

**CITIZENS HOLDING COMPANY**  
**AMENDED AND RESTATED COMPENSATION COMMITTEE CHARTER**

The Board of Directors (the “Board”) of Citizens Holding Company (the “Company”) has established a Compensation Committee of the Board (the “Committee”). The existing Charter of the Committee is amended and restated as set forth herein effective as of April 22, 2014.

**I. PURPOSE**

The purposes of the Committee are (i) to discharge the responsibilities of the Board relating to compensation of the Company's chief executive officer and other executive officers; (ii) to establish compensation policies and incentive and equity-based plans and awards that will enable the Company to attract, motivate and retain high quality leadership and compensate them in a manner that is not only competitive with other companies in the same industry but also consistent with the interests of the Company's stockholders; (iii) to oversee the Company's risk assessment and risk management relative to the Company's compensation structure and benefits plan administration; (iv) to review and discuss with the Company's management the Compensation Discussion and Analysis (“CD&A”) to be included in the Company's annual proxy statement and determine whether to recommend to the Board of Directors that the CD&A be included in the proxy statement; and (v) to provide the annual report (the “Compensation Committee Report”) on the Committee's compensation policies and executive compensation for inclusion in the Company's proxy statement that complies with the rules and regulations of the Securities and Exchange Commission (the “SEC”).

**II. MEMBERSHIP**

The Committee will be comprised of not less than three Board members, including a Committee Chairperson, appointed by the Board. Each member of the Committee will be (i) independent within the meaning of the listing standards set forth by the Nasdaq Capital Market; (ii) a “non-employee director” for purposes of Section 16 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and the rules promulgated thereunder; and (iii) an “outside director” for purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder. The Board, acting on the recommendation of the Nominating Committee, will appoint annually the members of the Committee.

**III. MEETINGS AND PROCEDURES**

The Committee will meet as often as it determines, but not less frequently than annually. The Committee may request any officer or employee of the Company or the Company's outside counsel or independent auditor, or any other persons whose presence the Committee believes to be necessary or appropriate, to attend a meeting of the Committee or to meet with any members of, or advisors to, the Committee. The Chairperson of the Committee may call a Committee meeting whenever deemed necessary. The Chairperson of the Committee will develop, in consultation with management when appropriate, the Committee agenda.

The Committee may retain any independent counsel, experts or advisors that the Committee believes to be necessary or appropriate. The Committee may also utilize the services of the Company's regular counsel or other advisors to the Company. The Company will provide for appropriate funding, as determined by the Committee, for payment of compensation to any advisors employed by the Committee.

#### **IV. DUTIES AND RESPONSIBILITIES**

The duties and responsibilities of the Committee as are follows:

1. The Committee will review from time to time and approve the Company's compensation policies to ensure that management is rewarded appropriately for its contributions to Company growth and profitability and that the executive compensation strategy supports organization objectives and stockholder interests.

2. The Committee will review and approve annually the corporate goals and objectives relevant to the chief executive officer of the Company. At least annually, the Committee will evaluate the chief executive officer's performance in light of these goals and objectives and set the chief executive officer's compensation, including any salary, bonus, and incentive and equity compensation, based on this evaluation. In evaluating and determining compensation of the chief executive officer, the Committee will consider the results of the most recent stockholder advisory vote on executive compensation ("Say on Pay Vote"). The Chief Executive Officer cannot be present during any voting or deliberation by the Committee on his or her compensation.

3. The Committee will review and approve the compensation, including any salary, bonus, and incentive and equity compensation, for the executive officers of the Company (which includes all officers within the meaning of Section 16 of the Exchange Act and Rule 16a-1 promulgated thereunder) other than the chief executive officer. In reviewing and approving executive compensation, the Committee will consider the results of the most recent Say on Pay Vote.

4. The Committee will provide oversight of management's decisions concerning the performance and compensation of key employees of the Company, other than the executive officers.

