

GUARANTY FEDERAL BANCSHARES, INC.

CODE OF CONDUCT AND ETHICS

This Code of Conduct and Ethics (this “Code”) sets the standard of ethical business and personal conduct for Guaranty Federal Bancshares, Inc. and its subsidiaries (“Guaranty”). Unless otherwise noted, this Code applies to all the members of the board of directors, officers and employees of Guaranty (collectively, the “Associates” and each, individually, an “Associate”). This Code replaces all previous codes of conduct of Guaranty and shall be effective as of February 1, 2017.

We place special emphasis on compliance with the Code by the members of the Board of Directors of Guaranty Federal Bancshares, Inc. and its Chief Executive Officer, Chief Financial Officer, and persons performing similar functions for Guaranty Federal Bancshares, Inc. This Code contains provisions which constitute the Code of Ethics for such persons as specified under the Federal securities laws.

It is a long-established policy that Guaranty and its Associates observe and comply with all laws and regulations of federal, state and local governments affecting Guaranty and its Associates. All Associates must avoid activities which could lead to involvement of Guaranty or themselves in any unlawful or unethical practice. Any violation of any provision of this Code may subject the Associate to any and all punishments described under Section 11.0. Further, Associates should avoid conduct which, although not unlawful or unethical, may give the appearance of impropriety.

1.0 PRINCIPLES AND GUIDELINES

The most important personal aspect of every bank is the trust and confidence of its depositors and customers. Guaranty’s reputation for integrity has been built by the individuals who work here now, and who have worked here in the past. A good reputation is a fragile thing which must be earned on a continuing basis by conducting all of our affairs in a fair and honest way, complying not only with the letter, but also with the spirit of the law.

This Code is meant to guide each of you in dealing with certain business decisions. This Code does not provide a detailed description of all Guaranty policies and it in no way limits or restricts the applicability of any provision of any other Guaranty policy. Associates are expected to be aware of all other Guaranty policies and conduct themselves in accordance with such policies at all times. In cases of conflict and/or question, you should seek guidance of the President/CEO or the Human Resources Director.

The foundation of our Code consists of basic standards of business as well as personal conduct: (a) honesty and candor in our activities, (b) avoidance of conflicts between personal interests and the interest of Guaranty, or even the appearance of such conflicts, (c) maintenance of our reputation and avoidance of activities which might reflect adversely on Guaranty, and (d) integrity in dealing with Guaranty’s assets.

2.0 COMPLIANCE

To ensure continuing observance of this Code, the Board of Directors requires that Associates periodically review these guidelines and sign a statement acknowledging their understanding and adherence (Exhibit A). New Associates will sign a statement at the time of hiring (Exhibit B). Notwithstanding the statement, Associates should promptly report any breach or possible breach of this Code as outlined in Section 10.0 of this Code. Strict adherence to the principles of this Code is a condition of continued employment.

3.0 CONFIDENTIAL INFORMATION

3.1 General

One of our most critical responsibilities is to maintain the trust placed in us by our customers. Confidential information - whether obtained from those with whom Guaranty does business or from sources within Guaranty - must be safeguarded.

This concern applies to more than customer information which has been explicitly designated confidential. There are other situations in which information is not publicly available and unauthorized disclosure could have serious effects on a customer or Guaranty.

Associates of Guaranty have access to a wide range of confidential information about customers and fellow associates. You should never seek out any confidential information for the purpose of personal advantage or idle curiosity. Any information that is not needed as part of regular work responsibilities is off limits.

Confidentiality is important regardless of the form the information takes - oral, in print, or on electronic equipment. You must take care in what you say, to whom and where; about how you treat memos, files and reports; and about seeing that there is no misuse of the information you display on computer screens and store in data bases. Should you remove from Guaranty's premises any written, printed, or electronically generated material belonging to or generated by Guaranty or derived from its files, you should do so only for the benefit of Guaranty and you must take every precaution to insure the security and confidentiality of the information. Guaranty's business and customer information and any related files should never be disclosed to unauthorized persons (including competitors) without permission.

Associates of Guaranty are expected to comply with the confidentiality expectations of this Code not only for the duration of employment or service with Guaranty, but also after the end of employment or service. Your obligation to preserve confidential information continues even after your employment or service with Guaranty ends.

Current and former Associates of Guaranty may be held personally liable for using confidential information (obtained while serving as an Associate) for personal benefit. They may also be subject to governmental or corporate administrative action.

3.2 Information about Customers

Information received directly from a customer should be disclosed only to those within Guaranty who need the information to serve that particular customer. Customer information from sources within Guaranty - such as customer identification, balances, loans, and other account information should be disclosed only to those in Guaranty who require the information to perform their duties.

Customer information should never be disclosed to anyone outside Guaranty - other than Guaranty's independent auditors, legal counsel, or regulatory examiners - unless authorized by the customer or required by proper legal process as determined by legal counsel.

