

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): **April 13, 2021**

SMARTFINANCIAL, INC.

(Exact name of registrant as specified in its charter)

Tennessee
(State or other jurisdiction
of incorporation)

001-37661
(Commission
File Number)

62-1173944
(IRS Employer
Identification No.)

5401 Kingston Pike, Suite 600
Knoxville, Tennessee
(Address of principal executive offices)

37919
(Zip Code)

(865) 437-5700
(Registrant's telephone number, including area code)

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	SMBK	The Nasdaq Stock 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

On April 13, 2021, SmartFinancial, Inc. (“*SmartFinancial*” or the “*Company*”) entered into an Agreement and Plan of Merger (the “*Merger Agreement*”) with Sevier County Bancshares, Inc., a Tennessee corporation (“*SCB*”). The Merger Agreement provides that, upon the terms and subject to the conditions set forth therein, SCB will merge with and into SmartFinancial, with SmartFinancial continuing as the surviving entity (the “*Merger*”). Following the Merger, Sevier County Bank, a Tennessee state-chartered bank and wholly-owned subsidiary of SCB, will merge with and into SmartBank, SmartFinancial’s banking subsidiary, with SmartBank continuing as the surviving bank.

The Merger Agreement has been approved by the boards of directors of SmartFinancial and SCB. The transaction is expected to close in the third quarter of 2021, subject to customary conditions discussed below.

Merger Consideration. Subject to the terms, conditions and adjustments set forth in the Merger Agreement, at the effective time of the Merger, (i) each share of SCB common stock owned by a holder of 20,000 or more shares of SCB common stock will be converted into the right to receive 0.4116 of a share of SmartFinancial common stock (the “*Per Share Stock Consideration*”) and (ii) each share of SCB common stock owned by a holder of fewer than 20,000 shares of SCB common stock will, at the election of such holder, be entitled to receive either (A) the Per Share Stock Consideration, or (B) an amount of cash equal to the Per Share Stock Consideration *multiplied by* the average closing price of SmartFinancial common stock as reported on the NASDAQ for the 10 consecutive trading days ending on the trading day immediately prior to the date that is five business days prior to the closing date (the “*Per Share Cash Consideration*”). Further, if SCB’s consolidated shareholders’ equity (as calculated in accordance with the Merger Agreement) is less than \$30,326,000, then the Per Share Stock Consideration and Per Share Cash Consideration shall automatically be adjusted downward by an amount that is reflective of the overall shortfall. Additionally, at the effective time of the Merger, each share of SCB common stock subject to vesting restrictions shall become fully vested and converted automatically into the right to receive the merger consideration. Based upon SmartFinancial’s closing share price of \$21.25 on April 13, 2021 and assuming that SCB’s consolidated shareholders’ equity is at least \$30,326,000, the implied merger consideration per share of SCB common stock is \$8.75, with an aggregate transaction value of approximately \$38.2 million.

Each outstanding share of SmartFinancial’s common stock shall remain outstanding and unaffected by the Merger.

Representations and Warranties. The Merger Agreement contains usual and customary representations and warranties that SmartFinancial and SCB made to each other as of specific dates.

Covenants; No Solicitation. SmartFinancial and SCB have agreed to customary covenants, including, among others, covenants relating to the conduct of its business during the interim period between the execution of the Merger Agreement and the consummation of the Merger. Additionally, SCB has agreed (i) not to initiate, solicit, induce or knowingly encourage or take any action or facilitate any alternative acquisition transaction or, subject to certain exceptions, participate in discussions or negotiations regarding, or furnish any non-public information relating to, any alternative acquisition transaction and (ii) subject to certain exceptions, not to withdraw or modify in a manner adverse to SmartFinancial, the recommendation of the SCB board of directors that SCB’s shareholders approve the Merger Agreement and the Merger. In the event that SCB receives a proposal with respect to an alternative acquisition transaction that the SCB board of directors determines is superior to the Merger, SmartFinancial will have an opportunity to match the terms of such proposal, subject to certain requirements.

Conditions to Closing. Consummation of the Merger is subject to various customary conditions, including (i) approval of the Merger Agreement and the Merger by shareholders of SCB; (ii) the receipt of certain regulatory approvals and approvals of other third parties; (iii) no injunctions or other legal restraints preventing the consummation of the Merger; (iv) the U.S. Securities and Exchange Commission (“SEC”) having declared effective SmartFinancial’s registration statement covering the issuance of shares of SmartFinancial’s common stock in the Merger; (v) the receipt by each party of a tax opinion to the effect that the Merger will qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended; (vi) the accuracy of representations and warranties of the parties and compliance by the parties with their respective covenants and obligations under the Merger Agreement (subject to customary materiality qualifiers); and (vii) the absence of a material adverse effect with respect to the either SmartFinancial or SCB.

Termination. The Merger Agreement may be terminated in certain circumstances, including: (i) by mutual written agreement of the parties, (ii) by either party if any regulatory approval required for consummation of the transactions contemplated by the Merger Agreement has been denied by final non-appealable action by the relevant governmental authority or an application for such approval has been permanently withdrawn at the request of a governmental authority, (iii) by either party if the approval of the shareholders of SCB is not obtained, (iv) by either party in the event of a material breach by the other party of any representation, warranty or covenant contained in the Merger Agreement and such breach is not cured within thirty days, (v) by either party if the Merger is not consummated on or before December 31, 2021, subject to automatic extension to June 30, 2022 if the only outstanding closing condition is the receipt of regulatory approvals, (vi) by SmartFinancial if SCB’s board of directors breaches its obligation not to solicit any alternative acquisition transaction, changes its recommendation with respect to the Merger in accordance with the terms of the Merger Agreement, or breaches its obligation to call a special SCB shareholder meeting to vote on the Merger, or (vii) by SCB in order to enter into a definitive agreement to accept a superior proposal (subject to compliance with the terms of the Merger Agreement and payment of the termination fee).

Termination Fee. SCB will pay SmartFinancial a termination fee equal to \$2.0 million in the event (i) the Merger Agreement is terminated by SmartFinancial because SCB’s board of directors breaches its obligation not to solicit any alternative acquisition transaction, changes its recommendation with respect to the Merger in accordance with the terms of the Merger Agreement, or breaches its obligation to call a special SCB shareholder meeting to vote on the Merger, (ii) SCB terminates this agreement in order to accept a superior proposal, or (iii) the Merger Agreement is terminated (A) by either SmartFinancial or SCB because the required SCB shareholder approval is not obtained or (B) the Merger Agreement is terminated by SmartFinancial because of SCB’s material breach of representations, warranties or covenants, SCB receives an acquisition proposal after the date of the Merger Agreement but before it is terminated, and SCB enters into an agreement for or completes an acquisition transaction within 12 months of the termination of the Merger Agreement.

Addition to SmartBank and SmartFinancial Board of Directors. At the effective time of the Merger, SmartFinancial will appoint John M. Presley, the Executive Chairman of SCB, to the Boards of Directors of SmartFinancial and SmartBank.

The foregoing summary of the Merger Agreement is not complete and is qualified in its entirety by reference to the full text of the Merger Agreement and certain exhibits attached thereto, a copy of which is attached hereto as Exhibit 2.1 and incorporated by reference herein. The Merger Agreement should not be read alone, but should instead be read in conjunction with the other information regarding SmartFinancial, its affiliates and their respective businesses, and the information regarding the Merger Agreement and the Merger that will be contained in, or incorporated by reference into, the registration statement on Form S-4 of SmartFinancial that will include a proxy statement of SCB and a prospectus of SmartFinancial and that will be filed with the SEC. The representations, warranties and covenants contained in the Merger Agreement were made only for purposes of that agreement and as of specific dates, are solely for the benefit of the parties to the Merger Agreement, may be subject to limitations agreed upon by the parties, including being qualified by confidential disclosures made for the purposes of allocating contractual risk between the parties to the Merger Agreement instead of establishing these matters as facts, and may be subject to standards of materiality applicable to the parties that differ from those applicable to investors. Investors should not rely on the representations, warranties, or covenants or any description thereof as characterizations of the actual state of facts or condition of SmartFinancial, SCB or any of their respective subsidiaries or affiliates. Moreover, information concerning the subject matter of the representations, warranties, and covenants may change after the date of the Merger Agreement, which subsequent information may or may not be fully reflected in public disclosures by SmartFinancial.

Voting Agreements

In connection with entering into the Merger Agreement, certain directors and shareholders of SCB have entered into voting agreements (the “Voting Agreements”), pursuant to which each such director agreed to vote his, her or its shares of SCB common stock in favor of approval of the Merger Agreement and transactions contemplated therein and against certain other actions, proposals, transactions or agreements that would be detrimental to the consummation of the Merger. The Voting Agreements generally prohibit the sale or transfer of the shares held by each such shareholder until the earlier of (i) termination of the Merger Agreement or (ii) receipt of the approval of the shareholders of SCB. The Voting Agreements terminate upon the earlier of (i) the consummation of the Merger, (ii) the amendment of the Merger Agreement in any manner that materially and adversely affects any rights of the shareholder, (iii) the termination of the Merger Agreement or (iv) two years from the date of the Voting Agreements.

The foregoing summary of the Voting Agreements is qualified in its entirety by reference to the complete text of such documents, forms of which are included as Exhibit A to the Merger Agreement, filed as Exhibit 2.1 attached hereto and which is incorporated herein by reference.

Director Non-Compete Agreements

In connection with entering into the Merger Agreement, certain directors and shareholders of SCB have entered into a Non-Competition and Non-Disclosure Agreement with SmartFinancial, which contains provisions related to the non-disclosure of confidential information and trade secrets, non-solicitation of customers with whom such directors had material contact, non-competition within a restricted territory and non-recruitment of employees.

The foregoing summary of the Non-Competition and Non-Disclosure Agreement is qualified in its entirety by reference to the complete text of such document, a form of which is included as Exhibit C to the Merger Agreement, filed as Exhibit 2.1 attached hereto and which is incorporated herein by reference.

Item 7.01 Regulation FD Disclosure.

On April 14, 2021, SmartFinancial issued two press releases announcing the execution of the Merger Agreement. A copy of each press release is furnished as Exhibit 99.1 and Exhibit 99.2, respectively, to this current report on Form 8-K and incorporated herein by reference. Additionally, SmartFinancial provided supplemental information regarding the Merger in connection with a presentation made available to analysts and investors. A copy of the presentation is furnished as Exhibit 99.3 to this report and incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits

(d) EXHIBITS

[2.1 Agreement and Plan of Merger, dated April 13, 2021, by and between SmartFinancial, Inc. and Sevier County Bancshares, Inc.](#)

[99.1 Press Release dated April 14, 2021](#)

[99.2 Press Release \(Richmond Market\) dated April 14, 2021](#)

[99.3 Investor Presentation dated April 14, 2021](#)

Forward-Looking Statements

Statements in this current report and the documents incorporated herein by reference may not be based on historical facts and may be “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements may be identified by reference to future period(s) or by the use of forward-looking terminology, such as “anticipate,” “estimate,” “expect,” “foresee,” “may,” “might,” “will,” “would,” “could” or “intend,” future or conditional verb tenses, and variations or negatives of such terms. These forward-looking statements include, without limitation, (i) statements relating to the expected impact of the Proposed Transaction between SmartFinancial, Inc. (“*Company*”) and Sevier County Bancshares, Inc. (“*SCB*”) (the “*Proposed Transaction*”) on the combined entities’ operations, financial condition, and financial results, (ii) expectations regarding the ability of SmartFinancial and SCB to successfully integrate the combined businesses, and (iii) the amount of cost savings and other benefits that are expected to be realized as a result of the Proposed Transaction. Readers are cautioned not to place undue reliance on the forward-looking statements contained in this current report or the documents incorporated herein by reference because actual results could differ materially from those indicated in such forward-looking statements due to a variety of factors. These factors, include, but are not limited to, the ability to obtain regulatory approvals and meet other closing conditions required to complete the Proposed Transaction, including necessary approvals by SCB’s shareholders on the expected terms and schedule, delay in closing the Proposed Transaction, difficulties and delays in integrating the SCB businesses or fully realizing cost savings from and other anticipated benefits of the Proposed Transaction, business disruption during and following the Proposed Transaction, changes in interest rates and capital markets, inflation, customer acceptance of the combined business’s products and services, uncertainty as to the extent of the duration, scope, and impacts of the COVID-19 pandemic on SCB and SmartFinancial and the proposed transaction and changes in general economic conditions and other risk factors. Other relevant risk factors may be detailed from time to time in SmartFinancial’s press releases and filings with the Securities and Exchange Commission (the “*SEC*”). All forward-looking statements, expressed or implied, included in this current report or the documents incorporated herein by reference are expressly qualified in their entirety by the cautionary statements contained or referred to herein or therein. Any forward-looking statement speaks only as of the date hereof, and neither SmartFinancial nor SCB undertake any obligation, and each specifically declines any obligation, to revise or update these forward-looking statements, whether as a result of new information, future developments or otherwise.

Additional Information and Where to Find It

This current report and the documents incorporated herein by reference do not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval with respect to the Proposed Transaction. No offer of securities shall be made except by means of a prospectus meeting the requirements of the Securities Act of 1933, as amended, and no offer to sell or solicitation of an offer to buy shall be made in any jurisdiction in which such offer or solicitation would be unlawful.

In connection with the Proposed Transaction, SmartFinancial will file with the SEC a registration statement on Form S-4 (the “**Registration Statement**”) that will include a proxy statement of SCB and a prospectus of SmartFinancial (the “**Proxy Statement-Prospectus**”), and SmartFinancial may file with the SEC other relevant documents concerning the Proposed Transaction. The definitive Proxy Statement-Prospectus will be mailed to the shareholders of SCB. **SHAREHOLDERS ARE URGED TO READ THE REGISTRATION STATEMENT AND THE PROXY STATEMENT-PROSPECTUS REGARDING THE PROPOSED TRANSACTION CAREFULLY AND IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE AND ANY OTHER RELEVANT DOCUMENTS FILED WITH THE SEC BY THE COMPANY, AS WELL AS ANY AMENDMENTS OR SUPPLEMENTS TO THOSE DOCUMENTS, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION.**

Free copies of the Proxy Statement-Prospectus, as well as other filings containing information about SmartFinancial, may be obtained at the SEC’s Internet site (<http://www.sec.gov>), when they are filed by SmartFinancial. You will also be able to obtain these documents, when they are filed, free of charge, from SmartFinancial at www.smartfinancialinc.com. Copies of the Proxy Statement-Prospectus can also be obtained, when it becomes available, free of charge, by directing a request to SmartFinancial, Inc., 5401 Kingston Pike, Suite 600, Knoxville, TN 37919, Attention: Ron Gorczynski, Chief Financial Officer, Telephone: (865) 437-5724 or to Sevier County Bank, 111 East Main Street, Sevierville, Tennessee 37862 Attention: John Presley, Executive Chairman, Telephone: (865) 453-6101.

Participants in the Solicitation

The Company, SCB and certain of their directors, executive officers and employees may be deemed to be participants in the solicitation of proxies from the shareholders of SCB in connection with the Proposed Transaction. Information about SmartFinancial’s directors and executive officers is available in its proxy statement for its 2020 annual meeting of stockholders, which was filed with the SEC on April 17, 2020. Information regarding all of the persons who may, under the rules of the SEC, be deemed participants in the proxy solicitation and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the Proxy Statement-Prospectus pertaining to the Proposed Transaction and other relevant materials to be filed with the SEC when they become available. Free copies of these documents may be obtained as described in the preceding paragraph.

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.

SMARTFINANCIAL, INC.

By: /s/ William Y. Carroll, Jr

Name: William Y. Carroll, Jr

Title: President and Chief Executive Officer

Date: April 14, 2021

AGREEMENT AND PLAN OF MERGER

by and between

SMARTFINANCIAL, INC.

and

SEVIER COUNTY BANCSHARES, INC.

Dated as of April 13, 2021

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AGREEMENT AND PLAN OF MERGER

This Agreement and Plan of Merger (this "**Agreement**") is dated as of April 13, 2021, by and between SmartFinancial, Inc., a Tennessee corporation ("**SMBK**"), and Sevier County Bancshares, Inc., a Tennessee corporation ("**SCB**" and, together with SMBK, the "**Parties**" and each a "**Party**").

WITNESSETH

WHEREAS, the boards of directors of the Parties have determined that it is in the best interests of their respective companies and their respective shareholders to consummate the business combination transaction provided for in this Agreement in which SCB will, on the terms and subject to the conditions set forth in this Agreement, merge with and into SMBK (the "**Merger**"), with SMBK as the surviving company in the Merger (sometimes referred to in such capacity as the "**Surviving Entity**");

WHEREAS, as a condition to the willingness of SMBK to enter into this Agreement, certain directors and shareholders of SCB have entered into voting agreements (each a "**Voting Agreement**" and collectively, the "**Voting Agreements**"), substantially in the form attached hereto as Exhibit A, dated as of the date hereof, with SMBK, pursuant to which each such director or shareholder has agreed, among other things, to vote certain of the SCB Common Stock owned by such director or shareholder in favor of the approval of this Agreement and the transactions contemplated hereby, subject to the terms of the Voting Agreements;

WHEREAS, SCB owns 100% of the issued and outstanding common stock of Sevier County Bank, a Tennessee state-chartered bank ("**Sevier County Bank**") and SMBK owns 100% of the issued and outstanding common stock of SmartBank, a Tennessee state-chartered bank ("**SmartBank**");

WHEREAS, as a further condition to the willingness of SMBK to enter into this Agreement, certain employees of SCB and/or its Subsidiaries are entering into employment agreements with SmartBank simultaneously with the execution of this Agreement;

WHEREAS, the Parties desire to make certain representations, warranties, and agreements in connection with the Merger and also to prescribe certain conditions to the Merger; and

WHEREAS, for U.S. federal income tax purposes, it is intended that the Merger qualify as a "reorganization" within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the "**Code**"), and the Regulations promulgated thereunder, and this Agreement is intended to be and is adopted as a "plan of reorganization" for purposes of Sections 354 and 361 of the Code.

NOW, THEREFORE, in consideration of the mutual promises herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

ARTICLE I
THE MERGER

Section 1.01 The Merger. Subject to the terms and conditions of this Agreement, in accordance with the Tennessee Business Corporation Act, Tenn. Code Ann. §§ 48-11-101, et seq. (the “**TBCA**”), at the Effective Time, SCB shall merge with and into SMBK pursuant to the terms of this Agreement. SMBK shall be the Surviving Entity in the Merger and shall continue its existence as a corporation under the laws of the State of Tennessee. As of the Effective Time, the separate corporate existence of SCB shall cease.

Section 1.02 Charter and Bylaws. At the Effective Time, the charter of SMBK in effect immediately prior to the Effective Time shall be the charter of the Surviving Entity until thereafter amended in accordance with applicable Law. The bylaws of SMBK in effect immediately prior to the Effective Time shall be the bylaws of the Surviving Entity until thereafter amended in accordance with applicable Law and the terms of such bylaws.

Section 1.03 Bank Merger. Except as provided below, immediately following the Effective Time and sequentially but in effect simultaneously on the Closing Date, Sevier County Bank shall be merged with and into SmartBank (the “**Bank Merger**”), in accordance with the provisions of the Tennessee Banking Act, and SmartBank shall be the surviving bank (the “**Surviving Bank**”). The Bank Merger shall have the effects as set forth under applicable federal and Tennessee state banking laws and regulations, as further set forth in the separate merger agreement (the “**Bank Plan of Merger**”) in substantially the form attached hereto as Exhibit B, which SmartBank and Sevier County Bank are simultaneously executing as of the date hereof. Each of SCB and SMBK have approved the Bank Plan of Merger in its capacity as the sole shareholder of Sevier County Bank and SmartBank, respectively. As provided in the Bank Plan of Merger, the Bank Merger may be abandoned at the election of SmartBank at any time, whether before or after filings are made for regulatory approval of the Bank Merger, but if the Bank Merger is abandoned for any reason, Sevier County Bank shall continue to operate under its name; provided that prior to any such election, SMBK shall (a) reasonably consult with SCB and its regulatory counsel and (b) reasonably determine in good faith that such election will not, and would not reasonably be expected to, prevent, delay, or impair any Party’s ability to consummate the Merger or the other transactions contemplated by this Agreement.

Section 1.04 Directors and Officers. With the exception of adding John Presley to the board of directors, the directors and officers of SMBK immediately prior to the Effective Time shall, from and after the Effective Time, continue as the directors and officers of the Surviving Entity until their successors shall have been duly elected, appointed, or qualified or until their earlier death, resignation, or removal in accordance with the charter and bylaws of the Surviving Entity. With the exception of adding John Presley to the board of directors, the directors and officers of SmartBank immediately prior to the effective time of the Bank Merger shall, from and after the Effective Time, continue as the directors and officers of the Surviving Bank until their successors shall have been duly elected, appointed, or qualified or until their earlier death, resignation, or removal in accordance with the charter and bylaws of the Surviving Bank. The parties agree that any executive officer of the Surviving Entity or the Surviving Bank shall be authorized to sign any and all Tax Returns of SCB or Sevier County Bank, respectively, that are filed after the Effective Time regardless of the period covered by the Tax Returns.

Section 1.05 Effective Time; Closing.

(a) Subject to the terms and conditions of this Agreement, the Parties will make all such filings as may be required to consummate the Merger and the Bank Merger by applicable Laws. The Merger shall become effective as set forth in the articles of merger (the “*Articles of Merger*”) related to the Merger that shall be filed with the Secretary of State of the State of Tennessee, as provided in the TBCA, on or prior to the Closing Date. The Merger shall become effective at such time as the Articles of Merger are duly filed with the Secretary of State of the State of Tennessee, or at such later time as is agreed between the Parties and specified in the Articles of Merger in accordance with the relevant provisions of the TBCA (such date and time is hereinafter referred to as the “*Effective Time*”).

(b) The closing of the Merger contemplated by this Agreement (the “*Closing*”) shall take place by electronic exchange of documents on a date determined by SMBK and reasonably acceptable to SCB (the “*Closing Date*”), which shall be within 30 days after all of the conditions to the Closing set forth in Article VI (other than those conditions that by their nature are to be satisfied by action taken at the Closing, which shall be satisfied or waived at the Closing) have been satisfied or waived (to the extent permitted by applicable Law) in accordance with the terms hereof. At or prior to the Closing, there shall be delivered to SMBK and SCB the Articles of Merger and such other certificates and other documents required to be delivered under Article VI.

Section 1.06 Additional Actions. If, at any time after the Effective Time, any Party shall consider or be advised that any further deeds, documents, assignments, or assurances in Law or any other acts are necessary or desirable to carry out the purposes of this Agreement (such Party, the “*Requesting Party*”), the other Party and its Subsidiaries and their respective officers and directors shall be deemed to have granted to the Requesting Party and its Subsidiaries, and each or any of them, an irrevocable power of attorney to execute and deliver, in such official corporate capacities, all such deeds, documents, assignments, or assurances in Law or take any such other acts as are necessary or desirable to carry out the purposes of this Agreement, and the officers and directors of the Requesting Party and its Subsidiaries, as applicable, are authorized in the name of the other Party and its Subsidiaries or otherwise to take any and all such action.

Section 1.07 Reservation of Right to Revise Structure. SMBK may at any time and without the approval of SCB change the method of effecting the business combination contemplated by this Agreement if and to the extent that it reasonably deems such a change to be necessary; *provided, however*, that no such change shall (i) alter or change the amount of the consideration to be issued to Holders as Merger Consideration, (ii) reasonably be expected to materially impede or delay consummation of the Merger, (iii) adversely affect the federal income tax treatment of the Holders in connection with the Merger, or (iv) require submission to or approval of SCB’s shareholders after this Agreement has been approved by SCB’s shareholders. In the event that SMBK elects to make such a change, the Parties agree to cooperate to execute appropriate documents to reflect the change.

ARTICLE II
MERGER CONSIDERATION; EXCHANGE PROCEDURES

Section 2.01 Merger Consideration. Subject to the provisions of this Agreement, at the Effective Time, automatically by virtue of the Merger and without any action on the part of the Parties or any shareholder of SCB:

(a) Each share of SMBK Common Stock that is issued and outstanding immediately prior to the Effective Time shall remain outstanding following the Effective Time and shall be unchanged by the Merger.

(b) Each share of SCB Common Stock owned directly by SMBK, SCB, or any of their respective wholly owned Subsidiaries (other than shares in trust accounts, managed accounts, and the like for the benefit of customers or shares held as collateral for outstanding debt previously contracted) immediately prior to the Effective Time shall be cancelled and retired at the Effective Time without any conversion thereof, and no payment shall be made with respect thereto (the “**SCB Cancelled Shares**”).

(c) Holders of shares of SCB Common Stock shall have such rights to dissent from the Merger and obtain payment of the fair value of their shares as are afforded to such Person by Chapter 23 of the TBCA. Notwithstanding anything in this Agreement to the contrary, all shares of SCB Common Stock that are issued and outstanding immediately prior to the Effective Time and which are held by a shareholder who did not vote in favor of the Merger (or consent thereto in writing) and who is entitled to demand and properly demands the fair value of such shares pursuant to, and who complies in all respects with, the provisions of Chapter 23 of the TBCA, shall not be converted into or be exchangeable for the right to receive the Merger Consideration (the “**Dissenting Shares**”), but instead the holder of such Dissenting Shares (hereinafter called a “**Dissenting Shareholder**”) shall be entitled to payment of the fair value of such shares in accordance with the applicable provisions of the TBCA (and at the Effective Time, such Dissenting Shares shall no longer be outstanding and shall automatically be cancelled and shall cease to exist and such holder shall cease to have any rights with respect thereto, except the rights provided for pursuant to the applicable provisions of the TBCA and this Section 2.01(c)), unless and until such Dissenting Shareholder shall have failed to perfect such holder’s right to receive, or shall have effectively withdrawn or lost rights to demand or receive, the fair value of such shares of SCB Common Stock under the applicable provisions of the TBCA. If any Dissenting Shareholder shall fail to perfect or effectively withdraw or lose such Holder’s dissenter’s rights under the applicable provisions of the TBCA, each such Dissenting Share shall be deemed to have been converted into and to have become exchangeable for the right to receive the Merger Consideration, without any interest thereon, in accordance with the applicable provisions of this Agreement. SCB shall give SMBK (i) prompt notice of any written notices to exercise dissenters’ rights in respect of any shares of SCB Common Stock, attempted withdrawals of such notices and any other instruments served pursuant to the TBCA and received by SCB relating to dissenters’ rights and (ii) the opportunity to participate in negotiations and proceedings with respect to demands for fair value under the TBCA. SCB shall not, except with the prior written consent of SMBK, voluntarily make any payment with respect to, or settle, or offer or agree to settle, any such demand for payment. Any portion of the Merger Consideration made available to the Exchange Agent pursuant to this Article II to pay for shares of SCB Common Stock for which dissenters’ rights have been perfected shall be returned to SMBK upon demand.

(d) Each share of SCB Stock (excluding Dissenting Shares and SCB Cancelled Shares) issued and outstanding at the Effective Time shall cease to be outstanding and shall be converted, in accordance with the terms of this Article II, into and exchanged for the right to receive the following:

(i) each share of SCB Stock held by an SCB Shareholder who owns 20,000 or more shares of SCB Stock will be converted into .4116 of a share of SMBK Common Stock (the “*Per Share Stock Consideration*”); and

(ii) each share of SCB Stock held by a Holder who owns fewer than 20,000 shares of SCB Stock will be converted into the right to receive, at the election of such Holder, either (A) the Per Share Stock Consideration, or (B) an amount of cash equal to the Per Share Stock Consideration multiplied by the SMBK Average Stock Price (the “*Per Share Cash Consideration*”), provided, however, that if such Holder does not return a Letter of Transmittal electing to receive the Per Share Stock Consideration within thirty (30) days of the Closing Date, each such share of SCB Stock shall only represent the right to receive the Per Share Cash Consideration.

(e) If the Consolidated SCB Shareholders’ Equity, as finally determined pursuant to Section 5.23 of this Agreement, is less than the Minimum Equity Amount (the amount by which the Consolidated SCB Shareholders’ Equity is less than the Minimum Equity Amount, the “*Equity Shortfall Amount*”), the Per Share Stock Consideration and the Per Share Cash Consideration will be adjusted as follows:

(i) the Per Share Stock Consideration shall be recalculated as an amount equal to the quotient of (A) the Transaction Value minus the Equity Shortfall, divided by (B) the product of the number of shares of SCB Stock outstanding multiplied by the SMBK Average Stock Price (such resulting amount, the “*Recalculated Per Share Stock Consideration*”); and

(ii) the Per Share Cash Consideration shall be recalculated as an amount of cash equal to the Recalculated Per Share Stock Consideration multiplied by the SMBK Average Stock Price.

Section 2.02 SCB Stock-Based Awards.

(a) Immediately prior to the Effective Time, each share of SCB Stock subject to vesting restrictions granted under the SCB Stock Plans (a “*SCB Restricted Share*”) that is outstanding immediately prior to the Effective Time shall become fully vested and nonforfeitable and shall be converted automatically into and shall thereafter represent the right to receive the Merger Consideration, less the amount of any required withholding Tax, pursuant to Section 2.01(d).

(b) Prior to the Effective Time, the board of directors of SCB (or, if appropriate, any committee thereof administering the SCB Stock Plans) shall adopt such resolutions or take such other actions, including obtaining any necessary amendments to the applicable award agreements and equity plans, as may be required to effectuate the provisions of this Section 2.02.

Section 2.03 Rights as Shareholders; Stock Transfers. At the Effective Time, all shares of SCB Common Stock, when converted in accordance with Section 2.01, shall no longer be outstanding and shall automatically be cancelled and retired and shall cease to exist, and each Certificate or Book-Entry Share previously evidencing such shares shall thereafter represent only the right to receive for each such share of SCB Common Stock, the Merger Consideration and any cash in lieu of fractional shares of SMBK Common Stock in accordance with this Article II. At the Effective Time, holders of SCB Common Stock shall cease to be, and shall have no rights as, shareholders of SCB, other than the right to receive the Merger Consideration and cash in lieu of fractional shares of SMBK Common Stock as provided under this Article II. At the Effective Time, the stock transfer books of SCB shall be closed, and there shall be no registration of transfers on the stock transfer books of SCB of shares of SCB Common Stock.

Section 2.04 Fractional Shares. Notwithstanding any other provision hereof, no fractional shares of SMBK Common Stock and no certificates or scrip therefor, or other evidence of ownership thereof, will be issued in the Merger. In lieu thereof, SMBK shall pay or cause to be paid to each Holder of a fractional share of SMBK Common Stock, rounded to the nearest one hundredth of a share, an amount of cash (without interest and rounded to the nearest whole cent) determined by multiplying the fractional share interest in SMBK Common Stock to which such Holder would otherwise be entitled by the SMBK Average Stock Price.

Section 2.05 Plan of Reorganization. It is intended that the Merger shall qualify as a “reorganization” within the meaning of Section 368(a) of the Code and the Regulations promulgated thereunder, and it is intended that this Agreement shall constitute a “plan of reorganization” as that term is used in Sections 354 and 361 of the Code.

Section 2.06 Exchange Procedures. As promptly as practicable after the Effective Time, the Exchange Agent will mail or otherwise cause to be delivered to each Holder appropriate and customary transmittal materials, which shall specify that delivery shall be effected, and risk of loss and title to the Certificates or Book-Entry Shares shall pass, only upon delivery of the Certificates or Book-Entry Shares to the Exchange Agent, as well as instructions for use in effecting the surrender of the Certificates or Book-Entry Shares in exchange for the Merger Consideration (including cash in lieu of fractional shares) as provided for in this Agreement (the “*Letter of Transmittal*”).

Section 2.07 Deposit and Delivery of Merger Consideration.

(a) Prior to the Effective Time, SMBK shall (i) deposit, or shall cause to be deposited, with the Exchange Agent stock certificates representing the number of shares of SMBK Common Stock and cash sufficient to deliver the Merger Consideration (together with, to the extent then determinable, any cash payable in lieu of fractional shares pursuant to Section 2.04, and if applicable, cash in an aggregate amount sufficient to make the appropriate payment to the Holders of Dissenting Shares) (collectively, the “*Exchange Fund*”), and (ii) instruct the Exchange Agent to pay such Merger Consideration and cash in lieu of fractional shares in accordance with this Agreement as promptly as practicable after the Effective Time and conditioned upon receipt of a properly completed Letter of Transmittal. The Exchange Agent and SMBK, as the case may be, shall not be obligated to deliver the Merger Consideration to a Holder to which such Holder would otherwise be entitled as a result of the Merger until such Holder surrenders the Certificates or Book-Entry Shares representing the shares of SCB Common Stock for exchange as provided in this Article II, or an appropriate affidavit of loss and indemnity agreement and/or a bond in such amount as may be reasonably required in each case by SMBK or the Exchange Agent.

(b) Any portion of the Exchange Fund that remains unclaimed by a Holder for one year after the Effective Time (as well as any interest or proceeds from any investment thereof) shall be delivered by the Exchange Agent to SMBK. Any Holder who has not theretofore complied with this Section 2.06 shall thereafter look only to SMBK for the Merger Consideration, any cash in lieu of fractional shares of SCB Common Stock to be issued or paid in consideration therefor, and any dividends or distributions to which such Holder is entitled in respect of each share of SCB Common Stock such Holder held immediately prior to the Effective Time, as determined pursuant to this Agreement, in each case without any interest thereon. If outstanding Certificates or Book-Entry Shares for shares of SCB Common Stock are not surrendered or the payment for them is not claimed prior to the date on which such shares of SMBK Common Stock or cash would otherwise escheat to or become the property of any Governmental Authority, the unclaimed items shall, to the extent permitted by the law of abandoned property and any other applicable Law, become the property of SMBK (and to the extent not in its possession shall be delivered to it), free and clear of all claims or interest of any Person previously entitled to such property. Neither the Exchange Agent nor any Party shall be liable to any Holder represented by any Certificate or Book-Entry Share for any amounts delivered to a public official pursuant to applicable abandoned property, escheat, or similar Laws. SMBK and the Exchange Agent shall be entitled to rely upon the stock transfer books of SCB to establish the identity of those Persons entitled to receive the Merger Consideration specified in this Agreement, which books shall be conclusive with respect thereto. In the event of a dispute with respect to ownership of any shares of SCB Common Stock represented by any Certificate or Book-Entry Share, SMBK and the Exchange Agent shall be entitled to tender to the custody of any court of competent jurisdiction any Merger Consideration represented by such Certificate or Book-Entry Share and file legal proceedings interpleading all parties to such dispute, and will thereafter be relieved with respect to any claims thereto.

(c) SMBK or the Exchange Agent, as applicable, shall be entitled to deduct and withhold from any amounts otherwise payable pursuant to this Agreement to any Holder such amounts as SMBK is required to deduct and withhold under applicable Law. Any amounts so deducted and withheld shall be remitted to the appropriate Governmental Authority and upon such remittance shall be treated for all purposes of this Agreement as having been paid to the Holder in respect of which such deduction and withholding was made by SMBK or the Exchange Agent, as applicable.

Section 2.08 Rights of Certificate Holders after the Effective Time.

(a) All shares of SMBK Common Stock to be issued pursuant to the Merger shall be deemed issued and outstanding as of the Effective Time and if ever a dividend or other distribution is declared by SMBK in respect of the SMBK Common Stock, the record date for which is at or after the Effective Time, that declaration shall include dividends or other distributions in respect of all shares of SMBK Common Stock issuable pursuant to this Agreement. No dividends or other distributions in respect of the SMBK Common Stock shall be paid to any Holder of any unsurrendered Certificate or Book-Entry Share until such Certificate or Book-Entry Share is surrendered for exchange in accordance with this Article II. Subject to the effect of applicable Laws, following surrender of any such Certificate or Book-Entry Share, there shall be issued and/or paid to the Holder of the certificates representing whole shares of SMBK Common Stock issued in exchange therefor, without interest, (i) at the time of such surrender, the dividends or other distributions with a record date after the Effective Time theretofore payable with respect to such whole shares of SMBK Common Stock and not paid and (ii) at the appropriate payment date, the dividends or other distributions payable with respect to such whole shares of SMBK Common Stock with a record date after the Effective Time but with a payment date subsequent to surrender.

(b) In the event of a transfer of ownership of a Certificate representing SCB Common Stock that is not registered in the stock transfer records of SCB, the proper amount of cash and/or shares of SMBK Common Stock shall be paid or issued in exchange therefor to a person other than the person in whose name the Certificate so surrendered is registered if the Certificate formerly representing such SCB Common Stock shall be properly endorsed or otherwise be in proper form for transfer and the person requesting such payment or issuance shall pay any transfer or other similar Taxes required by reason of the payment or issuance to a person other than the registered Holder of the Certificate or establish to the satisfaction of SMBK that the Tax has been paid or is not applicable.

Section 2.09 Anti-Dilution Provisions. If the number of shares of SMBK Common Stock or SCB Common Stock issued and outstanding prior to the Effective Time shall be increased or decreased, or changed into or exchanged for a different number of kind of shares or securities, in any such case as a result of a stock split, reverse stock split, stock combination, stock dividend, reclassification, or similar transaction, or there shall be any extraordinary dividend or distribution with respect to such stock, and the record date therefor shall be prior to the Effective Time, an appropriate and proportionate adjustment shall be made to the Merger Consideration to give holders of SCB Common Stock the same economic effect as contemplated by this Agreement prior to such event.

ARTICLE III REPRESENTATIONS AND WARRANTIES OF SCB

Except as set forth in the disclosure schedule delivered by SCB to SMBK prior to or concurrently with the execution of this Agreement with respect to each such section below (the “**SCB Disclosure Schedule**”); provided, that (a) the mere inclusion of an item in the SCB Disclosure Schedule as an exception to a representation or warranty shall not be deemed an admission by SCB that such item represents a material exception or fact, event, or circumstance or that such item is reasonably likely to result in a Material Adverse Effect on SCB and (b) any disclosures made with respect to a section of Article III shall be deemed to qualify (1) any other section of Article III specifically referenced or cross-referenced and (2) other sections of Article III to the extent it is reasonably apparent on its face (notwithstanding the absence of a specific cross reference) from a reading of the disclosure that such disclosure applies to such other sections, SCB hereby represents and warrants to SMBK as follows:

Section 3.01 Organization and Standing. Each of SCB and its Subsidiaries is (a) an entity duly organized, validly existing, and in good standing under the laws of the jurisdiction of its incorporation or formation and (b) is duly licensed or qualified to do business and in good standing in each jurisdiction where its ownership or leasing of property or the conduct of its business requires such qualification, except where the failure to be so licensed or qualified has not had, and is not reasonably likely to have, a Material Adverse Effect with respect to SCB. A complete and accurate list of all such jurisdictions described in (a) and (b) is set forth in SCB Disclosure Schedule 3.01.

Section 3.02 Capital Stock.

(a) The authorized capital stock of SCB consists of 5,000,000 shares of (i) common stock, no par value per share, which is divided into 4,500,000 shares of Class A Common Stock, no par value per share (“**SCB Class A Common Stock**”), and 500,000 shares of Class B Common Stock, no par value per share (“**SCB Class B Common Stock**”), and (ii) and 2,000,000 shares of preferred stock, no par value per share. As of the date hereof, there are 4,366,477 shares of SCB Class A Common Stock issued and outstanding (inclusive of SCB Restricted Shares), no shares of SCB Class B Common Stock issued and outstanding, and no shares of preferred stock issued and outstanding. There are no shares of SCB Common Stock held by any of SCB’s Subsidiaries (other than shares in trust accounts, managed accounts, and the like for the benefit of customers). SCB Disclosure Schedule 3.02(a) sets forth, as of the date hereof, the name and address, as reflected on the books and records of SCB, of each Holder, and the number of shares of SCB Common Stock held by each such Holder. The issued and outstanding shares of SCB Common Stock are duly authorized, validly issued, fully paid, non-assessable, and have not been issued in violation of nor are they subject to preemptive rights of any SCB shareholder. All shares of SCB’s capital stock issued and outstanding have been issued in compliance with and not in violation of any applicable federal or state securities Laws.

