

## **Model Board Policy Regarding Excessive or Luxury Expenditures for Events**

[For adoption by TARP recipients subject to Section 111 of EESA]

1. General policy statement: The Principal Executive Officer (PEO) and Principal Financial officer (PFO) of the Company shall be responsible for maintaining Company-wide standards reasonably designed to eliminate excessive and luxury expenditures for company-sponsored events, other than reasonable expenditures for staff development, reasonable performance incentives, or other similar measures conducted in the normal course of the Company's business operations, by assuring that all such events serve legitimate business purposes and are cost-justified.
2. All proposed events organized by the company must serve one or more legitimate business purposes (see representative listing attached). Each proposed event with a total cost exceeding \$75,000 must be supported by a written business case identifying a specific business purpose.
3. The business case for every proposed event exceeding the thresholds set forth in section 2 above must be approved in writing by a Senior Executive Officer (SEO) of the Company (as defined by applicable TARP regulations) or by an executive officer of a substantially similar level of responsibility designated by the PFO, prior to operation of the event.
4. The following prohibitions shall apply to Company-sponsored events:
  - a) Total annual expense for company-sponsored events shall not exceed fifteen (15) percent of the Company's total sales and marketing spend.
  - b) Total annual expense for performance incentive events shall not exceed two(2) percent of the total compensation of eligible participants or ten (10) percent of total award earners' compensation.
  - c) At least ninety (90) percent of performance incentive event participants shall be other than SEOs of the Company (as defined by applicable TARP regulations).
  - d) Performance incentive events shall not promote excessive risk-taking or manipulation of financial results.
  - e) All internal events attended only by SEOs and/or board members shall be devoted to specific business purposes, and participating SEOs and/or board members shall be responsible for any expenses incurred for non-business related activities.
5. A copy of this policy, and any material amendments to this policy, shall be filed with the Department of the Treasury and the Company's primary regulatory agency, and posted on the Company's website, in accordance with applicable government regulations and guidance.
6. Any violation of this policy must be promptly reported to the [audit/compensation] committee of the board utilizing the Company's ethics and compliance hotline or any other means available for the internal reporting of Company policy violations. Violation of this policy may result in disciplinary action against those accountable for policy adherence, up to and including termination of employment.
7. The PEO and PFO of the Company shall certify to the board, to the Department of the Treasury and to the Company's primary regulatory agency at least annually, in accordance with applicable government regulations and guidance, that the Company and its employees have complied with the foregoing policy during the applicable period, and that all expenses requiring approval pursuant to this policy have been properly approved in accordance with the requirements of this policy. Appropriate documentation and records to substantiate such certifications shall be preserved for six (6) years after the date of each such certification in accordance with applicable government regulations and guidance.

*Developed by the American Hotel and Lodging Association, Destination Marketing Association International, International Association of Exhibitions and Events, Meeting Professionals International, National Business Travel Association, Professional Convention Management Association, Society of Incentive Travel Executives (SITE) and the U.S. Travel Association*