Any customer relationship established and/or maintained by an Associate of Guaranty during their employment or service with Guaranty is considered a customer of Guaranty and remains the property of Guaranty.

3.3 Inside Information

Confidential information includes any non-public information of Guaranty that might be of use to competitors, or harmful to Guaranty or its customers if disclosed. Inside information about Guaranty generally means information not known to the public. Information such as financial information, performance data and future plans could have significant value to others and therefore must always be kept confidential. Information is "material" if an investor would consider it important in making an investment decision regarding the purchase or sale of the stock of Guaranty Federal Bancshares, Inc. Any person who has "material" information about Guaranty not known to the public is prohibited from using it for personal gain, including purchasing or selling the stock of Guaranty Federal Bancshares, Inc., and from disclosing such information to anyone else (including family members and friends). The same prohibitions apply to an Associate with respect to information not known to the public concerning a customer or other company that has a relationship with Guaranty. See Section 7.0 of this Code for more in-depth information about Insider Trading.

3.4 Information about Guaranty Associates

Guaranty is committed to protecting the privacy of its Associates. Only information needed for legitimate business purposes is collected, used or retained about Associates, former Associates, or job applicants - and the information is used only for the purpose for which it was specifically collected.

Requests from outside Guaranty for Associate information - including that required by law - should be referred to the Human Resources department.

In response to legitimate requests from external sources, only an Associate's name, job title, and dates worked are routinely confirmed. More detailed information is released only when required by law or when the Associate gives written permission.

Questions concerning the confidentiality of and access to Associate information should be directed to the Human Resources Director who is responsible for issuing specific guidelines for the collection, use, retention, and disclosure of information about Associates.

3.5 Proprietary Information

Just as Guaranty expects Associates to respect internal confidentiality, Guaranty also expects Associates to respect the property rights of others. Associates are prohibited from acquiring or seeking to acquire by improper means any competitor's trade secrets or other proprietary or confidential information. The same prohibitions exist regarding the unauthorized use, copying, distribution or alteration of software or other intellectual property.

4.0 **PERSONAL FINANCES**

4.1 Financial Responsibility

Associates within the Financial Industry are often looked to by customers as financial advisors. Because of this nature of the financial business, you are held to a higher standard in handling your personal financial responsibilities. Your personal financial situation (including maintenance of deposit accounts, payment of debts, management of assets, etc.), if improperly maintained, could undermine your credibility and that of Guaranty. Every Associate of Guaranty is expected to manage his/her personal finances in a manner consistent with his/her position. Associates shall exercise prudence in making personal investments and shall avoid situations that might influence the Associate's judgment in affairs involving Guaranty. An Associate should never process transactions on his/her own account.

4.2 Borrowing

Associates are not permitted to borrow from customers or suppliers of Guaranty, except those who engage in lending in the usual course of their business and then only on terms offered to others in similar circumstances, without special treatment as to interest rates, terms, security, repayment terms, and the like. This prohibition does not preclude borrowing from anyone related to the Associate by blood or marriage.

Loans to directors and executive officers shall be made in accordance with Regulation O. All loans shall be underwritten and comply with existing loan policies and be made in accordance with the bank's employee benefit program.

4.3 Inheritances

Inheritance under wills or trusts from customers who are not family members could appear to be the result of a personal dealing by an Associate. If you discover you are about to be named as a beneficiary under a will or trust of a non-family member, you should consult with the President/CEO or the Human Resources Director prior to accepting.

5.0 CONFLICTS OF INTEREST

5.1 General

You should be prudent in your personal borrowing, investments, business and other activities to ensure that you do not put yourself in a position in which your personal interest - financial or other - might influence or give the appearance of influencing any action you take, judgment you make, or advice you give on behalf of Guaranty.

The nature of the financial industry makes it difficult to spell out every possible application of this broad general principle. There can be, however, no excuse for not bearing in mind the importance of avoiding conflicts of interest in the handling of one's personal affairs and those of one's family. A transaction which appears to give rise to, even when it is not necessarily, a conflict of interest can under some circumstances be as embarrassing for Guaranty and the individual involved as a transaction which does in fact give rise to such a conflict.

Whenever an Associate finds that she/he is inadvertently placed in a potentially compromising position due to relationships with business associates, customers, suppliers or competitors, the Associate should report the matter immediately to the President/CEO or the Human Resources Director and discontinue any activities associated with the entity until the matter has been resolved.

5.2 Gifts and Fees

No Associate of Guaranty shall solicit or accept anything of value, including but not limited to, gifts, gratuities, amenities, travel or related expenses, in connection with any transaction or business of Guaranty. No Associate shall provide or give gifts or favors to others where these could or might appear to influence others improperly in their relations with Guaranty. To do so could constitute a violation of Federal criminal laws.

