and not joint with the obligations of any other Purchaser, and no Purchaser will be responsible in any way for the performance of the obligations of any other Purchaser under the Agreement. The decision of each Purchaser to purchase the Shares under the Agreement has been made by such Purchaser independently of any other Purchaser. Nothing contained in the Agreement, and no action taken by any Purchaser pursuant thereto, will be deemed to constitute the Purchasers as a partnership, an association, a joint venture or any other kind of entity, or create a presumption that the Purchasers are in any way acting in concert or as a group with respect to such obligations or the transactions contemplated by the Agreement. Each Purchaser acknowledges that no other Purchaser has acted as agent for such Purchaser in connection with making its investment hereunder and that no Purchaser will be acting as agent of such Purchaser in connection with monitoring its investment in the Shares or enforcing its rights under this Agreement. Each Purchaser will be entitled to independently protect and enforce its rights, including without limitation the rights arising out of this Agreement, and it will not be necessary for any other Purchaser to be joined as an additional party in any proceeding for such purpose.

7.12 Waiver or Amendment. No amendment or waiver of any provision of this Agreement will be effective with respect to any party unless made in writing and signed by an officer of a duly authorized representative of such party. No failure or delay by any party in exercising any right, power or privilege hereunder will operate as a waiver thereof nor will any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. No waiver of any party to this Agreement will be effective unless it is in a writing signed by a duly authorized officer of the waiving party that makes express reference to the provision or provisions subject to such waiver. The rights and remedies herein provided will be cumulative and not exclusive of any rights or remedies provided by Law.

7.13 Public Announcements. Subject to each party's disclosure obligations imposed by Law, each of the parties hereto will cooperate with each other in the development and distribution of all news releases and other public information disclosures with respect to this Agreement and the transactions contemplated by this Agreement, and except as otherwise permitted in the next sentence, neither the Company nor any Purchaser will make any such news release or public disclosure that identifies the other party without first consulting with the other, and, in each case, also receiving the other's consent, and all parties will coordinate with the party whose consent is required with respect to any such news release or public disclosure. In the event a party hereto is advised by its outside legal counsel that a particular disclosure that identifies the other party is required by Law, such party will be permitted to make such disclosure but will be obligated to use commercially reasonable efforts to consult with the other party hereto and take its comments into account with respect to the content of such disclosure before issuing such disclosure.

[Signature Pages Follow]

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by its duly authorized representative as of the date first above written.

COMPANY:

INVESTAR HOLDING CORPORATION

By:

John J. D'Angelo
President and Chief Executive Officer

IN WITNESS WHEREOF, the Purchaser has caused this Agreement to be executed by its duly authorized representative as of the date first above written.

PURCHASER:

[]

By:

Name:
Title:

Tax ID No.

Number of Shares:

Subscription Amount: \$

Notice Address of Purchaser

Attention:

Telephone:

Facsimile:

Email:

Delivery instructions
(if different than Notice Address):

EXHIBIT A

OPINION OF COUNSEL

1. Each of the Company and its Subsidiaries (i) has been organized or formed, as the case may be, is validly existing and is in good standing under the laws of its jurisdiction of organization, (ii) has all requisite power and authority to carry on its business as currently conducted and to own, lease and operate its properties and assets as described in the Company Financial Statements and SEC Reports and (iii) is duly qualified or licensed to do business and is in good standing as a foreign corporation, partnership or other entity as the case may be, in each jurisdiction in which such qualification or licensing is required, whether by reason of the ownership or leasing of property or the conduct of business, except where the failure to be so qualified or in good standing would not, individually or in the aggregate, have a Material Adverse Effect.

2. The Company is a registered bank holding company under the Bank Holding Company Act of 1956, as amended.

3. The Bank is an insured depository institution under Section 3(c)(2) of the Federal Deposit Insurance Act, as amended.

4. The Company has all necessary corporate power and authority to execute, deliver and perform its obligations under the Transaction Documents and to consummate the transactions contemplated by the Transaction Documents.

5. Each of the Transaction Documents has been duly authorized, executed and delivered by the Company. Each of the Transaction Documents constitutes a legal valid and binding obligation of Company, enforceable against Company in accordance with its terms, except that the enforcement thereof may be subject to (i) bankruptcy, insolvency, reorganization, receivership, moratorium, fraudulent conveyance, fraudulent transfer or other similar Laws now or hereafter in effect relating to creditors' rights generally and (ii) general principles of equity (whether applied by a court of law or equity) and the discretion of the court before which any proceeding therefor may be brought.

6. The Shares have been duly authorized and, when issued in accordance with the Agreement upon receipt by the Company of the consideration provided for therein, will be validly issued, fully paid and non-assessable.

7. Assuming the accuracy of the representations and warranties of each of the Purchasers and the Company set forth in the Agreement, the Shares to be issued and sold by the Company to the Purchasers in accordance with the Agreement will be issued in a transaction exempt from the registration requirements of the Securities Act, it being understood that counsel expresses no opinion as to any subsequent transfer, sale or conveyance of the Shares.

The opinion letter of Company's counsel will be subject to customary limitations and carveouts, and such counsel may rely as to matters of fact upon such certificates of the officers of Company and Bank or governmental officials as such counsel deems appropriate.

EXHIBIT B

ACCREDITED INVESTOR QUESTIONNAIRE

To: Investar Holding Corporation

This Accredited Investor Questionnaire ("Questionnaire") must be completed by each potential investor in connection with the offer and sale by Investar Holding Corporation, a Louisiana corporation (the "Company"), of shares of its common stock (the "Shares"). The Shares are being offered and sold by the Company without registration under the Securities Act of 1933, as amended (the "Act"), and the securities laws of certain states, in reliance on the exemptions contained in Section 4(a)(2) of the Act and on Regulation D promulgated thereunder and in reliance on similar exemptions under applicable state laws. The purpose of this Questionnaire is to assure the Company that each investor will meet the applicable suitability requirements. The information supplied will be used in determining whether the investor meets the criteria, and reliance upon the private offering exemption from registration is based in part on the information supplied.

This Questionnaire does not constitute an offer to sell or a solicitation of an offer to buy any security. Your answers will be kept strictly confidential. However, by signing this Questionnaire, you authorize the Company to provide a completed copy of this Questionnaire to such parties as the Company deems appropriate to ensure that the offer and sale of the Shares will not result in a violation of the Act or the securities laws of any state and that you otherwise satisfy the suitability standards applicable to purchasers of the Shares. Please print or type all responses and attach additional sheets of paper if necessary to complete answers to any item.

PART A. BACKGROUND INFORMATION

Name of Beneficial Owner of the Shares: _____

Social Security or Taxpayer Identification No: _____

If a corporation, partnership, limited liability company, trust or other entity:

Business Address: _____

(Number and Street)

(City) (State) (Zip Code)

Telephone Number: () - Type of entity: _____

Was the entity formed for the purpose of investing in the securities being offered (check one)?

Yes No

In what U.S. State was the investment decision with respect to the Shares made: _____

If a natural person:

Residence Address: _____
(Number and Street)

(City) (State) (Zip Code)

Telephone Number: () - _____

Age: ___ Citizenship: _____ Where registered to vote: _____

In what U.S. State do you maintain your residence: _____

PART B. ACCREDITED INVESTOR QUESTIONNAIRE

In order for the Company to offer and sell the Shares in accordance with state and federal securities laws, the following information must be obtained regarding your investor status. Please mark each category applicable to you as a Purchaser of Shares.

- A bank as defined in Section 3(a)(2) of the Act, or any savings and loan association or other institution as defined in Section 3(a)(5)(A) of the Act whether acting in its individual or fiduciary capacity
 - A broker or dealer registered under Section 15 of the Securities Exchange Act of 1934
 - An insurance company as defined in Section 2(a)(13) of the Act
 - An investment company registered under the Investment Company Act of 1940 or a business development company as defined in Section 2(a)(48) of that Act
 - A Small Business Investment Company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958
 - A plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, if such plan has total assets in excess of \$5,000,000
 - An employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974, if the investment decision is made by a plan fiduciary, as defined in Section 3(21) of such act, which is either a bank, savings and loan association, insurance company, or registered investment adviser, or if the employee benefit plan has total assets in excess of \$5,000,000 or, if a self-directed plan, with investment decisions made solely by persons that are accredited investors
 - A private business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940
 - Either (1) an organization described in Section 501(c)(3) of the Internal Revenue Code, or (2) a corporation, a Massachusetts or similar business trust, or a partnership, which has not been formed for the specific purpose of acquiring the Shares, with total assets in excess of \$5,000,000
 - A trust, with total assets in excess of \$5,000,000, not formed for the specific purpose of acquiring the Shares, whose purchase is directed by a sophisticated person who has such knowledge and experience in financial and business matters that such person is capable of evaluating the merits and risks of investing in the Company
-

- A natural person whose individual net worth, or joint net worth with that person's spouse, at the time of his or her purchase exceeds \$1,000,000
- A natural person who had an individual income in excess of \$200,000 in each of the two most recent years, or joint income with that person's spouse in excess of \$300,000 in each of those years, and has a reasonable expectation of reaching the same income level in the current year
- An executive officer or director of the Company
- An entity in which all of the equity owners qualify under any of the above subparagraphs. If the undersigned belongs to this investor category only, list the equity owners of the undersigned, and the investor category which each such equity owner satisfies

NOTE: For purposes of calculating net worth above, the person's primary residence will not be included as an asset; indebtedness that is secured by the person's primary residence, up to the estimated fair market value of the primary residence at the time of the sale of securities, will not be included as a liability (unless the amount of such indebtedness outstanding at the time of sale of securities exceeds the amount outstanding 60 days before such time, other than as a result of the acquisition of the primary residence, in which case the amount of such excess will be included as a liability); and indebtedness that is secured by the person's primary residence in excess of the estimated fair market value of the primary residence at the time of the sale of securities will be included as a liability.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

If a natural person:

Date

If an entity:

Date

Print Name:

Print Entity Name

By: _____

Print Name: _____

Title: _____

Investar Holding Corporation Announces Acquisition of Cheaha Financial Group, Inc. in Oxford, Alabama and Private Placement of Common Stock

BATON ROUGE, La., December 20, 2019 (GLOBE NEWSWIRE) -- Investar Holding Corporation ("Investar") (NASDAQ:ISTR), the holding company for Investar Bank, National Association, announced today that it has entered into a definitive agreement (the "Agreement") to acquire Cheaha Financial Group, Inc. ("Cheaha"), headquartered in Oxford, Alabama, and its wholly-owned subsidiary, Cheaha Bank. In connection with the Cheaha transaction, Investar also announced today the execution of a stock purchase agreement with selected institutional and other accredited investors with respect to a private placement of \$30.0 million of its common stock.

Cheaha Financial Group Transaction

The terms of the Agreement provide that Cheaha shareholders will receive \$80.00 in cash consideration for each of their shares of Cheaha common stock, for an aggregate value of approximately \$41.1 million.

At September 30, 2019, Cheaha Bank had approximately \$206.7 million in assets, \$117.2 million in net loans, \$177.1 million in deposits and \$27.5 million in stockholder's equity. Cheaha Bank offers a full range of banking products and services to individuals and small businesses from four branch locations in Calhoun County, Alabama.

Shad A. Williams, President and Chief Executive Officer of Cheaha stated, "We were only interested in a merger partner that believed in the deep relationships between the bank and the community it serves. Investar is that organization and I believe we are extremely fortunate to have found such a stellar partner for our employees and community. We love its commitment to Alabama and strong culture. I could not be more pleased."

For Investar, the merger represents the continued execution of its multi-state expansion strategy and its second acquisition along the I-20 corridor in Alabama this year, further bolstering its core deposit base and positioning Investar to continue to build on its existing record of growth and client service under the leadership of its current management team. For Cheaha, the transaction is expected to provide the benefits of additional financial strength and the expanded resources of a larger banking enterprise. Although Cheaha will transition to the Investar name, the experienced Cheaha staff is expected to remain substantially intact, continuing to provide exemplary and personal service to Cheaha's growing customer base.

"We are extremely excited to join forces with Cheaha to continue to provide its customers and community with exemplary service," said John D'Angelo, President and Chief Executive Officer of Investar. "The leadership team at Cheaha has done an extraordinary job operating the bank, and we are confident that they will make a great addition to the Investar family. This merger significantly enhances our presence along the I-20 corridor in Alabama and complements our recent acquisition of Bank of York."

