

# Independent Employers Group FCU

## Luxury Expense Policy

Approved by the Board of Directors October 26, 2010, Revisions approved:

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### **Background**

Independent Employers Group Federal Credit Union, a Federal Credit Union (the “Credit Union”) has adopted this Luxury Expense Policy in compliance with the requirements of the Emergency Economic Stabilization Act of 2008, as amended, the Interim Final Rule adopted by the United States Treasury relating to TARP Standards for Compensation and Corporate Governance (31 CFR Part 30) (the “Rules”). This Policy applies only to the Company as a TARP Recipient, as defined in the Rules.

### **Policy**

The Company shall not be charged for or pay any expenses which could be considered excessive or luxury expenses. Specifically, unless expressly approved by the Credit Union’s Board of Directors, the Credit Union shall not be charged for or pay any expenses for:

1. Entertainment or events in excess of \$200.00;
2. Office and facility renovations in excess of \$500.00, except for regular maintenance;
3. Aviation and other transportation services, except for coach inter-island travel, related rental car expense for an economy car necessitated because of the oceans that need to be crossed to attend certain meetings and conferences and standard mileage and per diem allowances (within the IRS Standards as delineated in the regular travel expense policy of the Credit Union); or
4. Other similar items, activities or events that are not reasonable expenditures for staff development, reasonable performance incentives, or similar measures conducted in the normal course of the Credit Union’s business activities.

### **Responsibility; Controls; Exceptions**

The President shall be responsible for ensuring compliance with this Policy. The President shall review all expenses of the Company and shall determine that payment of such expenses will not contravene this Policy.

The President will promptly notify the Board of Directors of the Credit Union of any violation of this Policy.

The President must obtain the prior written approval of the Board of Directors of the Company for any exceptions to this Policy.