

GUARANTY FEDERAL BANCSHARES INC  
Form DEF 14A  
April 25, 2016  
United States

Securities and Exchange Commission

Washington, D.C. 20549

**SCHEDULE 14A**

**Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934 (Amendment No. \_\_)**

Filed by the registrant  [X]

Filed by a party other than the registrant  [ ]

Check the appropriate box:

[ ] Preliminary Proxy Statement

[ ] Confidential, for use of the Commission

Only (as permitted by Rule 14a-6(e)(2))

[X] Definitive Proxy Statement

[ ] Definitive Additional Materials

[ ] Soliciting Material Under Rule 14a-12

Guaranty Federal Bancshares, Inc.  
(Name of Registrant as Specified in Its Charter)

---

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of filing fee (Check the appropriate box):

No fee required

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

---

(2) Aggregate number of securities to which transaction applies:

---

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11. (set forth the amount on which the filing fee is calculated and state how it was determined):

---

(4) Proposed maximum aggregate value of transaction:

---

(5) Total fee paid:

---

Fee paid previously with preliminary materials.

---

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount previously paid:

---

(2) Form, Schedule or Registration Statement No.:

---

(3) Filing Party:

---

(4) Date Filed:

---

---

**GUARANTY FEDERAL BANCSHARES, INC.**

**1341 WEST BATTLEFIELD  
SPRINGFIELD, MO 65807-4181  
(417) 520-4333**

---

**NOTICE OF MEETING OF STOCKHOLDERS**

**To Be Held on May 25, 2016**

Notice is hereby given that an annual meeting of the stockholders (the "Meeting") of Guaranty Federal Bancshares, Inc. (the "Company") will be held at the Highland Springs Country Club, 5400 S. Highland Springs Blvd., Springfield, Missouri, on May 25, 2016, at 6:00 p.m., local time. Stockholders of record at the close of business on April 4, 2016 are the stockholders entitled to vote at the Meeting.

A Proxy Card and a Proxy Statement for the Meeting are enclosed.

The Meeting is being held for the purpose of considering and acting upon:

1. The election of two directors.
2. The advisory (non-binding) vote to approve executive compensation.
3. The ratification of BKD, LLP as Independent Registered Public Accounting Firm to the Company for the fiscal year ending December 31, 2016.

Such other matters as may come properly before the Meeting or any adjournments thereof. Except with respect to 4. procedural matters incident to the conduct of the Meeting, the Board of Directors is not aware of any other business to come before the Meeting.

**Important Notice Regarding the Availability of Proxy Materials for the 2016 Annual Stockholders' Meeting to be Held on May 25, 2016.** Pursuant to the rules promulgated by the Securities and Exchange Commission, we have elected to provide access to our proxy materials both by: (i) sending you this full set of proxy materials, including a proxy card; and (ii) notifying you of the availability of our proxy materials on the internet. **This Notice and Proxy Statement and our 2015 Annual Report may be accessed at [www.gbankmo.com](http://www.gbankmo.com).**

BY ORDER OF THE BOARD OF DIRECTORS

/s/ Don M. Gibson

Don M. Gibson  
Chairman of the Board

Springfield, Missouri  
April 25, 2016

**THE BOARD OF DIRECTORS URGES YOU TO SIGN, DATE AND RETURN YOUR PROXY CARD AS SOON AS POSSIBLE, EVEN IF YOU CURRENTLY PLAN TO ATTEND THE ANNUAL MEETING. THIS WILL NOT PREVENT YOU FROM VOTING IN PERSON AT THE ANNUAL MEETING IF YOU DESIRE, AND YOU MAY REVOKE YOUR PROXY BY WRITTEN INSTRUMENT AT ANY TIME PRIOR TO THE VOTE AT THE ANNUAL MEETING. IF YOU ARE A STOCKHOLDER WHOSE SHARES ARE NOT REGISTERED IN YOUR OWN NAME, YOU WILL NEED ADDITIONAL DOCUMENTATION FROM YOUR RECORD HOLDER TO VOTE PERSONALLY AT THE MEETING.**

---

1341 W. Battlefield Springfield, MO 65807  
417-520-4333 www.gbankmo.com

April 25, 2016

Dear Fellow Stockholder:

On behalf of the Board of Directors and management of Guaranty Federal Bancshares, Inc., I cordially invite you to attend the 2016 Annual Meeting of Stockholders to be held at the Highland Springs Country Club, 5400 S. Highland Springs Blvd., Springfield, Missouri, on Wednesday, May 25, 2016 at 6:00 p.m., local time. The attached Notice of Annual Meeting of Stockholders and Proxy Statement describe the formal business to be transacted at the meeting. Following the formal meeting, I will report on the operations of the Company. Directors and officers of the Company, as well as representatives of BKD, LLP, our independent registered public accounting firm, will be present to respond to any questions that stockholders may have.

Whether or not you plan to attend the meeting, please sign and date the enclosed proxy card and return it in the accompanying postage-paid return envelope as soon as possible. This will not prevent you from voting in person at the meeting but will assure that your vote is counted if you are unable to attend the meeting.

Respectfully,

/s/ Shaun A. Burke

Shaun A. Burke  
President and CEO



**GUARANTY FEDERAL BANCSHARES, INC.**  
**1341 WEST BATTLEFIELD**  
**SPRINGFIELD, MISSOURI 65807-4181**

---

**PROXY STATEMENT**

---

This Proxy Statement has been prepared in connection with the solicitation of proxies by the Board of Directors of Guaranty Federal Bancshares, Inc. (the “Company”) for use at the annual meeting of stockholders to be held on May 25, 2016 (the “Annual Meeting”), and at any adjournment(s) thereof. The Annual Meeting will be held at 6:00 p.m., local time, at the Highland Springs Country Club, 5400 S. Highland Spring Blvd., Springfield, Missouri. It is anticipated that this Proxy Statement will be mailed to stockholders on or about April 25, 2016.

**RECORD DATE--VOTING--VOTE REQUIRED FOR APPROVAL**

All persons who were holders of record of the common stock, par value \$0.10 per share (“Common Stock”) of the Company at the close of business on April 4, 2016 (“Record Date”) will be entitled to cast votes at the Annual Meeting. Voting may be by proxy or in person. As of the Record Date, the Company had 4,431,470 shares of Common Stock issued and outstanding.

Holders of a majority of the outstanding shares of Common Stock entitled to vote, represented in person or by proxy, will constitute a quorum for purposes of transacting business at the Annual Meeting.

Stockholders are urged to indicate their vote in the appropriate spaces on the proxy card. Each proxy solicited hereby, if properly executed, duly returned to the Board of Directors of the Company (the “Board of Directors” or the “Board”) and not revoked prior to the Annual Meeting, will be voted at the Annual Meeting in accordance with the stockholder’s instructions indicated thereon. Where no instructions are indicated, proxies will be voted by those named in the proxies FOR the approval of the specific proposals presented in this Proxy Statement and on the proxy card and in the discretion of those named in the proxies upon any other business that may properly come before the Annual Meeting or any adjournment thereof. Each stockholder shall have one vote for each share of Common Stock owned. No appraisal or dissenters’ rights exist for any action to be taken at the Annual Meeting.



A stockholder giving a proxy has the power to revoke the proxy at any time before it is exercised by filing with the Secretary of the Company written instructions revoking the proxy. A duly executed proxy bearing a later date will be sufficient to revoke an earlier proxy. The proxy executed by a stockholder who attends the Annual Meeting will be revoked only if that stockholder files the proper written instrument with the Secretary prior to the end of the voting at the Annual Meeting.

To the extent necessary to assure sufficient representation at the Annual Meeting, proxies may be solicited by officers, directors and regular employees of the Company personally, by telephone, by internet or by further correspondence. Officers, directors and regular employees of the Company will not be compensated for their solicitation efforts. The cost of soliciting proxies from stockholders will be borne by the Company. The Company will also reimburse brokerage firms and other custodians, nominees and fiduciaries for reasonable expenses incurred by them in sending proxy materials to the beneficial owners of Common Stock.

Regardless of the number of shares of the Company's Common Stock owned, it is important that stockholders be represented by proxy or be present in person at the Annual Meeting. In order for any proposals considered at the Annual Meeting to be approved by the Company's stockholders, a quorum must be present. Stockholders are requested to vote by completing the enclosed proxy card and returning it signed and dated in the enclosed postage-paid envelope.

Proxies marked as abstentions and broker non-votes (as defined below) will be treated as shares present for purposes of determining whether a quorum is present. Proxies marked as abstentions will not be counted as votes cast and will not affect the election of directors, advisory approval of executive compensation, or ratification of BKD, LLP as the independent registered public accounting firm. Brokers are entitled to vote the shares they hold for their customers in “street name” on routine matters when the customers (i.e. the “beneficial owners”) do not instruct the brokers how to vote the customer’s shares. Only Proposal Three, regarding the ratification of BKD, LLP as Independent Registered Public Accounting Firm, is deemed to be a routine matter. Brokers will be entitled to vote shares of Common Stock they hold in street name on Proposal Three in the absence of instructions on how to vote by the beneficial owners. Proposals One, and Two are not deemed to be routine matters and, as such, brokers are not entitled to vote shares of Common Stock they hold in street name on Proposals One and Two in the absence of instructions on how to vote from the beneficial owners. These are referred to as “broker non-votes.” Broker non-votes will not be counted as votes cast, and therefore will not affect the election of directors or advisory approval of executive compensation.

