

# **Policy Regarding Excessive or Luxury Expenditures**



**SALISBURY BANK**

enriching.

## **Salisbury Bancorp, Inc. and Salisbury Bank and Trust Company**

**Board Approved:**

**March 10, 2009**

**Individual Responsible:**

**Richard J. Cantele, Jr.  
President and Chief Operating Officer**

## **Policy Regarding Excessive or Luxury Expenditures**

Consistent with the provisions of the American Recovery and Reinvestment Act of 2009, the Boards of Directors of Salisbury Bancorp, Inc. and Salisbury Bank and Trust Company (together, the “Company”) hereby adopt this Policy on a Company-wide basis. Expenditures by the Company which would constitute “excessive or luxury expenditures” as may be identified by the Secretary of the Treasury, or which would constitute unsafe or unsound banking practices as may be construed by state or federal bank supervisory agencies acting with proper jurisdiction, shall be prohibited.

Such expenditures may include, but are not limited to, those relating to:

- Entertainment or events;
- Office or facility renovations;
- Corporate aircraft or other transportation services; or
- Other activities or events that are not reasonable expenditures for staff development, reasonable performance incentives, or other similar measures conducted in the normal course of business operations of the Company.

In order to implement this policy, any expenditure with respect to such matters or similar matters which may be an “excessive or luxury expenditure” or unsafe or unsound banking practice or which would represent a material departure from the historical prudent spending practices of the Company or a departure from the prudent industry standards of comparable community-based financial institutions in the Northeastern United States must be presented in writing by the Company’s management with its recommendation to the board of Directors in advance for the Board’s approval, which approval, if granted, shall be supported by a written record sufficient to support the decision that such expenditure is not an “excessive or luxury expenditure” or would not constitute an unsafe or unsound banking practice or a departure from prudent industry standards which would expose the Company to an unreasonable risk of loss.