

GUARANTY BANCSHARES, INC.
CODE OF CONDUCT
APPLICABLE TO ALL DIRECTORS, OFFICERS AND EMPLOYEES

As adopted by the Board of Directors

Introduction

The sound judgment and integrity shown by directors, officers and employees (officers and employees are collectively referred to as “staff members”) in avoiding conflicts either direct or indirect, between the best interests of Guaranty Bancshares, Inc. and its subsidiaries (collectively referred to as “Guaranty”), and private interests, is a continuing source of pride to the Board of Directors and senior management.

This is an area in which there can be no compromise with the highest standards. Guaranty’s reputation, and that of its directors and staff members, is its greatest asset.

This Code of Conduct sets forth the guiding principles by which Guaranty and its directors and staff members operate and conduct business with shareholders, customers, vendors and each other. These principles apply to all of the directors and staff members of Guaranty. This Code of Conduct covers a wide range of business practices and procedures. It does not cover every issue that may arise, but sets forth basic governing principles. If you have any questions about complying with this Code of Conduct, you should contact Human Resources or, as appropriate, Guaranty’s General Counsel, who has been designated as Guaranty’s Legal Compliance Officer, for direction.

The Chief Executive Officer (“CEO”), Chief Financial Officer and certain other senior financial officers of Guaranty are also covered by a separate Code of Ethics for Chief Executive Officer and Senior Financial Officers. In addition to adherence to this Code of Conduct, because Guaranty is a diverse financial services organization with a variety of business units, customers and products, separate and more specific rules and codes of conduct may apply to employees of particular units of Guaranty’s business.

Responsibility and Administration

It shall be the responsibility of the Executive Committee of the Board of Directors of Guaranty Bank & Trust to monitor adherence to the Code of Conduct. At its discretion it may adopt such procedures it considers necessary to implement the Code.

It is the responsibility of each director and staff member to be familiar with the Code of Conduct and to abide by the letter and spirit of its provisions and principles at all times together with any addenda. Directors and staff members shall provide initial written acknowledgement of the Code of Conduct policy and certify compliance with the policy. Directors and staff members will be required to certify compliance with the Code of Conduct annually (see Exhibit 1).

Honesty and Observance of Laws

Violations of the Code of Conduct or Illegal Activities

Violations of the Code of Conduct constitute grounds for disciplinary action, including termination of employment. Directors and staff members are expected to act fairly and honestly in all transactions with Guaranty and with others and to maintain the high ethical standards of Guaranty in accordance with this Code of Conduct.

Discovery of events of a questionable, fraudulent or illegal nature of which appear to be in violation of the Code of Conduct must be promptly reported to the CEO or the Executive Committee, unless another person is specified in the Code of Conduct or a more specific Guaranty policy. If such instances are identified with persons at the highest levels within Guaranty, the matter should be reported to the Legal Compliance Officer or the Internal Audit Department, as appropriate. Failure to report such events also constitutes a violation of the Code of Conduct.

Further, suspected illegal activities must be reported to federal authorities under the Suspicious Activity Report (SAR) guidelines. Therefore, such instances should be immediately reported to the appropriate department head. The Bank Secrecy Act Policy and Procedures detail specific requirements for filing SARs.

Retaliation against individuals who have made good faith reports or complaints of violations of this Code of Conduct or other known or suspected illegal or unethical conduct is prohibited. Any retaliation or threat of retaliation against any director or staff member of Guaranty for refusing to violate this Code of Conduct, or for reporting in good faith the violation or suspected violation of this Code of Conduct, is itself a violation of this Code of Conduct and may be a violation of law.

Compliance with Laws and Regulations

Banking is a highly regulated business, and Guaranty strives to comply with all laws and regulations that are applicable to it. Some of the laws that Guaranty, its directors and staff members must follow include:

- Federal Reserve Act and related regulations (the “Federal Reserve Act”)
- Federal Deposit Insurance Act and FDIA regulations
- Federal and state employment laws
- Texas state laws and regulations
- Federal securities laws, including the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and the rules and regulations thereunder
- Bank Secrecy Act

- USA PATRIOT Act
- Sarbanes-Oxley Act of 2002
- Gramm-Leach-Bliley Act
- Dodd-Frank Wall Street Reform and Consumer Protection Act
- The Internal Revenue Code of 1986, as amended
- Federal and state laws regarding political contributions

Guaranty maintains specific policies and procedures with respect to some of these laws and regulations, which are available through Human Resources, the Legal Compliance Officer or through business unit supervisors.

