

## LUXURY EXPENSE POLICY

The following policy fulfills the requirements under Section 111(d) of the Emergency Economic Stabilization Act of 2008 ("EESA"), as amended by Section 7001 of the American Recovery and Reinvestment Act of 2009 (ARRA), and applicable rules and regulations promulgated there under. EESA, as amended, requires each recipient of funds under the Capital Purchase Program (CPP) of the Troubled Assets Relief Program (TARP) to have in place a company-wide policy regarding excessive or luxury expenditures, as identified by the Secretary of the Department of the U.S. Treasury.

Opportunities Credit Union prohibits excessive or luxury expenditures on entertainment and events, office or facility renovations, aviation or other transportation services or other activities or events that are not reasonable expenditures for conferences, staff development, reasonable performance incentives or other similar measure conducted in the normal course of business operations. This policy is not intended to limit or restrict ordinary and customary expenditures incurred by the Credit Union, its officers and employees in the normal course of business operations.

### Excessive or Luxury Expenditures Policy

#### Policy Statement

It is the policy of Opportunities Credit Union (the "Credit Union") to adhere to the following principles and practices related to excessive or luxury expenditures.

It is the policy of Company that excessive or luxury expenditures, defined as expenditures that are not reasonable expenditures for staff development, performance incentives or other activities conducted in the normal course of Company's business, shall be prohibited.

All expenditures by the Company must have a legitimate business purpose, follow a defined approval process, and be reasonable in nature and amount as determined by management or the board of directors as required herein.

In the normal course of business, the Company provides expense reimbursement to employees for business related expenses in reasonable amounts. To be reimbursed for such legitimate business expenses, the employee must comply with proper documentation requirements, approval processes and timing of reimbursements as outlined in the "Expense Authorization & Reimbursement" section of this policy.

This Policy is intended to strengthen and supplement existing policy and procedures and ensure compliance with United States Department of the Treasury standards regarding excessive or luxury expenditures.

### Entertainment and Events

Entertainment is defined as an activity whereby staff or management would use the credit union's funds for business development purposes relating to a current member or prospective member, or to further enhance the Company's marketing efforts.

Company sponsorship of excessive or luxury expenditures on entertainment or events is strictly prohibited. Prior written approval from the Chief Executive Officer, Treasurer or Board Chair shall be required for all entertainment related expenditures exceeding \$1,000. Off-site planning meetings and off-site board of directors or member meetings are considered a normal part of the successful operation of the Company and are not considered luxury or excessive events.

Our expectation is that all expenses incurred by the Company (or reimbursable by the Company) are for business purposes, and are incurred to drive business to the Company. Occasional events such as taking members for business meals or taking them to other events is a necessary part of the Company's marketing/business development efforts and is not deemed as "luxury" or a violation of this Policy. These expenses must be documented and detailed as to the benefit derived by the Company through the normal accounts payable process. Managers are responsible for overseeing expenses for staff in sales roles and communicating budget and expectations to affected staff.

#### Office or Facility Renovations

Renovations of Company facilities and office spaces should be relative to the approved project and current profit plan and tracked within the limits of the approval authority table of this section. An exception to this can be allowed if management must deal with an emergency situation, such as an act of nature, and the expenditure is necessary to make the facility operational for customer use. Office and facility renovations should be designed to: enhance operational efficiency, comply with applicable fire codes and ADA requirements, maintain a safe, sanitary and clean working environment, enhance the public image of the organization, improve employee morale, or such other worthwhile purpose as may be identified by the Company. By way of example, relocating or adding moveable work stations, improving the air flow or temperature, altering the wall, ceiling or lighting configuration of a work or storage space, painting and upkeep of facilities or establishing a new office shall not be considered "excessive" by their very nature. At no time should renovations be done that would have the appearance of being extraordinary, or excessive from a shareholder perspective.

The following approving authorities apply for the approval of an office or facility renovation before it is incurred (The Board and or Finance Committee may approve a budget for a project in advance of the project including an allocated amount for overruns. The CEO and CFO are authorized to make decisions within the approved budget and allowance for overruns. ):

Expenditure Approving Authority  
\$0 - \$25,000 Chief Executive Officer  
\$0-\$50,000 Finance Committee  
Over \$50,000 Board of Directors

#### Aviation or Other Transportation Services

Transportation for staff to outlying locations, including branches, conferences, training, business development purposes and merger and acquisition research, should be conducted in the most cost appropriate way for the Company. Modes of transportation to be used may consist of vehicle, commercial air or rail service. The selection of transportation services will factor in cost, efficiency and timeliness of travel. Private services are not allowed without the approval of the Chief Executive Officer. Travel and reimbursement schedules are contained in the Expense Authorization and Reimbursement Procedure guidelines.

#### Other Activities or Events

Other similar items, activities or events for which the Company may incur expenses, or reimburse an employee for incurring expenses, which are not specifically addressed elsewhere in this policy (e.g. performance incentives) shall be for legitimate business purposes and reasonable in nature and amount.

- Expenses for meals incurred while attending training, conferences or on other business travel must be reasonable and appropriate. The Expense Authorization and Reimbursement Procedure guidelines further define limits.

- The Company does not generally grant performance incentives in the form of travel or entertainment. However, if granted, such performance incentives must not encourage or promote excessive or unnecessary risk-taking or manipulation of financial results. Any performance incentive granted in the form of travel or entertainment must be approved in advance by the Chief Executive Officer or the Finance Committee.
  - Bonuses or other incentives will be approved by the Chief Executive Officer and documented in the payroll records. Incentive plans that are based on loan, deposit or other sales activities will be documented in writing, authorized by the Chief Executive Officer and reviewed and the plan reviewed and signed of by both the affected employee and their Manager. The Chief Executive Officer and Chief Financial Officer will ensure that bonus and incentive payments are included in the budget and allowed by policy.
  - All meetings or events attended by senior executives (as defined by applicable Treasury Department guidelines) and/or board members shall be devoted to specific business purposes and well-documented. Participating senior executives and board members shall be responsible for any expenses incurred for non-business related activities, and shall promptly reimburse Company for any such expenses if paid by Company.

#### Required Reporting

The process for approving and reporting expenditures covered by this policy, as well as the actual amount of expenditures incurred, may be subject to audit by the Company's internal audit staff to confirm policy compliance.

Any violations or departures from policy requirements shall be promptly reported to the Chief Executive Officer or Chief Financial Officer, unless such violations or departures relate to the Chief Executive Officer or Chief Financial Officer. Violations or departures from this policy by the Chief Executive Officer or Chief Financial Officer should be promptly reported to the board of directors through either the Board Treasurer or any member of the audit committee.

#### Certification of Compliance

The Chief Executive Officer and Chief Financial Officer shall certify, at least annually, that the approval of any expenditure under this policy requiring the prior approval of any senior executive officer, any executive officer, a substantially similar level of responsibility, or the Company's board of directors (or a committee of the board of directors) was properly obtained with respect to each such expenditure.