

Proposed Form of Findings of Fact and Order of Approval

BEFORE THE) IN RE: APPLICATION OF GEORGIA
SECRETARY OF STATE OF) BANKING COMPANY, INC. PURSUANT
GEORGIA) TO SECTION 10-5-11(9) OF THE GEORGIA
) UNIFORM SECURITIES ACT OF 2008

Findings of Fact and Order of Approval

The above-referenced application (the "Application"), having been considered by the Secretary of State of Georgia acting by and through the undersigned, as the Commissioner of Securities of the State of Georgia (the "Commissioner"), and the Commissioner, having received the Application and having reviewed the same and the Appendices thereto, and after conducting the hearing as requested thereunder and as authorized by Section 10-5-11(9) of the Georgia Uniform Securities Act of 2008 (the "Act") and the Rules promulgated thereunder, and having received proof of the proper notice of said hearing was given to all persons entitled thereto on a timely basis, makes the following findings of fact and enters the following order:

1. Georgia Banking Company, Inc., a Georgia corporation and a bank holding company registered with the Board of Governors of the Federal Reserve System, headquartered in Atlanta, Georgia ("Buyer"), filed the Application on December 20, 2021, pursuant to Section 10-5-11(9) of the Act. The Application is for approval of the issuance of shares of Buyer's Series A convertible preferred stock, \$0.01 par value per share (the "Buyer Preferred Stock"), and cash in exchange for all of the outstanding shares of common stock, no par value (the "Seller Common Stock"), of Peoples BankTrust, Inc., a Georgia corporation and a bank holding company registered with the Board of Governors of the Federal Reserve System, headquartered in Buford, Georgia ("Seller") (including shares of Seller Common Stock received by the holders of Series A preferred stock, no par value, of Seller ("Seller Preferred Stock") upon conversion of the Seller Preferred Stock into Seller Common Stock immediately prior to the effective time of the merger, in accordance with the articles of incorporation of the Seller, as amended). Such issuance will occur in connection with the proposed merger (the "Merger") of Seller with and into Buyer. The Merger will be effected pursuant to the Agreement and Plan of Merger, dated as of November 10, 2021, by and between Buyer and Seller (the "Merger Agreement"). A copy of the Merger Agreement is attached as Appendix A to the Application.
2. At the effective time of the Merger, Seller will merge with and into Buyer, the separate existence of Seller will cease, and the corporate existence of Buyer will continue. Each outstanding share of Seller Common Stock (including shares of Seller Common Stock received by the holders of Series A preferred stock, no par

value, of Seller (“Seller Preferred Stock”) upon conversion of the Seller Preferred Stock into Seller Common Stock immediately prior to the effective time of the merger, in accordance with the articles of incorporation of the Seller, as amended) will be converted into the right to receive either (i) cash in the amount of \$22.00 (the “Per Share Cash Consideration”) or (ii) 1.1 shares of Buyer Preferred Stock (the “Per Share Stock Consideration” and, together with the Per Share Cash Consideration and cash in lieu of fractional shares, the “Merger Consideration”); *provided, however*, that no more than 59.9% of the shares of Seller Common Stock to be converted as a result of the Merger will be converted into cash, no more than 50.0% of the shares of Seller Common Stock will be exchanged for Buyer Preferred Stock, and no less than 40.1% of the shares of Seller Common Stock will be exchanged for Buyer Preferred Stock. Holders of Seller Common Stock will be entitled to elect the form of Merger Consideration they prefer to receive in the Merger. If less than 40.1% of the shares of Seller Common Stock to be converted as a result of the Merger elect to receive the Per Share Stock Consideration, the exchange agent will allocate the shares that made no election or electing to receive the Per Share Cash Consideration such that no less than 40.1% of the shares of Seller Common Stock are exchanged for the Per Share Stock Consideration. If more than 50.0% of the shares of Seller Common Stock to be converted as a result of the Merger elect to receive the Per Share Stock Consideration, the exchange agent will allocate the shares electing to receive the Per Share Stock Consideration on a pro rata basis such that no more than 50.0% of the shares are exchanged for Buyer Preferred Stock. All shares of Seller Common Stock cease to be outstanding as of and following the effective time of the Merger.