(b) SCB Disclosure Schedule 3.02(b) sets forth, as of the date hereof, for each grant or award of SCB Restricted Shares or other outstanding Rights of SCB the (i) name of the grantee, (ii) date of the grant, (iii) expiration date, (iv) vesting schedule, (v) number of shares of SCB Stock, or any other security of SCB, subject to such award, (vi) number of shares subject to such award that are exercisable or have vested as of the date of this Agreement, and (vii) name of the SCB Stock Plan under which such award was granted, if applicable. Each SCB Restricted Share and all other outstanding SCB Rights comply with or are exempt from Section 409A of the Code and qualify for the tax treatment afforded thereto in SCB’s Tax Returns. Each grant of SCB Restricted Shares or other outstanding SCB Rights was appropriately authorized by the board of directors of SCB or the compensation committee thereof, was made in accordance with the terms of the SCB Stock Plans and any applicable Law and regulatory rules or requirements and has a grant date identical to (or later than) the date on which it was actually granted or awarded by the board of directors of SCB or the compensation committee thereof. There are no outstanding shares of capital stock of any class, or any options, warrants or other similar rights, convertible or exchangeable securities, “phantom stock” rights, stock appreciation rights, stock based performance units, agreements, arrangements, commitments, or understandings to which SCB or any of its Subsidiaries is a party, whether or not in writing, of any character relating to the issued or unissued capital stock or other securities of SCB or any of SCB’s Subsidiaries or obligating SCB or any of SCB’s Subsidiaries to issue (whether upon conversion, exchange or otherwise) or sell any share of capital stock of, or other equity interests in or other securities of, SCB or any of SCB’s Subsidiaries other than those listed in SCB Disclosure Schedule 3.02(b). There are no obligations, contingent or otherwise, of SCB or any of SCB’s Subsidiaries to repurchase, redeem or otherwise acquire any shares of SCB Common Stock or capital stock of any of SCB’s Subsidiaries or any other securities of SCB or any of SCB’s Subsidiaries or to provide funds to or make any investment (in the form of a loan, capital contribution, or otherwise) in any such Subsidiary or any other entity. Except for the SCB Voting Agreements, there are no agreements, arrangements, or other understandings with respect to the voting of SCB’s capital stock and there are no agreements or arrangements under which SCB is obligated to register the sale of any of its securities under the Securities Act.

(c) Except as set forth on SCB Disclosure Schedule 3.03(c), SCB is not a party to any agreement that provides holders of SCB Stock with rights as holders of SCB Stock that are in addition to those provided by SCB's articles of incorporation, SCB's bylaws, or by applicable Law (each, an "**SCB Investor Agreement**"). SCB is not in default under any SCB Investor Agreement and there has not occurred any event that, with the lapse of time or the giving of notice or both, would constitute such a default.

Section 3.03 Subsidiaries.

(a) SCB Disclosure Schedule 3.03(a) sets forth a complete and accurate list of all Subsidiaries of SCB, including the jurisdiction of organization and all jurisdictions in which any such entity is qualified to do business and the number of shares or other equity interests in such Subsidiary held by SCB. Except as set forth in SCB Disclosure Schedule 3.03(a), (i) SCB owns, directly or indirectly, all of the issued and outstanding equity securities of each SCB Subsidiary, (ii) no equity securities of any of SCB's Subsidiaries are or may become required to be issued (other than to SCB) by reason of any contractual right or otherwise, (iii) there are no contracts, commitments, understandings, or arrangements by which any of such Subsidiaries is or may be bound to sell or otherwise transfer any of its equity securities (other than to SCB or a Subsidiary of SCB), (iv) there are no contracts, commitments, understandings or arrangements relating to SCB's rights to vote or to dispose of such securities, (v) all of the equity securities of each such Subsidiary held by SCB, directly or indirectly, are validly issued, fully paid, non-assessable and are not subject to preemptive or similar rights, and (vi) all of the equity securities of each Subsidiary that is owned, directly or indirectly, by SCB or any Subsidiary thereof, are free and clear of all Liens, other than restrictions on transfer under applicable securities or banking Laws. Neither SCB nor any of its Subsidiaries has any trust preferred securities or other similar securities outstanding.

(b) Neither SCB nor any of SCB's Subsidiaries owns any stock or equity interest in any depository institution (as defined in 12 U.S.C. Section 1813(c)(1)) other than Sevier County Bank. Except as set forth in SCB Disclosure Schedule 3.03(b), neither SCB nor any of Subsidiary of SCB beneficially owns, directly or indirectly (other than in a bona fide fiduciary capacity or in satisfaction of a debt previously contracted), any equity securities or similar interests of any Person, or any interest in a partnership or joint venture of any kind.

Section 3.04 Corporate Power; Minute Books.

(a) SCB and each of its Subsidiaries has the corporate or similar power and authority to carry on its business as it is now being conducted and to own all of its properties and assets; and SCB has the corporate power and authority to execute, deliver, and perform its obligations under this Agreement and to consummate the transactions contemplated hereby, subject to receipt of all necessary approvals of Governmental Authorities, the Regulatory Approvals, and the Requisite SCB Shareholder Approval.

(b) SCB has made available to SMBK a complete and correct copy of its charter and bylaws or equivalent organizational documents, each as amended to date, of SCB and each of its Subsidiaries, the minute books of SCB and each of its Subsidiaries, and the stock ledgers and stock transfer books of SCB and each of its Subsidiaries. Neither SCB nor any of its Subsidiaries is in violation of any of the terms of its charter, bylaws, or equivalent organizational documents. The minute books of SCB and each of its Subsidiaries contain records of all meetings held by, and all other corporate or similar actions of, their respective shareholders and boards of directors (including committees of their respective boards of directors) or other governing bodies, which records are complete and accurate in all material respects. The stock ledgers and the stock transfer books of SCB and each of its Subsidiaries contain complete and accurate records of the ownership of the equity securities of SCB and each of its Subsidiaries.

Section 3.05 Corporate Authority. Subject only to the receipt of the Requisite SCB Shareholder Approval at the SCB Meeting, this Agreement and the transactions contemplated hereby have been authorized by all necessary corporate action of SCB and the board of directors of SCB on or prior to the date hereof. The board of directors of SCB has directed that this Agreement be submitted to SCB's shareholders for approval at a meeting of the shareholders and, except for the receipt of the Requisite SCB Shareholder Approval in accordance with the TBCA and SCB's charter and bylaws, no other vote or action of the shareholders of SCB is required by Law, the charter or bylaws of SCB, or otherwise to approve this Agreement and the transactions contemplated hereby. SCB has duly executed and delivered this Agreement and, assuming due authorization, execution, and delivery by SMBK, this Agreement is a valid and legally binding obligation of SCB, enforceable in accordance with its terms (except to the extent that validity and enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer, or similar Laws affecting the enforcement of creditors' rights generally or by general principles of equity or by principles of public policy (each of the foregoing, an "*Enforceability Exception*")).

Section 3.06 Regulatory Approvals; No Defaults.

(a) No consents or approvals of, or waivers by, or filings or registrations with, any Governmental Authority are required to be made or obtained by SCB or any of its Subsidiaries in connection with the execution, delivery, or performance by SCB of this Agreement or to consummate the transactions contemplated by this Agreement, except as may be required for (i) filings of applications or notices with, and consents, approvals, or waivers by the FRB, the FDIC, the Tennessee Department of Financial Institutions (the "*TDFI*"), and other banking, regulatory, self-regulatory, or enforcement authorities or any courts, administrative agencies, or commissions or other Governmental Authorities and approval of or non-objection to such applications, filings, and notices (the "*Regulatory Approvals*"), (ii) the filing with the SEC of the Proxy Statement-Prospectus and the Registration Statement and declaration of effectiveness of the Registration Statement, (iii) the filing of the Articles of Merger contemplated by Section 1.04(a) and the filing of documents with the FDIC, the TDFI, or other applicable Governmental Authorities, and the Secretary of State of the State of Tennessee to cause the Bank Merger to become effective, and (iv) such filings and approvals as are required to be made or obtained under the securities or "Blue Sky" laws of various states in connection with the issuance of the shares of SMBK Common Stock pursuant to this Agreement and approval of listing of such SMBK Common Stock on the NASDAQ. Subject to the receipt of the consents, approvals, and waivers referred to in the preceding sentence, the Requisite SCB Shareholder Approval and as set forth on SCB Disclosure Schedule 3.06(a), the execution, delivery, and performance of this Agreement and the consummation of the transactions contemplated hereby by SCB do not and will not (1) constitute a breach or violation of, or a default under, the charter, bylaws or similar governing documents of SCB or any of its respective Subsidiaries, (2) violate any statute, code, ordinance, rule, regulation, judgment, order, writ, decree, or injunction applicable to SCB or any of its Subsidiaries, or any of their respective properties or assets, (3) conflict with, result in a breach or violation of any provision of, or the loss of any benefit under, or a default (or an event which, with or without notice or lapse of time, or both, would constitute a default) under, result in the creation of any Lien under, result in a right of termination or the acceleration of any right or obligation (which, in each case, would have a material impact on SCB or could reasonably be expected to result in a financial obligation or penalty in excess of \$50,000) under any permit, license, credit agreement, indenture, loan, note, bond, mortgage, reciprocal easement agreement, lease, instrument, concession, contract, franchise, agreement, or other instrument or obligation of SCB or any of its Subsidiaries or to which SCB or any of its Subsidiaries, or their respective properties or assets is subject or bound, or (4) require the consent or approval of any third party or Governmental Authority under any such Law, rule or regulation or any judgment, decree, order, permit, license, credit agreement, indenture, loan, note, bond, mortgage, reciprocal easement agreement, lease, instrument, concession, contract, franchise, agreement or other instrument or obligation, except where the failure to obtain the consent or approval would not be reasonably expected to have a material impact on SCB or result in a material financial penalty.

(b) As of the date hereof, SCB has no Knowledge of any reason (i) why the Regulatory Approvals referred to in Section 6.01(b) will not be received in customary time frames from the applicable Governmental Authorities having jurisdiction over the transactions contemplated by this Agreement or (ii) why any Burdensome Condition would be imposed.

Section 3.07 Financial Statements; Internal Controls.

(a) SCB has previously delivered or made available to SMBK copies of SCB's (i) audited consolidated financial statements (including the related notes and schedules thereto) for the years ended December 31, 2020, 2019 and 2018, accompanied by the unqualified audit reports of PYA, P.C., independent registered accountants (collectively, the "**Audited Financial Statements**") and (ii) unaudited interim consolidated financial statements (including the related notes and schedules thereto) for the three months ended March 31, 2021 (the "**Unaudited Financial Statements**" and collectively with the Audited Financial Statements, the "**Financial Statements**"). The Financial Statements (including any related notes and schedules thereto) are accurate and complete in all material respects and fairly present in all material respects the financial condition and the results of operations, changes in shareholders' equity, and cash flows of SCB and its consolidated Subsidiaries as of the respective dates of and for the periods referred to in such financial statements, all in accordance with GAAP, consistently applied, subject, in the case of the Unaudited Financial Statements, to normal, recurring year-end adjustments (the effect of which has not had, and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect with respect to SCB) and the absence of notes and schedules (that, if presented, would not differ materially from those included in the Audited Financial Statements). No financial statements of any entity or enterprise other than SCB's Subsidiaries are required by GAAP to be included in the consolidated financial statements of SCB. The audits of SCB have been conducted in accordance with GAAP. Since December 31, 2020, neither SCB nor any of its Subsidiaries has any liabilities or obligations of a nature that would be required by GAAP to be set forth on its consolidated balance sheet or in the notes thereto except for liabilities reflected or reserved against in the Financial Statements and current liabilities incurred in the Ordinary Course of Business since December 31, 2020. True, correct, and complete copies of the Financial Statements have been provided to SMBK prior to the date hereof.

(b) The records, systems, controls, data, and information of SCB 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 SCB or its Subsidiaries or accountants (including all means of access thereto and therefrom). SCB and its Subsidiaries have devised and maintain a system of internal accounting controls sufficient to provide reasonable assurances regarding the reliability of financial reporting and the preparation of financial statements in accordance with GAAP. SCB has disclosed based on its most recent evaluations, to its outside auditors and the audit committee of the board of directors of SCB (i) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect SCB's ability to record, process, summarize, and report financial data and (ii) any fraud, whether or not material, that involves management or other employees who have a significant role in SCB's internal control over financial reporting. SCB has made available to SMBK a summary of any such disclosure made by management to the auditor and/or audit committee of SCB or any Subsidiary.

(c) Except as set forth in SCB Disclosure Schedule 3.07(c), since January 1, 2018, neither SCB nor any of its Subsidiaries nor, to SCB's Knowledge, any director, officer, employee, auditor, accountant, or representative of SCB or any of its Subsidiaries has received, or otherwise had or obtained Knowledge of, any material complaint, allegation, assertion, or claim regarding the accounting or auditing practices, procedures, methodologies, or methods of SCB or any of its Subsidiaries or their respective internal accounting controls, including any material complaint, allegation, assertion, or claim that SCB or any of its Subsidiaries has engaged in questionable accounting or auditing practices.

Section 3.08 Regulatory Reports. Since January 1, 2018, SCB and its Subsidiaries have timely filed with the FRB, the FDIC, the TDFI and any other applicable Governmental Authority, in correct form, the material reports, registration statements, and other documents required to be filed under applicable Laws and regulations and have paid all fees and assessments due and payable in connection therewith, and such reports and other documents were complete and accurate and in compliance in all material respects with the requirements of applicable Laws and regulations. Other than normal examinations conducted by a Governmental Authority in the Ordinary Course of Business, no Governmental Authority has notified SCB or any of its Subsidiaries that it has initiated any proceeding or, to the Knowledge of SCB, threatened an investigation into the business or operations of SCB or any of its Subsidiaries since January 1, 2018. There is no material and unresolved violation, criticism, or exception by any Governmental Authority with respect to any report or statement relating to any examinations or inspections of SCB or any of its Subsidiaries.

Section 3.09 Absence of Certain Changes or Events. Except as set forth in SCB Disclosure Schedule 3.09, the Financial Statements, or as otherwise contemplated by this Agreement, since December 31, 2018, (a) SCB and its Subsidiaries have carried on their respective businesses in all material respects in the Ordinary Course of Business, (b) there have been no events, changes, or circumstances which have had, or are reasonably likely to have, individually or in the aggregate, a Material Adverse Effect with respect to SCB, and (c) neither SCB nor any of its Subsidiaries has taken any action or failed to take any action prior to the date of this Agreement which action or failure, if taken after the date of this Agreement, would constitute a material breach or violation of any of the covenants and agreements set forth in Section 5.01(i), Section 5.01(ii), Section 5.01(iii), Section 5.01(v), Section 5.01(vii), Section 5.01(viii), Section 5.01(x), Section 5.01(xi), Section 5.01(xxi), or Section 5.01(xxv).

Section 3.10 Legal Proceedings.

(a) Except as set forth on SCB Disclosure Schedule 3.10(a), there are no material civil, criminal, administrative, or regulatory actions, suits, demand letters, demands for indemnification, claims, hearings, notices of violation, arbitrations, investigations, orders to show cause, market conduct examinations, notices of non-compliance, or other proceedings of any nature pending or, to the Knowledge of SCB, threatened against SCB or any of its Subsidiaries or any of their current or former directors or executive officers in their capacities as such, or to which SCB or any of its Subsidiaries or any of their current or former directors or executive officers, in their capacities as such, is a party, including without limitation, any such actions, suits, demand letters, demands for indemnification, claims, hearings, notices of violation, arbitrations, investigations, orders to show cause, market conduct examinations, notices of non-compliance, or other proceedings of any nature that would challenge the validity or propriety of the transactions contemplated by this Agreement.

(b) There is no material injunction, order, judgment, or decree or regulatory restriction imposed upon SCB or any of its Subsidiaries, or the assets of SCB or any of its Subsidiaries (or that, upon consummation of the Merger or the Bank Merger would apply to the Surviving Entity or any of its Subsidiaries or affiliates), and neither SCB nor any of its Subsidiaries has been advised of the threat of any such action, other than any such injunction, order, judgement, or decree that is generally applicable to all Persons in businesses similar to that of SCB or any of SCB's Subsidiaries.

Section 3.11 Compliance With Laws.

(a) SCB and each of its Subsidiaries is, and has been since January 1, 2018, in compliance in all material respects with all Laws, including, without limitation, Laws related to data protection or privacy, the USA PATRIOT Act, the Bank Secrecy Act, the Equal Credit Opportunity Act, the Fair Housing Act, the Home Mortgage Disclosure Act, the Community Reinvestment Act, the Fair Credit Reporting Act, the Truth in Lending Act, the Dodd-Frank Act, Sections 23A and 23B of the Federal Reserve Act, the Sarbanes-Oxley Act or the regulations implementing such statutes, all other applicable anti-money laundering Laws, fair lending Laws and other Laws relating to discriminatory lending, financing, leasing, or business practices and all agency requirements relating to the origination, sale, and servicing of mortgage loans, except where the failure to comply with such Laws would not be reasonably expected to result in a Material Adverse Effect in respect of SCB or any of its Subsidiaries. Neither SCB nor any of its Subsidiaries has been advised of any supervisory concerns regarding their compliance with the Bank Secrecy Act or related state or federal anti-money laundering laws, regulations, and guidelines, including without limitation those provisions of federal regulations requiring (i) the filing of reports, such as Currency Transaction Reports and Suspicious Activity Reports, (ii) the maintenance of records, and (iii) the exercise of due diligence in identifying customers.

(b) SCB and each of its Subsidiaries have all material permits, licenses, authorizations, orders, and approvals of, and each has made all filings, applications, and registrations with, all Governmental Authorities that are required in order to permit it to own or lease its properties and to conduct its business as presently conducted. All such permits, licenses, certificates of authority, orders, and approvals are in full force and effect and, to SCB's Knowledge, no suspension or cancellation of any of them is threatened.

(c) Neither SCB nor any of its Subsidiaries has received, since January 1, 2018, written or, to SCB's Knowledge, oral notification from any Governmental Authority (i) asserting that it is materially in non-compliance with any of the Laws which such Governmental Authority enforces or (ii) threatening to revoke any license, franchise, permit, or governmental authorization, except, in either case, where the matters referenced in such notification would not be reasonably expected to result in a Material Adverse Effect in respect of SCB or its Subsidiaries.

(d) All shares of SCB Common Stock issued and outstanding have been issued in compliance in material respects with, and not in material violation of, any applicable federal or state securities Laws.

(e) The SCB and its Subsidiaries are, in all material respects, in compliance with any quarantine, "shelter in place," "stay at home," workforce reduction, social distancing, shut down, closure, sequester, or any other law, order, directive, guidelines, or recommendations by any Governmental Authority in connection with or in response to COVID-19, including, but not limited to, the Coronavirus Aid, Relief, and Economic Security Act (the "*CARES Act*") enacted in response to the COVID-19 pandemic, and have used commercially reasonable efforts to implement health and safety protocols at all worksites under the control of the Company, consistent with guidance issued by applicable federal, state, and local health authorities (such laws, orders, directives, guidelines, recommendations and health and safety protocols, collectively, "*COVID-19 Measures*").

(f) To the extent that the Company or any of its Subsidiaries has originated or otherwise participated in any program or benefit created or modified by the CARES Act, including but not limited to the Paycheck Protection Program ("*PPP*"), it has done such in good faith and in compliance with all Laws governing such program, including but not limited to all regulations and guidance issued by the SBA with the respect to loans originated pursuant to or in association with the PPP. Except as set forth in SCB Disclosure Schedule 3.11(f), the Company has not originated any loan under the PPP to any Insider, as the term is defined under Regulation O (12 C.F.R. Part 215).

Section 3.12 SCB Material Contracts; Defaults.

(a) Except as set forth in SCB Disclosure Schedule 3.12(a), neither SCB nor any of its Subsidiaries is a party to, bound by, or subject to any agreement, contract, arrangement, commitment, or understanding (whether written or oral) (i) which would entitle any present or former director, officer, employee, consultant, or agent of SCB or any of its Subsidiaries to indemnification from SCB or any of its Subsidiaries; (ii) which grants any right of first refusal, right of first offer, or similar right with respect to any assets or properties of SCB or its respective Subsidiaries; (iii) related to the borrowing by SCB or any of its Subsidiaries of money other than those entered into in the Ordinary Course of Business and any guaranty of any obligation for the borrowing of money, excluding endorsements made for collection, repurchase or resell agreements, letters of credit, and guaranties made in the Ordinary Course of Business; (iv) which provides for payments to be made by SCB or any of its Subsidiaries upon a change in control thereof; (v) relating to the lease of personal property having a value in excess of \$25,000 individually or \$50,000 in the aggregate; (vi) relating to any joint venture, partnership, limited liability company agreement, or other similar agreement or arrangement; (vii) which relates to capital expenditures and involves future payments in excess of \$50,000 individually or \$125,000 in the aggregate; (viii) which relates to the disposition or acquisition of assets or any interest in any business enterprise outside the Ordinary Course of Business; (ix) which is not terminable on 60 days or less notice and involving the payment of more than \$30,000 per annum; (x) which contains a non-compete, or client or customer non-solicit requirement, or any other provision that restricts the conduct of any line of business by SCB or any of its Affiliates or upon consummation of the Merger will restrict the ability of the Surviving Entity or any of its Affiliates to engage in any line of business (including, for the avoidance of doubt, any exclusivity provision granted in favor of any third party) or which grants any right of first refusal, right of first offer, or similar right or that limits or purports to limit the ability of SCB or any of its Subsidiaries (or, following consummation of the transactions contemplated hereby, SMBK or any of its Subsidiaries) to own, operate, sell, transfer, pledge, or otherwise dispose of any assets or business; or (xi) pursuant to which SCB or any of its Subsidiaries may become obligated to invest in or contribute capital to any entity. Each contract, arrangement, commitment, or understanding of the type described in this Section 3.12(a) is listed in SCB Disclosure Schedule 3.12(a) and is referred to herein as a “**SCB Material Contract.**” SCB has previously made available to SMBK true, complete, and correct copies of each such SCB Material Contract, including any and all amendments and modifications thereto.

(b) Each SCB Material Contract is valid and binding on SCB and any of its Subsidiaries to the extent such Subsidiary is a party thereto, as applicable, and is in full force and effect and enforceable in accordance with its terms (assuming the due execution by each other party thereto, provided that SCB hereby represents and warrants that, to its Knowledge, each SCB Material Contract is duly executed by all such parties), subject to the Enforceability Exceptions and except where the failure to be valid, binding, enforceable, and in full force and effect, individually or in the aggregate, is not reasonably likely to have a Material Adverse Effect with respect to SCB; and neither SCB nor any of its Subsidiaries is in default under any SCB Material Contract or other “material contract” (as such term is defined in Item 601(b)(10) of Regulation S-K of the SEC), to which it is a party, and there has not occurred any event that, with the lapse of time or the giving of notice or both, would constitute such a material default. No power of attorney or similar authorization given directly or indirectly by SCB or any of its Subsidiaries is currently outstanding.

(c) SCB Disclosure Schedule 3.12(c) sets forth a true and complete list of all SCB Material Contracts pursuant to which consents, waivers, or notices are or may be required to be given thereunder, in each case, prior to the performance by SCB of this Agreement and the consummation of the Merger, the Bank Merger, and the other transactions contemplated hereby and thereby.

Section 3.13 Agreements with Regulatory Agencies. Neither SCB nor any of its Subsidiaries is subject to any cease-and-desist or other order issued by, or is a party to any written agreement, consent agreement, or memorandum of understanding with, or is a party to any commitment letter or similar undertaking to, or is a recipient of any extraordinary supervisory letter from, or is subject to any order or directive by, or has adopted any board resolutions at the request of any Governmental Authority (each a “**SCB Regulatory Agreement**”) that restricts, or by its terms will in the future restrict, the conduct of SCB’s or any of its Subsidiaries’ business or that in any manner relates to their capital adequacy, credit or risk management policies, dividend policies, management, business, or operations, nor has SCB or any of its Subsidiaries been advised by any Governmental Authority that it is considering issuing, initiating, ordering, requesting, recommending or otherwise proceeding with (or is considering the appropriateness of any of the aforementioned actions) any SCB Regulatory Agreement. To SCB’s Knowledge, there are no investigations relating to any regulatory matters pending before any Governmental Authority with respect to SCB or any of its Subsidiaries.

Section 3.14 Brokers; Fairness Opinion. Neither SCB nor any of its officers, directors or any of its Subsidiaries has employed any broker or finder or incurred, nor will it incur, any liability for any broker’s fees, commissions or finder’s fees in connection with any of the transactions contemplated by this Agreement, except that SCB has engaged, and will pay a fee or commission to Performance Trust Capital Partners LLC (“**SCB Financial Advisor**”), in accordance with the terms of a letter agreement between SCB Financial Advisor and SCB, a true, complete, and correct copy of which has been previously delivered by SCB to SMBK. SCB has received the opinion of the SCB Financial Advisor (and, when it is delivered in writing, a copy of such opinion will be promptly provided to SMBK) to the effect that, as of the date of this Agreement and based upon and subject to the qualifications and assumptions set forth therein, the Merger Consideration is fair, from a financial point of view, to the holders of shares of SCB Common Stock, and, as of the date of this Agreement, such opinion has not been withdrawn, revoked, or modified.

Section 3.15 Employee Benefit Plans.

(a) SCB Disclosure Schedule 3.15(a) sets forth a true and complete list of each SCB Benefit Plan. For purposes of this Agreement, “**SCB Benefit Plans**” means all benefit and compensation plans, contracts, policies, or arrangements (i) covering current or former employees or their beneficiaries and dependents of SCB, any of its Subsidiaries, or any of SCB’s related organizations described in Code Sections 414(b), (c), (m), or (o), or any entity which is considered one employer with SCB, any of its Subsidiaries, or Controlled Group Members under Section 4001 of ERISA or Section 414 of the Code (“**ERISA Affiliates**”) (such current employees collectively, the “**SCB Employees**”), (ii) covering current or former directors or their beneficiaries and dependents of SCB, any of its Subsidiaries, or ERISA Affiliates, or (iii) with respect to which SCB or any of its Subsidiaries has or may have any liability or contingent liability (including liability arising from ERISA Affiliates) including, but not limited to, “employee benefit plans” within the meaning of Section 3(3) of ERISA, health/welfare, employment, severance, change-of-control, fringe benefit, deferred compensation, defined benefit plan, defined contribution plan, stock option, stock purchase, stock appreciation rights, stock based, incentive, bonus plans, retirement plans, and other policies, plans, or arrangements whether or not subject to ERISA.

(b) With respect to each SCB Benefit Plan, SCB has provided to SMBK true and complete copies of such SCB Benefit Plan, any trust instruments, insurance contracts, or other funding arrangements forming a part of any SCB Benefit Plans and all amendments thereto, summary plan descriptions and summary of material modifications, IRS Form 5500 (for the three most recently completed plan years), the most recent IRS determination, opinion, notification, and advisory letters, with respect thereto and any correspondence from any regulatory agency. In addition, with respect to each of the SCB Benefit Plans for the three most recently completed plan years, any plan financial statements and accompanying accounting reports, service contracts, fidelity bonds, and employee and participant annual QDIA notice, safe harbor notice, or fee disclosures notices under 29 CFR 2550.404a-5, and nondiscrimination testing data and results under Code Sections 105(h), 125, 129, 401(k), and 401(m), as applicable, have been provided to SMBK.

(c) All SCB Benefit Plans are in compliance in all material respects in form and operation with all applicable Laws, including ERISA and the Code. Each SCB Benefit Plan which is intended to be qualified under Section 401(a) of the Code ("**SCB 401(a) Plan**") has received a favorable opinion, determination, or advisory letter from the IRS, and to SCB's Knowledge there is not any circumstance that could reasonably be expected to result in revocation of any such favorable determination, opinion, or advisory letter or the loss of the qualification of such SCB 401(a) Plan under Section 401(a) of the Code, and nothing has occurred that would be expected to result in the SCB 401(a) Plan ceasing to be qualified under Section 401(a) of the Code. All SCB Benefit Plans have been administered in accordance with their terms. There is no pending or, to SCB's Knowledge, threatened litigation or regulatory action relating to the SCB Benefit Plans. Neither SCB nor any of its Subsidiaries has engaged in a transaction with respect to any SCB Benefit Plan, including a SCB 401(a) Plan that could subject SCB or any of its Subsidiaries to a tax or penalty under any Law including, but not limited to, Section 4975 of the Code or Section 502(i) of ERISA. No SCB 401(a) Plan has been submitted under or been the subject of an IRS voluntary compliance program submission that is still outstanding or that has not been fully corrected in accordance with a compliance statement issued by the IRS with respect to any applicable failures. There are no audits, inquiries, or proceedings pending or, to SCB's Knowledge, threatened by the IRS or the Department of Labor with respect to any SCB Benefit Plan. To SCB's Knowledge, there are no current, pending, or threatened investigations by the IRS or the Department of Labor with respect to any SCB Benefit Plan.

(d) No liability under Title IV of ERISA has been or is expected to be incurred by SCB, any of its Subsidiaries or any ERISA Affiliates with respect to any ongoing, frozen or terminated “single employer plan,” within the meaning of Section 4001(a)(15) of ERISA, currently or formerly maintained by SCB, any of its Subsidiaries, or any ERISA Affiliates. Neither SCB nor any ERISA Affiliate has ever maintained, sponsored, or contributed to, or been obligated to contribute to a plan subject to Title IV of ERISA or Section 412 of the Code. None of SCB or any ERISA Affiliate has contributed to (or been obligated to contribute to) a “multiemployer plan” within the meaning of Section 3(37) of ERISA at any time. Neither SCB nor any of its Subsidiaries or ERISA Affiliates have incurred, and there are no circumstances under which they could reasonably be expected to incur, liability under Title IV of ERISA (regardless of whether based on contributions of an ERISA Affiliate). Neither SCB nor any of its Subsidiaries has ever sponsored, maintained, or participated in a multiple employer welfare arrangement as defined in ERISA Section 3(40). No notice of a “reportable event” within the meaning of Section 4043 of ERISA has been required to be filed for any SCB Benefit Plan or by any ERISA Affiliate or will be required to be filed, in either case, in connection with the transactions contemplated by this Agreement.

(e) All contributions required to be made with respect to all SCB Benefit Plans have been timely made. No SCB Benefit Plan or single employer plan of an ERISA Affiliate has an “accumulated funding deficiency” (whether or not waived) within the meaning of Section 412 of the Code or Section 3012 of ERISA and no ERISA Affiliate has an outstanding funding waiver.

(f) Except as set forth in SCB Disclosure Schedule 3.15(f), no SCB Benefit Plan provides life insurance, medical, surgical, hospitalization, or other employee welfare benefits to any SCB Employee, or any of their affiliates, upon or following his or her retirement or termination of employment for any reason, except as may be required by Law.

(g) All SCB Benefit Plans that are group health plans have been operated in all material respects in compliance with the group health plan continuation requirements of Section 4980B of the Code and all other applicable sections of ERISA and the Code, and no material liabilities arising under Code Section 4980H have occurred. SCB may amend or terminate any such SCB Benefit Plan at any time without incurring any liability thereunder for future benefits coverage at any time after such termination.

(h) Except as otherwise provided for in this Agreement or as set forth in SCB Disclosure Schedule 3.15(h), neither the execution of this Agreement, shareholder approval of this Agreement, or consummation of any of the transactions contemplated by this Agreement (individually or in conjunction with any other event) will (i) entitle any current or former SCB Employee to retention or other bonuses, parachute payments, non-competition payments, or any other payment, (ii) entitle any current or former SCB Employee to unemployment compensation, severance pay or any increase in severance pay upon any termination of employment, (iii) accelerate the time of payment or vesting (except as required by Law) or trigger any payment or funding (through a grantor trust or otherwise) of compensation or benefits under, increase the amount payable, or trigger any other obligation pursuant to, any of the SCB Benefit Plans, (iv) result in any breach or violation of, or a default under, any of the SCB Benefit Plans, (v) result in any payment of any amount that would, individually or in combination with any other such payment, be an excess “parachute payment” to a “disqualified individual” as those terms are defined in Section 280G of the Code, or (vi) limit or restrict the right of SCB or, after the consummation of the transactions contemplated hereby, SMBK or any of its Subsidiaries, to merge, amend, or terminate any of the SCB Benefit Plans.

(i) Except as set forth in SCB Disclosure Schedule 3.15(i), (i) each SCB Benefit Plan that is a non-qualified deferred compensation plan or arrangement within the meaning of Section 409A of the Code, and any underlying award, is in compliance in all respects with Section 409A of the Code and (ii) no payment or award that has been made to any participant under a SCB Benefit Plan is subject to the interest and penalties specified in Section 409A(a)(1)(B) of the Code. Neither SCB nor any of its Subsidiaries (x) has any obligation to reimburse or indemnify any participant in a SCB Benefit Plan for any of the interest or penalties specified in Section 409A(a)(1)(B) of the Code that may be currently due or triggered in the future, or (y) except as set forth in SCB Disclosure Schedule 3.15(i), has been required to report to any Governmental Authority any correction or taxes due as a result of a failure to comply with Section 409A of the Code.

(j) No SCB Benefit Plan provides for the gross-up or reimbursement of any Taxes imposed by Section 4999 of the Code or otherwise, and neither SCB nor any of its Subsidiaries has any obligation to reimburse or indemnify any party for such Taxes.

(k) SCB has made available to SMBK copies of any Code Section 280G calculations (whether or not final) with respect to the disqualified individuals referenced in such calculations in connection with the transactions contemplated by this Agreement.

(l) SCB Disclosure Schedule 3.15(l) contains a schedule showing the monetary amounts payable or potentially payable, whether individually or in the aggregate (including good faith estimates of all amounts not subject to precise quantification as of the date of this Agreement) under any employment, change-in-control, severance, or similar contract, plan, or arrangement with or which covers any present or former director, officer, employee, or consultant of SCB or any of its Subsidiaries who may be entitled to any such amount and identifying the types and estimated amounts of the in-kind benefits due under any SCB Benefit Plans (other than a plan qualified under Section 401(a) of the Code) for each such Person, specifying the assumptions in such schedule and providing estimates of other required contributions to any trusts for any related fees or expenses.

(m) SCB and its Subsidiaries have correctly classified in all material respects all individuals who directly or indirectly perform services for SCB or any of its Subsidiaries for purposes of each SCB Benefit Plan, ERISA, and the Code.

Section 3.16 Labor Matters. Neither SCB nor any of its Subsidiaries is a party to or bound by any collective bargaining agreement, contract, or other agreement or understanding with a labor union or labor organization, nor is there any proceeding pending or, to SCB's Knowledge threatened, asserting that SCB or any of its Subsidiaries has committed an unfair labor practice (within the meaning of the National Labor Relations Act) or seeking to compel SCB or any of its Subsidiaries to bargain with any labor organization as to wages or conditions of employment, nor is there any strike or other labor dispute against SCB pending or, to SCB's Knowledge, threatened, nor to SCB's Knowledge is there any activity involving SCB Employees seeking to certify a collective bargaining unit or engaging in other organizational activity. To its Knowledge, SCB and its Subsidiaries have correctly classified all individuals who directly or indirectly perform services for SCB or any of its Subsidiaries for purposes of federal and state unemployment compensation Laws, workers' compensation Laws, and the rules and regulations of the U.S. Department of Labor. To SCB's Knowledge, no officer of SCB or any of its Subsidiaries is in material violation of any employment contract, confidentiality, non-competition agreement, or any other restrictive covenant.

Section 3.17 Environmental Matters. (a) To its Knowledge, SCB and its Subsidiaries have been and are in material compliance with all applicable Environmental Laws, including obtaining, maintaining, and complying with all permits required under Environmental Laws for the operation of their respective businesses, (b) there is no action or investigation by or before any Governmental Authority relating to or arising under any Environmental Laws that is pending or, to the Knowledge of SCB, threatened against SCB or any of its Subsidiaries or any real property or facility presently owned, operated, or leased by SCB or any of its Subsidiaries or any predecessor (including in a fiduciary or agency capacity), (c) neither SCB nor any of its Subsidiaries has received any notice of or is subject to any liability, order, settlement, judgment, injunction, or decree involving uncompleted, outstanding, or unresolved requirements relating to or arising under Environmental Laws, (d) to the Knowledge of SCB, there have been no releases of Hazardous Substances at, on, under, or affecting any of the real properties or facilities presently owned, operated or leased by SCB or any of its Subsidiaries or any predecessor (including in a fiduciary or agency capacity) in amount or condition that has resulted in or would reasonably be expected to result in liability to SCB or any of its Subsidiaries relating to or arising under any Environmental Laws, and (e) to the Knowledge of SCB, there are no underground storage tanks on, in or under any property currently owned, operated, or leased by SCB or any of its Subsidiaries.

Section 3.18 Tax Matters.

(a) Each of SCB and its Subsidiaries has duly and timely filed (taking into account all applicable extensions) all Tax Returns that it was required to file under applicable Laws, other than Tax Returns that are not yet due or for which a request for extension was timely filed consistent with requirements of applicable Law. All such Tax Returns were correct and complete in all material respects and have been prepared in compliance with all applicable Laws. All Taxes due and owing by SCB or any of its Subsidiaries (whether or not shown on any Tax Return) have been fully and timely paid. Neither SCB nor any of its Subsidiaries is currently the beneficiary of any extension of time within which to file any Tax Return. Neither SCB nor any of its Subsidiaries has ever received written notice of any claim by any Governmental Authority in a jurisdiction where SCB or such Subsidiary does not file Tax Returns that it is or may be subject to Taxes by that jurisdiction. There are no Liens for Taxes (other than Taxes not yet due and payable or that are being contested in good faith by appropriate proceedings and for which adequate reserves have been established in accordance with GAAP) upon any of the assets of SCB or any of its Subsidiaries.

(b) SCB and each of its Subsidiaries have properly withheld and paid over to the appropriate Governmental Authority all Taxes required to have been withheld and paid over in connection with any amounts paid or owing to any employee, independent contractor, creditor, shareholder, or other Person, and have complied in all material respects with all applicable reporting requirements related to Taxes.

(c) No foreign, federal, state, or local Tax audits or administrative or judicial Tax proceedings are currently being conducted or pending or threatened in writing, in each case, with respect to Taxes of SCB or any of its Subsidiaries. Neither SCB nor any of its Subsidiaries has received from any foreign, federal, state, or local taxing authority (including jurisdictions where SCB or any of its Subsidiaries have not filed Tax Returns) any (i) notice indicating an intent to open an audit or other review with respect to Taxes or (ii) notice of deficiency or proposed adjustment for any amount of Tax proposed, asserted, or assessed by any taxing authority against SCB or any of its Subsidiaries which, in either case of (i) or (ii), have not been fully paid or settled.

(d) SCB has delivered or made available to SMBK true and complete copies of the foreign, federal, state, or local Tax Returns filed with respect to SCB or any of its Subsidiaries, and of all examination reports and statements of deficiencies assessed against or agreed to by SCB, in each case with respect to income Taxes, for taxable periods ended on or after December 31, 2017.

(e) Neither SCB nor any of its Subsidiaries has granted an extension or waiver any statute of limitations in respect of Taxes or agreed to any extension of the limitation period for the assessment or collection of any Tax that remains in effect.

