

**GUARANTY BANCSHARES, INC.
CHARTER OF THE COMPENSATION COMMITTEE**

As adopted by the Board of Directors

This Charter of the Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of Guaranty Bancshares, Inc. (“Guaranty”) has been adopted by the Board for the purpose set forth below. Unless the context requires otherwise, all references to Guaranty in this Charter will include the subsidiaries and affiliates of Guaranty Bancshares, Inc.

Purpose of the Committee

The purposes of the Committee are to assist the Board in its oversight of:

1. Guaranty’s overall compensation structure, policies and programs and assessing whether the compensation structure establishes appropriate incentives to officers and employees and meets Guaranty’s corporate objectives;
2. Compensation of Guaranty’s executive officers (as defined in Rule 3b-7 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) (the “Executive Officers”); and
3. Administration of Guaranty’s compensation and benefit plans, including each equity incentive plan, cash incentive plan, pension, retirement and profit sharing plans, and other compensatory plans adopted by Guaranty that otherwise requires or provides for approval or administration by the Board (collectively, the “Plans”).

Composition of the Committee

The Committee will consist of at least three directors of Guaranty. The Board will appoint the members and the Chair of the Committee. The Chair will be responsible for the leadership of the Committee, including presiding over meetings and making regular reports to the Board. The Board may remove any director from the Committee at any time with or without cause. Any vacancy on the Committee will be filled by the Board. Any director serving on the Committee will automatically cease to be a member of the Committee at the time that he or she ceases to be a director.

A director may serve as a member of the Committee only during periods in which the director: (i) meets the independence requirements contained in the rules of The NASDAQ Stock Market, LLC (“Listed Company Rules”), (ii) is a “non-employee director” within the meaning of Rule 16b-3 under the Exchange Act, and (iii) is an “outside director” within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended (the “Code”). In determining whether a director is eligible to serve on the Committee, the Board will consider whether the director is affiliated with Guaranty, a subsidiary of Guaranty or an affiliate of a subsidiary of Guaranty to determine whether such affiliation would impair the director’s judgment as a member of the Committee. In addition, in affirmatively determining the independence of any director who will serve on the Committee, the Board of Directors will consider all factors

specifically relevant to determining whether a director has a relationship to Guaranty which is material to that director's ability to be independent from management in connection with the duties of a Committee member, including, but not limited to the source of compensation of such director, including any consulting, advisory or other compensatory fee paid by Guaranty to such director, and whether such director is affiliated with Guaranty, a subsidiary of Guaranty, or an affiliate of a subsidiary of Guaranty. When considering the sources of a director's compensation for purposes of Committee membership, the Board should consider whether the director receives compensation from any person or entity that would impair the director's ability to make independent judgments about Guaranty's executive compensation.

The Committee will comply with all applicable requirements for compensation committees promulgated from time to time by the Securities and Exchange Commission (the "SEC") and those set forth in the Listed Company Rules and the Internal Revenue Code. The Board will determine, at least annually, the eligibility of the Committee's members.

Duties, Responsibilities and Powers

Although the Committee may have other duties from time to time as specifically established by action of the Board, the general recurring duties, responsibilities and powers of the Committee in carrying out its oversight role are described below.

1. The Committee will review and determine, and recommend to the Board for its confirmation, the annual compensation, annual incentive opportunities (including equity and non-equity incentives) and any other matter relating to the compensation of the Executive Officers. The Chief Executive Officer may not be present for any deliberations or voting with respect to the determination of his or her compensation, but may be present and make recommendations with respect to the compensation of the other Executive Officers.

2. The Committee will review and determine, and make recommendations to the Board with respect to all employment agreements, severance or termination agreements, change in control agreements or similar agreements proposed to be entered into between any Executive Officer and Guaranty.

3. The Committee will review and determine, and recommend to the Board for its confirmation modifications to Guaranty's philosophy and practices relating to compensation of Guaranty's directors, Executive Officers and other members of Guaranty's management.

4. The Committee will review and determine, and recommend to the Board for its confirmation the establishment of the performance measures applicable to each performance-based cash incentive and equity incentive award to be made under any Plan, and the applicable performance targets for each such performance measure for each such award granted under a Plan

5. The Committee will have separate but concurrent authority to take all actions required or permitted under the terms of each of the Plans;

6. The Committee will have the authority to review, approve and administer each of the Plans and perform such other duties and responsibilities as may be assigned to the Committee under the terms of the Plans.

(a) the institution of, revision of, terminations of, and other actions under Plans that are required to be approved by the Board;

(b) the reservation of authorized and unissued shares of the common stock of Guaranty for issuance upon the exercise or vesting of grant awards under any of the Plans, for use in settlement of grants or awards under the Plans or as contributions or sales to any trustee of a Plan;

(c) the grant of awards under the Plan and the modification of awards outstanding under a Plan that the Committee deems in the best interest of Guaranty and its shareholders; and

(d) the purchase of shares of the common stock of Guaranty for transfer upon exercise or vesting of grants under the Plans, for use in payments of grants or awards under the Plans and for transfer as contributions or sales to any trustee of a Plan.

