



## **Luxury Expenditures Policy**

As a recipient of funds from the U.S. Department of Treasury's Capital Purchase Program, The Private Bank of California is required to institute various measures to help control expenditures in accordance with the requirements of the American Recovery and Reinvestment Act of 2009. In compliance with those regulations the Board of Directors has approved following Policy on Excessive or Luxury Expenditures ("Policy").

Expenditures for entertainment, events, office and facility renovations, seminars, conferences, aviation and other transportation services, which, as a single item or as a total project or service will require the following approvals:

- Expenditures less than \$5,000.00 will need the employee supervisor's prior approval before any reimbursement on an Expense Report or the issuance of an Expense Check by the Bank.
- Expenditures from \$5,000.00 up to \$14,999.99 will require approval by the Chief Executive Officer ("CEO").
- Expenditures \$15,000.00 and above will require full Board approval.

All such approvals need to be obtained prior to the expense being committed.

All employees are expected to comply with the Bank's Policy on Excessive or Luxury Expenditures; employees violating the Policy will be subject to appropriate disciplinary action up to and including termination. Any violation(s) or departure(s) from the Policy's requirements shall be promptly reported to the CEO, and in his absence the Chief Financial Officer ("CFO"). Any violation of this Policy directly involving the CEO should be reported to the Board of Directors through the Chairman of the Audit Committee. At least annually, the CEO and CFO shall certify to the Audit Committee of the Board, and any required government agency, that the appropriate prior approval(s) of any expense(s) covered by this policy were properly obtained.