

**THE CODE
OF GOOD PRACTICES AND OPERATING PRINCIPLES
OF COOPERATIVE SAVINGS AND CREDIT UNIONS (CREDIT UNIONS)
and
The Canon of Financial Market’s Good Practices**

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The Code

Introduction

The Polish system of cooperative savings and credit unions (hereinafter referred to as the credit union system) has collected hereby, in a single document, all its fundamental values – ethical standards of the credit union system, a set of credit unions' duties towards their membership and local communities, operating principles and rules of good management, all of them professing the philosophy and principles of the credit union system.

The document is binding on all institutions and organizations of the credit union system. The credit union system in Poland is composed of cooperative savings and credit unions (hereinafter referred to as credit unions), the National Association of Cooperative Savings and Credit Unions (National Association, NACSCU), Foundation for Polish Credit Unions, College of Finance and Business Administration of Gdańsk and all other entities cooperating with the credit union system, in particular those directly or indirectly bound by capital ties with the National Association, including:

- Credit Union Financial Society, joint stock company,
- Credit Union Mutual Insurance Society,
- Credit Union Life Insurance Society, joint stock company,
- Credit Union Investment Fund Society, joint stock company,
- Asekuracja, limited liability company,
- H & S, limited liability company,
- Cooperative Consumer Arbitration,
- Arbitration Panel of Fellow-Members.

All institutions of the credit union system, their representatives and staff should be familiar with the document, which should be applied by them.

The fundamental values of the credit union system include:

- integrity,
- building up mutual trust,
- guidance of prudence,
- care for fate of credit union membership,
- instigation of citizen attitudes in members,

- responsibility for common affairs,
- thrift,
- care for development and improvement of credit union system,
- cooperation between institutions of the credit union system.

It is in the above mentioned values that the rules formulated as the Code of Good Practices and Operating Principles of Cooperative Savings and Credit Unions have their origin.

Part I

Operating Principles of the Credit Union System

The operation of credit unions is based on the below described universal International Operating Principles of Credit Unions, the Statement on the Cooperative Identity promulgated by the International Cooperative Alliance, the Canon of Financial Market's Good Practices and the Code of Good Practices and Operating Principles of Cooperative Savings and Credit Unions, at the same time invoking Christian values and historical experience of Poland's financial self-assistance movement.

Chapter I – International Credit Union Operating Principles

1. Democratic structure
 - Open and voluntary membership
 - Democratic control
 - Non-discrimination
2. Service to members:
 - Distribution to members
 - Building financial stability
 - Service to members
3. Social goals
 - On-going education
 - Cooperation among cooperatives
 - Social responsibility

The International Credit Union Operating Principles are founded in the philosophy of co-operation and its central values of equality, equity and mutual self-help. Recognizing the

varied practices in the implementation of credit union philosophy around the world, at the heart of these principles is the concept of human development and the brotherhood of man expressed through people working together to achieve a better life for themselves and their community.

1. Democratic Structure

Open and Voluntary Membership

Membership in a credit union is voluntary and open to all within the accepted common bond of association that can make use of its services and are willing to accept the corresponding responsibilities.

Democratic Control

Credit union members enjoy equal rights to vote (one member, one vote) and participate in decisions affecting the credit union, without regard to the amount of savings or deposits or the volume of business. Voting in credit union support organizations or associations may be proportional or representational, in keeping with democratic principles. The credit union is autonomous, within the framework of law and regulation, recognizing the credit union as a cooperative enterprise serving and controlled by its members.

Non-discrimination

Credit unions are non-discriminatory on all grounds, including but not limited to race, orientation, nationality, sex, religion, and politics.

2. Service to Members

Distribution to Members

To encourage thrift through savings and thus to provide loans and other services, a fair rate of interest is paid on savings and deposits, within the capability of the credit union. The surplus arising out of the operations of the credit union after covering the cost of finance, operating costs, provisions for loan losses and ensuring appropriate capital reserve levels, belongs to and benefits all members with no member or group of members benefiting to the detriment of others. This surplus may be distributed among members in proportion to their transactions with the credit union as dividends on shares, or directed to improved or additional services required by the members.

Building Financial Stability

A prime concern of the credit union is to build the financial strength, including adequate reserves and internal controls that will ensure continued service to membership.