5. The Committee will approve, subject to Board approval and, where appropriate, subject to submission to the stockholders, all new incentive compensation and equity-based plans for executive officers or any amendments to existing incentive compensation and equity-based plans. In reviewing and approving incentive compensation and equity-based plans, including whether to adopt, amend or terminate any such plans, the Committee will consider the results of the most recent Say on Pay Vote.

6. The Committee will review the Company's incentive compensation and equity-based plans, and the Committee will recommend to the Board any changes in such incentive compensation and equity-based plans that the Committee deems necessary or appropriate. The Committee will have and will exercise all the authority of the Board with respect to the administration of such plans.

7. The Committee will review and approve all awards made to executive officers under the Company's incentive compensation and equity-based plans.

8. The Committee will review and approve employment, severance, change-in-control, termination and retirement arrangements with the Chief Executive Officer, Chief Financial Officer and other officers, and review and approve any such agreement or arrangement for the benefit of any other employee of the Company and its affiliates to the extent that such agreement or arrangement includes terms and conditions that are not consistent with ordinary limits.

9. The Committee will consult with the Chief Executive Officer and advise the Board with respect to succession planning for the Chief Executive Officer, Chief Financial Officer and the other officers.

10. The Committee will review from time to time the compensation paid to members of the Board by the Company and make recommendations as it determines are appropriate and advisable to the Board for its approval for any modifications to Board compensation.

11. The Committee will oversee the Company's risk assessment and risk management relative to the Company's compensation structure and benefits plan administration.

12. The Committee will review and recommend to the Board for approval the frequency with which the Company will conduct Say on Pay Votes, taking into account the results of the most recent stockholder advisory vote on frequency of Say on Pay Votes required by Section 14A of the Exchange Act, and review and approve the proposals regarding the Say on Pay Vote and the frequency of the Say on Pay Vote to be included in the Company's proxy statement.

13. The Committee will, not less frequently than annually, evaluate the performance of the Committee, including a review of the Committee's compliance with this Charter, and review and reassess this Charter and submit any recommended changes to the Board for its consideration.

14. The Committee will perform such other duties and responsibilities as may be assigned to the Committee, from time to time, by the Board, or as designated in particular plan documents.

15. The Committee will have the authority to consult with Company counsel. The Committee also will have the authority to engage any outside advisor of its selection, at the Company's expense, should the Committee deem it necessary or appropriate to do so. The Committee will have the sole authority to retain and terminate any compensation consultant to assist in the evaluation of director, chief executive officer or other executive officer compensation, including the sole authority to approve the compensation consultant's fees and other retention terms.

16. The compensation consultant(s), outside counsel and any other advisors retained by, or providing advice to, the Committee (other than the Company's in-house counsel) shall be independent as determined in the discretion of the Committee after considering the factors specified in Nasdaq Rule 5605(d)(3)(D). The Committee is not required to assess the independence of any compensation consultant or other advisor that acts in a role limited to consulting on any broad-based plan that does not discriminate in scope, terms or operation in favor of executive officers or directors and that is generally available to all salaried employees or providing information that is not customized for a particular company or that is customized based on parameters that are not developed by the consultant or advisor, and about which the consultant or advisor does not provide advice. The Committee will evaluate whether any compensation consultant retained or to be retained by it has any conflict of interest in accordance with Item 407(e)(3)(iv) of Regulation S-K.

17. The Committee will review and discuss with management the information contained in CD&A required by Item 402(b) of Regulation S-K promulgated under the Securities Act of 1933, as amended, contained in the Company's annual proxy statement or annual report on Form 10-K, as applicable, and determine whether to recommend to the Board of Directors that CD&A be included in such proxy statement or the annual report on Form 10-K, as applicable.

18. The Committee will prepare and provide an annual Committee report in accordance with the rules and regulations of the SEC for inclusion in the Company's annual proxy statement or annual report on Form 10-K.

Updated as of April 22, 2014.