Directors are elected by a plurality of votes of the shares represented in person or by proxy at the Annual Meeting. The proposals to approve executive compensation (advisory), and to ratify the selection of the independent registered public accounting firm require the affirmative vote of a majority of the votes cast on such matters.

#### **SECURITIES OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND management**

Persons and groups owning in excess of 5% of the Common Stock are required to file certain reports regarding such ownership pursuant to the Securities Exchange Act of 1934, as amended (the “Exchange Act”). The Certificate of Incorporation of the Company restricts the voting by persons who beneficially own in excess of 10% of the outstanding shares of Common Stock. This restriction does not apply to employee benefit plans of the Company. The following table sets forth, as of the Record Date, persons or groups who are known by the Company to beneficially own more than 5% of the Common Stock.

<b>Name and Address of Beneficial Owner</b>	<b>Amount and Nature of Beneficial Ownership</b>	<b>Percent of Total Outstanding Common Shares</b>
Castle Creek Capital Partners V, LP  6051 El Tordo  Racho Santa Fe, CA 92067	425,500	(1) 9.60%

FJ Capital Management, LLC

1313 Dolley Madison Blvd, Ste 306    300,715    (2)    6.79%

McLean, VA 22101

Banc Funds Co LLC

20 North Wacker Drive, Suite 3300    230,971    (3)    5.21%

Chicago, IL 60606

Information based on a joint schedule 13G/A filed with the Securities and Exchange Commission on December 11, 2014 by Castle Creek Capital Partners V, LP (“Fund V”), Castle Creek Capital V LLC (“CCC V”), John M. Eggmeyer III, Mark G. Merlo, John T. Pietrzak and J. Mikesell Thomas as the “Reporting Persons.” Each of the Reporting Persons may be deemed to be the beneficial owner of the 425,500 Common Shares held directly by Fund V. CCC (1) V is the sole general partner of Fund V. Mr. Eggmeyer, Mr. Merlo, Mr. Pietrzak, and Mr. Thomas share voting and dispositive power over the 425,500 shares beneficially owned by Fund V, due to the fact that each is a managing principal of CCC V. CCC V, Mr. Eggmeyer, Mr. Merlo, Mr. Pietrzak, and Mr. Thomas each disclaim beneficial ownership of the Common Shares, except to the extent of their respective pecuniary interest in Fund V.

Information based on a joint schedule 13G/A filed with the Securities and Exchange Commission on February 10, 2016 by FJ Capital Management LLC (“FJ”), Financial Opportunity Fund (“FOF”), Martin S. Friedman, Bridge Equities III LLC (“BE III”), Bridge Equities VIII LLC (“BE VIII”), Bridge Equities IX LLC (“BE IX”), Bridge Equities X LLC (“BE X”), SunBridge Manager LLC (“SB Manger”), SunBridge Holdings LLC (“SB Holdings”) and Realty Investment Company Inc. (“RIC”) as the “Reporting Persons.” The Schedule 13G/A reports shared voting and investment power over the shares as follows: FJ (300,715 voting and 54,938 investment), FOF (38,127 voting and investment), BE III (243,686 voting and investment), BE VIII (419 voting and investment), BE IX (627 voting and investment), BE X (1,045 voting and investment), Mr. Friedman (300,715 voting and 54,938 investment), SB Manager (245,777 voting and investment), SB Holdings (245,777 voting and investment) and RIC (245,777 voting and investment).

Information based on a joint schedule 13G filed with the Securities and Exchange Commission on February 9, 2016 by Banc Fund VI L.P. (“BF VI”), Banc Fund VII L.P. (“BF VII”), Banc Fund VIII L.P. (“BF VIII”) and Banc Fund IX L.P. (“BF IX”) as the “Reporting Persons.” The general partner of the general partners of BF VI, BF VII, BF VIII and BF IX is The Banc Fund Company, L.L.C., whose principal shareholder is Charles J. Moore. Mr. Moore has voting and dipositive power over the shares held by each entity. BF VII holds sole voting and investment power over 65,100 shares; BF VIII holds sole voting and investment power over 150,900 shares; BF IX holds sole voting and investment power over 14,971 shares.

The following table sets forth certain information as of the Record Date, with respect to the shares of the Company’s Common Stock beneficially owned by each of the directors, nominees for director and Named Executive Officers (see section titled “Summary Compensation Table”) of the Company, and the total shares beneficially owned by directors and executive officers as a group. The Company’s policy is for each director to own a minimum of 2,500 shares, exclusive of stock grants and non-exercised stock options. Directors with less than five years of experience on the Board are required to own a minimum of 500 shares for each full year of service on the Board, up to 2,500 shares. Less than 1% stock ownership is shown below with an asterisk (\*).

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership (1)		Percent of Total Outstanding Common Shares	
Don Gibson	93,406	(2)	2.1	%
Shaun A. Burke	74,921	(3)	1.7	%
Kurt Hellweg	93,423	(4)	2.1	%
Tim Rosenbury	28,765	(5)	*	
Jamie Sivils, III	25,607	(6)	*	
James Batten	49,562	(7)	1.1	%
John Griesemer	94,051		2.1	%
David Moore	3,316		*	
Greg Horton	1,167		*	
Carter Peters	31,093	(8)	*	
H. Michael Mattson	46,606	(9)	1.0	%
Sheri Biser	15,224	(10)	*	
Robin Robeson	11,168		*	
	568,309	(11)	12.5	%

Total owned by all directors and executive  
officers as a group (Thirteen persons)

3

---

- Amounts may include shares held directly, as well as shares held jointly with family members, in retirement accounts, in a fiduciary capacity, by certain family members, by certain related entities or by trusts of which the directors and executive officers are trustees or substantial beneficiaries, with respect to which shares the respective director or executive officer may be deemed to have sole or shared voting and/or investment powers. Due to the rules for determining beneficial ownership, the same securities may be attributed as being beneficially owned by more than one person. The holders may disclaim beneficial ownership of the included shares which are owned by or with family members, trust or other entities.
- |      |          |        |  |
|------|----------|--------|--|
| (1)  |          |        |  |
| (2)  | Includes | 2,500  | shares that may be acquired within 60 days of the Record Date through the exercise of options. |
| (3)  | Includes | 20,000 | shares that may be acquired within 60 days of the Record Date through the exercise of options. |
| (4)  | Includes | 2,500  | shares that may be acquired within 60 days of the Record Date through the exercise of options. |
| (5)  | Includes | 7,500  | shares that may be acquired within 60 days of the Record Date through the exercise of options. |
| (6)  | Includes | 7,500  | shares that may be acquired within 60 days of the Record Date through the exercise of options. |
| (7)  | Includes | 32,500 | shares that may be acquired within 60 days of the Record Date through the exercise of options. |
| (8)  | Includes | 5,000  | shares that may be acquired within 60 days of the Record Date through the exercise of options. |
| (9)  | Includes | 15,000 | shares that may be acquired within 60 days of the Record Date through the exercise of options. |
| (10) | Includes | 6,500  | shares that may be acquired within 60 days of the Record Date through the exercise of options. |
| (11) | Includes | 99,000 | shares that may be acquired within 60 days of the Record Date through the exercise of options. |

#### **SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE**

Section 16(a) of the Exchange Act requires the Company's officers and directors, and persons who own more than 10% of the Common Stock, to file reports detailing their ownership and changes of ownership in the Common Stock with the Securities and Exchange Commission ("SEC") and to furnish the Company with copies of all such ownership reports. Based solely on the Company's review of the copies of the ownership reports furnished to the Company, and written representations relative to the filing of certain forms, the Company believes that all Section 16(a) filing requirements applicable to its officers and directors, and persons who own more than 10% of the Common Stock, were complied with during the 2015 fiscal year. However, during the first quarter of 2016, the following late filing occurred for the following reporting person: Greg A. Horton (one report involving one transaction).

#### **FIRST PROPOSAL: ELECTION OF DIRECTORS**

With the pending retirement of Mr. Gibson, the number of directors constituting the Board will be eight, with one director position currently vacant. The Board is divided into three classes. The term of office of one class of directors expires each year in rotation so that the class up for election at each annual meeting of stockholders has served for a three-year term. The terms of two of the present directors (Messrs. Rosenbury and Horton) are expiring at the Annual Meeting.

Messrs. Rosenbury and Horton have been nominated, upon the recommendation of the Nominating Committee of the Board, by the Board and, upon election at the Annual Meeting, will hold office for a three-year term expiring in 2019 or until their successors are elected and qualified. Each nominee has indicated that he is willing and able to serve as a director if elected and has consented to being named as a nominee in this Proxy Statement.

Unless otherwise specified on the proxies received by the Company, it is intended that proxies received in response to this solicitation will be voted in favor of the election of each person named in the following table to be a director of the Company for the term as indicated, or until his successor is elected and qualified. There are no arrangements or understandings between the nominees or directors and any other person pursuant to which any such person was or is selected as a director or nominee.

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS  
THAT YOU VOTE FOR THE FOLLOWING NOMINEES.**

**Nominees for Three-Year Terms Expiring 2019**

<b>Name</b>	<b>Age (1)</b>	<b>Director Since</b>	<b>Current Term Expires</b>
Tim Rosenbury	59	2002	2016
Greg A. Horton	56	2016	2016

In addition to the two nominees proposed to serve on the Board as described above, the following individuals are also directors of the Company, each serving for the current term indicated.

