

## **LUXURY EXPENDITURE POLICY**

Old Line Bancshares, Inc. and its subsidiary, Old Line Bank (collectively, Old Line) prohibit 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 measures conducted in the normal course of business operations. This policy applies to all employees, officers and directors of Old Line Bancshares, Inc. and its subsidiaries.

Management and the Board of Directors encourage the prudent allocation of funds in the normal course of business operations to help secure and develop customer relationships, enhance community involvement, reward employee accomplishments, provide performance incentives, build franchise value and to educate and train employees, management and board members. Old Line 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 in the normal course of business operations.

### **Entertainment or Events**

Employees may use company funds for entertainment and events and activities that serve legitimate business purposes. These events may include paying for a customer's or prospect's meal, golf or other events. Employees will provide proper documentation to support these events and submit expense reports or check requests with supervisory approval to receive reimbursement or payment. If the total cost of the event is expected to exceed \$25,000, it must be pre-approved by an Old Line executive officer. Executive officers may not approve their own expenditures and must receive the approval of another executive officer.

### **Office and Facility Renovations**

The image and appearance of Old Line's facilities is an important element of our long term business plan and franchise identity. Facilities renovations must serve legitimate business purposes. Facilities renovations in excess of \$5,000 require the pre-approval of an executive officer. Executive officers may not approve renovation of their individual office and must receive the approval of another executive officer.

### **Aviation or Other Transportation Services**

Old Line's employees should generally use the most cost effective form of transportation. A determination of cost effectiveness will factor in cost, efficiency and timeliness of travel. Old Line will generally pay for coach class airline travel. An Executive officer must pre-approve any exceptions to this policy. Executive officers may not approve their own exceptions and must receive the approval of another executive officer.

**Conferences**

The Board of Directors and Management encourage staff to attend conferences that are appropriate educational opportunities directly correlated to their job responsibilities or the financial services industry. At conferences sponsored by vendors, banking associations or other industry related entities, it may be appropriate for spouses to travel and to attend conference functions. Executive officers must pre-approve attendance at conferences that have a total cost in excess of \$500. Executive officers may not approve their own attendance and must receive the approval of another executive officer.

**Other Similar Items, Activities or Events**

As with entertainment and events, expenditures for other similar items, activities or events must serve a legitimate business purpose. Employees will provide proper documentation to support these events and submit expense reports or check requests with supervisory approval to receive reimbursement or payment. If the total cost of the event is expected to exceed \$25,000, it must be pre-approved by an Old Line executive officer. Executive officers may not approve their own expenditures and must receive the approval of another executive officer.

**Governance and Accountability**

The Board of Directors will review and approve this policy at least annually and approve any amendments or modifications.

The Chief Executive Officer and Chief Financial Officer will certify that all employees obtained the required approvals for expenditures.

The Chief Risk Officer (or designee) will maintain the CEO and CFO certifications contemplated above, review compliance with this policy, and provide periodic reports to Old Line's executive management or the Board of Directors (or a Board committee), as necessary or advisable. The Chief Risk Officer (or designee) will report any violations of this policy as soon as possible after the discovery of such violations to an executive officer.