

PRINCIPLES OF GOOD PRACTICES



For Companies United

in the Conference of Financial Companies
in Poland



Conference of Financial Companies in Poland (hereinafter referred to as "KPF") has been created on October 27th 1999 and currently associates several dozen key institutions active on the Polish consumer finance market (banks, financial advisors and intermediaries, money lending companies, economic information bureaus, debt management companies and insurers). The companies associated in KPF decided to represent their interest in the form of a trade organization which has the right to present opinions about bills and legal acts as a social partner of the legislative process. This entitlement is honored by state authorities and administration. KPF plays an active role in Polish legislation as a professional organization which cooperates with the Ministry of Finance, Ministry of Economy, Polish Financial Supervision Authority. It shall be stressed here that KPF has its representative among experts cooperating with the Ministry of Justice - Codification Commission of Civil Law.

KPF decided to join the European Federation of Finance House Associations - EUROFINAS. EUROFINAS, the European Federation of Finance House Associations, is the main voice of the specialized consumer credit industry at European level. It currently represents 18 Member Associations, in turn bringing together more than 1,000 finance houses, captive companies, specialized and universal banks. Together, these consumer credit providers financed over EUR 400 billion worth of new loans during 2007, with outstandings reaching EUR 713 billion at the end of the year.



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TABLE OF CONTENTS

MISSION	5
Book One GENERAL PRINCIPLES	6
Part I General Provisions	6
Part II Basic values and ethical ideals	7
Part III Attitude towards society and environment	8
1. Corporate social responsibility (CSR).....	8
Part IV Liability for a breach of the provisions of these Principles	9
Part V Internal Audit	10
Part VI Common KPF trademark	10
Book Two THE PRINCIPLES OF GOOD PRACTICE IN SELLING CREDIT PRODUCTS	11
Part I Definitions	11
Part II Responsible lending	12
1. Activities involved in the selling of credit products	12
2. Advertising credit products	13
3. Customer's default	14
4. Customer complaints	14
Part III Protection of information and protection of personal data	15
Part IV Credit intermediary	16
Part V Principal	17
Part VI Prohibited conduct	18
Book Three GOOD PRACTICES IN DEBT COLLECTION	19
Part I Definitions	19
Part II Principles of communication with debtors	19
1. Correspondence	20
2. Telephone conversations	20
3. Debt collection at a location	21
Part III Debtors' complaints	22
Part IV Protection of information and protection of personal data.....	24
Part V Prohibited and disallowed practices	24
Book Four GOOD PRACTICES IN ECONOMIC INFORMATION BUREAUS	26
Part I Definitions	26
Part II Basic principles of operation	26
Part III Information duties and contacts with interested parties.....	27
Part IV Providing economic information about applicant and from the inquiry register	29
Part V Acceptance, storage and disclosure of economic information	29
Part VI Organization and documentation of the process of providing economic information	30
Part VII Complaints	30
Part VIII Complaints and requests from entities affected by economic information	31
Part IX Prohibited and not allowed practices	32
Book Five GOOD PRACTICES IN MORTGAGE FUNDS	34



Part I General values and ethical norms	34
Part II Definitions	34
Part III Activities undertaken by a Fund in order to recruit Seniors	35
Part IV Communication with Seniors.....	35
1. Phone calls	35
2. Direct contact	36
Part V Legal status and valuation of a real estate	36
Part VI Pre-contractual activities	37
Part VII Form of the contract of life annuity	38
Part VIII Ochrona danych osobowych Seniorów	38
Part IX Fund Representative	39
Part X Forbidden and prohibited practices	39
Part XI Withdrawal from a preliminary contract.....	40
Part XII Termination of the agreement.....	40
Book Six GOOD PRACTICES IN FINANCIAL INTERMEDIATION	41
Part I General values	41
Part II Definitions	42
Part III Responsible financial intermediation.....	42
Part IV Advertising.....	43
Part V Customer information	43
Part VI In-service training	44
Part VII Fair cooperation and ethical competition	44
Part VIII Cooperation between financial intermediaries and financial institutions	45
Part IX Customer complaints.....	46



MISSION

Our mission is building social capital in the financial sector in Poland. We organize professional environment for players in the sector, setting a forum to exchange knowledge and experiences, promoting professionalism, mutual respect and respect for ethical principles in relations with customers and business partners. We represent the interests of the financial sector to legislators, administration and public opinion in Poland and the European Union, reaching our objectives by providing reliable knowledge and opinions about trends relevant for the harmonious business development. We disseminate knowledge about financial markets, contributing to the image of the companies involved as an institutions of public trust.



Considering the mission adopted by the Conference of Financial Companies (KPF) and its Members and in order to create a proper economic and social environment, necessary for the balanced growth of the Members of the Conference through consistent implementation of the Mission, the General Meeting adopted these Principles of Good Practices of the Conference of Financial Companies in Poland - Association of Employers, stipulating the following:

Book One

GENERAL PRINCIPLES

Part I

General Provisions

§ 1

This document is a set of principles of conduct based on general moral norms, consistent with the laws of the Republic of Poland. The principles have been adopted by companies operating in the financial market, in particular those working on the consumer finance market, which are members of The Conference of Financial Companies in Poland - Association of Employers („KPF”).

§ 2

1. In conducting their business, the Members of the KPF („Financial Companies”) shall observe binding laws, the Principles of Good Practices („Principles”) and the rules of social co-existence, regarding their operations in the financial market as an obligation to employ the highest standards in their business activity so as to assure and confirm to the customers by their conduct that they are public trust institutions.
2. Financial companies are obliged to cooperate with statutory bodies of the KPF and to adhere to their resolutions made within their statutory powers.

§ 3

Motivated by respect for customers’ interests and their right of protection, Financial Companies declare that their business activity, in particular the one carried out in the consumer finance market, is compliant with binding laws and KPF’s bylaws, as well as good business manners.

§ 4

In doing their business, the Financial Companies shall use the name, symbols and abbreviation of the KPF, particularly in letters addressed to customers, their advertising



materials, complying with the standards and principles stipulated in the resolutions adopted by the KPF Committee.

§ 5

Financial companies shall resolve all possible disputes among themselves using arbitration, including the help or assistance of the appropriate bodies of the KPF.

§ 6

Financial companies commit themselves to guaranteeing the knowledge of the principles included in this document by their employees and to them keeping these rules while performing their professional duties, outside working hours and after ending their work for the company.