The Agreement has been unanimously approved by both the Boards of Directors of Cheaha and Investar. The closing of the transaction, which is expected to occur in the second quarter of 2020, is subject to customary conditions, including regulatory approvals and approval by the shareholders of Cheaha. Pursuant to the terms of the Agreement, Cheaha will be permitted to pay its regular, annual dividend to shareholders prior to the closing of the merger.

Janney Montgomery Scott LLC acted as financial advisor, and Fenimore, Kay, Harrison & Ford LLP served as legal counsel to Investar, for the Cheaha acquisition. Maynard Cooper & Gale, P.C. served as legal counsel to Cheaha and National Capital, LLC provided the fairness opinion for Cheaha.

Private Placement of Common Stock

Investar also announced today the execution of a stock purchase agreement with selected institutional and other accredited investors with respect to a private placement of 1,290,323 shares of its common stock at an offering price of \$23.25 per share, for aggregate gross proceeds of \$30.0 million.

Investar intends to use the net proceeds from the offering to support the acquisition of Cheaha and for general corporate purposes, including organic growth and other potential acquisitions.

Janney Montgomery Scott LLC served as lead placement agent, and D.A. Davidson & Co. acted as co-placement agent for the private placement. Fenimore, Kay, Harrison & Ford LLP served as legal counsel to Investar, and Vedder Price P.C. served as legal counsel to the placement agents, for the offering.

About Investar Holding Corporation

Investar Holding Corporation, headquartered in Baton Rouge, Louisiana, provides full banking services, excluding trust services, through its wholly-owned banking subsidiary, Investar Bank, National Association. Investar currently operates 28 full-service branches and had 285 full-time equivalent employees as of September 30, 2019.

Forward-Looking Statements

This press release may include forward-looking statements as defined by the Private Securities Litigation Reform Act of 1995. These forward-looking statements are based upon current expectations and assumptions about Investar's business that are subject to a variety of risks and uncertainties that could cause the actual results to differ materially from those described in this press release. You should not rely on forward-looking statements as a prediction of future events.

Additional information regarding factors that could cause actual results to differ materially from those discussed in any forward-looking statements are described in reports and registration statements Investar files with the SEC, including its Annual Report on Form 10-K and subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, copies of which are available on the Investar internet website <http://www.investarbank.com>.

Investar disclaims any obligation to update any forward-looking statements or any changes in events, conditions or circumstances upon which any forward-looking statement may be based except as required by law.

Contact:
Investar Holding Corporation
Chris Hufft
Chief Financial Officer
(225) 227-2215
Chris.Hufft@investarbank.com



NASDAQ: ISTR

\$20.0 - \$25.0 Million
Private Placement of Common Stock

Investor Presentation | December 2019

Strictly Confidential

Disclosures and Disclaimers

This presentation may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that reflect current views of Investar Holding Corporation (the "Company") with respect to, among other things, future events and financial performance. The Company generally identifies forward-looking statements by terminology such as "outlook," "believes," "expects," "potential," "continues," "may," "will," "could," "should," "seeks," "approximately," "predicts," "intends," "plans," "estimates," "anticipates," or the negative version of those words or other comparable words. Any forward-looking statements contained in this presentation are based on the historical performance of the Company and its subsidiaries or on the Company's current plans, estimates and expectations. The inclusion of this forward-looking information should not be regarded as a representation by the Company that the future plans, estimates or expectations by the Company will be achieved. Such forward-looking statements are subject to various risks and uncertainties and assumptions relating to the Company's operations, financial results, financial condition, business prospects, growth strategy and liquidity. If one or more of these or other risks or uncertainties materialize, or if the Company's underlying assumptions prove to be incorrect, the Company's actual results may vary materially from those indicated in these statements. The Company does not undertake any obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise. A number of important factors could cause actual results to differ materially from those indicated by the forward-looking statements. These factors include, but are not limited to, the following, any one or more of which could materially affect the outcome of future events:

- business and economic conditions generally and in the financial services industry in particular, whether nationally, regionally or in the markets in which it operates;
- its ability to achieve organic loan and deposit growth, and the composition of that growth;
- its ability to integrate and achieve anticipated cost savings from acquisitions;
- changes (or the lack of changes) in interest rates, yield curves and interest rate spread relationships that affect its loan and deposit pricing;
- the extent of continuing client demand for the high level of personalized service that is a key element of its banking approach as well as its ability to execute its strategy generally;
- the dependence on its management team, and its ability to attract and retain qualified personnel;
- changes in the quality or composition of our loan or investment portfolios, including adverse developments in borrower industries or in the repayment ability of individual borrowers;
- inaccuracy of the assumptions and estimates its makes in establishing reserves for probable loan losses and other estimates;
- the concentration of its business within the Company's geographic areas of operation in Louisiana, Texas and Alabama; and
- concentration of credit exposure.

These factors should not be construed as exhaustive. Additional information on these and other risk factors can be found in Item 1A. "Risk Factors" and Item 7. "Special Note Regarding Forward-Looking Statements" in the Company's Annual Report on Form 10-K for the year ended December 31, 2018, filed with the Securities and Exchange Commission.

Janney Montgomery Scott LLC ("Janney") is representing Investar Holding Corp (ISTR) as private placement agent in this PIPE offering and as its financial advisor in its contemplated acquisition of Cheaha Financial Group. Janney will receive an aggregate fee for its services as financial advisor of approximately \$325 thousand, \$50 thousand of which will be payable upon delivery of a fairness opinion and approximately \$275 thousand of which is payable contingent upon consummation of the acquisition. Proceeds of this offering are expected to be used to fund, in part, the acquisition of Cheaha Financial Group. Accordingly, Janney may be deemed to have a conflict of interest because it will receive compensation contingent upon the successful consummation of the acquisition. You will be deemed to waive and consent to such conflict by your continued access and evaluation of the following materials.

Notice to Recipients

This confidential presentation (this "Presentation") has been prepared solely for general informational purposes by Investar Holding Corporation (together, with its wholly owned bank subsidiary Investar Bank, National Association, the "Company"), and is being furnished solely for use by prospective participants in considering participation in the proposed private placement (the "Offering") of common stock by the Company (the "Securities"). No representation or warranty as to the accuracy, completeness, or fairness of such information is being made by the Company or any other person, and neither the Company nor any other person shall have any liability for any information contained herein, or for any omissions from this Presentation or any other written or oral communications transmitted to the recipient by the Company or any other person in the course of the recipient's evaluation of the Offering.

Investment in the Securities offered hereunder involves a high degree of risk and is suitable only for persons of substantial means who have no need for liquidity from this investment and who are able to bear the economic risks of the investment, including total loss.

The Securities are not a deposit or bank account, and are not, and will not be, insured or guaranteed by the Federal Deposit Insurance Corporation (the "FDIC") or any other federal or state government agency. Investment in the Securities has not been approved or disapproved by the Securities and Exchange Commission (the "SEC"), the Office of the Comptroller of the Currency (the "OCC"), the Federal Deposit Insurance Corporation, the Board of Governors of the Federal Reserve System or any other federal or state regulatory authority, nor has any authority passed upon or endorsed the merits of the Offering or the accuracy or adequacy of this Presentation. Any representation to the contrary is a criminal offense.

The offer to invest in the Securities and the sale thereof has not been registered under the Securities Act of 1933, as amended (the "1933 Act"), nor under any state securities act. The Securities are being offered and sold in reliance on exemptions from the registration requirements of such acts. Therefore, the Securities may not be sold or transferred absent an exemption from registration under the 1933 Act and under applicable state securities law. The Company reserves the right to withdraw or amend this Offering for any reason and to reject any subscription in whole or in part.

The Company has authorized Janney Montgomery Scott LLC to act as its placement agent in the Offering.

The information contained herein is intended only as an outline that has been prepared to assist interested parties in making their own evaluations of the Company. It does not purport to be all-inclusive or to contain all of the information that a prospective participant may desire. Each recipient of the information and data contained herein should perform its own independent investigation and analysis of the Offering and the value of the Company. The information and data contained herein are not a substitute for a recipient's independent evaluation and analysis.

In making an investment decision, prospective participants must rely on their own examination of the Company, including the merits and risks involved. Prospective participants are urged to consult with their own legal, tax, investment and accounting advisers with respect to the consequences of an investment in the Company. In the event that any portion of this Presentation is inconsistent with or contrary to any of the terms of the form of a stock purchase agreement (the "Purchase Agreement"), the Purchase Agreement shall control.

You will be given the opportunity to ask questions of and receive answers from our representatives concerning our business and the terms and conditions of the Offering, and to obtain any additional relevant information to the extent the Company possesses such information or can obtain it without unreasonable effort or expense. Except for information provided in response to such requests, the Company has not authorized any other person to give you information that is not found in this Presentation. If such unauthorized information is obtained or provided, the Company cannot and does not assume responsibility for its accuracy, credibility, or validity.

The Company is not providing you with any legal, business, tax or other advice regarding an investment in the Securities. You should consult with your own advisors as needed to assist you in making your investment decision and to advise you whether you are legally permitted to purchase the Securities.

Risk Factors

- As a business operating in the financial services industry, Investar Holding Corporation's business and operations may be adversely affected by current economic conditions and geopolitical matters
- Investar Holding Corporation's business strategy includes the continuation of growth plans, and the company's financial condition and results of operations could be negatively affected if the company fail to grow or fail to manage the Company's growth effectively.
- Investar Holding Corporation's success depends significantly on its management team, and the loss of the Company's senior executive officers or other key employees and the Company's inability to recruit or retain suitable replacements could adversely affect the Company's business, results of operations and growth prospects.
- As a community bank, Investar Holding Corporation's ability to maintain its reputation is critical to the growth of business.
- Investar Holding Corporation's business is concentrated in southern Louisiana and southeast Texas, and an economic downturn affecting southern Louisiana or southeast Texas may magnify the adverse effects and consequences to the Company.
- Adverse economic factors affecting particular industries could have a negative effect on Investar Holding Corporation's customers and their ability to make payments to the Company.
- Investar Holding Corporation has a significant number of loans secured by real estate, and a downturn in the real estate market could result in losses and negatively impact the Company's profitability.
- Commercial real estate loans may expose Investar Holding Corporation to greater risks than its other real estate loans.
- Investar Holding Corporation are exposed to consumer credit risk.
- Investar Holding Corporation's allowance for loan losses may prove to be insufficient to absorb losses inherent in its loan portfolio, and the Company may be required to further increase its provision for loan losses.
- Lack of seasoning of the Company's loan portfolio could increase the risk of future credit defaults.
- New lines of business or new products and services may subject the Company to additional risks.
- Changes in interest rates could have an adverse effect on the Company's profitability.
- Investar Holding Corporation's success depends on its ability to respond to the threats and opportunities of fintech innovation
- Cyber-attacks or other security breaches could adversely affect the Company's operations, net income or reputation.
- A lack of liquidity could adversely affect the Company's ability to fund operations and meet its obligations as they become due.
- If the goodwill that the Company records in connection with a business acquisition becomes impaired, it could require charges to earnings, which would have a negative impact on its financial condition and results of operations.
- The Company may not be able to complete future announced acquisitions.
- The Company may face risks with respect to future acquisitions.
- The Company may need to raise additional capital in the future to execute its business strategy.
- Loss of deposits or a change in deposit mix could increase the Company's funding costs.
- Changes in the method pursuant to which the LIBOR and other benchmark rates are determined could adversely impact Investar Holding Corporation's business and results of operations.

Source: Investar Holding Corporation filings

Table of Contents



SECTION	DESCRIPTION
I.	Executive Summary
II.	Company Overview
III.	Proposed Acquisition
IV.	Pro Forma Impact
	Appendix

I. EXECUTIVE SUMMARY

Offering Summary



Issuer:	Investar Holding Corporation in Baton Rouge, Louisiana
Exchange/Ticker:	NASDAQ / ISTR
Offering Type:	Private placement / PIPE
Security Type:	Common stock
Offering Amount:	\$20.0 - \$25.0 million
Expected Closing Date:	December 2019
Registration:	ISTR will register the resale of the shares within 60 days of closing
Use of Proceeds:	Support the acquisition of Cheaha Financial Group and for general corporate purposes, including organic growth and other potential acquisitions
Lead Placement Agent:	Janney Montgomery Scott LLC
Co-Placement Agent:	D.A. Davidson & Co.