Accurate Public Reports and Communications

As a public company, it is of critical importance that Guaranty's filings with the Securities and Exchange Commission, disclosures and documents submitted to other regulatory authorities and Guaranty's public statements be complete, accurate, submitted timely and maintained with reliability and integrity. Guaranty is committed to making and keeping books, records, and accounts, which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of Guaranty's assets and, in that connection, has established the following guidelines for its staff members.

1. No staff member may make any false or misleading entry in Guaranty's books and records.
2. No staff member may create or aid in the creation of any undisclosed or unrecorded fund, asset or liability for any purpose.
3. No staff member may approve or make any payment with the agreement or understanding that any part of such payment is to be used for any purpose other than that described by the documents supporting the payment.
4. No staff member may use Guaranty's funds, assets or liabilities for any unlawful purpose.
5. No staff member may directly or indirectly take any action to coerce, manipulate, mislead or fraudulently influence Guaranty's independent public auditors for the purpose of rendering the financial statements of Guaranty materially misleading.

Directors and staff members must comply with all internal control procedures established by the bank for the safeguarding of assets and proper reporting and disclosure of financial information. Directors and staff members must respond honestly and candidly when dealing with Guaranty's independent and internal auditors, regulators and attorneys. Depending on the position of such person with Guaranty, a director or staff member may be called upon to provide necessary information to assure that Guaranty's public reports are complete, fair and understandable.

Guaranty expects directors and staff members to take this responsibility very seriously and to provide prompt accurate and complete answers to inquiries related to Guaranty's public disclosure requirements.

Guaranty's relationship with the media is an important one that affects its image in the community. Institutional investors and securities analysts play a critical role in establishing the pricing and liquidity of Guaranty's stock. Directors and staff members should not speak with or provide information to members of the investment community without the express prior approval of the CEO. To ensure proper disclosure and consistency of information, all communications from members of the investment community and media should be referred to the CEO.

Reporting Suspected Violations of Audit or Accounting Standards

If you know of any suspected violations of audit or accounting standards, you should contact the Internal Audit Department, which will investigate your report. As explained in further detail in Guaranty's Whistleblower Policy, no one will be subject to retaliation because of a good faith report of a suspected violation of audit or accounting standards.

Conflicts of Interest

Conflicts of Interest, Generally

The primary principle underlying Guaranty's conflicts of interest policies is that directors and staff members must never permit their personal interests to conflict or appear to conflict with the interests of Guaranty or its customers.

A conflict is deemed to exist when a director or staff member cannot or will not discharge his or her legal duties of loyalty and support in a manner that takes appropriate consideration of Guaranty's interests in relation to personal or business interests with which the individual may be involved.

It is the policy of Guaranty that directors and staff members must avoid personal transactions or situations in which their personal interest will conflict, or appear to conflict with those of Guaranty.

This policy requires that all situations involving a conflict of interest or potential conflict shall be disclosed. This will permit consideration of the circumstances and thereby relieve the staff member of Guaranty of possible criticism. Policy and procedures for the disclosure are also set out in the following sections.

No director or staff member may act on behalf of Guaranty in any transaction involving persons or organizations with whom his or her family has any significant connection or financial interest. In addition, directors and staff members must be particularly careful to avoid representing Guaranty in any transaction with others with whom the staff member has any business affiliation or relationship. Directors and staff members must always be alert to possible conflicts of interest.

Transactions with Guaranty

Guaranty maintains a system of internal controls in order to provide assurance that assets are safeguarded and that all transactions are properly recorded. Employees are prohibited from memo posting, processing and/or approving their own transactions, transactions on accounts over which they have any ownership interest in or control or signing authority over or accounts of related persons.

Misuse of banking services by employees may result in account restrictions. Certain types of conduct may be deemed serious enough to warrant immediate termination. Guaranty reserves the right to review all employee-related accounts for unusual activity, both regularly and during investigations involving potential losses.

Directors and executive officers proposing to engage in any transaction, arrangement or relationship with Guaranty must ensure compliance with our Policy and Procedures with respect to Related Person Transactions with respect to such transaction, arrangement or relationship.

No loans will be made by Guaranty Bancshares or any direct or indirect subsidiary, other than Guaranty Bank & Trust, to any executive officer (as defined in Rule 3b-7 of the Exchange Act) of Guaranty. Guaranty Bank & Trust may make any such loan only in accordance with Section 22(h) of the Federal Reserve Act and Regulation O thereunder.