As a general rule, Associates and members of their families may not accept gifts, entertainment or favors from customers, prospective customers or suppliers. The following exceptions are permissible when it is apparent from the circumstances that what is accepted is NOT offered or received as an inducement to or as a *quid pro quo* for entering into any transaction or business of Guaranty, or to influence or affect in any way any decision or action by Guaranty:

- Unsolicited advertising or promotional materials (such as pens, calendars, etc.) and other gifts of nominal value distributed generally or routinely to others in the ordinary course of business may be accepted. Nominal value would generally include any gift having a fair market value of not more than \$100.
- Normal business-related entertainment may be accepted or given if it is not excessive and provided it is reasonable under all of the circumstances in which it takes place.

Cash, checks, loans (except from established banking or financial institutions), stocks or other marketable securities in any amount must not be accepted or given under any circumstances.

No Associate may accept a personal fee for arranging a loan from Guaranty or from any other person or lending institution. Associates may not accept from customers or suppliers any fee or other form of remuneration which violates the law or the spirit of this Code. A “fee” would include special discounts, commissions, or any direct or indirect payment of money or property.

Offering bribes, kickbacks, and similar inducements is, of course, prohibited.

In the event that any Associate is offered, receives or anticipates receiving anything of value from a customer, prospective customer, vendor, supplier or consultant of Guaranty beyond what is authorized in this Code; detailed information about the event should be provided to his/her manager.

5.3 Offering Business Courtesies

Certain Associates are allowed to offer business courtesies as a function of their position with Guaranty. Any Associate who offers a business courtesy must assure that it cannot reasonably be interpreted as an attempt to gain an unfair business advantage or otherwise reflect negatively upon Guaranty. An employee may never use personal funds or resources to do something that cannot be done with Guaranty resources. Accounting for business courtesies must be done in accordance with approved company procedures.

Other than to certain government customers, for whom special rules may apply, authorized Associates may provide nonmonetary gifts (such as pens, calendars or similar promotional items) to our customers. Further, management may approve other courtesies, including meals, refreshments or entertainment of reasonable value provided that:

- The practice does not violate any law or regulation or the standards of conduct of the recipient’s organization.
- The business courtesy is consistent with industry practice, is infrequent in nature and is not lavish.
- The business courtesy is properly reflected on the books and records of Guaranty.

5.4 Guaranty Assets

Associates may not use the name and influence of Guaranty for any personal purposes. Official stationery should not be used to give authority to personal or other non-bank related correspondence.

6.0 HUMAN RESOURCES

In addition and as a supplement to our existing human resources policies, we require the following:

6.1 General

Generally, Guaranty encourages Associate participation in civic, charitable and professional organizations and political activities to the extent that such activities do not interfere with the Associates' job performance. Occasional time off to participate in these activities may be asked for and granted by the Associate's supervisor with approval from the appropriate member of Senior Management/Department Head.

6.2 Outside Business Interests

It is not the purpose or the intent of Guaranty to monitor or control any Associates' life or activities away from the workplace. However, it is important to understand during working hours, your time should be devoted 100% to Guaranty. If you maintain other employment outside of Guaranty work hours, it is important for management to be informed to prevent possible conflicts of interest and to insure that job performance at Guaranty is not adversely affected.

No Guaranty Associate is to have an outside business interest or other employment that could reflect unfavorably upon or adversely affect the good name of Guaranty.

Associates are required to disclose outside business interest on the Code Affirmation annually (Exhibit A).

6.3 Political Activities

Associates who run for office must represent themselves as individual citizens and must not represent Guaranty in any way in carrying out public duties. Associates who consider running for or accepting public office should notify the President/CEO as soon as possible. The essential purpose of Guaranty's policy is to prevent a conflict or even the appearance of a conflict between employment and the officeholder's performance of duties.

To avoid the appearance of sponsorship, Guaranty may not be identified in mailed material, advertisements, or campaign literature. In addition, Guaranty property may not be used for campaigning or other political purposes except at the discretion of Management. For example, use of Guaranty personnel, stationery, postage or mailing service is prohibited.

6.4 Ethical Conduct

It is Guaranty's policy to ensure equal employment opportunity for all, regardless of age, sex, race, religion, color, national origin, marital status, disability, status as a covered veteran, or any other protected status in accordance with applicable federal, state and local laws - and to deal with customers and prospective customers on a nondiscriminatory basis.

If you supervise others, you are directly responsible for implementing this Code. In addition, all Associates are expected to maintain a business environment free of offense, harassment, and intimidation.

6.5 Sexual Harassment

In keeping with Guaranty's continued commitment to fair and equal treatment of all Associates, Guaranty maintains and enforces a policy against sexual harassment. Under this policy, it is the responsibility of every supervisor to see that Associates are not subjected to any form of sexual harassment.

6.6 Legal Advice

In many cases, discussions with customers lead to a request that the Associate make statements which many relate to the legality or illegality of a proposed transaction. Guaranty recognizes the exclusive authority of attorneys to practice law or give advice. Therefore, extreme care must be exercised in discussions with customers and Associates; nothing should be said or written that might be interpreted as the giving of legal advice.