Investment Highlights



An opportunity to invest in a dynamic Southeast franchise with an experienced management team and a proven track record of growth at an attractive entry point

- Experienced and successful leadership team headed by Founder
- Access to a diverse mix of operating markets across the Southeast
- Proven ability to grow organically – compounded annual average organic growth of 35% since 2006 and 13% since 2014
- Disciplined acquisition strategy with successful execution and integration of 6 completed transactions
- Strong operating metrics with positive profitability trends
- Conservative credit culture has been unwavering since inception
- Proposed acquisition has attractive metrics to both earnings per share accretion and tangible book value payback

Use of Proceeds



- Supports the acquisition of Cheaha Financial Group in Oxford, Alabama
 - \$206 million in assets
 - Top-tier profitability
 - Strong credit quality
- Acquisition is consistent with the Company's expansion strategy and will increase the Company's presence along the I-20 corridor in Alabama
- Normalizes capital ratios to appropriate levels
 - Tangible Common Equity
 - Leverage Ratio
 - Total RBC
- Opportunity to broaden the Company's investor base and sponsorship
- Greater market capitalization and potential for improved trading liquidity post-offering

Leadership Team



John J. D'Angelo, President & Chief Executive Officer

- Founding President and Chief Executive Officer
- Prior to founding Investar, Mr. D'Angelo was president and director of Aegis Lending Corporation, a mortgage lending company with operations in 46 states and the District of Columbia
- Previously, Mr. D'Angelo held various senior positions at Hibernia National Bank (the predecessor to Capital One Bank, N.A.), focusing on the East Baton Rouge Parish, Louisiana market
- New Orleans native: graduate of Louisiana State University



Christopher L. Hufft, Chief Financial Officer

- Joined the Bank in February 2014 as Chief Accounting Officer and assumed the role of Chief Financial Officer in October 2015
- Prior to joining the Bank, Mr. Hufft served for 9 years as the Vice President of Accounting at Amedisys, Inc., a publicly-traded home health and hospice company
- Mr. Hufft, a licensed certified public accountant, also spent seven years in public accounting, serving both public and privately-held clients in banking, healthcare, and manufacturing sectors
- B.S. Accounting – Louisiana State University



Travis M. Lavergne, Chief Credit Officer & Chief Risk Management Officer

- Served as Executive Vice President since March 2013 and Chief Risk Management Officer since joining in July 2012
- Prior to joining the Bank, Mr. Lavergne was a Senior Examiner at the Louisiana Office of Financial Institutions from September 2005 to July 2012
- B.S. Finance – Louisiana State University
- M.B.A. Southeastern Louisiana University

II. COMPANY OVERVIEW

Company Profile



Company Overview

- Based in Baton Rouge, Louisiana, Investar Holding Corporation is the bank holding company for Investar Bank
 - The Bank was founded in 2006; Investar Holding Corporation was established in 2013
 - Full service, commercially-oriented community bank
 - Offers a wide range of commercial banking products to meet the needs of individuals and small to medium-sized businesses
- Dedicated to serving customers via 28 branch locations, 2 loan production offices and a significant online platform
 - 23 branches and 1 LPO in the south Louisiana market
 - 3 branches in the Houston MSA; pending acquisition of 2 additional branches in Texas
 - 2 branches and an LPO along the I-20 corridor in west Alabama
- 6 successfully completed whole bank acquisitions; 1 branch transaction pending

Financial Highlights*

Assets	\$2,018,014
Net Loans	\$1,576,003
Deposits	\$1,585,357
Tangible Common Equity ¹	\$184,340
Non-Performing Assets / Assets	0.34%
Net Income (YTD)	\$13,508
Return on Average Assets (YTD)	0.93%
Return on Average Equity (YTD)	8.96%
Net Interest Margin (YTD)	3.53%
Earnings Per Share (YTD)	\$1.34
Tangible Book Value Per Share ¹	\$18.56

Market Information*

Ticker	ISTR
Exchange	NASDAQ
Market Price	\$24.43
Common Shares Outstanding	9,767,051
Market Capitalization (\$M)	\$238.6
Quarterly Cash Dividend	\$0.060
Dividend Yield	0.98%
52 Week Range	\$19.49 - \$26.00
3-Month Average Volume	14,850

**Non-GAAP measure. See "Legal Information and Disclaimers" on slide 2 and "Non-GAAP Reconciliation" on slide 39 for additional information
Note: Financial highlights information as of September 30, 2019; market information as of market close December 3, 2019
Source: S&P Global Market Intelligence; Investar Holding Corporation*



VALUES

Integrity
Neighborhoodly
Visionary
Empowerment
Star Service
Team Focused
Accountable
Responsive



MISSION

INVESTAR IS
a dynamic full service
community bank focused
on relationships that create
value and opportunities for
our customers, employees,
shareholders and the
community served

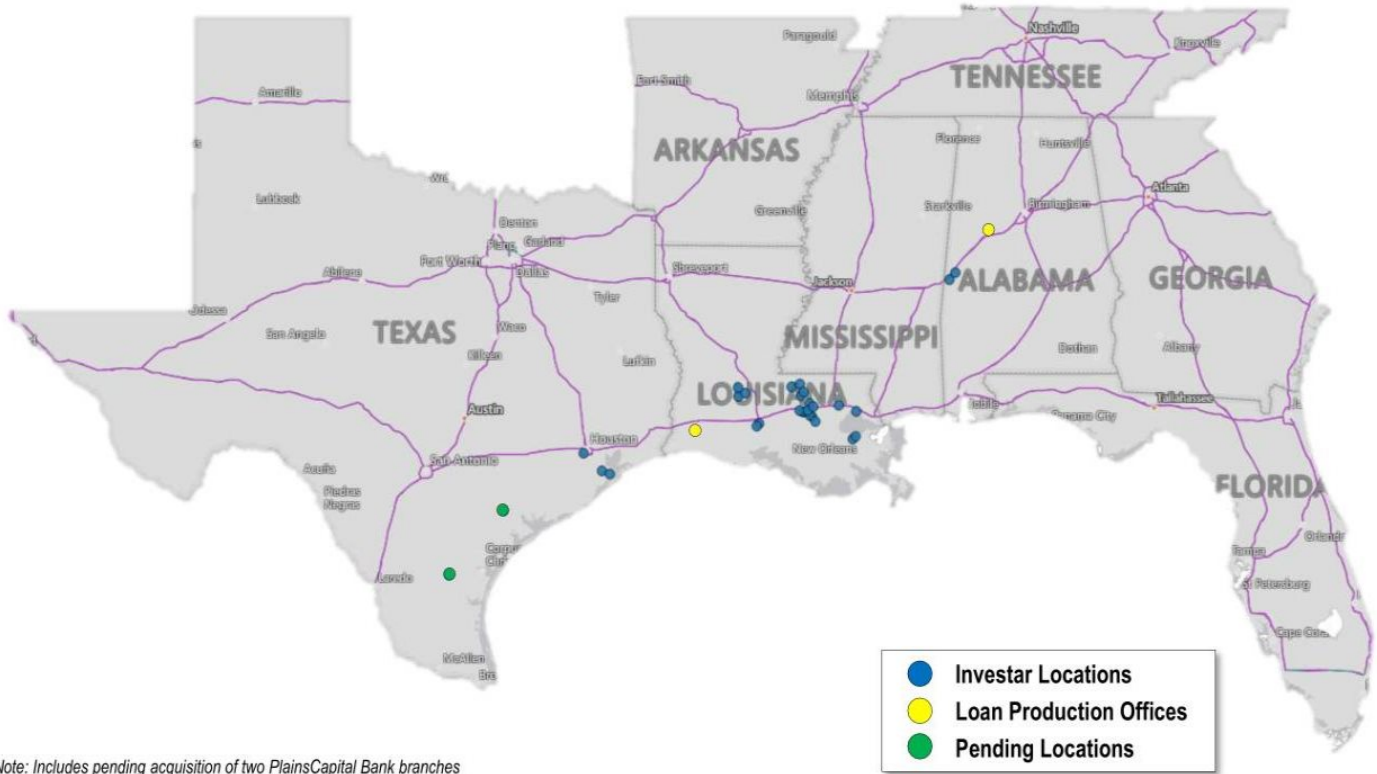
Current Footprint



30 Full service branches

2 Loan Production offices

\$1.7 Billion Total deposits



Note: Includes pending acquisition of two PlainsCapital Bank branches
Source: S&P Global Market Intelligence; Investar Holding Corporation

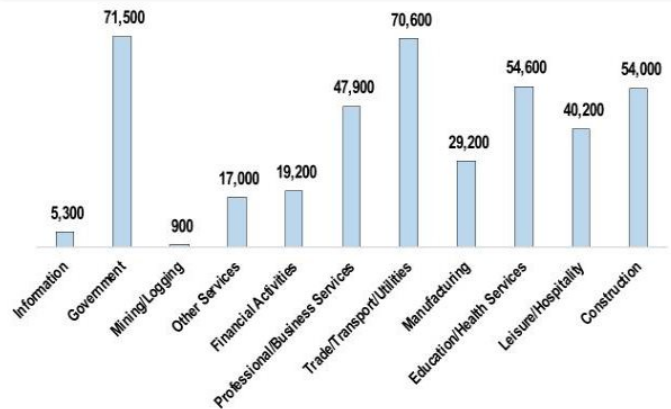
Largest Operating Markets



Baton Rouge, LA MSA

- 14 branches with \$881 million in deposits
- Population: 855,786
- Capitol of Louisiana; over 70,000 government employees in the MSA
- Home to Louisiana State University which enrolled over 26,000 on-campus students in Fall 2019
- The Port of Baton Rouge is the 8th largest port in the United States and is currently working to further increase the capacity of its Inland Marine Terminal
- Economy expected to grow by 5,700 jobs in 2020 and 6,000 in 2021, making it the second fastest growing MSA in the state by absolute growth
- Major industries include petrochemicals and industrial construction with a growing technology industry as well

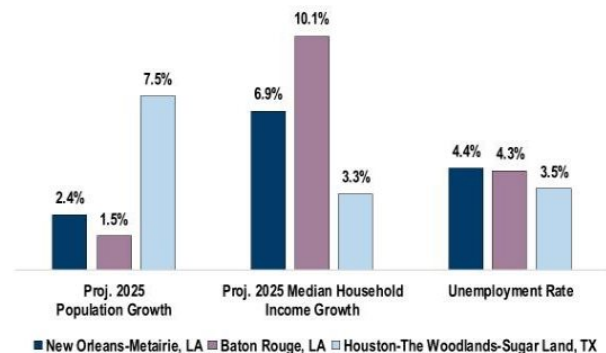
Baton Rouge Employment by Industry



New Orleans, LA MSA

- 3 branches \$143 million in deposits
- Population: 1,277,776
- Largest metropolitan area in Louisiana
- \$57.9 billion worth of announced construction projects since 2012
- Economy grew by 11,500 jobs in 2018-2019

Demographic Highlights



Houston MSA

- 3 branches with \$113 million in deposits
- Population: 7,170,379
- Key industries include biotech and life sciences, energy, advanced manufacturing and transportation and logistics
- ~33% of residents 25 years or older are college graduates
- Cost of living 4% below the national average

Source: S&P Global Market Intelligence; Investar Holding Corporation, The Louisiana Economic Outlook: 2020 and 2021, The Greater Houston Partnership, Louisiana State University, Baton Rouge Area Chamber

Additional Core Markets



Lafayette, LA MSA

- 2 branches with \$171 million in deposits
- Population: 491,001
- Economy expected to grow by 3,200 jobs in 2020 and 4,000 jobs in 2021
- Major employers include Stuller Inc., LHC Group, Acadian Ambulance, SCP Health, CGI and Vimed
- Lafayette Regional Airport is currently expanding its terminal by 100,000 sq ft to be finished in 2022

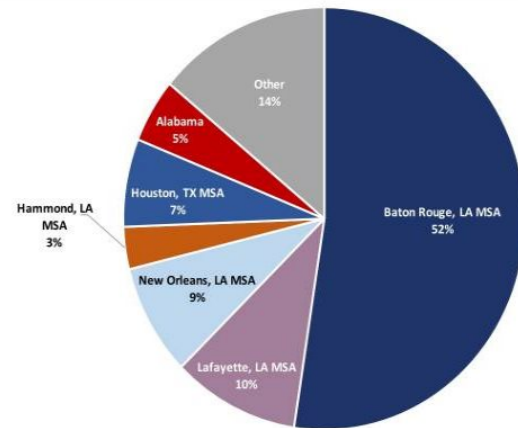
Hammond MSA

- 1 branch with \$54 million in deposits
- Population: 136,149
- Major employers include North Oaks Medical Center, Southeastern Louisiana University, Sanderson Farms, Elmer's Candy and Walmart
- Southeastern Louisiana University has approximate enrollment of 14,700