Compliance with Corporate Expense Policies

Receipts and disbursements must be fully and accurately described on the books and records of Guaranty. No director or staff member may request or approve any payment that is to be used for a purpose not reflected in the documents supporting the payment. Payments will be made only upon appropriate approval and only for services rendered or products delivered as required by Guaranty in the conduct of business. No invoices believed to be false or fictitious may be paid.

Corporate Opportunities

Directors and staff members are prohibited from taking for themselves, personally, opportunities that are discovered through the use of corporate property, information or position, unless the Board of Directors has declined, after full disclosure of all relevant facts, to pursue the opportunity. You may not use corporate property, information, or position for personal gain, or to compete with Guaranty. You owe a duty to Guaranty to advance its legitimate interests whenever the opportunity to do so arises.

Protection and Proper Use of Company Assets

All corporate assets should be used for legitimate business purposes related to Guaranty, and not for personal benefit. You should also protect Guaranty's assets and promote their efficient use. Theft, carelessness, and waste have a direct impact on Guaranty's profitability. Corporate assets include your time at work and work product, as well as Guaranty's equipment and vehicles, computers and software, customer lists, marketing information, customer financial records, employee information, unpublished financial data and reports, and other similar matters. Directors and staff members are obligated to protect the security of corporate assets under their control. Unauthorized use or distribution of corporate assets, including corporate information, would violate our policy. It could also be illegal and result in civil or even criminal penalties.

Receipt of Gifts, Gratuities and Entertainment

Gifts

Solicitation of Gifts

The Bank Bribery Act makes it illegal for anyone to offer or promise anything of value to an employee, officer, director, agent, or attorney of a bank with the intent to influence or reward the person in connection with any business or transaction of the bank. It is also illegal for an employee, officer, director, agent, or attorney of a bank to solicit or accept anything of value from any person intending to be influenced or rewarded in connection with any business or transaction of the bank.

If a person is convicted of violating the act, the sentence can be as much as a \$1,000,000 fine and 30 years in jail.

It is the policy of Guaranty to absolutely prohibit the solicitation or receipt of anything of value in exchange for favorable treatment in connection with any transaction or business of this institution. Such action by definition constitutes a breach of the fiduciary duty owed to Guaranty by its directors and staff members. The receipt of anything of value in exchange for favorable treatment in connection with the extension of credit or any other transaction or business of Guaranty shall constitute grounds for immediate termination of employment.

Permitted Benefits

It is not the policy of Guaranty to prohibit the receipt of normal amenities of nominal value in the ordinary course of business. Gifts or favors given to directors and staff members of nominal value (not to exceed \$250.00) are acceptable to the extent that they are appropriate and suitable under the circumstances, meet the standards of ethical business conduct, involve no element of concealment and do not violate applicable laws and regulations.

Examples of circumstances in which the receipt of a gratuity would be permitted include:

- Reasonable business lunches and dinners
- Athletic or entertainment events at which the customer is present

- Holiday gifts of nominal amounts

Examples of circumstances in which the receipt of gratuity would not be permitted include:

- Expensive gifts
- Weekend entertainment events (i.e. hunting or fishing trips, etc.)
- Scarce or expensive athletic or entertainment tickets

Social and Family Relationship Exceptions

It shall not be the policy of Guaranty to prohibit the receipt of gifts in any amount from customers who have a pre-existing social or family relationship with personnel of Guaranty. However, such relationships must be bona fide social or family relationships and will be closely monitored by Guaranty.

Disclosure

Each time any director or staff member of Guaranty receives anything of value or an offer of anything of value from anyone who does business with Guaranty (other than those resulting from bona fide social or family relationships), in excess of \$250.00, such individual shall disclose the following in writing by using the Memorandum of Gift, Gift Offer or Trip Disclosure shown as Exhibit 2 to this policy:

- The name of the person giving the gift;
- The nature of the gift;
- The estimated value of the gift; and
- The circumstances surrounding the gift.

Directors and staff members (excluding the CEO and Legal Compliance Officer) will submit their Memorandum of Gift, Gift Offer or Trip Disclosure to the CEO. The CEO shall inform the Executive Committee of such disclosures at his discretion. However, the CEO shall report all such disclosures of gifts or gift offers exceeding \$500 in value to the Executive Committee.

submit the above information to the Executive Committee, except only for gifts with a value exceeding \$500.00 or for lesser gifts in the CEO's discretion. The CEO will submit his Memorandum of Gift, Gift Offer or Trip Disclosures to the Executive Committee.

The failure to disclose the receipt of gratuities, whether deliberate or inadvertent, shall constitute a violation of this policy and may be punishable by a warning, probation, or termination of employment.

