

AGREEMENT BY AND BETWEEN  
National Independent Trust Company  
Ruston, Louisiana  
and  
The Comptroller of the Currency

National Independent Trust Company, Ruston, Louisiana (“Bank”) and the Comptroller of the Currency of the United States of America (“Comptroller”) wish to protect the interests of the depositors, other customers, and shareholders of the Bank, and, toward that end, wish the Bank to operate safely and soundly and in accordance with all applicable laws, rules and regulations.

The Comptroller has found: unsafe and unsound banking practices relating to Board and management oversight, third-party relationship risk management, investment risk management and violations of law relating to the corporate powers of national associations at the Bank.

In consideration of the above premises, it is agreed, between the Bank, by and through its duly elected and acting Board of Directors (“Board”), and the Comptroller, through his authorized representative, that the Bank shall operate at all times in compliance with the articles of this Agreement.

ARTICLE I

JURISDICTION

(1) This Agreement shall be construed to be a “written agreement entered into with the agency” within the meaning of 12 U.S.C. § 1818(b)(1).

(2) This Agreement shall be construed to be a “written agreement between such depository institution and such agency” within the meaning of 12 U.S.C. § 1818(e)(1) and 12 U.S.C. § 1818(i)(2).

(3) This Agreement shall be construed to be a “formal written agreement” within the meaning of 12 C.F.R. § 5.51(c)(6)(ii). See 12 U.S.C. § 1831i.

(4) This Agreement shall be construed to be a “written agreement” within the meaning of 12 U.S.C. § 1818(u)(1)(A).

(5) This Agreement shall cause the Bank to be designated as in “troubled condition,” as set forth in 12 C.F.R. § 5.51(c)(6), unless otherwise informed in writing by the Comptroller. In addition, this Agreement shall cause the Bank not to be designated as an “eligible bank” for purposes of 12 C.F.R. § 5.3(g), unless otherwise informed in writing by the Comptroller.

(6) All reports or plans which the Bank or Board has agreed to submit to the Assistant Deputy Comptroller pursuant to this Agreement shall be forwarded to the:

Michael K. Hughes  
Assistant Deputy Comptroller  
Dallas Field Office  
225 E. John Carpenter Freeway, Suite 500  
Irving, Texas 75062-2326

## ARTICLE II

### COMPLIANCE COMMITTEE

(1) Within fifteen (15) days of the date of this Agreement, the Board shall appoint a Compliance Committee of at least three (3) directors, of which no more than one (1) shall be an employee or controlling shareholder of the Bank or any of its affiliates (as the term “affiliate” is defined in 12 U.S.C. § 371c(b)(1)), or a family member of any such person. Upon appointment, the names of the members of the Compliance Committee and, in the event of a change of the membership, the name of any new member shall be submitted in writing to the Assistant Deputy Comptroller. The Compliance Committee shall be responsible for monitoring and coordinating the Bank’s adherence to the provisions of this Agreement.

(2) The Compliance Committee shall meet at least monthly.

(3) Within forty-five (45) days of the date of this Agreement and quarterly thereafter, the Compliance Committee shall submit a written progress report to the Board setting forth in detail:

(a) a description of the action needed to achieve full compliance with each Article of this Agreement;

(b) actions taken to comply with each Article of this Agreement; and

(c) the results and status of those actions.

(4) The Board shall forward a copy of the Compliance Committee's report, with any additional comments by the Board, to the Assistant Deputy Comptroller within ten (10) days of receiving such report.

### ARTICLE III

#### VENDOR/THIRD-PARTY MANAGEMENT

(1) Within ninety (90) days, the Board shall develop, implement, and thereafter ensure Bank adherence to a written, comprehensive vendor/third-party management policy for the supervision of the Bank's divisions in compliance with OCC Bulletin 2001-47: Third-Party Relationships, Risk Management Principles (Nov. 1, 2001). This policy shall, at a minimum, address the following:

(a) the allocation of appropriate staff and expertise to oversee vendor management;

(b) a cost/benefit analysis for using a third-party;

- (c) a risk assessment to identify the bank's needs and requirements, which shall include identification of the role of the relationship with the proposed third-party given the Bank's overall business strategy and objectives;
- (d) procedures to ensure that the Bank performs a comprehensive due diligence review of each third-party to assess its financial strength, management capabilities, adequacy of staffing, existence of proper internal controls, comprehensiveness of operating procedures, and adequacy of management information systems ("MIS") to fulfill the Bank's needs *prior* to entering into a contractual relationship with the third-party;
- (e) written contracts that outline duties, obligations, and responsibilities of the parties involved, and, unless otherwise advised in writing by the Assistant Deputy Comptroller, each contract must, at a minimum:
  - (i) be made part of the Bank's books and records, identify the third-party and specify all services provided;
  - (ii) specify the beginning and ending dates of the contract, including any renewal options;
  - (iii) specify and itemize the price to be paid by each respective party for services;
  - (iv) set reasonable standards for quality of services provided by the third-party;
  - (v) provide the Bank with effective remedies in the event of a default, failure of the third-party to meet the quality standards, or failure of