(f) Neither SCB nor any of its Subsidiaries has been a United States real property holding corporation within the meaning of Code Section 897(c)(2) during the applicable period specified in Code Section 897(c)(1)(A)(ii). Neither SCB nor any of its Subsidiaries is a party to or is otherwise bound by any Tax allocation, sharing, or indemnification agreement (other than such an agreement (i) exclusively between or among SCB and its Subsidiaries or (ii) with customers, vendors, lessors, or similar third parties entered into in the Ordinary Course of Business and not primarily related to Taxes). Neither SCB nor any of its Subsidiaries has (i) been a member of an affiliated group filing a consolidated federal income Tax Return (other than a group the common parent of which was SCB), and (ii) any liability for the Taxes of any Person (other than SCB and its Subsidiaries) under Regulations Section 1.1502-6 (or any similar provision of foreign, state, or local Law), as a transferee or successor, by contract, or otherwise.

(g) The most recent Financial Statements as of the date hereof reflect an adequate reserve, in accordance with GAAP, for all Taxes payable by SCB and its Subsidiaries for all taxable periods through the date of such Financial Statements. Since December 31, 2020, neither SCB nor any of its Subsidiaries has incurred any liability for Taxes arising from extraordinary gains or losses, as that term is used in GAAP, outside the Ordinary Course of Business.

(h) Neither SCB nor any of its Subsidiaries will be required to include any item of income in, or exclude any item of deduction from, taxable income for any taxable period (or portion thereof) ending after the Effective Time as a result of any: (i) change in method of accounting pursuant to Section 481 of the Code or any comparable provision under foreign, state, or local Law for a taxable period ending on or prior to the Closing Date; (ii) "closing agreement" as described in Code Section 7121 (or any corresponding or similar provision of foreign, state, or local Law) executed on or prior to the Closing Date; (iii) intercompany transactions or any excess loss account described in Regulations under Code Section 1502 (or any corresponding or similar provision of foreign, state, or local 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 made pursuant to Code Section 108(i) on or before the Closing Date.

(i) Since January 1, 2018, neither SCB nor any of its Subsidiaries has distributed stock of another Person nor had its stock distributed by another Person in a transaction (or series of related transactions) that was intended to be nontaxable and governed in whole or in part by Section 355 or Section 361 of the Code.

(j) Neither SCB nor any of its Subsidiaries has been a party to any “reportable transaction,” as defined in Section 6707A(c)(1) of the Code and Section 1.6011-4(b) of the Regulations. Each of SCB and its Subsidiaries have disclosed on its federal income Tax Returns all positions taken therein that could give rise to a substantial understatement of federal income Tax within the meaning of Code Section 6662.

(k) Neither SCB nor any of its Subsidiaries is party to any agreement, contract, arrangement, or plan that has resulted in or could result in, separately or in the aggregate, the payment of any amount that will not be fully deductible under Code Section 162(m) (or any corresponding provisions of foreign, state or local Law).

(l) Neither SCB nor any of its Subsidiaries (i) is a “controlled foreign corporation” as defined in Section 957 of the Code, (ii) is a “passive foreign investment company” within the meaning of Section 1297 of the Code, or (iii) has a permanent establishment (within the meaning of an applicable Tax treaty) or otherwise has an office or fixed place of business in a country other than the United States of America.

(m) Neither SCB nor any of its Subsidiaries has taken or agreed to take any action, and to the Knowledge of SCB there is no fact or circumstance, that would be reasonably likely to prevent the Merger from qualifying for U.S. federal income tax purposes as a “reorganization” within the meaning of Section 368(a) of the Code.

Section 3.19 Investment Securities. SCB Disclosure Schedule 3.19 sets forth as of March 31, 2021, the SCB Investment Securities, as well as any purchases or sales of SCB Investment Securities between December 31, 2020 to and including March 31, 2021, reflecting with respect to all such securities, whenever purchased or sold, descriptions thereof, CUSIP numbers, designations as securities “available for sale” or securities “held to maturity” (as those terms are used in ASC 320), book values, fair values and coupon rates, and any gain or loss with respect to any SCB Investment Securities sold during such time period between December 31, 2020 to and including March 31, 2021. Neither SCB nor any of its Subsidiaries owns any of the outstanding equity of any savings bank, savings and loan association, savings and loan holding company, credit union, bank or bank holding company, insurance company, mortgage or loan broker, or any other financial institution other than Sevier County Bank.

Section 3.20 Derivative Transactions.

(a) All Derivative Transactions entered into by SCB or any of its Subsidiaries or for the account of any of its customers were entered into in accordance in all material respects with applicable Laws and regulatory policies of any Governmental Authority, and in accordance in all material respects with the investment, securities, commodities, risk management, and other policies, practices and procedures employed by SCB or any of its Subsidiaries, and were entered into with counterparties believed at the time to be financially responsible and able to understand (either alone or in consultation with its advisers) and to bear the risks of such Derivative Transactions. SCB and each of its Subsidiaries have duly performed, in all material respects, all of their obligations under the Derivative Transactions to the extent that such obligations to perform have accrued, and there are no material breaches, violations, or defaults or allegations or assertions of such by any party thereunder.

(b) Each Derivative Transaction is listed in SCB Disclosure Schedule 3.20(b), and the financial position of SCB or its Subsidiaries under or with respect to each has been reflected in the books and records of SCB or its Subsidiaries in accordance with GAAP, and no material open exposure of SCB or its Subsidiaries with respect to any such instrument (or with respect to multiple instruments with respect to any single counterparty) exists, except as set forth in SCB Disclosure Schedule 3.20(b).

(c) No Derivative Transaction, were it to be a Loan held by SCB or any of its Subsidiaries, would be classified as “Special Mention,” “Substandard,” “Doubtful,” “Loss,” “Classified,” “Criticized,” “Credit Risk Assets,” “Concerned Loans,” or “Watch List,” as such terms are defined by the FDIC’s uniform loan classification standards, or words of similar import.

Section 3.21 Regulatory Capitalization. SCB and Sevier County Bank are “well-capitalized,” as such term is defined in the applicable state and federal rules and regulations.

Section 3.22 Loans; Nonperforming and Classified Assets.

(a) SCB Disclosure Schedule 3.22(a) sets forth all (i) loans, loan agreements, notes, or borrowing arrangements and other extensions of credit (including, without limitation, leases, credit enhancements, commitments, guarantees, and interest-bearing assets) (collectively, “**Loans**”) in which SCB or any of its Subsidiaries is a creditor which, as of March 31, 2021, was over 30 days or more delinquent in payment of principal or interest, and (ii) Loans with any director, executive officer, or 5% or greater shareholder of SCB or any of its Subsidiaries, or to the Knowledge of SCB, any affiliate of any of the foregoing. Set forth in SCB Disclosure Schedule 3.22(a) is a true, correct and complete list of (A) all of the Loans of SCB and its Subsidiaries that, as of March 31, 2021, were classified as “Special Mention,” “Substandard,” “Doubtful,” “Loss,” “Classified,” “Criticized,” “Credit Risk Assets,” “Concerned Loans,” “Watch List” or words of similar import by Sevier County Bank, SCB, or any bank examiner, together with the principal amount of and accrued and unpaid interest on each such Loan and the identity of the borrower thereunder, together with the aggregate principal amount of such Loans by category of Loan (e.g., commercial, consumer, etc.), and (B) each Loan classified by Sevier County Bank as a Troubled Debt Restructuring as defined by GAAP.

(b) SCB Disclosure Schedule 3.22(b) identifies each asset of SCB or any of its Subsidiaries that as of March 31, 2021 was classified as other real estate owned (“**OREO**”) and the book value thereof as of March 31, 2021 as well as any assets classified as OREO between December 31, 2020 and March 31, 2021 and any sales of OREO between December 31, 2020 and March 31, 2021, reflecting any gain or loss with respect to any OREO sold.

(c) Each Loan held in SCB's or any of its Subsidiaries' loan portfolio (each a "**SCB Loan**") (i) is evidenced by notes, agreements, or other evidences of indebtedness that are true, genuine, and what they purport to be, (ii) to the extent secured, is and has been secured by valid Liens which have been perfected, and (iii) is a legal, valid, and binding obligation of SCB or any Subsidiary and the obligor named therein, and, assuming due authorization, execution, and delivery thereof by such obligor or obligors, enforceable in accordance with its terms, subject to the Enforceability Exceptions.

(d) All currently outstanding SCB Loans were solicited, originated, and currently exist in material compliance with all applicable requirements of Law and the notes or other credit or security documents with respect to each such outstanding SCB Loan are complete and correct in all material respects. There are no oral modifications or amendments or additional agreements related to the SCB Loans that are not reflected in the written records of SCB or its Subsidiary, as applicable. All such SCB Loans are owned by SCB or its Subsidiaries free and clear of any Liens other than a blanket lien on qualifying loans provided to the Federal Home Loan Bank of Cincinnati. No claims of defense as to the enforcement of any SCB Loan have been asserted in writing against SCB or any of its Subsidiaries for which there is a reasonable possibility of a material adverse determination, and SCB has no Knowledge of any acts or omissions which would give rise to any claim or right of rescission, set-off, counterclaim, or defense for which there is a reasonable possibility of a material adverse determination to its Subsidiaries. Other than participation loans purchased by SCB or any Subsidiary from third parties that are described on SCB Disclosure Schedule 3.22(d), no SCB Loans are presently serviced by third parties and there is no obligation which could result in any SCB Loan becoming subject to any third party servicing.

(e) Neither SCB nor any of its Subsidiaries is a party to any agreement or arrangement with (or otherwise obligated to) any Person which obligates SCB or any of its Subsidiaries to repurchase from any such Person any Loan or other asset of SCB or any of its Subsidiaries, unless there is a material breach of a representation or covenant by SCB or any of its Subsidiaries, and none of the agreements pursuant to which SCB or any of its Subsidiaries has sold Loans or pools of Loans or participations in Loans or pools of Loans contains any obligation to repurchase such Loans or interests therein solely on account of a payment default by the obligor on any such Loan.

(f) Neither SCB nor any of its Subsidiaries is now nor has it ever been since January 1, 2018, subject to any fine, suspension, settlement, or other contract or other administrative agreement or sanction by, or any reduction in any loan purchase commitment from, any Governmental Authority relating to the origination, sale or servicing of mortgage or consumer Loans.

Section 3.23 Allowance for Loan and Lease Losses. The allowances for loan and lease losses as reflected in each of (a) the latest balance sheets included in the Financial Statements and (b) in the balance sheets as of December 31, 2020 included in the Financial Statements, were, in the opinion of management, as of each of the dates thereof, in compliance in all material respects with SCB and Sevier County Bank's respective existing methodology for determining the adequacy of its allowance for loan and lease losses as well as the standards established by applicable Governmental Authority, the Financial Accounting Standards Board, and GAAP.

Section 3.24 Trust Business; Administration of Fiduciary Accounts. Except as set forth on SCB Disclosure Schedule 3.24, Neither SCB nor any of its Subsidiaries has offered or engaged in providing any individual or corporate trust services or administers any accounts for which it acts as a fiduciary, including, but not limited to, any accounts in which it serves as a trustee, agent, custodian, personal representative, guardian, conservator, or investment advisor.

Section 3.25 Investment Management and Related Activities. Except as set forth in SCB Disclosure Schedule 3.25, none of SCB, any Subsidiary, or any of their respective directors, officers, or employees is required to be registered, licensed, or authorized under the Laws of any Governmental Authority as an investment adviser, a broker or dealer, an insurance agency, a commodity trading adviser, a commodity pool operator, a futures commission merchant, an introducing broker, a registered representative or associated person, investment adviser, representative or solicitor, a counseling officer, an insurance agent, a sales person, or in any similar capacity with a Governmental Authority.

Section 3.26 Repurchase Agreements. With respect to all agreements pursuant to which SCB or any of its Subsidiaries has purchased securities subject to an agreement to resell, if any, SCB or any of its Subsidiaries, as the case may be, has a valid, perfected first lien or security interest in the government securities or other collateral securing the repurchase agreement, and the value of such collateral equals or exceeds the amount of the debt secured thereby.

Section 3.27 Deposit Insurance. The deposits of Sevier County Bank are insured by the FDIC in accordance with the Federal Deposit Insurance Act (“*FDIA*”) to the fullest extent permitted by Law, and Sevier County Bank has paid all premiums and assessments and filed all reports required by the FDIA. No proceedings for the revocation or termination of such deposit insurance are pending or, to SCB’s Knowledge, threatened.

Section 3.28 Community Reinvestment Act, Anti-money Laundering, and Customer Information Security. Neither SCB nor any of its Subsidiaries is a party to any agreement with any individual or group regarding Community Reinvestment Act matters, and neither SCB nor any of its Subsidiaries has Knowledge that any facts or circumstances exist which would cause SCB or any of its Subsidiaries: (i) to be deemed not to be in satisfactory compliance with the Community Reinvestment Act, and the regulations promulgated thereunder, or to be assigned a rating for Community Reinvestment Act purposes by federal or state bank regulators of lower than “satisfactory”; or (ii) to be deemed to be operating in violation of the Bank Secrecy Act and its implementing regulations (31 C.F.R. Part 103), the USA PATRIOT Act, any order issued with respect to anti-money laundering by the U.S. Department of the Treasury’s Office of Foreign Assets Control, or any other applicable anti-money laundering statute, rule or regulation; or (iii) to be deemed not to be in satisfactory compliance with the applicable privacy of customer information requirements contained in any federal and state privacy Laws and regulations, including, without limitation, in Title V of the Gramm-Leach-Bliley Act of 1999 and regulations promulgated thereunder. Furthermore, the boards of directors of SCB and its Subsidiaries have implemented an anti-money laundering program that contains adequate and appropriate customer identification verification procedures that has not been deemed ineffective by any Governmental Authority and that meets the requirements of Sections 352 and 326 of the USA PATRIOT Act.

Section 3.29 Transactions with Affiliates. Except as set forth in SCB Disclosure Schedule 3.29, there are no outstanding amounts payable to or receivable from, or advances by SCB or any of its Subsidiaries to, and neither SCB nor any of its Subsidiaries is otherwise a creditor or debtor to (a) any director, executive officer, 5% or greater shareholder of SCB or any of its Subsidiaries or to any of their respective Affiliates or Associates, other than as part of the normal and customary terms of such person's employment or service as a director with SCB or any of its Subsidiaries and other than deposits held by Sevier County Bank in the Ordinary Course of Business, or (b) any other Affiliate of SCB or any of its Subsidiaries. Except as set forth in SCB Disclosure Schedule 3.29, neither SCB nor any of its Subsidiaries is a party to any transaction or agreement with any of its respective directors, executive officers, or other Affiliates. All agreements between Sevier County Bank and any of their respective Affiliates (or any company treated as an affiliate for purposes of such Law) comply, to the extent applicable, with Sections 23A and 23B of the Federal Reserve Act and Regulation W of the FRB.

Section 3.30 Tangible Properties and Assets.

(a) SCB Disclosure Schedule 3.30(a) sets forth a true, correct, and complete list of all real property owned by SCB and each of its Subsidiaries. Except as set forth in SCB Disclosure Schedule 3.30(a), SCB or its Subsidiaries has good and marketable title to, valid leasehold interests in, or otherwise legally enforceable rights to use all of the real property, personal property, and other assets (tangible or intangible), used, occupied, and operated or held for use by it in connection with its business as presently conducted in each case, free and clear of any Lien, except for (i) statutory Liens for amounts not yet delinquent, and (ii) easements, rights of way, and other similar Liens that do not materially affect the value or use of the properties or assets subject thereto or affected thereby or otherwise materially impair business operations at such properties. There is no pending or, to SCB's Knowledge, threatened legal, administrative, arbitral, or other proceeding, claim, action or governmental or regulatory investigation of any nature with respect to the real property that SCB or any of its Subsidiaries owns, uses, or occupies or has the right to use or occupy, now or in the future, including without limitation a pending or threatened taking of any of such real property by eminent domain. True and complete copies of all deeds or other documentation evidencing ownership of the real properties set forth in SCB Disclosure Schedule 3.30(a), and complete copies of the title insurance policies and surveys for each property, together with any mortgages, deeds of trust, and security agreements to which such property is subject have been furnished or made available to SMBK.

(b) SCB Disclosure Schedule 3.30(b) sets forth a true, correct, and complete schedule of all leases, subleases, licenses, and other agreements under which SCB or any of its Subsidiaries uses or occupies or has the right to use or occupy, now or in the future, real property (the "**Leases**"). Each of the Leases is valid, binding, and in full force and effect, and neither SCB nor any of its Subsidiaries has received a written notice of, and otherwise has no Knowledge of any, default or termination with respect to any Lease. To SCB's Knowledge, there has not occurred any event and no condition exists that would constitute a termination event or a breach by SCB or any of its Subsidiaries of, or default by SCB or any of its Subsidiaries in, the performance of any covenant, agreement, or condition contained in any Lease. To SCB's Knowledge, no lessor under a Lease is in material breach or default in the performance of any material covenant, agreement, or condition contained in such Lease. SCB and each of its Subsidiaries has paid all rents and other charges to the extent due under the Leases. True and complete copies of all Leases for, or other documentation evidencing ownership of or a leasehold interest in, the properties listed in SCB Disclosure Schedule 3.30(b), have been furnished or made available to SMBK.

(c) All buildings, structures, fixtures, building systems, and equipment, and all components thereof, including the roof, foundation, load-bearing walls and other structural elements thereof, heating, ventilation, air conditioning, mechanical, electrical, plumbing and other building systems, environmental control, remediation and abatement systems, sewer, storm and waste water systems, irrigation and other water distribution systems, parking facilities, fire protection, security and surveillance systems, and telecommunications, computer, wiring and cable installations, included in the owned real property or the subject of the Leases are in good condition and repair (normal wear and tear excepted) and sufficient for the operation of the business of SCB and its Subsidiaries.

Section 3.31 Intellectual Property. SCB Disclosure Schedule 3.31 sets forth a true, complete, and correct list of all SCB Intellectual Property. SCB or its Subsidiaries owns or has a valid license to use all material SCB Intellectual Property, free and clear of all Liens, royalty, or other payment obligations (except for royalties or payments with respect to off-the-shelf Software at standard commercial rates). The SCB Intellectual Property constitutes all of the Intellectual Property necessary to carry on the business of SCB and its Subsidiaries as currently conducted. The SCB Intellectual Property is valid and enforceable and has not been cancelled, forfeited, expired, or abandoned, and neither SCB nor any of its Subsidiaries has received notice challenging the validity or enforceability of SCB Intellectual Property. None of SCB or any of its Subsidiaries is, nor will any of them be as a result of the execution and delivery of this Agreement or the performance by SCB of its obligations hereunder, in violation of any licenses, sublicenses, and other agreements as to which SCB or any of its Subsidiaries is a party and pursuant to which SCB or any of its Subsidiaries is authorized to use any third-party patents, trademarks, service marks, copyrights, trade secrets, or computer software, and neither SCB nor any of its Subsidiaries has received notice challenging SCB's or any of its Subsidiaries' license or legally enforceable right to use any such third-party intellectual property rights. The consummation of the transactions contemplated hereby will not result in the material loss or impairment of the right of SCB or any of its Subsidiaries to own or use any of SCB Intellectual Property.

Section 3.32 Insurance.

(a) SCB Disclosure Schedule 3.32(a) identifies all of the insurance policies, binders, or bonds currently maintained by SCB and its Subsidiaries (the "**Insurance Policies**"), including the insurer, policy numbers, amount of coverage, effective and termination dates, and any pending claims thereunder involving more than \$10,000. SCB and each of its Subsidiaries is insured with reputable insurers against such risks and in such amounts as the management of SCB reasonably has determined to be prudent in accordance with industry practices. All of the Insurance Policies are in full force and effect, neither SCB nor any Subsidiary has received notice of cancellation of any of the Insurance Policies or is otherwise aware that any insurer under any of the Insurance Policies has expressed an intent to cancel any such Insurance Policies, and neither SCB nor any of its Subsidiaries is in default thereunder, and all claims thereunder have been filed in due and timely fashion in all material respects.

(b) SCB Disclosure Schedule 3.32(b) sets forth a true, correct, and complete description of all bank owned life insurance (“**BOLI**”) owned by SCB or its Subsidiaries, including the value of its BOLI as of the end of the month prior to the date hereof. The value of such BOLI is and has been fairly and accurately reflected in the most recent balance sheet included in the Financial Statements in accordance with GAAP. All BOLI is owned solely by Sevier County Bank, no other Person has any ownership claims with respect to such BOLI or proceeds of insurance derived therefrom, and there is no split dollar or similar benefit under such BOLI. Neither SCB nor any of SCB’s Subsidiaries has any outstanding borrowings secured in whole or part by its BOLI.

Section 3.33 Antitakeover Provisions. No “control share acquisition,” “business combination moratorium,” “fair price,” or other form of antitakeover statute or regulation is applicable to this Agreement and the transactions contemplated hereby.

Section 3.34 SCB Information. The information relating to SCB and its Subsidiaries that is provided by or on behalf of SCB for inclusion in the Proxy Statement-Prospectus and the Registration Statement will not (with respect to the Proxy Statement-Prospectus, as of the date the Proxy Statement-Prospectus is first mailed to SCB’s shareholders and as of the date of the SCB Meeting, and with respect to the Registration Statement, as of the time the Registration Statement or any amendment or supplement thereto is declared effective under the Securities Act) contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances in which they are made, not misleading. The portions of the Proxy Statement-Prospectus relating to SCB and SCB’s Subsidiaries and other portions thereof within the reasonable control of SCB and its Subsidiaries will comply as to form in all material respects with the provisions of the Exchange Act, and the rules and regulations thereunder.

Section 3.35 Transaction Costs. SCB has provided SMBK with an itemized estimate, determined in good faith after reasonable inquiry, of the investment banking fees, accounting fees, attorneys’ fees, and other costs or fees that SCB and its Subsidiaries are reasonably expected to be paid or accrued through the Closing Date in connection with the Merger and the other transactions contemplated by this Agreement, exclusive of any costs that may be incurred by SCB as a result of any litigation which may arise in connection with this Agreement (collectively, “**SCB Expenses**”).

Section 3.36 Bank Holding Company. SCB is regulated as a bank holding company under the Bank Holding Company Act of 1956, as amended.

Section 3.37 No Other Representations or Warranties. Except for the representations and warranties made by SCB in this Article III and for the disclosures contained in the SCB Disclosure Schedule, neither SCB nor any other Person makes any express or implied representation or warranty with respect to SCB, its Subsidiaries, or their respective businesses, operations, assets, liabilities, conditions (financial or otherwise), or prospects, and SCB hereby disclaims any such other representations or warranties. SCB acknowledges and agrees that neither SMBK nor any other Person has made or is making any express or implied representation or warranty other than those contained in Article IV and in the SMBK Disclosure Schedule.

**ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF SMBK**

Except as set forth in the SMBK Reports or in the disclosure schedule delivered by SMBK to SCB prior to or concurrently with the execution of this Agreement with respect to each such Section below (the “***SMBK Disclosure Schedule***”); *provided*, that (a) the mere inclusion of an item in the SMBK Disclosure Schedule as an exception to a representation or warranty shall not be deemed an admission by SMBK that such item represents a material exception or fact, event, or circumstance or that such item is reasonably likely to result in a Material Adverse Effect on SMBK, and (b) any disclosures made with respect to a section of Article IV shall be deemed to qualify (1) any other section of Article IV specifically referenced or cross-referenced and (2) other sections of Article IV to the extent it is reasonably apparent on its face (notwithstanding the absence of a specific cross reference) from a reading of the disclosure that such disclosure applies to such other sections, SMBK hereby represents and warrants to SCB as follows:

Section 4.01 Organization and Standing. Each of SMBK and its Subsidiaries is (a) an entity duly organized, validly existing, and in good standing under the laws of the jurisdiction of its incorporation or formation and (b) is duly licensed or qualified to do business and in good standing in each jurisdiction where its ownership or leasing of property or the conduct of its business requires such qualification, except where the failure to be so licensed or qualified has not had, and is not reasonably likely to have, a Material Adverse Effect with respect to SMBK.

Section 4.02 Capital Stock. The authorized capital stock of SMBK consists of 40,000,000 shares of SMBK Common Stock, and 2,000,000 shares of preferred stock. As of the date hereof, 1,834,427 shares of SMBK Common Stock were issued and outstanding, 15,104,536 shares of SMBK Common Stock were reserved for issuance under employee benefit plans, and no shares of preferred stock were issued and outstanding. The outstanding shares of SMBK Common Stock have been duly authorized and validly issued and are fully paid, and non-assessable and have not been issued in violation of nor are they subject to preemptive rights of any SMBK shareholder. The shares of SMBK Common Stock to be issued pursuant to this Agreement, when issued in accordance with the terms of this Agreement, will be duly authorized, validly issued, fully paid, and non-assessable and will not be subject to preemptive rights. All shares of SMBK’s capital stock issued and outstanding have been issued in compliance with and not in violation of any applicable federal or state securities Laws. SMBK owns all of the issued and outstanding shares of SmartBank common stock.

Section 4.03 Corporate Power.

(a) SMBK and each of its Subsidiaries has the corporate or similar power and authority to carry on its business as it is now being conducted and to own all of its properties and assets; and SMBK has the corporate power and authority to execute, deliver, and perform its obligations under this Agreement and to consummate the transactions contemplated hereby, subject to receipt of all necessary approvals of Governmental Authorities and the Regulatory Approvals.

Section 4.04 Corporate Authority. This Agreement and the transactions contemplated hereby have been authorized by all necessary corporate action of SMBK on or prior to the date hereof. SMBK has duly executed and delivered this Agreement and, assuming due authorization, execution, and delivery by SCB, this Agreement is a valid and legally binding obligation of SMBK, enforceable in accordance with its terms, subject to the Enforceability Exceptions.

Section 4.05 SEC Documents; Financial Statements.

(a) SMBK has filed or furnished all required reports, forms, schedules, registration statements, and other documents with the SEC that it has been required to file or furnish since January 1, 2018 (the “*SMBK Reports*”) and has paid all fees and assessments due and payable in connection therewith. As of their respective dates of filing with the SEC (or, if amended or superseded by a subsequent filing prior to the date hereof, as of the date of such subsequent filing), the SMBK Reports complied as to form in all material respects with the requirements of the Securities Act or the Exchange Act, as the case may be, and the rules and regulations of the SEC thereunder applicable to such SMBK Reports, and none of the SMBK Reports when filed with the SEC, or if amended prior to the date hereof, as of the date of such amendment, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(b) The consolidated financial statements of SMBK (or incorporated by reference) included (or incorporated by reference) in the SMBK Reports (including the related notes, where applicable) complied as to form, as of their respective dates of filing with the SEC (or, if amended or superseded by a subsequent filing prior to the date hereof, as of the date of such subsequent filing), in all material respects, with all applicable accounting requirements and with the published rules and regulations of the SEC with respect thereto (except, in the case of unaudited statements, as permitted by the rules of the SEC), have been prepared in accordance with GAAP applied on a consistent basis during the periods involved (except as may be disclosed therein), and fairly present, in all material respects, the consolidated financial position of SMBK and its Subsidiaries and the consolidated results of operations, changes in shareholders’ equity and cash flows of such companies as of the dates and for the periods shown.

Section 4.06 Regulatory Approvals; No Defaults.

(a) No consents or approvals of, or waivers by, or filings or registrations with, any Governmental Authority are required to be made or obtained by SMBK or any of its Subsidiaries in connection with the execution, delivery, or performance by SMBK of this Agreement or to consummate the transactions contemplated by this Agreement, including the Bank Merger, except for (i) the Regulatory Approvals, (ii) the filing with the SEC of the Proxy Statement and the filing and declaration of effectiveness of the Form S-4, (iii) the filing of the Articles of Merger contemplated by Section 1.04(a) and the filing of documents with the TDFI and the Secretary of State of the State of Tennessee to cause the Bank Merger to become effective, (iv) such other filings and reports as required pursuant to the Exchange Act and the rules and regulations promulgated thereunder, or applicable stock exchange requirements, (v) any consents, authorizations, approvals, filings, or exemptions in connection with compliance with the rules and regulations of any applicable SRO and the rules of the NASDAQ, and (vi) such filings and approvals as are required to be made or obtained under the securities or “Blue Sky” laws of various states in connection with the issuance of the shares of SMBK Common Stock pursuant to this Agreement and approval of listing of such SMBK Common Stock on the NASDAQ. Subject to the receipt of the approvals referred to in the preceding sentence, the execution, delivery, and performance of this Agreement and the consummation of the transactions contemplated hereby by SMBK do not and will not, (1) constitute a breach or violation of, or a default under, the charter and bylaws of SMBK, (2) violate any statute, code, ordinance, rule, regulation, judgment, order, writ, decree, or injunction applicable to SMBK or any of its Subsidiaries, or any of their respective properties or assets, (3) violate, result in a breach of any provision of or the loss of any benefit under, constitute a default (or an event which, with notice or lapse of time, or both, would constitute a default) under, result in the termination of or a right of termination or cancellation under, accelerate the performance required by, or result in the creation of any Lien upon any of the respective properties or assets of SMBK or any of its Subsidiaries under, any of the terms, conditions, or provisions of any note, bond, mortgage, indenture, deed of trust, license, lease, contract, agreement, or other instrument or obligation to which SMBK or any of its Subsidiaries is a party, or by which they or any of their respective properties or assets may be bound.

Section 4.07 SMBK Information. The information relating to SMBK and its Subsidiaries that is supplied by or on behalf of SMBK for inclusion or incorporation by reference in the Proxy Statement-Prospectus and the Registration Statement will not (with respect to the Proxy Statement-Prospectus, as of the date the Proxy Statement-Prospectus is first mailed to SCB shareholders and as of the date of the SCB Meeting, and with respect to the Registration Statement, as of the time the Registration Statement or any amendment or supplement thereto is declared effective under the Securities Act) contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances in which they are made, not misleading; *provided, however*, that any information contained in any SMBK Report as of a later date shall be deemed to modify information as of an earlier date.

Section 4.08 Absence of Certain Changes or Events. Except as reflected or disclosed in SMBK's Annual Report on Form 10-K for the year ended December 31, 2020 or in the SMBK Reports since December 31, 2020, as filed with the SEC, there has been no change or development with respect to SMBK and its assets and business or combination of such changes or developments which, individually or in the aggregate, has had or is reasonably likely to have a Material Adverse Effect with respect to SMBK.

Section 4.09 Compliance with Laws.

(a) SMBK is regulated as a bank holding company under the Bank Holding Company Act of 1956, as amended. SMBK and each of its Subsidiaries is, and has been since January 1, 2018, in compliance in all material respects with all applicable Laws, including, without limitation, Laws related to data protection or privacy, the USA PATRIOT Act, the Bank Secrecy Act, the Equal Credit Opportunity Act, the Fair Housing Act, the Home Mortgage Disclosure Act, the Community Reinvestment Act, the Fair Credit Reporting Act, the Truth in Lending Act, the Dodd-Frank Act, Sections 23A and 23B of the Federal Reserve Act, the Sarbanes-Oxley Act and the regulations implementing such statutes, all other applicable anti-money laundering Laws, fair lending Laws, and other Laws relating to discriminatory lending, financing, leasing, or business practices and all agency requirements relating to the origination, sale, and servicing of mortgage loans, except where the failure to comply with such Laws would not be reasonably expected to result in a Material Adverse Effect in respect of SMBK.

(b) The deposit accounts of SmartBank are insured by the FDIC through the Deposit Insurance Fund to the fullest extent permitted by Law, and all premiums and assessments required to be paid in connection therewith have been paid when due, and no proceedings for the termination of such insurance are pending or, to SMBK's Knowledge, threatened. SmartBank received a rating of "satisfactory" in its most recent examination under the Community Reinvestment Act.

(c) SMBK and each of its Subsidiaries have all material permits, licenses, authorizations, orders, and approvals of, and each has made all filings and applications and registrations with, all Governmental Authorities that are required in order to permit it to own or lease its properties and to conduct its business as presently conducted, except where the failure to obtain such permits, licenses, authorizations, orders, and approvals would not be reasonably likely to have a Material Adverse Effect with respect to SMBK. All such permits, licenses, certificates of authority, orders, and approvals are in full force and effect and, to SMBK's Knowledge, no suspension or cancellation of any of them is threatened.

(d) Neither SMBK nor any of its Subsidiaries has received, since January 1, 2018, written or, to SMBK's Knowledge, oral notification from any Governmental Authority (i) asserting that it is not in compliance with any of the Laws which such Governmental Authority enforces or (ii) threatening to revoke any license, franchise, permit, or governmental authorization, except where such noncompliance or threatened revocation is not reasonably likely to have, a Material Adverse Effect with respect to SMBK.

Section 4.10 Legal Proceedings.

(a) Neither SMBK nor any of its Subsidiaries is a party to any, and there are no pending or, to SMBK's knowledge, threatened, legal, administrative, arbitral, or other proceedings, claims, actions, or governmental or regulatory investigations of any nature against SMBK or any of its Subsidiaries or any of their current or former directors or executive officers in their capacities as such that is reasonably likely to have a Material Adverse Effect on SMBK, or challenging the validity or propriety of the transactions contemplated by this Agreement.

(b) There is no material injunction, order, judgment, decree, or regulatory restriction (other than regulatory restrictions of general application to banks and bank holding companies) imposed upon SMBK, any of its Subsidiaries, or the assets of SMBK or any of its Subsidiaries (or that, upon consummation of the Merger or the Bank Merger would apply to the Surviving Entity or any of its Subsidiaries or affiliates).

Section 4.11 No Other Representations or Warranties. Except for the representations and warranties made by SMBK in this Article IV and for the disclosures contained in the SMBK Disclosure Schedule, neither SMBK nor any other Person makes any express or implied representation or warranty with respect to SMBK, its Subsidiaries or their respective businesses, operations, assets, liabilities, conditions (financial or otherwise), or prospects, and SMBK hereby disclaims any such other representations or warranties. SMBK acknowledges and agrees that neither SCB nor any other Person has made or is making any express or implied representation or warranty other than those contained in Article III and in the SCB Disclosure Schedule.

**ARTICLE V
COVENANTS**

Section 5.01 Covenants of SCB.

(a) Negative Covenants. During the period from the date of this Agreement and continuing until the Effective Time or the earlier termination of this Agreement in accordance with its terms, except as expressly contemplated or permitted by this Agreement (including as set forth in the SCB Disclosure Schedule), required by Law, or with the prior written consent of SMBK (which consent shall not be unreasonably withheld, conditioned, or delayed), SCB shall carry on its business, including the business of each of its Subsidiaries, in the Ordinary Course of Business in all material respects and consistent with prudent banking practice. Without limiting the generality of the foregoing, SCB will use commercially reasonable efforts to (i) preserve its business organizations and assets intact, (ii) keep available to itself and SMBK the present services of the current officers and employees of SCB and its Subsidiaries, (iii) preserve for itself and SMBK the goodwill of its customers, employees, lessors, and others with whom business relationships exist, and (iv) continue diligent collection efforts with respect to any delinquent loans and, to the extent within its control, not allow any material increase in delinquent loans. Without limiting the generality of and in furtherance of the foregoing, from the date of this Agreement until the Effective Time, except (x) as set forth in SCB Disclosure Schedule 5.01, (y) as otherwise expressly required by this Agreement, or (z) consented to in writing by SMBK (which consent shall not be unreasonably withheld, conditioned, or delayed), SCB shall not and shall not permit its Subsidiaries to:

(i) Stock. (A) Issue, sell, grant, pledge, dispose of, encumber, or otherwise permit to become outstanding, or authorize the creation of, any additional shares of its stock, any Rights, or any other securities (including units of beneficial ownership interest in any partnership or limited liability company), or enter into any agreement with respect to the foregoing, or (B) except as expressly permitted by this Agreement, directly or indirectly change (or establish a record date for changing), adjust, split, combine, redeem, reclassify, exchange, purchase, or otherwise acquire any shares of its capital stock, or any other securities (including units of beneficial ownership interest in any partnership or limited liability company) convertible into or exchangeable for any additional shares of stock or any Rights issued and outstanding prior to the Effective Time.

(ii) Dividends; Other Distributions. Make, declare, pay, or set aside for payment of dividends payable in cash, stock, or property on or in respect of, or declare or make any distribution on, any shares of its capital stock, except for dividends from wholly owned Subsidiaries to SCB.

(iii) Compensation; Employment Agreements, Etc. Enter into or amend or renew any employment, consulting, compensatory, severance, retention, or similar agreements or arrangements with any director, officer, or employee of SCB or any of its Subsidiaries, or grant any salary, wage, or fee increase or increase any employee benefit or pay any incentive or bonus payments, except, in each case, (A) normal increases in base salary to employees in the Ordinary Course of Business and pursuant to policies currently in effect, *provided that*, such increases shall not result in an annual adjustment in base compensation (which includes base salary and any other compensation other than bonus payments) of more than 5% for any individual or 3% in the aggregate for all employees of SCB or any of its Subsidiaries other than annual increases in base compensation and year-end bonuses disclosed in SCB Disclosure Schedule 5.01(a)(iii), (B) as may be required by Law, (C) to satisfy the contractual obligations existing as of the date hereof set forth on SCB Disclosure Schedule 3.15(l), or (D) as otherwise set forth in SCB Disclosure Schedule 5.01(a)(iii).

(iv) Hiring. Hire any person as an employee or officer of SCB or any of its Subsidiaries, except for at-will employment at an annual rate of base salary not to exceed \$75,000 to fill vacancies that may arise from time to time in the Ordinary Course of Business.

(v) Benefit Plans. Enter into, establish, adopt, amend, modify, or terminate (except (A) as may be required by or to make consistent with applicable Law, subject to the provision of prior written notice to and consultation with respect thereto with SMBK, (B) to satisfy contractual obligations existing as of the date hereof and set forth in SCB Disclosure Schedule 5.01(a)(v), or (C) as may be required pursuant to the terms of this Agreement) any SCB Benefit Plan or other pension, retirement, stock option, stock purchase, savings, profit sharing, deferred compensation, consulting, bonus, group insurance, or other employee benefit, incentive, or welfare contract, plan, or arrangement, or any trust agreement (or similar arrangement) related thereto, in respect of any current or former director, officer, or employee of SCB or any of its Subsidiaries.

(vi) Transactions with Affiliates. Except pursuant to agreements or arrangements in effect on the date hereof and set forth in SCB Disclosure Schedule 5.01(a)(vi), or renewals of such agreements or arrangements, pay, loan, or advance any amount to, or sell, transfer, or lease any properties or assets (real, personal, or mixed, tangible or intangible) to, or enter into any agreement or arrangement with, any of its officers or directors or any of their immediate family members or any Affiliates or Associates of any of its officers or directors other than compensation or business expense advancements or reimbursements in the Ordinary Course of Business.

(vii) Dispositions. Sell, license, lease, transfer, mortgage, pledge, encumber or otherwise dispose of or discontinue any of its rights, assets, deposits, business, or properties or cancel or release any indebtedness owed to SCB or any of its Subsidiaries, except, in respect of transactions not involving real property, as may occur in the Ordinary Course of Business in exchange for fair value of \$100,000 or less.

(viii) Acquisitions. Acquire or agree to acquire (other than by way of foreclosures or acquisitions of control in a bona fide fiduciary capacity or in satisfaction of debts previously contracted in good faith, in each case in the Ordinary Course of Business) all or any portion of the assets, debt, business, deposits, or properties of any other entity or Person, except for purchases specifically approved by SMBK pursuant to any other applicable paragraph of this Section 5.01.

(ix) Capital Expenditures. Except as set forth in SCB Disclosure Schedule 5.01(a)(xii), make any capital expenditures in amounts exceeding \$50,000 individually, or \$250,000 in the aggregate; *provided that* SMBK shall grant or deny its consent to emergency repairs or replacements necessary to prevent substantial deterioration of the condition of a property within two Business Days of its receipt of a written request from SCB.