Service to Members

Credit unions services are directed to improve the economic and social well-being of all members.

3. Social Goals

On-Going Education

Credit unions actively promote the education of their members, officers, and employees, along with the public in general, in the economic, social, democratic, and mutual self-help principles of credit unions. The promotion of thrift and the wise use of credit, as well as education on the rights and responsibilities of members are essential to the dual social and economic character of credit unions in serving member needs.

Cooperation among Cooperatives

In keeping with their philosophy and the pooling practices of cooperatives, credit unions within their capability actively cooperate with other credit unions, cooperatives and their associations at local, national, and international levels in order to best serve the interests of their members and their communities.

Social Responsibility

Continuing the ideals and beliefs of the cooperative pioneers, credit unions seek to bring about human and social development. Their vision of social justice extends both to the individual members and to the larger community in which they work and reside. The credit union ideal is to extend service to all who need and can use it. Every person is either a member or a potential member and appropriately part of the credit union sphere of interest and concern. Decisions should be taken with full regard for the interest of the broader community within which the credit union and its members reside.

Chapter II – Ethical Rules of the Credit Union System

1. In their activities, all participants of the credit union system should be guided by:
 - the rule of lawful activity, “in the spirit of the law”,
 - the rule of honesty and justice,
 - the rule of mutual cooperation and joint actions,
 - the rule of counteracting all forms of discrimination.
2. While cooperating with one another, participants of the credit union system should aim at development and consolidation of the climate of mutual respect and trust in mutual relations, in relations with both credit union membership and the society as a whole, the local community in particular.
3. Participants of the credit union system should act honestly and prudently, respecting fair interest of their members or clients, without abusing the position of the participants resulting from the resources held, including the qualifications and knowledge of persons acting in their name.

4. Participants of the credit union system should take up actions aimed at enrichment and improvement of the quality of life of all the society, and as regards credit unions - take special account of local communities within which they operate, comprehensive development of people, broadly termed education and improvement of social relations, and should provide a feeling of safety and social stability within the local community.
5. The services provided by institutions of the credit union system should be ones of the highest quality and should be rendered in good faith and with due diligence.
6. Credit unions should:
 - a) be ready to assist credit union members struggling with financial problems,
 - b) encourage members to save and thus set a good example to the whole society,
 - c) educate and build up “financial awareness” of their members and staff,
 - d) promote the idea of credit union membership among all citizens of the Republic of Poland,
 - e) be guided, in any circumstances, by the best meant good of credit union members, serve them and their families in accordance with the idea of self-assistance and social solidarity.
7. In their local communities credit unions should become institutions in which traits of modern financial institutions are combined with the idea of democracy and self-governing society, and they should teach responsibility and thrift.
8. Credit unions, as public credibility institutions, should be guided in their operation by rules of law, resolutions of the National Association, provisions of this Code and good customs.

Part II

Duties of Credit Unions towards their Members and Social Environment

Chapter I – General Provisions

Credit union members together with their families, members of local communities, as well as members of broadly termed society are all those directly or indirectly concerned by credit union operation. Within each of the groups specific relations are formed. Duties stemming from the relations have been presented below.

Chapter II – Duties of Credit Unions towards their Members

1. In relations with their members credit union should act taking into account the special trust they enjoy and the extremely high expectations regarding their integrity, diligence and responsibility.
2. Credit unions should take up actions aimed at creation and consolidation of the feeling of credit union affinity among their members and should encourage new persons to enter into credit union membership.

3. Creation of the feeling of affinity should be manifested in credit unions encouraging and making it possible to all members to take active part in democratic elections of credit union bodies and to run for positions in the elected credit union bodies.
4. In addition, credit unions should make it possible to their members to get accurate and relevant information about credit union operation, financial standing of the credit union in particular.
5. Credit unions shall be striving towards making their members aware of the need to protect themselves against excessive financial risk, take up relevant actions aimed at reduction of the jeopardy of members' insolvency should the latter become credit union's borrowers and advise credit union members on matters of personal finance management.
6. Credit unions shall respect privacy and dignity of their members and shall keep secret personal and financial data regarding credit union members, save for the instances where the law provides otherwise.
7. In their operation credit unions shall act fairly and with due diligence and shall ensure that the persons acting in their name should have relevant professional qualifications and manifest proper ethical attitudes.
8. Credit unions shall operate observing the rules of consumer protection and fair competition.
9. Uniform, reasonably justified criteria shall be applied by credit unions towards their members, which criteria – when applied to individual members – may differentiate the credit unions' offer or scope of rendered services depending on the standing of the member/group of members, the fact, however, not rendering it impossible to negotiate terms of concluded contracts on an individual basis.

