

## Corporate Governance Guidelines

### Lakeland Financial Corporation

And

### Lake City Bank

The following guidelines are promulgated by the Boards of Directors of both Lakeland Financial Corporation and Lake City Bank (both of which are hereinafter referred to as the “Company”). Both Boards of Directors are referred to as the “Board of Directors”, and their members are referred to as the “Directors” governed by these guidelines.

#### I. Board Composition

**Independence.** A majority of the members of the Board of Directors must qualify as independent in accordance with the applicable provisions of the Securities Exchange Act of 1934 and the rules promulgated thereunder and any NASDAQ listing standards pertaining to corporate governance.

The Board will determine annually whether each Director is considered independent for purposes of this requirement. A Director will be considered independent if they qualify under the regulatory standards of independence described above, and if the Board determines that the Director has no relationships that would interfere with the exercise of independent judgment in carrying out responsibilities as a director of the Company. A Director shall not fail to be deemed independent solely as a result of lending relationships, deposit relationships or other banking relationships (including trust department, investment, and insurance relationships) between the Bank and the Director (or any related interest of such Director) if:

- (1) such relationship(s) are in the ordinary course of business of the Company and are on substantially the same terms as those prevailing at the time for comparable transactions with non-affiliated persons; and
- (2) with respect to extensions of credit by the Company to a Director, such extensions of credit are made in compliance with applicable law, including Regulation O of the Board of Governors of the Federal Reserve.

**Number of Directors.** The Board of Directors shall determine the appropriate size of the Board of Directors, with the objective of obtaining the necessary experience, expertise and geographic representation without becoming too large to function efficiently.

**Chairman of the Board.** The positions of the Chairman of the Board and the Chief Executive Officer may be filled by the same individual or by different individuals, at the discretion of the Board of Directors.

II. Criteria for Director Effectiveness

To discharge their duties in identifying and evaluating nominees for directors, the Corporate Governance Committee and the Board of Directors shall consider the credibility and business judgment of the potential nominee, whether the nominee has a prominent track record in business or community leadership, whether the individual represents a good fit with the Company's Core Values, the breadth of the potential director's business experience. In addition, potential nominees must not be involved in any competitive businesses to the Company, and must be independent.

In addition to the criteria regarding the individuals, the Corporate Governance Committee and the Board of Directors shall consider whether the Board of Directors is a balanced representation of the Company's geographical area, has diversified business backgrounds, and represents demographic diversity.

III. Director Tenure and Retirement

Directors are required to resign from the Board of Directors upon attainment of age 70. Otherwise, there are no tenure or retirement limits or requirements.

IV. Director Responsibilities

The basic responsibility of the Board of Directors is to oversee the Company's business and affairs, exercising reasonable business judgment on behalf of the Company in a manner consistent with their fiduciary duties. Directors should regularly attend meetings of the Board of Directors and of all Board committees upon which they serve. To prepare for the meetings, Directors should carefully review the meeting materials that are distributed in advance of each meeting. Each Director is expected to serve on and participate diligently in the work of at least one

committee. Further, each Director is expected to attend the entirety of at least 75% of all Board of Directors and committee meetings each year. Telephonic participation is discouraged in any meetings unless absolutely necessary.

V. Executive Sessions

The non-management directors will have the opportunity to meet in Executive Session at each regularly scheduled Board of Directors meeting, and shall do so at least annually.

VI. Board Committees

The Board of Directors of Lakeland Financial Corporation will have an Audit Committee, a Nominating and Governance Committee and a Compensation Committee, each of which shall be comprised entirely of Directors whom the Board of Directors have determined to be “independent”.

Lake City Bank’s Board of Directors may, from time to time, establish or maintain additional committees as necessary or appropriate. Currently, Lake City Bank’s Board of Directors maintains a Corporate Risk Committee and a Trust Committee.

Committee memberships are assigned by the Nominating and Corporate Governance Committee.

VII. Director Access to Management and Independent Advisors

Directors may, and are encouraged to, contact any member of management at any time and about any matter, without prior or subsequent notice or permission from the Chief Executive Officer or other executive officer. In addition, the Board of Directors has the right to consult with and obtain any independent advisory they deem necessary to carry out its duties at the expense of the Company.

VIII. CEO Performance Evaluation and Succession Planning

The Board of Directors (not including any members of management) will conduct an annual review of the performance and compensation of the Chief Executive Officer, taking into account the views and recommendations of the Compensation Committee. The Board of Directors will establish and annually review plans regarding succession to the Chief Executive Officer in the event of emergency or retirement.

The Chief Executive Officer shall discuss with the Board of Directors at least annually succession planning for key senior management positions, along with related development recommendations.

IX. Executive Compensation

The Compensation Committee shall evaluate and approve the overall compensation of and policies applicable to senior officers of the Company.

X. Director Compensation

The Board of Directors, on the recommendation of the Compensation Committee, will determine the form and amount of Director compensation, including cash, equity-based awards and other Director compensation. In connection with such Director compensation, the Board of Directors will consider the amount of time required to fulfill the duties of a Director, the risk and duties assumed by a Director, and what is reasonable and customary in similar organizations.

XI. Stock Ownership Requirement

All of the members of the Board of Directors and the Management Committee of Lake City Bank shall hold at least 5,000 shares of common stock of the Company. New directors shall acquire such shares within five years after joining the Company's Board of Directors, and current directors shall have five years from the date of the implementation of this policy to acquire such shares. Management Committee shall acquire such shares within a reasonable time after joining the Management Committee.

It is the intention that this ownership requirement will represent roughly five times the annual Board retainer. As such, it will be subject to change to reflect changes in the Company's stock price and the annual Board retainer.