**Directors Who Are Not Nominees  
Who Will Continue in Office After the Annual Meeting**

<b>Name</b>	<b>Age (1)</b>	<b>Director Since</b>	<b>Current Term Expires</b>
John F. Griesemer	48	2008	2017
James L. Sivils, III	51	2002	2017
David T. Moore	45	2014	2017
Shaun A. Burke	52	2004	2018
Kurt D. Hellweg	58	2000	2018
James R. Batten	53	2006	2018

(1) As of the Record Date

**Biographical Information**

Set forth below are brief summaries of the background and business experience, including principal occupation, of each nominee and director currently serving on the Board of Directors of the Company.



**Tim Rosenbury**, AIA, is Managing Partner of Butler, Rosenbury & Partners, Inc., an architecture, engineering, and planning firm in Springfield, Missouri. Mr. Rosenbury joined the firm in 1984 after practicing in Memphis, Tennessee. He graduated with a B.Arch. from Mississippi State University in 1980, which in 1999 awarded him the designation of Alumni Fellow. He is a member of a number of professional and civic organizations, for many of which he has held leadership positions, including Chairman of the Springfield Area Chamber of Commerce and currently, Vice President of the Board of Education for Springfield Public Schools. Mr. Rosenbury brings to the Board strong community leadership and significant experience in general business and real estate development and management.

**Greg A. Horton**, CPA, is chief executive officer, co-founder, and co-owner of Integrity Pharmacy and Integrity Home Care, a multi-line home care enterprise that employs 2,400 and serves over 5,000 clients in Missouri and Kansas. Prior to launching Integrity Home Care in 2000, Mr. Horton was a partner in the accounting firm Whitlock, Selim & Keehn, LLP. He has over twenty years of experience in public accounting with an emphasis in management consulting, information systems, and auditing services. Mr. Horton holds a Bachelor of Science in Business Administration with an Accounting Specialization from Central Missouri State University. He is a member of the American Institute of Certified Public Accountants, and has been active in board and volunteer service with the Fellowship of Christian Athletes, Boys & Girls Town of Missouri, Rotary Club of Springfield Southeast, and the Springfield Area Chamber of Commerce. Mr. Horton's expertise in large service-based organizations and his background in public accounting make him a valuable resource to the Board.

**James R. Batten**, CPA, is a management consultant serving businesses and non-profit organizations. Mr. Batten was the Executive Vice President of Convoy of Hope, an international nonprofit relief organization from April 2009 through February 2014. Mr. Batten served as Chief Operations Officer and Executive Vice President of AG Financial Solutions from September 2007 through March 2009. Mr. Batten served as the Executive Vice President of Finance, Chief Financial Officer and Treasurer of O'Reilly Automotive, Inc. (NASDAQ: ORLY) from January 1993 through March 2007. Prior to joining O'Reilly, Mr. Batten was employed by the accounting firms of Whitlock, Selim & Keehn, from 1986 to 1993 and Deloitte, Haskins & Sells from 1984 until 1986. Mr. Batten is a member of the board of AG Financial Solutions, Foundation Capital Resources and Treasurer of Hope Church. Mr. Batten is a former member of the NASDAQ Issuer Affairs Committee. He has also served on a number of other professional and civic boards including the Springfield Area Chamber of Commerce, Big Brothers Big Sisters of the Ozarks and New Covenant Academy. Mr. Batten's accounting expertise, public company background and community involvement make him a valuable resource to the Board.

**Shaun A. Burke** joined the Bank in March 2004 as President and Chief Executive Officer and was appointed President and Chief Executive Officer of the Company on February 28, 2005. He has over 30 years of banking experience. Mr. Burke received a Bachelor of Science Degree in Finance from Missouri State University and is a graduate of the Graduate School of Banking of Colorado. Mr. Burke currently serves on the board of the Missouri Bankers Association as Vice Chairman of the Legislative Affairs Committee and was previously Chairman of the Audit Committee. In 2014, he began a three-year term on the Community Bankers Council of the American Bankers Association. In March 2016 he was appointed to the Federal Reserve Bank of St. Louis' Community Depository Institutions Advisory Council. From 2012 to 2014, he was a Board Member of the Springfield Area Chamber of Commerce serving as Vice Chairman of Economic Development in 2014. From 2009 through 2014, he was a Board Member of the Springfield Business Development Corporation, the economic development subsidiary of the Springfield Area Chamber of Commerce serving as President in 2012. He is also a past Member of the United Way Allocations and Agency Relations Executive Committee, Salvation Army Board, and Big Brothers Big Sisters Board.

**Kurt D. Hellweg** is the Chairman of the Board and Chief Executive Officer of International Dehydrated Foods, Inc. ("IDF"), American Dehydrated Foods, Inc. ("ADF"), Food Ingredients Technology Company, L.L.C ("FITCO" – a joint venture with Mars Petcare), and Chairman of the Board of IsoNova Technologies, L.L.C. ("IsoNova" – a joint venture with Rembrandt Enterprises, Inc.). IDF, ADF, FITCO and IsoNova are privately held companies that manufacture and market ingredients for both the food and feed industries. Mr. Hellweg joined ADF in 1987 and has previously served as Vice President of Sales, Senior Vice President of Operations, and President/COO. Prior to joining ADF, Mr. Hellweg was an officer in the U.S. Navy from 1980 to 1987. During that time, he served tours as a helicopter pilot in the Atlantic Fleet and as an instructor pilot. Mr. Hellweg holds a B.S. degree in Engineering from the University of Nebraska. He is a past Board Member of the Springfield Area Chamber of Commerce, the Springfield Area Arts Council, and the Springfield Symphony. He is the founding member of the Greater Ozarks Chapter of World Presidents' Organization ("WPO") (where he is still active), and has previously chaired the Greater Ozarks Chapter of the Young Presidents' Organization. He is a Black Belt in Taekwondo, a member of Mensa, and enjoys competing in ultra-distance bicycling races. He currently serves on the following Boards: ADF, CoxHealth, the Darr Family Foundation, Environmental Works, Inc., FITCO, Hammons Products Company, IDF, IsoNova, WPO, and is a Trustee of the ADF profit sharing plan, serving as a Director of the Investment Committee.

**John F. Griesemer** is Executive Vice President, Chief Operations Officer and member of the Board of Directors of Springfield Underground, Inc. Springfield Underground, Inc. is a privately held construction materials supplier and real estate developer in the Springfield, Missouri area. Mr. Griesemer previously served as Area Manager and General Manager of Springfield Underground, Inc. related companies and as a management trainee with Vulcan Materials Company in Northern Virginia. Mr. Griesemer holds a B.S. degree in Industrial Management and Engineering from Purdue University. He is the Chairman of the Board of Mercy Springfield Communities and an officer of Missouri Limestone Producers Association. He is a past Member of the Board of Catholic Campus Ministries, Junior Achievement of the Ozarks and Ozark Technical Community College Foundation. Mr. Griesemer brings to the Board a strong organizational and leadership background, management experience and deep ties in the local community.

**James L. Sivils, III, JD**, is the CEO of Environmental Works, Inc., a Springfield Missouri based environmental consulting firm. Mr. Sivils worked as an attorney from 1990-1993. Since 1993, Mr. Sivils has been a licensed Missouri Real Estate Broker and Developer and has developed numerous commercial and residential projects in Southwest Missouri. Mr. Sivils holds a J.D. degree from the University of Missouri – Kansas City Law School and a B.A. degree from the University of Missouri – Columbia. Mr. Sivils is a member and past Chapter Chair of the Ozarks Chapter of the Young Presidents’ Organization. Mr. Sivils legal background and knowledge and experience with real estate matters make him a valuable resource to the Board.

**David T. Moore** is President, Chief Executive Officer, and member of the Board of Directors of Paul Mueller Company. Paul Mueller Company is a publicly held manufacturer of milk cooling equipment and processing equipment headquartered in Springfield, Missouri. Mr. Moore has worked at Paul Mueller Company since 2002, serving as the President since 2011. Additionally, he has been a member of the company’s Board of Directors since 1997. Prior to joining Paul Mueller Company, Mr. Moore was Vice President of Product Development at Corporate Document Systems, a computer software company, for six years. Mr. Moore holds an MBA from The University of Chicago - Booth School of Business and a B.A. from Middlebury College. Mr. Moore is a valuable asset to the Board due to his significant experience in public company management, corporate governance, business acquisition and integration, and information and technology development. In addition, Mr. Moore has long-term personal and business ties to the local community.

## **Director Independence**

The Board has determined that all of the directors, except for Mr. Burke who is an executive officer of the Company, are “independent directors” as that term is defined in Rule 5605(a) (2) of the Marketplace Rules of The Nasdaq Stock Market (“Nasdaq”). These directors constitute a majority of the Board.

## **Board Leadership Structure**

Throughout its history, the Company has kept the positions of Chairman of the Board and Chief Executive Officer separate. Currently, Mr. Gibson holds the position of Chairman of the Board and Mr. Burke holds the position of Chief Executive Officer. Mr. Gibson is considered to be “independent” according to NASDAQ listing requirements.