Chapter III – Mutual Duties of Credit Unions

1. The credit unions' own interest should be always put on par by them with the interest of the credit union system, the spirit of cooperation and democracy being developed through the credit unions':
 - a) participation in activities and programmes aimed at integration of Poland's credit union system, and independent promotion of the credit union system's unity, internal diversity of the system being respected at the same time,
 - b) care for credit unions' own promotion and promotion of the national credit union system, protection of interest and good name of all credit unions, actions aimed at achievement of common results by the credit union system as a whole,
 - c) guidance by rules of community solidarity and loyalty, and – where necessary – actions taken to protect members of another credit union that has got into financial troubles,
 - d) conducting advertising campaigns, with special stress put on affinity to the credit union system, interests of other financial institutions not being violated, their soundness not being questioned nor the operation of the institutions being judged.
2. Rivalry among credit unions should be based on rules of fair competition and justice, principles set up by this Code being observed.

Chapter IV – Duties of Credit Unions towards Institutions of the Credit Union System and Other Participants of the Financial Market

1. The fundamental rule of management within the credit union system is the rule of democracy. Considering the said, credit unions should respect and yield themselves to the results of processes of democratic management.
2. Credit unions should support institutions of the credit union system in their activities aimed at development of the system and improvement of credit unions' competitive advantage in the market.
3. Credit unions should counteract negative impact of particular interests on effectiveness and efficiency of operation of credit union system institutions.
4. Credit unions are expected to communicate to institutions of the credit union system, in a clear and comprehensible way, their own preferences regarding, in particular, directions of credit union system's development, demand for new services or products and doubts concerning functionality of services or products already implemented, as well as make any other proposals and remarks regarding operation of the credit union system.
5. Credit unions should cooperate with institutions of the credit union system and support them in all their actions and on all their planes of operation where possible, so that the goals set forth for the credit union system as a whole could be achieved.
6. In their relations with other participants of the financial market credit unions shall be guided by good commercial practice, rules of fair competition being observed, and where disputes have occurred shall be striving towards amicable settlement of those.

Chapter V – Duties of Credit Unions Resulting from Employment Relationships

Section 1. Duties of Credit Union Management towards Employees

1. Credit union management shall take care for development of proper relations with the staff and shall pursue transparent internal information policy within the credit union, consisting, in particular, in:
 - a) the staff being informed on:
 - the credit union's objectives and directions of development,
 - current standing of the credit union, in particular where the standing can directly translate into situation of the staff,
 - prospects for professional development;
 - b) the staff being consulted on matters that can be of importance to the employees.
2. The management of the credit union shall pay respect and friendliness towards the staff and implement a system of incentives to motivate them.
3. The credit union management shall create a professional, safe and motivating working environment and shall follow the rule of equal opportunities in relation to the staff.
4. The credit union management should be honest towards the staff and prefer the principle of cooperation.

5. The management of the credit union shall require from their staff observance of law and provisions of this Code, actions consistent with professional ethics and loyalty.

Section 2. Duties of the Staff towards Management of the Credit Union

1. The staff shall respect the trust shown to them and keep secret any information owned to them in connection with performance of professional duties or at the occasion of the duties being performed, as well as any information that has been passed to them as confidential.
2. The staff shall be loyal to the credit union and the credit union system and shall act in its best interest, as well as in the interest of the people and institutions making up the system.
3. When performing their duties, the staff shall act honestly, cooperate with the management, observe rules of law and principles of professional ethics.
4. The staff shall broaden their knowledge, improve professional qualifications and care for personal culture.