6.7 Customer Recommendations

As a matter of policy, Associates are not to recommend attorneys, accountants, insurance brokers or agents, stockbrokers, real estate agents and the like to customers unless, in every case, several names are given without indicating favoritism.

6.8 Fiduciary Relationships

Associates may not accept appointment as an administrator, trustee, personal representative, conservator, or any similar fiduciary capacity without prior approval of the President/CEO, except when the Associate acts:

- at the request of Guaranty
- as a fiduciary on an account of their own family

6.9 Fidelity Coverage

Associates of Guaranty are covered by a corporate fidelity bond. Guaranty cannot continue to employ anyone who ceases to be eligible for this coverage. Coverage under the terms of our bond ceases as to anyone who has been found to have committed any dishonest or fraudulent act.

6.10 Media Inquiries

As a publicly traded financial institution, from time to time, Guaranty's Associates may be approached by reporters and other members of the media. In order to ensure that we speak with one voice and provide accurate information about the company, all media inquiries should be directed to the President/CEO or the Director of Marketing. No one may issue a press release without first consulting with the President/CEO or the Director of Marketing.

7.0 INSIDER TRADING POLICY

7.1 Purpose

This Insider Trading Policy (the “Policy”) provides guidelines with respect to transactions in the securities of Guaranty Federal Bancshares, Inc. (the “Company”) and the handling of confidential information about the Company and its subsidiaries, including Guaranty Bank (the “Bank”), and the companies with which the Company and its subsidiaries do business. The Company’s Board of Directors has adopted this Policy to promote compliance with federal, state and foreign securities laws that prohibit certain persons who are aware of material nonpublic information about a company from: (i) trading in securities of that company; or (ii) providing material nonpublic information to other persons who may trade on the basis of that information.

7.2 Persons Subject to the Policy

This Policy applies to all members of the Board of Directors, officers and employees. The Company may also determine that other persons should be subject to this Policy, such as contractors or consultants who have access to material nonpublic information. This Policy also applies to family members, other members of a person’s household and entities controlled by a person covered by this Policy, as described below. References in this Policy to directors, officers or employees refer to directors, officers and employees of the Company and its subsidiaries, as applicable.

7.3 Transactions Subject to the Policy

This Policy applies to transactions in the Company’s securities (collectively referred to in this Policy as “Company Securities”), including the Company’s common stock, options to purchase common stock, or any other type of securities that the Company may issue, including (but not limited to) preferred stock, convertible debentures and warrants, as well as derivative securities that are not issued by the Company, such as exchange-traded put or call options or swaps relating to the Company Securities.

7.4 Individual Responsibility

Persons subject to this Policy have ethical and legal obligations to maintain the confidentiality of information about the Company and its subsidiaries and to not engage in transactions in Company Securities while in possession of material nonpublic information. Each individual is responsible for making sure that he or she complies with this Policy, and that any family member, household member or entity whose transactions are subject to this Policy, as discussed below, also comply with this Policy. In all cases, the responsibility for determining whether an individual is in possession of material nonpublic information rests with that individual, and any action on the part of the Company, the Compliance Officer or any other employee or director pursuant to this Policy (or otherwise) does not in any way constitute legal advice or insulate an individual from liability under applicable securities laws. You could be subject to severe legal penalties and disciplinary action by the Company or its subsidiaries, as applicable, for any conduct prohibited by this Policy or applicable securities laws, as described below in more detail under the heading “Consequences of Violations.”

7.5 Administration of the Policy

The Chief Executive Officer of the Company shall serve as the Compliance Officer for the purposes of this Policy, and in his absence, Chief Financial Officer of the Company or another employee designated by the Compliance Officer shall be responsible for administration of this Policy. All determinations and interpretations by the Compliance Officer shall be final and not subject to further review.

7.6 Statement of Policy

It is the policy of the Company that no director, officer or other employee (or any other person designated by this Policy or by the Compliance Officer as subject to this Policy) who is aware of material nonpublic information relating to the Company or its subsidiaries may, directly, or indirectly through family members or other persons or entities:

1. Engage in transactions in Company Securities, except as otherwise specified in this Policy under the headings "Transactions Under Company Plans," "Transactions Not Involving a Purchase or Sale" and "Rule 10b5-1 Plans;"
2. Recommend the purchase or sale of any Company Securities;
3. Disclose material nonpublic information to persons within the Company and its subsidiaries whose jobs do not require them to have that information, or outside of the Company and its subsidiaries to other persons, including, but not limited to, family, friends, business associates, investors and expert consulting firms, unless any such disclosure is made in accordance with the Company's policies regarding the protection or authorized external disclosure of information regarding the Company and its subsidiaries; or
4. Assist anyone engaged in the above activities.

In addition, it is the policy of the Company that no director, officer or other employee (or any other person designated as subject to this Policy) who, in the course of working for the Company or its subsidiaries, learns of material nonpublic information about a company with which the Company and its subsidiaries do business may trade in that company's securities until the information becomes public or is no longer material.

