

INDIANA BANK CORP.

Excessive and 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 Asset 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.

Indiana Bank Corp. prohibits 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 project, tracked within the capital expenditure policies of the Company and approved by the Board of Directors 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 in which an Employee or Executive uses 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 Bank of Indiana N.A. or the Company 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, or 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 "luxury" or a violation of this Policy. These expenses should be documented and detailed as to the benefit derived by the Bank through the normal accounts payable process. Events and parties focused on customers for the purpose of attracting their business would not fall under this policy.

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 the attending employees' job. At times it may be appropriate

for a spouse to travel to these conferences with Company attendees, although such travel by the spouse shall be the financial responsibility of the attendee and not the Company.

Employee Recognition/Holiday Parties:

We feel that employee recognition/holiday parties are part of an employee appreciation process. These events should be local in geographic nature, and may 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 payroll.

Board/Management Retreats

Retreats should only be used for educational or business planning purposes, and should be kept in consideration and 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 a retreat that is focused on strategic planning or education.

Aviation Services:

Transportation for Company staff to outlying locations, including conferences, business development purposes and mergers and acquisitions, should be conducted in the most cost appropriate way for the Company. Modes of transportation to be used may consist of vehicle, commercial air or rail service. The selection of transportation services should factor in the cost, efficiency and timeliness of travel. Private air services are not allowed without the prior approval of the Chairman of the Company's Board of Directors.