

MEMBER CONDUCT AND LIMITATION OF SERVICES POLICY

PURPOSE

The purpose of this Member Conduct and Limitation of Services Policy ("Policy") is to protect the employees and members of Park Community Credit Union, Inc. ("PCCU") from abusive, un-business-like, belligerent or abusive members or other persons. This Policy also establishes limitations and restrictions of services to members who are not in good standing with the credit union.

SCOPE

This Policy shall extend to any member "not in good standing" who seeks member services directly or indirectly through a PCCU account, any person who has access to PCCU services directly or indirectly through a member or a person's conduct through the shared-branching network.

DEFINITIONS

The following definitions apply to the terms used in this Policy.

The term "**abusive person**" shall include any member of the credit union who engages in any type of abusive, belligerent or un-businesslike language, behavior or conduct on credit union property or directed toward a credit union employee, official or officer while in the performance of his or her duties for the credit union.

The term "**abusive conduct**," includes but is not limited to the following:

- Any conduct, language, behavior or other action directed toward the credit union or a credit union employee, officer or official while in the performance of his or her duties for the credit union that is abusive, belligerent or un-businesslike;
- Any type of harassment, including age, sexual, ethnic, or racial harassment directed toward any credit union employee, official or officer or a fellow member while on credit union premises;
- Engaging in sexual conduct or making sexual overtures directed toward any credit union employee, official or officer or fellow member while on credit union premises;
- Making sexual flirtations, advances or propositions directed toward any credit union employee, official or officer or a fellow member while on credit union premises;
- Engaging in verbal abuse of a sexual, racial or ethnic nature directed toward any credit union employee, official or officer or a fellow member while on credit union premises;
- Making graphic or degrading comments about an individual based upon his or her appearance and directed toward any credit union employee, official or officer or fellow member while on credit union premises;
- Engaging in offensive or abusive physical contact directed toward any credit union employee, official or officer or fellow member while on credit union premises;
- Making false, vicious, or malicious statements about any credit union employee, official or officer or the credit union and its services, operations, policies, practices or management;

- Using profane, abusive, intimidating or threatening language toward credit union employees, officials or officers or fellow members while on credit union premises;
- Making or suggesting threats of bodily harm or property damage to an employee, official or officer of the credit union or the family members of those individuals;
- Attempting to coerce or interfere with credit union employees, officials or officers in the performance of their duties at any time;
- Conducting or attempting to conduct or engage in any fraudulent, dishonest or deceptive activity of any kind involving credit union employees, officials or officers or credit union services;
- Engaging in any unauthorized posting, defacing or removing notices or signs on credit union premises;
- Misappropriating credit union funds, property or other material proprietary to the credit union;
- Deliberate or repeated violations of security procedures or safety rules;
- Possession, use or being under the influence of drugs or alcoholic substances on credit union premises; or
- Fighting or possession of weapons of any kind on credit union premises except for on-duty law enforcement officers or security officers.

A member is “**not in good standing**” with the credit union if any of the following apply:

- The member fails to comply with the terms and conditions of any lawful obligation with the credit union and causes the credit union to suffer a financial loss;
- The member is delinquent on any credit union loan;
- The member has an overdrawn savings or deposit account;
- The member manipulates or otherwise uses credit union services or products in the furtherance of an illegal purpose;
- The member manipulates or otherwise abuses credit union services or products to the detriment of the credit union’s membership; or
- The member engages in abusive, belligerent or unbusiness-like conduct or otherwise injures any person or damages any property while on credit union premises, at any credit union function, or while using any shared branching network services.

The term “**member service**” includes any products or services now or hereafter provided by or sponsored by PCCU or otherwise made available to PCCU members. These services include, but are not limited to, loans or other extensions of credit, share accounts, ATM services, home banking services, telephone banking services and other electronic banking services.

The term “**financial loss**” occurs when the credit union writes off as uncollectible any monies which the member owes to the credit union. For loans, the term “financial loss” is defined as the principal amount of any monies owed and written off as uncollectible. The amount of the pecuniary loss does not include interest and expenses. For shares, the term “financial loss” is defined as the negative balance in the share account written off as uncollectible. A “financial loss” may not be attributed to a member if the loss is attributable to a case of identity theft, account takeover or fraud.

DETERMINATION OF WHETHER MEMBER IS IN GOOD STANDING

The determination of whether a member is not in good standing with PCCU is delegated by the Board of Directors to PCCU's President/CEO, Sr. Vice President of Retail Operations or Sr. Vice President of Support Operations. Member services may be limited to any member deemed to be not in good standing and that member will be reported to the Board of Directors at the next regularly scheduled Board of Directors meeting.

LIMITATION OF MEMBER SERVICES

Upon the approval of the President/CEO, the Sr. Vice President of Retail Operations or the Sr. Vice President of Support Operations, PCCU may take action to limit the services provided to and available to a member not in good standing, including any one or more of the actions listed below, other than the right to maintain a share account and the right to vote an annual and special meetings of the members:

- Denial of any credit union products and services.
- Denial of services which involve personal contact with credit union employees.
- Denial of access to credit union premises.
- Preclusion from access to the shared-branching network, revoking or limiting any shared branching privileges.
- Taking other action deemed necessary under the circumstances that is not expressly precluded by account contract and member service agreement provisions, the credit union's bylaws, and any state or federal law including, but not limited to, Chapter 286.6 of the Kentucky Revised Statutes, the Federal Credit Union Act, NCUA Rules and Regulations, and the Equal Credit Opportunity Act.

In addition to the actions listed above, the credit union reserves the right to move for expulsion of a member not in good standing in accordance with the credit union's bylaws and applicable state and federal law.

The limitations provided in this Policy shall not prohibit members from exercising their rights under federal or state law.

REPORTING TO AUTHORITIES

Threats of any nature will be reported to the local, state and federal authorities and any order obtained to protect the credit union premises, members, employees, officials and officers.

NOTICE OF MEMBER SERVICES LIMITED

The credit union will notify the member by mail to the address on the credit union's files of any limitations of services pursuant to this Policy and the basis for the limitation ten (10) calendar days before imposing said limitations. In the event of suspected or ongoing fraud, negative balance or loss, the member's account may be immediately frozen and/or terminated and then notification given.

Upon receipt of the notice, the member should immediately take action to alter his or her finances (direct deposit, bill pay, etc.) to avoid disruption. The credit union is not responsible for the return or refusal of any transaction as a result of the limitations of service.

MEMBER EXPULSION AND WITHDRAWAL

Unless otherwise required by state or federal law, a member of the credit union may be expelled at any regularly called meeting by a two-thirds (2/3) vote of the members present at that meeting for cause and after hearing.

A member may withdraw from a credit union by filing a written notice of such intention.

All amounts paid in on shares of an expelled or withdrawing member, with any dividends credited to his shares to the date of expulsion or withdrawal, shall be paid to such member in the order of expulsion or withdrawal and only as funds therefor become available, after deducting any amounts due to the credit union by such member. Such member, when withdrawing shares or deposits, shall have no further right in the credit union or to any of its benefits, but such expulsion or withdrawal shall not operate to relieve him from any remaining liability to the credit union.

REINSTATEMENT OF SERVICES

The President/CEO, Sr. Vice President of Retail Operations or Sr. Vice President of Support Operations may reinstate services of a member if the credit union has been provided with information that reasonably assures the credit union that abusive or threatening incidents were isolated, resolved and are not likely to occur in the future or if a member who has caused the credit union a pecuniary loss arranges for repayment (as settlement).

APPLICABILITY AND EFFECT OF POLICY

This Policy shall take effect immediately upon its adoption by the Board of Directors.