Part II

Basic values and ethical ideals

§ 7

Financial companies consider the following rules as the basic values and ethical ideals:

1. *Fairness* - a financial company acts fairly and judiciously, respecting fair interest of clients and the good of the financial market and does not abuse its dominant position resulting from the advantage of resources, including professional qualifications and competence of the persons acting on its behalf.
2. *Diligence and competence* - a financial company conducts its business reliably and with due diligence, caring for the proper professional competence and ethical attitude of the persons acting on its behalf.
3. *Dignity and trust* - a financial company's conduct is trustworthy and guarantees respect for the dignity of clients and business partners, adding to its transparency.
4. *Rules and procedures* - a financial company uses resources and procedures necessary for efficient execution and monitoring of its business activity and does so in good faith.
5. *Internal relations* - a financial company cares for building proper relations with its employees and cooperators in a spirit of mutual respect and responsibility, providing adequate working conditions to its employees and the persons acting on its behalf.
6. *Avoiding conflict of interest* - a financial company avoids conflict of interest which could violate clients' justified interest and if despite due diligence such conflicts occurs the company strives to solve it in a manner guaranteeing fair and honest treatment.
7. *Information for clients* - a financial company aims at recognizing its clients' needs in the scope necessary for proper adjustment of its offer, scope or level of its services to the clients' needs.



8. *Client information protection* - a financial company protects information about its clients and cares for its lawful usage.
9. *Information for clients* - a financial company provides the client with clear and reliable information about the products and services provided and about the costs, risk and potential profits related with these products allowing the client to make the right choice.
10. *Services profiling* - a financial company uses uniform and substantially justified criteria to differentiate the offer, scope or level of provided services according to the client's situation or the profile of the client group which does not exclude the possibility of an individual negotiation of contract terms.
11. *Fair advertising* - when advertising a financial company makes use of the terms of fair competition and makes sure the information it provides is fair and not misleading particularly in relation to risks connected with potential gains.
12. *Clients' claims* - a financial company considers clients' claims diligently, fairly and timely, using, when appropriate, mediation and arbitration.
13. *Mutual relations and fair competition* - in their relation financial companies use good business manners, respecting the rules of fair competition.
14. *Resolving disputes* - financial companies aim at solving disputes using mediation and amicable forms of arbitration.
15. *Supporting market development* - without infringing their own interests, professional and trade secrets financial companies cooperate in promoting good market practice and corporate governance. Additionally they try to eliminate events hampering market development, especially unfair conduct which is not compliant with the rules put down in this document.
16. *Using the rules* - a financial company which adheres to the Principles of Good Practice cares that its employees and persons acting on its behalf know and use the rules put down in this document and provides its clients and cooperators insight onto the full content of the Principles.

Part III

Attitude towards society and environment

§ 8

In its business conduct a financial company considers a high level of responsibility for the natural environment. A financial company is obliged to care for environment protection and responsibly use natural resources.

1. Corporate social responsibility (CSR)

§ 9



A financial company fulfills clients' needs taking into account the expectations of the remaining stakeholders such as employees, suppliers and local community.

§ 10

A financial company should have positive influence on the environment in which it operates, including the local community and the natural environment.

Part IV

Liability for a breach of the provisions of these Principles

§ 11

1. All matters related to a breach of the provisions hereof by any Financial Company shall be decided by the Ethics Committee.
2. The Ethics Committee shall be composed of at least 3 members elected by the General Meeting of KPF Members.
3. Membership in the Ethics Committee is available to KPF Members, persons referred to in § 14 KPF Statutes or persons from outside the organization.
4. The Ethics Committee shall elect a Chairperson from its members.
5. The term of office of the Ethics Committee shall last two years.
6. The Ethics Committee shall work on the basis of the Work Bylaws of the Ethics Committee, adopted by the General Meeting of the KPF Members.

§ 12

7. Anybody can report a case of breach by a Financial Company of any provision of the Principles to the Ethics Committee or the KPF Office. The report shall be made in writing and contain a description of the breach committed by the Financial Company concerned.
8. The KPF Office shall immediately inform the Chairperson of the Ethics Committee.

§ 13

The Ethics Committee shall take immediate action aimed at conducting thorough assessment of the accusations.

§ 14

The Ethics Committee may give an admonishment or reprimand to a financial company, obliging it to eliminate the irregularities and the cause of the violation if it establishes that the financial company in question has violated the Principles. The Committee may also deprive the financial company of the right to use the common trademark of the KPF.

§ 15



In the event of a particularly flagrant violation of the Principles or in the event of continued violations, the Ethics Committee may motion to the General Meeting for an adoption of a resolution excluding a financial company in question from KPF, in the manner stipulated in § 15.2 of the Statute.

Part V

Internal Audit

§ 16

In order to verify the compliance of the procedures applied by every financial company with the Principles of Good Practices, every company shall carry out an internal audit once a year.

§ 17

Internal audits shall be carried out on the basis of the internal audit form appropriate for the business sector in which the company operates. The internal audit forms to be used for the purpose of carrying out audits shall be established by the Ethics Committee by way of adopting a pertinent resolution.

Part VI

Common KPF trademark

§ 18

Having signed a commitment to comply with the Principles of Good Practice, a Financial Company shall receive the right to use the common KPF trademark.

§ 19

The rules regulating the use of the Trademark are put down in the Trademark Regulations established by a resolution of the KPF Committee.



Book Two

THE PRINCIPLES OF GOOD PRACTICE IN SELLING CREDIT PRODUCTS

Part I

Definitions

§ 20

The following terms as used in these Principles shall mean the following:

- a) „*customer*” - a natural person doing or intending to do an act of law with a financial company, not directly connected with their business or work.
- b) „*Financial Company*” - a bank or any other enterprise offering credit products,
- c) „*credit products*” - financial products addressed to customers from the consumer finance market, including consumer credits and loans, car loans, as well as mortgage credits and loans sold directly at the premises of a financial company or via direct sales, or via authorized credit intermediaries.
- d) „*sales contract*” - a contract whereby a financial company sells credit products.
- e) „*credit intermediary*” - an entrepreneur being a private individual, a legal person or an unincorporated organizational unit which is given legal capacity under an Act of Parliament, carrying out a business of selling credit products and other services related to such sale, for and/or on behalf of principals.
- f) „*principal*” - an entity which gives credit intermediaries powers to conclude credit contracts on its behalf or for its benefit.
- g) „*credit intermediation activities*” - a set of real acts and legal acts undertaken in order to establish relations between a customer and a financial company.
- h) „*law governing credit intermediation*” - all the binding laws applicable to offering and selling credit products, in particular the Consumer Credit Act, the Law on Economic Information Exchange, the Banking Law, the Civil Code and the Law on Protection of Personal Information.



Part II

Responsible lending

1. Activities involved in the selling of credit products

§ 21

A Financial Company shall endeavour to realise the principle of responsible lending, through the examination of customer's capacity to discharge the liability resulting from their purchase of a credit product.

§ 22

Before the conclusion of a contract, a Financial Company shall require every customer to submit documents confirming his/her ability to discharge the liability resulting from their purchase of a credit product in the amount they request.

§ 23

A Financial Company shall check the customer's identity.

§ 24

A Financial Company shall make customers familiar with the most important conditions of the credit product offered before concluding the sales contract.

§ 25

Before entering into contract, a Financial Company shall inform the customer about the obligation to read the contract and at the customer's request it shall clarify all doubts the customer might have and shall provide him/her with all the relevant information.

§ 26

The contract shall not be concluded earlier than after the lapse of the time necessary for the customer to read the contract in a natural course of action.