The Board believes that having separate positions and having an independent outside director serve as Chairman is the appropriate leadership structure for the Company at this time and demonstrates our commitment to good corporate governance. Separating these positions allows our Chief Executive Officer to focus on our day-to-day business, while allowing the Chairman to lead the Board in its fundamental role of providing advice to and independent oversight of management. We believe that having an independent Chairman eliminates the conflicts of interest that may arise

when the positions are held by one person. In addition, this leadership structure allows the Board to more effectively monitor and evaluate the performance of our Chief Executive Officer.

7

---

## **Board's Role in Risk Oversight**

It is necessary to effectively manage risk when managing and operating every financial institution. We face a number of risks, including but not limited to, general economic risks, credit risks, regulatory risks, audit risks, reputational risks, and business competition. Management is responsible for the day-to-day management of risks the Company faces, while the Board, as a whole and through its committees, has responsibility for the general oversight of risk management. In its role of risk oversight, the Board has the responsibility to satisfy itself that the risk management processes and procedures designed and implemented by management are appropriate and functioning as designed.

While the full Board is charged with ultimate oversight responsibility for risk management, various committees of the Board and members of management also have specific responsibilities with respect to our risk oversight. Each Board committee has been assigned oversight responsibility for specific areas of risk and risk management, and each committee considers risks within its areas of responsibility. Each of these committees receives regular reports from management regarding our risks and reports regularly to the Board concerning risk.

We believe that providing for full and open communication between management and the Board is essential for effective risk management and oversight. Certain senior management personnel, consistent with their specific areas of responsibility, attend Board meetings and/or Board committee meetings on a regular and consistent basis. We have regular and ongoing reporting and communication mechanisms in place to ensure that oversight is effective.

## **Meetings and Committees of the Board of Directors**

The business of the Company is conducted at regular and special meetings of the full Board of Directors and its standing committees. The standing committees consist of the Executive, Audit, Compensation, Investment, Nominating and Special. During the twelve months ended December 31, 2015, the Board held twelve regular meetings and one Strategic Planning Meeting. No director attended less than 75% of those meetings and the meetings held by all committees of the Board of Directors on which he served.

Although the Company does not have a formal policy regarding director attendance at the Company's annual stockholders' meeting, all directors are expected to attend these annual meetings absent extenuating circumstances. All current directors, except Mr. Griesemer, attended the Company's annual meeting of stockholders held on May 27, 2015.

## **Stockholder Communications with Directors**

Stockholders and other interested persons who wish to communicate with the Board of Directors of the Company, or any individual director, should send their written correspondence by mail to: Vicki Lindsay, Secretary, Guaranty Federal Bancshares, Inc., 1341 West Battlefield, Springfield, Missouri 65807.

### **Audit Committee**

The Company has a separately designated Audit Committee established in accordance with Section 3(a)(58)(A) of the Exchange Act. The Audit Committee of the Board currently consists of five directors: Messrs. Batten, Hellweg, Rosenbury, Moore and Sivils, each of whom is an “independent director” as defined under the NASDAQ listing standards and the criteria for independence set forth in Rule 10A-3 of the Securities Exchange Act of 1934. The Board has determined that Mr. Batten qualifies as an Audit Committee Financial Expert, as defined in the rules and regulations of the SEC. This standing committee, among other things, (i) regularly meets with the internal auditor to review audit programs and the results of audits of specific areas as well as other regulatory compliance issues, (ii) meets at least annually in executive session with the Company’s independent auditors to review the results of the annual audit and other related matters, and (iii) meets quarterly with management and the independent auditors to review the Company’s financial statements and significant findings based on the independent auditor’s review. The Audit Committee is responsible for hiring, retaining, compensating and terminating the Company’s independent auditors. The Audit Committee operates under a written charter adopted by the Company’s Board of Directors. A copy of the Audit Committee Charter was included as Appendix B to the Proxy Statement prepared in connection with the annual meeting of stockholders held on May 27, 2015.

During the twelve months ended December 31, 2015, the Audit Committee met six times.

## **Nominating Committee**

The Nominating Committee of the Board is composed of four or more directors as appointed by the Board, each of whom are required to be an “independent director” as defined under the NASDAQ listing standards. Currently, the Nominating Committee consists of four directors, Messrs. Rosenbury, Sivils, Moore and Gibson, each of whom is an “independent director.” During the twelve months ended December 31, 2015, the Nominating Committee met two times. The Nominating Committee operates under a formal written charter adopted by the Board of Directors. A copy of the Nominating Committee Charter was included as Appendix A to the Proxy Statement prepared in connection with the annual meeting of stockholders held on May 28, 2014.

The Nominating Committee is responsible for identifying individuals qualified to serve as members of the Board and recommending to the Board the director nominees for election and appointment to the Board, as well as director nominees for each of the committees of the Board. In accordance with its charter, the Nominating Committee recommends candidates (including incumbent nominees) based on the following criteria: business experience, education, integrity and reputation, independence, conflicts of interest, diversity, age, number of other directorships and commitments (including charitable obligations), tenure on the Board, attendance at Board and committee meetings, stock ownership, specialized knowledge (such as an understanding of banking, accounting, marketing, finance, regulation and public policy) and a commitment to the Company’s communities and shared values, as well as overall experience in the context of the needs of the Board as a whole. The Committee monitors the mix of skills and experience of its directors and committee members in order to assess whether the Board has the appropriate tools to perform its oversight function effectively. The Committee does not have a separate diversity policy, but the Nominating Committee does consider the diversity of its directors and nominees in terms of knowledge, experience, skills, expertise, and other demographics which may contribute to the Board.

With respect to nominating existing directors, the Nominating Committee reviews relevant information available to it and assesses their continued ability and willingness to serve as a director. The Nominating Committee will also assess such person’s contribution in light of the mix of skills and experience the Nominating Committee has deemed appropriate for the Board as a whole. With respect to nominations of new directors, the Nominating Committee will conduct a thorough search to identify candidates based upon criteria the Nominating Committee deems appropriate and considering the mix of skills and experience necessary to complement existing members of the Board. The Nominating Committee will then review selected candidates and make its recommendation to the Board.

Nominations by a stockholder will be considered by the Nominating Committee if such nomination is written and delivered or mailed by first class United States mail, postage prepaid, to the Secretary of the Company between 30 and 60 days prior to the meeting at which such nominee may be considered. However, if less than 31 days’ notice of the meeting is given by the Company to stockholders, written notice of the stockholder nomination must be given to the Secretary of the Company as provided above no later than the tenth day after notice of the meeting was mailed to stockholders. A nomination must set forth, with respect to the nominee, (i) name, age, and addresses, (ii) principal occupation or employment, (iii) Common Stock beneficially owned, and (iv) other information that would be required in a proxy statement. The stockholder giving notice must list his or her name and address, as they appear on the



Company's books, and the amount of Common Stock beneficially owned by him or her. In addition, the stockholder making such nomination must promptly provide to the Company any other information reasonably requested by the Company. Nominations from stockholders will be considered and evaluated using the same criteria as all other nominations.

## **Compensation Committee**

The Board of Directors of the Company and the Board of Directors of the Bank are comprised of the same persons. The Compensation Committee of the Bank's Board of Directors, which consists solely of non-employee directors of the Bank, is comprised of Messrs. Hellweg, Batten, Moore and Griesemer. As indicated above, each of these committee members is an "independent director" as defined under the NASDAQ listing standards. The Company has no employees and relies on employees of the Bank for the limited services received by the Company. All compensation paid to executive officers of the Company is paid by the Bank.

The Compensation Committee, together with the full Board, is responsible for designing the compensation and benefit plans for all employees, executive officers and directors of the Company and the Bank, including the Chief Executive Officer, based on its review of performance measures, industry salary surveys and the recommendations of management concerning compensation (See "Report on Executive Compensation"). The Compensation Committee recommends adjustments to the compensation of the Chief Executive Officer and the other Named Executive Officers of the Company based upon its assessment of individual performance and the Bank's performance, and makes other recommendations, when appropriate, to the full Board of Directors. Independent consultants may be engaged directly by the Compensation Committee to evaluate the Company's executive compensation. The Compensation Committee, together with the full Board, determines the compensation of all other officers. The Compensation Committee may delegate its authority to a subcommittee of the Compensation Committee.

During the twelve months ended December 31, 2015, the Compensation Committee met three times. The Compensation Committee operates under a formal written charter adopted by the Company's Board of Directors. A copy of the Compensation Committee Charter was included as Appendix B to the Proxy Statement prepared in connection with the annual meeting of stockholders held on May 28, 2014.

## **REPORT OF THE COMPENSATION COMMITTEE**

### **Compensation Committee Interlocks and Insider Participation**

Since August 2002, the Compensation Committee of the Board has consisted of non-employee directors of the Bank. Prior to March 2005, Mr. Gibson served as the President and Chief Executive Officer of the Company and the Bank, but during 2015 he was not a member of the Compensation Committee. In addition, Mr. Burke, the current President and Chief Executive Officer of the Company and the Bank, did not serve as a member of the Compensation Committee during 2015. No executive officer of the Company served on the Compensation Committee or Board of Directors of any company that employed any member of the Company's Compensation Committee or Board of Directors.

## **COMPENSATION DISCUSSION AND ANALYSIS**

### **Overall Compensation Philosophy and Objectives**

The Compensation Committee, together with the full Board, has designed the compensation and benefit plans for all employees, executive officers and directors in order to attract and retain individuals who have the skills, experience and work ethic to provide a coordinated work force that will effectively and efficiently carry out the policies adopted by the Board and to manage the Company and the Bank to meet the Company's mission, goals and objectives.