- the third-party to comply with any other material provision of the contract;
- (vi) require the third-party to provide the Bank with annual audited financial statements;
  - (vii) require the third-party to carry sufficient insurance, if applicable, given the nature of the contract;
  - (viii) require the third-party to maintain reliable and accurate books, records, and MIS;
  - (ix) require the third-party to grant the Bank, Bank auditors, and the OCC immediate access to the third-party's books and records as they relate to the services performed on behalf of the Bank;
  - (x) require compliance with all relevant rules and regulations; and
  - (xi) provide that all contracted-for services may only be rendered subject to all required regulatory approvals.
- (f) procedures which require the presentation of Management's assessment, in writing, to the Board of the financial strength of the third-party, its viability, that the contract has been negotiated at arm's length and contains terms and conditions which are fair and reasonable to the Bank, includes disclosure of any affiliation with any present or past Bank "insider" (officer, director, principal shareholder or "related interest"<sup>1</sup> of such a person), and that the contact is in the best interests of the Bank;

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<sup>1</sup> For purposes of this Agreement, a "related interest" of a person includes a company that is controlled by that person. "Control" of a company means that a person directly or indirectly, or acting through or in concert with one or more persons: (i) owns, controls, or has the power to vote 25 percent or more of any class of voting securities of the company; (ii) controls in any manner the election of a majority of the directors of the company; or (iii) has the

- (i) If Management's evaluation does not demonstrate that the third-party possesses these attributes, then the Board shall not enter into the contract, or otherwise use the services of, or compensate in any way, any third-party where the Board has determined that the proposed relationship is not in the best interests of the Bank.
  - (ii) The Board shall submit to the Assistant Deputy Comptroller a copy of their written evaluation before the execution of a contract with any third-party and in compliance with any additional legal and regulatory requirements. The Bank may execute the contract only upon receipt of a written notice of no supervisory objection from the Assistant Deputy Comptroller.
- (g) retention of all third-party contracts by management in the Bank's main office; and
- (h) ongoing oversight of the third-parties and third-party activities, including:
- (i) formal, comprehensive oversight of all third-parties;
  - (ii) periodic written appraisals by Bank management of each third-party's performance in providing services to the Bank in accordance with the terms of the contract, in compliance with all terms of the contract, and in maintaining sufficient management, staff, controls, procedures and MIS; and

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power to exercise a controlling influence over the management or policies of the company or bank. A person is presumed to have control, including the power to exercise a controlling influence over the management or policies, of a company if the person is an executive officer or director of the company and directly or indirectly owns, controls, or has the power to vote more than 10 percent of any class of voting securities of the company. A person is also presumed to have control of a company if the person directly or indirectly owns, controls, or has the power to vote more than 10 percent of any class of voting securities of the company and no other person owns, controls, or has the power to vote a greater percentage of that class of voting securities.

- (iii) ongoing monitoring of the third-party's financial condition, internal controls, quality of service and support, and documentation at least annually, or more frequently when risk is high or moderate or increasing.

(2) A copy of the plan developed pursuant to Paragraph (1) of this Article shall be submitted to the Assistant Deputy Comptroller for review and prior written determination of no supervisory objection. Upon receiving a determination of no supervisory objection from the Assistant Deputy Comptroller, the Bank shall implement and thereafter adhere to the program.

(3) The Board's compliance with Paragraph (1) of this Article shall include the retention of sufficient documentation in the books and records of the Bank to demonstrate safe and sound vendor management, to include, at a minimum:

- (a) a list of significant vendors and third-party contracts;
- (b) copies of valid, current, and complete contracts for all significant vendors;
- (c) regular risk management and performance reports for all significant vendors, including, but not limited to, audit reports and security reviews; and
- (d) quarterly reports provided to the Board of the results of the reviews conducted in Paragraph (1) of this Article.

(4) The Board shall ensure that the Bank has processes, personnel, and control systems to ensure implementation of and adherence to the policy developed pursuant to this Article.