3. The Commissioner has authority to consider Buyer’s application. Buyer’s issuance and delivery, in connection with the Merger, of shares of Buyer Preferred Stock to the holders of Seller Common Stock constitutes “A transaction in a security . . . in exchange for one or more bona fide outstanding securities, claims, or property interests or partly in such exchange and partly for cash . . .” within the meaning of Section 10-5-11(9) of the Act.
4. Section 10-5-11(9) was adopted from and contains the same language as Section 202(9) of the Uniform Securities Act of 2002. Official Comment 10 to the Uniform Securities Act of 2002 provides in pertinent part as follows “Section 202(9) provides a state counterpart to the exemption in Section 3(a)(10) of the Securities Act of 1933.”
5. Buyer has advised the Commissioner that Buyer’s issuance of shares of Buyer Preferred Stock to the holders of Seller Common Stock as described above is a transaction which involves the issuance and exchange of securities, which, if

approved by the Commissioner, is intended to be exempt from the registration requirements of the federal securities laws under Section 3(a)(10) of the Securities Act of 1933, as amended (the “Securities Act”). Buyer intends to rely upon Section 3(a)(10) if the transaction is approved by the Commissioner.

6. Buyer is a Georgia corporation headquartered in Atlanta, Georgia. Seller is a Georgia corporation headquartered in Buford, Georgia. Buyer’s offer to exchange its securities for the shares of Seller Common Stock was made from Georgia and the sale, issuance, and delivery of the shares of Buyer Preferred Stock in the Merger will be initiated from Georgia and consummated at a closing to be held in Georgia pursuant to the Merger Agreement. In addition, 486 record and beneficial owners of Seller capital stock, who constitute 88.5% of the overall number of holders of Seller capital stock holding in the aggregate approximately 86% of the outstanding Seller capital stock, are residents of Georgia. The Buyer Preferred Stock is not publicly traded. The Commissioner has jurisdiction over Buyer’s issuance and delivery of securities pursuant to Section 10-5-11(9) of the Act and the Rules promulgated thereunder and is authorized to hold a hearing on and to thereafter approve the terms and conditions of Buyer’s issuance of shares of Buyer Preferred Stock in exchange for Seller Common Stock and the fairness of such terms and conditions.
7. The Seller shareholders are required to approve the Merger under Georgia law, and Seller intends to hold a meeting of its shareholders for that purpose.
8. In connection with seeking the approval of the Application, on February 2, 2022, Buyer and Seller sent to each of the Seller shareholders, by United States mail, postage prepaid, a Shareholders’ Notice of Fairness Hearing (the “Notice of Hearing”), which Notice of Hearing included information about the Merger, the Merger Agreement and the parties, and informed the Seller shareholders that the Application and supporting documentation annexed thereto was available for inspection at the office of the Commissioner and the principal offices of Buyer and Seller.
9. As described in the Notice of Hearing, the hearing requested by the Application was held before the Commissioner on February 16, 2022 at 1:00pm, pursuant to Section 10-5-11(9) of the Act, at least ten business days after the Application was filed with the Commissioner. All persons to whom Buyer proposes to issue shares of Buyer Preferred Stock in consummation of the Merger had the right to appear and be heard at the hearing. No one was prevented from appearing by action of Buyer, Seller or the Commissioner. Evidence and testimony relating to the proposed exchange was presented to the Commissioner.