(x) Governing Documents. Amend SCB's charter or bylaws or any equivalent documents of SCB's Subsidiaries.

(xi) Accounting Methods. Implement or adopt any change in its accounting principles, practices, or methods, other than as may be required by applicable Laws or GAAP or applicable accounting requirements of any Governmental Authority, in each case, including changes in the interpretation or enforcement thereof.

(xii) Contracts. Except as set forth in SCB Disclosure Schedule 5.01(a)(xii), enter into, amend, modify, terminate, extend, or waive any material provision of, any SCB Material Contract, Lease, or Insurance Policy, or make any change in any instrument or agreement governing the terms of any of its securities, or material lease, license, or contract, other than normal renewals of contracts, licenses, and leases without material adverse changes of terms with respect to SCB or any of its Subsidiaries, or enter into any contract that would constitute a SCB Material Contract if it were in effect on the date of this Agreement, except for any amendments, modifications or terminations reasonably requested by SMBK.

(xiii) Claims. Other than settlement of foreclosure actions in the Ordinary Course of Business, (A) enter into any settlement or similar agreement with respect to any action, suit, proceeding, order, or investigation to which SCB or any of its Subsidiaries is or becomes a party after the date of this Agreement, which settlement or agreement involves payment by SCB or any of its Subsidiaries of an amount which exceeds \$75,000 individually or \$150,000 in the aggregate and/or would impose any material restriction on the business of SCB or any of its Subsidiaries or (B) waive or release any material rights or claims, or agree or consent to the issuance of any injunction, decree, order, or judgment restricting or otherwise affecting its business or operations.

(xiv) Banking Operations. (A) Enter into any material new line of business, introduce any material new products or services, any material marketing campaigns or any material new sales compensation or incentive programs or arrangements; (B) change in any material respect its lending, investment, underwriting, risk and asset liability management, and other banking and operating policies, except as required by applicable Law, regulation, or policies imposed by any Governmental Authority; (C) make any material changes in its policies and practices with respect to underwriting, pricing, originating, acquiring, selling, servicing, or buying or selling rights to service Loans, its hedging practices and policies; and (D) incur any material liability or obligation relating to retail banking and branch merchandising, marketing, and advertising activities and initiatives except in the Ordinary Course of Business.

(xv) Derivative Transactions. Enter into any Derivative Transaction.

(xvi) Indebtedness. Incur any indebtedness for borrowed money other than in the Ordinary Course of Business consistent with past practice with a term not in excess of 12 months (other than creation of deposit liabilities or sales of certificates of deposit in the Ordinary Course of Business), or incur, assume, or become subject to, whether directly or by way of any guarantee or otherwise, any obligations or liabilities (absolute, accrued, contingent, or otherwise) of any other Person, other than the issuance of letters of credit in the Ordinary Course of Business and in accordance with the restrictions set forth in Section 5.01(a)(xvi).

(xvii) Investment Securities. (i) Other than in accordance with SCB's investment guidelines, acquire, sell, or otherwise dispose of any debt security or equity investment or any certificates of deposits issued by other banks, nor (ii) change the classification method for any of the SCB Investment Securities from "held to maturity" to "available for sale" or from "available for sale" to "held to maturity," as those terms are used in ASC 320.

(xviii) Deposits. Other than in the Ordinary Course of Business, make any changes to deposit pricing.

(xix) Loans. Except for loans or extensions of credit approved and/or committed as of the date hereof that are listed in SCB Disclosure Schedule 5.01(a)(xix), (A) make, renew, renegotiate, increase, extend, or modify any (1) unsecured loan, if the amount of such unsecured loan, together with any other outstanding unsecured loans made by SCB or any of its Subsidiaries to such borrower or its Affiliates, would be in excess of \$100,000, in the aggregate, (2) loan secured by other than a first lien in excess of \$350,000, (3) loan in excess of FFIEC regulatory guidelines relating to loan to value ratios, (4) loan secured by a first lien residential mortgage and with no loan policy exceptions in excess of \$500,000, (5) secured loan over \$750,000, (6) any loan that is not made in conformity with SCB's ordinary course lending policies and guidelines in effect as of the date hereof, or (7) loan, whether secured or unsecured, if the amount of such loan, together with any other outstanding loans (without regard to whether such other loans have been advanced or remain to be advanced), would result in the aggregate outstanding loans to any borrower of SCB or any of its Subsidiaries (without regard to whether such other loans have been advanced or remain to be advanced) to exceed \$750,000, (B) sell any loan or loan pools in excess of \$1,000,000 in principal amount or sale price (other than residential mortgage loan pools sold in the Ordinary Course of Business), or (C) acquire any servicing rights, or sell or otherwise transfer any loan where SCB or any of its Subsidiaries retains any servicing rights. Any loan in excess of the limits set forth in this Section 5.01(a)(xix) shall require the prior written approval of the Chief Lending Officer or Senior Vice President and Sevier County Market Executive of SmartBank, which approval or rejection shall be given in writing within two Business Days after the loan package is delivered to such individual.

(xx) Investments or Developments in Real Estate. Make any investment or commitment to invest in real estate or in any real estate development project other than by way of foreclosure or deed in lieu thereof or make any investment or commitment to develop, or otherwise take any actions to develop any real estate owned by SCB or its Subsidiaries.

(xxi) Taxes. Except as required by applicable Law, make or change any Tax election, file any amended Tax Return, enter into any closing agreement with respect to Taxes, settle or compromise any liability with respect to Taxes, agree to any adjustment of any Tax attribute, file any claim for a refund of Taxes, or consent to any extension or waiver of the limitation period applicable to any Tax claim or assessment.

(xxii) Compliance with Agreements. Commit any act or omission which constitutes a material breach or default by SCB or any of its Subsidiaries under any agreement with any Governmental Authority or under any SCB Material Contract, Lease, or other material agreement or material license to which SCB or any of its Subsidiaries is a party or by which any of them or their respective properties are bound or under which any of them or their respective assets, business, or operations receives benefits.

(xxiii) Environmental Assessments. Foreclose on or take a deed or title to any real estate that could reasonably be expected to result in any liability to SCB under any Environmental Law without first conducting an ASTM International (“*ASTM*”) E1527-13 Phase I Environmental Site Assessment (or any applicable successor standard) of the property that satisfies the requirements of 40 C.F.R. Part 312 (“*Phase I*”), or foreclose on or take a deed or title to any real estate other than single-family residential properties if such environmental assessment indicates the presence or likely presence of any Hazardous Substances under conditions that indicate an existing release, a past release, or a material threat of a release of any Hazardous Substances into structures on the property or into the ground, ground water, or surface water of the property.

(xxiv) Adverse Actions. Take any action or knowingly fail to take any action not contemplated by this Agreement that is intended or is reasonably likely to (A) prevent, delay, or impair SCB’s ability to consummate the Merger or the transactions contemplated by this Agreement or (B) agree to take, make any commitment to take, or adopt any resolutions of its board of directors in support of, any of the actions prohibited by this Section 5.01.

(xxv) Capital Stock Purchase. Directly or indirectly repurchase, redeem, or otherwise acquire any shares of its capital stock or any securities convertible into or exercisable for any shares of its capital stock.

(xxvi) Facilities. Except as required by Law or set forth in SCB Disclosure Schedule 5.01(a)(xxvi), file any application or make any contract or commitment for the opening, relocation, or closing of any, or open, relocate, or close any, branch office, loan production, or servicing facility or automated banking facility, except for any change that may be requested by SMBK.

(xxvii) Restructure. Except as disclosed on SCB Disclosure Schedule 5.01(a)(xxvii), merge or consolidate itself or any of its Subsidiaries with any other Person, or restructure, reorganize, or completely or partially liquidate or dissolve it or any of its Subsidiaries.

(xxviii) Commitments. (A) Enter into any contract with respect to, or otherwise agree or commit to do, or adopt any resolutions of its board of directors or similar governing body in support of, any of the foregoing or (B) take any action that is intended or expected to result in any of its representations and warranties set forth in this Agreement being or becoming untrue in any material respect at any time prior to the Effective Time, or in any of the conditions to the Merger not being satisfied in any material respect or in a violation of any provision of this Agreement, except, in every case, as may be required by applicable Law.

(b) 280G Shareholder Vote. If the execution of this Agreement, approval by the shareholders of SCB, the consummation of any of the transactions contemplated hereby (either alone or in conjunction with any other event) would entitle any person who is a “disqualified individual” to a “parachute payment” (as such terms are defined in Section 280G of the Code) absent approval by the shareholders of SCB, then, prior to the Closing, SCB will take all necessary actions to submit to its shareholders at the SCB Meeting a separate shareholder vote that is not contingent on approval of this Agreement, in a manner that satisfies the stockholder approval requirements for exemption under Section 280G(b)(5)(A)(ii) of the Code and the regulations promulgated thereunder, the right of each disqualified individual to receive or retain, as applicable, any payments and benefits to the extent necessary so that no payment or benefit received by such disqualified person shall be deemed a parachute payment, and to obtain any required waivers or consents from the disqualified individual(s) prior to the vote, so that such vote shall establish the disqualified individual’s right to the payment or benefits (“**280G Waiver**”). In addition, prior to such shareholder vote, SCB shall provide adequate disclosure to all shareholders of SCB entitled to vote thereon of all material facts concerning all payments that, but for such vote, could be deemed parachute payments under Section 280G of the Code in a manner that satisfies Section 280G(b)(5) of the Code (“**280G Disclosure**”). SCB and its shareholders will be responsible for all Liabilities and obligations related to the matters described in this Section 5.01(c), including any claims by disqualified individuals that they are entitled to payment or reimbursement for any related excise taxes. SCB will provide the 280G Disclosure and the 280G Waiver to SMBK within a reasonable period of time before disseminating such materials to the disqualified individuals and SCB’s shareholders, and will work with SMBK in good faith regarding any comments provided by SMBK thereto.

Section 5.02 Covenants of SMBK. From the date hereof until the Effective Time, SMBK shall not and shall not permit any of its Subsidiaries to take any action or knowingly fail to take any action not contemplated by this Agreement that is intended or is reasonably likely to (i) prevent, delay, or impair SMBK’s ability to consummate the Merger or the transactions contemplated by this Agreement or (ii) agree to take, make any commitment to take, or adopt any resolutions of its board of directors in support of, any of the actions prohibited by this Section 5.02.

Section 5.03 Commercially Reasonable Efforts. Subject to the terms and conditions of this Agreement, each of the Parties agrees to use commercially reasonable efforts in good faith to take, or cause to be taken, all actions, and to do, or cause to be done, all things necessary, proper, or advisable under applicable Laws, so as to permit consummation of the transactions contemplated hereby as promptly as practicable, including the satisfaction of the conditions set forth in Article VI, and shall reasonably cooperate with the other Party to that end.

Section 5.04 Shareholder Approval.

(a) Following the execution of this Agreement, SCB shall take, in accordance in all material respects with applicable Law and the charter and bylaws of SCB, all action necessary to convene a special meeting of its shareholders as promptly as practicable after the Registration Statement is declared effective by the SEC to consider and vote upon the approval of this Agreement and the transactions contemplated hereby (including the Merger) and any other matters required to be approved by SCB's shareholders in order to permit consummation of the Merger and the transactions contemplated hereby (including any adjournment or postponement thereof, the "**SCB Meeting**") and shall take all lawful action to solicit such approval by such shareholders. SCB shall use its reasonable best efforts to obtain the Requisite SCB Shareholder Approval to consummate the Merger and the other transactions contemplated hereby, and shall ensure that the SCB Meeting is called, noticed, convened, held, and conducted, and that all proxies solicited by SCB in connection with the SCB Meeting are solicited in compliance in all material respects with the TBCA, the charter and bylaws of SCB, and all other applicable legal requirements. Except with the prior approval of SMBK, no other matters shall be submitted for the approval of SCB shareholders at the SCB Meeting.

(b) Except to the extent provided otherwise in Section 5.09, the board of directors of SCB shall at all times prior to and during the SCB Meeting recommend approval of this Agreement by the shareholders of SCB and the transactions contemplated hereby (including the Merger) and any other matters required to be approved by SCB's shareholders for consummation of the Merger and the transactions contemplated hereby (the "**SCB Recommendation**"). In the event that there is present at the SCB Meeting, in person or by proxy, sufficient favorable voting power to secure the Requisite SCB Shareholder Approval, SCB will not adjourn or postpone the SCB Meeting unless SCB is advised by counsel that failure to do so would result in a breach of the fiduciary duties of the board of directors of SCB. SCB shall keep SMBK updated with respect to the proxy solicitation results in connection with the SCB Meeting as reasonably requested by SMBK.

(c) SCB shall adjourn or postpone the SCB Meeting if (i) as of the time for which such meeting is originally scheduled there are insufficient shares of SCB Common Stock represented (either in person or by proxy) to constitute a quorum necessary to conduct the business of such meeting, or (ii) on the date of such meeting SCB has not received proxies representing a sufficient number of shares necessary to obtain the Requisite SCB Shareholder Approval. SCB shall be required to effect a single adjournment or postponement of the SCB Meeting pursuant to clause (i) or (ii) of this Section 5.04(c) for a single period of no more than fifteen (15) Business Days only to allow time to solicit additional proxies as may be necessary to obtain the Requisite SCB Shareholder Approval.

Section 5.05 Registration Statement; Proxy Statement-Prospectus; NASDAQ Listing.

(a) SMBK and SCB agree to cooperate in the preparation of the Registration Statement to be filed by SMBK with the SEC in connection with the issuance of SMBK Common Stock in the transactions contemplated by this Agreement (including the Proxy Statement-Prospectus and all related documents). SCB shall deliver to SMBK such financial statements and related analysis of SCB, including “Management’s Discussion and Analysis of Financial Condition and Results of Operations” of SCB, as may be required in order to file the Registration Statement, and any other report required to be filed by SMBK with the SEC, in each case, in compliance in all material respects with applicable Laws, and shall, as promptly as practicable following execution of this Agreement, prepare and deliver drafts of such information to SMBK to review. Each of SMBK and SCB agree to use their respective commercially reasonable efforts to cause the Registration Statement to be declared effective by the SEC as promptly as reasonably practicable after the filing thereof and to maintain such effectiveness for as long as necessary to consummate the Merger and the other transactions contemplated by this Agreement. SMBK also agrees to use commercially reasonable efforts to obtain any necessary state securities Law or “blue sky” permits and approvals required to carry out the transactions contemplated by this Agreement. SCB agrees to cooperate with SMBK and SMBK’s counsel and accountants in requesting and obtaining appropriate opinions, consents, and letters from SCB’s independent auditors in connection with the Registration Statement and the Proxy Statement-Prospectus. After the Registration Statement is declared effective under the Securities Act, SCB, at its own expense, shall promptly mail or cause to be mailed the Proxy Statement-Prospectus to its shareholders.

(b) SMBK will use its commercially reasonable efforts to cause the shares of SMBK Common Stock to be issued in connection with the transactions contemplated by this Agreement to be approved for listing on the NASDAQ, subject to official notice of issuance, prior to the Effective Time.

Section 5.06 Regulatory Filings; Consents.

(a) Each of SMBK and SCB and their respective Subsidiaries shall cooperate and use their respective commercially reasonable efforts (i) to promptly prepare all documentation (including the Registration Statement and the Proxy Statement-Prospectus), and to effect all filings, to obtain all permits, consents, approvals, and authorizations of all third parties and Governmental Authorities necessary to consummate the transactions contemplated by this Agreement, the Regulatory Approvals and all other consents and approvals of a Governmental Authority required to consummate the Merger in the manner contemplated herein, (ii) to comply with the terms and conditions of such permits, consents, approvals, and authorizations, and (iii) to cause the transactions contemplated by this Agreement to be consummated as expeditiously as practicable; *provided, however*, notwithstanding the foregoing or anything to the contrary in this Agreement, nothing contained herein shall be deemed to require SMBK or any of its Subsidiaries to take any non-standard action, or commit to take any such action, or agree to any non-standard condition or restriction, in connection with obtaining the foregoing permits, consents, approvals, and authorizations of any Governmental Authority (“**Burdensome Condition**”). SMBK and SCB will furnish each other and each other’s counsel with all information concerning themselves, their Subsidiaries, directors, trustees, officers, and shareholders and such other matters as may be necessary or advisable in connection with any application, petition, or any other statement or application made by or on behalf of SMBK or SCB to any Governmental Authority in connection with the transactions contemplated by this Agreement. Each Party shall have the right to review and approve in advance all characterizations of the information relating to such party and any of its Subsidiaries that appear in any filing made in connection with the transactions contemplated by this Agreement with any Governmental Authority. In addition, SMBK and SCB shall each furnish to the other for review a copy of each non-confidential portion of such filing made in connection with the transactions contemplated by this Agreement with any Governmental Authority prior to its filing.

(b) SCB will use its best efforts, and SMBK shall reasonably cooperate with SCB at SCB's request, to obtain all consents, approvals, authorizations, waivers, or similar affirmations described on SCB Disclosure Schedule 3.12(c). Each Party will notify the other Party promptly and shall promptly furnish the other Party with copies of notices or other communications received by such Party or any of its Subsidiaries of any communication from any Person alleging that the consent of such Person (or another Person) is or may be required in connection with the transactions contemplated by this Agreement (and the response thereto from such Party, its Subsidiaries or its representatives). SCB will consult with SMBK and its representatives as often as practicable under the circumstances so as to permit SCB and SMBK and their respective representatives to cooperate to take appropriate measures to obtain such consents and avoid or mitigate any adverse consequences that may result from the foregoing.

Section 5.07 Publicity. SMBK and SCB shall consult with each other before issuing any press release with respect to this Agreement or the transactions contemplated hereby and shall not issue any such press release or make any such public statement without the prior consent of the other Party, which shall not be unreasonably delayed or withheld; *provided, however*, that a party may, without the prior consent of the other party (but after such consultation, to the extent practicable in the circumstances), issue such press release or make such public statements as may upon the advice of counsel be required by Law or the rules and regulations of any stock exchanges. It is understood that SMBK shall assume primary responsibility for the preparation of joint press releases relating to this Agreement, the Merger, and the other transactions contemplated hereby.

Section 5.08 Access; Current Information; Accounting Matters.

(a) For the purposes of verifying the representations and warranties of the other and preparing for the Merger and the other matters contemplated by this Agreement, upon reasonable notice and subject to applicable Laws, SCB agrees to afford SMBK and its officers, employees, counsel, accountants, and other authorized representatives such access during normal business hours at any time and from time to time throughout the period prior to the Effective Time to SCB's and its Subsidiaries' books, records (including, without limitation, Tax Returns and work papers of independent auditors), loan files, information technology systems, business, properties, and personnel and to such other information relating to them as SMBK may reasonably request, and SCB shall use its commercially reasonable efforts to provide any appropriate notices to employees and/or customers in accordance with applicable Law and SCB's privacy policy and, during such period, SCB shall furnish to SMBK, upon SMBK's reasonable request, all such other information concerning the business, properties, and personnel of SCB and its Subsidiaries that is substantially similar in scope to the information provided to SMBK in connection with its diligence review prior to the date of this Agreement.

(b) For the purposes of verifying the representations and warranties of the other and preparing for the Merger and the other matters contemplated by this Agreement, during the period of time from the date of this Agreement to the Effective Time, upon reasonable notice and subject to applicable Laws, SMBK agrees to furnish to SCB such information as SCB may reasonably request concerning the business of SMBK and its Subsidiaries that is substantially similar in scope to the information provided to SCB in connection with its diligence review prior to the date of this Agreement.

(c) As promptly as reasonably practicable after they become available, SCB will furnish to SMBK copies of the board packages distributed to the board of directors of SCB or any of its Subsidiaries, and minutes from the meetings thereof, copies of any internal management financial control reports showing actual financial performance against plan and previous period, and copies of any reports provided to the board of directors of SCB or any committee thereof relating to the financial performance and risk management of SCB.

(d) During the period from the date of this Agreement to the Effective Time, at the reasonable request of either Party, the other Party will cause one or more of its designated representatives to confer with representatives of the requesting Party and to report the general status of the ongoing operations of the other Party and its Subsidiaries. Without limiting the foregoing, SCB agrees to provide to SMBK (i) a copy of each report filed by SCB or any of its Subsidiaries with a Governmental Authority, (ii) a copy of SCB's monthly loan trial balance, and (iii) a copy of SCB's monthly statement of condition and profit and loss statement, in each case, which shall be provided as promptly as reasonably practicable after it is filed or prepared, as applicable. SCB further agrees to provide SMBK, no later than 10 Business Days following the end of each calendar month following the date hereof, any supplements to SCB Disclosure Schedule 3.19, SCB Disclosure Schedule 3.22(a), and SCB Disclosure Schedule 3.22(b) that would be required if the references to March 31, 2021 in each corresponding representation and warranty of SCB were changed to the date of the most recently ended calendar month.

(e) No investigation by a Party or its representatives shall be deemed to modify or waive any representation, warranty, covenant, or agreement of the other Party set forth in this Agreement, or the conditions to the respective obligations of SMBK and SCB to consummate the transactions contemplated hereby.

(f) Notwithstanding anything to the contrary in this Section 5.08, SCB shall not be required to copy SMBK on any documents that disclose confidential discussions of this Agreement or the transactions contemplated hereby, that contain competitively sensitive business or other proprietary information filed under a claim of confidentiality (including any confidential supervisory information) or any other matter that SCB's board of directors has been advised by counsel that such distribution to SMBK may violate a confidentiality obligation or fiduciary duty or any Law or regulation, or may result in a waiver of SCB's attorney-client privilege. In the event any of the restrictions in this Section 5.08(f) shall apply, SCB shall use its commercially reasonable efforts to provide appropriate consents, waivers, decrees, and approvals necessary to satisfy any confidentiality issues relating to documents prepared or held by third parties (including work papers), the Parties will make appropriate alternate disclosure arrangements, including adopting additional specific procedures to protect the confidentiality of sensitive material and to ensure compliance with applicable Laws.

Section 5.09 No Solicitation by SCB; Superior Proposals.

(a) Except as permitted by Section 5.09(b), SCB shall not, and shall cause its Subsidiaries and each of their respective officers, directors, and employees not to, and will not authorize any investment bankers, financial advisors, attorneys, accountants, consultants, affiliates, or other agents of SCB or any of SCB's Subsidiaries (collectively, the "**SCB Representatives**") to, directly or indirectly, (i) initiate, solicit, induce, or knowingly encourage, or take any action to facilitate the making of, any inquiry, offer, or proposal which constitutes, or could reasonably be expected to lead to, an Acquisition Proposal; (ii) participate in any discussions or negotiations regarding any Acquisition Proposal or furnish, or otherwise afford access, to any Person (other than SMBK) any information or data with respect to SCB or any of its Subsidiaries or otherwise relating to an Acquisition Proposal; (iii) release any Person from, waive any provisions of, or fail to enforce any confidentiality agreement or standstill agreement to which SCB is a party; or (iv) enter into any agreement, confidentiality agreement, agreement in principle, or letter of intent with respect to any Acquisition Proposal or approve or resolve to approve any Acquisition Proposal or any agreement, agreement in principle, or letter of intent relating to an Acquisition Proposal. Any violation of the foregoing restrictions by any of the SCB Representatives, whether or not such SCB Representative is so authorized and whether or not such SCB Representative is purporting to act on behalf of SCB or otherwise, shall be deemed to be a breach of this Agreement by SCB. SCB and its Subsidiaries shall, and shall cause each of the SCB Representatives to, immediately cease and cause to be terminated any and all existing discussions, negotiations, and communications with any Persons with respect to any existing or potential Acquisition Proposal.

For purposes of this Agreement, "**Acquisition Proposal**" means any inquiry, offer, or proposal (other than an inquiry, offer, or proposal from SMBK), whether or not in writing, contemplating, relating to, or that could reasonably be expected to lead to, an Acquisition Transaction.

For purposes of this Agreement, "**Acquisition Transaction**" means (A) any transaction or series of transactions involving any merger, consolidation, recapitalization, share exchange, liquidation, dissolution, or similar transaction involving SCB or any of its Subsidiaries; (B) any transaction pursuant to which any third party or group acquires or would acquire (whether through sale, lease, or other disposition), directly or indirectly, a significant portion of the assets of SCB or any of its Subsidiaries; (C) any issuance, sale, or other disposition of (including by way of merger, consolidation, share exchange, or any similar transaction) securities (or options, rights, or warrants to purchase or securities convertible into, such securities) representing 20% or more of the votes attached to the outstanding securities of SCB or any of its Subsidiaries; (D) any tender offer or exchange offer that, if consummated, would result in any third party or group beneficially owning 20% or more of any class of equity securities of SCB or any of its Subsidiaries; or (E) any transaction which is similar in form, substance, or purpose to any of the foregoing transactions, or any combination of the foregoing.

For purposes of this Agreement, "**Superior Proposal**" means a bona fide, unsolicited Acquisition Proposal (i) that if consummated would result in a third party (or in the case of a direct merger between such third party and SCB or any of its Subsidiaries, the shareholders of such third party) acquiring, directly or indirectly, more than 50% of the outstanding SCB Common Stock or more than 50% of the assets of SCB and its Subsidiaries, taken as a whole, for consideration consisting of cash and/or securities and (ii) that the board of directors of SCB reasonably determines in good faith, after consultation with its outside financial advisor and outside legal counsel, (A) is reasonably capable of being completed, taking into account all financial, legal, regulatory, and other aspects of such proposal, including all conditions contained therein and the person making such Acquisition Proposal, and (B) taking into account any changes to this Agreement proposed by SMBK in response to such Acquisition Proposal, as contemplated by Section 5.09(c), and all financial, legal, regulatory, and other aspects of such takeover proposal, including all conditions contained therein and the person making such proposal, is more favorable to the shareholders of SCB from a financial point of view than the Merger.

(b) Notwithstanding Section 5.09(a) or any other provision of this Agreement, prior to the date of the SCB Meeting, SCB may take any of the actions described in Section 5.09(a) if, but only if, (i) SCB has received a bona fide unsolicited written Acquisition Proposal that did not result from a breach of Section 5.09(a); (ii) the board of directors of SCB reasonably determines in good faith, after consultation with and having considered the advice of its outside financial advisor and outside legal counsel, that (A) such Acquisition Proposal constitutes or is reasonably likely to lead to a Superior Proposal and (B) the failure to take such actions more likely than not would cause it to violate its fiduciary duties to SCB's shareholders under applicable Law; (iii) SCB has provided SMBK with at least three Business Days' prior notice of such determination; and (iv) prior to furnishing or affording access to any information or data with respect to SCB or any of its Subsidiaries or otherwise relating to an Acquisition Proposal, SCB receives from such Person a confidentiality agreement with terms no less favorable to SCB than those contained in the confidentiality agreement with SMBK. SCB shall promptly provide to SMBK any non-public information regarding SCB or its Subsidiaries provided to any other Person which was not previously provided to SMBK, such additional information to be provided no later than the date of provision of such information to such other party.

(c) SCB shall promptly (and in any event within one Business Day) notify SMBK in writing if any proposals or offers are received by, any information is requested from, or any negotiations or discussions are sought to be initiated or continued with, SCB or the SCB Representatives, in each case in connection with any Acquisition Proposal, and such notice shall indicate the name of the Person initiating such discussions or negotiations or making such proposal, offer, or information request and the material terms and conditions of any proposals or offers (and, in the case of written materials relating to such proposal, offer, information request, negotiations or discussion, providing copies of such materials (including e-mails or other electronic communications) except to the extent that such materials constitute confidential information of the party making such offer or proposal under an effective confidentiality agreement). SCB agrees that it shall keep SMBK informed, on a reasonably current basis, of the status and terms of any such proposal, offer, information request, negotiations, or discussions (including any amendments or modifications to such proposal, offer, or request).

(d) Except as provided in Section 5.09(e), neither the board of directors of SCB nor the board of directors of any Subsidiary nor any committee of any boards of directors of SCB or its Subsidiaries shall (i) fail to make or withdraw (or modify or qualify in any manner adverse to SMBK or publicly propose to withdraw, modify, or qualify in any manner adverse to SMBK) the SCB Recommendation, or the determination of the advisability to its shareholders of the approval of this Agreement and the transactions contemplated hereby, including the Merger, (ii) adopt, approve, or publicly recommend, endorse or otherwise declare advisable any Acquisition Proposal, (iii) fail to include the SCB Recommendation in whole or in part in the Proxy Statement-Prospectus or any filing or amendment or supplement relating thereto, (iv) fail to recommend against any then-pending tender or exchange offer that constitutes an Acquisition Proposal within five business days after it is announced, (v) fail to reaffirm the SCB Recommendation within three business days following a request by SMBK, or make any statement, filing, or release, in connection with the SCB Meeting or otherwise, inconsistent with the SCB Recommendation, or (vi) resolve to do any of the foregoing. Each such action set forth in this Section 5.09(d) shall be referred to herein as an "**Adverse Recommendation Action**."

(e) Notwithstanding Section 5.09(d), prior to the receipt of the Requisite SCB Shareholder Approval, the board of directors of SCB may withdraw, qualify, amend or modify the SCB Recommendation (a “**SCB Subsequent Determination**”) or cause or permit SCB to terminate this Agreement to enter into a definitive agreement with respect to such Superior Proposal in accordance with the terms of Section 7.01(g) after the fifth Business Day following SMBK’s receipt of a notice (the “**Notice of Superior Proposal**”) from SCB advising SMBK that the board of directors of SCB has decided (in good faith after consultation with its outside legal counsel and financial advisor) that a bona fide unsolicited written Acquisition Proposal that it received (that did not result from a breach of Section 5.09(a)) constitutes a Superior Proposal if, but only if, (i) the board of directors of SCB has determined in good faith, after consultation with and having considered the advice of outside legal counsel and its financial advisor, that the failure to take such actions more likely than not would cause it to violate its fiduciary duties to SCB’s shareholders under applicable Law, (ii) during the five Business Day period after receipt of the Notice of Superior Proposal by SMBK (the “**Notice Period**”), SCB and the board of directors of SCB shall have cooperated and negotiated in good faith with SMBK to make such adjustments, modifications, or amendments to the terms and conditions of this Agreement as would enable SCB to proceed with the SCB Recommendation without a SCB Subsequent Determination; *provided, however*, that SMBK shall not have any obligation to propose any adjustments, modifications, or amendments to the terms and conditions of this Agreement, and (iii) at the end of the Notice Period, after taking into account any such adjusted, modified, or amended terms as may have been proposed by SMBK since its receipt of such Notice of Superior Proposal, the board of directors of SCB has again in good faith made the determination (A) in clause (i) of this Section 5.09(e) and (B) that such Acquisition Proposal constitutes a Superior Proposal. In the event of any material revisions to the Superior Proposal, SCB shall be required to deliver a new Notice of Superior Proposal to SMBK and again comply with the requirements of this Section 5.09(e), except that the Notice Period shall be reduced to three Business Days.

(f) Notwithstanding any SCB Subsequent Determination, unless this Agreement has been terminated, this Agreement shall be submitted to SCB’s shareholders at the SCB Meeting for the purpose of voting on the approval of this Agreement and the transactions contemplated hereby (including the Merger) and nothing contained herein shall be deemed to relieve SCB of such obligation; *provided, however*, that if the board of directors of SCB shall have made a SCB Subsequent Determination with respect to a Superior Proposal, then the board of directors of SCB may recommend approval of such Superior Proposal by the shareholders of SCB and may submit this Agreement to SCB’s shareholders without recommendation, in which event the board of directors of SCB shall communicate the basis for its recommendation of such Superior Proposal and the basis for its lack of a recommendation with respect to this Agreement and the transactions contemplated hereby to SCB’s shareholders in the Proxy Statement-Prospectus or an appropriate amendment or supplement thereto.

(g) Nothing contained in this Section 5.09 shall prohibit SCB or the board of directors of SCB from complying with SCB's obligations required under Rule 14e-2(a) promulgated under the Exchange Act (as if such rule was applicable to SCB); *provided, however*, that any such disclosure relating to an Acquisition Proposal (other than a "stop, look, and listen" or similar communication of the type contemplated by Rule 14d-9(f) under the Exchange Act) shall be deemed a change in the SCB Recommendation unless the board of directors of SCB reaffirms the SCB Recommendation in such disclosure.

Section 5.10 Indemnification.

(a) For a period of six years from and after the Effective Time, SMBK shall indemnify and hold harmless the present and former directors and officers of SCB and its Subsidiaries (each an "**Indemnified Party**"), against all costs, expenses (including reasonable attorney's fees), judgments, fines, losses, claims, damages, or liabilities, or amounts that are paid in settlement (which settlement shall require the prior written consent of SMBK, which consent shall not be unreasonably withheld) of or in connection with any claim, action, suit, proceeding, or investigation, whether civil, criminal, administrative, or investigative (each a "**Claim**"), arising out of actions or omissions of such persons in the course of performing their duties for SCB or any of its Subsidiaries occurring at or before the Effective Time (including the Merger and the other transactions contemplated hereby), regardless of whether such Claim is asserted or claimed before, or after, the Effective Time, to the same extent permitted under the organizational documents of SCB and its Subsidiaries in effect on the date of this Agreement to the extent permitted by applicable Law.

(b) Any Indemnified Party wishing to claim indemnification under this Section 5.10 shall promptly notify SMBK upon learning of any Claim, *provided that*, failure to so notify shall not affect the obligation of SMBK under this Section 5.10, unless, and only to the extent that, SMBK is materially prejudiced in the defense of such Claim as a consequence. In the event of any such Claim (whether asserted or claimed prior to, at or after the Effective Time), (i) SMBK shall have the right to assume the defense thereof and SMBK shall not be liable to such Indemnified Parties for any legal expenses or other counsel or any other expenses subsequently incurred by such Indemnified Parties in connection with the defense thereof, (ii) the Indemnified Parties will cooperate in the defense of any such matter, (iii) SMBK shall not be liable for any settlement effected without its prior written consent, and (iv) SMBK shall have no obligation hereunder to any Indemnified Party if such indemnification would be in violation of any applicable federal or state banking Laws or regulations, or in the event that a federal or state banking agency or a court of competent jurisdiction shall determine that indemnification of an Indemnified Party in the manner contemplated hereby is prohibited by applicable Laws and regulations, whether or not related to banking Laws.

(c) For a period of six years following the Effective Time, SMBK will maintain director's and officer's liability insurance (herein, "**D&O Insurance**") that serves to reimburse the present and former officers and directors of SCB or its Subsidiaries (determined as of the Effective Time) with respect to claims against such directors and officers arising from facts or events occurring before the Effective Time (including the transactions contemplated hereby), which insurance will contain at least the same coverage and amounts, and contain terms and conditions no less advantageous to the Indemnified Party, as that coverage currently provided by SCB; *provided that*, if SMBK is unable to maintain or obtain the insurance called for by this Section 5.10, SMBK will provide as much comparable insurance as is reasonably available (subject to the limitations described below in this Section 5.10(d)); and *provided, further*, that officers and directors of SCB or its Subsidiaries may be required to make application and provide customary representations and warranties to the carrier of the D&O Insurance for the purpose of obtaining such insurance. In no event shall SMBK be required to expend for such tail insurance a premium amount in excess of an amount equal to 150% of the annual premiums paid by SCB for D&O Insurance in effect as of the date of this Agreement (the "**Maximum D&O Tail Premium**"). If the cost of such tail insurance exceeds the Maximum D&O Tail Premium, SMBK shall obtain tail insurance coverage or a separate tail insurance policy with the greatest coverage available for a cost not exceeding the Maximum D&O Tail Premium.

(d) This Section 5.10 shall survive the Effective Time, is intended to benefit each SCB Indemnified Party (each of whom shall be entitled to enforce this Section against SMBK) and shall be binding on all successors and assigns of SMBK.

(e) If SMBK or any of its successors and assigns (i) shall consolidate with or merge into any other corporation or entity and shall not be the continuing or surviving corporation or entity of such consolidation or merger, or (ii) shall transfer all or substantially all of its property and assets to any individual, corporation or other entity, then, in each such case, proper provision shall be made so that the successors and assigns of SMBK and its Subsidiaries shall assume the obligations set forth in this Section 5.10.

Section 5.11 Employees; Benefit Plans.

(a) Following the Effective Time, SMBK shall maintain or cause to be maintained employee benefit plans for the benefit of employees who are full time employees of SCB on the Closing Date and who become employees of SMBK ("**Covered Employees**") that provide employee benefits which, in the aggregate, are substantially comparable to the employee benefits and cash-based compensation opportunities that are made available on a uniform and non-discriminatory basis to similarly situated employees of SMBK; *provided, however*, that in no event shall any Covered Employee be eligible to participate in any closed or frozen plan of SMBK. To the extent permissible by applicable Law and the terms of the applicable SCB benefit plans, SMBK shall give the Covered Employees credit for their prior service with SCB (i) for purposes of eligibility (including initial participation and eligibility for current benefits) and vesting under any qualified or non-qualified employee benefit plan maintained by SMBK and in which Covered Employees may be eligible to participate and (ii) for all purposes under any welfare benefit plans, vacation plans (although SMBK may consider current vacation benefits provided to such employees by SCB), severance plans, and similar arrangements maintained by SMBK.

(b) With respect to any employee benefit plan of SMBK that is a health, dental, vision, or other welfare plan in which any Covered Employee is eligible to participate, for the plan year in which such Covered Employee is first eligible to participate, SMBK shall use its commercially reasonable efforts to cause any pre-existing condition limitations, eligibility waiting periods, or evidence of insurability requirements under such SMBK plan to be waived with respect to such Covered Employee and his or her covered dependents to the extent such condition was or would have been covered under the SCB Benefit Plan in which such Covered Employee participated immediately prior to the Effective Time.

(c) SCB shall cause Sevier County Bank to take all necessary actions to terminate its participation in the Sevier County Bank 401(k) Pension Plan (the “**401(k) Plan**”), effective as the date immediately preceding the Effective Time of the Merger subject to the occurrence of the Effective Time. SCB shall provide SMBK with evidence that the such participation has been terminated and provide copies of the appropriate resolutions terminating participation (the form and substance of which shall be subject to review and approval by SMBK, which will not be unreasonably withheld) not later than the day immediately preceding the Effective Time. The accounts of all participants and beneficiaries in the 401(k) Plan shall become fully vested upon termination of participation in such plan.

(d) Prior to the Effective Time, SCB shall take, and shall cause its Subsidiaries to take, all actions requested by SMBK that may be necessary or appropriate to, conditioned on the occurrence of the Effective Time, (i) cause one or more SCB Benefits Plans not covered above to terminate as of the Effective Time, or as of the date immediately preceding the Effective Time, (ii) cause benefit accruals and entitlements under any SCB Benefit Plan to cease as of the Effective Time, or as of the date immediately preceding the Effective Time, (iii) cause the continuation on and after the Effective Time of any contract, arrangement, or insurance policy relating to any SCB Benefit Plan for such period as may be requested by SMBK, or (iv) facilitate the merger of any SCB Benefit Plan into any employee benefit plan maintained by SMBK. Additionally, SCB and Sevier County Bank will take any and all actions reasonably requested by SMBK related to ensuring the compliance of all SCB Benefit Plans with applicable law, including but not limited to filing any necessary “top hat” filings or corrections. All resolutions, notices, or other documents issued, adopted, or executed in connection with the implementation of this Section 5.11(d) shall be subject to SMBK’s reasonable prior review and approval, which shall not be unreasonably withheld, conditioned, or delayed.

(e) Any employee of SCB or Sevier County Bank that becomes an employee of SMBK or SmartBank at the Effective Time who is terminated within one year following the Effective Time (other than for cause, death, disability, normal retirement, or voluntarily resignation) shall receive a severance payment calculated in accordance with the policy set forth on SMBK Disclosure Schedule 5.11(e).