To determine the compensation of executive officers and directors, the Compensation Committee reviews industry compensation statistics based on our asset size, makes cost of living adjustments, and establishes salary ranges for each executive officer and fees for the Board. The Compensation Committee then reviews (i) the financial performance of the Bank over the most recently completed fiscal year (including Return on Assets, Return on Equity, asset quality, etc.) compared to results at comparable companies within the industry, and (ii) the responsibilities and performance of each executive officer and the salary compensation levels of each executive officer compared to like positions at comparable companies within the industry. The Compensation Committee evaluates all factors subjectively in the sense that they do not attempt to tie any factors to a specific level of compensation.

The Compensation Committee offers long-term incentives for executive officers and other management personnel primarily in the form of stock option and restricted stock awards. We believe that our stock award programs are an important component of compensation to attract and retain talented executives, provide an incentive for long-term corporate performance, and to align the long-term interests of executives and stockholders.

All executive officers may participate on an equal, non-discriminatory basis in the Bank's contributory 401(k) tax-deferred savings plan, medical insurance plan, long-term disability plan and group life insurance plan. The Compensation Committee of the Bank recommends all compensation and benefit plans to the full Board for approval annually.

### **Executive Compensation Philosophy and Objectives**

The Compensation Committee is guided by the following four key principles in determining the compensation of the Company's executive officers:

Competition. The Committee believes that compensation should reflect the competitive marketplace, so the Company can attract, retain and motivate talented personnel.

Accountability for Business Performance. Compensation should be tied in part to the Company's financial performance, so that executives are held accountable through their compensation for the performance of the Company.

Accountability for Individual Performance. Compensation should be tied in part to the individual's performance to reflect individual contributions to the Company's performance.

Alignment with Stockholder Interests. Compensation should be tied in part to the Company's stock performance through long-term incentives such as restricted stock, to align the executive's interests with those of the Company's stockholders.

### **Report of Executive Compensation**

The compensation of the Chief Executive Officer (the "CEO") and other Named Executive Officers (or "NEOs") is recommended by the Compensation Committee with final approval from the full Board. The CEO is not a member of the Compensation Committee and does not attend any Compensation Committee meetings unless specifically requested to do so by the Chairman of the Compensation Committee. The CEO may act as a key discussion partner with the Compensation Committee members to provide information regarding business context, the market environment and our strategic direction. The CEO also provides recommendations to the Compensation Committee on individual performance evaluations and compensation for the NEOs, other than himself. The Compensation Committee strives to provide total compensation that is aligned and competitive with compensation data compiled in 2014 by its compensation consultant, ChaseCompGroup, LLC, based on a peer group of selected publicly-traded

companies within the banking industry, a similar geographic location and with comparable financial performance. The peer group provides a reference point when making pay decisions and benchmarking short-term and long-term incentive plan awards and mechanics. The compensation packages reflect a range based on this analysis, augmented by the performance of the individual executive officer and the Company. Grants under the various equity plans described below provide long-term incentive to stay with the Company, but should not replace, or override, maintenance of the compensation range established from the peer group.

The Compensation Committee has reviewed all components of the CEO's and the other NEOs compensation, including salary, bonus, accumulated and realized and unrealized stock options and restricted stock awards. Based on this review, the Committee finds the CEO's and other NEOs total compensation in the aggregate to be reasonable and not excessive. It should be noted that when the Compensation Committee considers any component of the CEO's and NEOs total compensation, the aggregate amounts and mix of all the components, including accumulated and realized and unrealized stock options and restricted stock awards, are taken into consideration in the Committee's decisions.

The Compensation Committee did not utilize the services of an independent compensation consultant during 2015.

## COMPENSATION COMMITTEE REPORT

The Compensation Committee reviewed and discussed the Compensation Discussion and Analysis included in this Statement with management. Based on such review and discussion, the Compensation Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this Statement for filing with the SEC.

In view of the current economic and financial environment, the Compensation Committee of the Board of Directors has reviewed the design and operation of the Company's incentive compensation arrangements, including the performance objectives and target levels used in connection with incentive awards and evaluated the relationship between the Company's risk management policies and practices and these arrangements. The Compensation Committee's review was designed to assess whether any aspect of the compensation program would encourage any of the Company's executives to take any unnecessary or inappropriate risks that could threaten the value of the Company or the Bank.

The Committee members identified the risks that the Company faces that could threaten its value. These risks include, but are not limited to, the following:

- Credit risk
- Liquidity risk
- Interest rate risk
- Market risk
- Operation/transactional risk
- Information and technology risk
- Fiduciary/litigation risk
- Compliance risk
- Environmental risk
- Reputation risk
- Financial risk
- Fraud risk

The Compensation Committee also reviewed and discussed materials on compensation risk assessment, including information on executive compensation design and administrative features that could induce excessive risk taking. In this regard, the performance objectives contained in our annual incentive compensation plan have been balanced with those contained in our long-term incentive compensation plan to ensure that both are aligned and consistent with our long-term business plan, our mix of equity-based awards has been allocated to ensure an appropriate combination of incentive and retention objectives, and our stock ownership guidelines have been established to ensure that the interests of our Senior Executive Officers have been aligned with the interests of our stockholders.

**THE COMPENSATION  
COMMITTEE**

**James R. Batten   Kurt D. Hellweg  
John F. Griesemer David T. Moore**

12

---

**Summary Compensation Table**

The following table sets forth information with respect to the compensation awarded to, paid to or earned for the periods indicated by the CEO, the Chief Financial Officer (“CFO”), the Chief Lending Officer (“CLO”), the Chief Credit Officer (“CCO”) and the Chief Operating Officer (“COO”). These executive officers are collectively referred to as the NEOs. During the fiscal year ended December 31, 2015, no other person served as the CEO or CFO of the Company, and no other executive officer received annual compensation that exceeded \$100,000.

Name and Principal Position	Year	Salary (1)	Bonus (2)	Stock Awards (3)	Option Awards	Non-Equity Incentive Plan Compensation	Nonqualified Deferred Compensation	All Other Compensation	Total Compensation
Shaun A. Burke President/CEO	2015	\$ 300,600	\$ 47,846	\$ 63,601	\$ -	\$ -	\$ -	\$ 14,620	(4) \$ 426,667
	2014	300,600	31,796	60,422	-	-	-	19,152	(4) 411,970
	2013	300,600	-	-	-	-	-	14,536	(4) 315,136
Carter Peters EVP/CFO	2015	180,000	36,000	35,987	-	-	-	12,840	(5) 264,827
	2014	180,000	17,990	21,006	-	-	-	12,266	(5) 231,262
	2013	180,000	10,503	-	-	-	-	11,714	(5) 202,217
H.Michael Mattson EVP/CLO	2015	168,333	17,125	20,474	-	-	-	11,449	(6) 217,381
	2014	164,625	10,235	26,937	-	-	-	11,316	(6) 213,113
	2013	159,958	13,469	-	-	-	-	11,631	(6) 185,058
Sheri Biser EVP/CCO	2015	165,833	17,179	20,396	-	-	-	7,041	(7) 210,449
	2014	149,638	10,196	24,496	-	-	-	5,986	(7) 190,316
	2013	145,263	12,248	-	-	-	-	5,811	(7) 163,322
Robin Robeson EVP/COO	2015	187,833	38,000	47,167	-	-	-	7,513	(8) 280,513
	2014	176,583	23,580	32,116	-	-	-	7,063	(8) 239,342
	2013	171,833	16,058	-	-	-	-	6,873	(8) 194,764

(1) No director fees were paid to Mr. Burke for any of the years presented.

(2) Cash bonuses were awarded to NEOs in accordance with established Executive Incentive Compensation Annual Plans.

(3) This column represents compensation related to restricted stock awards granted in 2015 and 2014.

Amounts represent the aggregate grant date fair value computed in accordance with Accounting Standards Codification Topic 718 (“ASC Topic 718”) of time-vested restricted stock granted. No assumptions were necessary to determine the fair value. The number of shares and grant price of restricted stock awarded to each of the executives was as follows: Mr. Burke: 2015 – 4,300 shares at a per share grant price of \$14.79; 2014 - 5,543 shares at a per share grant price of \$10.90; Mr. Peters: 2015 – 2,433 shares at a per share grant price of \$14.79; 2014 – 1,927 shares at a per share grant price of \$10.90; Mr. Mattson: 2015 – 1,384 shares at a per share grant price of \$14.79; 2014 - 2,471 shares at a per share grant price of \$10.90; Ms. Biser: 2015 – 1,379 shares at a per share grant price of \$14.79; 2014 – 2,247 shares at a per share grant price of \$10.90, respectively; and Ms. Robeson: 2015 – 3,189 shares at a per share grant price of \$14.79; 2014 – 2,946 shares at a per share grant price of \$10.90. The restricted stock grants cliff vest three years after the grant date.



Amount includes payments of \$9,314, \$9,148 and \$8,948 in 2015, 2014 and 2013, respectively, to Mr. Burke for (4) the Company's 401(k) matching contribution and payments of \$5,306, \$10,004 and \$5,588, respectively, for country club dues.

