



EXCESSIVE OR LUXURY EXPENDITURE POLICY

This policy fulfills the requirements under the American Recovery and Reinvestment Act of 2009 (ARRA) enacted February 17, 2009. ARRA requires each recipient of funds under the Capital Purchase Program (CPP) of the Troubled Assets Relief Program (TARP) to have in place a company-wide policy regarding excessive or luxury expenditures, as identified by the Secretary of the Department of the U.S Treasury.

Parke Bancorp, Inc. (Company) and its subsidiary, Parke Bank (Bank), prohibit excessive or luxury expenditures on entertainment and events, office or facility renovations, aviation or other transportation services or other activities or events that are not reasonable expenditures for conferences, staff development, reasonable performance incentives or other similar measure conducted in the normal course of business operations.

Renovations:

Renovations of facilities and office spaces should be relative to the approved current budget, and tracked within the capital expenditure policy of the Company. An exception to this can be allowed 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 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 Employee or Executive 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.

Our expectation is that all expenses incurred by the Bank would be for Company purposes, and used to drive business to the Bank. Occasional events such as taking customers or prospects on trips, playing golf, eating dinner, taking them to other events the customer/ prospect would find pleasurable is a necessary part of the Company's marketing efforts and is not deemed as "excessive" or "luxury" and a violation of this policy. These expenses will be reviewed by the CEO. The CEO's expenses will be reviewed by the Chairman of the Board.

Conferences:

We encourage our staff to attend conferences that are appropriate educational opportunities. These conferences should be related to the financial services industry and have a direct correlation to their job. At times it may be appropriate that a spouse travel to these conferences with Company attendees. Reporting of expenditures for spousal travel are covered in the Company's Expense Policy. Typically these conferences are sponsored by vendors, banking associations, or other industry related entities.

This Policy would exclude reward conferences, whether paid for by the Company or other vendors, as a violation of this policy if the purpose is meant to be a reward, or would have no

value of education to the employee or executive.

Employee Recognition/Holiday Parties:

We feel that employee recognition and holiday parties are part of an employee appreciation process. Holiday parties should be local in geographic nature, and would include costs for such things as service awards and nominal door prizes. An event should not cost the Company more than an average day's pay per employee.

Board/Management Retreats:

Board and Management Retreats should only be used for educational purposes, and should be looked at in the same view and discretion as all other expenses. Board education is a vital part of maintaining, and keeping a dynamic director base, and this policy should not limit the retreat that is focused on strategic planning or education.

Events and parties focused on customers for the purpose of attracting their business would not fall under this policy.

Aviation Services:

Transportation for Company staff to outlying locations, including bank locations, conferences, business development purposes and merger and acquisition research, should be conducted in the most cost appropriate way for the Company. The accounting department will maintain, when appropriate, an analysis of trips to determine which mode of transportation is the most appropriate for the Company. Modes of transportation to be used for the analysis, for example, may consist of vehicle, commercial air service and private air service. The selection of transportation service will factor in cost, efficiency and timeliness of travel.

REVIEW OF POLICY

The Board of Directors shall review this policy at least annually, making such changes and amendments as it deems appropriate.