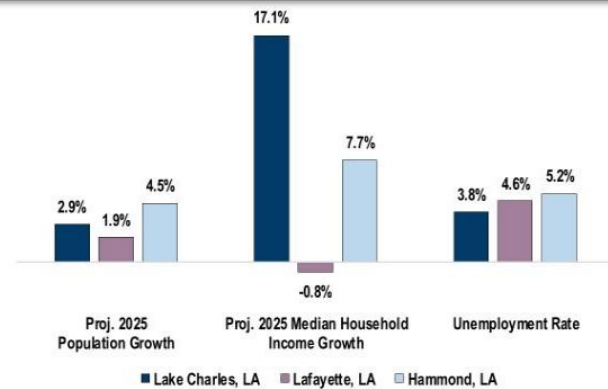
Lake Charles MSA

- Loan production office
- Population: 212,133
- Economy should gain 3,000 jobs in 2020 and 3,800 in 2021
- Fastest job growth rate in Louisiana from 2014 through 2018 and is expected to have the fastest growth rate in 2020 and 2021
- Major industries include gambling, petrochemicals, industrial construction and aircraft repair
- Chennault International Airpark is home to Citadel Completions, Landlock Aviation and Northrup Grumman totaling more than 900 employees

Deposit Breakdown



Demographic Highlights



Note: Deposit data as of June 30, 2019, adjusted for since closed and pending acquisitions

Source: S&P Global Market Intelligence; Investar Holding Corporation, The Louisiana Economic Outlook: 2020 and 2021, The Greater Houston Partnership

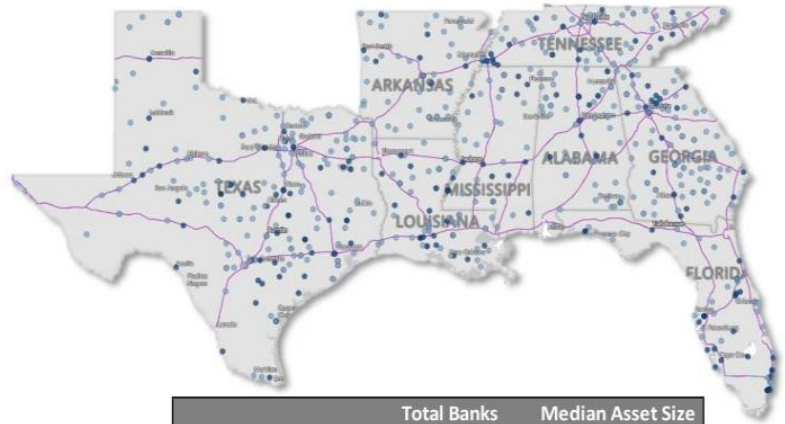
Acquisition Strategy



Focus on Growth and Geographic Diversification with Small, Low Risk Transactions

Opportunity to Improve Shareholder Value

- Provides additional size and operating efficiencies
- Ability to enhance target earnings by implementing core competencies and eliminating operating redundancies
- Geographic diversification
- Adds knowledgeable and experienced banking talent
- Potential for additional liquidity and lower cost of funds
- Goal is to build a premier regional community bank with a diverse mix of people, assets and markets



	Total Banks	Median Asset Size
● Banks \$100M - \$300M	456	\$177,520
● Banks \$300M - \$500M	183	\$382,040

Disciplined Evaluation and Execution

- Requirement that all deals are below a four-year tangible book value payback
- Internal loan review team with both credit and regulatory experience dedicated to the due diligence process
- Integration team made up of individuals who have participated in more than 100 conversions to aid in the transition process
- Prefer leadership teams who are committed to the combined institution and will shepherd their people during the transition

Targets

- "SEC" strategy – banks with access to dynamic Southeast markets or along major thoroughfares
- Smaller, lower risk targets – asset size between \$100 million and \$500 million
- 639 banks fit the asset size criteria in preferred states
- Relationship-based business models
- Clean franchises with minimal legacy credit issues

Note: Target asset data based on September 30, 2019 financial information
Source: S&P Global Market Intelligence; Investar Holding Corporation

Successful Execution of Acquisition Strategy



2011

**South LA
Business Bank (LA)**

Price: \$14.7 million
Structure: 100% Stock
P/TBV: 120%
P/EPS: NM
Assets: \$50.1 million
EPS Accretion: NA
TBV Payback Period: NA

2013

**First Community
Bank (LA)**

Price: \$4.6 million
Structure: 100% Stock
P/TBV: 69%
P/EPS: NM
Assets: \$106.3 million
EPS Accretion: NA
TBV Payback Period: NA

2017

Citizens Bancshares (LA)

Price: \$45.8 million
Structure: 100% cash
P/TBV: 128%
P/EPS: 21.2x
Assets: \$245.5 million
EPS Accretion (w/o raise): 28.5%
EPS Accretion (w/raise)*: 7.1%
TBV Payback (w/o raise): 3.5 years
TBV Payback (w/raise)*: 4.5 years

2017

BOJ Bancshares (LA)

Price: \$22.1 million
Structure: 80% stock
P/TBV: 132%
P/EPS: 20.6x
Assets: \$150.1 million
EPS Accretion: 3.3%
TBV Payback Period: Immediate

2019

Bank of York (AL)

Price: \$15.0 million
Structure: 100% cash
P/TBV: 134%
P/EPS(tax-effected): 16.7x
Assets: \$99.5 million
EPS Accretion: 4.8%
TBV Payback Period: 3.3 years

2018

Mainland Bank (TX)

Price: \$19.7 million
Structure: 100% stock
P/TBV: 155%
P/EPS: 13.1x
Assets: \$131.3 million
EPS Accretion: 2.6%
TBV Payback Period: 3.0 years

2019

**PlainsCapital Bank
Branches (TX)**

Loans: \$52.0 million
Deposits: \$42.0 million
Branches: 2

*All transactions have been
negotiated deals*

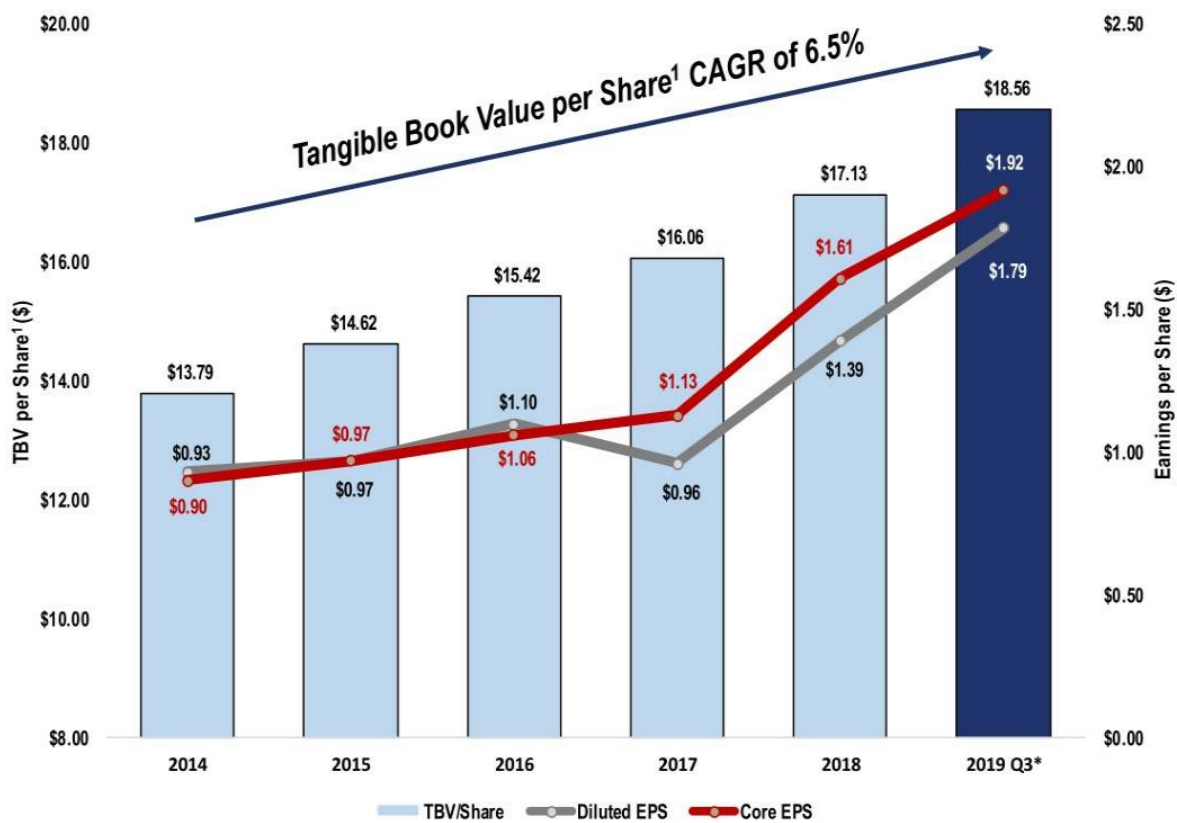
* Citizens acquisition coincided with a \$34.5 million common stock offering and \$18.6 million subordinated debt offering

Note: All transaction information based on announcement date

Note: EPS accretion and TBV payback period based on original projections; Citizens transaction includes 2017 common stock offering and subordinated debt offering

Source: S&P Global Market Intelligence; Investstar Holding Corporation

Creating Shareholder Value



*Diluted and Core EPS values annualized for 2019

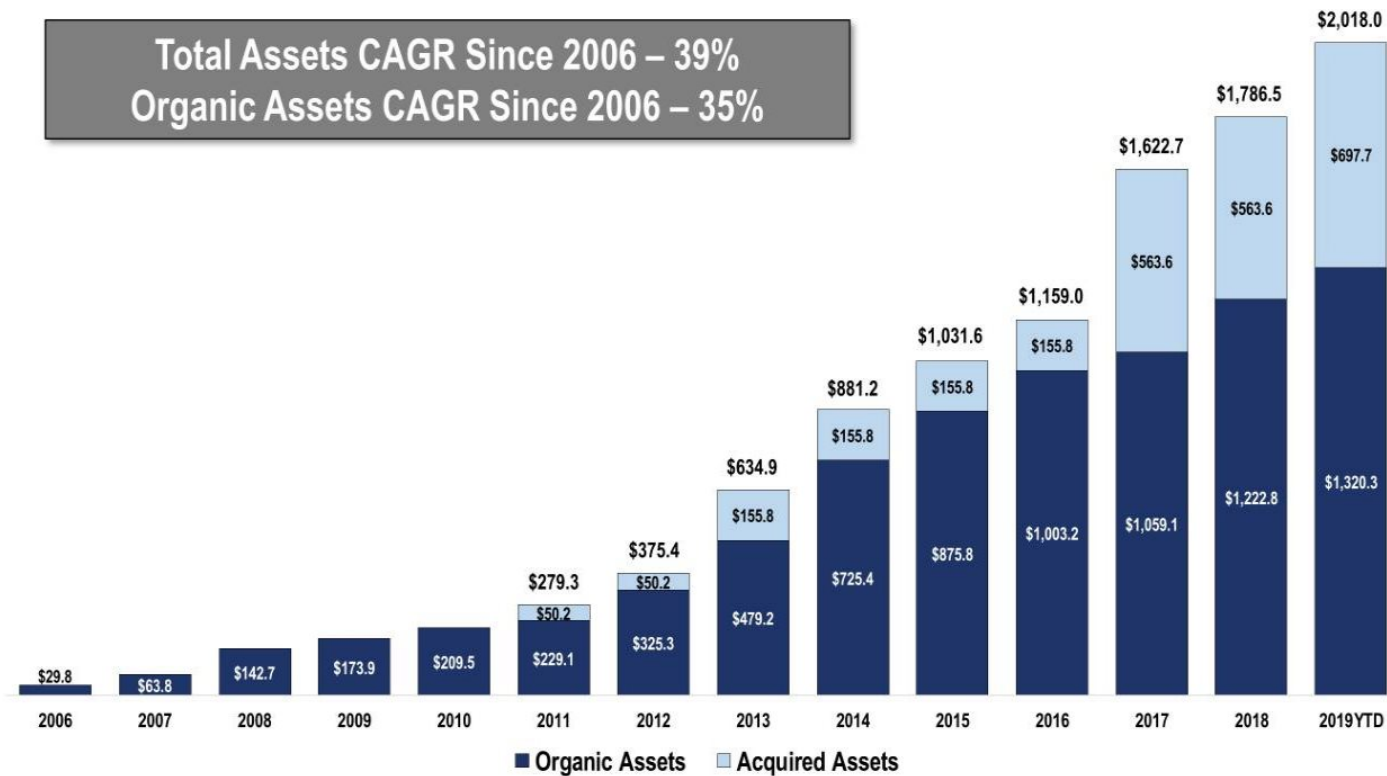
¹Non-GAAP measure. See "Legal Information and Disclaimers" on slide 2 and "Non-GAAP Reconciliation" on slide 39 for additional information

