

	<b>Excessive or Luxury Expenditure Policy</b>	<i>Last Revision: 5/17/22</i> <i>Dept. Accountability: Accounting</i> <i>Individual Accountability: CFO</i>  <i>Board Approved: May 17, 2022</i>
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**Purpose**

The purpose of this policy is to establish parameters and internal controls governing the expenditures of The Native American Bancorporation Co. (together with its subsidiaries and controlled affiliates, referred to hereafter as the Organization). Expenditures of the Organization should be customary, prudent, consistent with applicable laws and regulations and reasonably related to the Organization’s business objective and needs. The policy identifies expenditures that are excessive or luxury expenditures, creates processes that are reasonably designed to eliminate such expenditures and establishes accountability for compliance. Routine operating expenses, capital expenditures and other reasonable expenses are not prohibited by this policy.

**Authority**

The Organization has authority to provide compensation and benefits that are reasonable. This policy establishes a prohibition on expenditures that are excessive or luxury expenditures as required by the Department of the Treasury’s Emergency Capital Investment Program regulations (31 CFR part 35), and as may be required by other statutes or regulation.

**Scope**

This policy applies to all employees, officers and directors of the Organization with regard to any expenditure of the Organization. In making any expenditure on behalf of the Organization, employees, officers and directors should consider whether the expenditure is an excessive or luxury expenditure that is prohibited under this policy.

**Excessive or Luxury Expenditures**

It is the policy of the Organization that all employees and directors of the Bank are prohibited from making any excessive or luxury expenditures. The term “Excessive or luxury expenditure” means excessive expenditures on any of the following to the extent not reasonable or appropriate expenditures for business development, staff development, reasonable performance incentives or other similar reasonable measures conducted in the normal course of the Organization’s business operations.

1. Entertainment or events
2. Office or facility renovations

3. Aviation or other transportation services
4. Other similar items, activities or events for which the Bank may reasonably anticipate incurring expenses or reimbursing an employee or director for incurring expenses.

Reasonable expenditures may be incurred for business-related activities, events and purposes, including, without limitation, legitimate travel and meeting-related costs for attendance.

### **Air Travel**

Air travel on Organization business shall be by commercial airline. First class air travel is not permitted unless the upgrade is free using the individual's travel reward points or at the employee's own personal expense. Upgrades to business class (extended leg room seats) is not permitted for flights two hours and under. Air travel should be booked a minimum of two weeks in advance of departure date. The Organization does not own or lease, and does not intend to purchase or lease, any private aircraft for use by Organization employees or directors.

### **Other Transportation Services**

The Organization does not provide Bank owned automobiles for use by employees. Rental cars must be consistent with the Organization's policies and procedures.

### **Entertainment Expenses**

This category includes fees, dues, ticket costs related social, athletic, artistic and dining clubs, activities, celebrations or other events and similar expenditures. All expenditures by employees or directors for entertainment must comply with applicable policies and procedures and must have a business purpose. Request for reimbursement for such expenditures must be justified and supported by documentation in accordance with applicable policies and procedures.

### **Office or Facility Renovations**

Employee offices, including executive offices, shall be appropriate for the employee's position but not ostentatious in size, furnishing or decoration. Materials used to construct or renovate offices and facilities shall be selected on the basis of their quality, appearance, cost and durability, considering their intended use and avoiding opulence. All expenditures for constructing, renovating or furnishing offices must be approved by the President/CEO.

### **Expenditures for Activities and Events**

All expenditures by employees or directors for activities and events must comply with applicable policies and procedures and must have a business purpose. The Board of Directors prior approval is required for expenditures for an activity or event whose total cost exceeds \$25,000.

## **Other**

For the avoidance of doubt, reasonable capital investments in technology, equipment and similar items that expand the long-term capability of the Organization to provide products and services to its customers and community are not excessive or luxury expenditures.

## **Required Reporting and Accountability**

All Organizations expenditures, including those expenditures covered by this policy, shall be documented, reported, supported by written invoices and receipts and subject to audit in accordance with policies and procedures.

Employees or directors should report any violation of this policy to the President/CEO, Chief Financial Officer or Compliance Officer. Failure to adhere to this policy could result in non-reimbursement of expenses and could further result in disciplinary action up to and including termination.

The President/CEO or Chief Financial Officer shall certify at least annually that this policy is being followed and that the approval of any expenditure requiring prior approval of an executive officer or the Organization's Board of Directors was properly obtained with respect to each such expenditure.