

**CODE OF ETHICAL CONDUCT**  
**FOR DIRECTORS AND SENIOR FINANCIAL OFFICERS**  
**OF SOUTHSIDE BANCSHARES, INC.**

In my role as a Director or Senior Financial Officer (the Chief Executive Officer, the Chief Financial Officer, the Principal Accounting Officer and all Executive Officers) of Southside Bancshares, Inc., (the "Company") I recognize that I hold an important and elevated role in corporate governance. I am capable and empowered among other things, to ensure that shareholders' interests are appropriately protected and preserved. Accordingly, this Code sets forth principles to which Board members and Senior Financial Officers are expected to adhere and advocate. This Code embodies rules regarding individual responsibilities, as well as responsibilities to the Company, the public and shareholders.

I adhere to and advocate the following principles and responsibilities governing my professional and ethical conduct.

To the best of my knowledge and ability:

1. I act with honesty and integrity, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships.
2. I provide the public with information that is accurate, complete, objective, relevant, timely and understandable.
3. I comply with rules and regulations of federal, state, and local governments, and other appropriate private and public regulatory agencies.
4. I act in good faith, responsibly, with due care, competence and diligence, without misrepresenting material facts.
5. I respect and protect the confidentiality of information acquired in the course of my work and disclose private, confidential information to a third party only when specifically authorized or legally obligated by a proper court order. Confidential information acquired in the course of my work is not used for personal advantage.
6. I act responsibly in the use of and control over the assets and resources employed or entrusted to me.
7. I refer any illegal activity, unethical behavior, or violation of this Code to the Chairman of the Audit Committee or the Internal Auditor or an appropriate regulatory agency.
8. A waiver of this Code may be approved by the Board of Directors. Any waiver granted will be, promptly disclosed along with the reason for waiver, in an 8-K filing with the Securities and Exchange Commission.

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9. All complaints against Directors, or Senior Financial Officers, alleging unethical behavior, will ultimately be brought before the Board of Directors. In the event the Board of Directors determines that a violation of this code has occurred, the Board shall take any and all appropriate action. The Board of Directors' responsive action will be designed to deter wrongdoing and promote accountability for adherence to this Code. In determining the appropriate responsive action, the Board of Directors will consider all relevant facts and circumstances, including, without limitation, the nature and severity of the violation, whether the violation was intentional or inadvertent, and whether the individual has previously committed similar or different violations of any of the Company's policies. In the case of a Senior Financial Officer who violates this Code, the Board of Directors' action may include, without limitation, censure, demotion, suspension (with or without pay or benefits), and termination of employment. In the case of a Director who violates this Code, the Board of Directors, among other possible responses, may request that the Director resign from the Board of Directors or may seek the removal of the Director.
10. Persons reporting unethical or questionable behavior are protected from any reprisal from the Company.

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(Signature)

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(Date)