10. As provided by the Merger Agreement, the exchange of securities pursuant to the Merger Agreement will be accomplished as soon as reasonably practicable after the effective time of the Merger.
11. In the course of negotiations, both Buyer and Seller were represented by counsel experienced in commercial transactions similar to the Merger, and by financial advisors with experience in such transactions. Seller engaged Performance Trust Capital Partners (“Performance Trust”) as a financial adviser to advise Seller’s Board of Directors as to whether the exchange ratio and the Merger as a whole was fair for Seller’s shareholders. Performance Trust determined that the terms of the Merger were fair from Seller’s perspective. Buyer did not engage a financial adviser to advise as to whether the exchange ratio and the Merger as a whole was fair for Buyer’s shareholders. Each of the boards of directors of Buyer and Seller approved the terms and conditions of the Merger Agreement and of the Merger by vote of those present at a meeting of such board (at which a quorum was present). The terms and conditions of the Merger Agreement and of the Merger are the result of arm’s length negotiations under circumstances in which the boards of directors of each party to the Merger Agreement were positioned to act in the best interest of their respective corporation and shareholders.
12. Mr. Bartow Morgan, Jr., Chief Executive Officer of the Buyer, testified that the Merger will benefit Buyer in that it is expected to expand Buyer’s footprint across the Gwinnett County market. Mr. Morgan testified that the Merger will benefit the holders of capital stock of Seller that receive Buyer Preferred Stock in that they will acquire an interest in a larger corporation with greater financial resources and a stronger market position. Mr. Morgan further testified that the Merger will benefit the holders of capital stock of Seller that receive cash from Buyer as it will provide such holders with immediate liquidity.
13. Shareholders holding a majority of the issued and outstanding shares of Seller Common Stock and Seller Preferred Stock entitled to vote on such matter are required to approve the terms and conditions of the Merger Agreement. Seller shareholders who oppose the Merger may exercise appraisal rights pursuant to Georgia law and seek to obtain payment of the fair value of their shares.
14. Seller’s shareholders received proxy materials in connection with the Meeting of Shareholders to be held for considering approval of the Merger. These materials included:

- Notice of the Meeting of Shareholders, including the matters to be decided, and the date, time, and place of the meeting;
 - A recommendation of the board of directors of Seller that the shareholders vote “FOR” approval of the Merger Agreement and the Merger;
 - A description of the terms and conditions of the Merger and a copy of the Merger Agreement;
 - A description and a copy of the fairness opinion issued by Performance Trust Capital Partners, LLC with respect to whether, in its opinion, the consideration to be provided to shareholders of Seller is fair from a financial point of view; and
 - A proxy card providing the shareholders with the opportunity to vote “FOR” or “AGAINST” approval of the Merger Agreement and the Merger.
15. Sufficient information has been provided to the Commissioner to permit the Commissioner to determine the relative value of the securities to be exchanged and the securities to be issued in the Merger.
16. The terms and conditions of the Merger and the Merger Agreement and the issuance and delivery of shares of Buyer Preferred Stock to the holders of Seller Common Stock as contemplated by the Merger Agreement are determined to be both procedurally and substantively fair and reasonable within the purview of the Act to Buyer, Seller, and the holders of Seller Common Stock.

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NOW, THEREFORE, IT IS HEREBY ORDERED that the terms and conditions of the Merger Agreement providing for the issuance of shares of Buyer Preferred Stock to the holders of Seller Common Stock, substantially upon the terms described herein and in the Application, are determined to be both procedurally and substantively fair and reasonable within the purview of the Act to the holders of Seller Common Stock; and the terms and conditions of the Merger Agreement and the procedural and substantive fairness thereof are hereby approved by the Commissioner in accordance with and pursuant to the authority conferred on him by Section 10-5-11(9) of the Georgia Uniform Securities Act of 2008 and the regulations promulgated thereunder.

This 11th day of March 2022.

BRAD RAFFENSPERGER, SECRETARY
OF STATE AND COMMISSIONER OF
SECURITIES OF THE STATE OF
GEORGIA

By: C. Ryan Germany
Name: C. Ryan Germany
Title: Asst. Commissioner