Amount includes payments of \$7,920, \$7,620 and \$7,200 in 2015, 2014 and 2013, respectively, to Mr. Peters for (5) the Company's 401(k) matching contribution and payments of \$4,920, \$4,646 and \$4,514, respectively, for country club dues.

Amount includes payments of \$6,733, \$6,585 and \$6,398 in 2015, 2014 and 2013, respectively, to Mr. Mattson (6) for the Company's 401(k) matching contribution and payments of \$4,716, \$4,731 and \$5,233, respectively, for country club dues.

(7) Amount includes payments of \$7,041, \$5,986 and \$5,811 in 2015, 2014 and 2013, respectively, to Ms. Biser for the Company's 401(k) matching contribution.

(8) Amount includes payments to Ms. Robeson of \$7,513, \$7,063 and \$6,873 in 2015, 2014 and 2013, respectively, for the Company's 401(k) matching contribution.

## **Employment Agreements, Potential Payments Upon Termination or Change-in-Control**

On March 24, 2014, the Company entered into Employment Agreements with the NEOs. Each employment agreement has a term of one year, unless further extended or earlier terminated pursuant to its terms, and sets forth a minimum base salary payable to the officer and provides that the officer is eligible to participate in the Company's bonus, incentive, retirement, health and other insurance benefit plans made available to executive-level employees.

Each employment agreement obligates the Company to pay the officer severance in the event the officer's employment is terminated by the Company without cause. In the event of the officer's involuntary termination without cause prior to a change in control of the Company (as defined in the employment agreement), each officer other than Mr. Burke would receive 6 months base pay. Mr. Burke would receive 12 months base pay. Such severance would be made in periodic installments and is conditioned upon the officer executing a release and waiver of claims in favor of the Company.

In the event of involuntary termination without cause within 12 months after a change in control of the Company, each officer other than Mr. Burke would receive 12 months base pay. Mr. Burke would receive 24 months base pay. Such severance would be made in a single lump sum and is conditioned upon the officer executing a release and waiver of claims in favor of the Company.

As a condition of entering into the employment agreement, each officer has agreed not to divulge any confidential information during his or her employment or to solicit the Company's employees or customers for a period of 12 months (24 months in the case of Mr. Burke) following the officer's termination of employment.

On March 2, 2015, the Company entered into incentive compensation arrangements with respect to bonuses payable in 2015 for the NEOs, which are further discussed below.

The Compensation Committee approved an incentive compensation plan for Mr. Burke, the Company's CEO, for 2015. Pursuant to this plan, a maximum amount of 50% of base pay may be paid to Mr. Burke, with the amount of bonus being based on three possible levels of incentive awards: threshold (25%); target (50%); and maximum (100%). Fifty percent of the bonus amount will be paid in cash and fifty percent will be paid in the form of restricted stock grants subject to a three year vesting period. For any amount to be paid, the threshold level of performance must be achieved. The four performance measurements of the Company (and the weight given to each measurement) applicable to each award level are as follows: (i) revenue growth (20%); (ii) net interest margin (20%); (iii) pre-tax net income (40%); and (iv) non-performing assets to average total assets (20%). Certain criteria, however, must be satisfied before an award is paid under this plan.

The Compensation Committee approved an incentive compensation arrangement with respect to Mr. Peters, the Company's Chief Financial Officer, for 2015. Pursuant to this plan, a maximum amount of 40% of base pay may be paid to Mr. Peters, with the amount of bonus being based on three possible levels of incentive awards: threshold (25%); target (50%); and maximum (100%). Fifty percent of the bonus amount will be paid in cash and fifty percent will be paid in the form of restricted stock grants subject to a three year vesting period. For any amount to be paid under this plan, the threshold level of performance must be achieved. The four performance measurements of the Company (and the weight given to each measurement) applicable to each award level are as follows: (i) revenue growth (30%); (ii) net interest margin (20%); (iii) efficiency ratio (20%); and (iv) pre-tax net income (30%). Certain criteria, however, must be satisfied before an award is paid under this plan.

The Compensation Committee approved an incentive compensation arrangement with respect to Ms. Robeson, the Company's Chief Operating Officer, for 2015. Pursuant to this plan, a maximum amount of 40% of base pay may be paid to Ms. Robeson, with the amount of bonus being based on three possible levels of incentive awards: threshold (25%); target (50%); and maximum (100%). Fifty percent of the bonus amount will be paid in cash and fifty percent will be paid in the form of restricted stock grants subject to a three year vesting period. For any amount to be paid under this plan, the threshold level of performance must be achieved. The four performance measurements of the Company (and the weight given to each measurement) applicable to each award level are as follows: (i) revenue growth (30%); (ii) net interest margin (20%); (iii) efficiency ratio (20%); and (iv) pre-tax net income (30%). Certain criteria, however, must be satisfied before an award is paid under this plan.

The Compensation Committee approved an incentive compensation arrangement with respect to Mr. Mattson, the Company's Chief Lending Officer, for 2015. Pursuant to this plan, a maximum amount of 40% of base pay may be paid to Mr. Mattson, with the amount of bonus being based on three possible levels of incentive awards: threshold (25%); target (50%); and maximum (100%). Fifty percent of the bonus amount will be paid in cash and fifty percent will be paid in the form of restricted stock grants subject to a three year vesting period. For any amount to be paid under this plan, the threshold level of performance must be achieved. The four performance measurements of the Company (and the weight given to each measurement) applicable to each award level are as follows: (i) revenue growth (20%); (ii) net interest margin (20%); (iii) pre-tax net income (30%), and (iv) non-performing assets to average total assets (30%). Certain criteria, however, must be satisfied before an award is paid under this plan.

The Compensation Committee approved an incentive compensation arrangement with respect to Ms. Biser, the Company's Chief Credit Officer, for 2015. Pursuant to this plan, a maximum amount of 40% of base pay may be paid to Ms. Biser, with the amount of bonus being based on three possible levels of incentive awards: threshold (25%); target (50%); and maximum (100%). Fifty percent of the bonus amount will be paid in cash and fifty percent will be paid in the form of restricted stock grants subject to a three year vesting period. For any amount to be paid under this plan, the threshold level of performance must be achieved. The four performance measurements of the Company (and the weight given to each measurement) applicable to each award level are as follows: (i) revenue growth (20%); (ii) net interest margin (20%); (iii) pre-tax net income (30%); and (iv) non-performing assets to average total assets (30%). Certain criteria, however, must be satisfied before an award is paid under this plan.

### **Outstanding Equity Awards at Fiscal Year End 2015**

The following table summarizes the option and stock awards the Company has made to the NEOs which were outstanding as of December 31, 2015.

Name and	<b>OPTION AWARDS</b>				<b>STOCK AWARDS</b>	
	Number of	Number of Securities	Equity Incentive Plan	Option	Option	Equity Incentive Plan

Edgar Filing: GUARANTY FEDERAL BANCSHARES INC - Form DEF 14A

Principal Position	Securities Underlying Unexercised Options (#) Exercisable	Securities Underlying Unexercised Options (#) Unexercisable	Awards: Number of Securities Underlying Unearned Options (#)	Exercise Price	Expiration Date	Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Awards: Market Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$)(7)
Shaun A. Burke President/CEO(1)	10,000 10,000	- -	- -	\$ 28.43 28.78	1/3/2017 1/2/2018	9,843	\$ 150,106
Carter Peters EVP/CFO	5,000 5,000 5,000	- - -	- - -	28.78 5.30 5.08	1/2/2018 1/2/2019 1/4/2020	4,360	\$ 66,490
H. Michael Mattson EVP/CLO	10,000 5,000	- -	- -	28.00 28.78	6/27/2016 1/2/2018	3,855	\$ 58,789
Sheri Biser EVP/CCO	1,500 5,000	- -	- -	5.40 5.08	2/9/2019 1/4/2020	3,626	\$ 55,297
Robin Robeson EVP/COO	-	-	-	-	-	6,135	\$ 93,559

Shares of stock purchased pursuant to options granted to Mr. Burke in 2005 (20,000 shares) are subject to a 5-year (1) holding period upon vesting and exercise, unless the employment relationship between the Company and him is terminated.

- (2) Restricted stock awards vest as follows: 5,543 – 2/4/17; 4,300 – 2/2/18
- (3) Restricted stock awards vest as follows: 1,927 – 2/4/17; 2,433 – 2/2/18
- (4) Restricted stock awards vest as follows: 2,471 – 2/4/17; 1,384 – 2/2/18
- (5) Restricted stock awards vest as follows: 2,247 – 2/4/17; 1,379 – 2/2/18
- (6) Restricted stock awards vest as follows: 2,946 – 2/3/17; 3,189 – 2/2/18
- (7) Represents aggregate unvested stock awards at a per share price of \$15.25

## Directors' Compensation

During 2015, each non-employee member of the Board received cash compensation from the Bank of \$830 per each Bank board meeting attended, payable monthly. In addition to the cash compensation, each non-employee member of the Board receives equity compensation from the Company. Directors will receive fees for committee memberships or attendance at committee meetings comprised of \$200 per meeting for the Executive, Audit and Compensation Committees and \$125 per meeting for any other committee. The Chairman of the Board, receives an additional \$340 monthly fee. The Chairman of each of the Audit and Compensation Committees receives an additional \$170 monthly fee in addition to the regular per meeting fee.

