

Categorical Independence Standards for Directors

In order to qualify as “independent,” a director must be a person other than an officer or associate of Capital City Bank Group, Inc. (the “Company”) or its subsidiaries and must not have a relationship that, in the affirmative opinion of the Board of Directors of the Company, would interfere with the exercise of independent judgment in carrying out his or her responsibilities as a director. The following persons are considered to not be independent:

- a director who is or has been employed by the Company or by any parent or subsidiary of the Company at any time within the past three years;
- a director who has accepted or who has a non-associate family member who has accepted any payments from the Company or any parent or subsidiary of the Company in excess of \$60,000 during the current fiscal year or any of the past three fiscal years, other than compensation for Board or committee service, payments arising solely from investments in the Company’s securities, compensation paid to a family member who is a non-executive associate of the Company or a parent or subsidiary of the Company, benefits under a tax-qualified retirement plan or non-discretionary compensation, or loans permitted under Section 13(k) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”);
- a director who is a family member of an individual who is, or at any time within the past three years was, employed by the Company or by any parent or subsidiary of the Company as an executive officer;
- a director who is, or who has a family member who is, a partner in, or a controlling shareowner or an executive officer of, any organization, including a non-profit entity, to which the Company has made, or from which the Company has received, payments (other than those arising solely from investments in the Company’s securities or under non-discretionary charitable contribution matching programs) that exceed 5% of the recipient’s consolidated gross revenues for that year, or \$200,000, whichever is more, in the current fiscal year or any of the past three fiscal years;
- a director of the Company who is, or who has a family member who is, employed as an executive officer of another entity where any of the executive officers of the Company serve on the compensation committee of such other entity, or if such relationship existed at any time within the past three years; or
- a director who is, or who has a family member who is, or was, or who has a family member who was, a partner or associate of the Company’s outside auditor, and worked on the Company’s audit at any time within the past three years.

The following relationships will not be considered to be material relationships that would impair a director’s independence:

- A director is presumed to be independent despite the existence of one or more extensions of credit between Capital City Bank and the director, or any of the director's related interests (as defined in the Federal Reserve Board's Regulation O) ("related interests") if, in each such case:
 - (a) The extension of credit was made in the ordinary course of business of Capital City Bank, on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with non-affiliated persons and did not involve more than the normal risk of collectibility or present other unfavorable features;
 - (b) The extension of credit was made in compliance with applicable laws and regulations, including but not limited to Regulations O and W of the Federal Reserve Board, Sections 23A and 23B of the Federal Reserve Act and Section 13(k) of the Securities Exchange Act of 1934;
 - (c) The aggregate amount of the extensions of credit to the director and all of his or her related interests does not exceed 1% of Capital City Bank’s consolidated assets; and

- (d) The Board concludes, based on a review of the extension(s) of credit, including without limitation, the amount of the extension(s) of credit in relation to the net worth of the borrower and the borrower's performance, as well as representations of the borrower, as follows: (i) if the borrower is a company or other entity, that a failure to make a proposed extension of credit or the termination of an extension of credit in the ordinary course of business would not reasonably be expected to have a material and adverse effect on the financial condition, results of operations or business of the borrower or (ii) if the borrower is an individual, that a failure to make a proposed extension of credit or the termination of the extension of credit in the ordinary course of business would not reasonably be expected to have a material and adverse effect on the financial condition of the borrower.
- (e) The Audit Committee and the Board shall review any extension of credit by Capital City Bank to a director or his or her related interests in which a default has occurred or that has become criticized in order to determine the impact that such default or criticism has on the director's independence.
- A director is presumed to be independent despite the existence of one or more banking or other commercial relationships (other than extensions of credit, but including, without limitation, depository, fiduciary, securities brokerage and insurance relationships) between a subsidiary of the Company, on the one hand, and the director, an immediate family member of the director or a company with which the director or an immediate family member of the director is affiliated by reason of being a director, executive officer or significant shareholder thereof, on the other hand, if in each such case the transaction was entered into in the ordinary course of business on substantially the same terms as those prevailing at the time for comparable transactions with non-affiliated persons.
- The fact that a particular relationship or transaction is not addressed by either 1 or 2 above or exceeds the thresholds in those standards does not create the presumption that a director is not independent. In addition to the independence criteria set forth above, for purposes of Audit Committee membership, a director must also:
 - not have participated in the preparation of the financial statements of the Company or any subsidiary of the Company at any time during the past three years;
 - not, other than in his or her capacity as a member of the Audit Committee, the Board, or any other Board committee:
 - accept, directly or indirectly, any consulting, advisory, or other compensatory fee from the Company or any subsidiary of the Company; provided that compensatory fees do not include the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the Company (provided such compensation is not contingent in any way on continued service); or
 - be an "affiliated person" of the Company or any of its subsidiaries; and
 - be able to read and understand fundamental financial statements.

SEC Rule 10A-3(e) defines "affiliated person" as a "person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, [the Company]."