§ 27

A Financial Company shall not sell a credit product if it should establish that the customer in question will not be able of discharging his/her liability under the contract.

§ 28

A Financial Company shall present all the conditions and provisions of the contract in a clear and comprehensible way. This applies in particular to the sanctions a customer will face in the event of default or inadequate performance of his/her obligations under the contract, including any delay in the payment of dues.



§ 29

Any clauses relating to costs payable by the customer if he/she buys a certain credit product, including any costs arising in connection with late payment of dues shall not be typed in the forms of contracts used by a Financial Company in smaller print than any other components of the text of the contract form.

§ 30

If a customer, for reasons beyond his/her reasonable control, such as the loss of source of income stated in the application form for the given credit product, the death of a family member, or the customer's ailment, is unable to timely meet his/her obligations, the Financial Company, at the Customer's request, shall consider offering such conditions and terms of payment as would suit the current financial capabilities of the customer.

2. Advertising credit products

§ 31

In no practicable form of advertisement shall a Financial Company convey messages which are untrue or misleading to potential customers as regards the features of the credit product advertised.

§ 32

A Financial Company's advertisements containing information of credit products requiring material security must contain information about the security required.

§ 33

Advertising must not convey messages suggesting that the sale of a credit product associated with risk is carried on without the application of the procedure of verification of the customer's ability to discharge the obligations resulting from the purchase of such credit product.

§ 34

Every Financial Company shall observe the principle that if an advertisement mentions conditions of payment of dues resulting from the purchase of a credit product, then only real conditions shall be presented.



3. Customer's default

§ 35

In the event of customer's default, a Financial Company may not apply any excessive measures in order to recover amounts due and in particular it shall never undertake any extralegal or illegal actions.

§ 36

The total sum of interest and late payment fees resulting from contracts entered into by a Financial Company should be commensurate with the expenses incurred by the Financial Company in connection with the customer's default or inadequate performance.

§ 37

In the event of customer's default, a Financial Company may terminate the contract on principles laid down therein, in compliance with the law, and call the debt in. However, the credit contract may only be terminated after the customer is sent a notice of his default with the information about the consequences of his/her default.

§ 38

The notice of customer's default may contain a demand that the customer fulfils the relevant obligations within a reasonable time limit proposed by the Financial Company. In a justified situation, the Financial Company shall consider the customer's request for a change in the credit amortization table. No notice shall be required if the borrower has committed fraud.

§ 39

In the event of his/her default or early discharge of the liability, the customer shall have the right to request a detailed account statement, free of charge, which will enable him/her to verify the legitimacy of the fees and interest demanded by the Financial Company.

4. Customer complaints

§ 40

Upon the conclusion of the credit contract, a customer shall be informed about the place and manner of the complaint procedure.



§ 41

A Financial Company shall process customer complains promptly, though never later than within 30 days of the receipt thereof.

§ 42

Whenever it is impossible for a complaint to be processed within 30 days, the Financial Company concerned shall notify the complaining customer in writing about the cause of the delay and the new time limit for the processing of the delay, which on no account shall exceed 60 days of the date of receipt of the complaint.

Part III

Protection of information and protection of personal data

§ 43

The Financial Companies and parties acting on their behalf shall ensure:

1. Complete technical and legal protection of all information acquired from the customers in connection with negotiating, concluding and performing contracts, and in particular that they will never use such information for any other purpose than the one for which the information was provided or made available; that the information shall not be made available or passed on to other parties unless it is necessary for the purpose of credit intermediation activities.
2. full protection of the customer's personal data provided to the Financial Companies in connection with negotiating, concluding and performing contracts as well as provided in connection with the performance of credit intermediation activities, in compliance with the requirements stipulated in the Personal Data Protection Act In particular, the Financial Companies shall ensure that the data will not be used for any other purpose than the one for which it was provided or made available; that the information shall not be made available or passed on to other parties unless it is necessary for the purpose of credit intermediation activities.
3. that the personal data of customers is processed only by staff authorised to process personal data. Such staff members, who have access to personal data, shall keep the data in secrecy; this obligation shall survive the termination of their employment.



Part IV

Credit intermediary

§ 44

A credit intermediary and persons acting on its behalf shall:

1. Apply due diligence and care for the principals' interests in the performance of credit intermediation activities.
2. Ensure adequate representation of the principal before the customer and among them.
3. Observe, during the performance of credit intermediation activities, the provisions of the law regulating the performance thereof as well as the provisions of the contracts concluded, and also exercise diligent oversight and verification of correctness the contracts concluded with the customers.
4. Protect and never disclose to any other parties, especially any other principals, the personal data of the customers using the products and services supplied by the given principal. They shall keep secret all information they acquire from the principal, customers or any of the principal's business partners, in connection with the performance of credit intermediation activities.
5. Observe the procedures and regulations concerning the sale of credit products as well as any other orders, guidelines and instructions issued by the principals in connection with the business in question.
6. Immediately inform the principals about any symptom of deterioration of the customers' economic standing.
7. Provide the principals with all documents and information necessary for the assessment of their economic and financial standing.
8. Respect and implement all conclusions stated in properly substantiated opinions and comments made by the principals as to the performance of the staff employed by the intermediary for the performance of credit intermediation activities.
9. Use the principals' trademarks for advertising purposes in a way agreed with the principals.
10. Carry out all activities in a manner ensuring protection of the customers' interests, at the same time in full compliance with the binding laws and good practices; in particular, they shall provide the customers with the information required by the laws defining specific rights of consumers.
11. Maintain the office where credit intermediation activities are conducted in proper order and in accordance with the proper technical conditions as required and agreed on and they shall apply such protection measures as not to exposure the customers to any unnecessary risk.
12. Pay visits at the customers' places of residence at times when according to anybody's reasonable judgement this will not be a nuisance to the customers, paying



- due respect to their right to protect secrecy. Every visit at a customer's place of residence or work shall be require the customer's prior consent.
13. Present to the customers only the current offer in a way allowing them to make their own, informed choice of the most suitable product from the ones offered by the credit intermediary.
 14. A credit intermediary's staff and agents shall be dressed neatly and in a way causing no negative associations. During a conversation aimed at the conclusion of a contract, the credit intermediary's agents shall endeavour to explain to the customer the features of the credit product offered.
 15. Inform the customers about the source of compensation accruing to the credit intermediary, that is to say whether he is remunerated by the principal or by the customer.

Part V Principal

§ 45

The principal and all persons acting on his behalf shall:

1. Enable credit intermediaries and their staff to enhance their professional skills and learn about the principal's credit products through their participation in training sessions arranged by the principal.
2. Treat credit intermediaries fairly, ensure that they have access to the necessary information, technical and organizational support and pay them adequate compensation for the services they render.
3. Protect financial data, personal data and commercial information relating to credit intermediaries and their staff.
4. Present to the credit intermediaries opinions about the quality of performance of credit intermediation activities by the intermediaries and their staff.
5. Apply restrictions towards credit intermediaries, such as limits relating to the sales of credit products or suspension of the realization of the contracts concluded by a given credit intermediaries, only in well-justified and confirmed cases.
6. Supply credit intermediaries and their staff with current offers of credit products, advertising material as well as valid guidelines and rules concerning the conclusion of contracts for credit products, as well as with materials, document forms and information necessary for the conclusion of such contracts, subject to the agreed terms and conditions.
7. Build commercial relationships with credit intermediaries, based on the law and fair trade practices.
8. Act in compliance with the principles of fair market competition.