Chapter VI – Duties of Credit Unions in Relations with Agencies of Public Administration or Local Government and Other Organizations, Institutions and Representatives of Local Community

1. Relations of credit unions with agencies of public administration or local government as well as other organizations, institutions and representatives of local community (hereinafter referred to as third parties) shall be characterized by high level of professionalism and shall contribute to development of positive relationships and constructive cooperation.
2. In their relations with third parties, credit unions should prefer open and sincere communication and develop and maintain the image of the credit union system as a reliable and financially stable one, stressing safety of the resources deposited with the credit unions by their members.
3. When dealing with third parties, credit unions should demonstrate specialist knowledge about the credit union system and the market in which they operate.

Part III

Operating Principles of Credit Unions

Chapter I – General Provisions

The setting up of operating principles of credit unions (hereinafter referred to as the principles) is aimed at development and consolidation of good relations between credit unions and their members and promotion of fair treatment of credit union membership, in compliance with standards of disclosing information and actions which the credit unions are obliged to observe in their contacts with the members.

Each credit union shall take every effort to make its staff duly acquainted with the principles that have connection with the duties performed by them, and with the procedures that are applied to resolve disputes between the credit union and the member.

Chapter II – Rules Concerning Credit Union Membership

1. The credit union shall take efforts to explain to the potential credit union member, in a clear and comprehensive way, the terms on which the latter can enter into credit union membership, the circumstances in which the membership can be lost and the consequences entailed by the fact, and the rights and duties of a credit union member.
2. Current articles of the credit union shall be made available to each credit union member, free of charge.
3. An active information policy should be pursued towards credit union members, consisting in credit union members being informed, on a running basis, about the credit union's operation, its financial standing, development plans etc. via commonly available information carriers (magazines, newsletters, brochures, websites).
4. Each credit union shall provide credit union members with information how internal cooperative procedures can be instituted and what the time-limits for consideration of their appeal, as stated by the articles, are.
5. The credit union shall strive towards building up and consolidating the bond with its members. To that end, it should make it possible to its members to file complaints or proposals regarding credit union operation. No complaint or proposal shall be left without a professional and fair response.

Chapter III – Information Duties of the Credit Union

Section 1. Information about Standardized Contracts

Standardized contracts (within the meaning of the Civil Code, i.e. documents containing non-individualized provisions, unilaterally set by the credit union, in particular regulations for rendering of specific services, schedules of commissions and charges, interest scales, other price lists used by the credit union in its operation) in the credit union shall be open and available to all current and prospective credit union members.

1. At the request of a current /prospective credit union member the credit union shall make available to him/her, free of charge, standardized contracts regarding products and services offered by the credit union.
2. The standardized contracts shall be handed by the credit union, in writing, prior to concluding of the contract for a specific product or service, at the latest.
3. The standardized contracts, applied by the credit unions, shall stay in accordance with the uniform procedures of rendering services, as developed by the National Association, and where the standardized contracts have been developed independently, the credit union shall see to it that they be in accordance with the law in force, the

rules of fair business traffic and consumer protection, and that the National Association has agreed to application of the standardized contracts.

4. The credit union shall inform its member of any amendments made to the standardized contracts related to the product or service used by the credit union member in question prior to their entering into force.

Section 2. Information about Rendered Services

1. In order to facilitate its member to make an informed choice, the credit union shall strive that the member should be clearly and fairly informed about:
 - a) services rendered by the credit union,
 - b) differences between services of the same kind,
 - c) risks attached to use of specific services and benefits possible to gain,
 - d) procedures of using the services,
 - e) all costs (commissions, charges) related to using a specific service,
 - f) protection of personal data of the credit union member and data concerning his/her financial standing, the member's right not to consent to passing of the data to cooperating institutions, the way in which a reservation like that can be made,
 - g) the possibility of withdrawal from the concluded contract,
 - h) the procedure of complaint consideration,
 - i) the advisability to immediately inform the credit union about any financial troubles of the member,
 - j) the need and advisability to get himself/herself acquainted with the regulation concerning the service selected by the member.

Section 3. Confidentiality of Information

1. It shall be recognized by the credit union that besides its duties stemming from the provisions of law, it is obliged to observe the principle of confidentiality in relation to its members, save from the following situations:
 - a) where disclosure of the information is required by law,
 - b) where it is the good of the credit union, as specified by the management board, that requires disclosure of the information,
 - c) where the information is disclosed following the consent of the credit union member concerned, given in writing.
2. The credit union shall not collect, make use of nor disseminate information of its members regarding:
 - a) political, social nor religious affinity and beliefs,
 - b) race, ethnic or national origin,
 - c) sexual preferences.
3. Information about members, held by the credit union, shall be protected by it, in accordance with provisions of law, against loss, unauthorized access, use, change or disclosure. Observance of confidentiality of such information shall be required by the

credit union from its staff having access to personal information concerning credit union members.

