

Section:	Adopted: 09/29/2023
Subject: Member Expulsion Policy	Reviewed:

This policy outlines the various actions, up to and including expulsion from membership, which Greenwood Municipal Federal Credit Union may take in response to behavior that is illegal, threatening, abusive, or otherwise disruptive to Credit Union operations and/or any activity that causes a financial loss, is associated with fraud, and/or increased reputational or regulatory compliance risk to the Credit Union.

Any suspension or limitation of service is subject to the discretion of appropriate management personnel.

This policy is not enacted to restrict the rights of membership, but rather to address certain unacceptable conduct and protect the Credit Union's members, employees, and property.

All members are entitled to maintain a single share (defined as the par value share or membership share) in the Credit Union and are eligible to attend, participate and vote at the annual and special meetings of the members and maintain a share account. No other access to products, services, or facilities is a right of membership. All such access may be reduced or limited at the discretion of the Credit Union.

- A. **MEMBER IN GOOD STANDING.** A member in good standing is a member who:
- Maintains at least their minimum share, as defined within the Credit Union's bylaws;
 - Has not had any account with the Credit Union closed due to abuse or negligent behavior;
 - Has not caused a financial loss to the Credit Union;
 - Has not engaged in violent, belligerent, disruptive, or abusive activities such as:
 - Violence, intimidation, threats, harassment, or physical or verbal abuse of duly elected or appointed officials or employees of the Credit Union, members, or agents of the Credit Union. This includes actions while on Credit Union premises and through use of telephone, mail, email or other electronic method;
 - Causes or threatens damage to Credit Union property;
 - Unauthorized use or access of Credit Union property;
 - Knowingly disseminating incorrect, misleading, confidential, or proprietary information regarding the Credit Union; or
 - Any actions that may cause material risk or financial harm to the Credit Union.
- B. **EXPULSION.** Any member not in good standing may be expelled by the Credit Union.
- C. **EXPULSION BASED ON LOSS.** A member who has caused the Credit Union a loss but has indicated to the Credit Union an intent to repay that loss in a manner that is acceptable to the Credit Union (in the discretion of management), and who is in fact following through with repayment arrangements, will not be expelled. The Credit Union CEO, VP of Operations, VP of Finance, VP of Lending, and VP of Compliance will periodically determine which members satisfy the foregoing expulsion criteria.
- D. **LIMITING SERVICES.** The Credit Union may limit services for any member that is not in good standing. For violent, belligerent, disruptive, or abusive activities, the Credit Union will limit

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services when there is a logical relationship between the activities and the services to be suspended. For example,

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if a member is verbally or physically abusive to a Credit Union employee or other members, the Credit Union may refuse to permit the member onto the Credit Union premises and/or may further restrict the availability of certain services to limit personal contact with Credit Union employees or members.

Whether violent, belligerent, disruptive, or abusive activities has occurred will be determined in the sole discretion of the Credit Union and Credit Union's Management. The Credit Union will notify the member what accounts or services have been limited.

E. MEMBERS LIABILITY. Expelled members shall continue to be liable to the Credit Union for any outstanding amounts owed to the Credit Union.

F. NOTIFICATION TO MEMBERS OF EXPULSION POLICY. At least thirty days prior to the effective date, the Credit Union will electronically deliver notice to each member by posting this policy on the Credit Union's web site. New members will be provided written notice of this policy prior to or upon applying for membership by posting this policy on the Credit Union's web site.

Expulsion Procedures

The Board of Directors delegates authority to management officials of the Credit Union to conduct a member expulsion when deemed appropriate for a member not in good standing. Management officials include the CEO, VP of Operations, VP of Finance, VP of Lending and VP of Compliance. In the event a member does not meet the criteria to be in good standing, a member of management official may expel the member in accordance with the following procedures:

- 1) The Credit Union will apply any member shares available to cover any losses if legally permissible;
- 2) Any shares remaining, after the Credit Union exercises its right to apply shares to amounts due, will be sent to the member.

Appeals for Reinstatement

A member expelled by management may, within 30 days after the expulsion, seek reinstatement by appealing the action in writing to the Board of Directors of the Credit Union. If appealed,

- 1) The matter of reinstatement will be placed on the agenda for the next regularly or specially scheduled meeting of the Board of Directors;
- 2) The Board may affirm, disaffirm, or modify the action taken by management official.
- 3) The Board's decision is final.

Effective Date of Expulsion Policy. This policy will become effective thirty (30) days after the policy is provided to the current membership.

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