(f) Nothing in this Section 5.11 shall be construed to limit the right of SMBK (including, following the Closing Date, SCB) to amend or terminate any SCB Benefit Plan or other employee benefit plan, to the extent such amendment or termination is permitted by the terms of the applicable plan, nor shall anything in this Section 5.11 be construed to require SMBK (including, following the Closing Date, SCB) to retain the employment of any particular Covered Employee for any fixed period of time following the Closing Date, and the continued retention (or termination) by SMBK of any Covered Employee subsequent to the Effective Time shall be subject in all events to SMBK’s normal and customary employment procedures and practices, including customary background screening and evaluation procedures, and satisfactory employment performance.

(g) For purposes of this Section 5.11, (i) “employees of SCB” shall include employees of SCB or any of its Subsidiaries, (ii) “employees of SMBK” shall include employees of SMBK or any of its Subsidiaries, (iii) all references to SCB shall include each of the Subsidiaries of SCB, and (iv) all references to SMBK shall include each of the Subsidiaries of SMBK.

Section 5.12 Notification of Certain Changes. SMBK and SCB shall promptly advise the other Party of any change or event having, or which could reasonably be expected to have, a Material Adverse Effect or which it believes would, or which could reasonably be expected to, cause or constitute a material breach of any of its or its respective Subsidiaries’ representations, warranties, or covenants contained herein and SCB shall provide on a periodic basis written notice to SMBK of any matters that SCB becomes aware of that should be disclosed on a supplement or amendment to the SCB Disclosure Schedule; *provided*, that any failure to give notice in accordance with the foregoing shall not be deemed to constitute a violation of this Section 5.12 or the failure of any condition set forth in Section 6.01, Section 6.02 or Section 6.03 to be satisfied, or otherwise constitute a breach of this Agreement by the party failing to give such notice, in each case unless the underlying breach would independently result in a failure of the conditions set forth in Section 6.01, Section 6.02, or Section 6.03 to be satisfied.

Section 5.13 Transition: Informational Systems Conversion. From and after the date hereof, SMBK and SCB will use their commercially reasonable efforts to facilitate the integration of SCB with the business of SMBK following consummation of the transactions contemplated hereby, and shall meet on a regular basis to discuss and plan for the conversion of the data processing and related electronic informational systems of SCB and each of its Subsidiaries (the “*Informational Systems Conversion*”) to those used by SMBK, which planning shall include, but not be limited to, (a) discussion of third-party service provider arrangements of SCB and each of its Subsidiaries; (b) non-renewal or changeover, after the Effective Time, of personal property leases and software licenses used by SCB and each of its Subsidiaries in connection with the systems operations; (c) retention of outside consultants and additional employees to assist with the conversion; (d) outsourcing, as appropriate after the Effective Time, of proprietary or self-provided system services; and (e) any other actions necessary and appropriate to facilitate the conversion, as soon as practicable following the Effective Time. SMBK shall promptly reimburse SCB on request for any reasonable and documented out-of-pocket fees, expenses, or charges that SCB may incur as a result of taking, at the request of SMBK, any action prior to the Effective Time to facilitate the Informational Systems Conversion.

Section 5.14 No Control of Other Party’s Business. Nothing contained in this Agreement shall give SMBK, directly or indirectly, the right to control or direct the operations of SCB or its Subsidiaries prior to the Effective Time, and nothing contained in this Agreement shall give SCB, directly or indirectly, the right to control or direct the operations of SMBK or its Subsidiaries prior to the Effective Time. Prior to the Effective Time, each of SCB and SMBK shall exercise, consistent with the terms and conditions of this Agreement, control, and supervision over its and its Subsidiaries’ respective operations.

Section 5.15 Certain Litigation. Each Party shall promptly advise the other Party orally and in writing of any actual or threatened shareholder litigation against such Party or any of its Subsidiaries and/or the members of the boards of directors of SCB or the board of directors of SMBK or their respective Subsidiaries related to this Agreement or the Merger and the other transactions contemplated by this Agreement. SCB shall: (i) permit SMBK to review and discuss in advance, and consider in good faith the views of SMBK in connection with, any proposed written or oral response to such shareholder litigation; (ii) furnish SMBK's outside legal counsel with all non-privileged information and documents which outside counsel may reasonably request in connection with such shareholder litigation; (iii) consult with SMBK regarding the defense or settlement of any such shareholder litigation, shall give due consideration to SMBK's advice with respect to such shareholder litigation, and shall not settle any such litigation prior to such consultation and consideration; *provided, however*, that SCB shall not settle any such shareholder litigation if such settlement requires the payment of money damages, without the written consent of SMBK (such consent not to be unreasonably withheld, conditioned or delayed) unless the payment of any such damages by SCB is reasonably expected by SCB, following consultation with outside counsel, to be fully covered (disregarding any deductible to be paid by SCB) under SCB's existing director and officer insurance policies, including any tail policy.

Section 5.16 Non-Competition and Non-Disclosure Agreement. Concurrently with the execution and delivery of this Agreement and effective upon Closing, SCB has caused certain non-executive directors of SCB and Sevier County Bank and certain individual Holders holding more than 10% of the issued and outstanding shares of SCB Common Stock to execute and deliver the Non-Competition and Non-Disclosure Agreement in substantially the form attached hereto as Exhibit C.

Section 5.17 Claims Letters. Concurrently with the execution and delivery of this Agreement and effective upon the Closing, SCB has caused certain directors of SCB and Sevier County Bank to execute and deliver the Claims Letter in the form attached hereto as Exhibit D.

Section 5.18 Director Resignations. SCB will cause to be delivered to SMBK resignations of all the directors of SCB and its Subsidiaries, such resignations to be effective as of the Effective Time.

Section 5.19 Coordination.

(a) Prior to the Effective Time, subject to applicable Laws, SCB and its Subsidiaries shall take any actions SMBK may reasonably request from time to time to better prepare the parties for integration of the operations of SCB and its Subsidiaries with SMBK and its Subsidiaries, respectively. Without limiting the foregoing, senior officers of SCB and SMBK shall meet from time to time as SMBK may reasonably request, and in any event not less frequently than monthly, to review the financial and operational affairs of SCB and its Subsidiaries, and SCB shall give due consideration to SMBK's input on such matters, with the understanding that, notwithstanding any other provision contained in this Agreement, neither SMBK nor SmartBank shall under any circumstance be permitted to exercise control of SCB or any of its Subsidiaries prior to the Effective Time. SCB shall permit representatives of SmartBank to be onsite at SCB and its Subsidiaries to facilitate integration of operations and assist with any other coordination efforts as necessary, provided such efforts shall be done without undue disruption to normal business operations, during normal business hours and at the expense of SMBK or SmartBank (not to include SCB's or its Subsidiaries' regular employee payroll).

(b) Prior to the Effective Time, subject to applicable Laws, SCB and its Subsidiaries shall take any actions SMBK may reasonably request in connection with negotiating any amendments, modifications, or terminations of any Leases or SCB Material Contracts that SMBK may request, including, but not limited to, actions necessary to cause any such amendments, modifications, or terminations to become effective prior to (to the extent that the conditions set forth in Article VI of this Agreement have already been satisfied), or immediately upon, the Closing, and shall cooperate with SMBK and will use its commercially reasonable efforts to negotiate specific provisions that may be requested by SMBK in connection with any such amendment, modification, or termination.

(c) From and after the date hereof, subject to applicable Laws, the Parties shall reasonably cooperate (provided that the Parties shall cooperate to reasonably minimize disruption to SCB's or its Subsidiaries' respective businesses) with the other in preparing for the prompt conversion or consolidation of systems and business operations promptly after the Effective Time (including by entering into customary confidentiality, non-disclosure, and similar agreements with the other party and appropriate service providers) and SCB shall, upon SMBK's reasonable request, introduce SMBK and its representatives to suppliers of SCB and its Subsidiaries for the purpose of facilitating the integration of SCB and its business into that of SMBK. In addition, after satisfaction of the conditions set forth in Section 6.01(a) and Section 6.01(b), subject to applicable Laws, SCB shall, upon SMBK's reasonable request, introduce SMBK and its representatives to customers of SCB and its Subsidiaries for the purpose of facilitating the integration of SCB and its business into that of SMBK. Any interaction between SMBK and SCB's and any of its Subsidiaries' customers and suppliers shall be coordinated by SCB. SCB shall have the right to participate in any discussions between SMBK and SCB's customers and suppliers.

(d) SMBK and SCB agree to take all action necessary and appropriate to cause Sevier County Bank to merge with SmartBank in accordance with applicable Laws and the terms of the Plan of Bank Merger immediately following the Effective Time or as promptly as practicable thereafter.

Section 5.20 Transactional Expenses. SCB shall use its commercially reasonable efforts to cause the aggregate amount of all SCB Expenses (as previously provided to SMBK and referenced in Section 3.35) to not materially exceed the total expenses disclosed in such estimate. SCB shall promptly notify SMBK if or when it determines that it expects to exceed its total budget for SCB Expenses. Notwithstanding anything to the contrary in this Section 5.20, SCB shall not incur any investment banking, brokerage, finders, or other similar financial advisory fees in connection with the transactions contemplated by this Agreement other than those expressly disclosed to SMBK. SCB will further take all actions necessary to accrue any and all costs, fees, expenses, contract payments, penalties or liquidated damages necessary to be paid in connection with the termination of each SCB contract or agreement requested by SMBK to be amended, modified or terminated. For the avoidance of doubt, SMBK will be responsible for the amendment, modification or termination of any contract or agreement subject to this Section 5.20 after the Closing Date.

Section 5.21 Confidentiality. Prior to the execution of this Agreement and prior to the consummation of the Merger, subject to applicable Laws, each of SMBK and SCB, and their respective Subsidiaries, affiliates, officers, directors, agents, employees, consultants, and advisors have provided, and will continue to provide one another with information which may be deemed by the party providing the information to be non-public, proprietary and/or confidential, including, but not limited to, trade secrets of the disclosing party. Each Party agrees that it will, and will cause its representatives to, hold any information obtained pursuant to this Article V in accordance with the terms of the Mutual Non-Disclosure Agreement, dated as of February 1, 2021, by and among SMBK and SCB.

Section 5.22 Tax Treatment. The Parties intend that the Merger shall qualify as a “reorganization” within the meaning of Section 368(a) of the Code and the Regulations promulgated thereunder, and that this Agreement shall constitute a “plan of reorganization” within the meaning of Sections 354 and 361 of the Code. Except as expressly contemplated or permitted by this Agreement, from and after the date of this Agreement, each of SMBK and SCB shall use their respective reasonable best efforts to cause the Merger to qualify as a reorganization within the meaning of Section 368(a) of the Code, and will not take any action, cause any action to be taken, fail to take any action or cause any action to fail to be taken which action or failure to act is intended or is reasonably likely to prevent the Merger from qualifying as a reorganization within the meaning of Section 368(a) of the Code.

Section 5.23 Adjusted SCB Shareholders’ Calculation. As soon as reasonably practicable after the after the satisfaction of the conditions to the Closing set forth in Article VI, SCB shall provide to SMBK its calculation of the Consolidated SCB Shareholders’ Equity as of the last day of the immediately preceding month (the “*Calculation Date*”). SMBK shall review such calculation and notify SCB of any disputes in respect of such calculation within five (5) Business Days of receipt of such calculation, which notice shall set forth in reasonable detail the basis for such dispute (the “*Disputed Items*”). If SMBK and SCB are unable to resolve any Disputed Items within an additional five (5) Business Days (or such longer period as SMBK and SCB shall mutually agree in writing) of notice of a dispute, then the parties shall engage an independent accounting firm of national reputation, which independent accounting firm shall not be currently engaged by either SMBK or SCB (the “*Independent Auditors*”) to resolve all issues having a bearing on such dispute and such resolution shall be final and binding on the Parties. The Independent Auditors shall only decide the specific items under dispute by the parties. The parties shall cooperate in good faith to assist the Independent Auditors in connection with its work and to provide any information reasonably requested by the Independent Auditors in connection therewith as promptly as possible. The Independent Auditors shall use commercially reasonable efforts to complete its work within ten (10) days of its engagement. The resolution of the Consolidated SCB Shareholders’ Equity as determined by the Independent Auditors or as otherwise agreed by SMBK and SCB in writing shall be binding on the Parties.

Section 5.24 Investor Agreements. SCB will use commercially reasonable efforts to terminate, effective immediately prior to the Effective Time, certain SCB Investor Agreements as more fully described in SMBK Disclosure Schedule 5.24.

ARTICLE VI
CONDITIONS TO CONSUMMATION OF THE MERGER

Section 6.01 Conditions to Obligations of the Parties to Effect the Merger. The respective obligations of the Parties to consummate the Merger are subject to the fulfillment or, to the extent permitted by applicable Law, written waiver by the Parties prior to the Closing Date of each of the following conditions:

(a) Shareholder Vote. This Agreement and the transactions contemplated hereby, as applicable, shall have received the Requisite SCB Shareholder Approval at the SCB Meeting.

(b) Regulatory Approvals: No Burdensome Condition. All Regulatory Approvals required to consummate the Merger and the Bank Merger in the manner contemplated herein shall have been obtained and shall remain in full force and effect and all statutory waiting periods in respect thereof, if any, shall have expired or been terminated, and no such Regulatory Approval includes or contains, or shall have resulted in the imposition of, any Burdensome Condition.

(c) No Injunctions or Restraints: Illegality. No judgment, order, injunction, or decree issued by any court or agency of competent jurisdiction or other legal restraint or prohibition preventing the consummation of any of the transactions contemplated hereby shall be in effect. No statute, rule, regulation, order, injunction, or decree shall have been enacted, entered, promulgated, or enforced by any Governmental Authority that prohibits or makes illegal the consummation of any of the transactions contemplated hereby.

(d) Effective Registration Statement. The Registration Statement shall have become effective and no stop order suspending the effectiveness of the Registration Statement shall have been issued and no proceedings for that purpose shall have been initiated or threatened by the SEC or any other Governmental Authority.

(e) NASDAQ Listing. The shares of SMBK Common Stock to be issued in connection with the transactions contemplated by this Agreement shall be approved for listing on the NASDAQ.

(f) Tax Opinions Relating to the Merger. SMBK and SCB, respectively, shall have received opinions from Alston & Bird LLP and Baker, Donelson, Bearman, Caldwell & Berkowitz, PC, respectively, each dated as of the Closing Date, in substance and form reasonably satisfactory to SMBK and SCB, respectively, to the effect that, on the basis of the facts, representations and assumptions set forth in such opinions, the Merger will be treated for federal income tax purposes as a "reorganization" within the meaning of Section 368(a) of the Code. In rendering their opinions, Alston & Bird LLP and Baker, Donelson, Bearman, Caldwell & Berkowitz, PC may require and rely upon representations as to certain factual matters contained in certificates of officers of each of SMBK and SCB or any subsidiary thereof, in form and substance reasonably acceptable to such counsel.

Section 6.02 Conditions to Obligations of SCB. The obligations of SCB to consummate the Merger also are subject to the fulfillment or written waiver by SCB prior to the Closing Date of each of the following conditions:

(a) Representations and Warranties. The representations and warranties of SMBK (i) set forth in Section 4.09 shall be true and correct in all respects as of the date of this Agreement and as of the Closing Date with the same effect as though made as of the Closing Date, (ii) Section 4.01, Section 4.02, Section 4.03(a), and Section 4.04 shall be true and correct in all material respects as of the date of this Agreement and as of the Closing Date with the same effect as though made as of the Closing Date (except to the extent expressly made as of an earlier date, in which case as of such date) and (iii) set forth in this Agreement, other than those sections specifically identified in clauses (i) or (ii) of this Section 6.02(a), shall be true and correct (disregarding all qualifications or limitations as to “materiality,” “Material Adverse Effect,” and words of similar import set forth therein) as of the date of this Agreement and as of the Closing Date with the same effect as though made as of the Closing Date (except to the extent expressly made as of an earlier date, in which case as of such date), except, in the case of this clause (iii), where the failure to be true and correct would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect with respect to SMBK. SCB shall have received a certificate signed on behalf of SMBK by the Chief Executive Officer or the Chief Financial Officer of SMBK to the foregoing effect.

(b) Performance of Obligations of SMBK. SMBK shall have performed and complied with all of its obligations under this Agreement in all material respects at or prior to the Closing Date except where the failure of the performance of, or compliance with, such obligation has not had and does not have a Material Adverse Effect on SMBK, and SCB shall have received a certificate, dated the Closing Date, signed on behalf of SMBK by its Chief Executive Officer and the Chief Financial Officer to such effect.

(c) No Material Adverse Effect. Since the date of this Agreement no change, development, effect, event, or circumstance has occurred which has resulted in SMBK or SmartBank being subject to a Material Adverse Effect.

Section 6.03 Conditions to Obligations of SMBK. The obligations of SMBK to consummate the Merger also are subject to the fulfillment or written waiver by SMBK prior to the Closing Date of each of the following conditions:

(a) Representations and Warranties. The representations and warranties of SCB (i) set forth in Section 3.02 and Section 3.09(b) shall be true and correct in all respects as of the date of this Agreement and as of the Closing Date as though made as of the Closing Date, (ii) the first sentence of Section 3.01, Section 3.04(a), Section 3.05, Section 3.08, Section 3.14, and Section 3.34 shall be true and correct in all material respects as of the date of this Agreement and as of the Closing Date with the same effect as though made as of the Closing Date (except to the extent expressly made as of an earlier date, in which case as of such date), and (iii) set forth in this Agreement, other than those sections specifically identified in clauses (i) or (ii) of this Section 6.03(a), shall be true and correct (disregarding all qualifications or limitations as to “materiality,” “Material Adverse Effect,” and words of similar import set forth therein) as of the date of this Agreement and as of the Closing Date with the same effect as though made as of the Closing Date (except to the extent expressly made as of an earlier date, in which case as of such date), except, in the case of this clause (iii), where the failure to be true and correct would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect with respect to SCB. SMBK shall have received a certificate signed on behalf of SCB by the Chief Executive Officer or the Executive Chairman of SCB to the foregoing effect.

(b) Performance of Obligations of SCB. SCB shall have performed and complied with all of its obligations under this Agreement in all material respects at or prior to the Closing Date, and SMBK shall have received a certificate, dated the Closing Date, signed on behalf of SCB by SCB's Chief Executive Officer and Chief Financial Officer, to such effect.

(c) No Material Adverse Effect. Since the date of this Agreement (i) no change or event has occurred which has resulted in SCB or any of its Subsidiaries being subject to a Material Adverse Effect and (ii) no condition, event, fact, circumstance or other occurrence has occurred that may reasonably be expected to have or result in such parties being subject to a Material Adverse Effect.

(d) Bank Plan of Merger. Except as otherwise contemplated by Section 1.03, the Bank Plan of Merger shall have been executed and delivered.

(e) Dissenting Shares. Dissenting Shares shall be less than 10% of the issued and outstanding shares of SCB Common Stock.

(f) Consents and Approvals. SCB has received, in form and substance satisfactory to SCB and SMBK, all consents, approvals, waivers and other assurances from all non-governmental third parties which are required to be obtained under the terms of any contract, agreement, or instrument to which SCB or any of its Subsidiaries is a party or by which any of their respective properties is bound in order to prevent the consummation of the transactions contemplated by this Agreement from constituting a default under such contract, agreement, or instrument or creating any lien, claim or charge upon any of the assets of SCB or any of its Subsidiaries.

(g) Certification of Non-Foreign Status. SMBK shall have received from SCB, under penalties of perjury, (i) a notice to the IRS conforming to the requirements of Regulations Section 1.897-2(h) executed (which, for the avoidance of doubt, shall be mailed to the IRS by SMBK within 30 days of receipt from SCB) by SCB and (ii) a certificate stating that SCB is not and has not been a United States real property holding corporation, pursuant to Regulations Section 1.1445-2(c)(3) and in form and in substance required under Regulations Section 1.897-2(h), dated as of the Closing Date, and as reasonably acceptable to SMBK.

(h) Termination of SCB Investor Agreements. SCB shall have terminated certain SCB Investor Agreements as contemplated in accordance with Section 5.24.

(i) Employee Arrangements. SCB shall have entered into employment arrangements with the SCB employees listed on SMBK Disclosure Schedule 6.03(i) on terms that are reasonably acceptable to SMBK and that are consistent with the terms set forth on SMBK Disclosure Schedule 6.03(i).

Section 6.04 Frustration of Closing Conditions. Neither SMBK nor SCB may rely on the failure of any condition set forth in Section 6.01, Section 6.02 or Section 6.03, as the case may be, to be satisfied if such failure was caused by such Party's failure to use its reasonable best efforts to consummate any of the transactions contemplated hereby, as required by and subject to Section 5.03.

**ARTICLE VII
TERMINATION**

Section 7.01 Termination. This Agreement may be terminated, and the transactions contemplated hereby may be abandoned:

(a) Mutual Consent. At any time prior to the Effective Time, by the mutual consent, in writing, of SMBK and SCB if the board of directors of SMBK and the board of directors of SCB each so determines by vote of a majority of the members of its entire board.

(b) No Regulatory Approval. By SMBK or SCB, if either of their respective boards of directors so determines by a vote of a majority of the members of its entire board, in the event any Regulatory Approval required for consummation of the transactions contemplated by this Agreement shall have been denied by final, non-appealable action by such Governmental Authority or an application therefor shall have been permanently withdrawn at the request of a Governmental Authority.

(c) No Shareholder Approval. By either SMBK or SCB (provided, in the case of SCB, that it shall not be in breach of any of its obligations under Section 5.04), if the Requisite SCB Shareholder Approval at the SCB Meeting shall not have been obtained by reason of the failure to obtain the required vote at a duly held meeting of such shareholders or at any adjournment or postponement thereof.

(d) Breach of Representations and Warranties. This Agreement may be terminated at any time prior to the Effective Time by action of either the board of directors of SMBK or the board of directors of SCB (provided, that the terminating party is not then in material breach of any representation, warranty, covenant, or other agreement contained herein) if there shall have been a material breach of any of the covenants or agreements or any of the representations or warranties (or any such representation or warranty shall cease to be true) set forth in this Agreement on the part of SCB, in the case of a termination by SMBK, or SMBK, in the case of a termination by SCB, which breach or failure to be true, either individually or in the aggregate with all other breaches by such Party (or failures of such representations or warranties to be true), would constitute, if occurring or continuing on the Closing Date, the failure of a condition set forth in Section 6.02, in the case of a termination by SCB, or Section 6.03, in the case of a termination by SMBK, and which is not cured by the earlier of the (i) two business days prior to the Termination Date or (ii) 30 days following written notice to the SCB, in the case of a termination by SMBK, or to SMBK, in the case of a termination by the SCB, or by its nature or timing cannot be cured during such period.

(e) Delay. By either SMBK or SCB if the Merger shall not have been consummated on or before December 31, 2021, *provided, however*, that such date will be automatically extended to June 30, 2022, if the only outstanding condition to Closing under Article VI is the receipt of all Regulatory Approvals (the "*Expiration Date*"), unless the failure of the Closing to occur by such date shall be due to a material breach of this Agreement by the Party seeking to terminate this Agreement.

(f) Failure to Recommend; Etc. In addition to and not in limitation of SMBK's termination rights under Section 7.01(e), by SMBK if (i) there shall have been a material breach of Section 5.04 or Section 5.09 by SCB, or (ii) the board of directors of SCB takes an Adverse Recommendation Action.

(g) Superior Proposal. By SCB at any time before obtaining the Requisite SCB Shareholder Approval if the board of directors of SCB authorizes SCB, in compliance with the terms of this Agreement, to enter into a binding definitive agreement in respect of a Superior Proposal with a third party, provided, that SCB shall have paid any amounts due pursuant to Section 7.02 in accordance with the terms, and at the times, specified therein; *provided, further*, that, in the event of such termination, SCB concurrently enters into such binding definitive agreement.

Section 7.02 Termination Fee.

(a) In recognition of the efforts, expenses and other opportunities foregone by SMBK while structuring and pursuing the Merger, SCB shall pay to SMBK a termination fee of \$2,000,000 ("**Termination Fee**"), by wire transfer of immediately available funds to an account specified by SMBK in the event of any of the following: (i) if SCB terminates this Agreement pursuant to Section 7.01(g), then SCB shall pay SMBK the Termination Fee prior to and as a condition of such termination in accordance with Section 7.01(g); (ii) if SMBK terminates this Agreement pursuant to Section 7.01(f), then SCB shall pay SMBK the Termination Fee within one Business Day after notification of such termination has been provided to the other Party; or (iii) if, after the date of this Agreement and prior to the termination of this Agreement, an Acquisition Proposal shall have been made known to senior management of SCB or has been made directly to its shareholders generally or any Person shall have publicly announced (and not withdrawn) an Acquisition Proposal with respect to SCB and (A) thereafter this Agreement is terminated (x) by either SMBK or SCB pursuant to Section 7.01(c) because the Requisite SCB Shareholder Approval shall not have been obtained or (y) by SMBK pursuant to Section 7.01(d), and (B) prior to the date that is twelve months after the date of such termination, SCB enters into any agreement or consummates a transaction with respect to an Acquisition Proposal (whether or not the same Acquisition Proposal as that referred to above), then SCB shall, on the earlier of the date it enters into such agreement and the date of consummation of such transaction, pay SMBK the Termination Fee, *provided*, that for purposes of this Section 7.02(a)(iii), all references in the definition of Acquisition Proposal to "20%" shall instead refer to "50%".

(b) SCB and SMBK each agree that the agreements contained in this Section 7.02 are an integral part of the transactions contemplated by this Agreement, and that, without these agreements, SMBK would not enter into this Agreement; accordingly, if SCB fails promptly to pay any amounts due under this Section 7.02, SCB shall pay interest on such amounts from the date payment of such amounts were due to the date of actual payment at the rate of interest equal to the sum of (i) the rate of interest published from time to time in The Wall Street Journal, Eastern Edition (or any successor publication thereto), designated therein as the prime rate on the date such payment was due, plus (ii) 200 basis points, together with the costs and expenses of SMBK (including reasonable legal fees and expenses) in connection with such suit.

(c) Notwithstanding anything to the contrary set forth in this Agreement, the Parties agree that if SCB pays or causes to be paid to SMBK the Termination Fee in accordance with Section 7.02(a), SCB (or any successor in interest of SCB) will not have any further obligations or liabilities to SMBK with respect to this Agreement or the transactions contemplated by this Agreement.

Section 7.03 Effect of Termination. Except as set forth in Section 7.02(c), termination of this Agreement will not relieve a breaching party from liability for any breach of any covenant, agreement, representation, or warranty of this Agreement (a) giving rise to such termination and (b) resulting from fraud or any willful and material breach.

ARTICLE VIII DEFINITIONS

Section 8.01 Definitions. The following terms are used in this Agreement with the meanings set forth below:

“*280G Disclosure*” has the meaning set forth in Section 5.01(b).

“*280G Waiver*” has the meaning set forth in Section 5.01(b).

“*Acquisition Proposal*” has the meaning set forth in Section 5.09(a).

“*Acquisition Transaction*” has the meaning set forth in Section 5.09(a).

“*Adverse Recommendation Action*” Has the meaning set forth in Section 5.09(d).

“*Affiliate*” means, with respect to any Person, any other Person controlling, controlled by, or under common control with such Person. As used in this definition, “control” (including, with its correlative meanings, “controlled by” and “under common control with”) means the possession, directly or indirectly, of power to direct or cause the direction of the management and policies of a Person whether through the ownership of voting securities, by contract or otherwise.

“*Agreement*” has the meaning set forth in the preamble to this Agreement.

“*Articles of Merger*” has the meaning set forth in Section 1.04(a).

“*ASC 320*” means GAAP Accounting Standards Codification Topic 320.

“*Associate*” when used to indicate a relationship with any Person means (1) any corporation or organization (other than SCB or any of its Subsidiaries) of which such Person is an officer or partner or is, directly or indirectly, the beneficial owner of 10% or more of any class of equity securities, (2) any trust or other estate in which such Person has a substantial beneficial interest or serves as trustee or in a similar fiduciary capacity, or (3) any relative or family member of such Person.

“**Bank Merger**” has the meaning set forth in Section 1.03.

“**Bank Plan of Merger**” has the meaning set forth in Section 1.03.

“**Bank Secrecy Act**” means the Bank Secrecy Act of 1970, as amended.

“**BOLI**” has the meaning set forth in Section 3.32(b).

“**Book-Entry Shares**” means any non-certificated share held by book entry in SCB’s stock transfer book, which immediately prior to the Effective Time represents an outstanding share of SCB Common Stock.

“**Burdensome Condition**” has the meaning set forth in Section 5.06(a).

“**Business Day**” means Monday through Friday of each week, except a legal holiday recognized as such by the U.S. government or any day on which banking institutions in the State of Tennessee are authorized or obligated to close.

“**Calculation Date**” has the meaning set forth in Section 5.23.

“**CARES Act**” has the meaning set forth in Section 3.11(e).

“**Certificate**” means any outstanding certificate, which immediately prior to the Effective Time, represents an outstanding share of SCB Common Stock.

“**Claim**” has the meaning set forth in Section 5.10(a).

“**Closing**” and “**Closing Date**” have the meanings set forth in Section 1.04(b).

“**Code**” has the meaning set forth in the Recitals.

“**Community Reinvestment Act**” means the Community Reinvestment Act of 1977, as amended.

“**Consolidated SCB Shareholders’ Equity**” means consolidated shareholders’ equity of SCB and all of its Subsidiaries determined in accordance with GAAP consistently applied for prior periods; *provided, however*, that (A) any accruals established or expenses taken by SCB at the request of SMBK in relation to the transactions contemplated by this Agreement (including pursuant to Section 5.20); (B) the aggregate expenses of attorneys, accountants, consultants, financial advisors, and other professional advisors incurred by SCB or any Subsidiary of SCB in connection with this Agreement or the transactions contemplated hereby, including those incurred prior to the execution of this Agreement; (C) any amounts paid or payable to any director, officer, or employee of SCB or any Subsidiary of SCB under any contract, severance arrangement, benefit plan, or employment practice of SCB or any Subsidiary of SCB and all other payroll and non-payroll related costs and expenses; (D) costs associated with the termination of the Bank 401(k) Plan, and any other employee benefit plan, except as otherwise expressly provided herein; (E) costs associated with the termination of vendor agreements with Jack Henry; (F) any income tax benefit related to the recapture of deferred tax assets recognized on or after January 1, 2021; (G) investment banking fees and similar payments for services performed prior to the Effective Time that may not be deemed earned unless and until the Merger has become effective; (H) any changes to the valuation of the Company’s investment portfolio attributed to ASC 320, whether upward or downward, from December 31, 2020, until the Calculation Date; and (I) any other expenses incurred in connection with the transactions contemplated hereby (for purposes of clarity only and not in limitation of the foregoing, costs associated with the termination of any SCB Material Contract shall be an expense excluded from the calculation of Consolidated SCB Shareholders’ Equity pursuant to this Item (I)); in each case incurred or to be incurred by SCB or any SCB Subsidiary through the Effective Time in connection with this Agreement and the transactions contemplated hereby, will not reduce or impact the calculation of the SCB Consolidated Shareholders’ Equity for purposes of this Section, and further provided that any provision for loan and lease losses by Sevier County Bank after the date of this Agreement shall be disregarded for purposes of calculating the SCB Consolidated Shareholders’ Equity if such provision decreases Sevier County Bank’s allowance for loan and lease losses. All such excluded amounts shall also be determined in accordance with GAAP. Additionally, SCB shall provision for new loan growth in accordance with its normal accounting and allowance for loan loss procedures and shall not delay or postpone provisioning such that the result would be an enhancement to earnings for the purposes of this calculation.

“**Controlled Group Members**” means any of SCB’s related organizations described in Code Sections 414.

“**Covered Employees**” has the meaning set forth in Section 5.11(a).

“**COVID-19 Measures**” has the meaning set forth in Section 3.11(e).

“**D&O Insurance**” has the meaning set forth in Section 5.10(d).

“**Derivative Transaction**” means any swap transaction, option, warrant, forward purchase or sale transaction, futures transaction, cap transaction, floor transaction or collar transaction relating to one or more currencies, commodities, bonds, equity securities, loans, interest rates, catastrophe events, weather-related events, credit-related events or conditions or any indexes, or any other similar transaction (including any option with respect to any of these transactions) or combination of any of these transactions, including collateralized mortgage obligations or other similar instruments or any debt or equity instruments evidencing or embedding any such types of transactions, and any related credit support, collateral, or other similar arrangements related to any such transaction or transactions.

“**Determination Date**” means the day that is five Business Days prior to the Closing Date.

“**Disputed Items**” has the meaning set forth in Section 5.23.

“**Dissenting Shareholder**” has the meaning set forth in Section 2.01(c).

“**Dissenting Shares**” has the meaning set forth in Section 2.01(c).

“**Dodd-Frank Act**” means the Dodd-Frank Wall Street Reform and Consumer Protection Act.

“**Effective Time**” has the meaning set forth in [Section 1.04\(a\)](#).

“**Enforceability Exception**” has the meaning set forth in [Section 3.05](#).

“**Environmental Law**” means any federal, state, or local Law relating to: (a) pollution, the protection or restoration of the indoor or outdoor environment, human health and safety, or natural resources, (b) the handling, use, presence, disposal, release or threatened release of any Hazardous Substance, or (c) any injury or threat of injury to persons or property in connection with any Hazardous Substance. The term Environmental Law includes, but is not limited to, the following statutes, as amended, any successor thereto, and any regulations promulgated pursuant thereto, and any state or local statutes, ordinances, rules, or regulations addressing similar issues: (a) Comprehensive Environmental Response, Compensation and Liability Act, as amended by the Superfund Amendments and Reauthorization Act of 1986, as amended, 42 U.S.C. § 9601 et seq.; the Resource Conservation and Recovery Act, as amended, 42 U.S.C. § 6901, et seq.; the Clean Air Act, as amended, 42 U.S.C. § 7401, et seq.; the Federal Water Pollution Control Act, as amended, 33 U.S.C. § 1251, et seq.; the Toxic Substances Control Act, as amended, 15 U.S.C. § 2601, et seq.; the Emergency Planning and Community Right to Know Act, 42 U.S.C. § 1101, et seq.; the Safe Drinking Water Act; 42 U.S.C. § 300f, et seq.; the Occupational Safety and Health Act, 29 U.S.C. § 651, et seq.; (b) common Law that may impose liability (including without limitation strict liability) or obligations for injuries or damages due to the presence of or exposure to any Hazardous Substance.

“**Equal Credit Opportunity Act**” means the Equal Credit Opportunity Act, as amended.

“**Equity Shortfall Amount**” has the meaning set forth in [Section 2.01\(e\)](#).

“**ERISA**” means the Employee Retirement Income Security Act of 1974, as amended.

“**ERISA Affiliate**” has the meaning set forth in [Section 3.15\(a\)](#).

“**Exchange Act**” means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

“**Exchange Agent**” means such exchange agent as may be designated by SMBK (which shall be SMBK’s transfer agent), and reasonably acceptable to SCB, to act as agent for purposes of conducting the exchange procedures described in [Article II](#).

“**Exchange Fund**” has the meaning set forth in [Section 2.07\(a\)](#).

“**Expiration Date**” has the meaning set forth in [Section 7.01\(f\)](#).

“**Fair Credit Reporting Act**” means the Fair Credit Reporting Act, as amended.

“**Fair Housing Act**” means the Fair Housing Act, as amended.

“**FDIA**” has the meaning set forth in [Section 3.27](#).

“**FDIC**” means the Federal Deposit Insurance Corporation.

“**FFIEC**” means the Federal Financial Institutions Examination Council.

“**Financial Statements**” has the meaning set forth in [Section 3.07\(a\)](#).

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

“**GAAP**” means generally accepted accounting principles in the United States of America, applied consistently with past practice, including with respect to quantity and frequency.

“**Governmental Authority**” means any U.S. or foreign federal, state, or local governmental commission, board, body, bureau, or other regulatory authority or agency, including, without limitation, courts and other judicial bodies, bank regulators, insurance regulators, applicable state securities authorities, the SEC, the IRS, or any self-regulatory body or authority, including any instrumentality or entity designed to act for or on behalf of the foregoing.

“**Hazardous Substance**” means any and all substances (whether solid, liquid, or gas) defined, listed, or otherwise regulated as pollutants, hazardous wastes, hazardous substances, hazardous materials, extremely hazardous wastes, flammable or explosive materials, radioactive materials, or words of similar meaning or regulatory effect under any present or future Environmental Law or that may have a negative impact on human health or the environment, including, but not limited to, petroleum and petroleum products, asbestos and asbestos-containing materials, polychlorinated biphenyls, lead, radon, radioactive materials, flammables and explosives, mold, mycotoxins, microbial matter, and airborne pathogens (naturally occurring or otherwise). Hazardous Substance does not include substances of kinds and in amounts ordinarily and customarily used or stored for the purposes of cleaning or other maintenance or operations.

“**Holder**” means the holder of record of shares of SCB Common Stock.

“**Home Mortgage Disclosure Act**” means Home Mortgage Disclosure Act of 1975, as amended.

“**Indemnified Parties**” and “**Indemnifying Party**” have the meanings set forth in [Section 5.10\(a\)](#).

“**Independent Auditors**” has the meaning set forth in [Section 5.23](#).

“**Informational Systems Conversion**” has the meaning set forth in [Section 5.13](#).

“**Insurance Policies**” has the meaning set forth in [Section 3.32\(a\)](#).

“**Intellectual Property**” means (a) trademarks, service marks, trade names, Internet domain names, designs, logos, slogans, and general intangibles of like nature, together with all goodwill, registrations, and applications related to the foregoing; (b) patents and industrial designs (including any continuations, divisionals, continuations-in-part, renewals, reissues, and applications for any of the foregoing); (c) copyrights (including any registrations and applications for any of the foregoing); (d) Software (excluding off-the-shelf Software); and (e) technology, trade secrets, and other confidential information, know-how, proprietary processes, formulae, algorithms, models, and methodologies.

“**IRS**” means the United States Internal Revenue Service.

“**Knowledge**” means, with respect to SCB, the actual knowledge, of the Persons set forth in SCB Disclosure Schedule 8.01, after due inquiry of their direct subordinates who would be likely to have knowledge of such matter, and with respect to SMBK, the actual knowledge of the Persons set forth in SMBK Disclosure Schedule 8.01, after due inquiry of their direct subordinates who would be likely to have knowledge of such matter.

“**Law**” means any federal, state, local or foreign Law, statute, ordinance, rule, regulation, judgment, order, injunction, decree, arbitration award, agency requirement, license, or permit of any Governmental Authority that is applicable to the referenced Person.

“**Leases**” has the meaning set forth in Section 3.30(b).

“**Letter of Transmittal**” has the meaning set forth in Section 2.06.

“**Liens**” means any charge, mortgage, pledge, security interest, restriction, claim, lien or encumbrance, conditional and installment sale agreement, charge, claim, option, rights of first refusal, encumbrances, or security interest of any kind or nature whatsoever (including any limitation on voting, sale, transfer, or other disposition or exercise of any other attribute of ownership).

“**Loans**” has the meaning set forth in Section 3.22(a).