Chapter IV – Resolution of Disputes

1. The credit union shall have a procedure of acceptance and consideration of complaints of credit union members regarding services rendered by the credit union.
2. The complaint procedure shall specify:
 - a) the way of filing a complaint – the credit union shall have a form for filing complaints, available to all credit union members,
 - b) the time limit for consideration of the complaint,
 - c) the credit union’s duty to inform its member about the way of consideration of his/her complaint,
 - d) the options left to the credit union member, should his/her complaint be rejected.
3. When accepting a complaint, the credit union shall inform the credit union member, in detail, about the way of consideration of the complaint. Where the complaint has been rejected, the credit union shall inform the member, in writing, about the reasons for rejecting the complaint and shall indicate to him/her further options of resolution of the dispute that are left to the member in question (Cooperative Consumer Arbitration – CCA, common court of law).
4. The credit union shall promote amicable settlement of disputes by making available to its members, at the places where the credit union business is conducted:
 - a) general information about the proceedings before CCA,
 - b) rules of procedure of CCA,
 - c) a specimen application to institute proceedings before CCA.

Chapter V – Advertising Activities

1. Credit unions’ own advertising campaigns shall be launched by credit unions using solely their own funds.
2. The credit union shall ensure that advertising or promotional materials describing a product or service offered by it shall not contain false or misleading information nor shall it otherwise bear any traits of unfair competition or violate, in any way, rights of third persons.
3. Where use is made of advertising developed for the needs of the credit union system as a whole, the credit union shall handle the received advertising materials as the rules set forth by the National Association require, in particular as far as the places and time of display of the materials are concerned.

Part IV

Rules of Good Management of Credit Unions

Chapter I – General Provisions

The credit union is an organization of people, not of capital. Its legal form is that of a cooperative in which the principle of democratic rule and, consequently, the preeminence of the majority over minority has to be recognized.

Chapter II – Good Practices at the General Meeting (Meeting of Representatives)

1. When calling the General Meeting (Meeting of Representatives), rules specified in the credit union's articles have to be unreservedly observed. When selecting the venue and time of the General Meeting (Meeting of Representatives) interests of the persons authorized to take part in the meeting shall be taken into account as far as practicable.
2. Members of the Supervisory Board, Management Board and the chief accountant shall be present at the General Meeting (Meeting of Representatives) – the persons providing information and explanations to those participating in the debates within the scope of their powers and in the range needed to clarify the issue discussed at the debate. Their absence, if any, shall be explained to the General Meeting (Meeting of Representatives).
3. Where in the year for which the General Meeting (Meeting of Representatives) is held examination of the financial statement and/or cooperative audit took place, the chartered auditor and/or cooperative auditor may be invited to the General Meeting (Meeting of Representatives). It should be made possible to the persons to answer questions of those debating as regards the audit performed.
4. Records from the General Meeting (Meeting of Representatives) shall be open to all members of the credit union.

Chapter III – Good Practices at the Meetings of Member Groups

1. Meetings of Member Groups shall be held at the venue and at the allowing as big a group of credit union members belonging to the group as possible participate in the meeting. The meeting shall be called in accordance with provisions of the credit union's articles.
2. Detailed rules for holding the Meeting of Representatives, election of representatives to the Meeting of Representatives and adoption of resolutions shall be provided for by means of by-laws which should be adhered to when debating.
3. Those present at the Meeting should include: a member of the Management Board or a representative of the Management Board of the credit union, and the Member Group Representative (if already elected). The persons in question shall provide those debating with explanations and information within the scope of their powers and as far as settlement of issues discussed during the debate is required.

Chapter IV – Good Practices of the Supervisory Board

1. A member of the Supervisory Board should represent high moral standards and be able to spend sufficient time to duly perform his/her duties in the Supervisory Board.

Candidacies to the Supervisory Board should be proposed and justified, in a detailed way, so that informed election were possible.

