

VIRGINIA COMMUNITY CAPITAL (VCC) EXCESSIVE EXPENDITURES CONTROL POLICY

This policy fulfills the requirements outlined in Section 111 of the Emergency Economic Stabilization Act of 2008 (EESA), as amended by the American Recovery and Reinvestment Act of 2009 (ARRA) enacted on February 17, 2009. Under the interim final rule (31 CFR Part 30), 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. VCC received funding under the Community Development Capital Initiative (CDCI) program. This program was funded under the same rules and authorization of the Troubled Asset Relief Program (TARP) and thus all rules and requirements imposed by TARP also apply to CDCI recipients.

Virginia Community Capital (VCC) and its subsidiary, Community Capital Bank of Virginia (CCB), 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 measures conducted in the normal course of business operations of the Bank. This policy applies to all employees, officers and directors of VCC and its subsidiary, CCB.

Renovations

Renovations of facilities and office spaces should be relative to the approved current budget and/or strategic plan. 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.

Entertainment

Entertainment is defined as an activity that an employee, officer or director would use corporate funds for business development purposes relating to a current customer(s) or prospective customer(s) or to further enhance the Company's marketing efforts.

Our expectation is that all expenses ultimately paid by the Company would be for company purposes, and used to steer and/or increase 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 "entertainment" or a violation of this policy. These expenses should be documented and detailed as to the benefit derived by the Bank.

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

Conferences

The Board encourages our 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.

Employee Recognition/Holiday Parties

The Board of Directors believes that employee recognition/holiday parties 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.

Board/Management Retreats

Board retreats may only be used for educational purposes with the corresponding expenses deemed reasonable by any standard. It is recognized that Board education is a vital part of attracting and maintaining a dynamic director base, and this policy does not prohibit a retreat that is focused on strategic planning or board education.

Aviation 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. Modes of transportation to be used for such analysis, for example may consist of vehicle, train, or commercial air service. The use of private air services is prohibited. A determination of transportation analysis will factor in cost, efficiency and timeliness of travel.

Violations of Policy

Violations of this policy will lead to disciplinary action, up to and including immediate termination of employment.

Administration

The CFO is responsible for the day-to-day administration of this policy, and the CEO is accountable for overall adherence to this policy and must approve any exceptions. Strict adherence to this policy is mandated for all Company employees. Violations of this policy shall be promptly reported to the Board of Directors.

This policy and any amendments hereto, shall be posted on the Company's Internet website at www.vacommunitycapital.org and provided to the U.S. Department of the Treasury and the Federal Reserve.