“**Material Adverse Effect**” with respect to any Party means (i) any change, development, effect, event, or circumstance that individually or in the aggregate is, or is reasonably likely to be, material and adverse to the condition (financial or otherwise), results of operations, liquidity, assets, deposits, liabilities, properties, or business of such party and its Subsidiaries, taken as a whole, or (ii) any change, development, or effect that individually or in the aggregate would, or would be reasonably likely to, materially impair the ability of such Party to perform its obligations under this Agreement or otherwise materially impairs, or is reasonably likely to materially impair, the ability of such Party to consummate the Merger and the transactions contemplated hereby; *provided, however*, that, in the case of clause (i) only, a Material Adverse Effect shall not be deemed to include the impact of (A) changes after the date of this Agreement in banking and similar Laws of general applicability or interpretations thereof by Governmental Authorities (except to the extent that such change disproportionately adversely affects SCB and its Subsidiaries or SMBK and its Subsidiaries, as the case may be, compared to other companies of similar size operating in the same industry in which SCB and SMBK operate, in which case only the disproportionate effect will be taken into account), (B) changes after the date of this Agreement in GAAP or regulatory accounting requirements applicable to banks or bank holding companies generally (except to the extent that such change disproportionately adversely affects SCB and its Subsidiaries or SMBK and its Subsidiaries, as the case may be, compared to other companies of similar size operating in the same industry in which SCB and SMBK operate, in which case only the disproportionate effect will be taken into account), (C) changes after the date of this Agreement in global, national, or regional political conditions (including the outbreak of war or acts of terrorism) or in economic or market (including equity, credit and debt markets, as well as changes in interest rates) conditions affecting the financial services industry generally (except to the extent that such change disproportionately adversely affects SCB and its Subsidiaries or SMBK and its Subsidiaries, as the case may be, compared to other companies of similar size operating in the same industry in which SCB and SMBK operate, in which case only the disproportionate effect will be taken into account), (D) public disclosure of the transactions contemplated hereby or actions expressly required by this Agreement or actions or omissions that are taken with the prior written consent of the other Party, or as otherwise expressly permitted or contemplated by this Agreement, (E) any failure by SCB or SMBK to meet any internal or published industry analyst projections or forecasts or estimates of revenues or earnings for any period (it being understood and agreed that the facts and circumstances giving rise to such failure that are not otherwise excluded from the definition of Material Adverse Effect may be taken into account in determining whether there has been a Material Adverse Effect), (F) changes in the trading price or trading volume of SMBK Common Stock (it being understood and agreed that the facts and circumstances giving rise to such changes that are not otherwise excluded from the definition of Material Adverse Effect may be taken into account in determining whether there has been a Material Adverse Effect), and (G) the impact of this Agreement and the transactions contemplated hereby on relationships with customers or employees (including the loss of personnel subsequent to the date of this Agreement).

“**Maximum D&O Tail Premium**” has the meaning set forth in Section 5.10(d).

“**Merger**” has the meaning set forth in the recitals.

“**Merger Consideration**” means the Per Share Stock Consideration together with the Per Share Cash Consideration.

“**Minimum Equity Amount**” means Consolidated SCB Shareholders’ Equity of \$30,326,000.

“**NASDAQ**” means The NASDAQ Global Select Market.

“**National Labor Relations Act**” means the National Labor Relations Act, as amended.

“**Notice of Superior Proposal**” has the meaning set forth in Section 5.09(e).

“**Ordinary Course of Business**” means the ordinary, usual, and customary course of business of SCB and SCB’s Subsidiaries consistent with past practice, including with respect to frequency and amount.

“**OREO**” has the meaning set forth in Section 3.22(b).

“**Party**” or “**Parties**” have the meaning set forth in the preamble.

“**Person**” means any individual, bank, corporation, partnership, association, joint-stock company, business trust, limited liability company, unincorporated organization, or other organization or firm of any kind or nature.

“**PPP**” has the meaning set forth in Section 3.11(f).

“**Proxy Statement-Prospectus**” means the proxy statement and prospectus and other proxy solicitation materials of SMBK and SCB relating to the SCB Meeting.

“**Recalculated Per Share Stock Consideration**” has the meaning set forth in Section 2.01(e).

“**Registration Statement**” means the Registration Statement on Form S-4 to be filed with the SEC by SMBK in connection with the issuance of shares of SMBK Common Stock in the Merger (including the Proxy Statement-Prospectus constituting a part thereof).

“**Regulations**” means the final and temporary regulations promulgated under the Code by the United States Department of the Treasury.

“**Regulatory Approval**” has the meaning set forth in Section 3.06(a).

“**Requisite SCB Shareholder Approval**” means approval of this Agreement by a vote (in person or by proxy) of the majority of the outstanding shares of SCB Common Stock entitled to vote thereon at the SCB Meeting.

“**Rights**” means, with respect to any Person, warrants, options, rights, convertible securities, and other arrangements or commitments which obligate the Person to issue or dispose of any of its capital stock or other ownership interests.

“**Sarbanes-Oxley Act**” means the Sarbanes-Oxley Act of 2002, as amended.

“**SCB**” has the meaning set forth in the preamble to this Agreement.

“**SCB 401(a) Plan**” has the meaning set forth in Section 3.15(c).

“**SCB Benefit Plans**” has the meaning set forth in Section 3.15(a).

“**SCB Cancelled Shares**” has the meaning set forth in Section 2.01(b).

“**SCB Common Stock**” means the SCB Class A Common Stock and the SCB Class B Common Stock.

“**SCB Disclosure Schedule**” has the meaning set forth in Article III.

“**SCB Employees**” has the meaning set forth in Section 3.15(a).

“**SCB Expenses**” has the meaning set forth in Section 3.35.

“**SCB Financial Advisor**” has the meaning set forth in Section 3.14.

“**SCB Intellectual Property**” means the Intellectual Property used in or held for use in the conduct of the business of SCB and its Subsidiaries.

“**SCB Investment Securities**” means the investment securities of SCB and its Subsidiaries.

“**SCB Loan**” has the meaning set forth in Section 3.22(c).

“**SCB Material Contracts**” has the meaning set forth in Section 3.12(a).

“**SCB Meeting**” has the meaning set forth in Section 5.04(a).

“**SCB Recommendation**” has the meaning set forth in Section 5.04(b).

“**SCB Regulatory Agreement**” has the meaning set forth in Section 3.13.

“**SCB Representatives**” has the meaning set forth in Section 5.09(a).

“**SCB Restricted Share**” has the meaning set forth in Section 2.02(a).

“**SCB Stock Plans**” means all equity plans of SCB or any Subsidiary, each as amended to date.

“**SCB Subsequent Determination**” has the meaning set forth in Section 5.09(e).

“**SEC**” means the Securities and Exchange Commission.

“**Securities Act**” means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

“**Sevier County Bank**” has the meaning set forth in the Recitals.

“**SmartBank**” has the meaning set forth in the Recitals.

“**SMBK**” has the meaning set forth in the preamble to this Agreement.

“**SMBK Average Stock Price**” means the average closing price of the SMBK Common Stock as reported on the NASDAQ for the 10 consecutive Trading Days ending on the Trading Day immediately prior to the Determination Date.

“**SMBK Common Stock**” means the common stock, \$1.00 par value per share, of SMBK.

“**SMBK Disclosure Schedule**” has the meaning set forth in Article IV.

“**SMBK Reports**” has the meaning set forth in Section 4.05(a).

“**Software**” means computer programs, whether in source code or object code form (including any and all software implementation of algorithms, models and methodologies), databases and compilations (including any and all data and collections of data), and all documentation (including user manuals and training materials) related to the foregoing.

“**Subsidiary**” means, with respect to any party, any corporation or other entity of which a majority of the capital stock or other ownership interest having ordinary voting power to elect a majority of the board of directors or other persons performing similar functions are at the time directly or indirectly owned by such party. Any reference in this Agreement to a Subsidiary of SCB means, unless the context otherwise requires, any current or former Subsidiary of SCB.

“**Superior Proposal**” has the meaning set forth in Section 5.09(a).

“**Surviving Bank**” has the meaning set forth in Section 1.03.

“**Surviving Entity**” has the meaning set forth in the Recitals.

“**Tax**” and “**Taxes**” mean all federal, state, local, or foreign income, gross income, gains, gross receipts, sales, use, ad valorem, goods and services, capital, production, transfer, franchise, windfall profits, license, withholding, payroll, employment, disability, employer health, excise, estimated, severance, stamp, occupation, property, environmental, custom duties, unemployment, escheat, unclaimed property, or other taxes of any kind whatsoever, together with any interest, additions or penalties thereto and any interest in respect of such interest and penalties.

“**Tax Returns**” means any return, amended return, declaration, or other report (including but not limited to elections, declarations, schedules, estimates and information returns) required to be filed with any Governmental Authority with respect to any Taxes.

“**TBCA**” has the meaning set forth in Section 1.01.

“**Termination Fee**” has the meaning set forth in Section 7.02(a).

“**The date hereof**” or “**the date of this Agreement**” means the date first set forth above in the preamble to this Agreement.

“**TDFI**” has the meaning set forth in Section 3.06(a).

“**Trading Day**” means any day on which the NASDAQ is open for trading; provided that a “Trading Day” only includes those days that have a scheduled closing time of 4:00 p.m. (Eastern Time).

“**Transaction Value**” means the product of (a) the number of shares of SCB Stock issued and outstanding at the time of calculation, multiplied by (b) the Per Share Stock Consideration (without any adjustment), multiplied by (c) the SMBK Average Stock Price.

“**Truth in Lending Act**” means the Truth in Lending Act of 1968, as amended.

“**USA PATRIOT Act**” means the USA PATRIOT Act of 2001, Public Law 107-56, and the regulations promulgated thereunder.

“**Voting Agreement**” or “**Voting Agreements**” shall have the meaning set forth in the recitals to this Agreement.

**ARTICLE IX
MISCELLANEOUS**

Section 9.01 Survival. No representations, warranties, agreements, or covenants contained in this Agreement shall survive the Effective Time other than this Section 9.01 and any other agreements or covenants contained herein that by their express terms are to be performed after the Effective Time, including, without limitation, Section 5.10.

Section 9.02 Waiver; Amendment. Prior to the Effective Time and to the extent permitted by applicable Law, any provision of this Agreement may be (a) waived by the Party benefited by the provision, provided such waiver is in writing and signed by such Party, or (b) amended or modified at any time, by an agreement in writing among the Parties executed in the same manner as this Agreement, except that after the SCB Meeting no amendment shall be made which by Law requires further approval by the shareholders of SMBK or SCB without obtaining such approval. The waiver by any Party of a breach of any provision of this Agreement shall not operate or be construed as a further or continuing waiver of such breach or as a waiver of any other or subsequent breach.

Section 9.03 Governing Law; Jurisdiction; Waiver of Right to Trial by Jury.

(a) This Agreement shall be governed by, and interpreted and enforced in accordance with, the internal, substantive laws of the State of Tennessee, without regard for conflict of law provisions.

(b) Each Party agrees that it will bring any action or proceeding 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 Tennessee (the "*Tennessee 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 Tennessee Courts, (ii) waives any objection to laying venue in any such action or proceeding in the Tennessee Courts, (iii) waives any objection that the Tennessee 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 or proceeding will be effective if notice is given in accordance with Section 9.05.

(c) 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 such 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 in this Section 9.03.

Section 9.04 Expenses. Except as otherwise provided in Section 7.02, each Party will bear all expenses incurred by it in connection with this Agreement and the transactions contemplated hereby, including fees and expenses of its own financial consultants, accountants, and counsel. Nothing contained in this Agreement shall limit either Party's rights to recover any liabilities or damages arising out of the other Party's willful breach of any provision of this Agreement.

Section 9.05 Notices. All notices, requests and other communications hereunder to a Party, shall be in writing and shall be deemed properly given if delivered (a) personally, (b) by registered or certified mail (return receipt requested), with adequate postage prepaid thereon, (c) by properly addressed electronic mail delivery (with confirmation of delivery receipt), or (d) by reputable courier service to such Party at its address set forth below, or at such other address or addresses as such Party may specify from time to time by notice in like manner to the Parties. All notices shall be deemed effective upon delivery.

(a) if to SMBK, to:

SmartFinancial, Inc.
5401 Kingston Pike
Knoxville, Tennessee, 37319
Attn: William Y. Carroll, Jr.
E-mail: Billy.Carroll@smartbank.com

with a copy (which shall not constitute notice to SMBK) to:

Alston & Bird LLP
One Atlantic Center
1201 West Peachtree Street
Atlanta, GA 30309
Attn: Mark Kanaly
E-mail: mark.kanaly@alston.com

(b) if to SCB, to:

Sevier County Bancshares, Inc.
111 E. Main Street
Sevierville, TN 37862
or
P.O. Box 5288
Sevierville, TN 37864
Attn: John M. Presley or Bobby R. Stoffle
E-mail: jpresley@bankscb.com; bstoffle@bankscb.com

with a copy (which shall not constitute notice to SCB) to:

Baker, Donelson, Bearman, Caldwell & Berkowitz, PC
265 Brookview Centre Way
Suite 600
Knoxville, TN 37919
Attn. D. Taylor Tipton
E-mail: ttiption@bakerdonelson.com

Section 9.06 Entire Understanding; No Third Party Beneficiaries. This Agreement represents the entire understanding of the Parties and thereto with reference to the transactions contemplated hereby, and this Agreement supersedes any and all other oral or written agreements heretofore made. Except for the Indemnified Parties' rights under Section 5.10, SMBK and SCB hereby agree that their respective representations, warranties, and covenants set forth herein are solely for the benefit of the other Party, in accordance with and subject to the terms of this Agreement, and this Agreement is not intended to, and does not, confer upon any Person (including any person or employees who might be affected by Section 5.11), other than the Parties, any rights or remedies hereunder, including, the right to rely upon the representations and warranties set forth herein. The representations and warranties in this Agreement are the product of negotiations between the Parties and are for the sole benefit of the Parties. Consequently, Persons other than the Parties may not rely upon the representations and warranties in this Agreement as characterizations of actual facts or circumstances as of the date of this Agreement or as of any other date.

Section 9.07 Severability. In the event that any one or more provisions of this Agreement shall for any reason be held invalid, illegal or unenforceable in any respect, by any court of competent jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provisions of this Agreement and the Parties will use their commercially reasonable efforts to substitute a valid, legal and enforceable provision which, insofar as practical, implements the purposes and intents of this Agreement.

Section 9.08 Enforcement of the Agreement. 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 or were otherwise breached. It is accordingly agreed that the Parties shall be entitled to seek an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions hereof in any court of the United States or any state having jurisdiction without having to show or prove economic damages and without the requirement of posting a bond, this being in addition to any other remedy to which they are entitled at law or in equity.

Section 9.09 Interpretation.

(a) When a reference is made in this Agreement to sections, exhibits, or schedules, such reference shall be to a section of, or exhibit or schedule to, this Agreement unless otherwise indicated. The table of contents and captions and headings contained in this Agreement are included solely for convenience of reference; if there is any conflict between a caption or heading and the text of this Agreement, the text shall control. Whenever the words "include," "includes," or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation."

(b) The Parties have participated jointly in the negotiation and drafting of this Agreement and the other agreements and documents contemplated herein. In the event an ambiguity or question of intent or interpretation arises under any provision of this Agreement or any other agreement or document contemplated herein, this Agreement and such other agreements or documents shall be construed as if drafted jointly by the Parties, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of authorizing any of the provisions of this Agreement or any other agreements or documents contemplated herein.

(c) The SCB Disclosure Schedule and the SMBK Disclosure Schedule, as well as all other schedules and all exhibits to this Agreement, shall be deemed part of this Agreement and included in any reference to this Agreement. Any matter disclosed pursuant to any section of either Disclosure Schedule shall be deemed disclosed for purposes of any other section of Article III or Article IV, respectively, to the extent that applicability of the disclosure to such other section is reasonably apparent on the face, notwithstanding the absence of a specific cross-reference, of such disclosure. No item is required to be set forth in either Disclosure Schedule as an exception to a representation or warranty if its absence would not result in the related representation or warranty being deemed untrue or incorrect. The mere inclusion of an item in either Disclosure Schedule as an exception to a representation or warranty shall not be deemed an admission by either party that such item represents a material exception or fact, event or circumstance or that such item is reasonably likely to result in a Material Adverse Effect, or that any breach or violation of applicable Laws or any contract exists or has actually occurred. This Agreement shall not be interpreted or construed to require any person to take any action, or fail to take any action, if to do so would violate any applicable Law.

(d) Any reference contained in this Agreement to specific statutory or regulatory provisions or to any specific Governmental Authority shall include any successor statute or regulation, or successor Governmental Authority, as the case may be. Unless the context clearly indicates otherwise, the masculine, feminine, and neuter genders will be deemed to be interchangeable, and the singular includes the plural and vice versa. As used herein, (i) the term “made available” means any document or other information that was (a) provided by one party or its representatives to the other party or its representatives prior to the date hereof or (b) included in the virtual data room of a party prior to the date hereof, and (ii) the word “or” is not exclusive.

(e) Unless otherwise specified, the references to “Section” and “Article” in this Agreement are to the Sections and Article of this Agreement. When used in this Agreement, words such as “herein,” “hereinafter,” “hereof,” “hereto,” and “hereunder” refer to this Agreement as a whole, unless the context clearly requires otherwise.

Section 9.10 Assignment. No Party may assign either this Agreement or any of its rights, interests, or obligations hereunder without the prior written approval of the other Party, and any purported assignment in violation of this Section 9.10 shall be void. Subject to the preceding sentence, this Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective successors and permitted assigns.

Section 9.11 Counterparts. This Agreement may be executed and delivered by facsimile or by electronic data file and in one or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the Parties and delivered to the other Party, it being understood that all Parties need not sign the same counterpart. Signatures delivered by facsimile or by electronic data file shall have the same effect as originals.

Section 9.12 Privileged Communications. Any privilege attaching as a result of Baker Donelson Bearman Caldwell & Berkowitz, PC representing SCB or any Subsidiary thereof in connection with the transactions contemplated by this Agreement shall survive the Closing Date and shall remain in effect. In furtherance of the foregoing, each of the Parties hereto agrees to take the steps necessary to ensure that any privilege attaching as a result of Baker Donelson Bearman Caldwell & Berkowitz, PC representing SCB or any Subsidiary thereof in connection with the transactions contemplated by this Agreement shall survive the Closing Date and shall remain in effect. As to any privileged attorney client communications between Baker Donelson Bearman Caldwell & Berkowitz, PC and SCB or any Subsidiary thereof prior to the Closing Date (collectively, the "***Privileged Communications***"), SMBK, SCB, and each of their Subsidiaries (including, after the Closing Date, the Surviving Entity and Surviving Bank), together with any of their respective affiliates, successors, or assigns, agree that no such Party may use or rely on any of the Privileged Communications in any action or claim against or involving any of the Parties hereto after the Closing Date.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed in counterparts by their duly authorized officers, all as of the day and year first above written.

SMARTFINANCIAL, INC.

By: /s/ William Y. Carroll, Jr.
Name: William Y. Carroll, Jr.
Title: President and Chief Executive Officer

SEVIER COUNTY BANCSHARES, INC.

By: /s/ John M. Presley
Name: John M. Presley
Title: Executive Chairman

[SIGNATURE PAGE TO AGREEMENT AND PLAN OF MERGER]

EXHIBIT A
VOTING AGREEMENT

THIS VOTING AGREEMENT (this "Agreement") is dated as of April 13, 2021, by and between the undersigned holder ("Shareholder") of common stock of Sevier County Bancshares Inc., a Tennessee corporation ("SCB"), and SmartFinancial, Inc., a Tennessee corporation ("SMBK"). All capitalized terms used but not defined herein shall have the meanings assigned to them in the Merger Agreement (defined below).

RECITALS:

WHEREAS, concurrently with the execution of this Agreement, SMBK and SCB are entering into an Agreement and Plan of Merger (as such agreement may be subsequently amended or modified, the "Merger Agreement"), pursuant to which (i) SCB will merge with and into SMBK, with SMBK as the surviving entity, and (ii) Sevier County Bank, a Tennessee state-chartered bank and wholly-owned subsidiary of SCB ("Sevier Bank"), will merge with and into SmartBank, a Tennessee state-chartered bank and wholly-owned subsidiary of SMBK ("SmartBank"), with SmartBank as the surviving bank (collectively, the "Merger"), and in connection with the Merger, each outstanding share of Class A Common Stock of SCB, no par value per share ("SCB Common Stock"), will be converted into the right to receive the Merger Consideration and cash in lieu of fractional shares of SMBK Common Stock;

WHEREAS, Shareholder "beneficially owns" (as such term is defined in Rule 13d-3 promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) and is entitled to vote (or direct the voting of), directly or indirectly, the number of shares of SCB Common Stock indicated on the signature page of this Agreement under the heading "Total Number of Shares of SCB Common Stock Subject to this Agreement;" provided, that such shares do not include shares beneficially owned by Shareholder but subject to the voting direction of a third party with regard to voting on the Merger (such shares, together with any additional shares of SCB Common Stock subsequently acquired and "beneficially owned" (within the meaning of Rule 13d-3 promulgated under the Exchange Act) with power to vote (or direct voting) by Shareholder during the term of this Agreement, including through the exercise of any stock option or other equity award, warrant or similar instrument, being referred to collectively as the "Shares"); and

WHEREAS, it is a material inducement to the willingness of SMBK to enter into the Merger Agreement that Shareholder execute and deliver this Agreement.

AGREEMENT:

NOW, THEREFORE, in consideration of, and as a material inducement to, SMBK entering into the Merger Agreement and proceeding with the transactions contemplated thereby, and in consideration of the expenses incurred and to be incurred by SMBK in connection therewith, Shareholder and SMBK agree as follows:

Section 1. Agreement to Vote Shares. Shareholder, solely in his, her or its capacity as a shareholder of SCB, agrees that, while this Agreement is in effect, at any meeting of shareholders of SCB, however called, or at any adjournment thereof, or in any other circumstances in which Shareholder is entitled to vote, consent, or give any other approval in his, her or its capacity as a shareholder of SCB, except as otherwise agreed to in writing in advance by SMBK, Shareholder shall vote (or cause to be voted), in person or by proxy, all the Shares as to which the Shareholder has, directly or indirectly, the right to vote or direct the voting, (i) in favor of approval of the Merger Agreement (including any amendments or modifications of the terms thereof approved by the board of directors of SCB and adopted in accordance with the terms thereof); (ii) in favor of any proposal to adjourn or postpone such meeting, if necessary, to solicit additional proxies to approve the Merger Agreement; (iii) against any action or agreement that would reasonably be expected to result in a material breach of any covenant, representation or warranty or any other obligation or agreement of SCB contained in the Merger Agreement or of Shareholder contained in this Agreement; and (iv) against any Acquisition Proposal (as defined in the Merger Agreement) or any other action, agreement or transaction that would reasonably be expected to prevent, materially impede or materially delay consummation of the transactions contemplated by the Merger Agreement or this Agreement. Shareholder further agrees not to vote or execute any written consent to rescind or amend in any manner adverse to SMBK any prior vote or written consent, as a shareholder of SCB, to approve or adopt the Merger Agreement unless this Agreement shall have been terminated in accordance with its terms.

Section 2. No Transfers. Until the earlier of (i) the termination of this Agreement pursuant to Section 6 and (ii) receipt of the Requisite SCB Shareholder Approval, Shareholder agrees not to, directly or indirectly, sell, transfer, pledge, assign or otherwise dispose of, or enter into any contract, option, commitment or other arrangement or understanding with respect to the sale, transfer, pledge, assignment or other disposition of, any of the Shares, except the following transfers shall be permitted: (a) transfers by will or operation of Law, in which case this Agreement shall bind the transferee, (b) transfers pursuant to any pledge agreement, subject to the pledgee agreeing in writing, prior to such transfer, to be bound by the terms of this Agreement, (c) transfers in connection with estate and tax planning purposes, including transfers to relatives, trusts and charitable organizations, subject to each transferee agreeing in writing, prior to such transfer, to be bound by the terms of this Agreement, and (d) such transfers as SMBK may otherwise permit in its sole discretion. Any transfer or other disposition in violation of the terms of this Section 2 shall be null and void.

Section 3. Representations and Warranties of Shareholder. Shareholder represents and warrants to and agrees with SMBK as follows:

(a) Shareholder has all requisite capacity and authority to enter into and perform his, her or its obligations under this Agreement.

(b) This Agreement has been duly executed and delivered by Shareholder, and assuming the due authorization, execution and delivery by SMBK, constitutes a valid and legally binding obligation of Shareholder enforceable against Shareholder in accordance with its terms, subject to the Enforceability Exceptions.

(c) The execution and delivery of this Agreement by Shareholder does not, and the performance by Shareholder of his, her, or its obligations hereunder will not, violate or conflict with in any material respect, or constitute a material default under, any agreement, instrument, contract or other obligation or any order, arbitration award, judgment or decree to which Shareholder is a party or by which Shareholder is bound, or to Shareholder's knowledge any statute, rule or regulation to which Shareholder is subject or, in the event that Shareholder is a corporation, partnership, trust or other entity, any charter, bylaw or other organizational document of Shareholder.

(d) Shareholder is the beneficial owner (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of and has good title to all of the Shares, and the Shares are owned free and clear of any liens, security interests, charges or other encumbrances. The Shares do not include shares over which Shareholder exercises control in a fiduciary capacity for any other person or entity that is not an Affiliate of Shareholder, and no representation by Shareholder is made with respect thereto. Shareholder has the right to vote, or direct the voting of, the Shares, and none of the Shares is subject to any voting trust or other agreement, arrangement or restriction with respect to the voting of the Shares, except as contemplated by this Agreement. Shareholder does not beneficially own (within the meaning of Rule 13d-3 promulgated under the Exchange Act) any shares of capital stock of SCB other than the Shares or any other securities convertible into or exercisable or exchangeable for such capital stock.

Section 4. Shareholder acknowledges and agrees that Shareholder has reviewed and understands Section 5.09(a) of the Merger Agreement and hereby agrees from the date hereof until the termination of this Agreement in accordance with its terms that Shareholder shall be bound by Section 5.09(a) of the Merger Agreement to the same extent (solely with respect to Shareholder's actions) as if Shareholder were directly bound by SCB's obligations thereunder.

Section 5. Specific Performance; Remedies; Attorneys' Fees. Shareholder acknowledges that it is a condition to the willingness of SMBK to enter into the Merger Agreement that Shareholder execute and deliver this Agreement and that it will be impossible to measure in money the damage to SMBK if Shareholder fails to comply with the obligations imposed by this Agreement and that, in the event of any such failure, SMBK will not have an adequate remedy at law or in equity. Accordingly, Shareholder agrees that injunctive relief or other equitable remedy is the appropriate remedy for any such failure and will not oppose the granting of such relief on the basis that SMBK has an adequate remedy at law. Shareholder further agrees that Shareholder will not seek, and agrees to waive any requirement for, the securing or posting of a bond in connection with SMBK seeking or obtaining such equitable relief. In addition, after discussing the matter with Shareholder, SMBK shall have the right to inform any third party that SMBK reasonably believes to be, or to be contemplating, participating with Shareholder, or receiving from Shareholder assistance, in violation of this Agreement, of the terms of this Agreement and of the rights of SMBK hereunder, and that participation by any such persons with Shareholder in activities in violation of Shareholder's agreement with SMBK set forth in this Agreement may give rise to claims by SMBK against such third party.

Section 6. Term of Agreement; Termination. The term of this Agreement shall commence on the date hereof. This Agreement may be terminated at any time prior to consummation of the transactions contemplated by the Merger Agreement by the mutual written agreement of the parties hereto, and shall be automatically terminated upon the earlier to occur of (a) the Effective Time, (b) termination of the Merger Agreement, or (c) two (2) years from the date hereof. Upon such termination, no party shall have any further obligations or liabilities hereunder;

provided, however, that such termination shall not relieve any party from liability for any breach of this Agreement prior to such termination.

Section 7. Entire Agreement. This Agreement represents the entire understanding of the parties hereto with reference to the transactions contemplated hereby, and this Agreement supersedes any and all other oral or written agreements heretofore made.

Section 8. Modification and Waiver. No provision of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in a writing signed by each party. No waiver by either party hereto at any time of any breach by the other party hereto of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of dissimilar provisions or conditions at the same or any prior or subsequent time.

Section 9. Severability. In the event that any one or more provisions of this Agreement shall for any reason be held invalid, illegal or unenforceable in any respect, by any court of competent jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other provisions of this Agreement and the parties shall use their commercially reasonable efforts to substitute a valid, legal and enforceable provision which, insofar as practical, implements the purposes and intents of this Agreement.

Section 10. Capacity as Shareholder. This Agreement shall apply to Shareholder solely in his, her or its capacity as a shareholder of SCB, and it shall not apply in any manner to Shareholder in his, her or its capacity as a director or officer of SCB, if applicable. Nothing contained in this Agreement shall be deemed to apply to, or limit or otherwise affect in any manner, the obligations of Shareholder to comply with his, her or its fiduciary duties as a director or officer of SCB, if applicable.

Section 11. Governing Law. This Agreement shall be governed by, and interpreted and enforced in accordance with, the internal, substantive laws of the State of Tennessee, without regard for conflict of law provisions.

Section 12. Jurisdiction. Any civil action, counterclaim, proceeding or litigation arising out of or relating to this Agreement shall be brought exclusively in any federal or state court of competent jurisdiction located in the State of Tennessee. Each party consents to the jurisdiction of such Tennessee courts in any such civil action, counterclaim, proceeding or litigation and waives any objection to the laying of venue of any such civil action, counterclaim, proceeding or litigation in such Tennessee courts.

Section 13. WAIVER OF JURY TRIAL. 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 SUCH 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 (A) 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, (B) EACH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) EACH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) EACH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 13.

Section 14. Waiver of Appraisal Rights. To the extent permitted by applicable Law, Shareholder hereby waives any rights of appraisal or rights to dissent from the Merger or to demand fair value for his, her or its Shares in connection with the Merger, in each case, that Shareholder may have under applicable Law. Shareholder further agrees not to commence or participate in, and to take all actions necessary to opt out of any class in any class action with respect to, any claim, derivative or otherwise, against SMBK, SmartBank, SCB, Sevier Bank or any of their respective successors relating to the negotiation, execution or delivery of this Agreement or the Merger Agreement or the consummation of the Merger.

Section 15. Disclosure. Shareholder hereby authorizes SCB and SMBK to publish and disclose in any announcement or disclosure required by the Securities and Exchange Commission and in the Proxy Statement-Prospectus such Shareholder's identity and ownership of the Shares and the nature of Shareholder's obligations under this Agreement.

Section 16. Ownership. Nothing in this Agreement shall be construed to give SMBK any rights to exercise or direct the exercise of voting power as owner of the Shares or to vest in SMBK any direct or indirect ownership or incidents of ownership of or with respect to any of the Shares. All rights, ownership and economic benefits of and relating to the Shares shall remain vested in and belong to the Shareholder, notwithstanding the provisions of this Voting Agreement, and SMBK shall have no authority to manage, direct, superintend, restrict, regulate, govern or administer any of the policies or operations of SCB or to exercise any power or authority to direct the Shareholder in voting any of the Shares, except as otherwise expressly provided herein.

Section 17. Fiduciary Duty. No provision of this Agreement shall preclude or in any way limit the Shareholder (or any representative of the Shareholder) from exercising his or her fiduciary duties as a member of the board of directors or an officer of SCB or in any capacity with any other entity.

Section 18. Counterparts. This Agreement may be executed and delivered by facsimile or by electronic data file and in one or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other party, it being understood that all parties need not sign the same counterpart. Signatures delivered by facsimile or by electronic data file shall have the same effect as originals.

[Signature Page Follows]

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

SMARTFINANCIAL, INC.

By: _____
Name: William Y. Carroll, Jr.
Title: President and Chief Executive Officer

SHAREHOLDER

Printed Name: _____

Total Number of Shares of SCB Common Stock Subject to this Agreement:

Signature Page – Voting Agreement

EXHIBIT B

PLAN OF BANK MERGER

This PLAN OF BANK MERGER (this "Agreement") is made and entered into as of April 13, 2021, by and between SmartBank, a Tennessee state chartered banking institution with its main office located at 2430 Teaster Lane, Suite 205, Pigeon Forge, TN 37863 ("SmartBank"), and Sevier County Bank, a Tennessee state chartered banking institution with its main office located at 111 East Main Street, Sevierville, TN 37862 ("Sevier County Bank"), to provide for the merger of Sevier County Bank with and into SmartBank (the "Bank Merger"). SmartBank and Sevier County Bank are referred to herein as the "Merging Banks."

WHEREAS, pursuant to an Agreement and Plan of Merger, dated as of April 13, 2021 (the "Parent Merger Agreement"), by and between SmartFinancial, Inc., a Tennessee corporation and the sole shareholder of SmartBank (the "Company"), and Sevier County Bancshares, Inc. ("SCB"), a Tennessee corporation and the sole shareholder of Sevier County Bank, SCB will be merged with and into the Company (the "Parent Merger"), subject to the terms of and conditions set forth in the Parent Merger Agreement;

WHEREAS, as a result of the Parent Merger, Sevier County Bank will become a wholly-owned subsidiary of the Company;

WHEREAS, the Parent Merger Agreement contemplates the subsequent merger of Sevier County Bank with and into SmartBank, with SmartBank as the surviving bank (the "Surviving Bank");

WHEREAS, the respective boards of directors of SmartBank and Sevier County Bank have adopted this Agreement and have determined that this Agreement and the transactions contemplated by this Agreement, including the Bank Merger, are in the best interests of their respective shareholder(s);

WHEREAS, SCB approved this Agreement in its capacity as the sole shareholder of Sevier County Bank on April 12, 2021; and

WHEREAS, the Company approved this Agreement in its capacity as the sole shareholder of SmartBank on April 13, 2021.

NOW, THEREFORE, in consideration of the premises and of the covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Merging Banks, intending to be legally bound, hereby make, adopt and approve this Agreement, and hereby prescribe the terms and conditions of the Bank Merger and the mode of effecting the Bank Merger as follows:

ARTICLE I

TERMS OF BANK MERGER

Section 9.13 The Bank Merger.

(a) At the Effective Time (as defined below), Sevier County Bank shall be merged with and into SmartBank in accordance with, and with the effects provided in, this Agreement and applicable provisions of the Tennessee Banking Act, Tennessee Code Annotated § 45-1-101 *et seq.*, and the Tennessee Business Corporation Act, Tennessee Code Annotated § 48-11-101 *et seq.* As a result of the Bank Merger, (i) each share of common stock of Sevier County Bank, par value \$100.00 per share, issued and outstanding immediately prior to the Effective Time shall cease to be outstanding and shall be cancelled for no consideration and (ii) each share of capital stock of SmartBank, par value \$1.00 per share, issued and outstanding immediately prior to the Effective Time shall remain issued and outstanding and shall constitute the only shares of capital stock of the Surviving Bank issued and outstanding immediately after the Effective Time. For purposes of this Agreement, the Bank Merger shall become effective on the date and time specified in the articles of merger for the Bank Merger as filed with the Tennessee Secretary of State (such time when the Bank Merger becomes effective, the “Effective Time”).

(b) At the Effective Time, the Surviving Bank shall be considered the same business and corporate entity as each of the Merging Banks and thereupon and thereafter all the property, rights, privileges, powers and franchises of each of the Merging Banks shall vest in the Surviving Bank and the Surviving Bank shall be subject to and be deemed to have assumed all of the debts, liabilities, obligations and duties of each of the Merging Banks and shall have succeeded to all of each of their relationships, fiduciary or otherwise, as fully and to the same extent as if such property, rights, privileges, powers, franchises, debts, liabilities, obligations, duties and relationships had been originally acquired, incurred or entered into by the Surviving Bank. The deposit-taking offices of Sevier County Bank shall be operated by the Surviving Bank, and the savings accounts issued by Sevier County Bank shall be issued on the same terms by the Surviving Bank. In addition, any reference to either of the Merging Banks in any contract, will or document, whether executed or taking effect before or after the Effective Time, shall be considered a reference to the Surviving Bank if not inconsistent with the other provisions of the contract, will or document; and any pending action or other judicial proceeding to which either of the Merging Banks is a party shall not be deemed to have abated or to have been discontinued by reason of the Bank Merger, but may be prosecuted to final judgment, order or decree in the same manner as if the Bank Merger had not been made or the Surviving Bank may be substituted as a party to such action or proceeding, and any judgment, order or decree may be rendered for or against it that might have been rendered for or against either of the Merging Banks as if the Bank Merger had not occurred.

2. *Name of Surviving Bank and Principal Office.* The name of the Surviving Bank shall be “SmartBank.” The principal office of SmartBank shall continue to be 2430 Teaster Lane, Suite 205, Pigeon Forge, Tennessee 37863 after the Effective Time. The branch offices of Sevier County Bank and SmartBank immediately prior to the Effective Time will be operated as branch offices of the Surviving Bank immediately following the Effective Time.

3. *Charter.* At and after the Effective Time, the Charter of SmartBank shall be the Charter of the Surviving Bank until amended in accordance with applicable law.

4. *Bylaws.* At and after the Effective Time, the Bylaws of SmartBank shall be the Bylaws of the Surviving Bank until amended in accordance with applicable law.

5. *Directors and Officers.* At and after the Effective Time, until changed in accordance with the Charter and Bylaws of the Surviving Bank, (i) the directors of the Surviving Bank shall be the directors of SmartBank immediately prior to the Effective Time, provided that the board of directors will be expanded to add John Presley following the Effective Time; and (ii) the executive officers of the Surviving Bank shall be the executive officers of SmartBank immediately prior to the Effective Time. The directors and executive officers of the Surviving Bank shall hold office in accordance with the Charter and Bylaws of the Surviving Bank. A list of the anticipated directors and executive officers of the Surviving Bank, including the residence of each such person, is set forth on Exhibit A.

6. *Capital of Surviving Bank.* The amount of capital stock of the Surviving Bank authorized immediately following the Effective Time shall continue to be 8,000,000 shares of common stock, par value \$1.00, per share, and 2,000,000 shares of preferred stock, par value \$1.00 per share, of which 3,552,171 shares of common stock are issued and outstanding and no shares of preferred stock are issued and outstanding as of the date hereof.

7. *No Preferred Stock.* No preferred stock will be issued in connection with, or as a result of, the transactions contemplated by this Agreement.

8. *Offices.* The offices of the Surviving Bank are set forth on Exhibit B. Also denoted on Exhibit B are the current offices of each of the Merging Banks.

2.

MISCELLANEOUS

9. *Conditions Precedent.* The respective obligations of each party to consummate the Bank Merger pursuant to this Agreement shall be subject to (a) the approval of this Agreement and the transactions contemplated hereby by (i) the Board of Governors of the Federal Reserve System (the “FRB”), (ii) the Tennessee Department of Financial Institutions (the “TDFI”), (iii) other regulatory authorities, as applicable, and (b) the consummation of the Parent Merger.

10. *Governing Law.* This Agreement shall be governed by and construed in accordance with the laws of the State of Tennessee, without regard to any applicable principles of conflicts of laws that would result in the application of the law of another jurisdiction.

11. *Counterparts.* This Agreement may be executed (by facsimile or otherwise) by any one or more of the parties in any number of counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same instrument.

12. *Amendments.* To the extent permitted by the FRB and the TDFI, this Agreement may be amended by a subsequent writing signed by the parties hereto upon the approval of the board of directors of each of the parties hereto.

13. *Successors.* This Agreement shall be binding on the successors of SmartBank and Sevier County Bank.

14. *Termination.* This Agreement may be terminated, and the transactions contemplated hereby may be abandoned, at any time prior to the Effective Time by mutual written agreement of the parties hereto upon the approval of the board of directors of each of the parties hereto. Additionally, this Agreement shall terminate automatically, without any action by the parties hereto, in the event that the Parent Merger Agreement is terminated in accordance with its terms.

[Signature page follows]

IN WITNESS WHEREOF, SmartBank and Sevier County Bank have caused this Plan of Bank Merger to be executed by their duly authorized officers as of the date first set forth above.

