

LAKELAND FINANCIAL CORPORATION
EXECUTIVE OFFICER STOCK OWNERSHIP GUIDELINES
(APPROVED BY GOVERNANCE COMMITTEE FEBRUARY 9, 2016)

I. PURPOSE

The Board of Directors (the “**Board**”) of Lakeland Financial Corporation (the “**Company**”) believes that it is appropriate to more closely align the financial interests of certain executive officers with those of its shareholders by requiring such officers to hold a material level of Company common stock (“**Common Stock**”). Accordingly, these Executive Officer Stock Ownership Guidelines (“**Guidelines**”) detail the minimum amount of Common Stock that certain executive officers must hold.

II. OWNERSHIP THRESHOLDS

The following individuals shall own a number of shares of Common Stock equal to a multiple of the respective individual’s then annual base salary rate, divided by the average closing Common Stock price as reported by The Nasdaq Stock Market for the 60 trading days prior to the date of computation, which shall be the record date of the annual meeting of each year, as follows:

POSITION	APPLICABLE MULTIPLE
Chief Executive Officer of XYZ	3 times annual base salary
All Other Named Executive Officers and Executive Officers who serve on the Management Committee of Lake City Bank	2 times annual base salary

III. STOCK OWNERSHIP CALCULATION

A. *Included Shares.* The following may be used in determining stock ownership for purposes of compliance with these Guidelines, if currently held by the officer:

- (i) Shares owned outright by the individual or his or her immediate family members who share the same household, whether held individually or jointly;
- (ii) Shares held by the individual in an IRA account;
- (iii) Fully vested shares or share units held by the individual under a Company retirement plan or other deferred compensation plan;
- (iv) Shares held in a grantor trust for the benefit of the individual or his or her immediate family members who share the same household, whether held individually or jointly; and
- (vi) Shares owned by a partnership, limited liability company, or other entity of the individual’s interest therein (or the interest therein of his or her immediate family members who share the same household), but only if the individual or family member has or shares the power to vote or dispose of the shares.

B. *Excluded Shares.* Unvested awards granted under any Company equity incentive plan and shares that are subject to unexercised stock options, vested or unvested, shall not be counted for purposes of compliance with these Guidelines.

IV. OWNERSHIP ACCUMULATION PERIOD

Each officer shall meet these Guidelines within five years following the officer’s date of hire or promotion to a covered officer position, or otherwise first subject to these Guidelines, as may be

applicable. Whenever these Guidelines are amended or modified to provide for new or increased requirements, such new or increased requirements shall apply as if the officer is first becoming subject to these Guidelines with respect to the incremental impact of the new or increased requirements. Once achieved, ownership of the Guideline amount must be maintained for as long as the officer is subject to these Guidelines, as may be determined by the Board annually or more often.

V. HOLDING/RETENTION PERIODS

- A. During the accumulation period, officers are required to retain not less than 50% of applicable shares received (on a net after tax basis) under any Company equity compensation program until such officer satisfies the ownership requirements set forth in these Guidelines.
- B. Following the end of the accumulation period, officers that fail to satisfy the ownership requirements set forth in these Guidelines are required to retain not less than 50% of applicable shares received (on a net after tax basis) under any Company equity compensation program until such requirements are satisfied.
- C. The share retention requirements set forth above, or as may be revised, shall apply to compensatory shares or share awards granted to officers on or after the date on which such requirements are first adopted, or thereafter revised.

VI. REPORTING

Each officer subject to these Guidelines shall complete an annual officer questionnaire to report such officer's ownership of Company stock.

VII. INDIVIDUAL HARDSHIP

There may be rare instances in which compliance with these Guidelines would place a severe hardship on an individual or would prevent an individual from complying with a court order. In these instances, the Board, in its sole discretion, may suspend the application of these Guidelines to such individual.

VIII. MARKET VOLATILITY

Share prices of all companies are subject to market volatility. The Board believes that it would be unfair to require an officer to buy more shares simply because the Common Stock price drops temporarily. In the event there is a decline in the Common Stock price that causes an officer's holdings to fall below the applicable threshold set forth in these Guidelines after previously meeting the required thresholds, the officer shall not be required to purchase additional shares to meet the threshold, but such officer shall not sell or transfer any shares until the threshold has again been exceeded (except as necessary to meet tax withholding requirements of awards under any compensation plan of the Company).

IX. ADMINISTRATION

The Board shall have the authority and discretion to administer, amend, interpret, and terminate these Guidelines, to establish, amend, and rescind any rules and regulations relating to these Guidelines, and to make all other determinations that may be necessary or advisable for the administration of these Guidelines.