Source: S&P Global Market Intelligence; Investar Holding Corporation

Historical Asset Growth

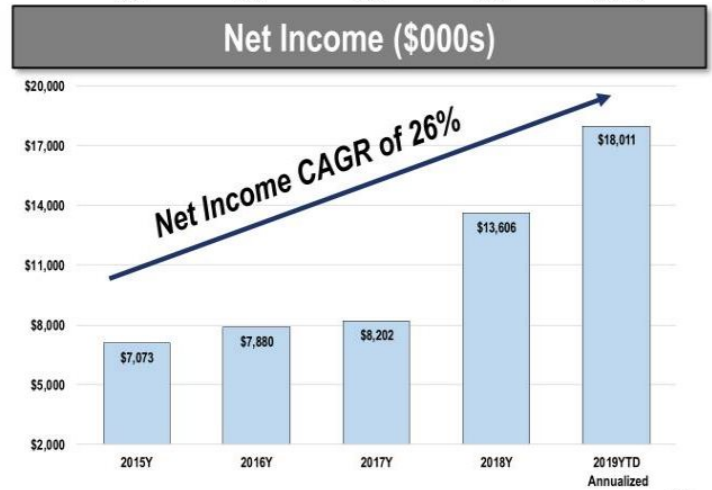
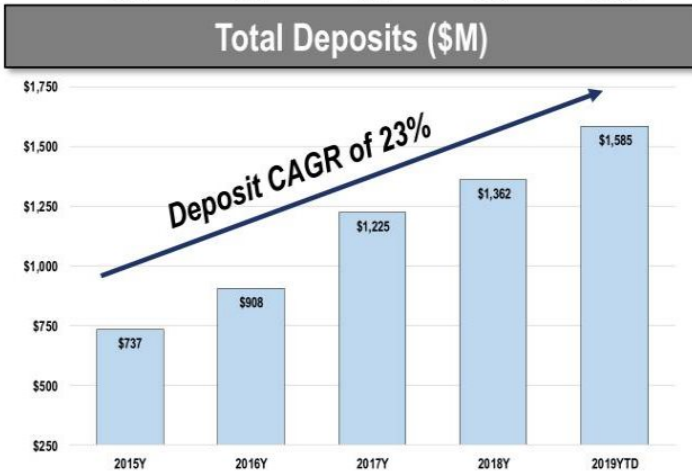
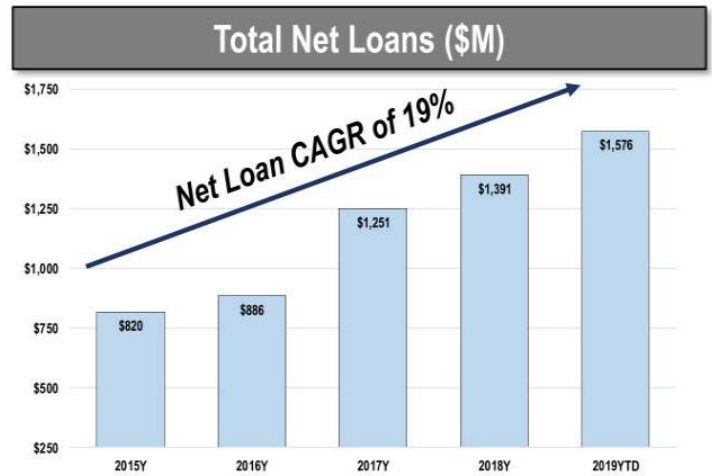
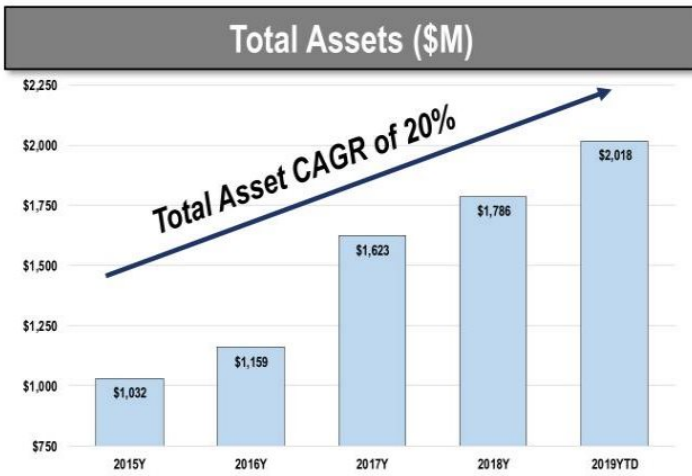


Total Assets CAGR Since 2006 – 39%
Organic Assets CAGR Since 2006 – 35%



Note: 2019 YTD information as of September 30, 2019
 Source: S&P Global Market Intelligence

Proven Growth Story

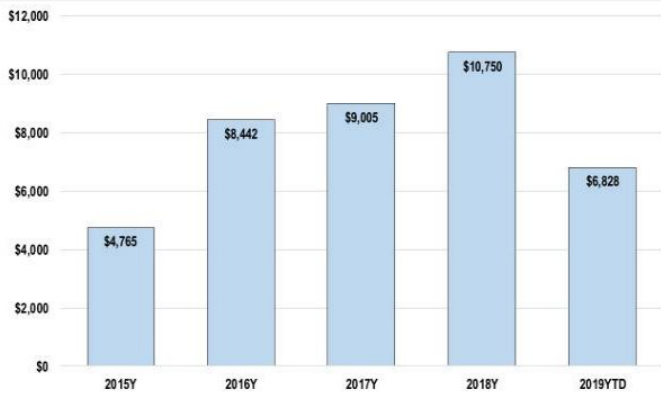


Note: 2019 YTD information as of September 30, 2019
 Source: S&P Global Market Intelligence; Investar Holding Corporation

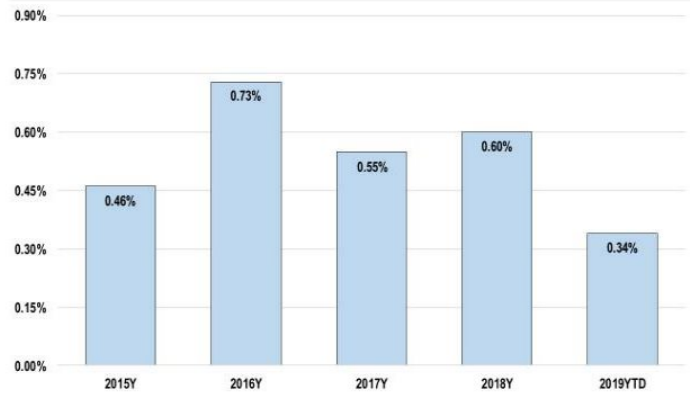
Asset Quality Trends



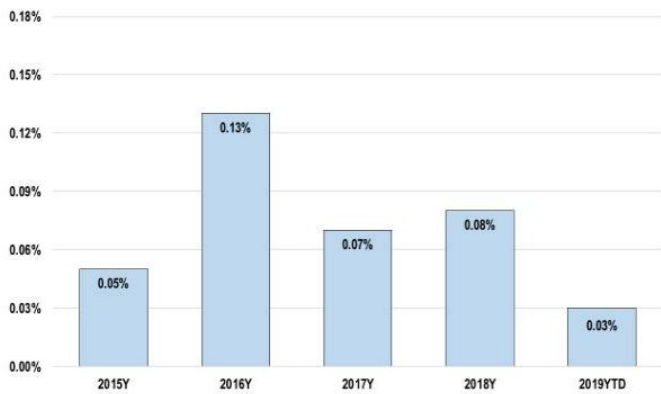
Nonperforming Assets (\$000s)



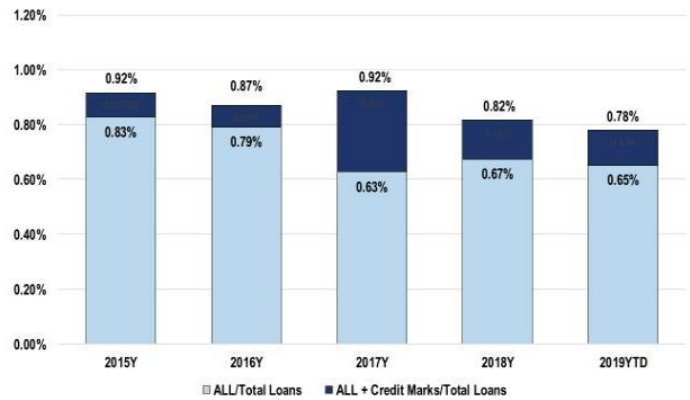
NPA / Assets (%)



Net Charge-offs / Average Loans (%)



Allowance for Loan Losses / Total Loans (%)

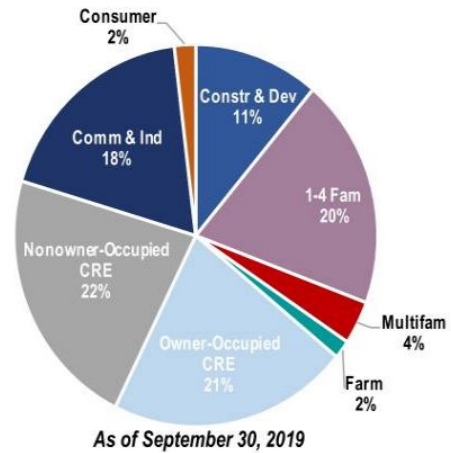


Note: 2019 YTD information as of September 30, 2019
 Source: S&P Global Market Intelligence; Investar Holding Corporation

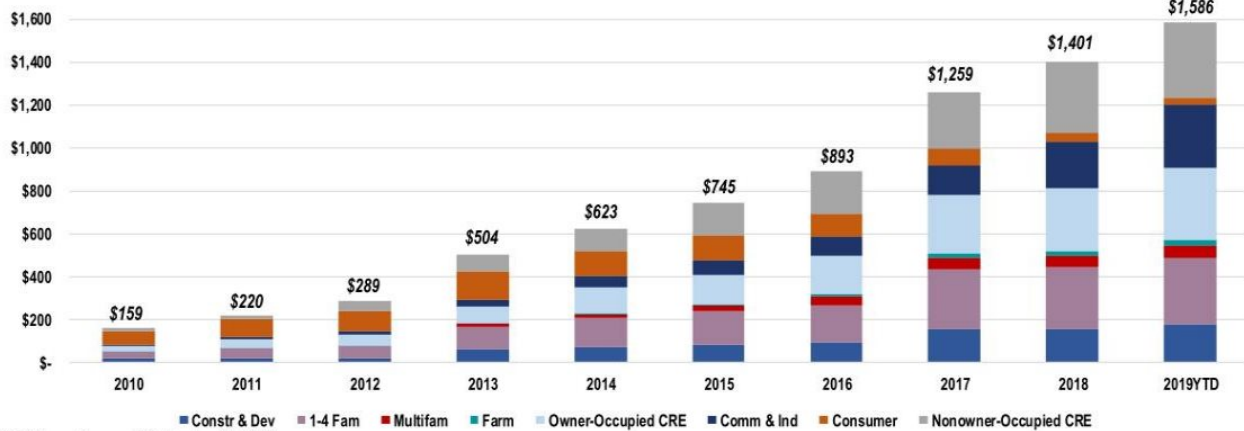
Loan Portfolio Composition



- Diverse portfolio with focus on CRE and C&I lending
- Granular portfolio with target loan size from \$1.5 million to \$3.5 million
- Loan yield of 5.29% as of the most recent quarter
- Approximately 75% fixed loans vs 25% variable rate
- Minimal energy loans



Total Loans Held For Investment (\$M)