There are no exceptions to this Policy, except as specifically noted herein. Transactions that may be necessary or justifiable for independent reasons (such as the need to raise money for an emergency expenditure), or small transactions, are not excepted from this Policy. The securities laws do not recognize any mitigating circumstances, and, in any event, even the appearance of an improper transaction must be avoided to preserve the Company's reputation for adhering to the highest standards of conduct.

7.7 Definition of Material Nonpublic Information

Material Information. Information is considered "material" if a reasonable investor would consider that information important in making a decision to buy, hold or sell securities. Any information that could be expected to affect the Company's stock price, whether it is positive or

negative, should be considered material. There is no bright-line standard for assessing materiality; rather, materiality is based on an assessment of all of the facts and circumstances, and is often evaluated by enforcement authorities with the benefit of hindsight. While it is not possible to define all categories of material information, some examples of information that ordinarily would be regarded as material are:

- Projections of future earnings or losses, or other earnings guidance;
- Changes to previously announced earnings guidance, or the decision to suspend earnings guidance;
- A pending or proposed merger, acquisition or tender offer;
- A pending or proposed acquisition or disposition of a significant asset;
- A pending or proposed joint venture;
- A restructuring;
- Significant related party transactions;
- A change in dividend policy, the declaration of a stock split, or an offering of additional securities;
- Transactions out of the ordinary course;
- The establishment of a repurchase program for Company Securities;
- Major marketing changes;
- A change in management;
- A change in auditors or notification that the auditor's reports may no longer be relied upon;
- Development of a significant new product or service;
- Pending or threatened significant litigation or the resolution of such litigation;
- Impending bankruptcy or the existence of severe liquidity problems;
- Significant regulatory developments
- The imposition of a ban on trading in Company Securities or the securities of another company.

When Information is Considered Public. Information that has not been disclosed to the public is generally considered to be nonpublic information. In order to establish that the information has been disclosed to the public, it may be necessary to demonstrate that the information has been widely disseminated. Information generally would be considered widely disseminated if it has been disclosed through the Dow Jones “broad tape,” newswire services, a broadcast on widely-available radio or television programs, publication in a widely-available newspaper, magazine or news website, or public disclosure documents filed with the SEC that are available on the SEC’s website. By contrast, information would likely not be considered widely disseminated if it is available only to employees, or if it is only available to a select group of analysts, brokers and institutional investors.

Once information is widely disseminated, it is still necessary to afford the investing public with sufficient time to absorb the information. As a general rule, information should not be considered fully absorbed by the marketplace until after the second business day after the day on which the information is released. If, for example, the Company were to make an announcement on a Monday, you should not trade in Company Securities until Thursday. Depending on the particular circumstances, the Company may determine that a longer or shorter period should apply to the release of specific material nonpublic information.

7.8 Transactions by Family Members and Others

This Policy applies to your family members who reside with you (including a spouse, a child, a child away at college, stepchildren, grandchildren, parents, stepparents, grandparents, siblings and in-laws), anyone else who lives in your household, and any family members who do not live in your household but whose transactions in Company Securities are directed by you or are subject to your influence or control, such as parents or children who consult with you before they trade in Company Securities (collectively referred to as “Family Members”). You are responsible for the transactions of these other persons and therefore should make them aware of the need to confer with you before they trade in Company Securities, and you should treat all such transactions for the purposes of this Policy and applicable securities laws as if the transactions were for your own account. This Policy does not, however, apply to personal securities transactions of Family Members where the purchase or sale decision is made by a third party not controlled by, influenced by or related to you or your Family Members.

7.9 Transactions by Entities that You Influence or Control

This Policy applies to any entities that you influence or control, including any corporations, partnerships or trusts (collectively referred to as “Controlled Entities”), and transactions by these Controlled Entities should be treated for the purposes of this Policy and applicable securities laws as if they were for your own account.

7.10 Transactions Under Company Plans

This Policy does not apply in the case of the following transactions, except as specifically noted:

Stock Option Exercises. This Policy does not apply to the exercise of an employee stock option acquired pursuant to the Company’s plans, or to the exercise of a tax withholding

right pursuant to which a person has elected to have the Company withhold shares subject to an option to satisfy tax withholding requirements. This Policy does apply, however, to any sale of stock as part of a broker-assisted cashless exercise of an option, or any other market sale for the purpose of generating the cash needed to pay the exercise price of an option.

Restricted Stock Awards. This Policy does not apply to the vesting of restricted stock, or the exercise of a tax withholding right pursuant to which you elect to have the Company withhold shares of stock to satisfy tax withholding requirements upon the vesting of any restricted stock. The Policy does apply, however, to any market sale of restricted stock, including market sales to satisfy tax obligations.

Employee Stock Ownership Plan. This Policy applies to your sales of Company Securities purchased pursuant to the employee stock ownership plan.

Other Similar Transactions. Any other purchase of Company Securities from the Company or sales of Company Securities to the Company are not subject to this Policy. Under normal circumstances, the Board of Directors will not issue any equity compensation, including stock options and restricted stock, during a Blackout Period or other restricted period (each as described below).