Directors may participate in the Company's 2015 Equity Plan. During fiscal years 2015, 2014, and 2013, restricted stock awards of 1,183, 1,606, and 2,072, respectively, were granted to each independent, non-employee director to provide equity compensation from the Company. Annual equity compensation is determined at the discretion of the Compensation Committee.

The following table sets forth information with respect to the compensation received in fiscal years 2015, 2014, and 2013 for serving as a director of the Company and the Bank.

Name	Year	Fees		
		Earned or Paid	Stock Awards	Total Compensation
		Cash (\$)	(\$)(1)	(\$)
Don Gibson	2015	\$14,620	\$17,497	\$ 32,117
	2014	11,615	17,505	29,120
	2013	12,535	14,504	27,039
Jack Barham	2015	-	-	-
	2014	875	-	875
	2013	13,250	14,504	27,754
James Batten	2015	12,355	17,497	29,852
	2014	12,640	17,505	30,145
	2013	14,270	14,504	28,774
Kurt Hellweg	2015	12,695	17,497	30,192
	2014	12,000	17,505	29,505
	2013	12,175	14,504	26,679
Gregory Ostergren	2015	-	-	-
	2014	4,450	17,505	21,955
	2013	11,010	14,504	25,514

Tim Rosenbury	2015	12,740	17,497	30,237
	2014	11,175	17,505	28,680
	2013	14,850	14,504	29,354
James Sivils	2015	12,870	17,497	30,367
	2014	10,800	17,505	28,305
	2013	13,600	14,504	28,104
John Griesemer	2015	13,425	17,497	30,922
	2014	10,975	17,505	28,480
	2013	12,875	14,504	27,379
David Moore	2015	13,080	17,497	30,577
	2014	4,700	-	4,700

This column represents equity compensation from the Company and is the aggregate grant date fair value of restricted stock awards granted under the 2015 Equity Plan and 2010 Equity Plan. The compensation for 2015 per (1) director of \$17,497 represents 1,183 shares granted at a per share price of \$14.79. The compensation for 2014 per director of \$17,505 represents 1,606 shares granted at a per share price of \$10.90. The compensation for 2013 per director of \$14,504 represents 2,072 shares granted at a per share price of \$7.00.

#### **Indebtedness of Management and Directors and Transactions with Certain Related Persons**

Loans made to a director or executive officer in excess of the greater of \$25,000 or 5% of the Company's capital and surplus (up to a maximum of \$500,000) must be approved in advance by a majority of the disinterested members of the Board of Directors. The Bank, like other financial institutions, provides loans to its officers, directors, and employees to purchase or refinance personal residences as well as consumer loans. As an additional benefit to eligible Bank directors and employees, the Bank offers an employee mortgage loan program (the "Loan Program"). The Loan Program provides mortgage loans at favorable interest rates, namely a one-year adjustable rate mortgage priced at the Bank's cost of funds. The purpose of the loan must be to purchase or refinance a primary or secondary residence (i.e., no investment properties). All full-time employees that have completed the 30-day probation period are eligible to participate in this Loan Program. Underwriting includes standard application and financial disclosures, which must qualify to standard secondary market requirements. The borrower is responsible for all third party closing costs. Payments must be automatically deducted from an account maintained at the Bank. The index rate is the Bank's all-in cost of funds. The index will be the last month-end calculation within 45 days prior to closing. The maximum adjustment per year is 2% with a 6% lifetime maximum. Each loan has up to a 30-year note/amortization. If the borrower's employment is terminated for reasons other than normal retirement, disability or death, or if the property securing the Note ceases to be the primary or secondary residence of the Employee, the interest rate will adjust to the rate that would have been in effect pursuant to the original provision of the Note. The payment will adjust the following month to amortize the outstanding balance of the Note using the new interest rate and the remaining term. Other than the interest rate with respect to the Loan Program, all loans provided under the Loan Program and any other loans provided to Directors and Executive Officers have been made in the ordinary course of business, on substantially the same terms and collateral as those of comparable transactions prevailing at the time, and, in the opinion of management of the Company, do not involve more than the normal risk of collectability or present other unfavorable features.





No Directors, Executive Officers or their affiliates had aggregate indebtedness to the Company or the Bank on below market rate loans exceeding the lesser of (i) \$120,000 or (ii) one percent of the average of the Company's total assets at year-end for the last completed fiscal year, at any time since January 1, 2015 except as noted in the following table.

Name	Position	Date of Loan	Largest Principal Amount		Interest Rate at 3/31/16	Type
			Outstanding Since 01/01/15	Principal Balance as of 3/31/16		
James R. Batten	Director	10/27/08	\$448,226	\$427,358	1.000%	Home Mortgage
Don Gibson	Director	09/12/08	\$154,594	\$147,369	1.000%	Home Mortgage
Carter M. Peters	EVP,CFO	06/09/08	\$456,409	\$434,822	1.000%	Home Mortgage
Kurt Hellweg	Director	08/14/08	\$820,697	\$782,187	1.000%	Home Mortgage
Tim Rosenbury	Director	06/19/08	\$175,615	\$155,584	1.000%	Home Mortgage
The Burke Family Trust (Shaun A. Burke)	President, CEO and Director	01/14/11	\$255,876	\$245,115	1.000%	Home Mortgage

James L. Sivils, III      Director      6/1/2014      \$394,269      \$379,815      1.000%      Home

Mortgage

## **SECOND PROPOSAL**

### **ADVISORY (NON-BINDING) VOTE TO APPROVE EXECUTIVE COMPENSATION**

#### **Background of the Proposal**

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the “Dodd-Frank Act”) and corresponding SEC rules enable the Company’s stockholders to vote to approve, on an advisory and non-binding basis, the compensation of Company’s named executive officers as disclosed in this Proxy Statement in accordance with SEC rules. As a result, the following proposal will be presented at the Annual Meeting in the form of the following resolution:

#### **Proposal**

***RESOLVED, that the stockholders approve the compensation of the Company’s named executive officers, as disclosed in the Compensation Discussion and Analysis, and the compensation tables (together with the accompanying narrative disclosure) and related material in the Company’s Proxy Statement for the Annual Meeting.***

#### **Effect of Proposal**

As provided under the SEC rules, this vote will not be binding on the Company’s Board of Directors or the Compensation Committee and may not be construed as overruling a decision by the Board or as creating or implying any additional fiduciary duty of the Board. Further, the vote shall not affect any compensation paid or awarded to any executive. The Compensation Committee and the Board may, however, take into account the outcome of the vote when considering future executive compensation arrangements.

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE FOR APPROVAL OF THE PROPOSAL ON EXECUTIVE COMPENSATION.**



## **REPORT OF THE AUDIT COMMITTEE**

The Audit Committee of the Board is composed of five directors. The Board has determined that each of these directors is independent under the Marketplace Rules of Nasdaq. In particular, each of these directors is independent as defined under Rule 5605(a)(2) and qualified pursuant to Rule 5605(c)(2)(A). The Board has also determined that Mr. Batten qualifies as an Audit Committee Financial Expert as defined by the rules and regulations of the SEC. Only this paragraph of the Report of the Audit Committee shall be incorporated by reference into the Company's Annual Report on form 10-K filed with the SEC under the Exchange Act, notwithstanding the incorporation by reference of this Report of the Audit Committee into such filing.

The primary duties and responsibilities of the Audit Committee are to (i) monitor the Company's financial reporting process and systems of internal control, (ii) monitor the independence and performance of the Company's independent registered public accounting firm and internal auditors, and (iii) assure that management, the Board of Directors, the internal auditors and the independent auditors have the opportunity to communicate with one another.

The Committee has reviewed and discussed the audited consolidated financial statements with management and has discussed with BKD, LLP, the Company's independent registered public accounting firm matters required to be discussed by Auditing Standard No. 16, Communications with Audit Committees.

The Audit Committee has also received the written disclosures and the letter from BKD, LLP, the Company's independent registered public accounting firm, required by the applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountant's communications with the Audit Committee concerning independence. The Audit Committee has discussed with the independent registered public accounting firm that firm's independence. The Audit Committee has considered whether the provision of non-audit services is compatible with maintaining the independence of the independent registered public accounting firm. The Audit Committee has concluded that the independent registered public accounting firm is independent from the Company.

Based upon the Audit Committee's discussions and review described above, the Audit Committee recommended to the Board of Directors that the audited consolidated financial statements be included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2015 for filing with the SEC.

### **THE AUDIT COMMITTEE**

<b>James R. Batten</b>	<b>Kurt D. Hellweg</b>
<b>James L. Sivils, III</b>	<b>Tim Rosenbury</b>

**David T. Moore**

19

---

## PRINCIPAL ACCOUNTANT FEES AND SERVICES

During the calendar years ended December 31, 2015 and December 31, 2014, BKD, LLP, the Company's independent registered public accounting firm during these periods, provided various audit, audit related and non-audit services, including tax, to the Company. Set forth below are the aggregate fees billed for these services during these periods and a brief description of such services:

Audit fees: Aggregate fees billed for professional services rendered for the audits of the Company's annual (a) financial statements and reviews of quarterly financial statements were \$146,980 for the calendar year ended December 31, 2015 and \$136,970 for the calendar year ended December 31, 2014.

Audit-related fees: Aggregate fees billed for assurance and related services rendered and consultation on (b) accounting matters not otherwise reported in (a) above were \$13,180 for the calendar year ended December 31, 2015 and \$17,605 for the calendar year ended December 31, 2014.

