

EXCESSIVE OR LUXURY EXPENDITURES POLICY

General Policy: The employees and directors of Kilmichael Bancorp, Inc., (the Company) of Kilmichael, MS, are prohibited from making any excessive or luxury expenditures in violation of this policy. The term "excessive or luxury expenditures" means excessive expenditures on any of the following to the extent such expenditures are not reasonable expenditures for staff development, reasonable performance incentives, or other similar reasonable measures conducted in the normal course of the Company's business operations:

1. entertainment or events;
2. office or facility renovations;
3. aviation or other transportation services; and
4. other similar items, activities, or events for which the Company may reasonably anticipate incurring expenses, or reimbursing an employee or director for incurring expenses.

Reasonable expenditures may be incurred for business-related activities, events and purposes related to business development, marketing, staff and professional development.

Aviation or Other Transportation Services. Transportation for directors, officers and employees of the Company in fulfilling their respective duties, including, without limitation, to bank locations, conferences, business development purposes and merger and acquisition due diligence, should generally be conducted in a cost efficient manner for the Company when appropriate, although other relevant factors may be considered when determining the specific mode of transportation. Modes of transportation to be used may consist of vehicle, commercial or private air or rail service. The selection of transportation services will take into account cost, efficiency, timeliness of travel and the needs of the Company and its directors, officers, and employees.

Mileage will be reimbursed at the standard rate published by the Internal Revenue Service, when it is necessary to use a personal vehicle for bank business.

Documentation. All Company expenditures, including those expenditures covered by this Policy, shall be documented, reported, supported by written invoices and receipts, and subject to audit.

Administration. The COO is responsible for the day-to-day administration of this Policy, and the CEO is accountable for overall adherence to this Policy and must approve any exceptions. Strict adherence to this Policy is mandated for all Company employees. Violations of this Policy shall be promptly reported to the Board of Directors.

This Policy, and any amendments hereto, shall be posted on the Company's Internet website and provided to the U. S. Department of the Treasury.