7.11 Transactions Not Involving a Purchase or Sale

Bona fide gifts are not transactions subject to this Policy, unless the person making the gift has reason to believe that the recipient intends to sell the Company Securities while the director, officer or employee is aware of material nonpublic information, or the person making the gift is subject to the trading restrictions specified below under the heading “Additional Procedures” and the sales by the recipient of the Company Securities occur during a blackout or other restricted period. Further, transactions in mutual funds that are invested in Company Securities are not transactions subject to this Policy.

7.12 Special and Prohibited Transactions

The Company has determined that there is a heightened legal risk and/or the appearance of improper or inappropriate conduct if the persons subject to this Policy engage in certain types of transactions. It therefore is the Company’s policy that any persons covered by this Policy may not engage in any of the following transactions, or should otherwise consider the Company’s preferences as described below:

Short-Term Trading. Short-term trading of Company Securities may be distracting to the person and may unduly focus the person on the Company’s short-term stock market performance instead of the Company’s long-term business objectives. For these reasons, any director or officer of the Company or its subsidiaries who purchases Company Securities in the open market may not sell any Company Securities of the same class during the six months following the purchase (or vice versa).

Short Sales. Short sales of Company Securities (*i.e.*, the sale of a security that the seller does not own) may evidence an expectation on the part of the seller that the securities will decline in value, and therefore have the potential to signal to the market that the seller lacks confidence in the Company's prospects. In addition, short sales may reduce a seller's incentive to seek to improve the Company's performance. For these reasons, short sales of Company Securities are prohibited. In addition, Section 16(c) of the Securities Exchange Act of 1934 prohibits officers and directors from engaging in short sales. (Short sales arising from certain types of hedging transactions are governed by the paragraph below captioned "Hedging Transactions.")

Publicly-Traded Options. Given the relatively short term of publicly-traded options, transactions in options may create the appearance that a director, officer or employee is trading based on material nonpublic information and focus a director's, officer's or other employee's attention on short-term performance at the expense of the Company's long-term objectives. Accordingly, transactions in put options, call options or other derivative securities, on an exchange or in any other organized market, are prohibited by this Policy. (Option positions arising from certain types of hedging transactions are governed by the next paragraph below.)

Hedging Transactions. Hedging or monetization transactions can be accomplished through a number of possible mechanisms, including through the use of financial instruments such as prepaid variable forwards, equity swaps, collars and exchange funds. Such hedging transactions may permit a director, officer or employee to continue to own Company Securities obtained through employee benefit plans or otherwise, but without the full risks and rewards of ownership. When that occurs, the director, officer or employee may no longer have the same objectives as the Company's other shareholders. Therefore, directors, officers and employees are prohibited from engaging in any such transactions.

Margin Accounts and Pledged Securities. Securities held in a margin account as collateral for a margin loan may be sold by the broker without the customer's consent if the customer fails to meet a margin call. Similarly, securities pledged (or hypothecated) as collateral for a loan may be sold in foreclosure if the borrower defaults on the loan. Because a margin sale or foreclosure sale may occur at a time when the pledgor is aware of material nonpublic information or otherwise is not permitted to trade in Company Securities, the Company discourages holding Company Securities in a margin account or pledging Company Securities as collateral for a loan. Any director, officer or other employee who desires to hold Company Securities in a margin account or to otherwise pledge Company Securities as collateral for a loan must first obtain approval of the Compliance Officer. The Compliance Officer is under no obligation to approve the placement of any Company Securities in a margin account or to allow Company Securities to be pledged as collateral for a loan, and may determine not to permit such a transaction. (Pledges of Company Securities arising from certain types of hedging transactions are governed by the paragraph above captioned "Hedging Transactions.")

Standing and Limit Orders. Standing and limit orders (except standing and limit orders under approved Rule 10b5-1 Plans, as described below) create heightened risks for insider trading violations similar to the use of margin accounts. There is no control over the timing of purchases or sales that result from standing instructions to a broker, and as a result the broker could execute a transaction when a director, officer or other employee is in possession of material nonpublic information. The Company therefore discourages placing standing or limit orders on Company Securities. If a person subject to this Policy determines that they must use a standing order or limit order, the order should be limited to short duration and should otherwise comply with the restrictions and procedures outlined below under the heading “Additional Procedures.”

7.13 Additional Procedures

The Company has established additional procedures in order to assist the Company in the administration of this Policy, to facilitate compliance with laws prohibiting insider trading while in possession of material nonpublic information, and to avoid the appearance of any impropriety. These additional procedures are applicable only to those individuals described below.

Quarterly Trading Restrictions. Directors, officers and employees, as well as their Family Members or Controlled Entities, are prohibited from conducting any transactions involving the Company’s Securities (other than as specified by this Policy) during a “Blackout Period” beginning as of the last business day of each fiscal quarter and ending on the second business day following the date of the public release of the Company’s earnings results for that quarter. In other words, directors, officers and employees may only conduct transactions in Company Securities during the “Window Period” beginning on the second business day following the public release of the Company’s quarterly earnings and ending on the day prior to the close of the next fiscal quarter.

