

SOUTHSIDE BANCSHARES, INC.
CORPORATE GOVERNANCE GUIDELINES

Purpose

These Corporate Governance Guidelines describe the principles and practices the Board of Directors (the “Board”) of Southside Bancshares, Inc. (the “Company”) will follow in carrying out its responsibilities. These Guidelines supplement the Company's bylaws, the charters of the Board's committees, and various resolutions and policies previously adopted by the Board.

Board Composition

- *Composition*

The composition of the Board should collectively encompass a broad range of sound judgment, character, business expertise, technical skills, diversity, and industry knowledge relevant and useful to the effective oversight of the Company’s business.

- *Independence*

A majority of the members of the Board shall be directors whom the Board has determined to be “independent” under the rules of The Nasdaq Stock Market, as such rules may be amended and modified from time to time (each an “Independent Director”).

- *Size*

The size of the Board shall be set in accordance with the Company’s Certificate of Formation and By-Laws, as each may be amended or restated from time to time. The size of the Board should be sufficient to facilitate substantive discussions of the whole Board in which each director can participate meaningfully. The number of directors shall not exceed a number that can function efficiently as a body, but be large enough to allow for a diversity of perspectives and backgrounds.

- *Classes*

The directors shall be classified with respect to the time for which they severally hold office into three (3) classes. Such classes shall be as nearly equal in number as possible as determined by the Board of Directors. The three classes will span over a three year term, with terms expiring at the Annual Meeting of Shareholders.

Members of each class are to hold office until their successors are elected and qualified, until his or her death or retirement or until he or she shall resign or be removed in the manner provided in the bylaws. In any such event, such director’s successor shall become a member of the same class of directors as his or her predecessor.

- *Mandatory Retirement*

Board Members shall retire from Board Service on the date of the next Annual Stockholder’s Meeting following their 75th Birthday. Board Members who have reached

the age of 75 prior to February 1, 2020 shall have the opportunity to stand for re-election for one final term following the end of their current term. When deemed in the best interest of the Company, the Board may use its discretion to temporarily suspend or modify this policy in any individual case.

Committees

The Company shall have an Audit Committee, Information Technology, Digital Banking, and Innovation Committee, Corporate Governance and Nominating Committee and Risk Committee. Each standing committee will have its own written charter, which will set forth the purposes, goals and responsibilities of the Company's committees.

The Corporate Governance and Nominating Committee will review the Board's committee structure and recommend to the Board, for its approval, directors to serve as members of each committee. The Corporate Governance and Nominating Committee will review committee composition annually and recommend new Committee members, as necessary.

The Company will have additional standing, temporary and subcommittees as may be appropriate from time to time.

The Company has a Disclosure Committee, in order to ensure compliance with the provisions of Section 302 and 906 of the Sarbanes-Oxley Act of 2002 and the rules promulgated by the SEC thereunder. The Disclosure Committee is involved in the CEO and CFO certification process and disclosure issues relating to the Company's publicly filed reports.

Director Nominations

The Corporate Governance and Nominating Committee will lead the search for qualified directors, review qualifications of individuals suggested by shareholders and directors as potential candidates, and identify nominees who are best qualified. The criteria for selecting nominees for election as directors of the Company shall include, but not be limited to, experience, accomplishments, education, skills, the highest personal and professional integrity, and ownership of the Company's common stock. The Corporate Governance and Nominating Committee will recommend to the Board the nominees to be proposed by the Company for election as Directors of the Company at the Annual Meeting of Shareholders, or to fill vacancies on the Board. The Board is responsible for selecting the nominees.

The Corporate Governance and Nominating Committee will consider director nominees recommended by shareholders, provided the recommendation complies with applicable laws and regulations, as well as the Company's bylaws, as amended.

Director Responsibilities

The basic responsibility of directors is to effectively govern the affairs of the Company, through exercising business judgment in good faith and acting in what they reasonably believe to be in the best interest of the Company and its stakeholders.

Each director is expected to spend the time and effort necessary to properly discharge such responsibilities and duties as a director. Accordingly, directors are expected to attend all scheduled Board meetings, assigned committee meetings and the Annual Meeting of Shareholders. Directors may attend meetings by telephone or video conference as needed.

Director Compensation

The Compensation Committee shall review, as necessary, the components and amount of compensation for directors and make its recommendation to the Board for final approval. Only non-employee directors shall receive compensation for their services as a director.

Evaluating Board Performance

The Board should conduct an annual evaluation of itself to determine effectiveness of the Board and assess opportunities for improvement. The Corporate Governance and Nominating Committee will review the evaluations and results will be made available to the Board.

Continuing Education

The Company encourages its directors to attend continuing director education programs to assist them in the performance of their responsibilities.

Reliance on Management and Outside Advice

In performing its functions, the Board is entitled to rely on the advice, reports and opinions of management, counsel, accountants, auditors and other expert advisors. The Board shall have the authority to select, retain, terminate and approve any fees and other retention terms of its outside advisors, as it deems appropriate.

Stock Ownership Policy

The Board believes it is in the best interest of the Company and its shareholders to ensure that non-employee directors own and hold the Company's common stock to further align their interests and actions with the interest of the Company's shareholders. As such, each non-employee director is required to own at least 5,000 shares of the Company's common stock within five years after the date he or she is first elected as a director and maintain such ownership while serving on the Board.

Shareholder Communication with the Board of Directors

The Company has adopted a procedure by which shareholders may send communications to one or more members of the Board by writing to such director(s) or to the Board as a whole in care of the Corporate Secretary, Southside Bancshares, Inc., 1201 South Beckham Avenue, Tyler, Texas 75701. Any such communications will be promptly distributed by the Corporate Secretary to such individual director(s) or to all directors if addressed to the Board as a whole.