2. A member of the credit union's staff shall not be a member of the credit union's Supervisory Board.
3. In his /her actions a member of the Supervisory Board should be guided, first of all, by the interest of the credit union.
4. Members of the Supervisory Board shall take due actions to get regular and comprehensive information from the Management Board about all relevant matters concerning operation of the credit union and about the risk attached to the conducted business activity as well as methods of managing the risk.
5. Where there occurs a conflict of interests, a member of the Supervisory Board shall inform other members of the Supervisory Board of the fact and refrain from speaking on the specific matter.
6. Meetings of the Supervisory Board, save for matters directly concerning the Management Board or its members, in particular: removal from office, holding a member of the Management Board responsible and fixing his/her remuneration, should be available and open to Management Board members.
7. The Management Board should operate in accordance with its bylaws which shall be available to all members of the credit union.
8. A member of the Management Board should not resign from the position during the term of office if the resignation may render operation of the Supervisory Board impossible, in particular if it could make it impossible to adopt an important resolution in due time.
9. Inspection activities undertaken by the Supervisory Board should be performed in accordance with the plan of inspections, as adopted by the Supervisory Board.
10. Members of the Supervisory Board shall keep confidential any information regarding operation and financial standing of the credit union gained in connection with or at an occasion of performing their duties.

Chapter V- Good Practices of the Management Board

1. The Management Board shall care for transparency and efficiency of the credit union's management system and for running the credit union's affairs in compliance with the law, prudential standards set forth by the National Association, this Code and interests of all members of the credit union.
2. The limit of the decisions made by the credit union's Management Board shall be well-grounded business risk (i.e. the decisions should be made, all information, analyses and opinions relevant for the case - considering the credit union's interest – being taken into account). When determining the credit union's interest, interests of credit union members, credit union's staff and other entities and persons cooperating with the credit union within the scope of its business, as well as interests of local communities – well-grounded in the long-term perspective – should be taken into account.

3. When making transactions with persons whose interests have or can have impact on the credit union's interest, in particular with persons connected by family or personal ties with members of the credit union's bodies, the Management Board shall act with special caution, so that the transactions were performed on market terms.
4. A member of the Management Board shall maintain full loyalty towards the credit union and refrain from actions that could lead solely to his/her reaping his/her own financial benefit.
5. Should a member of the Management Board, when performing his/her function, learn about a prospect for making an investment or another transaction that can be beneficial to the credit union, he/she shall immediately pass the information to the Management Board. The information can be used by him/her for gaining his/her own financial advantage only where the opportunity for the benefit has been rejected by the Management Board, or where the Management Board has expressed consent to it, provided that the credit union's interest has not been violated by the same.
6. Any conflict of interests that has occurred or may occur, shall be immediately reported by members of the Management Board to the Supervisory Board.
7. Remuneration of members of the management Board shall be fixed by the Supervisory Board and shall be based on uniform and transparent rules, taking into account:
 - a) motivating nature of the remuneration,
 - b) the need to ensure professional, efficient and steady management of the credit union,
 - c) size of the credit union,
 - d) maintenance of a reasonable relation between the amount of the remuneration and financial results of the credit union,
 - e) scope of responsibility as resulting from the function performed,
 - f) level of remuneration of Management Board members at credit unions of a similar level of development.

Chapter VI – Other Good Practices in the Credit Union

Section 1. Good Practices Regarding Selection of Experts

1. When selecting an entity supposed to provide expert services, the credit union shall take into consideration:
 - a) independence of the entity in performance of the tasks entrusted to it,
 - b) whether the entity does not service entities competing with the credit union, if this could have impact on independence of the pronounced opinion,
 - c) professionalism of rendered services, confirmed, in particular, by reliable references,
 - d) the course of current cooperation.

Section 2. Examination of Financial Statements

1. The credit union shall arrange examination of financial statements, annual financial statements in particular, by an independent chartered auditor, as required by the law in force, i.e. the Accounting Act, and resolutions of the National Association.