Under certain very limited circumstances, directors, officers and employees may be permitted to trade during a Blackout Period, but only if the Compliance Officer concludes that the person does not in fact possess material nonpublic information. Persons wishing to trade during a Blackout Period must contact the Compliance Officer for approval at least five business days in advance of any proposed transaction involving Company Securities.

Event-Specific Trading Restriction Periods. From time to time, an event may occur that is material to the Company and is known by only a few directors, officers and/or employees. So long as the event remains material and nonpublic, the persons designated by the Compliance Officer may not trade Company Securities. In addition, the Company’s financial results may be sufficiently material in a particular fiscal quarter that, in the judgment of the Compliance Officer, designated persons should refrain from trading in Company Securities even sooner than the typical Blackout Period described above. In that situation, the Compliance Officer may notify these persons that they should not trade in the Company’s Securities, without disclosing the reason for the restriction. The existence of an event-specific trading restriction period or extension of a Blackout Period will not be announced to the Company or its subsidiaries as a whole, and should not be communicated to any other person. Even if the Compliance Officer has not designated you

as a person who should not trade due to an event-specific restriction, you should not trade while aware of material nonpublic information. Exceptions will not be granted during an event-specific trading restriction period.

Exceptions. The quarterly trading restrictions and event-driven trading restrictions do not apply to those transactions to which this Policy does not apply, as described above under the headings “Transactions Under Company Plans.” Further, the requirement for pre-clearance, the quarterly trading restrictions and event-driven trading restrictions do not apply to transactions conducted pursuant to approved Rule 10b5-1 plans, described under the heading “Rule 10b5-1 Plans.”

7.14 Rule 10b5-1 Plans

Rule 10b5-1 under the Securities Exchange Act of 1934 provides a defense from insider trading liability under Rule 10b-5. In order to be eligible to rely on this defense, a person subject to this Policy must enter into a Rule 10b5-1 plan for transactions in Company Securities that meets certain conditions specified in the Rule (a “Rule 10b5-1 Plan”). If the plan meets the requirements of Rule 10b5-1, Company Securities may be purchased or sold without regard to certain insider trading restrictions. To comply with the Policy, a Rule 10b5-1 Plan must be approved by the Compliance Officer and meet the requirements of Rule 10b5-1. In general, a Rule 10b5-1 Plan must be entered into at a time when the person entering into the plan is not aware of material nonpublic information. Once the plan is adopted, the person must not exercise any influence over the amount of securities to be traded, the price at which they are to be traded or the date of the trade. The plan must either specify the amount, pricing and timing of transactions in advance or delegate discretion on these matters to an independent third party.

Any Rule 10b5-1 Plan must be submitted for approval five days prior to the entry into the Rule 10b5-1 Plan. No further pre-approval of transactions conducted pursuant to the Rule 10b5-1 Plan will be required.

7.15 Post-Termination Transactions

This Policy continues to apply to transactions in Company Securities even after termination of service to the Company or its subsidiaries. If an individual is in possession of material nonpublic information when his or her service terminates, that individual may not trade in Company Securities until that information has become public or is no longer material. The pre-clearance procedures specified under the heading “Additional Procedures” above, however, will cease to apply to transactions in Company Securities upon the expiration of any Blackout Period or other Company-imposed trading restrictions applicable at the time of the termination of service.

7.16 Consequences of Violations

The purchase or sale of securities while aware of material nonpublic information, or the disclosure of material nonpublic information to others who then trade in the Company’s Securities, is prohibited by the federal and state laws. Insider trading violations are pursued vigorously by the SEC, U.S. Attorneys and state enforcement authorities as well as the laws of foreign jurisdictions. Punishment for insider trading violations is severe, and could include significant fines and

imprisonment. While the regulatory authorities concentrate their efforts on the individuals who trade, or who tip inside information to others who trade, the federal securities laws also impose potential liability on companies and other “controlling persons” if they fail to take reasonable steps to prevent insider trading by company personnel.

In addition, an individual’s failure to comply with this Policy may subject the individual to Company-imposed sanctions, including dismissal for cause, whether or not the employee’s failure to comply results in a violation of law. Needless to say, a violation of law, or even an SEC investigation that does not result in prosecution, can tarnish a person’s reputation and irreparably damage a career.

7.17 Company Assistance

Any person who has a question about this Policy or its application to any proposed transaction may obtain additional guidance from the Compliance Officer.

7.18 Certification

All persons subject to this Policy must certify their understanding of, and intent to comply with, this Policy.

8.0 FINANCIAL INTEGRITY AND COMPANY RECORDS

Guaranty relies on our accounting records to produce reports for our management, shareholders, creditors, governmental agencies, and others. We are committed to maintaining books and records that accurately and fairly reflect our financial transactions. Each Associate must maintain accurate and fair records of transactions, time reports, expense accounts and other business records. You also must comply with any applicable record retention policy of Guaranty.