SMARTBANK

ATTEST:

Name:
Title:

By: _____
Name: William Y. Carroll, Jr.
Title: President and Chief Executive Officer

SEVIER COUNTY BANK

ATTEST:

Name:
Title:

By: _____
Name: John M. Presley
Title: Executive Chairman

[SIGNATURE PAGE TO PLAN OF BANK MERGER]

EXHIBIT A

OFFICERS AND DIRECTORS OF SURVIVING BANK

Name and Address	Title & Position with SMBK	Title & Position with SmartBank
William Y. Carroll Sr. 3340 Kingston Pike LaRue Knoxville, TN 37919	Vice Chairman of the Board	Vice Chairman of the Board and Director of Business Development
William Y. Carroll Jr. 7300 Lorimar Place Knoxville, TN 37919	President and Chief Executive Officer	President and Chief Executive Officer
Wesley M. Welborn 103 Robin Hood Trail Lookout Mountain, TN 37350	Chairman of the Board	Chairman of the Board
Geoffrey A. Wolpert 1110 Parkway Gatlinburg, TN 37738	Director	Director
Keith E. Whaley, O.D. 2226 Battle Ground Drive Pigeon Forge, TN 37863	Director	Director
Monique Prado Berke 1500 Lyndhurst Drive Chattanooga, TN 37405	Director	Director
Steven B. Tucker 10448 Harbourtowne Drive Northport, AL 35475	Director	Director
Ted C. Miller 1025 River Road Kodak, TN 37764	Director	Director
Victor Lynn Barrett 1229 Llama Lane Sevierville, TN 37862	Director	Director
David A. Ogle 1629 Parkway Sevierville, TN 37862	Director	Director
Ottis Phillips 3500 Hilham, Rd. Cookeville, Tennessee 38506	Director	Director
John M. Presley 26 Wicklow Drive Hilton Head Island, SC 29928	Director (after Merger)	Director (after Merger)
Gregory L. Davis 306 Riverside Drive Sevierville, TN 37862		Executive Vice President, Chief Lending Officer
Rhett D. Jordan 616 Farragut Commons Dr. Farragut, TN 37934		Executive Vice President, Chief Credit Officer
Ronald J. Gorczynski 4874 Blowing Rock Blvd Lenoir, NC 28645	Chief Financial Officer	Executive Vice President, Chief Financial Officer
Gary W. Petty, Jr. 14 Overbrook Drive Ringgold, GA 30736	Executive Vice President; Chief Risk Officer	Executive Vice President; Chief Risk Officer
Cynthia A. Cain 7320 Antionette Way, Apt. 409 Knoxville, TN 37919		Executive Vice President; Director of Financial Planning & Analysis
Rebecca C. Boyd 605 Hickory Woods Rd.		Executive Vice President; Chief People Officer

EXHIBIT B**BANKING OFFICES OF SURVIVING BANK**

Name	Address	County	City	State	Zip
Pigeon Forge Main Office	2430 Teaster Lane, Suite 205	Sevier	Pigeon Forge	TN	37863
Sevierville Branch	1011 Parkway	Sevier	Sevierville	TN	37862
Gatlinburg Branch	570 East Parkway	Sevier	Gatlinburg	TN	37738
Destin Branch	4405 Commons Drive East	Okaloosa	Destin	FL	32541
Cedar Bluff Branch	202 Advantage Place	Knox	Knoxville	TN	37922
Bearden Branch	5401 Kingston Pike, Suite 600	Knox	Knoxville	TN	37919
Chattanooga Miller Plaza Branch	835 Georgia Ave	Hamilton	Chattanooga	TN	37402
Gunbarrel Road Branch	2280 Gunbarrel Road	Hamilton	Chattanooga	TN	37421
East Ridge Branch	4154 Ringgold Road	Hamilton	East Ridge	TN	37412
Ooltewah Branch	8966 Old Lee Highway	Hamilton	Ooltewah	TN	37363
Hixson Branch	5319 Highway 153	Hamilton	Hixson	TN	37343
Cleveland Branch	3200 Keith Street Northwest	Bradley	Cleveland	TN	37312
Pensacola Branch	201 North Palafox Street	Escambia	Pensacola	FL	32502
Tuscaloosa University Branch	2301 University Boulevard	Tuscaloosa	Tuscaloosa	AL	35401
Chatom Branch	16780 Jordan Street	Washington	Chatom	AL	36518
Mcintosh Branch	158 Commerce Street	Washington	Mcintosh	AL	36553
Indian Hills Branch	230 Mcfarland Circle North	Tuscaloosa	Tuscaloosa	AL	35406
Thomasville Branch	33219 Us Highway 43	Clarke	Thomasville	AL	36784
Northport Branch	2000 Lurleen B. Wallace Boulevard	Tuscaloosa	Northport	AL	35476
Jackson Branch	1600 College Avenue	Clarke	Jackson	AL	36545
Fairhope Branch	106 Ecor Rouge Place	Baldwin	Fairhope	AL	36532
Tullahoma Branch	1400 North Jackson Street	Coffee	Tullahoma	TN	37388
Murfreesboro Branch	1950 Old Fort Parkway	Rutherford	Murfreesboro	TN	37129

Name	Address	County	City	State	Zip
Huntsville Branch	300 Clinton Avenue W.	Madison	Huntsville	AL	35801
Maryville Branch	214 Keller Lane	Blount	Maryville	TN	37801
Farragut Branch	11216 Kingston Pike	Knox	Knoxville	TN	37934
Dolly Parton Parkway Branch	710 Dolly Parton Parkway	Sevier	Sevierville	TN	37862
Panama City Branch	2713 Highway 77	Bay	Panama City	FL	32405
Jamestown Branch	500 North Main Street	Fentress	Jamestown	TN	38556
Wartburg Branch	705 Main St	Morgan	Wartburg	TN	37887
Crossville Branch	807 North Main	Cumberland	Crossville	TN	38555
Fairfield Glade Branch	4929 Peavine Road	Cumberland	Crossville	TN	38571
Cookeville Branch	1080 Interstate Dr	Putnam	Cookeville	TN	38501
Alcoa Branch	109 Associates Boulevard	Blount	Alcoa	TN	37701
Murfreesboro Medical Center Parkway Branch	2108 Medical Center Pkwy	Rutherford	Murfreesboro	TN	37129
Sevierville Main Office*	111 East Main Street	Sevier	Sevierville	TN	37862
Pigeon Forge Branch*	3605 S. Parkway	Sevier	Pigeon Forge	TN	37862
Seymour Branch*	11403 Chapman Hwy	Sevier	Seymour	TN	37865
Pigeon Forge Food City Main Branch*	3260 Parkway	Sevier	Pigeon Forge		37863
Sevierville Branch*	720 Dolly Parton Parkway	Sevier	Sevierville	TN	37862
Gatlinburg Branch*	961 East Parkway	Sevier	Gatlinburg	TN	37738
Pigeon Forge Branch Office*	242 Wears Valley Road	Sevier	Pigeon Forge	TN	37862
Richmond Branch*	4421 Cox Road	Henrico	Glen Allen	VA	23060

* Indicates an existing office of Sevier County Bank. All others are existing branch offices of SmartBank.

EXHIBIT C

NON-COMPETITION AND NON-DISCLOSURE AGREEMENT

This Non-Competition and Non-Disclosure Agreement (this "Agreement"), is dated as of April 13, 2021, by and between the undersigned, an individual resident of the state set forth on the signature page hereto ("Shareholder"), and SmartFinancial, Inc., a Tennessee corporation ("SMBK"). All capitalized terms used but not defined herein shall have the meanings assigned to them in the Merger Agreement (defined below).

RECITALS:

WHEREAS, concurrently with the execution of this Agreement, SMBK and Sevier County Bancshares, Inc., a Tennessee corporation ("SCB"), are entering into an Agreement and Plan of Merger (as such agreement may be subsequently amended or modified, the "Merger Agreement"), pursuant to which (i) SCB will merge with and into SMBK, with SMBK as the surviving entity, and (ii) Sevier County Bank ("Sevier Bank"), a Tennessee state-chartered bank and wholly-owned subsidiary of SCB, will merge with and into SmartBank, a Tennessee state-chartered bank and wholly-owned subsidiary of SMBK ("SmartBank"), with SmartBank as the surviving bank (collectively, the "Merger");

WHEREAS, Shareholder is a significant shareholder and / or a member of the Board of Directors of SCB or one of its Subsidiaries, and, as a result of the Merger and pursuant to the transactions contemplated by the Merger Agreement, Shareholder is expected to receive significant consideration in exchange for the shares of SCB Common Stock held by Shareholder;

WHEREAS, as of and prior to the date hereof, as a result of Shareholder's status as a member of the Board of Directors of SCB and / or as a significant shareholder of SCB, Shareholder has had access to a significant amount of non-public information regarding SCB and its subsidiaries, and, therefore, has knowledge of the Confidential Information and Trade Secrets (each as hereinafter defined);

WHEREAS, as a result of the Merger, SMBK will succeed to all of the Confidential Information and Trade Secrets, for which SMBK as of the Effective Time will have paid valuable consideration and desires reasonable protection; and

WHEREAS, it is a material prerequisite to the consummation of the Merger that Shareholder enter into this Agreement.

AGREEMENT:

NOW, THEREFORE, in consideration of these premises and the mutual covenants and undertakings herein contained, SMBK and Shareholder, each intending to be legally bound, covenant and agree as follows:

Section 1. Restrictive Covenants.

(a) Shareholder acknowledges that (i) SMBK has separately bargained for the restrictive covenants in this Agreement; and (ii) the types and periods of restrictions imposed by the covenants in this Agreement are fair and reasonable to Shareholder and such restrictions will not prevent Shareholder from earning a livelihood.

(b) Having acknowledged the foregoing, solely in the event that the Merger is consummated, Shareholder covenants and agrees with SMBK as follows:

(i) From and after the Effective Time, Shareholder will not disclose or use any Confidential Information or Trade Secrets for so long as such information remains Confidential Information or a Trade Secret, as applicable, for any purpose, except for any disclosure that is required by applicable Law. In the event that Shareholder is required by Law to disclose any Confidential Information, Shareholder will: (A) if and to the extent permitted by Law, provide SMBK with prompt notice of such requirement prior to the disclosure so that SMBK may waive the requirements of this Agreement or seek an appropriate protective order at SMBK's sole expense; and (B) use reasonable efforts (without being required to incur personal expense) to obtain assurances that any Confidential Information disclosed will be accorded confidential treatment. If, in the absence of a waiver or protective order, Shareholder is nonetheless, upon advice of his or her counsel, required to disclose Confidential Information, disclosure may be made only as to that portion of the Confidential Information that counsel advises Shareholder is required to be disclosed. Nothing contained in this Agreement limits the Shareholder's ability to file a charge or complaint with the Equal Employment Opportunity Commission, the Federal Deposit Insurance Corporation, the Board of Governors of the Federal Reserve System, the Securities and Exchange Commission or any other federal, state, or local governmental agency, authority or commission that has jurisdiction over SMBK or SmartBank or any of their respective Subsidiaries or affiliates (the "Government Agencies"). The Shareholder further understands that this Agreement does not limit his or her ability to communicate with any Government Agencies or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including providing documents or other information, without notice to SCB or SMBK any of their respective Subsidiaries or affiliates. This Agreement does not limit the Shareholder's right to receive an award for information provided to any Government Agencies. In addition, pursuant to the Defend Trade Secrets Act of 2016, the Shareholder understands that an individual may not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that (i) is made (A) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (B) solely for the purpose of reporting or investigating a suspected violation of law; or (ii) is made in a complaint or other document that is filed under seal in a lawsuit or other proceeding. Further, an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of Law may disclose the employer's trade secrets to the attorney and use the trade secret information in the court proceeding if the individual (y) files any document containing the trade secret under seal; and (z) does not disclose the trade secret, except pursuant to court order.

(ii) Except as expressly provided on Schedule I to this Agreement, for a period beginning at the Effective Time and ending two years after the Effective Time, Shareholder will not (except on behalf of or with the prior written consent of SMBK), on Shareholder's own behalf or in the service or on behalf of others, solicit or attempt to solicit any customer of SMBK or SmartBank or any of their respective Subsidiaries (each a "Protected Party"), including, but not limited to, (A) customers of Sevier Bank as of the date hereof or as of the Effective Time, and (B) prospective customers of Sevier Bank actually known by Shareholder to be actively sought by Sevier Bank as of the Effective Time, for the purpose of providing products or services that are Competitive (as hereinafter defined) with those offered or provided by any Protected Party.

(iii) Except as expressly provided on Schedule I to this Agreement, for a period beginning at the Effective Time and ending two years after the Effective Time, Shareholder will not (except on behalf of or with the prior written consent of SMBK), either directly or indirectly, on Shareholder's own behalf or in the service or on behalf of others, act as a director, officer, or employee of any business which is the same as or essentially the same as the business conducted by any Protected Party which has an office located within the Restricted Territory.

(iv) For a period beginning at the Effective Time and ending two years after the Effective Time, Shareholder will not, on Shareholder's own behalf or in the service or on behalf of others, solicit or recruit or attempt to solicit or recruit, directly or by assisting others, any employee of any Protected Party, whether or not such employee is a full-time employee or a temporary employee of such Protected Party, whether or not such employment is pursuant to a written agreement and whether or not such employment is for a determined period or is at will, to cease working for such Protected Party; provided that the foregoing will not prevent the placement of any general solicitation for employment not specifically directed towards employees of any Protected Party or hiring any such person as a result thereof.

(c) For purposes of this Section 1, the following terms shall be defined as set forth below:

(i) "Competitive," with respect to particular products or services, means products or services that are the same as or substantially similar to the products or services of any Protected Party.

(ii) "Confidential Information" means data and information:

(A) relating to the business of SCB and its Subsidiaries, including Sevier Bank, regardless of whether the data or information constitutes a Trade Secret;

(B) disclosed to Shareholder or of which Shareholder became aware as a consequence of Shareholder's relationship with SCB or its Subsidiaries;

(C) having value to SCB or its Subsidiaries and, as a result of the consummation of the transactions contemplated by the Merger Agreement, SMBK and/or SmartBank; and

(D) not generally known to competitors of SMBK, SmartBank, SCB or Sevier Bank.

Confidential Information shall include Trade Secrets, methods of operation, names of customers, price lists, financial information and projections, personnel data and similar information; provided, however, that the terms "Confidential Information" and "Trade Secrets" shall not mean data or information that (x) has been disclosed or is otherwise available to the public, except where such public disclosure has been made by Shareholder without authorization from SCB or SMBK or any of their respective Subsidiaries, (y) has been independently developed and disclosed by others, or (z) has otherwise entered the public domain through lawful means.

(iii) “Restricted Territory” means each county in Tennessee or Virginia in which Sevier Bank operates a banking office at the Effective Time and each county contiguous to each of such counties.

(iv) “Trade Secret” means information, without regard to form, including technical or nontechnical data, a formula, a pattern, a compilation, a program, a device, a method, a technique, a drawing, a process, financial data, financial plans, product plans, or a list of actual or potential customers or suppliers, that is not commonly known by or available to the public, and which information:

(A) derives economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use; and

(B) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

(d) Shareholder acknowledges that irreparable loss and injury would result to SMBK upon the breach of any of the covenants contained in this Section 1 and that damages arising out of such breach would be difficult to ascertain. Shareholder hereby agrees that, in addition to all other remedies provided at law or in equity, SMBK may petition and obtain from a court of law or equity, without the necessity of proving actual damages, and without posting any bond or other security, both temporary and permanent injunctive relief to prevent a breach by Shareholder of any covenant contained in this Section 1, and shall be entitled to an equitable accounting of all earnings, profits, and other benefits arising out of any such breach. In the event that the provisions of this Section 1 should ever be determined to exceed the time, geographic, or other limitations permitted by applicable Law, then such provisions shall be modified so as to be enforceable to the maximum extent permitted by Law. If such provision(s) cannot be modified to be enforceable, the provision(s) shall be severed from this Agreement to the extent unenforceable, and the remaining provisions and any partially enforceable provisions shall remain in full force and effect.

Section 2. Term; Termination. This Agreement may be terminated at any time by the written consent of the parties hereto, and this Agreement shall be automatically terminated upon the earlier of (i) termination of the Merger Agreement; or (ii) two years following the Effective Time. For the avoidance of doubt, the provisions of Section 1 shall only become operative upon the consummation of the Merger but, in such event, shall survive the consummation of the Merger until the earlier of (i) two years after the Effective Time or (ii) a Change in Control. Upon termination of this Agreement, no party shall have any further obligations or liabilities hereunder, except that termination of this Agreement will not relieve a breaching party from liability for any breach of any provision of this Agreement occurring prior to the termination of this Agreement.

Section 3. Notices. All notices, requests, and other communications hereunder to a party shall be in writing and shall be deemed properly given if delivered (a) personally, (b) by registered or certified mail (return receipt requested), with adequate postage prepaid thereon, (c) by properly addressed electronic mail delivery (with confirmation of delivery receipt), or (d) by reputable courier service to such party at its address set forth below, or at such other address or addresses as such party may specify from time to time by notice in like manner to the parties hereto. All notices shall be deemed effective upon delivery.

If to SMBK: SmartFinancial, Inc.
5401 Kingston Pike
Knoxville, Tennessee, 37319
Attn: William Y. Carroll, Jr.
E-mail: Billy.Carroll@smartbank.com

If to Shareholder: The address of Shareholder's principal residence as it appears in SCB's records as of the date hereof, as subsequently modified by Shareholder's provision of notice regarding the same to SMBK.

Section 4. Governing Law: Jurisdiction. This Agreement shall be governed by, and interpreted and enforced in accordance with, the internal, substantive laws of the State of Tennessee, without regard for conflict of law provisions. Any civil action, counterclaim, proceeding, or litigation arising out of or relating to this Agreement shall be brought exclusively in any federal or state court of competent jurisdiction located in the State of Tennessee. Each party consents to the jurisdiction of such Tennessee courts in any such civil action, counterclaim, proceeding, or litigation and waives any objection to the laying of venue of any such civil action, counterclaim, proceeding, or litigation in such Tennessee courts. Service of any court paper may be effected on a party hereto by mail, as provided in this letter, or in such other manner as may be provided under applicable Laws.

Section 5. Modification and Waiver. No provision of this Agreement may be modified, waived, or discharged unless such waiver, modification, or discharge is agreed to in a writing signed by Shareholder and SMBK. No waiver by either party hereto at any time of any breach by the other party hereto of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of dissimilar provisions or conditions at the same or any prior or subsequent time.

Section 6. Severability. In the event that any one or more provisions of this Agreement shall for any reason be held invalid, illegal, or unenforceable in any respect, by any court of competent jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other provisions of this Agreement and the parties shall use their commercially reasonable efforts to substitute a valid, legal, and enforceable provision which, insofar as practical, implements the purposes and intents of this Agreement.

Section 7. Counterparts. This Agreement may be executed and delivered by facsimile or by electronic data file and in one or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other party, it being understood that all parties need not sign the same counterpart. Signatures delivered by facsimile or by electronic data file shall have the same effect as originals.

Section 8. Entire Agreement. This Agreement represents the entire understanding of the parties hereto with reference to the transactions contemplated hereby, and this Agreement supersedes any and all other oral or written agreements heretofore made.

Section 9. Construction; Interpretation. Whenever the singular number is used in this Agreement and when required by the context, the same shall include the plural and vice versa, and the masculine gender shall include the feminine and neuter genders and vice versa. Whenever the words “include,” “includes,” or “including” are used in this Agreement, they shall be deemed to be followed by the words “without limitation.” The headings in this Agreement are for convenience only and are in no way intended to describe, interpret, define, or limit the scope, extent, or intent of this Agreement or any of its provisions.

[Signature Page Follows]

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

SMARTFINANCIAL, INC.

By: _____
Name: William Y. Carroll, Jr.
Title: President and Chief Executive Officer

SHAREHOLDER

Printed Name: _____
State of Residence: _____

Signature Page – Non-Competition and Non-Disclosure Agreement

Schedule I

For avoidance of doubt, the parties acknowledge and agree that the restrictions set forth in Sections 1(b)(ii) and (iii) shall not apply to any of the following activities of Shareholder:

1. The provision of legal services by Shareholder to any Person.
 2. The offer and sale of insurance products by Shareholder to any Person.
 3. The provision of investment advisory and brokerage services by Shareholder to any Person.
 4. The provision of private equity/venture capital financing by Shareholder to any Person.
 5. The provision of accounting services by Shareholder to any Person.
 6. The provision of automobile financing in connection with the operation of automobile dealerships.
 7. The ownership of any class of securities of any Person, provided that such ownership exists as of the date of this Agreement, or the acquisition of any class of voting securities of any Person after the date of this Agreement, provided that the acquisition of such voting securities when aggregated with the ownership of all other voting securities of the same class of such Person is less than 5% of any class of voting securities of any Person.
 8. Obtaining banking-related services or products for entities owned, controlled or managed by Shareholder.
-

EXHIBIT D
CLAIMS LETTER

April 13, 2021

SmartFinancial, Inc.
5401 Kingston Pike
Knoxville, Tennessee, 37319
Ladies and Gentlemen:

This letter is delivered pursuant to the Agreement and Plan of Merger, dated as of April 13, 2021 (the "Merger Agreement"), by and between SmartFinancial, Inc., a Tennessee corporation ("SMBK"), and Sevier County Bancshares, Inc., a Tennessee corporation ("SCB").

Concerning any claims which the undersigned may have against SCB or any of its Subsidiaries, including Sevier County Bank, a Tennessee state-chartered bank (each, a "SCB Entity"), in his or her capacity as an officer, director, or employee of any SCB Entity, and in consideration of the promises and the mutual covenants contained herein and in the Merger Agreement and the mutual benefits to be derived hereunder and thereunder, and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the undersigned, intending to be legally bound, hereby agrees as follows:

Section 1. Definitions. Unless otherwise defined in this letter, capitalized terms used in this letter have the meanings given to them in the Merger Agreement.

Section 2. Release of Certain Claims.

(a) The undersigned hereby releases and forever discharges, effective upon the consummation of the Merger pursuant to the Merger Agreement, each SCB Entity, and each of their respective directors and officers (in their capacities as such), and their respective successors and assigns, and each of them (hereinafter, individually and collectively, the "Released Parties") of and from any and all liabilities, claims, demands, debts, accounts, covenants, agreements, obligations, costs, expenses, actions, or causes of action of every nature, character, or description (collectively, "Claims"), which the undersigned, solely in his or her capacity as an officer, director, or employee of any SCB Entity has or claims to have, or previously had or claimed to have, in each case as of the Effective Time, against any of the Released Parties, whether or not in law, equity or otherwise, based in whole or in part on any facts, conduct, activities, transactions, events, or occurrences known or unknown, matured or unmatured, contingent or otherwise (individually a "Released Claim," and collectively, the "Released Claims"), except for (i) compensation for services that have accrued but have not yet been paid in the ordinary course of business consistent with past practice or other contract rights relating to severance, employment, stock options, and restricted stock grants which have been disclosed in writing to SMBK on or prior to the date of the Merger Agreement, and (ii) the items listed in Section 2(b) below.

(b) For avoidance of doubt, the parties acknowledge and agree that the Released Claims do not include any of the following:

(i) any Claims that the undersigned may have in any capacity other than as an officer, director, or employee of any SCB Entity, including, but not limited to, (A) Claims as a borrower under loan commitments and agreements between the undersigned Sevier County Bank, (B) Claims as a depositor under any deposit account with Sevier County Bank, (C) Claims as the holder of any Certificate of Deposit issued by Sevier County Bank, (D) Claims on account of any services rendered by the undersigned in a capacity other than as an officer, director, or employee of any SCB Entity, (E) Claims in his or her capacity as a shareholder of SCB, (F) Claims as a holder of any check issued by any other depositor of Sevier County Bank, or (G) Claims for which the undersigned would be entitled to make an insurance claim under applicable insurance policies maintained by a SCB Entity;

(ii) the Claims excluded in Section 2(a)(i) above;

(iii) any Claims that the undersigned may have under the Merger Agreement;

(iv) any right to indemnification that the undersigned may have under the charter or bylaws of any SCB Entity, under Tennessee law or the Merger Agreement;

(v) any Claims that are (A) based upon facts and circumstances arising after the date hereof and prior to the Closing Date, and (B) have been asserted in writing to SCB and SMBK prior to the Closing Date; or

(vi) any rights or Claims listed on Schedule I to this Agreement.

Section 3. Forbearance. The undersigned shall forever refrain and forbear from commencing, instituting, or prosecuting any lawsuit, action, claim, or proceeding before or in any court, regulatory, governmental, arbitral, or other authority to collect or enforce any Released Claims which are released and discharged hereby.

Section 4. Miscellaneous.

(a) This letter shall be governed by, and interpreted and enforced in accordance with, the internal, substantive laws of the State of Tennessee, without regard for conflict of law provisions.

(b) This letter contains the entire agreement between the parties with respect to the Released Claims released hereby, and the release of Claims contained in this letter supersedes all prior agreements, arrangements, or understandings (written or otherwise) with respect to such Released Claims and no representation or warranty, oral or written, express or implied, has been made by or relied upon by any party hereto, except as expressly contained herein or in the Merger Agreement.

(c) This letter shall be binding upon and inure to the benefit of the undersigned and the Released Parties and their respective heirs, legal representatives, successors, and assigns.

(d) This letter may not be modified, amended, or rescinded except by the written agreement of the undersigned and the Released Parties, it being the express understanding of the undersigned and the Released Parties that no term hereof may be waived by the action, inaction, or course of delaying by or between the undersigned or the Released Parties, except in strict accordance with this paragraph, and further that the waiver of any breach of the terms of this letter shall not constitute or be construed as the waiver of any other breach of the terms hereof.

(e) The undersigned represents, warrants, and covenants that the undersigned is fully aware of the undersigned's rights to discuss any and all aspects of this matter with any attorney chosen by him or her, and that the undersigned has carefully read and fully understands all the provisions of this letter, and that the undersigned is voluntarily entering into this letter.

(f) This letter shall become effective upon the consummation of the Merger, and its operation to extinguish all of the Released Claims released hereby is not dependent on or affected by the performance or non-performance of any future act by the undersigned or the Released Parties. If the Merger Agreement is terminated for any reason, this letter shall be of no force or effect.

(g) If any civil action, arbitration, or other legal proceeding is brought for the enforcement of this letter, or because of an alleged dispute, breach, default, or misrepresentation in connection with any provision of this letter, the successful or prevailing party or parties shall be entitled to recover reasonable attorneys' fees, court costs, sales and use taxes, and all expenses even if not taxable as court costs (including, without limitation, all such fees, taxes, costs, and expenses incident to arbitration, appellate, bankruptcy, and post-judgment proceedings), incurred in that proceeding, in addition to any other relief to which such party or parties may be entitled. Attorneys' fees shall include, without limitation, paralegal fees, investigative fees, administrative costs, sales and use taxes, and all other charges billed by the attorney to the prevailing party (including any fees and costs associated with collecting such amounts).

(h) Each party acknowledges and agrees that any controversy which may arise under this letter is likely to involve complicated and difficult issues, and therefore each such 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 letter, or the transactions contemplated by this letter. 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 letter by, among other things, the mutual waivers and certifications in this Section.

(i) Any civil action, counterclaim, proceeding, or litigation arising out of or relating to this letter shall be brought exclusively in any federal or state court of competent jurisdiction located in the State of Tennessee. Each party consents to the jurisdiction of such Tennessee court in any such civil action, counterclaim, proceeding, or litigation and waives any objection to the laying of venue of any such civil action, counterclaim, proceeding, or litigation in such Tennessee court. Service of any court paper may be effected on such party by mail, as provided in this letter, or in such other manner as may be provided under applicable laws, rules of procedure, or local rules.

[Signature Pages Follow]

Sincerely,

Signature of Director

Name of Director

Signature Page – Claims Letter

On behalf of SmartFinancial, Inc., I hereby acknowledge receipt of this letter as of this 13th day of April, 2021.

SMARTFINANCIAL, INC.

By: _____

Name: William Y. Carroll, Jr.

Title: President and Chief Executive Officer

Signature Page – Claims Letter

Schedule I

Additional Excluded Claims



SmartFinancial, Inc. Announces Acquisition of Sevier County Bancshares, Inc.

KNOXVILLE, Tenn., April 14, 2021 – SmartFinancial, Inc., (Nasdaq: SMBK) (“SmartFinancial”), parent company of SmartBank, and Sevier County Bancshares, Inc., (“SCB”), parent company of Sevier County Bank, jointly announced today their entry into an agreement and plan of merger pursuant to which SmartFinancial will acquire SCB.

As of December 31, 2020, SCB had approximately \$424 million of total assets, \$381 million in deposits, and \$243 million in net loans with six branches in Sevier County, Tennessee and one branch in Richmond, Virginia. The proposed transaction will improve SmartFinancial’s market share to #1 in Sevier County, Tennessee based on deposits as of June 30, 2020 and become the 4th largest community bank headquartered in Tennessee, with total consolidated assets in excess of \$3.7 billion. Additionally, SmartFinancial will enter the Richmond, Virginia market with the addition of the six-person commercial banking team of Southern Community Bank.

Southern Community Bank, an office of Sevier County Bank, opened its doors for business in January 2021 as a community bank focused on supporting area businesses. The team has served Richmond as bankers and lenders for more than 20 years and has worked together at a variety of other institutions in the area. “The tremendous support from our Richmond community since opening has been humbling, gratifying, and appreciated,” commented Matt Paciocco, Market President for Southern Community Bank. “We are thrilled with the many customer partnerships we have already established and are excited about what joining forces with SmartBank means for Richmond in both the commercial and retail segments. Like us, they also bring both a commitment to community banking and to continued growth for our bank in this market.”

Upon completion of the merger, John Presley, Executive Chairman, will join the boards of both SmartFinancial and SmartBank. “This partnership will provide us new opportunities to increase the depth of products and services we can offer to our customers, while providing significant value to our shareholders,” remarked Presley. “Importantly, SmartBank shares our commitment to community banking and understands the value we provide to the communities we serve. We are especially excited about what this means for our team and our customers in Richmond.”

“We are pleased to partner with Sevier County Bank, which has a multi-generational history within our legacy footprint in East Tennessee and is a company that we have known and admired for years,” explained Billy Carroll, President and CEO of SmartFinancial. “Our familiarity with their leadership team and shared market area are what attracted us to this opportunity. This merger is reflective of our philosophy of partnering with banks that hold core values similar to our own and have a commitment to serving their local communities.”

SCB shareholders will receive 0.4116 shares of SmartFinancial common stock for each share of SCB common stock currently held, provided that holders of fewer than 20,000 shares of SCB common stock will have the option to receive cash for their shares in an amount to be calculated based on the average trading price of SmartFinancial’s common stock prior to the closing of the transaction. The transaction is valued on an aggregate basis at approximately \$38.2 million, based on SmartFinancial’s closing stock price on April 13, 2021. Based on SCB’s tangible common equity as of December 31, 2020, the implied price to tangible book value is approximately 128%.

The acquisition, which is subject to customary closing conditions including the approval of SCB shareholders and the receipt of all necessary regulatory approvals, is expected to be completed in early third quarter of 2021.

Advisors

Alston & Bird LLP served as legal advisor to SmartFinancial. Performance Trust Capital Partners, LLC served as financial advisor, and Baker, Donelson, Bearman, Caldwell & Berkowitz, PC served as legal counsel to Sevier County Bancshares, Inc.

About SmartFinancial, Inc.

SmartFinancial, Inc., with assets in excess of \$3.3 billion, is a publicly traded bank holding company for SmartBank based in Knoxville, Tennessee. SmartBank is a full-service commercial bank founded in 2007, with 35 branches spanning East and Middle Tennessee, Alabama, and the Florida Panhandle. Recruiting the best people, delivering exceptional client service, strategic branching, and a disciplined approach to lending have contributed to the company's success. More information about SmartFinancial can be found on its website: www.smartfinancialinc.com.

About Sevier County Bancshares, Inc.

Sevier County Bancshares, Inc. serves as the holding company for Sevierville, Tennessee-based Sevier County Bank. Founded in 1909, Sevier County Bank has over \$400 million in total assets with six branches in Sevier County, Tennessee and one branch in Richmond, Virginia. For more information about Sevier County Bank, please visit <https://www.bankscb.com>. For more information about Southern Community Bank, please visit <https://www.southerncommunitybank.com/>.

Conference Call Information

SmartFinancial will host a conference call to discuss the transaction on Wednesday, April 14, 2021, at 10:00 a.m. EST. The conference call materials will be published on the SmartFinancial investor relations page (www.smartfinancialinc.com/corporateprofile) by 8:00 a.m. EST on the day of the call. To access this interactive teleconference, dial (888) 317-6003 or (412) 317-6061 and enter the participant entry number 3063532, and ask to be joined into the SmartFinancial Call. A replay of the conference call will be available through April 14, 2022, by dialing (877) 344-7529 or (412) 317-0088 and entering the confirmation number, 10154725.

Forward-Looking Statements

Statements in this press release may not be based on historical facts and may be “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements may be identified by reference to future period(s) or by the use of forward-looking terminology, such as “anticipate,” “estimate,” “expect,” “foresee,” “may,” “might,” “will,” “would,” “could” or “intend,” future or conditional verb tenses, and variations or negatives of such terms. These forward-looking statements include, without limitation, statements relating to the expected impact of the proposed transaction between SmartFinancial and SCB (the “Proposed Transaction”) on the combined entities’ operations, financial condition, and financial results, (ii) expectations regarding the ability of SmartFinancial to successfully integrate the combined businesses, and (iii) the amount of cost savings and other benefits that are expected to be realized as a result of the Proposed Transaction. Readers are cautioned not to place undue reliance on the forward-looking statements contained in this press release because actual results could differ materially from those indicated in such forward-looking statements due to a variety of factors. These factors, include, but are not limited to, the ability to obtain regulatory approvals and meet other closing conditions required to complete the Proposed Transaction, including necessary approvals by SCB’s shareholders, on the expected terms and schedule, delays in closing the Proposed Transaction, difficulties and delays in integrating the SCB business or fully realizing cost savings from and other anticipated benefits of the Proposed Transaction, business disruption during and following the Proposed Transaction, changes in interest rates and capital markets, inflation, customer acceptance of the combined business’s products and services, uncertainty as to the extent of the duration, scope, and impacts of the COVID-19 pandemic on SCB and SmartFinancial and the proposed transaction, changes in general economic conditions, and other risk factors. Other relevant risk factors may be detailed from time to time in SmartFinancial’s press releases and filings with the Securities and Exchange Commission (the “SEC”). All forward-looking statements, expressed or implied, included in this press release are expressly qualified in their entirety by the cautionary statements contained or referred to herein. Any forward-looking statement speaks only as of the date of this press release, and neither SmartFinancial nor SCB undertake any obligation, and each specifically declines any obligation, to revise or update these forward-looking statements, whether as a result of new information, future developments or otherwise.

Additional Information and Where to Find It

This press release does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval with respect to the Proposed Transaction. No offer of securities shall be made except by means of a prospectus meeting the requirements of the Securities Act of 1933, as amended, and no offer to sell or solicitation of an offer to buy shall be made in any jurisdiction in which such offer or solicitation would be unlawful.

In connection with the Proposed Transaction, SmartFinancial will file with the SEC a registration statement on Form S-4 (the “Registration Statement”) that will include a proxy statement of SCB and a prospectus of SmartFinancial (the “Proxy Statement-Prospectus”), and SmartFinancial may file with the SEC other relevant documents concerning the Proposed Transaction. The definitive Proxy Statement-Prospectus will be mailed to the shareholders of SCB. **SHAREHOLDERS ARE URGED TO READ THE REGISTRATION STATEMENT AND THE PROXY STATEMENT-PROSPECTUS REGARDING THE PROPOSED TRANSACTION CAREFULLY AND IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE AND ANY OTHER RELEVANT DOCUMENTS FILED WITH THE SEC BY THE COMPANY, AS WELL AS ANY AMENDMENTS OR SUPPLEMENTS TO THOSE DOCUMENTS, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION.**

Free copies of the Proxy Statement-Prospectus, as well as other filings containing information about SmartFinancial, may be obtained at the SEC's Internet site (<http://www.sec.gov>), when they are filed by SmartFinancial. You will also be able to obtain these documents, when they are filed, free of charge, from SmartFinancial at www.smartfinancialinc.com. Copies of the Proxy Statement-Prospectus can also be obtained, when it becomes available, free of charge, by directing a request to SmartFinancial, Inc., 5401 Kingston Pike, Suite 600, Knoxville, TN 37919, Attention: Ron Gorczynski, Chief Financial Officer, Telephone: (865) 437-5724 or to Sevier County Bank, 111 East Main Street, Sevierville, Tennessee 37862 Attention: John Presley, Executive Chairman, Telephone: (865) 453-6101.

Participants in the Solicitation

SmartFinancial, SCB and certain of their directors, executive officers and employees may be deemed to be participants in the solicitation of proxies from the shareholders of SCB in connection with the Proposed Transaction. Information about SmartFinancial's directors and executive officers is available in its proxy statement for its 2020 annual meeting of stockholders, which was filed with the SEC on April 17, 2020. Information regarding all of the persons who may, under the rules of the SEC, be deemed participants in the proxy solicitation and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the Proxy Statement-Prospectus pertaining to the Proposed Transaction and other relevant materials to be filed with the SEC when they become available. Free copies of these documents may be obtained as described in the preceding paragraph.



SmartFinancial, Inc. Announces Acquisition of Sevier County Bancshares, Inc.

KNOXVILLE, Tenn., April 14, 2021 – SmartFinancial, Inc., (Nasdaq: SMBK) (“SmartFinancial”), parent company of SmartBank, and Sevier County Bancshares, Inc., (“SCB”), parent company of Sevier County Bank, jointly announced today their entry into an agreement and plan of merger pursuant to which SmartFinancial will acquire SCB.

As of December 31, 2020, SCB had approximately \$424 million of total assets, \$381 million in deposits, and \$243 million in net loans with six branches in Sevier County, Tennessee and one branch in Richmond, Virginia. The proposed transaction will improve SmartFinancial’s market share to #1 in Sevier County, Tennessee based on deposits as of June 30, 2020 and become the 4th largest community bank headquartered in Tennessee, with total consolidated assets in excess of \$3.7 billion. Additionally, SmartFinancial will enter the Richmond, Virginia market with the addition of SCB’s six-person commercial banking team. The Richmond team brings decades of commercial banking experience in the rapidly growing Richmond, Virginia area.

“We are pleased to partner with Sevier County Bank, which has a multi-generational history within our legacy footprint and is a company that we have known and admired for years,” explained Billy Carroll, President and CEO of SmartFinancial. “Our familiarity with their leadership team and common market area are what attracted us to this opportunity. This merger is reflective of our philosophy of partnering with banks that hold core values similar to our own and have a commitment to serving their local communities.”

“SCB operates with a core mission of *‘Keeping Community in Business’*, which complements SmartFinancial’s mission of serving clients and delivering ‘WOW’ experiences. We will offer more convenience to Sevier County Bank customers through a large regional branch network and enhanced product offerings and services,” commented Miller Welborn, Chairman of the Board of SmartFinancial. “Additionally, we are extremely enthusiastic about the new opportunities ahead for our company in the Richmond, Virginia market area. We look forward to continued growth and new opportunities in this new market.”

SCB shareholders will receive 0.4116 shares of SmartFinancial common stock for each share of SCB common stock currently held, provided that holders of fewer than 20,000 shares of SCB common stock will have the option to receive cash for their shares in an amount to be calculated based on the average trading price of SmartFinancial’s common stock prior to the closing of the transaction. The transaction is valued on an aggregate basis at approximately \$38.2 million, based on SmartFinancial’s closing stock price on April 13, 2021. Based on SCB’s tangible common equity as of December 31, 2020, the implied price to tangible book value is approximately 128%.

The acquisition, which is subject to customary closing conditions including the approval of SCB shareholders and the receipt of all necessary regulatory approvals, is expected to be completed in early third quarter of 2021.

