

BANKFIRST CAPITAL CORPORATION

(BankFirst Financial Services)

Excessive Expenditures Policy

Dated: September 10, 2009

As a participant in the Capital Purchase Program (the “CPP”) being administered by the United States Department of the Treasury (“Treasury”), BankFirst Capital Corporation (“BankFirst”) is adopting this Excessive Expenditures Policy (this “Policy”) pursuant to the requirements of the American Recovery and Reinvestment Act of 2009, as implemented by the Interim Final Rule published June 15, 2009, by Treasury. Once this Policy has been adopted, a copy of this Policy will be provided to Treasury and The Federal Reserve Bank of St. Louis, Missouri (FRB) and the text of this Policy will be posted on BankFirst Financial Services’ Internet website. Moreover, BankFirst Capital Corporation will maintain this Policy during the remainder of its CPP participation, and, in the event the Board of Directors adopts any material amendment to this Policy, within 90 days of such amendment BankFirst Capital Corporation will provide the amended policy to Treasury, the FRB, and the FDIC and will post the amended policy on BankFirst Financial Services’ Internet website.

I. INTRODUCTION

It is the overall policy of BankFirst to prohibit 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 BankFirst or BankFirst Financial Services’ business operations:

- Entertainment or events;
- Office and facility renovations;
- Aviation or other transportation services; and
- Other similar items, activities, or events for which BankFirst or BankFirst Financial Services may reasonably anticipate incurring expenses, or reimbursing an employee for incurring expenses.

This Policy is not intended to apply to *bona fide* business development or marketing expenditures, provided that the expenditure in question does not involve the conferring of a significant benefit on any employee or group of employees of BankFirst or BankFirst Financial Services.

The following policies and procedures shall govern such expenditures.

II. PROHIBITED EXPENDITURES

The following types or categories of expenditures are prohibited absent specific approval by Board of Directors:

- Entertainment, where the expenditure amount exceeds \$50,000.00 per item, activity, or event or per employee receiving the item or participating in the activity or event;
- Events or sponsorship of events, where the expenditure amount exceeds \$100,000.00 per item, activity, or event or per employee receiving the item or participating in the activity or event;
- Office or facility renovations, where the expenditure amount exceeds \$500,000.00 per item, activity, or event or per employee receiving the item or participating in the activity or event;
- Aviation services, where the expenditure amount exceeds \$25,000.00 per item, activity, or event or per employee receiving the item or participating in the activity or event;
- Other transportation services, where the expenditure amount exceeds \$25,000.00 per item, activity, or event or per employee receiving the item or participating in the activity or event; and
- All other, where the expenditure amount exceeds \$250,000.00 per item, activity, or event or per employee receiving the item or participating in the activity or event.

III. EXPENDITURES REQUIRING PRIOR APPROVAL

The following types or categories of expenditures require prior approval (in accordance with the procedures described in part III below):

- Entertainment, where the expenditure amount exceeds \$5,000.00 per item, activity, or event or per employee receiving the item or participating in the activity or event;
- Events or sponsorship of events, where the expenditure amount exceeds \$25,000.00 per item, activity, or event or per employee receiving the item or participating in the activity or event;
- Office or facility renovations, where the expenditure amount exceeds \$25,000.00 per item, activity, or event or per employee receiving the item or participating in the activity or event;
- Aviation services, where the expenditure amount exceeds \$5,000.00 per item, activity, or event or per employee receiving the item or participating in the activity or event;
- Other transportation services, where the expenditure amount exceeds \$5,000.00 per item, activity, or event or per employee receiving the item or participating in the activity or event; and
- Any other expenditure, where the expenditure amount exceeds \$5,000.00 per item, activity, or event or per employee receiving the item or participating in the activity or event.

IV. APPROVAL PROCEDURES

For expenditures requiring prior approval, such prior approval may be obtained by submitting a written request to the following person(s):

- Any expenditure requiring prior approval must be approved by the Chief Executive Officer and the Executive Vice President (CFO) of the BankFirst or any officer designated as an Executive Officer by the Board of Directors.
- Any expenditures greater than \$250,000.00 must be approved by the Board of Directors.

V. CEO AND CFO CERTIFICATION OF CERTAIN APPROVALS

With respect to each expenditure requiring prior approval under Part III or Part IV above, the CEO and the CFO will both certify in writing that the approval of such expenditure was properly obtained.

VI. PROMPT REPORTING OF, AND ACCOUNTABILITY FOR, VIOLATIONS

If any employee of BankFirst or BankFirst Financial Services becomes aware of a violation of this Policy, he or she must promptly report the violation to the Auditor. Upon receiving such a report, the Auditor must then conduct a discreet investigation, preliminary in nature, of the facts and circumstances giving rise to the allegation. If, after an appropriate investigation, the Auditor concludes there is a substantial likelihood that a violation has occurred, then the Auditor must submit to the Audit Committee of the Board of Directors a written report describing (i) the alleged violation, (ii) the Auditor's preliminary investigation into the allegation, and (iii) the reasons for the Auditor's conclusion that there is a substantial likelihood that a violation of this Policy has occurred. Upon receiving this written report, the Audit Committee will conduct a full inquiry into the facts and circumstances giving rise to the allegation.

If, after conducting a full inquiry into the facts and circumstances giving rise to the allegation, the Audit Committee determines that a violation of this Policy has occurred, the offending employee must be appropriately held accountable for the violation, in accordance with existing disciplinary policy.