

FFW CORPORATION
EXCESSIVE OR LUXURY EXPENDITURE POLICY

ADOPTED: AUGUST 25, 2009

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.

FFW Corporation (Company) and its subsidiary, Crossroads 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 measures conducted in the normal course of business operations.

Renovations:

Renovations of facilities and office spaces should be relative to the approved project and current profit plan 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(s) or prospective customer(s) or to further enhance the Company's marketing efforts.

Our policy is that all expenses incurred to 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, 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 their job. At times it may be appropriate that a spouse would travel to these conferences with Company attendees. Typically, these conferences are sponsored by vendors, banking associations, or other industry related entities.

Employee Recognition/Holiday Parties:

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

Board/Management Retreats:

Retreats shall 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 bank locations, conferences, business development purposes and merger acquisition research, 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 will factor in cost, efficiency and timeliness of travel.

Administration:

The CFO, or Controller in the absence of a 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 and provided to the U.S. Department of the Treasury and the Office of Thrift Supervision.