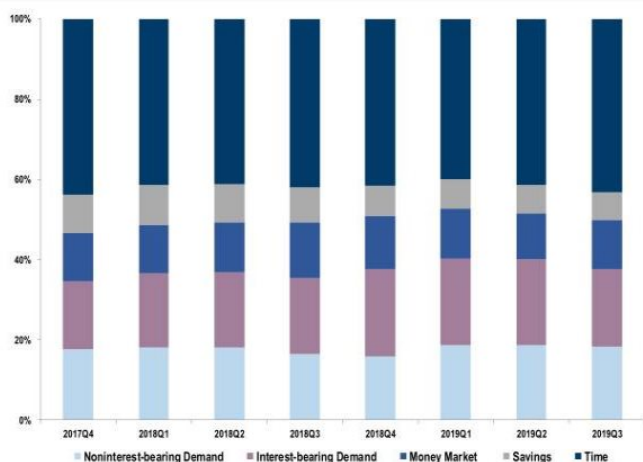


Note: 2019 YTD information as of September 30, 2019
 Source: S&P Global Market Intelligence; Investor Holding Corporation

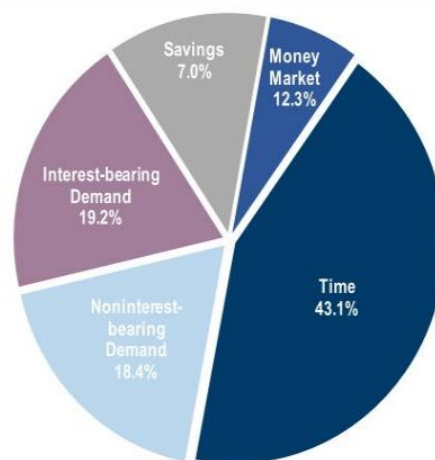
Core Deposit Base



Trailing Quarter Deposit Mix



September 30, 2019 Deposit Mix



Deposit Composition - Quarter Lookback

(\$000)	2017Q4	2018Q1	2018Q2	2018Q3	2018Q4	2019Q1	2019Q2	2019Q3
Noninterest-bearing Demand	\$216,599	\$221,855	\$222,570	\$214,190	\$217,457	\$285,811	\$289,481	\$291,039
Interest-bearing Demand	208,683	228,269	231,987	245,569	295,212	333,434	332,754	305,361
Money Market	146,140	145,627	151,510	179,071	179,340	188,373	177,209	194,757
Savings	117,372	124,589	117,649	112,078	104,146	114,631	111,222	110,636
Time	536,443	506,332	507,214	544,713	565,576	610,544	641,551	683,564
Total Deposits	\$1,225,237	\$1,226,672	\$1,230,930	\$1,295,621	\$1,361,731	\$1,532,793	\$1,552,217	\$1,585,357

**MRQ
Cost of Deposits
1.32%**

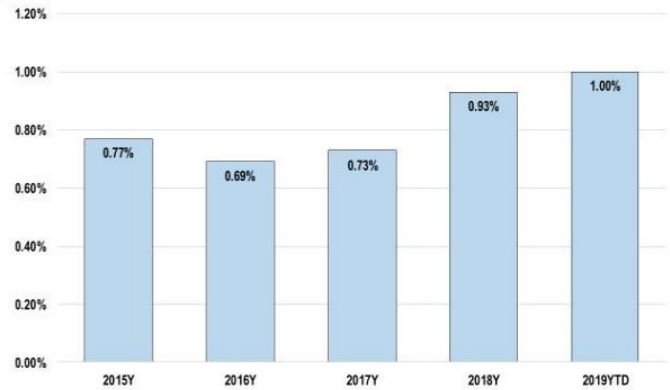
Note: 2019 YTD information as of September 30, 2019
Source: S&P Global Market Intelligence; Investar Holding Corporation

Positive Profitability Trends

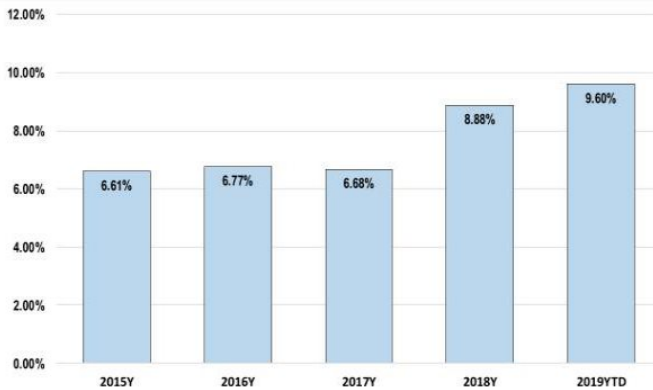


- Net Income of \$13.5 million year to date as of 3Q19
- 2019 YTD ROAA of 0.93%; Core ROAA at 1.00%
- Expected to easily surpass 2018 record income of \$13.6 million
- 2019 YTD Net Interest Margin of 3.53%
- 2019 YTD Noninterest Income / Average Assets of 0.29%

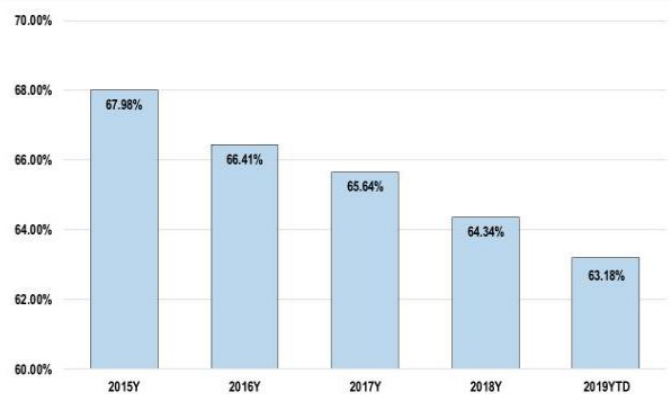
Core ROAA (%)



Core ROAE (%)



Efficiency Ratio (%)



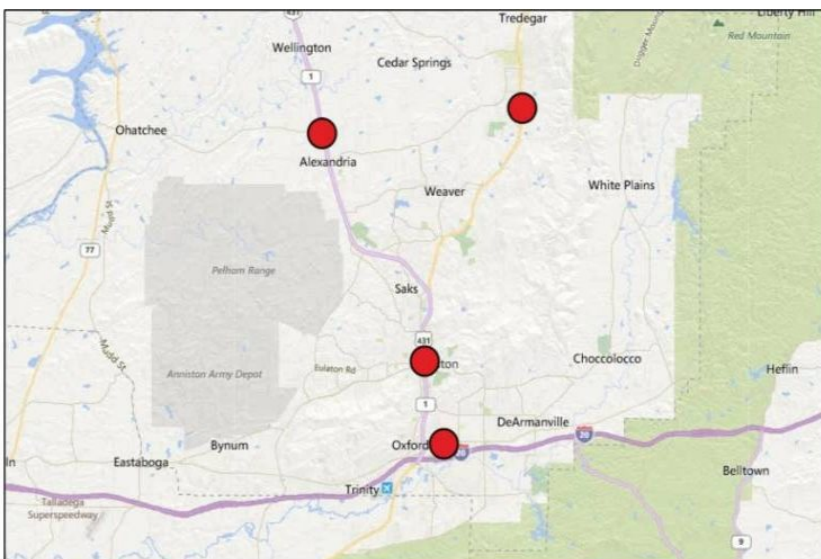
Note: 2019 YTD information as of September 30, 2019
 Source: S&P Global Market Intelligence; Investar Holding Corporation

III. PROPOSED TRANSACTION

Company Overview



- Cheaha Bank and its bank holding company, Cheaha Financial Group, were founded in 2000 in Oxford, Alabama
- Primarily serves customers and communities along the I-20 corridor between Birmingham and Atlanta
- One of the highest performing small banks in the Southeast – earnings driven by a strong net interest margin and a highly efficient operating structure



CHEAHA BANK			
In \$000s ex cept for per share data	For the Twelve Months Ended		Year-to-Date
	12/31/17	12/31/18	09/30/19
Balance Sheet			
Total Assets	\$201,070	\$201,964	\$206,696
Total Loans	\$107,462	\$113,200	\$118,974
Total Deposits	\$171,277	\$173,405	\$177,052
Loans/Deposits	62.74%	65.28%	67.20%
Capital			
Common Equity	\$26,215	\$26,914	\$27,512
Tangible Equity	\$26,215	\$26,914	\$27,512
Total Equity/Assets	13.04%	13.33%	13.31%
Tang. Common Equity/ Tang. Assets	13.04%	13.33%	13.31%
Risked Based Capital	21.97%	23.96%	22.21%
Tier 1 Capital	20.72%	22.71%	21.08%
Leverage Ratio	13.16%	14.21%	12.96%
Profitability Measures			
Net Interest Margin	4.51%	4.32%	4.19%
Non Interest Income/Avg. Assets	0.50%	0.51%	0.47%
Non Interest Expense/Avg. Assets	2.69%	2.72%	2.71%
Efficiency Ratio	52.17%	56.29%	58.97%
ROAA	1.51%	1.63%	1.46%
ROAE	12.02%	12.70%	10.89%
Net Income	\$3,060	\$3,279	\$2,246
Asset Quality			
NPAs/Assets	0.09%	0.10%	0.32%
NPAs (excl TDRs)/Assets	0.06%	0.07%	0.00%
NCOs/Avg Loans	0.06%	0.06%	0.24%
Reserves/Loans	1.59%	1.45%	1.21%
Reserves/NPAs	927.17%	802.44%	220.55%

Source: S&P Global Market Intelligence

Transaction Terms



Investar Holding Corporation's proposed acquisition of Cheaha Financial Group, Inc.

Transaction	<ul style="list-style-type: none">Investar Holding Corporation will acquire 100% of Cheaha Financial Group, Inc.'s ("Cheaha") outstanding common stock in a negotiated transaction
Consideration Mix	<ul style="list-style-type: none">100% cash
Per Share Consideration	<ul style="list-style-type: none">\$80.00 per share of Cheaha common stock<ul style="list-style-type: none">Based on 513,964 shares outstandingNo options or warrants
Aggregate Consideration	<ul style="list-style-type: none">\$41.1 million
Valuation Metrics¹	<ul style="list-style-type: none">Price / Tangible Book Value: 164.7%Price / LTM Earnings: 13.4xPrice / 2020 Earnings: 12.1xPremium / Core Deposits²: 14.2%

¹ Valuation metrics based on financial information as of September 30, 2019

² Core deposits excludes time deposits greater than \$100,000

Note: All M&A information based on the most recent draft of the definitive agreement

Source: S&P Global Market Intelligence; Investar Holding Corporation

Transaction Rationale



Strategic Rationale

- Continuation of disciplined acquisition strategy with the goal of building a premier regional community bank
- Increases presence along Alabama's I-20 corridor complementing the recent acquisition of Bank of York
- Highly profitable organization with the potential for improved earnings by redeploying excess liquidity into higher yielding assets

Financially Attractive ⁽¹⁾

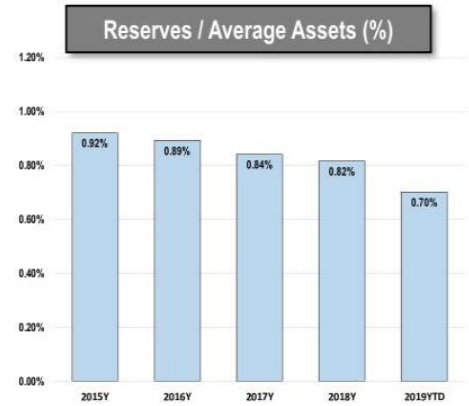
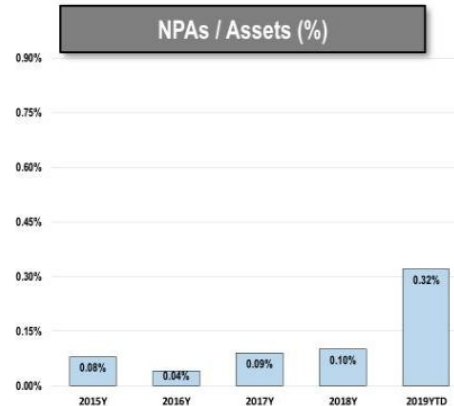
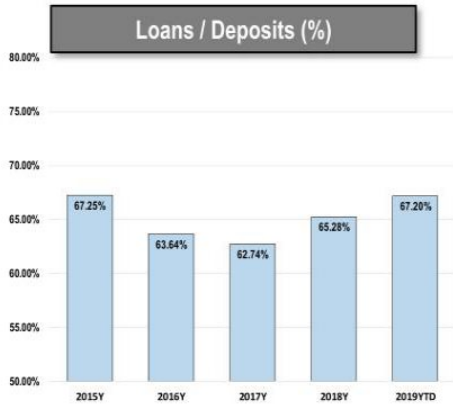
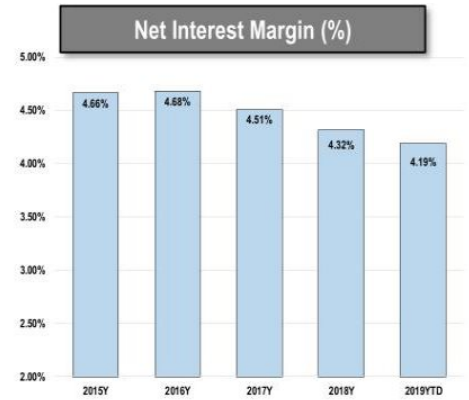
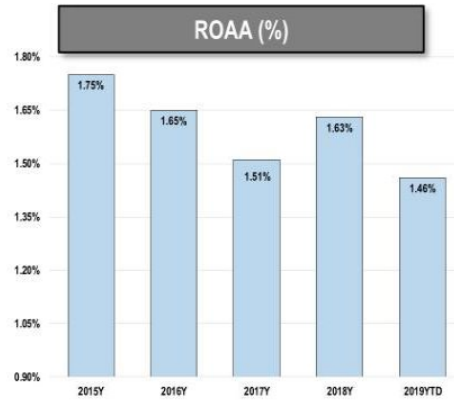
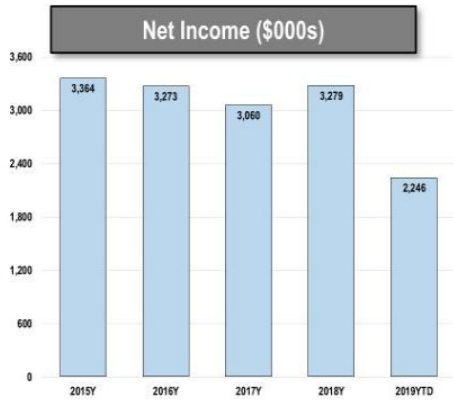
- Significantly accretive to earnings per share in the first full year of operation
- Modest tangible book value dilution, projected to be earned back in approximately 3.7 years⁽¹⁾
- Operating synergies anticipated to result in readily achievable cost savings
- Pro forma company will be well-capitalized