## ARTICLE IV

### TRUST ASSET ADMINISTRATION

(1) Within ninety (90) days, the Board shall adopt, implement, and thereafter ensure Bank adherence to written policies and procedures for proper trust asset administration. At a minimum, the policies and procedures shall provide for:

- (a) sound fiduciary investment standards and principles consistent with applicable law and the terms of the governing instrument;
- (b) accurate accounting systems for trust assets;
- (c) written investment objectives and comprehensive records for each account administered;
- (d) written objectives and policies and procedures for the ongoing oversight of investment performance and concentration monitoring, which shall include the Bank and all third-party's use of appropriate investment performance benchmarks and investment performance reporting formats established by the Board;
- (e) a system that ensures written directions are obtained from authorized power holders for directed investments;
- (f) a system that ensures that assets of fiduciary accounts are placed in the joint custody of *not fewer than* two of the fiduciary officers or employees designated by the Board in compliance with 12 C.F.R. § 9.13; and
- (g) standards for performing asset reviews in compliance with 12 C.F.R. § 9.6 and OCC Bulletin 2008-10: Annual Reviews of Fiduciary Accounts Pursuant to 12 C.F.R. § 9.6(c) (Mar. 27, 2008).



(2) Upon adoption, a copy of these policies and procedures shall be forwarded to the Assistant Deputy Comptroller.

(3) The Board shall ensure that the Bank has processes, personnel, and control systems to ensure implementation of and adherence to the policies developed pursuant to this Article.

## ARTICLE V

### CONFLICT OF INTEREST POLICY

(1) Within sixty (60) days, the Board shall adopt, implement, and thereafter ensure Bank adherence to a written, comprehensive conflict of interest policy applicable to the Bank's and the Bank's holding company's directors, principal shareholders, executive officers, affiliates, and employees (Insiders) and related interests of such Insiders. The policy, in addition to defining a conflict of interest, shall address:

- (a) avoidance of conflicts of interest and breaches of fiduciary duty, and the appearance of conflicts of interest;
- (b) policies and procedures adequate to maintain the Bank's fiduciary activities in compliance with applicable law including, but not limited to, 12 U.S.C. § 92a and 12 C.F.R. § 9.12;
- (c) methods for preventing self-dealing and conflicts of interest as required by 12 C.F.R. § 9.5(c);
- (d) involvement in the loan approval process of Insiders who may benefit directly or indirectly from the decision to grant credit;

- (e) timely disclosure of actual and potential conflicts of interest to the Board, and periodic disclosure of “related interests” as defined by 12 C.F.R. Part 215;
- (f) requirements for arms-length dealing in any transactions by Insiders, or their related organizations, involving the Bank’s sale, purchase, or rental of property and services;
- (g) disclosure of any Insider’s material interest in the business of a borrower, an applicant, or other customer of the Bank; and
- (h) restrictions on and disclosure of receipt of anything of value by Insiders, directly or indirectly, from borrowers, loan applicants, other customers, or suppliers of the Bank.

(2) A copy of the plan shall be submitted to the Assistant Deputy Comptroller for review and prior written determination of no supervisory objection. Upon receiving a determination of no supervisory objection from the Assistant Deputy Comptroller, the Bank shall implement and adhere to the program.

(3) The Board shall ensure that the Bank has processes, personnel, and control systems to ensure implementation of and adherence to the policy developed pursuant to this Article.

(4) Within sixty (60) days, the Compliance Committee shall conduct a review of the Bank’s existing relationships with its and its holding company’s directors, executive officers, affiliates, principal shareholders, employees and their related interests for the purpose of identifying relationships not in conformity with the policy. The Board shall ensure that:

- (a) any nonconforming relationships are brought into conformity with the policy within ninety (90); and
- (b) that within ninety (90) days the Bank is properly reimbursed for:
  - (i) any excess or improper payments to Insiders and their related interests; and
  - (ii) any excess or improper payments for services provided by Insiders and their related interests.

Thereafter, the Board shall review all proposed transactions, or modifications of existing relationships, between the Bank and any of its or its holding company's directors, executive officers, affiliates, principal shareholders, employees and their related interests. Documentation supporting these reviews shall be in writing and preserved in the Bank.

## ARTICLE VI

### VIOLATIONS OF LAW

(1) The Board shall immediately take all necessary steps to ensure that Bank management corrects each violation of law, rule or regulation cited in the Report of Examination and in any subsequent Report of Examination. The quarterly progress reports required by Article II of this Agreement shall include the date and manner in which each correction has been effected during that reporting period.