9. Keep secret all the commercial and organizational secrets entrusted to them throughout the period of business relations and after termination of business common.

Part VI

Prohibited conduct

§ 46

The Financial Companies as well as persons acting on their behalf shall not apply any methods or ways violating the law and decency. In particular, they shall not:

1. Charge customers any other fees or any other amounts of fees than the ones stipulated in the relevant contracts and agreements with the customers or payable under the binding law.
2. Pass on or disclose information about customers and the course of the process of selling credit products to any unauthorized third parties.
3. Apply, use or threaten to use force or resort to any other measures involving violence or violating personal dignity.
4. Use vulgar or obscene language, or expressions violating personal dignity, nor impolite tone of voice in contacts with customers.
5. Use ways or methods of operation that might mislead the customer or any other person concerned by credit intermediation activities, or cause uncertainty about facts or legal status. Above all, they shall never:
 - 5.1. present any untrue data concerning the credit products offered,
 - 5.2. give untrue information about their status, qualifications, experience or professional rights.
6. Mislead the customers about the real origin of the credit product in question.
7. Lead customers to sign incomplete contract forms.
8. Demand a customer to pay any fees for acceptance of his/her application for a credit product before the conclusion of a contract for the sale of the product.



Book Three

GOOD PRACTICES IN DEBT COLLECTION

Part I

Definitions

§ 47

1. The following terms as used in these Principles shall mean the following:
 - a) „*debt collection company*” - an entrepreneur whose business it is to deal in debt trading and collection of dues, in monitoring debts and other associated or related services, on their own account as well as on behalf of their clients,
 - b) „*debt collector*” - an employee, agent or another private individual who carries out debt collection by proxy of a debt collection company,
 - c) „*debt collection activities*” - a set of factual and legal acts undertaken in order to have the debtor discharge their liabilities,
 - d) „*liability*” - a right accruing to one party of a legal relationship to require the other party of that legal relationship to provide a certain performance,
 - e) „*debt*” - a debtor’s monetary or material obligation to provide a performance,
 - f) „*debtor*” - a legal person or private individual obliged to make a certain performance towards another legal person or private individual,
 - g) „*consumer*” - a private individual carrying out an act at law, not directly connected with the business or profession they pursue,
 - h) „*counter party*” - an entity commissioning debt collection activities to a debt collection company or a seller of a liability.
2. All terms used above and all decisions of this Book apply equally to all KPF members that are not debt collecting companies, in case a company carries on a debt collection procedure of its own claims.

Part II

Principles of communication with debtors

§ 48

A debt collection company shall carry out all its activities and communicate with debtors in a way ensuring the protection of interests of the counter party and at the same time compliance with law, decency and respect to the just rights of debtors.



1. Correspondence

§ 49

Correspondence addressed to a debtor shall be sent to his/her place of residence or any other address at which the debtor may be reachable, in a sealed envelope, without any indications or signs on the envelope suggesting that the correspondence is in connection with the addressee's debt. The reservation about placing signs on envelopes does not concern graphic identification of the debt collection company.

§ 50

1. The first request for payment should precisely describe the liability (the title, the creditor, issue of the invoice, the principal debt, its due date, accrued interest and other payables, invoice number and date of issuance, the period covered by the invoice if the vindicated liability has a continuous character); subsequent requests for payment should contain information identifying the case and the stage at which it is, as well as the updated amount of the debtor's liability.
2. In the event that after sending the first request for payment (or subsequent calls) the claim was sold to another debt collection company (assignee), the first demand for payment sent by the assignee should include an explanation of how the buyer has become the new creditor and at least the following information: title of debt, the amount of claims divided into the principal, accrued interest and other receivables, the date of repayment obligation, the bank account number to which liability should be paid, contact details, under which the debtor may obtain information regarding his debt, information about the rights of the debtor in relation to the processing of personal data and purpose of processing it by the new creditor.
3. Not later than the first demand for payment sent by the assignee, the debtor should be sent a letter with information about the assignment and an indication of the new creditor, signed by the assignor.

2. Telephone conversations

§ 51

Telephone conversations may be conducted at a time and place which according to reasonable judgement will not be onerous to debtors that is on weekdays between 06:00 a.m. and 10:00 p.m. If it is impossible to contact the debtor during such time, telephone calls can be made on the other days of the week but only between 8:00 a.m. and 8:00 p.m.

§ 52



One should oblige, if possible, with any request made by the debtor for a meeting or a visit of the debt collector at any other time or place than those defined in § 51 unless the conditions suggest that the debtor is deliberately trying to avoid any contact and conversation.

§ 53

Conversations shall be conducted in a polite and well-mannered way, ensuring preservation of secrets and non-disclosure to any third parties any information about the debtor's liabilities and personal data; at the start of the conversation debt collectors shall say their names, state the company name and specify the creditor and the issuer of the invoice.

§ 54

In the course of the conversation, debt collectors shall seek to explain to the debtor the purpose of the conversation as well as to establish and clarify all uncertainties and doubts.

§ 55

In the course of the conversation, debt collectors shall seek to determine the financial standing and personal situation of the debtor as well as collect any information that may be useful in order to make a decision about the advisability of further collection activities and the manner in which they are to be conducted.

§ 56

The frequency of telephone calls to the debtor shall not be oppressive to the debtor and must not have the attributes of harassment.

3. Debt collection at a location

§ 57

Visits by local debt collectors may be paid at times and a place which according to reasonable judgement will not be a nuisance to the debtors, that is on weekdays between 06:00 a.m. and 10:00 p.m. If it is impossible to contact the debtor during such time, debt collector may attempt a visit on the other days of the week but only between 8:00 a.m. and 8:00 p.m.

§ 58

Visits can be paid to debtors in other places than their residence in a way ensuring respect of the debtor's right to privacy. They may only be ventured if the place of residence is unknown or the debtor is unavailable there. Furthermore, debt collectors shall not



contact any third parties about the liability under collection without prior consent given by the debtor.

§ 59

Local debt collectors should be dressed neatly, in a way not provoking any negative associations.

§ 60

When embarking on debt collection activities and talking to a debtor, a local debt collector shall introduce him/herself, unbidden - show his/her identity card, authorisation to act in the particular case given by a debt collection company based on the authorisation or powers to act vested in it by the counter party, clearly specifying the extent of the powers, the acknowledgement of debt signed by the debtor, agreements, collection of the due amount in cash, etc., as well as the request for payment.

§ 61

If during the debt collection activities there are other persons present, apart from the debtor and the debtor requires discretion, this should be allowed to him/her unless the circumstances suggest that it is just a ploy to mislead the debtor collector or to avoid the conversation.