Section 3. Annual Reports

1. The information policy pursued towards credit union's members shall be manifested, among others, in annual reports made available by the credit union to its members. The annual report may be made available, in particular, in one of the following forms: publication of the report on the credit union's website, displaying at the places where the credit union's business is conducted, brochures with the report made available at the said places.
2. The annual report shall cover, in particular:
 - a) summing up of the credit union's annual business, as well as plans and directions of the credit union's development for the year to come, worked out by the Supervisory Board and Management Board of the credit union,
 - b) a report of the credit union's Supervisory Board,
 - c) a report of the credit union's Management Board,
 - d) an opinion of the independent chartered auditor on the conducted examination of the financial statement,
 - e) annual financial statement,
 - f) information about actions undertaken by the credit union for the benefit of local communities, as well as assistance and charity actions.
3. Annual reports shall be made available to all members of the credit union.

Final Provisions

1. This Code was adopted by resolution No. 14 of the General Meeting of the National Association on 18th April, 2008.
2. Credit unions shall adhere to the rules specified by this Code in their regulations, manuals and internal documentation.
3. Observance of provisions of this Code shall be judged by bodies of the National Association, cooperative auditors and the Arbitration Panel of Fellow-Members, in compliance with the rules of law in force, articles of the National Association and bylaws.

The Canon

The Canon of Financial Market's Good Practices

The market of financial services is a common good of all its participants, or financial entities (i.e. individuals, legal persons or other organisational units offering financial products or services and their clients, as well as other institutions and organisations operating on it). The basis for sustainable growth and safety is the ethical dimension of actions undertaken by the financial entities.

The Financial Market's Canon of Good Practices articulates basic ethical values and ideals guiding the financial entities, and all rules of the Canon make up a comprehensive whole, with one element supplementing another. At the same time the Canon leaves the financial entities and their self-governing organisations a lot of freedom as regards establishment and assessment of application of ethical standards complying with specific features of particular sectors of the market and specific organisational solutions, as well as the output of the sectors in the field of creation and refinement of good practice rules.

1. Integrity

The financial entity shall operate honestly and prudently, respecting the rightful interest of clients and the good of financial market, without abusing the entity's dominating position, as stemming from the resource advantage (including qualifications or competencies of persons operating on the entity's behalf).

2. Diligence and competencies

The operation of the financial entity shall be conducted honestly and with due diligence, care being taken that the persons who operate on its behalf have due professional competencies and take an ethical attitude.

3. Dignity and trust

The financial entity shall operate in a way inducing trust and respecting dignity of clients and business partners. The entity shall take care of transparency of its activities.

4. Resources and procedures

The financial entity shall have in its disposal resources and procedures needed for efficient execution and monitoring of the conducted activity and shall use them in good faith.

5. External relations

The financial entity shall take care of proper relations with its employees and collaborators, in the spirit of mutual respect and responsibility, and shall provide due conditions of execution of responsibilities by the employees and persons operating on behalf of the entity.

6. Prevention of conflicts of interests

The financial entity shall attempt at avoiding conflicts of interests that might harm the rightful interest of its clients, and where – despite due diligence having been kept – such a conflict has occurred, the entity shall strive towards resolving the conflict in a way securing honest and fair treatment of the clients.

7. Information from clients

The financial entity shall strive towards better understanding of the needs of its clients, to the extent in which the understanding can suit adapting its offer, the scope or level of provided services to the situation of its clients.

8. Protection of information about clients

The financial entity shall protect information about its clients and shall see to the information being used in conformity with law.

9. Information to clients

The financial entity shall provide its clients with clear and fair information about the offered products and services, as well as costs, risks and potential benefits related to those, thus making it possible to the clients to make an informed choice.

10. Profiling of services

Uniform and substantially justified criteria shall be applied by the financial entity towards its clients, through which criteria its offer, scope or level of provided services can be diversified depending on the situation of the client or the profile of a group of clients, opportunities to negotiate terms of contracts on an individual basis not being ruled out.

11. Fair advertising

When advertising, the financial entity shall be guided by rules of fair competition and shall take care that the passed information be fair and not misleading, in particular as far as the risk related to potential benefits is concerned.

12. Client complaints

Client complaints shall be considered by the financial entity diligently, fairly and promptly, using – where possible – mediation and amicable forms of dispute resolution.

13. Mutual relations and fair competition

In their mutual relations financial entities shall be guided by good commercial customs, rules of fair competition being observed.

14. Resolution of mutual disputes

Financial entities shall be striving towards resolving disputes between one another using, where possible, mediation and amicable forms of resolving such disputes.

