

CITIZENS HOLDING COMPANY

CODE OF CONDUCT

This Code of Conduct sets out basic principles and standards of conduct to guide all employees, officers and directors of Citizens Holding Company and its subsidiaries (collectively, the “Company”), including The Citizens Bank of Philadelphia (the “Bank”). All of our employees, officers and directors must conduct themselves in accordance with these principles and standards. This Code is in addition to any other code of conduct or ethics that directors, officers or employees of the Company or the Bank are subject to.

You must not only comply with applicable laws, policies and procedures, but you also have a responsibility to foster a culture of integrity and honesty. This culture must have high ethical standards and a commitment to compliance, while maintaining a work environment that encourages employees to raise concerns and to have the assurance that their concerns will be addressed promptly.

Those who violate the standards in this Code may be subject to disciplinary action, including dismissal. *If you observe a situation which you believe may violate or result in a violation of this Code, you should immediately contact Liz Owen, Director of Human Resources, or the Chairman of the Board of Directors, who is Herbert A. King. You may also report a claim anonymously by calling the Citizens Holding Company Corporate Governance Hotline at (800) 858-2893.*

1. Directors, Officers and Employees Shall Act With Honest and Ethical Conduct.

The Company’s directors, officers and employees shall act ethically and in good faith, with honesty and integrity, when acting on behalf of the Company or in connection with the Company’s business or operations.

2. Directors, Officers and Employees Must Comply with Laws, Rules and Regulations.

Obeying the law, both in letter and in spirit, is the foundation on which this Company’s ethical standards are built. All employees, officers and directors must respect and obey the laws of the jurisdictions in which we operate.

The Company has an Insider Trading Policy applicable to employees, officers and directors who possess material, non-public information regarding the Company that addresses federal securities laws and trading in the Company’s securities. If the Insider Trading Policy is applicable to you, you should review it. A copy of the Insider Trading Policy is available from the Company’s Shareholder Relations Officer, who is Robert T. Smith. Any employee, officer or director who is unsure about any aspect of these laws should seek advice from officers, supervisors, managers or other appropriate personnel.

3. Public Disclosure Should Be Full, Fair, Accurate, Timely and Understandable.

Employees, officers and directors who are involved in the preparation of reports and documents that the Company files with or submits to the Securities and Exchange Commission or that are otherwise public communications have a responsibility to promote full, fair, accurate, timely and understandable disclosure in such reports, documents and communications.

We have established the following guidelines with respect to the quality of our periodic reports and other public communications:

- All Company accounting records, as well as reports produced from those records, must be kept and presented in accordance with the laws of each applicable jurisdiction.
- All records must fairly and accurately reflect the transactions or occurrences to which they relate.
- All records must fairly and accurately reflect in reasonable detail the Company's assets, liabilities, revenues and expenses.
- The Company's accounting records must not contain any false or intentionally misleading entries.
- No transactions may be intentionally misclassified to accounts, departments or accounting periods or in any other manner.
- All transactions must be supported by accurate documentation in reasonable detail and recorded in the proper account and in the proper accounting period.
- No information may be concealed from the internal auditor or the independent auditors.
- Compliance with United States generally accepted accounting principles and the Company's system of internal accounting controls is required at all times.

4. Directors, Officers and Employees Must Avoid Conflicts of Interest.

Directors, officers and employees must avoid conflicts of interest involving the Company or its business. A "conflict of interest" occurs when an individual's private interest interferes in any way, or even appears to interfere, with the interests of the Company as a whole. A conflict situation can arise when an employee, officer or director takes actions or has interests that may make it difficult to perform his or her work for the Company objectively and effectively. Conflicts of interest also arise when an employee, officer or director, or a member of his or her family, receives improper personal benefits as a result of his or her position in or with the Company.

Although we cannot identify all possible conflicts, following are some of the more common conflicts, which must be avoided:

- ***Improper Personal Benefits from the Company*** - Conflicts of interests arise when a director, officer or employee, or a member of his or her family, receives improper personal benefits as a result of his or her position in the Company. You may not accept any benefits from the Company that have not been duly authorized and approved pursuant to Company policy and procedure, including any Company loans or guarantees of your personal obligations.
- ***Financial Interests in Other Businesses*** - You should avoid having an ownership interest in any other enterprise if that interest compromises or appears to compromise your loyalty to the Company. For example, you may not own an interest in a company that competes with the Company or that does business with the Company (such as a supplier) unless you obtain the written approval of the Audit Committee before making any such investment. However, it is not typically considered, and the Company does not consider it, a conflict of interest (and therefore prior written approval is not required) to make investments in competitors, clients or suppliers that are listed on a national or international securities exchange so long as the total value of the investment is less than one percent (1%) of the outstanding stock of the corporation and the amount of the investment is not so significant that it would affect your business judgment on behalf of the Company.
- ***Business Arrangements with the Company*** - Without the prior written approval of the Audit Committee, you may not participate in a joint venture, partnership or other business arrangement with the Company.
- ***Outside Employment or Activities with a Competitor*** - Simultaneous employment with or serving as a director of a competitor of the Company is strictly prohibited, as is any activity

that is intended to or that you should reasonably expect to advance a competitor's interests at the expense of the Company's interests. You may not market products or services in competition with the Company's current or potential business activities. It is your responsibility to consult with the Audit Committee to determine whether a planned activity will compete with any of the Company's business activities before you pursue the activity in question.