§ 62

Conversations shall be conducted politely and showing good manners.

§ 63

In the course of the conversation, debt collectors shall seek to explain to the debtor the purpose of the conversation as well as to establish and clarify all uncertainties and doubts.

§ 64

During a visit, a debt collector may only act within the scope of authorization given to him/her. If he collects cash, the debt collector shall give a receipt with the stamp of the debt collection company.

Part III

Debtors' complaints

§ 65

At the first contact with a debtor, the debt collection company shall inform them about their rights and shall provide such information on the debtor's clear demand.



§ 66

A debt collection company shall ensure the protection of all rights vested in debtors, including any objections they are entitled to with regard to the creditors or sellers of the liability, within the limits set in Art. 513 of the Civil Code and other provisions of law.

§ 67

1. A debt collection company shall clarify all objections raised by the debtors with the creditor or seller of the liability, in accordance with the liability assignment contract, making allowances for the history and outcome of the grievance procedure conducted so far, the rules laid down in the contract with the debtor, any applicable regulations or master agreements.
2. The liability assignment contract should determine the manner of cooperation between assignor and assignee in clarifying doubts and complaints of debtors, in case when the information held by the buyer is insufficient to deal with the complaint.

§ 68

A debt collection company shall process complaints lodged by the debtors promptly, though not longer than within 30 days of the receipt thereof.

§ 69

If it is impossible to process a complaint within 30 days, the debt collection company shall notify the debtor in writing of the causes of the delay and the new time limit for the possession of the claim, which under no circumstances may exceed 60 days of the receipt of the complaint.

§ 70

If a debt collection company refuses to acknowledge objections or a complaint, it shall reply to the debtor, explaining the reasons for the refusal to acknowledge them, stating further means of appeal.

§ 71

If the objections raised by the debtor are unequivocally acknowledged to be legitimate, all transgressions or irregularities shall be removed and in justified cases, any further debt collection activities shall be abandoned.

§ 72

A debt collection company is not obliged to continue talks or correspondence with the debtor if they are aimed to protract the proceedings or evade payment and the debtor



has not presented any documents or has formulated no objections in a straightforward way, enabling their unbiased assessment.

Part IV

Protection of information and protection of personal data

§ 73

Debt collection companies shall ensure secrecy and complete technical and legal protection all information acquired from the counter parties in connection with negotiating, concluding and performing contracts, and in particular that they shall never use such information for any other purpose than the one for which the information was provided or made available; that the information shall not be made available or passed on to other parties unless it is necessary for the purpose of debt collection activities, to the extent permitted by law (residence registry offices, law firms, legal counsel offices, court, court execution officers, etc.).

§ 74

1. Debt collection companies shall ensure secrecy and complete protection of debtors' personal data provided to them in connection with sale as well as made available in connection with the performance of debt collection activities, in compliance with the requirements stipulated in the Personal Data Protection Act. In particular, the Financial Companies shall ensure that the data will not be used for any other purpose than the one for which it was provided or made available; that the information shall not be made available or passed on to other parties unless it is necessary for the purpose of performance of debt collection activities (residence registry offices, law firms, legal counsel offices, court, court execution officers, etc.).
2. In the process of the sale of receivables, before submitting any personal data of the debtors or any other data necessary for the valuation of receivables, potential parties to the transaction sign a confidentiality agreement in the field of information provided.

Part V

Prohibited and disallowed practices

§ 75

Vindication companies and persons acting on their behalf shall not use in the performance of debt collection activities any methods and ways violating the law and decency. IN particular, they shall not:

1. Use force, punishable threats or any other measures violating personal dignity.



2. Use vulgar or obscene language or expressions violating personal dignity, nor impolite tone of voice in conversations.
3. Use any other measures aiming to intimidate the debtor.
4. Pass on or divulge any information about the indebtedness and the course of debt collection activities to any unauthorized third parties, including especially any underage members of the debtor's family.
5. Send or use, documents, writs, outfits or tools suggesting that the acts in question are carried out by the court or any state authority, or containing information typical of or meant for such institutions.
6. Present untrue data about the debt, especially specifying the nature, amount and legal status of the debt.
7. Provide untrue information about one's status, qualifications, experience or professional powers, in particular pretend to act, without proper authorisation, on behalf of another debt collection company, or provide untrue information about qualifications and rights in any of the legal professions.
8. Provide untrue information about the consequences of failure to pay back the debt, such as arrest, deprivation of liberty, forfeiture of personal property.
9. Imply or suggest, in contacts with a debtor or other parties, that the debtor is a criminal.
10. Debt collectors shall not accept any money or things whatsoever without receipt.
11. Threaten in any way or take action aiming to violate the right of ownership or possession.
12. Charge any fees from the debtor related to the debt collection activities conducted, without a legal title resulting from concluded contracts or general law.



Book Four

GOOD PRACTICES IN ECONOMIC INFORMATION BUREAUS

Part I

Definitions

§ 76

The following terms as used in these Principles shall mean the following:

- a) “the Act” - the Act of 9th of April 2010 on disclosing economic information and exchange of economic data (Journal of Laws 2014 No. 1015, with subsequent changes).
- b) “Economic information” - information on the creditworthiness of the entity being a natural person, legal person or organizational unit without legal personality, in particular information on outstanding liabilities of the entity, information on recourse against this entity by forged or somebody else's document confirming the identity or certificating the employment, as well as information about the fulfillment of commitments by the entity or other information referred to in the Act.
- c) Bureau - Economic Information Bureau which operates based on the Act and which business objective is the agency in disclosure of economic information consisting in collecting economic information from Creditors and other eligible entities, storage and disclosure of such information.
- d) Rules - data management regulations, adopted, approved and announced in accordance with art. 11 Act.
- e) The creditor - a natural person whose claim was established by way of executive order, a natural person carrying out an economic activity, a legal person or an organizational unit without legal personality, which, in connection with the economic activity or legal relationship, is entitled to claim, or another entity referred to in Art. 2 sec. 2 point 4 of the Act.
- f) Entity to which the economic information relates - a natural person, including a natural person who conducts economic activity, a legal person or an organizational unit without legal personality to which the economic information provided through the office relates.

Part II

Basic principles of operation

§ 77



1. The Bureau operates in accordance with the law and other generally applicable laws, and respects the provisions of the regulations and the rules of social coexistence.
2. The purpose of the Bureau is to create conditions for improving business security by providing creditors and lenders with access to information on creditworthiness.
3. The purpose of the Bureau is also to create conditions for improving the reliability of debtors' repayments by providing information on the performance or non-performance of their obligations.
4. The Bureau takes steps to ensure the accuracy, completeness, timeliness and legality of economic information. To this end, the Bureau shall undertake information and educational activities to promote the use of statutory right of access to information by the entities to which that information relates and to provide such entities with effective access to that information.
5. The Bureau shall implement appropriate procedures for the verification of economic information in the event of raising objection by the entity to which they relate, taking care in particular that the procedures and solutions implemented are proportionate and do not constitute a barrier to accessing economic information by eligible third parties.
6. The Bureau in its activities is guided by the principle of respect for the right of participants in the process of making economic information available, taking care, in particular, of the need to ensure that creditors and lenders have access to economic information and to respect the right of privacy of the individuals concerned.
7. The Bureau, also in cooperation with other Bureaus through Self-government organization, is working to promote responsible payment behavior, in particular responsible commitment and reliable execution, and to build a positive payment history.
8. The Bureau is working to promote the idea of exchange, between the bureaus and other legitimate entities information on creditworthiness.

