

**FIRST CITIZENS BANC CORP  
EXCESSIVE OR LUXURY EXPENDITURE POLICY**

***I. Overview***

The Board of Directors (“Board”) of First Citizens Banc Corp (the “Company”) received financial assistance from the U.S. Department of the Treasury (the “Treasury”) pursuant to the Troubled Assets Relief Program created by the Emergency Economic Stabilization Act of 2008 (“EESA”).

Section 111(d) of EESA requires that the Company adopt a company-wide policy regarding certain Excessive or Luxury Expenditures (as defined below), post this policy on the Company’s internet website and provide a copy of this policy to the Treasury and its primary regulatory agency.

The Company hereby adopts this Excessive or Luxury Expenditure Policy (this “Policy”) to satisfy the requirements of EESA as they relate to Excessive or Luxury Expenditures. This Policy applies not only to Excessive or Luxury Expenditures incurred by the Company, but also on behalf of the Company by an entity that, along with the Company, would be treated as a “TARP recipient” (as defined by 31 C.F.R. §30.1, each an “Affiliate”). The Company shall cause each Affiliate to adopt and/or ratify this Policy to the extent necessary to comply with EESA.

***II. Excessive or Luxury Expenditures Defined***

For purposes of this Policy, an “Excessive or Luxury Expenditure” is an excessive or luxury expenditure on entertainment or events, office and facility renovations, aviation or other transportation services, and other activities or events that are not reasonable expenditures for conferences, staff development, reasonable performance reasonable performance incentive, or other similar reasonable measure conducted in the normal course of the Company’s or an Affiliate’s business operations.

**Renovations:**

Renovations of facilities and office spaces should be in an amount consistent with the approved current budget. An exception to this requirement will be permitted if management must deal with an emergency situation, such as an act of nature, and the expenditure is necessary to make the facility operational for employee and/or customer use. At no time should renovations be done that would have the appearance of being extraordinary or excessive from a shareholder perspective.

**Entertainment:**

Entertainment is defined as an activity that an officer or employee would use corporate funds for business development purposes relating to a current customer or prospective customer, or to further enhance the Company’s marketing efforts. The Company’s policy is that all expenses incurred must be for Company purposes and used to generate or develop business for the

Company and its Affiliates. Occasional events such as taking customers or prospective customers on trips, golfing, to dinner, or to other events the customer or prospective customer would find pleasurable is a necessary part of the Company's marketing efforts and is not deemed to be an "Excessive or Luxury Expenditure" or a violation of this Policy. These expenses should be documented and detailed as to the benefit derived by the Company and its Affiliates

#### Conferences:

Directors, officers and employees of the Company and its Affiliates are encouraged to attend conferences that provide appropriate educational opportunities. These conferences should be related to the financial industry and have a direct correlation to the individual's job responsibilities. Typically, these conferences are sponsored by vendors, banking associations, or other industry related entities.

#### Employee Picnics and Parties:

The Company believes that employee picnics and recognition/holiday parties can be important in terms of employee appreciation and morale. Accordingly, this Policy does not prohibit expenditures in conjunction with such events so long as they are local in geographical nature and the costs are consistent with the Company's approved budget.

#### Aviation and Other Transportation Services:

Transportation for Company staff to outlying locations, including bank locations, conferences, business development meetings, and merger and acquisition research, review and negotiation, should be conducted in a cost-appropriate manner. Permitted modes of transportation include automobiles and commercial air, bus or rail service. The selection of transportation services should include assessment of cost, efficiency and timeliness of travel.

#### Prohibited Expenditures:

The Company hereby designates the following specific expenditures as excessive: aircraft leases, first-class travel, non-business travel, use of chauffeurs and limousines, interest-free loans, payment of personal debts, and off-site, non-business meetings.

### **III. Prior Approval of Expenditures**

#### Expenditures Requiring Prior Approval:

The following expenditures require prior approval in accordance with this policy:

- Any aviation or transportation expenditures if the total of the expenses for travel during the round trip will exceed \$2,500.
- Renovation or decorating expenditures if the total of the expenses for any individual office will exceed \$2,500.
- Entertainment expenditures by any one person if the total amount spent on entertainment by that person during the month will exceed \$2,500.

## Procedures for Prior Approval of Expenditures:

In the event that any officer of the Company, other than the Chief Executive Officer ("CEO"), or any other employee of the Company seeks to make an expenditure or incur an expense that requires prior approval, then that officer or employee shall submit to the CEO the request and all documentation and other information requested by the CEO. The officer or employee shall obtain the approval of the CEO before making the expenditure or incurring the expense. In the event that the CEO or any member of the Board of Directors seeks to make an expenditure or incur an expense that requires prior approval, then the CEO or the director shall submit to the Chairman of the Board of Directors or to the Board of Directors as a whole the request and all documentation and other information requested by the Chairman or the Board, as the case may be. The CEO or the director shall obtain the approval of the Chairman or the Board of Directors as a whole before making the expenditure or incurring the expense.

### ***IV. Policy***

It is the policy of the Company that the use of any Company or Affiliate asset to incur an expense which constitutes, or reimburse any person for, an Excessive or Luxury Expenditure is hereby prohibited.

### ***V. Compliance***

Compliance with this Policy shall be monitored by the Company's Risk Officer and any violations of the Policy shall be promptly reported to the General Counsel. Any violations of this Policy shall be treated in the same manner as a violation of any other Company or Affiliate policy, in accordance with the Company's or Affiliate's employee handbook or similar document.

### ***VI. Certification of Compliance***

At such time or times and in such manner as may be required to comply with Section 111(d) of EESA, the Company's "principal executive officer" and "principal financial officer" (each as defined in 31 C.F.R. §30.1) shall certify that the approval of any expenditure requiring approval pursuant to this Policy was properly obtained with respect to each such expenditure.

### ***VII. Amendment***

This Policy may be amended only by action of the Board. Any material amendment to this Policy shall be provided to the Treasury and the Company's primary regulatory agency and posted on the Company's Internet website within 90 days following the adoption of such amendment.

### ***VIII. Effective Date and Duration***

In accordance with the requirements of TARP, the Board had adopted this Policy on the date first set forth above and this Policy shall remain in effect through the remainder of the "TARP period" (as defined by 31 C.F.R. §30.1).