Tax fees: Aggregate fees billed for professional services rendered related to tax compliance, tax advice and tax (c) planning were \$22,800 for the calendar year ended December 31, 2015 and \$25,995 for the calendar year ended December 31, 2014.

All other fees: Aggregate fees billed for all other professional services, including compliance work and ESOP (d) services, were \$6,605 for the calendar year ended December 31, 2015, and \$1,725 for the calendar year ended December 31, 2014.

The Audit Committee pre-approves all audit and permissible non-audit services to be provided by BKD, LLP and the estimated fees for these services. There are no other specific policies or procedures relating to the pre-approval of services performed by BKD, LLP. The Audit Committee considered whether the audit and non-audit services rendered by BKD, LLP were compatible with maintaining BKD, LLP's independence as auditors of our financial statements.

**Third PROPOSAL**

**RATIFICATION OF BKD, LLP AS**

**INDEPENDENT registered PUBLIC ACCOUNTING FIRM**

The independent registered public accounting firm for the period ended December 31, 2015 for the Company and its subsidiary, the Bank, was BKD, LLP. In accordance with its charter, the Audit Committee has selected and appointed BKD, LLP to continue as the independent registered public accounting firm of the Company for the fiscal year ending December 31, 2016. As part of good corporate practice, the Audit Committee and the Company's Board of Directors are requesting that its stockholders ratify such appointment. The Audit Committee is not required to take any action as a result of the outcome of the vote on this proposal. If the stockholders do not ratify the appointment, however, the Audit Committee may investigate the reasons for stockholder rejection and may consider whether to retain BKD, LLP or to appoint another independent registered public accounting firm.

A representative of BKD, LLP will be present at the Annual Meeting. The representative will have an opportunity to make a statement, if so desired, and will be available to respond to appropriate questions.

**THE BOARD OF DIRECTORS OF THE COMPANY UNANIMOUSLY RECOMMENDS A VOTE FOR THE RATIFICATION OF THE APPOINTMENT OF BKD, LLP AS THE COMPANY'S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR THE FISCAL YEAR ENDING DECEMBER 31, 2016.**

**MISCELLANEOUS**

The Board of Directors is not aware of any business to come before the Annual Meeting other than those matters described above in this Proxy Statement. However, if any other matters should properly come before the meeting, it is intended that proxies in the accompanying form that are received from stockholders will be voted in respect thereof in the discretion of the persons named in the accompanying proxy. If the Company did not have notice of a matter on or before May 1, 2016, it is expected that the persons named in the accompanying proxy will exercise discretionary authority when voting on that matter.



It is anticipated that the Company's annual report to stockholders for the period ended December 31, 2015, including financial statements, will be mailed on April 25, 2016, together with this Proxy Statement, to all stockholders of record as of the Record Date. Any stockholder who has not received a copy of the annual report may obtain a copy by writing to the Secretary of the Company at the Company's address as provided at the end of the next section of this Proxy Statement.

If a stockholder and other residents at the same mailing address own Common Stock in street name, the broker or bank may have sent the stockholder a notice that his or her household will receive only one annual report and proxy statement for each company in which they hold shares through that broker or bank. This practice of sending only one copy of proxy materials is known as "householding." If the stockholder did not respond that he or she did not want to participate in householding, he or she was deemed to have consented to the process. If the foregoing procedures apply, the broker has sent one copy of the annual report and this Proxy Statement to such address. However, even if the broker has sent only one copy of these proxy materials, each stockholder in the household should receive a proxy card. If a stockholder wishes to revoke his or her consent to householding, or to request householding if a household is receiving multiple copies of the Company's proxy statement and annual report, the stockholder must contact his or her broker, bank or other nominee.

## **STOCKHOLDER PROPOSALS**

In order to be eligible for inclusion in the Company's proxy materials for next year's annual meeting of stockholders, any stockholder proposal to take action at such meeting must be received at the Company's executive offices at 1341 W. Battlefield, Springfield, Missouri 65807-4181, no later than December 26, 2016.

In the event the Company receives notice of a stockholder proposal to take action at next year's annual meeting of stockholders that is not submitted for inclusion in the Company's proxy material, or is submitted for inclusion but is properly excluded from the proxy material, the persons named in the proxy sent by the Company to its stockholders intend to exercise their discretion to vote on the stockholder proposal if notice of such proposal is received at the Company's main office between 60 days and 30 days prior to the meeting. If next year's annual meeting is held on May 24, 2017, then stockholder proposals would have to be delivered to the Company between March 25, 2017 and April 24, 2017. The Company's Certificate of Incorporation provides that if notice of a stockholder proposal to take action at next year's annual meeting is not received at the Company's main office between 60 days and 30 days prior to the meeting, the proposal will not be eligible for presentation at that meeting. However, if less than 31 days' notice of the annual meeting is provided by the Company, a stockholder's proposal would have to be received no later than 10 days after notice was mailed to the stockholders by the Company for that meeting.

**A COPY OF THE COMPANY'S ANNUAL REPORT ON FORM 10-K (INCLUDING THE FINANCIAL STATEMENTS) FOR THE PERIOD ENDED DECEMBER 31, 2015, AS FILED WITH THE SEC, WILL BE FURNISHED WITHOUT CHARGE TO STOCKHOLDERS AS OF THE RECORD DATE UPON WRITTEN REQUEST TO VICKI LINDSAY, SECRETARY, GUARANTY FEDERAL BANCSHARES, INC., 1341 WEST BATTLEFIELD, SPRINGFIELD, MISSOURI 65807-4181.**

Dated: April 25, 2016

**[FORM OF PROXY]**

REVOCABLE PROXY

**IXI PLEASE MARK VOTES AS IN THIS EXAMPLE**

**PROXY**

**GUARANTY FEDERAL BANCSHARES, INC.**

**ANNUAL MEETING OF STOCKHOLDERS**

**May 25, 2016**

The undersigned hereby appoints the Board of Directors of Guaranty Federal Bancshares, Inc. (the “Company”), or each of them individually, with full powers of substitution, to act as attorneys and proxies for the undersigned, to vote all shares of Common Stock of the Company which the undersigned is entitled to vote at the Annual Meeting of Stockholders (the “Meeting”), to be held at the Highland Springs County Club, 5400 S. Highland Springs Blvd., Springfield, Missouri, on Wednesday, May 25, 2016, at 6:00 p.m. local time and at any and all adjournments thereof, in the following manner: (Please be sure to sign and date this Proxy below. All joint holders should sign.)

Date\_\_\_\_\_

Stockholder Signature\_\_\_\_\_

Stockholder Co-holder (if any) \_\_\_\_\_



1. The election as directors of all nominees listed and the terms indicated (except as marked to the contrary below):

Tim Rosenbury  
Three Year Terms:  
Greg A. Horton

**FOR**  **WITHHOLD**  **FOR ALL EXCEPT**

**INSTRUCTION: To withhold authority to vote for individual nominee(s), mark “For All Except” and write the name(s) in the space provided below.**

2. The advisory (non-binding) vote to approve executive compensation.

**FOR**  **AGAINST**  **ABSTAIN**

<sup>3</sup> The ratification of the appointment of BKD, LLP as the independent registered public accounting firm of the Company for the fiscal year ending December 31, 2016.

**FOR**  **AGAINST**  **ABSTAIN**

In their discretion, such attorneys and proxies are authorized to vote upon such other business as may properly come before the Meeting or any adjournments thereof.

**The Board of Directors recommends a vote “FOR” all of the above listed nominees and propositions 2, and 3.**

**THIS SIGNED PROXY WILL BE VOTED AS DIRECTED, BUT IF NO INSTRUCTIONS ARE SPECIFIED, THIS SIGNED PROXY WILL BE VOTED FOR EACH OF THE PROPOSITIONS STATED. IF ANY OTHER BUSINESS IS PROPERLY PRESENTED AT SUCH MEETING, THIS SIGNED PROXY WILL BE VOTED BY THOSE NAMED IN THIS PROXY IN THEIR DISCRETION. AT THE PRESENT TIME, THE BOARD OF DIRECTORS KNOWS OF NO OTHER BUSINESS TO BE PRESENTED AT THE MEETING.**

**THIS PROXY IS SOLICITED BY THE BOARD OF DIRECTORS.**

Detach above card, sign, date and mail in postage paid envelope provided.

**GUARANTY FEDERAL BANCSHARES, INC.**

Should the above signed be present and elect to vote at the Meeting, or at any adjournments thereof, and after written notification to the Secretary of the Company at the Meeting of the stockholder's decision to terminate this Proxy, the power of said attorneys and proxies shall be deemed terminated and of no further force and effect. The undersigned may also revoke this Proxy by filing a subsequently dated Proxy or by written notification to the Secretary of the Company of the stockholder's decision to terminate this Proxy. The above signed acknowledges receipt from the Company prior to the execution of this proxy of a Notice of Meeting of Stockholders, a Proxy Statement dated April 25, 2016, and an Annual Report to Stockholders for the period ended December 31, 2015.

Please sign exactly as your name appears on this Proxy. When signing as attorney, executor, administrator, trustee, guardian, or any other representative capacity, please give full title. If shares are held jointly, each holder should sign.

**PLEASE COMPLETE, DATE, SIGN AND MAIL THIS PROXY PROMPTLY IN THE ENCLOSED POSTAGE-PREPAID ENVELOPE.**