Corporate Hospitality to Public Officials

Acts of hospitality toward public officials should never be on such a scale or of such a nature as might tend to compromise or give the impression of compromising the integrity or the reputation

of either the public official or Guaranty. When appropriate hospitality is extended, it should be with the expectation that it will become a matter of public knowledge.

Dealing with Suppliers / Vendors

Staff members must award orders, contracts and commitments to suppliers of goods or services without favoritism. Company business of this nature must be conducted strictly on the basis of merit.

Fair Competition

Under no circumstances should directors or staff members enter into arrangements with competitors affecting pricing or marketing policies.

A staff member must never become a director or an official of a business organized for profit without first notifying the CEO in writing and receiving a “no objection” from the same. Any statement that there is no objection to such service should not be construed by the employee as tantamount to a request or approval by Guaranty for an employee to serve in such outside capacity.

Further, a staff member of Guaranty is not permitted to engage in any business or to accept any other employment for salary, wages or commission, either during or after working hours, without the knowledge and consent of the CEO. The CEO may engage in business or accept other employment after receiving approval from the Executive Committee.

Service with Civic and Charitable Organizations

Guaranty encourages staff members to participate in civic, municipal, and charitable activities. In some cases, it is improper for a staff member to serve as a member, director, officer, or employee of a municipal corporation, agency, school board, or library board. Such service is only appropriate when adequate assurances are first given to Guaranty that business relationships between Guaranty and such entities would not be prohibited or limited because of statutory or administrative requirements regarding conflicts of interest.

Personal Fiduciary Appointments

Guaranty Bank & Trust has Trust Powers, an active Trust Department and can act as Executor or Trustee. It is the policy of Guaranty that no staff members accept personal fiduciary appointments without first securing written approval of the CEO, unless such appointments result from close family relationships. In the event a staff member accepts such appointment in close family relationship, such staff member shall notify the CEO. The CEO shall secure written approval from the Executive Committee before accepting fiduciary appointments.

In the event a staff member accepts such appointment resulting from close family relationship, or receives approval from the CEO to accept appointment the staff member must furnish the Board of Directors copies of letters sent to all interest parties notifying them that Guaranty is not the fiduciary, is not acting in any other capacity, provides no insurance to protect assets, and that the staff member is serving in his individual capacity and not as an employee of Guaranty.

The staff member should not conduct fiduciary business on company premises and should not give the impression that Guaranty has any corporate responsibility.

Personal Fees and Commissions

No staff member may accept personal fees or commissions in connection with any transactions on behalf of Guaranty. The acceptance of payments from customers or prospective customers of Guaranty for personal consulting or other professional services requires the prior approval of the CEO. The CEO shall obtain prior approval from the Executive Committee before accepting fees for consulting services.

Work Relationships

No staff member shall give or receive any special considerations to the conditions of employment of another staff member due to family or personal relationships. Just as external business decisions are based on sound, ethical business practices, all personnel decisions must be based on sound management practices and not be influenced by personal concerns.

Protection and Proper Use of Company Assets

All staff members and directors should protect Guaranty's assets and ensure their efficient use. Except for incidental personal use, Guaranty's assets should be dedicated to legitimate Guaranty business only. Expense accounts should be used only for Guaranty business in accordance with Guaranty's guidelines, and any unused cash advances must be promptly repaid. Intentional use of corporate credit cards for personal purposes is prohibited.

Fair Dealing

Guaranty seeks to outperform the competition through fair and honest means. Guaranty seeks competitive advantages through superior performance, not through illegal or unethical business practices. Each staff member and director should endeavor to deal fairly with Guaranty's customers, service providers, suppliers, competitors, and employees. No staff member or director should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material factors, or any unfair dealing practice.

Confidentiality

Confidentiality, Generally

In accordance with Guaranty's customer privacy notices and applicable law, directors and staff members of Guaranty must maintain the confidentiality of confidential information entrusted to them by Guaranty, its customers, prospective customers, suppliers, shareholders and employees, except when disclosure is specifically authorized by legal counsel as required by laws, regulations or legal proceedings. Confidential information includes any and all non-public information concerning the business, operations, results of operations, financial condition, cash flows, prospects, forecasted performance, acquisitions, proposed acquisitions, financing, proposed financing, transactions and proposed transactions of or relating to Guaranty or to which Guaranty is or may be a party; regarding personal and business affairs; that might be of use to

competitors of Guaranty; and that might be harmful to Guaranty or its customers or employees if disclosed. Other examples of confidential non-public company information include corporate policies (other than those made publicly available by Guaranty), business plans, objectives, goals, strategies and undisclosed financial developments.

