


GULFSOUTH
Private Bank

EXCESSIVE & LUXURY EXPENDITURE POLICY

	<p align="center">Excessive and Luxury Expenditure Policy</p>	<p>Board Approval: Oct 18, 2010 Last Revision: Dec, 2009 Dept Accountability: Board of Directors Individual Accountability: CFO</p>
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The expense policies at **GulfSouth Private Bank** are designed to provide principles for prudent spending across multiple expense types, while also allowing reasonable flexibility to accomplish business goals. These existing policies reasonably limit excessive or luxury expenditures.

The “Excessive or Luxury Expenditures Policy” applies to **GulfSouth Private Bank**, each of its branches and its lines of business (herein referred to as “Bank” or “GSPB” or the “corporation.”) and is intended to address:

- What the corporation may consider an excessive or luxury expenditure
- Pre-approval for any potential excessive or luxury expenditure when applicable
- What is a prohibited excessive or luxury expenditure
- Applicable reporting of excessive or luxury expenditures
- Mandatory results of non-compliance with this policy

The Excessive or Luxury Expenditures Policy is effective for all expenses or goods and services procured on or after August, 2009. Associates are required to read, understand, and adhere to this policy as it applies to every line of business. Failure to adhere to this policy could result in the associate not being reimbursed and could further result in disciplinary action up to and including termination.

For the purpose of this policy, excessive expenditures are those that the Bank would reasonably consider as beyond normal limits or lacking restraint for the normal course of the corporation’s business. As such, expenditure limits may differ between the lines of business.

Covered Expenditures:

This policy covers reasonable expenditures for

- Office or facility renovations
- Entertainment or events
- Aviation or other transportation services
- Other similar activities or events related to associate or business development, reasonable performance recognition, or other similar activities for which we provide reimbursement to associates in the normal course of the corporation’s business operations

Renovations:

Renovations of facilities and office spaces should be relative to the approved current budget and/or strategic plan, and tracked within the Bank's approved budget. An exception to this is allowed in the event management must deal with an emergency situation, such as an act of nature, and the expenditure is necessary to make the facility operational for either employee or customer use. At no time should renovations be considered that would have the appearance of being extraordinary, or excessive from a shareholder perspective.

Anything in excess or beyond reasonable variation of standard and not having senior management approval is considered "prohibited" and not acceptable for implementation. Examples include expenditures for specialty or antique furniture, customized finishes, and construction of non-standard office sizes or private restrooms.

Entertainment or Events:

GSPB utilizes entertainment and events to drive business and revenue growth, build shareholder value and help advance their community and philanthropic objectives. These activities are carefully and thoughtfully evaluated to ensure that they are primarily focused on legitimate business purposes and not on extraneous recreational or non-business activities. Locations, venues, activities, food selections and entertainment are determined based on (1) the revenue-generating potential of the event, (2) whether it is an appropriate use of company resources and (3) whether there are alternatives available that would maximize cost savings and benefits.

Conferences:

The Board encourages the staff to attend conferences that provide appropriate educational opportunities. These conferences should be related to the financial services industry and have a direct correlation to the employee's job. Typically these conferences are sponsored by vendors, banking associations, or other industry related entities. At times it may be acceptable that a spouse travels to these conferences with the Company employee or director. In the event a spouse travels to the event, the spouse's travel expenses will not be paid by the Company.

Holiday Parties:

The Board of Directors believes that a company-wide annual holiday party and a company-wide annual picnic are important in terms of employee appreciation and employee morale. Accordingly, this policy does not prohibit expenditures in conjunction with such events. However, such employee events must be local as neither overnight nor travel expenses will be paid by the Company and the expenses associated with such an event should not cost the Company more than approximately an average day's gross payroll. Other events, such as a company picnic or the occasional department party, should be just a fraction of that cost and deemed reasonable by any appropriate standard.

Other Activities:

All other activities or events that are not reasonable expenditures for staff development, performance incentives in accordance with written plans and policies or other similar expenditures incurred in the normal course of business must be approved by the CEO or the CFO.

Transportation Services:

Transportation for Company staff to outlying locations, including but not limited to schools, conferences, business development meetings, and merger and acquisition research, should be conducted in the most cost appropriate way for the Company. Any exceptions would only be for emergency reasons, and at no time would an emergency exception be considered as excessive.

Other:**Approval-Processes:**

Managers review and approve significant spending prior to payment request submission. Sampling of expenses submitted for payment or reimbursement are further reviewed centrally for reasonableness. Any sampled expense that appears to be excessive will be escalated to management for review and may be escalated further to senior management and could result in the payment not being made. Such items will be reviewed monthly by senior and risk management functions as needed. Any expenditure confirmed to be excessive, will be reported to the CEO, the CFO or other senior management as deemed appropriate.

Certification:

All expenses permitted under this policy shall be approved strictly in accordance with the Bank's Expense Authorization Policy. Any violations of either policy, in conjunction with the expenditures outlined in this Excessive or Luxury Expenditures Policy, will be reported to the Compensation Committee no more than 60 days from detection. On no less than an annual basis, all members of Senior Staff the Bank shall certify as to their understanding of and compliance with this policy. A copy of such certification is attached in Appendix A.

Reporting:

Each month, reporting will be compiled and reviewed for the following:

- Excessive or luxury expenditures that required and received prior approval
- Expenditures that reasonably appeared to be or were deemed to be excessive or luxury and did not receive prior approval
- Expenditures that were prohibited

Reporting will be reviewed by senior and risk management functions as needed. Any expenditure confirmed to be excessive or luxury will be forwarded to the CEO, the CFO and other senior officers as deemed appropriate.

Reporting of Violations:

Any individual who violates this Policy, or knows of any such violation by any other individual, must report the violation immediately to such individual's supervisor who shall then report the violation to the CEO or to the Chairman of the Board (if an alleged CEO violation). Any employee or director who engages in extravagant spending shall be subject to discipline up to and including termination of employment or removal from or omission of renomination to the Board.

Certification:

The CEO and the Chief Financial Officer of the Bank shall certify to the Board at least annually that the provisions of this Policy are being enforced and are sufficient to provide reasonable assurance that the Bank's expenditures for such purposes are not excessive.

Appendix A

Annual Senior Officer Certification

Policy: Excessive or Luxury Expenditures Policy

Date Originally Adopted Dec 29, 2009

This is to certify that I have read, understand and agree to comply with GulfSouth Private Bank's, Excessive or Luxury Expenditures Policy, adopted on Dec 29, 2009.

Print Name

Signature

Date