15. Market development activities

Without harming their own interests and keeping professional and commercial secrets financial entities shall be co-operating to promote good market practices and corporate order and, where possible, to eliminate phenomena hampering the development of financial market (actions that are dishonest, unfair and inconsistent with the rules specified in the Canon in particular) from business practice.

16. Application of the Canon

The financial entity that has accepted the Canon to be applied shall take care that all its employees and other persons acting on its behalf should get themselves acquainted with the Canon and should adhere to its rules. The financial entity shall make the full contents of the Canon available, for inspection, to its clients and business partners.

Institutional participants of the work on the Canon

The Financial Market's Canon of Good Practices has been developed as a result of co-operation of thirty organisations associating entities offering financial products and services, organisations and institutions representing interests of the clients and other market institutions, with the involvement of a group of experts from academic circles. During the work done on the Canon also the output of the entities that had earlier developed and implemented rules of good practices of their own was utilised. The set of 16 rules that are common for the whole financial market articulates basic values and ethical ideals the financial entities are guided with, in their contacts with clients in particular. It also leaves much freedom to professional associations of the entities to establish specific standards for particular lines and sectors of the market.

The institutional participants of the work on the Financial Market's Canon of Good Practices have included (in alphabetical order):

1. Biuro Rzecznika Ubezpieczonych [Office of Ombudsman for the Insured]
2. Doradcy Finansowi – Grupa Inicjatywna [Financial Advisors – the Initiative Group]
3. Federacja Konsumentów [Consumer Federation]
4. Giełda Papierów Wartościowych w Warszawie S.A. [Stock Exchange of Warsaw, Joint-Stock Company]
5. Izba Domów Maklerskich [Chamber of Brokerage Houses]
6. Izba Gospodarcza Towarzystw Emerytalnych [Business Chamber of Pension Societies]
7. Izba Gospodarcza Ubezpieczeń i Obsługi Ryzyka [Insurance and Risk Management Chamber of Commerce]
8. Izba Zarządzających Funduszami i Aktywami [Chamber of Fund and Asset Management]
9. Komisja Nadzoru Finansowego [Polish Financial Supervision Authority]
10. Konferencja Przedsiębiorstw Finansowych w Polsce [Conference of Poland's Financial Enterprises]
11. Krajowa Rada Biegłych Rewidentów [National Council of Statutory Auditors]

- 12. Krajowa Spółdzielcza Kasa Oszczędnościowo-Kredytowa [National Association of Co-operative Savings and Credit Unions]**
13. Krajowy Depozyt Papierów Wartościowych S.A. [National Depository for Securities, Joint-Stock Company]
14. Krajowy Związek Banków Spółdzielczych [National Alliance of Co-operative Banks]
15. MTS-CeTO SA
16. Polska Izba Brokerów Ubezpieczeniowych i Reasekuracyjnych [Polish Chamber of Insurance and Reinsurance Brokers]
17. Polska Izba Pośredników Ubezpieczeniowych i Finansowych [Polish Chamber of Insurance and Finance Intermediaries]
18. Polska Izba Ubezpieczeń [Polish Chamber of Insurance]
19. Polski Instytut Dyrektorów [Polish Institute of Managers]
20. Polskie Stowarzyszenie Ekonomistów Bankowych [Polish Association of Bank Economists]
21. Polskie Stowarzyszenie Inwestorów Kapitałowych [Polish Private Equity Association]
22. Rada Banków Depozytariuszy [Depository Bank Council]
23. Stowarzyszenie Dealerów Bankowych ACI Polska [Bank Dealers Association ACI Polska]
24. Stowarzyszenie Emitentów Giełdowych [Association of Stock Exchange Issuers]
25. Stowarzyszenie Inwestorów Indywidualnych [Association of Private Investors]
26. Stowarzyszenie Konsumentów Polskich [Association of Polish Consumers]
27. Stowarzyszenie na rzecz Bezpieczeństwa Finansowego Obywateli RP [Society for Financial Safety of Citizens of the Republic of Poland]
28. Stowarzyszenie Polskich Brokerów Ubezpieczeniowych i Reasekuracyjnych [Association of Polish Insurance and Reinsurance Brokers]
29. Związek Banków Polskich [Polish Bank Association]
30. Związek Maklerów i Doradców [Association of Brokers and Advisors]

Experts representing academic circles:

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