(2) Within thirty (30) days, the Board shall adopt, implement, and thereafter ensure Bank adherence to specific procedures to prevent future violations as cited in the Report of Examination and shall adopt, implement, and ensure Bank adherence to general procedures addressing compliance management which incorporate internal control systems and education of employees regarding laws, rules and regulations applicable to their areas of responsibility.

(3) Within thirty (30) days of receipt of any subsequent Report of Examination which cites violations of law, rule, or regulation, the Board shall adopt, implement, and thereafter ensure Bank adherence to specific procedures to prevent future violations as cited in the Report of Examination and shall adopt, implement, and ensure Bank adherence to general procedures addressing compliance management which incorporate internal control systems and education of employees regarding laws, rules and regulations applicable to their areas of responsibility.

(4) Upon adoption, a copy of these procedures shall be promptly forwarded to the Assistant Deputy Comptroller.

(5) The Board shall ensure that the Bank has policies, processes, personnel, and control systems to ensure implementation of and adherence to the procedures developed pursuant to this Article.

## ARTICLE VII

### CLOSING

(1) Although the Board has agreed to submit certain programs and reports to the Assistant Deputy Comptroller for review or prior written determination of no supervisory objection, the Board has the ultimate responsibility for proper and sound management of the Bank.

(2) It is expressly and clearly understood that if, at any time, the Comptroller deems it appropriate in fulfilling the responsibilities placed upon him/her by the several laws of the United States of America to undertake any action affecting the Bank, nothing in this Agreement shall in any way inhibit, estop, bar, or otherwise prevent the Comptroller from so doing.

(3) Any time limitations imposed by this Agreement shall begin to run from the effective date of this Agreement. Such time requirements may be extended in writing by the Assistant Deputy Comptroller for good cause upon written application by the Board.

(4) The provisions of this Agreement shall be effective upon execution by the parties hereto and its provisions shall continue in full force and effect unless or until such provisions are amended in writing by mutual consent of the parties to the Agreement or excepted, waived, or terminated in writing by the Comptroller.

(5) In each instance in this Agreement in which the Board is required to ensure adherence to, and undertake to perform certain obligations of the Bank, it is intended to mean that the Board shall:

- (a) authorize and adopt such actions on behalf of the Bank as may be necessary for the Bank to perform its obligations and undertakings under the terms of this Agreement;
- (b) require the timely reporting by Bank management of such actions directed by the Board to be taken under the terms of this Agreement;
- (c) follow-up on any non-compliance with such actions in a timely and appropriate manner; and
- (d) require corrective action be taken in a timely manner of any non-compliance with such actions.

(6) This Agreement is intended to be, and shall be construed to be, a supervisory “written agreement entered into with the agency” as contemplated by 12 U.S.C. § 1818(b)(1), and expressly does not form, and may not be construed to form, a contract binding on the Comptroller or the United States. Notwithstanding the absence of mutuality of obligation, or of

consideration, or of a contract, the Comptroller may enforce any of the commitments or obligations herein undertaken by the Bank under his supervisory powers, including 12 U.S.C. § 1818(b)(1), and not as a matter of contract law. The Bank expressly acknowledges that neither the Bank nor the Comptroller has any intention to enter into a contract. The Bank also expressly acknowledges that no officer or employee of the Office of the Comptroller of the Currency has statutory or other authority to bind the United States, the U.S. Treasury Department, the Comptroller, or any other federal bank regulatory agency or entity, or any officer or employee of any of those entities to a contract affecting the Comptroller's exercise of his supervisory responsibilities. The terms of this Agreement, including this paragraph, are not subject to amendment or modification by any extraneous expression, prior agreements or prior arrangements between the parties, whether oral or written.

IN TESTIMONY WHEREOF, the undersigned, authorized by the Comptroller, has hereunto set his hand on behalf of the Comptroller.

/S/  
Michael K. Hughes  
Assistant Deputy Comptroller  
Dallas Field Office

2/2/2012  
Date

IN TESTIMONY WHEREOF, the undersigned, as the duly elected and acting Board of Directors of the Bank, have hereunto set their hands on behalf of the Bank.

/S/  
\_\_\_\_\_  
Kyle McDonald

1-31-12  
\_\_\_\_\_  
Date

/S/  
\_\_\_\_\_  
Lucius D. McGehee

1-30-12  
\_\_\_\_\_  
Date

/S/  
\_\_\_\_\_  
Frank Oldham

1-30-12  
\_\_\_\_\_  
Date

/S/  
\_\_\_\_\_  
Charles Williams

1-30-12  
\_\_\_\_\_  
Date

/S/  
\_\_\_\_\_  
John R. Williams

1-30-12  
\_\_\_\_\_  
Date