As a financial institution, Guaranty handles matters of utmost confidence and importance to Guaranty's customers. Both personal and private information concerning the affairs of Guaranty and its customers is always to be treated as strictly confidential. Disclosing or discussing confidential information to any person not entitled to receive such information, or assisting any person to gain unauthorized access to Guaranty's records, are both direct violations of policy. The communication of false or derogatory information about its customers, or its staff members is also a violation of this Code of Conduct. Disclosing or discussing confidential credit or financial information of a customer or an employee with associates or anyone who does not have a need to know may be cause for disciplinary action including termination.

In order to preserve the safety, security, and privacy of Guaranty's employees and customers, unauthorized recordings of conversations, meetings, etc., is prohibited. Likewise, camera phones or any other kind of personal recording devices may not be used to record workplace communications, including those containing confidential information.

The need for confidentiality extends to everyone, including family, friends and acquaintances. The obligation to observe Guaranty rules on confidentiality continues even after affiliation with Guaranty ends.

Requests by regulatory or government agencies for information other than that required for bank examinations and required reports should be referred to the Legal Compliance Officer or the CEO, as appropriate.

Financial Responsibility and Investments

Financial Responsibility, Generally

It is the position of Guaranty that all directors and staff members shall conduct their personal financial affairs in a manner that will not adversely reflect on Guaranty or affect the performance of their assigned duties and responsibilities. Under no circumstances shall any individual take advantage of his or her position with Guaranty to obtain credit, solicit or accept financial or monetary benefits or, in any way, influence the decisions of Guaranty or its customers for financial gain.

Personal Investments, Generally

Directors and staff members are free to invest in stocks, bonds and other securities at their discretion, but must always comply with applicable laws and regulations. Speculation or excessive borrowing and gambling are not consistent with a staff member's employment with Guaranty.

Directors and staff members must never make changes in their personal investment portfolio on the basis of confidential information relating to Guaranty or its customers.

Insider Trading

Guaranty maintains an Insider Trading Policy addressing trading in securities, which you should carefully review and comply with at all times. Insider trading, which is the use of material, non-public information for personal financial benefit or to “tip” others who might make an investment decision on the basis of this information, is not only unethical but also illegal. If you have access to material, non-public information concerning Guaranty, you are not permitted to use or share that information for stock trading purposes, or for any other purpose except the conduct of Guaranty’s business. All non-public information about Guaranty should be considered confidential information. The prohibition on insider trading applies not only to Guaranty’s securities, but also to securities of other companies if you learn of material non-public information about these companies in the course of your duties to Guaranty. Violations of this prohibition against “insider trading” may subject you to criminal or civil liability, in addition to disciplinary action by Guaranty up to and including termination of employment.

Amendment, Modification and Waiver

This Code of Conduct may be amended or modified by the Board of Directors. If you are uncertain whether a particular activity or relationship is improper under this Code of Conduct or requires a waiver of this Code of Conduct, you should disclose it to the CEO or the Legal Compliance Officer (or the Board of Directors if you are the CEO or a director), who will make a determination first, whether a waiver of this Code of Conduct is required and second, if required, whether a waiver will be granted. You may be required to agree to conditions before a waiver or a continuing waiver is granted. However, any waiver of this Code of Conduct for an executive officer or director may be made only by the Board of Directors and will be promptly disclosed to the extent required by applicable law, rule (including any rule of any applicable stock exchange) or regulation.

By signing and dating below, I am certifying that:

I have read the Company's Code of Conduct in the last year.

To the best of my knowledge and belief, I am complying with the Code of Conduct. In addition, any violations of this policy that I am aware of have been reported as required by this policy.

Employee' Name	Employee's Signature	Date
Human Resource Department's Signature		Date

**GUARANTY BANCSHARES, INC. AND GUARANTY BANK & TRUST
CODE OF CONDUCT ANNUAL DISCLOSURE**

Please list all director and officer positions held in civic, charitable, municipal, and other non-profit organizations:	
Please list all director and officer positions held for in-profit organizations:	
Please list all forms of outside employment in which you are engaged (including self-employment activities):	
CEO's Signature	Date

Guaranty Bancshares, Inc. and Guaranty Bank & Trust
Code of Conduct
Memorandum of Gift, Gift Offer or Trip Disclosure

To: CEO

The following situation or gift is being disclosed so that it can be reviewed by the CEO in compliance with the Code of Ethics / Code of Conduct Policy. I make this report for myself and any members of my immediate family.

Date of Gift:	
Gift Received From:	
Estimated Value of Gift:	
Explanation:	