Part III

Information duties and contacts with interested parties

§ 78

The Bureau ensures that interested parties have easy access to clear and concise information about the subject matter and legal basis of their activities, in particular by posting relevant information on their websites. The Bureau makes available on its website the current uniform texts of the law and regulations, as well as examples of documents used in the process of providing economic information, in particular the example of the request for access to economic information on the subject, the example of the request for access to information from the register of inquiries and the example of the request for disclosure of consumer economic information.



§ 79

1. At the request of the loan holder providing the economic information, the Bureau may notify the entity concerned about the transfer of this information to the Bureau. The notification should contain at least the creditor's identification and the legal title of the obligation, and, in case of notification of the transmission of negative economic information, also an indication of the amount of arrears.
2. The notification may also contain information on the potential negative or positive effects of the transmission of economic information, on the creditworthiness of the entity to which the information relates. In the case of notification of the transmission of negative economic information, the notification may also contain a recommendation for the debtor to contact the creditor in order to clarify doubts about the legal basis or the actual liability or amount thereof, or to determine the terms of repayment.
3. The notice should not be misleading, in particular as to the nature of the activities of the Bureau, as well as the effects of the transfer, storage dates or uses of economic information.

§ 80

Correspondence sent in the physical form of a letter, addressed by the Bureau to the entity to which the economic information relates, should be sent in a sealed envelope, with no annotation or signs on the envelope indicating that the correspondence concerns the addressee's debt. The stipulation in respect of the envelope does not apply to the sign and logo identifying the Bureau.

§ 81

In the case of telephone contact with the subject of business information, the Bureau is obliged to ensure that telephone calls are conducted in a polite and friendly way, ensuring confidentiality and nondisclosure of personal data and obligations of the entity to which the economic information relates.

§ 82

The Bureau may authorize the creditor to use elements of visual identification, in particular the logos, in correspondence addressed to recipients in connection with the process of providing economic information, in particular in the payment requests referred to in the law. In this case, however, the Bureau shall ensure that the elements of Bureau identification are not used in a way that could mislead the addressee, in particular as regards to the core business of the Bureau, as well as the effects of the transfer, storage dates or uses of economic information.

§ 83



The Bureau shall inform the recipient of the economic information - in particular by providing the relevant instruction in the disclosure statement or credit report - about the statutory obligation to remove the economic information after 90 days from receiving it, and the statutory prohibition of disclosure to other entities the economic information about the consumer received from the Bureau.

Part IV

Providing economic information about applicant and from the inquiry register

§ 84

1. The Bureau makes available on its website a request form for providing information concerning customer and a request form for access to information from the inquiry register, provided that the Bureau cannot refuse the application solely because the request was not made in accordance with the provided form.
2. The Bureau shall inform on its website of the fee for access to information about yourself and to information in the inquiry register as well as the right to access this information free of charge and the conditions for exercising this right.
3. The Bureau shall implement appropriate procedures to verify the identity of the applicant requesting access to information on himself (herself) or from the inquiry register, ensuring that the technical and organizational solutions used are proportionate and provide an adequate level of security for that information while maintaining effective access to them. These provisions shall also apply to the verification of the identity of the statutory representative or the plenipotentiary of the applicant.
4. If the request for information about applicant or from the inquiry register contains deficiencies that prevent it from running, the office will notify the applicant of the deficiencies, indicating their type and method of completion.

Part V

Acceptance, storage and disclosure of economic information

§ 85

The Bureau requires from the creditor providing the economic information to at least submit a statement about his compliance with the obligation to disclose information to the debtor, if such obligation arises under the Act. A claim may also be made by the creditor also implicitly, in particular by the transmission of economic information in the manner specified in art. 2 sec. 1 pt. G of the Act.

§ 86



1. The Bureau ensures the confidentiality and security of stored economic information, and in particular protects this information from loss, damage, distortion and misuse of the information in a manner incompatible with the Act.
2. The Bureau shall ensure that only authorized economic agents have access to stored economic information to the extent necessary to perform their duties.

§ 87

1. The Bureau requires from the entity applying for disclosing economic information relating to the consumer at least submitting a statement regarding the date of obtaining the consumer's authorization - where the obligation to hold such authorization results from the act.
2. The Bureau makes available on its website a recommended pattern of consumer authorization to request disclosure of economic information about his (her) obligations.

§ 88

In case of receiving a request for disclosure of economic information pursuant to art. 25 sec. 1 of the Act, derived from an unauthorized entity or from an authorized entity, but without all the conditions set out in the Act, the office refuses to disclose information and instructs the applicant about the content of this provision.

Part VI

Organization and documentation of the process of providing economic information

§ 89

1. The Bureau ensures the security and confidentiality of the process of providing economic information. For this purpose, the Bureau shall use appropriate organizational and technical security, in particular providing the user's identification by login and password.
2. The Bureau shall respond promptly to any reported incidents which may indicate a breach of security or confidentiality of the disclosure process.
3. The Bureau maintains information about the process of making business information available through the Bureau. This information can be used by the Bureau for evidence related to the professional responsibility of the Bureau as well as made available to eligible state authorities upon request.

Part VII

Complaints



§ 90

1. The Bureau accepts and handles customer complaints regarding the way of providing services to them.
2. Where a complaint submitted by a customer contains deficiencies that prevent it from being dealt with, the Bureau shall notify the applicant of the deficiencies, indicating the type and manner of completion.
3. The Bureau should deal with the complaint without delay, no later than within 30 days of its receipt. In the event that the complaint cannot be processed at the above time, in particular because the complaint contains deficiencies that prevent it from being dealt with or if the complaint requires further information or clarification from the client, the Bureau shall inform the complainant thereof, indicating the new expected date of the complaint, no longer than 60 days after receipt of the complaint.

Part VIII

Complaints and requests from entities affected by economic information

§ 91

1. The Bureau accepts and deals with complaints from entities affected by economic information relating to the content of information about them.
2. Where the Bureau has reasoned that the economic information provided by the creditor is untrue, incomplete or outdated, or has been transmitted or stored in breach of the provisions of the Act, in particular as a result of an action brought by the party to which the information relates, the Bureau informs creditor, asking him to correct, supplement, update or delete the economic information, and sets an appropriate deadline of no more than 21 days.
3. Irrespective of the performance of the activities referred to in para. 2, where it is reasonable to assume that the information provided by the creditor relates to an obligation that has expired or does not exist, the Bureau shall suspend the disclosure of this information for the duration of processing the complaint. The Bureau may also suspend the disclosure of information if the creditor fails to comply with the summons referred to in para. 2 within the prescribed time limit or cannot make probable circumstances indicated in this summons.
4. The Bureau, withholding disclosure of economic information, shall, in justified case, advise the entity to which the economic information relates, with the powers of Article. 30 sec. 1 and 2 Act.