Low Risk Profile

- Comprehensive due diligence process and internal loan review completed
- Experienced acquirer with specialized personnel focused on the diligence process
- Continuity of key Cheaha management will ease integration and keep expertise of the local markets within the company
- Excellent credit quality driven by conservative culture

¹ Crossover method; assumes offering of \$20.0 million at \$24.00 per share
Note: All M&A information based on the most recent draft of the definitive agreement
Source: Investor Holding Corporation

Attractive Earnings, Liquidity & Asset Quality



Note: Bank level information; 2019 YTD information as of September 30, 2019
Source: S&P Global Market Intelligence

Key Assumptions



Cost Savings

- Approximately 28% of noninterest expenses

Merger Expenses

- Approximately \$2.0 million pre-tax

Core Deposit Intangible

- 1.5%, amortized over 10 years using sum-of-digits method

Credit Mark

- \$1.3 million

Capital Raise

- \$20.0 million offering
- Offering price of \$24.00 per share

Anticipated Closing

- 2nd Quarter of 2020

Note: All M&A information based on the most recent draft of the definitive agreement

IV. PRO FORMA IMPACT

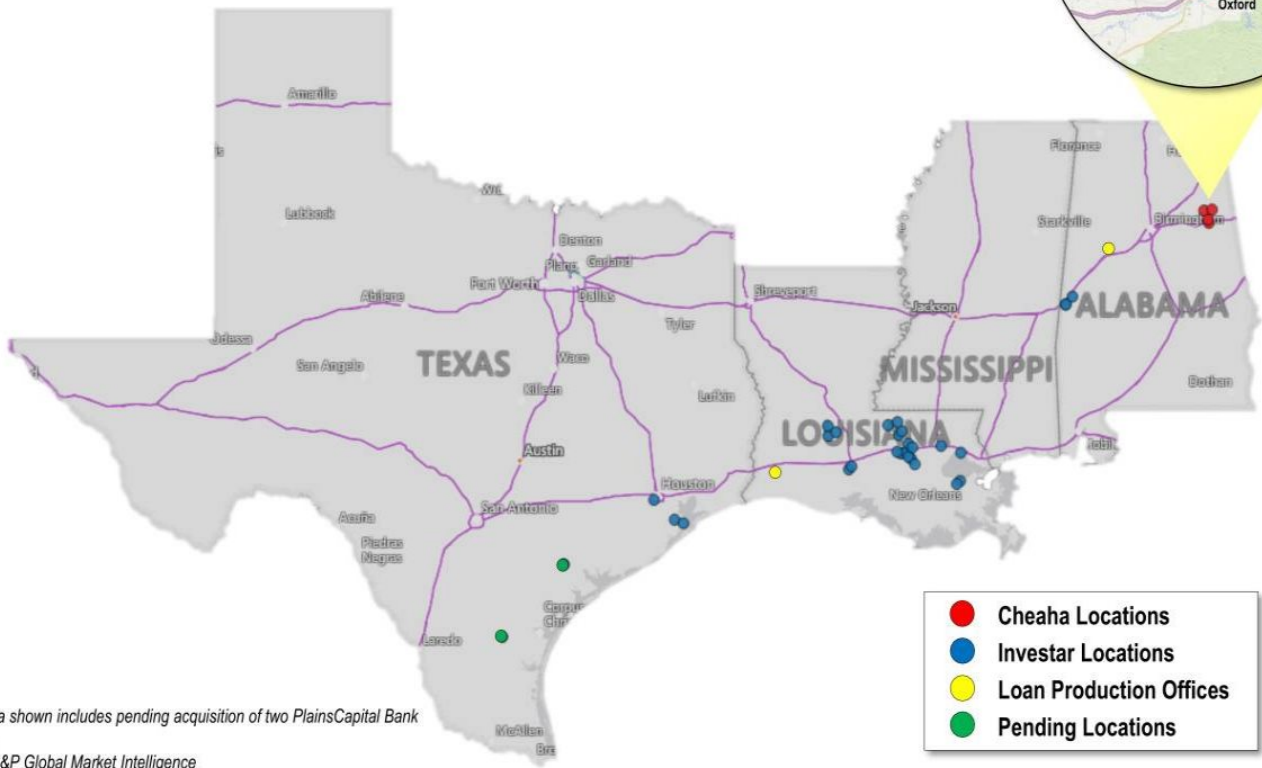
Pro Forma Franchise



34 Full service branches

2 Loan Production offices

\$1.9 Billion Total deposits



Note: Data shown includes pending acquisition of two PlainsCapital Bank branches
Source: S&P Global Market Intelligence

Pro Forma Balance Sheet



Dollars in thousands, except per share data

Pro Forma Balance Sheet:							
	ISTR*	Cheaha HC	Fair Value Adjustments	M&A Adjustments	Pro Forma	Capital Raise	Pro Forma
	9/30/19 Adjusted	9/30/19					
Cash and equivalents	\$ 88,225	\$ 8,783	\$ -	\$ (43,137) e	\$ 53,871	\$ 19,050 h	\$ 72,921
Securities	295,466	72,151	-	-	367,617	-	367,617
Total loans held for investment	1,682,921	118,974	(1,265) a	-	1,800,630	-	1,800,630
Loan loss reserve	(10,339)	(1,438)	1,438	-	(10,339)	-	(10,339)
Loans held for sale	-	-	-	-	-	-	-
Goodwill	24,350	-	-	14,177	38,527	-	38,527
Core deposit and other intangibles	5,576	-	-	1,262 f	6,838	-	6,838
OREO	126	-	-	-	126	-	126
Net deferred tax asset	-	335	(260) b	91 g	166	-	166
Other assets	95,921	8,009	600 c	-	104,530	-	104,530
Total Assets	\$ 2,182,246	\$ 206,814	\$ 513	\$ (27,607)	\$ 2,361,966	\$ 19,050	\$ 2,381,016
Total deposits	\$ 1,719,440	\$ 176,838	\$ -	\$ -	\$ 1,896,278	\$ -	\$ 1,896,278
Short and long term borrowings	232,520	-	-	-	232,520	-	232,520
Trust preferred securities	5,884	3,093	(464) d	-	8,513	-	8,513
Other liabilities	15,720	1,917	-	-	17,637	-	17,637
Total Liabilities	\$ 1,973,564	\$ 181,848	\$ (464)	\$ -	\$ 2,154,948	-	2,154,948
Preferred equity	-	-	-	-	-	-	-
Common equity	208,682	24,966	977	(27,607)	207,018	19,050	226,068
Total Equity	\$ 208,682	\$ 24,966	\$ 977	\$ (27,607)	\$ 207,018	\$ 19,050	\$ 226,068
Total Liabilities and Equity	\$ 2,182,246	\$ 206,814	\$ 513	\$ (27,607)	\$ 2,361,966	\$ 19,050	\$ 2,381,016
Balance Sheet:						Assumes Conversion:	
Shares Outstanding	9,929,860	513,964		0	9,929,860	833,333	10,763,193
Tangible Book Value Per Share	\$18.00	\$48.58			\$16.28		\$16.79
Pro Forma TBV Dilution					(\$1.72)		(\$1.21)

Notes:

- a) Gross loan mark
- b) Deferred tax asset related to marks
- c) Positive mark to fixed assets
- d) TRUPs rate mark
- e) Cash merger consideration and gross transaction expenses
- f) Core deposit intangible, amortized over 10 years using sum-of-digits method
- g) Deferred tax asset related to merger expenses net of tax liability related to CDI
- h) Net proceeds from the offering

* Includes ISTR financial information as of September 30, 2019 as adjusted for the acquisition of Bank of York, pending acquisition of two PlainsCapital Bank branches, and \$25.0 million subordinated debt offering

Note: Capital Raise assumes \$20.0 million offering at \$24.00 per share

Note: All M&A information based on the most recent draft of the definitive agreement

Source: S&P Global Market Intelligence; Investar Holding Corporation

Estimated Pro Forma Financial Metrics



Pro Forma Financial Impact¹

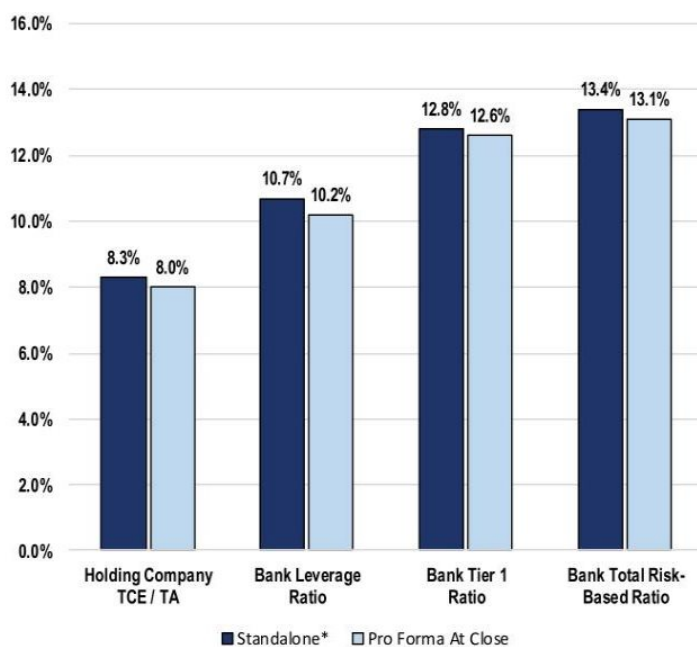
Holding Company Impact

2020 EPS Impact	6.8% Accretion
2021 EPS Impact	12.4% Accretion
Initial TBV Impact	6.7% Dilution
TBV Payback Period	3.7 Years

Bank Level Impact

Loans / Deposits	95.0%
C&D Concentration Ratio	82.7%
CRE Concentration Ratio	274.6%

Pro Forma Capital Ratios



* Standalone reflects capital of ISTR as of September 30, 2019 as adjusted for the acquisition of Bank of York, pending acquisition of two Hilltop Holdings branches, and the \$25.0 million subordinated debt offering

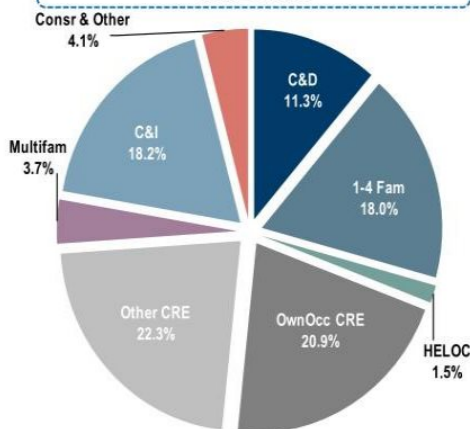
¹ Assumes \$20.0 million offering at \$24.00 per share