In this respect, the following guidelines must be followed:

- No undisclosed or unrecorded funds or assets may be established for any purpose.
- Assets and liabilities of Guaranty must be recognized and stated in accordance with our standard practices and Generally Accepted Accounting Principles (“GAAP”).
- No false or artificial entries may be made or misleading reports issued.
- No false or fictitious invoices may be paid or created.
- No information may be concealed from internal auditors or independent auditors.

Special emphasis is placed on compliance with this Section by the members of the Board of Directors of Guaranty Federal Bancshares, Inc., the named executive officers, other senior officers and persons performing similar functions.

If you believe that our books and records are not being maintained in accordance with these requirements, you should report the matter immediately pursuant to Section 10.0.

9.0 SECURITIES LAW DISCLOSURES AND PUBLIC COMMUNICATIONS

Guaranty is committed to full, fair, accurate, timely, and understandable disclosure in reports and documents that we file with, or submit to, the Securities and Exchange Commission and in other public communications. All Associates have responsibility to ensure that false or intentionally misleading information is not given in the filings with the Commission or in public communications by Guaranty.

Special emphasis is placed on compliance with this Section by the members of the Board of Directors of Guaranty Federal Bancshares, Inc. , the named executive officers, other senior officers and persons performing similar functions.

If you believe that incomplete, false or intentionally misleading information has been given in the securities filings or public communications of Guaranty Federal Bancshares, Inc., or that an Associate has engaged in insider trading, you should report the matter immediately pursuant to Section 10.0.

10.0 DISCLOSURE AND REPORTING VIOLATIONS

The discovery of any event which is questionable, fraudulent, or illegal in nature or which is in violation of this Code should immediately be reported. Reporting of Code violations can be made directly through the bank's ethics hotline – operated by NAVEX Global (<http://gbankmo.ethicspoint.com> or 1-800-683-6217). When a report is made through the bank's ethics hotline, the Associate may select to disclose personal identifying information or to remain completely anonymous (NAVEX Global is an independent company and is contractually forbidden from disclosing personal identifying information when that option is selected).

If the Associate prefers to speak with someone directly about concerns, they may discuss the issue with his/her direct supervisor, the Human Resources Director, the Director of Risk Management, the Internal Audit Officer, or the President/CEO. The supervisor receiving a report should disclose the concern to the Human Resources Director, the Director of Risk Management, the Internal Audit Officer or the President/CEO as appropriate based on the nature of the concern.

If any Associate is not satisfied with the response from any level of management or is reluctant to share the concern with any member of Executive Management, the Associate should document the irregularity in a letter to the Chair of the Guaranty Audit Committee, addressed in care of the Corporate Secretary.

Failure to report such events constitutes a violation of this Code and may result in punishment, including the punishments outlined in Section 11.0.

Associates can discuss their concerns without fear of any form of retaliation. When an Associate reports a violation of the Code through the established procedures, the:

- Associate will be treated with respect.

- Associate's concerns will be taken seriously. If the Associate's concerns are not resolved at the time of his/her report, he/she will be informed of the outcome.
- Associate will not be required to disclose his/her identity (when utilizing the bank's ethics hotline).
- Associate's communications will be protected to the greatest extent possible.
- Associate will not be penalized or made subject to any corrective action as a result of good faith reporting of suspected violations.

11.0 CODE VIOLATIONS

We take the provisions of this Code very seriously, and we will treat any violations of the Code accordingly. A failure by any Associate to comply with applicable laws, rules or regulations governing our business, this Code or any other Guaranty policies or requirements may result in prompt disciplinary action up to and including, where appropriate, suspension or termination of employment. Any disciplinary action taken by Guaranty does not waive Guaranty's right to take appropriate legal action or to assist any local, state, or Federal law enforcement agency in the prosecution of Associates who violate the laws and agreements covered in this Code. Guaranty will not be obligated to reimburse Associates for any fines or legal costs incurred by them or on their behalf.

12.0 WAIVERS OF THE CODE AND DISCLOSURE

Except as provided in the next sentence, any waiver of the Code for Associates must be made by the President/CEO. Any waiver of the Code for the members of the Board of Directors of Guaranty Federal Bancshares, Inc. or its Chief Executive Officer, Chief Financial Officer, and persons performing similar functions may be made only by the Audit Committee of the Board of Directors.

All requests for waivers will be considered on a case-by-case basis. All waivers of this Code for the members of the Board of Directors of Guaranty Federal Bancshares, Inc. and its Chief Executive Officer, Chief Financial Officer, and persons performing similar functions shall be promptly disclosed to the public as may be required by applicable laws, rules and regulations.

13.0 CODE SHALL BE PUBLICLY AVAILABLE

This Code, and any amendments or supplements hereto, shall always be available on our website at www.gbankmo.com.