5. When dealing with a complaint, in particular before removing the economic information, the Bureau enables the creditor who provided the economic information to take a position on the case and sets an appropriate deadline of no more than 21 days for that purpose.
6. The Bureau will deal with the complaint without delay, no later than 45 days after its receipt. If it is not possible to deal with the complaint at this time, in particular due to the complexity of the case or the need to obtain additional information, documents or explanations from the entity to which economic information relates, or from the creditor, the Bureau may prolong the deadline informing the complainant.
7. The Bureau removes the economic information if it comes into possession, in particular as a result of the processing of the complaint, of justified information about the expiry or non-existence of the obligation. The fact of having or not having such legitimate information the Bureau is required to assess, on the basis of the circumstances and possible documents submitted by both the subject of the economic information and the creditor.
8. The Bureau publishes on its website a list of examples of documents that may justify the request for removal of economic information pursuant to art. 31 points 6 or 7 of the Act, provided that the creditor is entitled to take a position on these documents.

§ 92

In the event of receipt of a request for remission of a debt or postponement of a repayment or of a request that goes beyond the scope of activity of an economic information office, the Bureau shall inform the entity of the nature of its business activities and the need to contact the creditor or other competent authority directly.

§ 93

1. In the event of a re-submission by the same entity of a complaint or a request based on the same circumstances, the Bureau may refuse to accept the complaint or the request for consideration, informing the subject of the refusal and the reasons for it.
2. The Bureau is not be obliged to continue correspondence with the entity to which the economic information relates if its complaint or request was unfounded, unless the entity proposes new circumstances in the further correspondence.

Part IX **Prohibited and not allowed practices**

§ 94



The Bureau and its employees are wary of activities that could violate the law, the rules of procedure, or the rules of social coexistence. In particular it is forbidden:

- a) to take any action that may mislead the entity to which the economic information relates as to a legal status of the Bureau, core business of the Bureau as well as the effects of the provision of economic information, in particular to suggest that the register maintained by the Bureau is public;
- b) to use force, threats or any attempt at intimidation or misrepresentation, in particular by giving false information in contact with the debtor, and also to use other methods of acting which violate the personal dignity of the debtor;
- c) to use vulgar or obscene language or expressions that violate the rules of social cohabitation or accepted norms, and also rude tone of conversation;
- d) to conduct any talk about the repayment of liabilities or to take any financial resources to repay the obligations referred to in economic information;
- e) Making available or enabling access to economic information to unauthorized parties, or using this information for any purpose contrary to the Act.

Book Five

GOOD PRACTICES IN MORTGAGE FUNDS

Part I

General values and ethical norms

§ 95

Independently of General Principles included in Book I of the KPF's Principles of Good Practices, a Fund is obliged to obey following values:

1. Reliability - Communication with Seniors in a clear, reliable and precise manner, presenting all consequences emerging from a covenant; avoiding unreliability in contacts with elder people and third party contacts.
2. Counseling Directed on seniors' needs, helping with making rational decisions to increase their income due to a proper real estate management.
3. Competences - having an essential knowledge and experience in order to help Seniors effectively and in best possible way, also by updating the knowledge and improving competence which Representatives of a Fund have at their disposal.
4. Diligence - providing services for Seniors with the due solicitude, without the inessential delay, in a tactful way and according to all requirements of Principles and provisions of the law.
5. Standards care of high standards of service delivery- by providing access to proper training for representatives of a Fund and cooperating entities.

Part II

Definitions

§ 96

Following expressions, used in this Book, mean:

1. "Senior" - a person, to whom the product of a Fund is offered. "Fund" - A Mortgage Fund is a legal entity, acting as the limited liability company or a joint-stock company, offering the product described in this Principles
2. "Representative of a Fund" - person acting on behalf of and for a Fund, under the contract of employment, of the agency agreement or other type of the agreement
3. "Product" - the agreement of the life annuity or the agreement of the life sentence:
 - a) The "agreement of the life annuity" means a nominated contract, described in provisions Art. 903 - Art. 906 of civil code,
 - b) "Agreement of the life sentence" - Art. 908 means the nominate contract, described in the provision - Art. 916 of civil code.



Part III

Activities undertaken by a Fund in order to recruit Seniors

§ 97

1. Irrespectively of the product's distribution channel to obtain a Senior, information about the offered product is provided in a reliable way, what means a bright and transparent presentation of the benefits and legal consequences of the covenant, including the specific and individual case.
2. The product advertising is based on a reliable, honest, explicit true and accurate message. The advertisement can not contain any information which may misinform a Senior.

Part IV

Communication with Seniors

§ 98

1. A Fund has described and implemented communication standards with Seniors. The communication channels are phone calls, direct conversations, written correspondence, the electronic channel or the correspondence sent to the place of residence of a Senior.
2. Communication standards are based on elements and assumptions as: relevant, tactful conversation with a Senior, - collecting complete information, encouraging to use the offer, eventual tactful acceptance (or granting) of refusals and thanking for the interest, building the relations based on the confidence.
3. The correspondence sent to a Senior should be sent to one's place of residence or other, where a Senior can be attainable, in a closed envelope, without any annotation or sign on the envelope pointing to what it is regarding. Restriction concerning the visual signs on the envelope doesn't regard the marking and logos that identify a Fund.

1. Phone calls

§ 99

1. Representatives of a Fund conducting phone calls represent ethical norms in detail described in this Code.
2. On the beginning of the conversation representatives of a Fund should introduce themselves with their full name, the name of a Fund they act on behalf of.
3. Representatives of a Fund may communicate with Senior in working days between 8.00 am and 8.00 p.m. - the other days only on Senior's request.



2. Direct contact

§ 100

1. Representatives of a Fund contact Seniors directly through meetings, lectures or talks held in a Fund's office, domicile of a Senior -, senior clubs, Universities of the Third Age or in every other place previously agreed with a Senior, or with an institution representing his/her businesses.
2. The date, time and place of the meeting of a representative of a Fund with a Senior are being established by way of arrangements between sides.
3. Representatives of a Fund encourage trusted persons of a Senior to participate in meetings, lectures and talks.
4. Representatives of a Fund should use a neat dress code.
5. Representative of a Fund during a direct contact with a Senior is obliged to introduce oneself, introduce an ID badge without being asked to and to introduce an authorization to act issued by a Fund, that determines the scope of one's authorization.

Part V

Legal status and valuation of a real estate

§ 101

1. Analysis of documents delivered by a Senior, describing the legal status of the real estate, is being made in conscientious way and in compliance with the highest care.
2. Valuation of a real estate, that establishes one of the criteria needed for the determination of the benefit amount of the life annuity, is based on comparable method and effected in an objective way by an independent property valuer, whose entitlements are conferred by the Minister of Infrastructure.
3. A property valuer mentioned in pt. 2 is a person that is independent of a Fund holding professional entitlements in estimating real estates, that are authorized as regulations of the act of real estate management from 21 August 1997.
4. Expenses concerning the valuation are covered by a Fund.
5. Senior should receive one statement concerning the valuation survey.