- ***Outside Employment with a Supplier*** - Without the prior written approval of the Audit Committee, you may not be a supplier to, or be employed by, serve as a director of or represent a supplier with, the Company. Without the prior written approval of the Audit Committee, you may not accept money or benefits of any kind from a third party as compensation or payment for any advice or services that you may provide to a client, supplier or anyone else in connection with its business with the Company.
- ***Family Members Working in the Industry*** - If your spouse, your children, parents, or in-laws, or someone else with whom you have a familial relationship, is a competitor or supplier of the Company or is employed by one, you must disclose the situation to the Audit Committee so that the Company may assess the nature and extent of any concern and how it can be resolved. You must carefully guard against inadvertently disclosing Company confidential information and being involved in decisions on behalf of the Company that involve the other enterprise.

Any employee, officer or director who becomes aware of a conflict or potential conflict of interest or any material transaction or relationship that reasonably could be expected to give rise to a conflict of interest should bring it to the attention of the Vice President of Human Resources. Conflicts of interest may not always be clear, so if you have a question, you should consult with the Vice President of Human Resources of the Company or other personnel or legal counsel designated by the Company from time to time.

5. Confidentiality of Company Information Must Be Maintained.

Employees, officers and directors of the Company must maintain the confidentiality of information entrusted or made available to them by the Company or its customers, except when disclosure is authorized by the Company or legally mandated, and must not use that information for personal advantage. Confidential information includes all non-public financial and other material information and other records of the Company. It also includes ratings and contents of examinations by federal regulatory authorities, the distribution of which is restricted.

6. Directors, Officers and Employees Are Prohibited From Taking the Company's Corporate Opportunities.

Employees, officers and directors are prohibited from (a) taking for themselves personally opportunities that are discovered through the use of the Company's property, information or position, without the consent of a majority of the "qualified directors," as defined in Section 79-4-8.62 of the Mississippi Business Corporation Act or any successor provision, (b) using the Company's property, information or position for improper personal gain, or (c) competing with the Company directly or indirectly. Employees, officers and directors owe a duty to the Company to advance its legitimate interests when the opportunity to do so arises.

7. Fair Dealing In All Activities Is Expected.

Each employee, officer and director must endeavor to deal fairly with the Company's customers, suppliers, competitors and employees. An employee, officer or director should not take unfair advantage

of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other intentional unfair-dealing practice in connection with the Company's business.

8. Directors, Officers and Employees Should Protect and Properly Use the Company's Assets.

All employees, officers and directors should protect the Company's assets and ensure their efficient use. Theft, carelessness and waste have a direct impact on the Company's profitability. All Company assets should be used for legitimate business purposes. Company equipment should not be used for non-Company business, but incidental personal use may be permitted in accordance with the Company's policies and procedures.

9. Waivers of this Code Must Be Approved and Disclosed.

Any waiver of this Code for non-executive officers and other employees of the Company may be made only by the Audit Committee of the Board of Directors; any waiver of this Code for executive officers or directors of the Company may be made only by the full Board of Directors. Any waiver that pertains to an executive officer or director of the Company must be disclosed in a Form 8-K filing with the Securities and Exchange Commission within four business days of such waiver.

10. Directors, Officers and Employees Must Report Illegal or Unethical Behavior or Violations of this Code.

We must all work to ensure prompt and consistent action against violations of this Code. Employees, officers and directors are responsible for promptly reporting to the Vice President of Human Resources any issue or concern which they believe in good faith is a violation of this Code or otherwise constitutes misconduct or illegal or unethical behavior. Employees, officers and directors are also encouraged to talk to the Vice President of Human Resources, or to supervisors, managers or other appropriate personnel, when in doubt about the best course of action in a particular situation. Violations of this Code and legitimate claims of misconduct or illegal or unethical behavior may be reported through the Citizens Holding Company Corporate Governance Hotline toll-free at (800) 858-2893. This hotline is monitored by the Internal Auditor and all credible claims are then reviewed by the Audit Committee.

Any claim of a possible violation of this Code or of other improper behavior may be made anonymously, if the claimant so desires, by reporting the claim via the Corporate Governance Hotline. All claimants shall be provided confidentiality to the extent practicable in the handling of the potential violation. Employees, officers and directors are expected to cooperate in internal investigations of any potential violation of this Code or of any misconduct or illegal or unethical behavior.

No one will be subject to retaliation because of a good faith report of a suspected violation.

11. The Vice President of Human Resources Will Administer this Code.

This Code shall be administered by the Company's Vice President of Human Resources. Company employees, officers and directors are encouraged to seek guidance regarding the application or interpretation of this Code from the Vice President of Human Resources. The Company's Vice President of Human Resources shall immediately report allegations of violations of this Code or of other improper behavior to the Audit Committee of the Board of Directors of the Company.

The Audit Committee shall investigate all credible allegations of violations of this Code or other improper behavior promptly, and may retain such counsel and other persons to assist it in the conduct of such investigation. Investigations shall be completed within 60 days, unless the Audit Committee

determines in its discretion that additional time is necessary to complete the investigation. The Audit Committee shall have the full discretion to determine what disciplinary action, if any, is warranted in response to any violations of this Code, up to and including termination of employment. The Audit Committee shall endeavor to impose discipline for each Code violation in a consistent manner appropriate to the nature of the violation.

12. No Rights Created.

This Code is a statement of certain fundamental principles, policies and procedures that govern the employees, officers and directors of the Company and the conduct of the Company's business. It is not intended to, and does not create any rights in, any employee, officer, director, customer, supplier, competitor, shareholder or any other person or entity.

Adopted by the Board of Directors on September 26, 2006.

Changed by the Board of Directors on September 22, 2008.