Upon completion of the merger, John Presley, Executive Chairman, will join the boards of both SmartFinancial and SmartBank. “This partnership will provide us new opportunities to increase the depth of products and services we can offer to our customers, while providing significant value to our shareholders,” remarked Presley. “Importantly, SmartBank shares our commitment to community banking and understands the value we provide to the communities we serve. We have great history and pride in being a strong and trusted resource for our customers and communities, and I am honored to continue this legacy as a future director of SmartFinancial.”

Advisors

Alston & Bird LLP served as legal advisor to SmartFinancial. Performance Trust Capital Partners, LLC served as financial advisor, and Baker, Donelson, Bearman, Caldwell & Berkowitz, PC served as legal counsel to Sevier County Bancshares, Inc.

About SmartFinancial, Inc.

SmartFinancial, Inc., with assets in excess of \$3.3 billion, is a publicly traded bank holding company for SmartBank based in Knoxville, Tennessee. SmartBank is a full-service commercial bank founded in 2007, with 35 branches spanning East and Middle Tennessee, Alabama, and the Florida Panhandle. Recruiting the best people, delivering exceptional client service, strategic branching, and a disciplined approach to lending have contributed to the company's success. More information about SmartFinancial can be found on its website: www.smartfinancialinc.com.

About Sevier County Bancshares, Inc.

Sevier County Bancshares, Inc. serves as the holding company for Sevierville, Tennessee-based Sevier County Bank. Founded in 1909, Sevier County Bank has over \$400 million in total assets with six branches in Sevier County, Tennessee and one branch in Richmond, Virginia. For more information about Sevier County Bank, please visit <https://www.banksbc.com>.

Conference Call Information

SmartFinancial will host a conference call to discuss the transaction on Wednesday, April 14, 2021, at 10:00 a.m. EST. The conference call materials will be published on the SmartFinancial investor relations page (www.smartfinancialinc.com/corporateprofile) by 8:00 a.m. EST on the day of the call. To access this interactive teleconference, dial (888) 317-6003 or (412) 317-6061 and enter the participant entry number 3063532, and ask to be joined into the SmartFinancial Call. A replay of the conference call will be available through April 14, 2022, by dialing (877) 344-7529 or (412) 317-0088 and entering the confirmation number, 10154725.

Forward-Looking Statements

Statements in this press release may not be based on historical facts and may be “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements may be identified by reference to future period(s) or by the use of forward-looking terminology, such as “anticipate,” “estimate,” “expect,” “foresee,” “may,” “might,” “will,” “would,” “could” or “intend,” future or conditional verb tenses, and variations or negatives of such terms. These forward-looking statements include, without limitation, statements relating to the expected impact of the proposed transaction between SmartFinancial and SCB (the “Proposed Transaction”) on the combined entities’ operations, financial condition, and financial results, (ii) expectations regarding the ability of SmartFinancial to successfully integrate the combined businesses, and (iii) the amount of cost savings and other benefits that are expected to be realized as a result of the Proposed Transaction. Readers are cautioned not to place undue reliance on the forward-looking statements contained in this press release because actual results could differ materially from those indicated in such forward-looking statements due to a variety of factors. These factors, include, but are not limited to, the ability to obtain regulatory approvals and meet other closing conditions required to complete the Proposed Transaction, including necessary approvals by SCB’s shareholders, on the expected terms and schedule, delays in closing the Proposed Transaction, difficulties and delays in integrating the SCB business or fully realizing cost savings from and other anticipated benefits of the Proposed Transaction, business disruption during and following the Proposed Transaction, changes in interest rates and capital markets, inflation, customer acceptance of the combined business’s products and services, uncertainty as to the extent of the duration, scope, and impacts of the COVID-19 pandemic on SCB and SmartFinancial and the proposed transaction, changes in general economic conditions, and other risk factors. Other relevant risk factors may be detailed from time to time in SmartFinancial’s press releases and filings with the Securities and Exchange Commission (the “SEC”). All forward-looking statements, expressed or implied, included in this press release are expressly qualified in their entirety by the cautionary statements contained or referred to herein. Any forward-looking statement speaks only as of the date of this press release, and neither SmartFinancial nor SCB undertake any obligation, and each specifically declines any obligation, to revise or update these forward-looking statements, whether as a result of new information, future developments or otherwise.

Additional Information and Where to Find It

This press release does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval with respect to the Proposed Transaction. No offer of securities shall be made except by means of a prospectus meeting the requirements of the Securities Act of 1933, as amended, and no offer to sell or solicitation of an offer to buy shall be made in any jurisdiction in which such offer or solicitation would be unlawful.

In connection with the Proposed Transaction, SmartFinancial will file with the SEC a registration statement on Form S-4 (the “Registration Statement”) that will include a proxy statement of SCB and a prospectus of SmartFinancial (the “Proxy Statement-Prospectus”), and SmartFinancial may file with the SEC other relevant documents concerning the Proposed Transaction. The definitive Proxy Statement-Prospectus will be mailed to the shareholders of SCB. **SHAREHOLDERS ARE URGED TO READ THE REGISTRATION STATEMENT AND THE PROXY STATEMENT-PROSPECTUS REGARDING THE PROPOSED TRANSACTION CAREFULLY AND IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE AND ANY OTHER RELEVANT DOCUMENTS FILED WITH THE SEC BY THE COMPANY, AS WELL AS ANY AMENDMENTS OR SUPPLEMENTS TO THOSE DOCUMENTS, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION.**

Free copies of the Proxy Statement-Prospectus, as well as other filings containing information about SmartFinancial, may be obtained at the SEC's Internet site (<http://www.sec.gov>), when they are filed by SmartFinancial. You will also be able to obtain these documents, when they are filed, free of charge, from SmartFinancial at www.smartfinancialinc.com. Copies of the Proxy Statement-Prospectus can also be obtained, when it becomes available, free of charge, by directing a request to SmartFinancial, Inc., 5401 Kingston Pike, Suite 600, Knoxville, TN 37919, Attention: Ron Gorczynski, Chief Financial Officer, Telephone: (865) 437-5724 or to Sevier County Bank, 111 East Main Street, Sevierville, Tennessee 37862 Attention: John Presley, Executive Chairman, Telephone: (865) 453-6101.

Participants in the Solicitation

SmartFinancial, SCB and certain of their directors, executive officers and employees may be deemed to be participants in the solicitation of proxies from the shareholders of SCB in connection with the Proposed Transaction. Information about SmartFinancial's directors and executive officers is available in its proxy statement for its 2020 annual meeting of stockholders, which was filed with the SEC on April 17, 2020. Information regarding all of the persons who may, under the rules of the SEC, be deemed participants in the proxy solicitation and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the Proxy Statement-Prospectus pertaining to the Proposed Transaction and other relevant materials to be filed with the SEC when they become available. Free copies of these documents may be obtained as described in the preceding paragraph.



SmartFinancial

Acquisition of:

SCB | SEVIER COUNTY BANK

April 14, 2021, 10:00am ET

Webcast: www.smartbank.com

(Investor Relations)

Audio Only: 888-317-6003

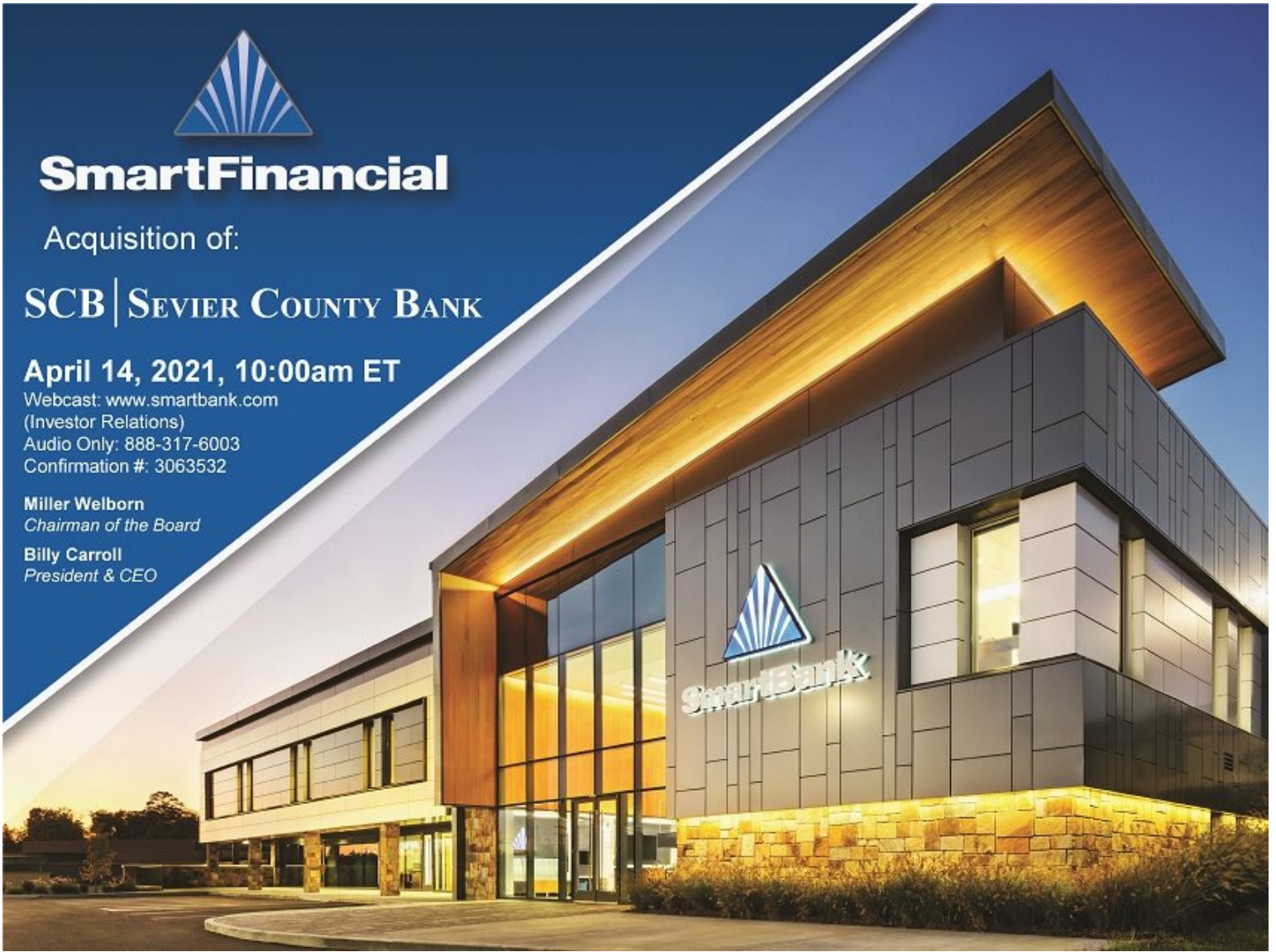
Confirmation #: 3063532

Miller Welborn

Chairman of the Board

Billy Carroll

President & CEO





Forward-Looking Statements

Certain statements in this communication may constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended with respect to the beliefs, plans, goals, expectations, and estimates of SmartFinancial, Inc. ("SMBK", "SmartFinancial" or the "Company"). Forward-looking statements are not a representation of historical information but instead pertain to future operations, strategies, financial results or other developments. These forward-looking statements may be identified by their reference to a future period or periods or by the use of forward-looking terminology such as "anticipate," "believe," "could," "continue," "seek," "intend," "estimate," "expect," "foresee," "hope," "intend," "may," "might," "plan," "should," "predict," "project," "goal," "outlook," "potential," "will," "will result," "will likely result," or "would" or future or conditional verb tenses and variations or negatives of such terms. These forward-looking statements include, without limitation, those relating to the terms, timing and closing of the proposed transaction.

SmartFinancial cautions readers not to place undue reliance on the forward-looking statements contained in this communication, in that actual results could differ materially from those indicated in such forward-looking statements as a result of a variety of factors, many of which are beyond the control of SmartFinancial. The factors that could cause actual results to differ materially include the following: the occurrence of any event, change or other circumstances that could give rise to the right of one or both of the parties to terminate the definitive merger agreement between SmartFinancial and Sevier County Bancshares, Inc. ("SVRH" or "Sevier County"); the outcome of any legal proceedings that may be instituted against SmartFinancial or SVRH; the possibility that the proposed transaction will not close when expected or at all because required regulatory, shareholder or other approvals are not received or other conditions to the closing are not satisfied on a timely basis or at all, or are obtained subject to conditions that are not anticipated; the ability of SmartFinancial and SVRH to meet expectations regarding the timing, completion and accounting and tax treatments of the proposed transaction; the risk that any announcements relating to the proposed transaction could have adverse effects on the market price of the common stock of either or both parties to the proposed transaction; the possibility that the anticipated benefits of the proposed transaction will not be realized when expected or at all, including as a result of the impact of, or problems arising from, the integration of the two companies or as a result of the strength of the economy and competitive factors in the areas where SmartFinancial and SVRH do business; certain restrictions during the pendency of the proposed transaction that may impact the SVRH's ability to pursue certain business opportunities; the possibility that the transaction may be more expensive to complete than anticipated, including as a result of unexpected factors or events; diversion of management's attention from ongoing business operations and opportunities; the possibility that the parties may be unable to achieve expected synergies and operating efficiencies in the merger within the expected timeframes or at all and to successfully integrate SVRH's operations and those of SmartFinancial and its subsidiaries; such integration may be more difficult, time consuming or costly than expected; revenues following the proposed transaction may be lower than expected; potential adverse reactions or changes to business or employee relationships, including those resulting from the announcement or completion of the proposed transaction; SmartFinancial's and SVRH's success in executing their respective business plans and strategies and managing the risks involved in the foregoing; the dilution caused by SmartFinancial's issuance of additional shares of its capital stock in connection with the proposed transaction; and other factors that may affect future results of SmartFinancial and SVRH; and the other factors discussed in "Risk Factors" in SmartFinancial's Annual Report on Form 10-K for the year ended December 31, 2020 and SmartFinancial's other filings with the U.S. Securities and Exchange Commission (the "SEC"), which are available at <https://www.sec.gov> and in the "Investor Relations" section of SmartFinancial's website, <https://smartbank.com>, under the heading "About Us." SmartFinancial assumes no obligation to update the information in this communication, except as otherwise required by law.

Non-GAAP Financial Measures

Statements included in this presentation include Non-GAAP financial measures and should be read along with the accompanying tables, which provide a reconciliation of Non-GAAP financial measures to GAAP financial measures. SmartFinancial management uses several Non-GAAP financial measures and ratios derived therefrom, including: (i) tangible common equity, (ii) tangible assets, and (iii) tangible book value per share, and (iv) net income contribution. Tangible common equity excludes goodwill and other intangible assets from shareholders' equity. Tangible assets excludes goodwill and other intangible assets from total assets. Tangible book value per share divides tangible common equity by total shares outstanding. Net income contribution excludes certain tax benefits and expenses and includes estimated cost synergies. Management believes that Non-GAAP financial measures provide additional useful information that allows investors to evaluate the ongoing performance of the company and provide meaningful comparisons to its peers. Management believes these non-GAAP financial measures also enhance investors' ability to compare period-to-period financial results and allow investors and company management to view our operating results excluding the impact of items that are not reflective of the underlying operating performance. Non-GAAP financial measures should not be considered as an alternative to any measure of performance or financial condition as promulgated under GAAP, and investors should consider SmartFinancial's performance and financial condition as reported under GAAP and all other relevant information when assessing the performance or financial condition of the company. Non-GAAP financial measures have limitations as analytical tools, and investors should not consider them in isolation or as a substitute for analysis of the results or financial condition as reported under GAAP.



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▲ Logical, in-market consolidation solidifying Sevier County market share (moving into the #1 market share)¹ and eliminating the entry of a potential competitor

▲ Market overlap creates ability to consolidate branches and drive substantial cost synergies

▲ SMBK's infrastructure provides the capacity to drive operating leverage

▲ Ability to strengthen back-office support with talented Sevier County employees

▲ Low risk transaction – high degree of familiarity with Sevier County customer and employee base

▲ Similar cultures with strong community ties and shared passion for supporting Sevier County and broader East Tennessee market areas

▲ Leadership continuity with Sevier County's Executive Chairman joining the SMBK Board of Directors

▲ New seasoned banking team in Richmond, VA allows for high growth market expansion with deep commercial lending experience



Source: S&P Global Market Intelligence

1) Deposit Market Share based on FDIC deposit data as of June 30, 2020 for Sevier County, TN



Structure	<ul style="list-style-type: none">▲ SVRH to merge into SMBK, followed by the merger of Sevier County Bank into SmartBank▲ 100% stock consideration; cash election for shareholders with <20,000 shares (~10% of shares)¹▲ Tax-free reorganization at the corporate level
Exchange Ratio	<ul style="list-style-type: none">▲ Fixed exchange ratio▲ SVRH shareholders will receive 0.4116 SMBK shares for each share of SVRH
Implied Transaction Value	<ul style="list-style-type: none">▲ Aggregate deal value of \$38.2 million²▲ Implied value of \$8.75 per SVRH share▲ 1.28x SVRH's tangible book value³
Pro Forma Ownership	<ul style="list-style-type: none">▲ 1,797,242 shares of SMBK common stock to be issued to SVRH shareholders▲ Approximately 89% SMBK / 11% SVRH
Termination Fee	<ul style="list-style-type: none">▲ \$2.0 million or approximately 5% of transaction value
Governance	<ul style="list-style-type: none">▲ SVRH Executive Chairman John Presley to join the SMBK Board of Directors▲ SVRH management to support SMBK to ensure a successful integration and client continuity
Approval and Closing	<ul style="list-style-type: none">▲ Customary regulatory and stockholder approval for SVRH shareholders▲ Anticipated closing in third quarter of 2021

1) Total SVRH shares outstanding of 4,366,477 including restricted stock units which will vest upon the change-in-control

2) Based on SMBK's closing stock price of \$21.25 as of 4/13/21

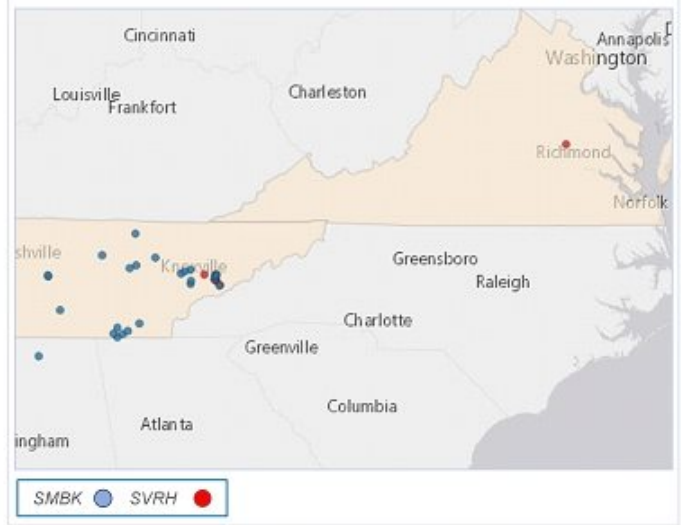
3) SVRH tangible book value per share based on SVRH's 12/31/20 tangible common equity / 4,366,477 shares and restricted stock units outstanding – See Non-GAAP Disclosures



Company Overview

- ▲ Founded in 1909, Sevier County Bank is a historic community bank with a legacy of long-term client relationships
- ▲ 2019 recapitalization accompanied by complimentary management additions and organizational improvements
- ▲ 2020 expansion into Richmond, VA with highly experienced commercial lending team
- ▲ Customer oriented approach to business
- ▲ Strong cultural and philosophical alignment between the two organizations

TN / VA Branch Footprint



Key Metrics - 12/31/20

\$424 mm <i>Total Assets</i>	\$246 mm <i>Gross Loans</i>	\$381 mm <i>Total Deposits</i>
+\$5 mm <i>Net Income Contribution¹</i>	7 <i>Branches</i>	#4 <i>DMS Sevier County²</i>

Loan and Deposit Mix

C&I/Ag
9%

C&D
5%

Sources: S&P Global Market Intelligence

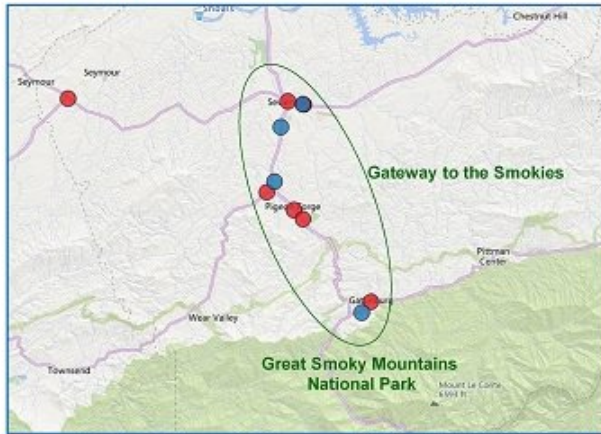
1) Net income contribution based on 2020 pre-tax, pre-provision income adjusted for 25% normalized tax rate and 63% expected cost synergies – See Non-GAAP Disclosures

2) Deposit Market Share based on FDIC deposit data as of June 30, 2020 for Sevier County, TN



Transaction creates #1 market share in Sevier County, enhances Tennessee presence, and provides attractive franchise consolidation opportunity

Complimentary Branch Footprint...



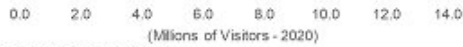
...Creates #1 Share in Sevier County & Bolsters TN

Table comparing 2020 Deposits (\$mm) and Market Share (%) for various institutions in Sevier County, TN and the State of Tennessee.

The Most Visited U.S. National Park...

The Great Smoky Mountains Nat'l Park is the most visited U.S. National Park²...

- List of National Parks including Great Smoky Mount. NP, Yellowstone NP, Zion NP, Rocky Mountain NP, Grand Teton NP, Grand Canyon NP, Cuyahoga Valley NP, Acadia NP, Olympic NP, Joshua Tree NP.



Source: S&P Global Market Intelligence

1) Deposit market share data based on FDIC deposit data as of 6/30/20
2) US National Park Service - www.nps.gov
3) 2019 attendance at both Dollywood and Dollywood's Splash Country - www.dollywood.com
4) 2019 attendance at four Sevier County distillery locations - www.visitsevier.com

...Drives Tourism and Hospitality

...Which powers a robust economy with 60% of the US population only a day's drive away



+3mm Guests³

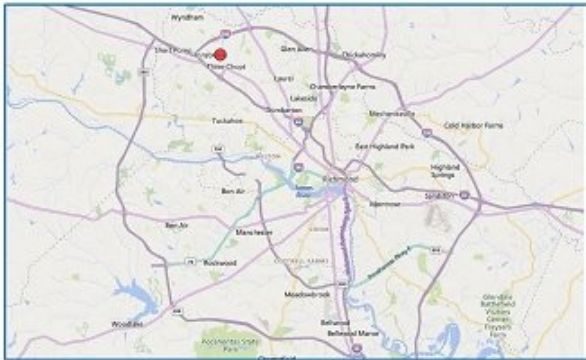


4.5mm Visitors⁴



New six-person commercial banking team in Richmond, VA with 100+ combined years of in-market experience

Attractive North Richmond Location



Comparison: SMBK Top Four Markets¹

	2021	2021-2026	2021	2021-2026
	Total Pop. (Actual)	Proj. Pop. Change (%)	Median HH Income (\$)	Proj. HH Income Change (%)
MSA				
1 Sevierville/PF/Gatlinburg, TN	99,247	4.14	52,378	9.33
2 Chattanooga, TN-GA	571,204	3.97	59,055	10.80
3 Knoxville, TN	879,185	3.95	58,967	8.96
4 Tuscaloosa, AL	253,466	2.07	54,196	7.85
Richmond, VA	1,303,952	3.73	73,261	9.71

Market Leadership

- ▲ John Presley (SVRH Executive Chairman) will join the SMBK Board of Directors
 - 24 years of experience in the Richmond market area
 - Organized the lift-out of the Richmond team in 2020
- ▲ Richmond Team has worked together for 20+ years
- ▲ Richmond Team includes six seasoned individuals:

Business Generation:

- Market President
- Senior Lending Officer
- Treasury Relationship Manager

Market Support:

- Credit Admin/Market Leader
- Loan Servicing Manager
- Credit Admin Specialist

Richmond Strategy

- ▲ Takes advantage of dislocation due to recent bank consolidation in the Richmond, VA market
- ▲ Provides access to a significantly larger population base
- ▲ Stronger median household income in the Richmond market area vs. SMBK core markets
- ▲ Robust commercial business lending opportunities
- ▲ Legacy client relationships among current team
- ▲ Expansion of SMBK treasury management platform to Richmond client base

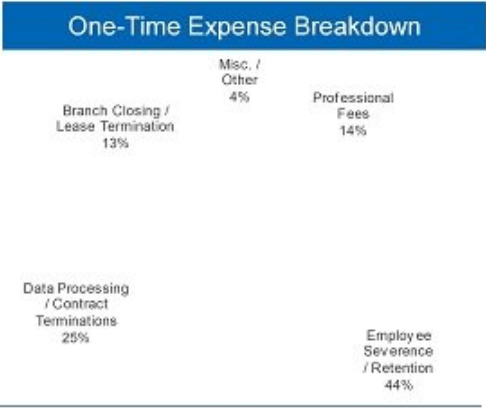
Source: S&P Global Market Intelligence

1) Top four markets based on deposits in market as a percent of total SMBK deposits as of 6/30/20 as reported by the FDIC



Synergies and One-time Merger Expenses

- ▲ Identified fully phased-in cost savings of ~\$7.1mm
 - ~63% of SVRH's estimated 2021 noninterest expense
 - Phased-in at 25% in 2021, 100% thereafter
- ▲ \$8.7 million in pre-tax, one-time costs and restructuring charges
 - \$1.4 million in post-closing restructuring expenses
- ▲ Revenue synergies identified but not modeled



Loan Credit Marks

- ▲ Conservative credit mark of \$7.2 million (2.9% of gross loans at 12/31/20)
- ▲ Net credit mark of \$4.2 million based on SVRH 12/31/20 reserves of \$3.0 million

Other Key Adjustments

- ▲ Anticipated consolidation of four SVRH branches and an operations center
- ▲ Other fair value marks, including:
 - \$68 thousand estimated net mark-up on branches
 - \$1.3 million mark-down of SVRH historical NOLs due to IRS Section 382 limitations
 - \$371 thousand mark-up on subordinated debt
- ▲ Core deposit intangible of \$1.2 million; amortized sum-of-the-years digits over 10 years



Manageable Dilution to Tangible Book Value

~2.4 Years

Tangible Book Value Per Share earn back with ~3.3% dilution expected at close¹
Below SMBK internal 3-year earn back threshold

Delivering EPS Growth

15%+

Accretion to 2022 Earnings Per Share²

Robust Pro Forma Earnings Contribution

>\$5.3 million

SVRH Net Income Contribution³

Strong Pro Forma Capital Position

>8%

Pro Forma TCE / TA at Close

>11%

Pro Forma Tier 1 RB Ratio at Close

>13%

Pro Forma TRBC Ratio at Close

Attractive Return Metrics

31%+

Internal Rate of Return

1) Expected tangible book value dilution based on 9/30/21 closing. Earn back based on the crossover methodology.

2) SMBK 2022 EPS based on 2021 consensus EPS estimates of \$1.74 per share grown at 10%

3) Net income contribution based on 2020 pre-tax, pre-provision income adjusted for 25% normalized tax rate and 63% expected cost synergies – See Non-GAAP Disclosures



- ✓ *Comprehensive due diligence coordinated and led by executives of both SMBK and SVRH*
- ✓ *Engagement of external counsel, consultants and internal M&A team*
- ✓ *SMBK has extensive prior diligence and integration experience – six acquisitions in the past nine years*

Diligence Focus Areas

<i>Consumer / Commercial Credit</i>	<i>Retail Operations</i>	<i>Legal / Compliance</i>	<i>Treasury Management</i>	<i>Accounting Policy and Tax</i>	<i>Human Resources</i>	<i>Technology & Operations</i>
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Complete Credit Review

- ▲ Reviewed a large sample from various industry types with a particular focus on pandemic-impacted sectors¹
- ▲ Reviewed 350+ loans, including:
 - 100% of the top 25 relationships
 - 100% of the 90+ days past due and nonaccruals, watchlist and special mention or worse
 - 100% of the loans with a relationship balance over \$500 thousand
 - 73% of the construction and development portfolio
 - 90% of the Commercial Real Estate (CRE) portfolio
 - 70% of the C&I and Owner-Occupied CRE portfolio
- ▲ Reviewed 73% of the portfolio

Process

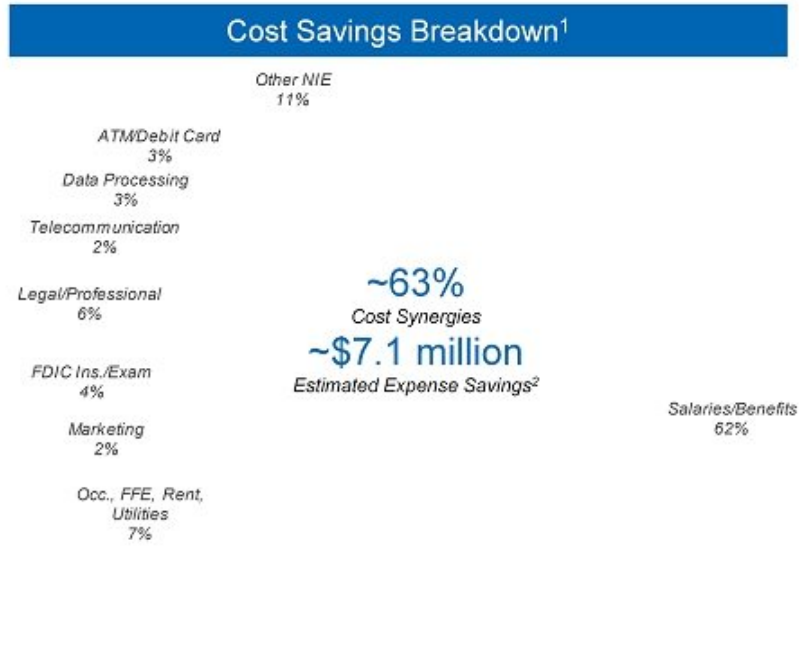
- ▲ Multiple senior management diligence meetings with coordinated cooperation on both sides
- ▲ Fully engaged SMBK senior leadership performing business and operational reviews of functional areas:
 - Chairman & CEO: Corporate Structure / Organizational Continuity
 - CFO & EVP Planning: Accounting / Finance
 - CLO & CCO: Credit Diligence / Lending Operations
 - CIO: Technology / Cybersecurity / Third Party Risk Management
 - CPO: Human Resources / Human Capital / Key Talent
 - Head of Retail & SVP Operations: Treasury Management / Deposit Operations / Retail Operations
 - VP General Counsel: Compliance / Internal Audit / Legal
- ▲ Support from legal counsel, accounting and other outside professionals

1) Office, retail and hospitality



- ✓ Deep dive into potential cost synergies with thorough examination of leases and contracts
- ✓ SMBK senior operational heads involved in synergies review
- ✓ Collaborative process with valuable input from SVRH senior management






Commentary
<p>▲ Analysis of expense savings factoring in:</p> <ul style="list-style-type: none"> • Geographic overlap of four out of seven branches • SMBK's considerable experience integrating acquisitions • SVRH employees will be evaluated for positions within SMBK <p>▲ Significant sources of savings:</p> <ul style="list-style-type: none"> • Branch consolidation • Consolidation of back-office infrastructure and processing systems • Alignment of business models



1) Source: Management estimates
 2) Based on 2021 estimated SVRH expenses

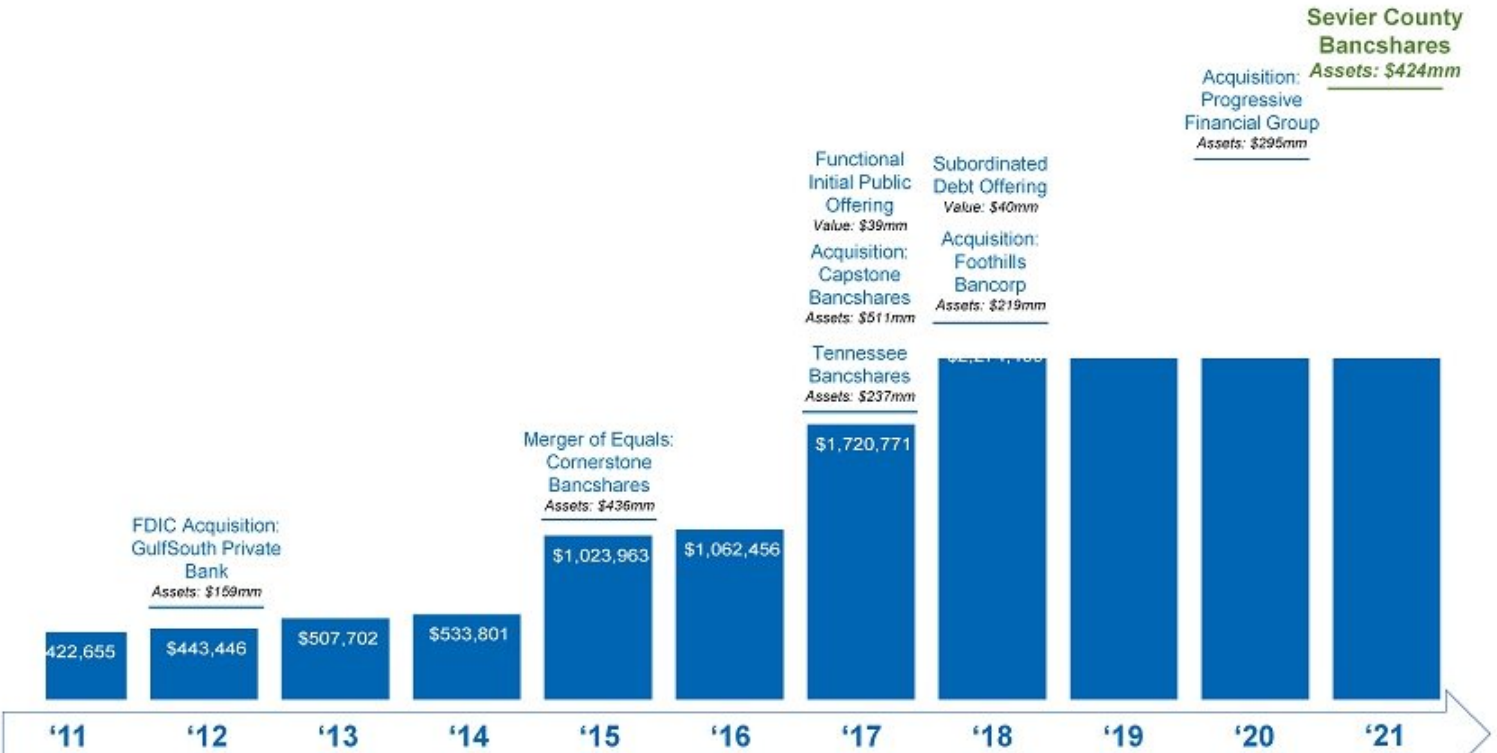


SmartFinancial is committed to balancing organic growth with thoughtful acquisitions and will not make acquisitions simply for the sake of growth

Impact	SMBK Criteria	Acquisition of SVRH
TBV Earn Back Period	< 3 Years	
EPS Impact	Meaningful earnings accretion in first full year of operations	
Market Density	Builds upon footprint in current markets	 
Deposit Base	Steady, low-cost funding	



10-Year CAGR¹⁾: 27%
5-Year CAGR²⁾: 34%



Note: Asset totals in millions; transactions shown by announce date
 1) 10-year compound annualized growth rate calculated from 12/31/11 through 3/31/21
 2) 5-year compound annualized growth rate calculated from 12/31/16 through 3/31/21
 3) Based on 12/31/20 combined assets; excludes merger adjustments



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Appendix



Pro Forma Franchise Highlights

December 31, 2020 - Deposit / Loan Mix

	Pro Forma¹	SMBK	SVRH	Pro Forma
Assets	\$4.0bn	Cons./ Other 0%		Cons./ Other 1%
Loans / Dep.	79%			
TCE/TA	8.1%	\$2.4bn	\$246mm	\$2.6bn
Leverage Ratio	8.1%			
Tier 1 Ratio	11.6%			
Total RBC Ratio	13.8%			
SMBK Price ²	\$21.25	\$2.8bn	\$381mm	\$3.2bn
Price / Pro Forma TBVPS at Closing	1.15x			
Price / Pro Forma 2022 EPS ³	9.6x			

1) Pro forma financials based on estimated 9/30/21 closing unless otherwise footnoted

2) Based on SMBK's closing stock price of \$21.25 as of 4/13/21

3) SMBK pro forma 2022 EPS based on stand alone SMBK 2021 consensus EPS estimates of \$1.74 per share grown at 10% and adjusted for the estimated impact of the SVRH acquisition

Financial Information at and for the Twelve Months Ended December 31, 2020
(\$ in thousands except per share data)

SMBK Tangible Common Equity ("TCE")		SVRH Tangible Common Equity ("TCE")	
Shareholders' Equity (GAAP)	\$ 357,168	Shareholders' Equity (GAAP)	\$ 29,801
Less: Goodwill and Other Intangible Assets	86,471	Less: Goodwill and Other Intangible Assets	-
TCE (Non-GAAP)	<u>\$ 270,697</u>	TCE (Non-GAAP)	<u>\$ 29,801</u>
SMBK Tangible Assets ("TA")		SVRH Tangible Assets ("TA")	
Total Assets (GAAP)	\$ 3,304,949	Total Assets (GAAP)	\$ 424,031
Less: Goodwill and Other Intangible Assets	86,471	Less: Goodwill and Other Intangible Assets	-
TA (Non-GAAP)	<u>\$ 3,218,478</u>	TA (Non-GAAP)	<u>\$ 424,031</u>
SMBK TCE / TA		SVRH TCE / TA	
TCE (Non-GAAP)	\$ 270,697	TCE (Non-GAAP)	\$ 29,801
Divided by: TA (Non-GAAP)	3,218,478	Divided by: TA (Non-GAAP)	424,031
TCE / TA	<u>8.4%</u>	TCE / TA	<u>7.0%</u>
SMBK Tangible Book Value Per Share ("TBVPS")		SVRH Tangible Book Value Per Share ("TBVPS")	
TCE (Non-GAAP)	\$ 270,697	TCE (Non-GAAP)	\$ 29,801
Divided by: SMBK Shares Outstanding	15,107,214	Divided by: SVRH Shares Outstanding ¹	4,366,477
TBVPS (Non-GAAP)	<u>\$ 17.92</u>	TBVPS (Non-GAAP)	<u>\$ 6.82</u>
		SVRH 2020 Net Income Contribution	
		2020 Net Income (GAAP)	\$ 2,237
		Less: Income Tax Benefit	2,600
		Less: Provision Expense	(660)
		2020 Operating Pre-Tax Income (Non-GAAP)	<u>\$ 296</u>
		2020 SVRH Noninterest Expense (GAAP)	10,907
		Multiplied by: 63% Estimated Cost Synergies (Non-GAAP)	<u>\$ 6,872</u>
		2020 Operating Pre-Tax Income + Cost Synergies (Non-GAAP)	\$ 7,168
		Less: 25% Normalized Income Tax	1,792
		2020 Net Income Contribution (Non-GAAP)	<u>\$ 5,376</u>

1) Total SVRH shares outstanding of 4,366,477 including restricted stock units which will vest upon the change-in-control



Billy Carroll

President & CEO

865.868.0613

billy.carroll@smartbank.com

Miller Welborn

Chairman

423.385.3067

miller.welborn@smartbank.com



SmartFinancial

**5401 Kingston Pike, Suite 600
Knoxville, TN 37919**




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