Note: All M&A information based on the most recent draft of the definitive agreement

Pro Forma Loan Mix



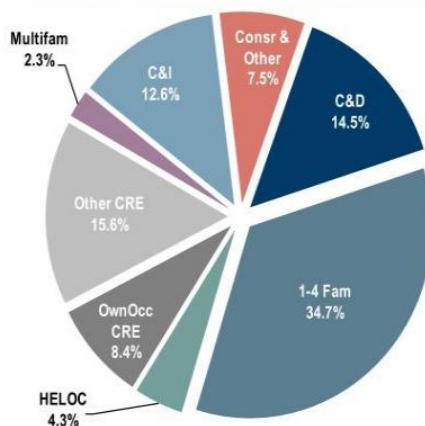
INVESTAR



Loan Type	Composition	
	(\$000)	% of Total
Constr & Dev	183,931	11.3%
1-4 Family Residential	293,363	18.0%
Home Equity	24,582	1.5%
Owner - Occ CRE	341,977	20.9%
Other CRE	363,879	22.3%
Multifamily	61,156	3.7%
Commercial & Industrial	297,521	18.2%
Constr & Other	67,102	4.1%
Total Loans	\$1,633,511	100.0%

MRQ Yield on Loans: 5.36%

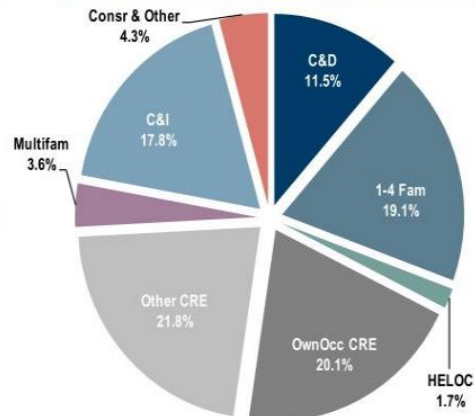
CHEAHA BANK



Loan Type	Composition	
	(\$000)	% of Total
Constr & Dev	17,318	14.5%
1-4 Family Residential	41,330	34.7%
Home Equity	5,179	4.3%
Owner - Occ CRE	10,071	8.4%
Other CRE	18,559	15.6%
Multifamily	2,783	2.3%
Commercial & Industrial	14,978	12.6%
Constr & Other	8,987	7.5%
Gross Loans	\$119,205	100.0%
Less: Unearned Income	(231)	
Total Loans	\$118,974	

MRQ Yield on Loans: 6.84%

PRO FORMA



Loan Type	Composition	
	(\$000)	% of Total
Constr & Dev	201,249	11.5%
1-4 Family Residential	334,693	19.1%
Home Equity	29,761	1.7%
Owner - Occ CRE	352,048	20.1%
Other CRE	382,438	21.8%
Multifamily	63,939	3.6%
Commercial & Industrial	312,499	17.8%
Constr & Other	76,089	4.3%
Total Loans	\$1,752,716	100.0%

MRQ Yield on Loans: 5.46%

Note: Regulatory data shown as of September 30, 2019; does not include purchase accounting adjustments

Note: Data shown includes Investar Holding Corporation's acquisition of Bank of York

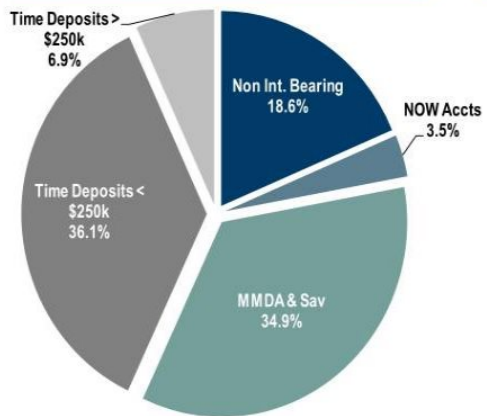
Note: Data shown excludes pending acquisition of two PlainsCapital Bank branches

Source: S&P Global Market Intelligence

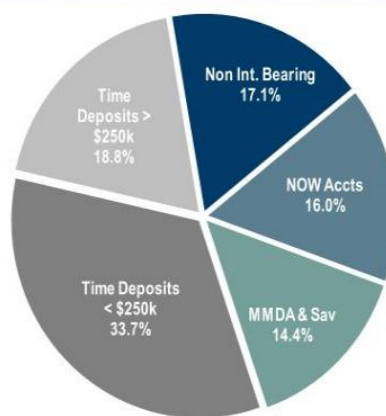
Pro Forma Deposit Mix



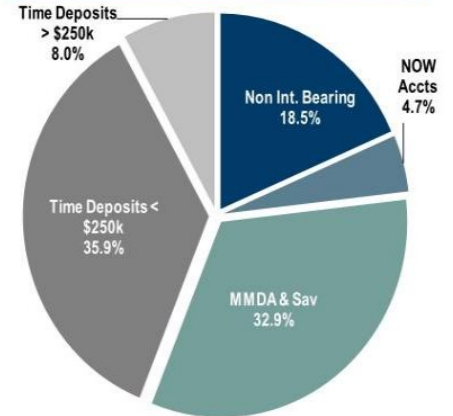
INVESTAR



CHEAHA BANK



PRO FORMA



Deposit Type	Composition	
	(\$000)	% of Total
Non Interest Bearing	311,131	18.6%
NOW & Other Trans	58,156	3.5%
MMDA & Sav	582,205	34.9%
Time Deposits < \$250k	603,165	36.1%
Time Deposits > \$250k	114,784	6.9%
Total Deposits	\$1,669,441	100.0%

MRQ Cost of Deposits: 1.31%

Deposit Type	Composition	
	(\$000)	% of Total
Non Interest Bearing	30,303	17.1%
NOW & Other Trans	28,386	16.0%
MMDA & Sav	25,466	14.4%
Time Deposits < \$250k	59,679	33.7%
Time Deposits > \$250k	33,218	18.8%
Total Deposits	\$177,052	100.0%

MRQ Cost of Deposits: 1.11%

Deposit Type	Composition	
	(\$000)	% of Total
Non Interest Bearing	341,434	18.5%
NOW & Other Trans	86,542	4.7%
MMDA & Sav	607,671	32.9%
Time Deposits < \$250k	662,844	35.9%
Time Deposits > \$250k	148,002	8.0%
Total Deposits	\$1,846,493	100.0%

MRQ Cost of Deposits: 1.29%

Note: Regulatory data shown as of September 30, 2019; does not include purchase accounting adjustments

Note: Data shown includes Investar Holding Corporation's acquisition of Bank of York

Note: Data shown excludes pending acquisition of two PlainsCapital Bank branches

Source: S&P Global Market Intelligence

APPENDIX

Non-GAAP Reconciliation

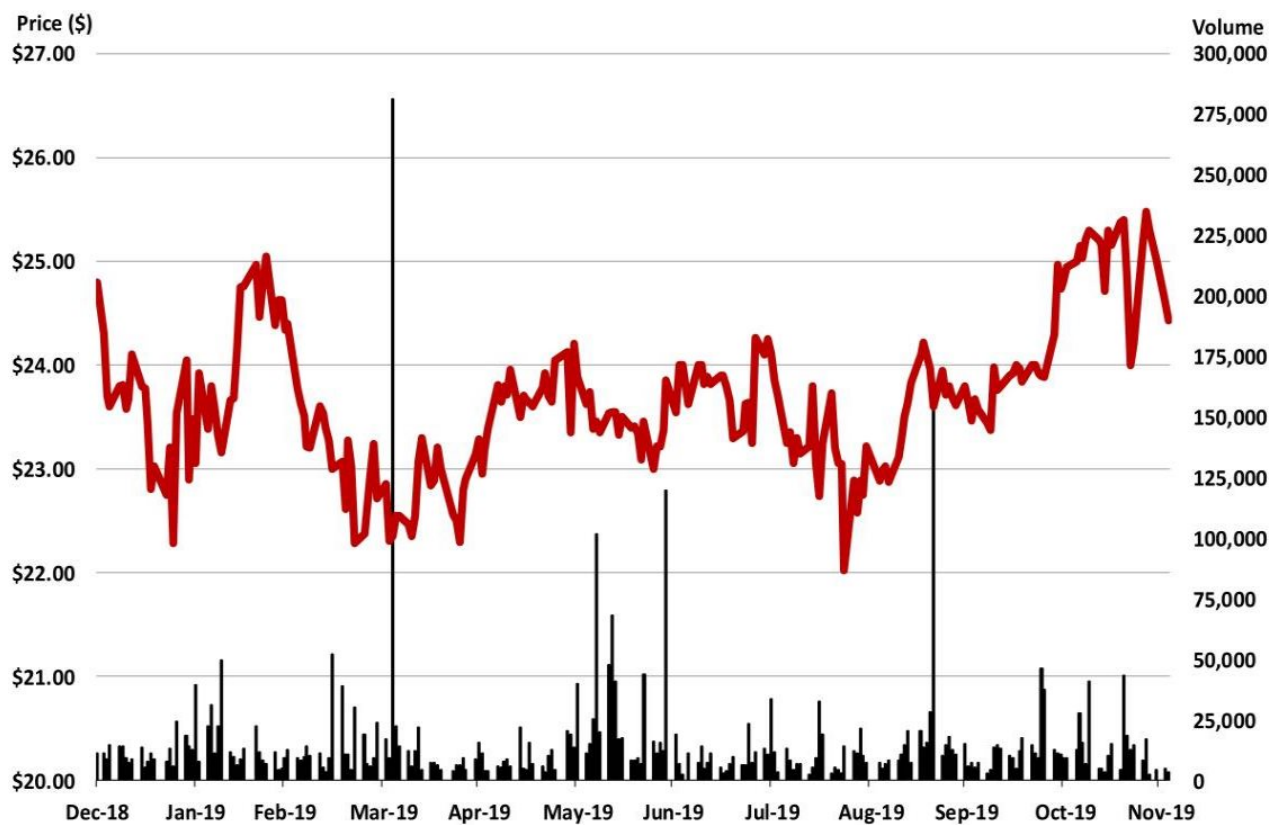


(Dollars in thousands, except per share data)

	As of September 30,		As of December 31,			
	2019	2018	2017	2016	2015	2014
<u>Tangible Common Equity:</u>						
Total Stockholders' Equity	\$ 210,457	\$ 182,262	\$ 172,729	\$ 112,757	\$ 109,350	\$ 103,384
<u>Adjustments:</u>						
Goodwill	(21,902)	(17,424)	(17,086)	(2,684)	(2,684)	(2,684)
Other Intangibles	(4,215)	(2,363)	(2,840)	(550)	(491)	(532)
Tangible Common Equity	<u>\$ 184,340</u>	<u>\$ 162,475</u>	<u>\$ 152,803</u>	<u>\$ 109,523</u>	<u>\$ 106,175</u>	<u>\$ 100,168</u>
Common Shares Outstanding	9,929,860	9,484,219	9,514,926	7,101,851	7,264,282	7,262,085
Book Value Per Common Share	\$ 21.19	\$ 19.22	\$ 18.15	\$ 15.88	\$ 15.05	\$ 14.24
Tangible Book Value Per Common Share	\$ 18.56	\$ 17.13	\$ 16.06	\$ 15.42	\$ 14.62	\$ 13.79
<u>Tangible Assets:</u>						
Total Assets	\$ 2,018,014	\$ 1,786,469	\$ 1,622,734	\$ 1,158,960	\$ 1,031,555	\$ 881,164
<u>Adjustments:</u>						
Goodwill	(21,902)	(17,424)	(17,086)	(2,684)	(2,684)	(2,684)
Other Intangibles	(4,215)	(2,363)	(2,840)	(550)	(491)	(532)
Tangible Assets	<u>\$ 1,991,897</u>	<u>\$ 1,766,682</u>	<u>\$ 1,602,808</u>	<u>\$ 1,155,726</u>	<u>\$ 1,028,380</u>	<u>\$ 877,948</u>
Total Stockholders' Equity to Total Assets Ratio	10.43%	10.20%	10.64%	9.73%	10.60%	11.73%
Tangible Common Equity to Tangible Assets Ratio	9.25%	9.20%	9.53%	9.48%	10.32%	11.41%

Source: S&P Global Market Intelligence; Investor Holding Corporation

Stock Chart



Note: Market data as of December 3, 2019
Source: S&P Global Market Intelligence



