

**BANK OF THE OZARKS
AND
BANK OF THE OZARKS, INC.**

EXCESSIVE OR LUXURY EXPENDITURES POLICY

Effective July 21, 2009

EXCESSIVE OR LUXURY EXPENDITURES POLICY

It is the policy of Bank of the Ozarks, Inc. (the “Parent”) and its bank subsidiary, Bank of the Ozarks (the “Bank”) (collectively the “Company”) to adhere to the following principles and practices related to excessive or luxury expenditures.

It is the policy of Company that excessive or luxury expenditures, defined as expenditures that are not reasonable expenditures for staff development, performance incentives or other activities conducted in the normal course of Company’s business, shall be prohibited.

All expenditures by the Company must have a legitimate business purpose, follow a defined approval process, and be reasonable in nature and amount as determined by management or the board of directors as required herein.

In the normal course of business, the Company provides expense reimbursement to employees for business related expenses in reasonable amounts. To be reimbursed for such legitimate business expenses, the employee must comply with proper documentation requirements, approval processes and timing of reimbursements as set forth in the Company’s “**Expense Reimbursement Policy and Procedures**”.

This Excessive or Luxury Expenditures Policy is intended to strengthen and supplement existing policy and procedures and ensure compliance with United States Department of the Treasury standards regarding excessive or luxury expenditures.

I. Entertainment and Events.

Legitimate expenditures for entertainment and events may include, but are not limited to, the following:

- Investor relations trips, conferences and meetings.
- Annual shareholders meetings.
- Board of directors meetings, both on and offsite.
- Management or employee meetings called by appropriate Company personnel for legitimate business purposes.
- Conferences, schools, or other professional development activities.
- Training and staff development meetings to improve participants’ skills and/or their familiarity with the Company’s products or services, procedures and policies, and corporate values.
- Employee recognition programs to motivate and reward employees for achievement and/or productivity.
- Customer meetings or Company sponsored events to offer the Company’s products or services, obtain feedback, show appreciation to customers or for other legitimate business purposes.
- Company sponsored events, typically within local markets, that advance charitable or civic purposes where the Company can enhance its public image

while supporting the local community and fulfilling its obligation for good corporate citizenship.

- Employee meetings as a result of Company mergers and/or acquisitions.

All such expenditures must be for legitimate business purposes and reasonable in nature and amount. Expenditures in excess of \$1,000 must be approved in advance by a Division President or higher ranking officer. Expenditures in excess of \$2,500 must be approved in advance by the Chairman/Chief Executive Officer (“CEO”) or Vice Chairman/President/Chief Operating Officer (“COO”). Expenditures in excess of \$10,000 must be approved in advance by both the CEO and COO. Expenditures in excess of \$50,000 must be approved in advance by the Board of Directors.

The CEO and COO shall be responsible for implementing adequate controls to assure that all entertainment and/or event expenses paid by the Company are for legitimate business purposes, are reasonable in nature and amount and are not excessive. All entertainment and/or event expenses shall be properly documented. The more substantial the expenditure, the more thorough the documentation required. All expenditures above \$50,000 shall be supported by a written proposal identifying the specific business purpose or purposes and the anticipated benefits to the Company, which written proposal shall be submitted to the board of directors for approval before such expenditure is incurred. Any entertainment and/or event expense that does not serve a legitimate business purpose or is not reasonable in nature and amount shall not be approved under any circumstance.

II. Office and Facility Renovation.

Any office and facility renovation above \$50,000 must be supported by a written business proposal identifying the specific purpose for such renovation. Such purposes might include: improved customer service, enhanced operating or financial performance, remediation of unsafe or unsightly premises, updating worn or dated materials, etc.

The following approving authorities apply for approving an office and facility renovation expenditure before it is incurred:

<u>Expenditure</u>	<u>Approving Authority</u>
\$0 - \$1,000	Any Division or Market President
\$0 - \$25,000	EVP/Real Estate Acquisition and Development or SVP/Administrative Services
\$0 - \$50,000	CEO or COO
\$0 - \$250,000	CEO, COO and Chief Financial Officer combined
Over \$250,000	Board of Directors

III. Aviation or Other Transportation Services.

The Company does not own corporate aircraft or own fractional interest in corporate aircraft. The Company does not provide for everyday use either chauffeured automobiles or personal luxury vehicles.

- When traveling on Company business, air travel reservations should be made so as to secure the best available fare consistent with the reasonable time of travel and convenience requirements for the trip.
- All air travel must be coach class unless the duration of the trip and the working requirements of the employee or employees on the trip necessitate first class or business class travel. All expenditures for first class or business class travel must be approved in advance by the CEO or COO.
- From time to time, officer workload, scheduling or other circumstances may necessitate a chartered flight in lieu of a commercial flight. The surrounding circumstances requiring a chartered flight, including the estimated cost thereof, should be well-documented and approved in advance by the CEO or COO.
- When needed for Company business, Company personnel may, but are not required to, rent a vehicle if it is less expensive than other available modes of transportation such as taxis, limousines and airport/hotel shuttles or when travel requirements necessitate having the flexibility of a rental car. Whenever multiple employees are traveling together, every effort to ride share or carpool should be made.
- Company executive officers may contract for a chauffeured limousine when traveling on company business only if the requirements of the trip dictate such need and only with the prior approval of the CEO or COO.

IV. Other Activities or Events.

Other similar items, activities or events for which the Company may incur expenses, or reimburse an employee for incurring expenses, which are not specifically addressed elsewhere in this policy (e.g. performance incentives) shall be for legitimate business purposes and reasonable in nature and amount.

- Generally the Company does not grant performance incentives in the form of travel or entertainment. However, if granted, such performance incentives must not encourage or promote excessive or unnecessary risk-taking or manipulation of financial results. Any performance incentive granted in the form of travel or entertainment must be approved in advance by the CEO or the COO.

- All meetings or events attended by senior executives (as defined by applicable Treasury Department guidelines) and/or board members shall be devoted to specific business purposes and well-documented. Participating senior executives and board members shall be responsible for any expenses incurred for non-business related activities, and shall promptly reimburse Company for any such expenses if paid by Company.

Required Reporting

The process for approving and reporting expenditures covered by this policy, as well as the actual amount of expenditures incurred, may be subject to audit by the Company's internal audit staff to confirm policy compliance.

Any violations or departures from policy requirements shall be promptly reported to the CEO or COO, unless such violations or departures relate to the CEO or COO. Violations or departures from this policy by the CEO or COO should be promptly reported to the board of directors through either the Chief Financial Officer or any member of the audit committee.

The CEO and Chief Financial Officer shall certify, at least annually, that the approval of any expenditure under this policy requiring the prior approval of any senior executive officer, any executive officer of a substantially similar level of responsibility, or the Company's board of directors (or a committee of the board of directors) was properly obtained with respect to each such expenditure.