

UNITED COMMUNITY BANKS, INC.
EXCESSIVE OR LUXURY EXPENDITURES POLICY

I. PURPOSE

This Excessive Or Luxury Expenditures Policy (“Policy”) is intended to fulfill the requirements of Section 111 of the Emergency Economic Stabilization Act of 2008 (the “EESA”), as amended by the American Recovery and Reinvestment Act of 2009 and as implemented by the interim final rules (“Rules”) promulgated by the Department of the U.S. Treasury (“Treasury”).

This Policy prohibits excessive or luxury expenditures on entertainment or events, office and facility renovations, aviation or other transportation services, and other similar items, activities or events that are not reasonable expenditures for staff development, reasonable performance incentives or other similar reasonable measures conducted in the normal course of United Community Banks (“Company”) business operations. All employees and directors of the Company and its subsidiaries are required to comply with and adhere to this Policy.

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 outlined in the Company’s existing policies as well 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, employees must comply with proper documentation requirements, approval processes and timing of those reimbursement requirements.

This Policy is intended to strengthen and supplement the Company’s existing policy and procedures and ensure compliance with Treasury standards regarding excessive or luxury expenditures.

II. GENERAL POLICY

It continues to be the policy of the Company that all employees and directors of the Company and its subsidiaries utilize corporate assets in a prudent manner and are hereby precluded from engaging in excessive or luxury expenditures.

III. TYPES OF EXCESSIVE OR LUXURY EXPENDITURES

Excessive or luxury expenditures can occur in the following areas:

- entertainment or events;
- office and facility renovations;
- aviation or other transportation services; and
- other similar items, activities or events for which the Company may incur expenses or for which the Company may reimburse an employee that are conducted in the normal course of its business.

Entertainment or Events

Entertainment

Entertainment of current customers, prospective customers or other persons can further the Company's marketing efforts and business development. The expectation is that all expenses incurred on behalf of the Company would be for Company purposes and/or used for business development purposes for the Company. Occasional events such as taking customers or prospects on trips, playing golf, eating dinner and taking customers or prospects to other events the customer/prospect would find pleasurable is a necessary part of the Company's marketing efforts and is not deemed a violation of this Policy. These expenses should be documented and detailed as to the benefit derived by the Company.

Events

All proposed events, including meetings, conferences, holiday parties, conventions and retreats which are organized by the Company or for which the Company may reimburse an employee or director must serve one or more legitimate business purposes. Legitimate business purposes include, but are not limited to, appropriate educational opportunities, associate appreciation events, and strategic and other planning purposes.

The Company encourages its employees to attend conferences, schools or other professional development activities. These conferences should be related to the financial services industry and have a direct correlation to their jobs. At times it may be appropriate that a spouse travel to these conferences with Company attendees. Typically these conferences are sponsored by vendors, banking associations, or other industry related entities.

All such expenditures for entertainment or events must be for legitimate business purposes and reasonable in nature and amount and shall be supported in writing

identifying the specific business purpose or purposes and the anticipated benefits to the Company. Expenditures in excess of \$25,000 must be approved in advance by an Executive Vice President (“EVP”) of the Company or the Chief Executive Officer (“CEO”).

The Chief Financial Officer (“CFO”) 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.

Office and Facility Renovations

Renovations of facilities and office spaces should be relative to the current or strategic and operational plans for 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 performed that would have the appearance of being extraordinary, excessive or not in keeping with the typical offices or facilities of the Company. Expenditures in excess of \$250,000 must be approved by the CEO and CFO. Expenditures in excess of \$5,000,000 must be approved the CEO, CFO and the Board of Directors.

Aviation or Other Transportation Services

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 unless the duration of the trip and the working requirements of the trip necessitate first class or business class travel. All expenditures for first class or business class travel must be approved in advance by an EVP or the CEO. 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 an EVP or the CEO. When needed for Company business, Company personnel may, but are not required to, rent a vehicle if it is less expense than other available modes of transportation such as taxis, limousines and airport/hotel shuttles or when travel requirements necessitates having the flexibility of a car. Whenever multiple employees are traveling together, every effort to share a ride or carpool should be made.

Other Similar Expenditures

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 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. All incentive programs, including any performance incentive granted in the form of travel or entertainment must be approved in advance by an EVP or the CEO.
- All meetings or events attended by employees and/or directors shall be devoted to specific business purposes and well-documented and shall be covered by the Policy provisions described under “Entertainment or Events” above. Participating employees and directors shall be responsible for any expense incurred for non-business related activities, and shall promptly reimburse the Company for any such expenses if paid by the Company.

IV CERTIFICATIONS

The CFO shall certify to the Audit Committee of the Board of Directors at least annually in conjunction with Sarbanes Oxley that the provisions of this Policy are being enforced and are sufficient to provide reasonable assurance that the Company’s expenditures for such purposes are not excessive.

In addition, the Company’s CEO and CFO shall annually certify that the Company’s employees have complied with this Policy during the preceding fiscal year and that any expenses requiring the approval of the Company’s Board of Directors, Audit Committee of the Board of Directors, or an EVP with a similar level of responsibility, were properly approved. The annual certifications shall be provided to the Treasury and shall be filed as part of Exhibit 99.1 to the Company’s annual report on Form 10-K within the timeframe set forth in the Rules.

V. REPORTING

Employees and directors shall promptly report any known or suspected violations of this Policy to the Ethics-Point service on United's internal website under the Confidential Reporting tab, which allows anonymous reporting or to the General Auditor at (706) 781-2265.

Reported violations will be reviewed and investigated under the direction and oversight of the General Auditor. The Audit Committee will oversee an appropriate response, including corrective action and preventative measures, and will notify the Company's CEO and CFO so that those officers may make appropriate disclosure regarding compliance with this Policy.

VI. ACCOUNTABILITY

All employees and directors of the Company are required to comply with and adhere to this Policy. An individual who violates any provision of this Policy will face appropriate, case-specific disciplinary action.

Approved by the BOARD OF DIRECTORS,

UNITED COMMUNITY BANKS, INC.