7. The Committee will review with the Chief Executive Officer the compensation payable to employees other than Executive Officers, including equity and non-equity incentive compensation and other benefits and Guaranty's total incentive compensation program envisioned for each fiscal year.

8. The Committee will consult with the Chief Executive Officer regarding a succession plan for the Executive Officers of Guaranty, including the Chief Executive Officer. As part of this process, the Committee will review the leadership development process for senior management positions. The Committee also will review compensation, incentive and other programs to promote such development. The succession plan will be reviewed annually by the Committee and subsequently by the Board.

9. The Committee will review the performance of the Executive Officers for each fiscal year.

10. The Committee will review and discuss with management any Compensation Discussion & Analysis ("CD&A") to be included in Guaranty's annual meeting proxy statement and other filings with the SEC, and, based on such review and discussion, determine whether or not to recommend to the Board that the CD&A be so included. The Committee will also review the procedures and controls for the preparation of these disclosures and recommend any appropriate changes to the Board.

11. The Committee will produce the Compensation Committee Report on executive officer compensation required for inclusion in Guaranty's annual meeting proxy statement in compliance with the rules and regulations promulgated by the SEC.

12. The Committee will review annually and recommend to the Board the non-management director compensation program for each year to compensate non-management

directors for their service on the Board and Board committees, or on the board or a board committee of any of Guaranty's subsidiaries.

13. The Committee will at least annually review the overall performance, operation and administration of the Plans.

14. The Committee will have sole and exclusive authority, without prior approval of the full Board, to take action on the following:

(a) Administering the Plans with respect to employees and consultants who are subject to the short-swing profit restrictions of Section 16(b) of the Exchange Act for the purposes and with the intent of having the exemption provided under Rule 16b-3 promulgated under the Exchange Act available to the directors of Guaranty and those officers of Guaranty subject to the provisions of Section 16(b) of the Exchange Act;

(b) Retaining, or obtaining the advice of, such compensation consultants, legal counsel, or other advisers as the Committee deems necessary or appropriate for the Committee to carry out its duties, with Guaranty to provide appropriate funding, as determined by the Committee, for the payment of reasonable compensation to such compensation consultants, legal counsel and other advisers; provided, that when determining whether to engage any compensation consultant, legal counsel or other adviser, the Committee will consider those factors set forth in Rule 10C(b)(4) under the Exchange Act and any other factors required to be so considered by the Listed Company Rules, including, without limitation, the factors set forth in Rule 5605(d)(3) of the Equity Rules of NASDAQ, as in effect from time to time, or in any successor rule thereto.

15. From time to time the Committee may, by resolution of the Committee, delegate to one or more other committees of the Board separate but concurrent authority, to the extent specified in such resolution, to administer the Plans with respect to employees of Guaranty and its subsidiaries and consultants who are not subject to the short-swing profit restrictions of Section 16(b) of the Exchange Act.

16. The Committee will oversee and make recommendations to the Board regarding Guaranty's compliance with SEC rules and regulations regarding shareholder approval of certain executive compensation matters, including advisory votes on executive compensation and golden parachute compensation, and the requirement under the Listed Company Rules that, with limited exceptions, shareholders approve equity compensation plans. The Committee will also review any proxy statement disclosures related to any of the foregoing.

17. The Committee will perform any other responsibilities consistent with this charter, Guaranty's corporate governance documents, applicable laws and regulations and the Listed Company Rules, as the Committee or the Board deems necessary or appropriate.

18. The Committee will evaluate its performance under this charter on an annual basis. In conducting this review, the Committee will evaluate the adequacy of the scope of the Charter and recommend to the Board any changes that it deems necessary or appropriate.

Committee Governance

The Committee will meet at such times as it determines to be necessary or appropriate, but at least once annually, and will report to the Board at the meeting of the Board next following each such Committee meeting regarding any issues of which the Board should be made aware. A special meeting of the Committee may be called by the Chairman of the Board, the Chair of the Committee or by a majority of the Committee members. A majority of the Committee members will constitute a quorum for the conduct of business at Committee meetings. Committee members may attend meetings of the Committee telephonically or by video conference. The affirmative vote of a majority of the Committee members present is necessary for the adoption of any resolution of the Committee or to take another action of the Committee. The Committee may invite any director, officer or employee of Guaranty or its subsidiaries, and such other persons as it deems appropriate, to attend its meetings (or portions thereof) or to meet with or provide relevant information to any members of, or consultants to, the Committee. The Committee will have the opportunity at any meeting of the Committee to meet in executive session without the presence of management. The Committee will keep regular minutes and records relating to its meetings and will report regularly to the Board on its activities, as appropriate.

The Committee will have the resources and authority necessary to discharge its duties and responsibilities. Any communications between the Committee and legal counsel in the course of obtaining legal advice will be considered privileged communications of Guaranty and the Committee will take all necessary steps to preserve the privileged nature of those communications.

Disclosure of Charter

This Charter will be made available as required by applicable laws and regulations and the Listed Company Rules.

[End of Charter]