



POLICY REGARDING EXCESSIVE OR LUXURY EXPENDITURES

Excessive or luxury expenditures shall not be made, including excessive expenditures on:

- (1) entertainment or events,
- (2) office or facility renovations,
- (3) aviation or other transportation services, or
- (4) other similar items, activities or events,

to the extent that such expenditures are not reasonable expenditures for staff development, reasonable performance incentives or similar reasonable measures conducted in the normal course of business. Expenditures for entertainment and events shall be consistent with budgeted amounts unless previously approved in accordance with normal budgetary policy. Expenditures for office or facility renovations shall be approved by the President. Expenditures for aviation and other transportation services shall be in accordance with normal travel policies where common carriers or rental cars are used. The purchase or long-term leasing of automobiles shall be approved by the Chairman or the President. The purchase or long-term leasing of aircraft is prohibited.

Where approval of an expenditure is required, such approval shall be sought and given using same procedures normally used for approval of other expenditures requiring approval.

The Chief Executive Officer and Chief Financial Officer shall certify that the approval of any expenditure requiring, pursuant to this policy, the prior approval of any senior executive officer or the board of directors was properly obtained with respect to each such expenditure.

Any violation of this policy shall be promptly reported to the Chairman of the Board of Directors. Any violations of this policy shall be a matter of serious concern and individuals responsible for such violations may be disciplined therefor.

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