Part VI

Pre-contractual activities

§ 102

1. A Fund provides Seniors with handouts that allow getting acquainted with conditions and terms of the contract, as well as answers all questions of a Senior which may come up after an analysis of these materials.
2. Handouts consist of:
 - a) Template of the life annuity contract
 - b) Forecast of benefit amount
3. Handouts primarily should provide the following informations: showing benefits as well as possible flaws in the solution suggested by a Fund, risks connected with such an agreement, especially consequences of a liquidation or bankruptcy of a Fund, pointing factors that affect the benefit amount paid to a Senior, showing the legal basis, based on which a Fund pays the life annuity.
4. Handouts are being passed on to a Senior free of charge.

§ 103

1. A fund provides the possibility of keeping permanent, electronic, personal or phone contact for a Senior in order to offer him advice and professional help in the process of completing documentation, essential for the conclusion of a contract of the product purchase.
2. A fund adapts the frequency of the contact with a Senior to ones individual needs.
3. A Fund stays at a Senior's disposal at least on weekdays from 9.00 a.m. to 5 p.m.
4. Irrespectively of above, a Senior can go to a registered office of a Fund on weekdays in hours from 9.00 a.m. to 5 a.m., to get further information about the product offered by a Fund.
5. Days indicated above and working hours of a Fund do not cover statutory holidays.

§ 104

1. A Fund delivers to a Senior a draft contract of the life annuity which enables a Senior to acquaint with the contents and to ask additional questions or clarify further doubts before entering into agreement.
2. A Senior has a possibility to consult the agreement of the life annuity with third parties, in particular family members, legal advisers, independent consultants, or other persons which a Senior trusts.
3. before entering into an agreement a Fund informs of all costs and obligations involving a Senior, that are connected to the life annuity contract, a Fund also verifies whether a Senior understands the legal terms included in the draft contract



4. A Fund cares so that given answers to questions of a Senior are understandable, as well as is verifying, whether a Senior is aware of the consequences of the agreement which one is going to enter in.

Part VII

Form of the contract of life annuity

§ 105

A Conclusion of a contract of the life annuity in the form of notarial deed takes place not earlier, than after the end of the period necessary for a Senior to calmly consider the best possible decision , also by proper acquainting with contents of the the contract and the possibility of consulting the family or other persons, of which opinions trusts.

Part VIII

Ochrona danych osobowych Seniorów

§ 106

1. A Fund ensures a complete technical and legal protection of personal data and all the information, obtained from a Senior on every stage of the proceeding. The protection of personal data includes also not using this information for purposes they were not obtained for unless it is essential for conclusion of the life annuity contract.
2. A Fund obeys regulations determined in the Personal Data Protection Act.

§ 107

1. The protection of personal data is being carried out by the compulsory registration of a Fund in a Nationwide register of sets of personal data, kept by the General Inspector of Personal Data.
2. Processing personal data is being effected only by persons entitled to it which are obliged for keeping them secret, also after standing still of the employment in a Fund.



Part IX Fund Representative

§ 108

1. Only a persons which guarantee impeccable character and are essentially prepared for sale of products can become representatives of a Fund.
2. Representatives of a Fund and persons acting on its behalf assure:
 - a) performance of activities with the due diligence and care of businesses of Seniors,
 - b) appropriate representation of a Fund in front of Seniors and in their surroundings,
 - c) obedience both to the law and decisions included in the agreement , while performing official duties aimed at the conclusion of a contract of the life annuity. Reliable supervising and controlling propriety of agreements carried out with Seniors,
 - d) protection and discretion with handling personal details of Seniors who use services of a Fund - not handing them over to other operators, in particular other principals. Keeping secret any information a representative of a Fund obtained from a Fund or a Senior in relation with performed duties that were aiming to conclude a contract of the life annuity,
 - e) following procedures and regulations and other directives, guidelines and instructions issued by a Fund, associated with their activity,
 - f) informing a Fund of all noticed problems of Seniors and possibilities of solving them,
 - g) conducting all activities in a way that guaranties protection of the interests of a Senior, and at the same time pursuant to applicable law regulations , and good manners, in particular providing to Seniors information required by regulations.

Part X Forbidden and prohibited practices

§ 109

1. A Fund and persons acting on its behalf don't apply methods which violate law and good manners. the forbidden methods are
 - a) passing on or disclosure of information about a Senior to unauthorized third parties,
 - b) applying, using or threatening with using force or applying other methods, using the physical violence or disturbing personal dignity,
 - c) using vulgar or obscene language or terms disturbing personal dignity, as well as the naughty tone of conversations in contacts with Seniors,



- d) applying methods of action which can lead a Senior into mistake, or any other person which is acting on behalf of or for a Senior to implement the uncertainty for the actual state of affairs or legal. In particular it is prohibited:
 - i. showing false data, concerning the offered product,
 - ii. giving false information about status, qualifications, experience or professional entitlements,
- e) allowing signing blank templates of the contract by a Senior.

Part XI

Withdrawal from a preliminary contract

§ 110

1. The conclusion of a contract of the life annuity can be preceded by preliminary contract.
2. A Senior is able to withdraw from the preliminary contract, at one's own discretion, until the day of conclusion of the promised contract by parties.
3. A Senior should be clearly instructed about the right to withdraw from preliminary contract and about the consequences of not concluding a promised contract.

Part XII

Termination of the agreement

§ 111

1. The agreement of the life annuity can be terminated at the request of a Senior, provided that both parties predicted the possibility of terminating in the agreement.
2. In case which is being talked about in pt 1, before the conclusion of a contract a Senior is able to read the detailed mode and conditions of the termination of the life annuity contract.



Book Six

GOOD PRACTICES IN FINANCIAL INTERMEDIATION

Part I

General values

§ 112

Regardless of the General Principles contained in the Book One of the Principles of Good Practices, financial intermediaries are guided in their activities by the following values:

1. Responsible communication

The basis of financial intermediaries activity is to conduct responsible communication, in particular regarding advertising messages and information about the products offered. The way of communication with customers affects their decisions, which is why the information provided should be accurate and concise as possible and also formulated in simple language so that they were transparent and understandable to the client.

2. Improving knowledge and competence

The financial market is constantly changing in terms of regulation and products available. Financial intermediaries should build lasting and effective relationships with clients, their duty is to continuously improve the knowledge and competence, so that in addition to informing customers about the products available they were also able to present them with an advice based on sound analysis of the basic characteristics of the products, matching them to the situation and the capabilities of a specific customer.

3. Expertise and safety

Above all the customer expects help in choosing the right product but also expects that the given products do not expose him to excessive risk. The financial intermediary cannot therefore be limited only to offer a specific product, but should competently and on basis of merit work with an attention to the interests of the client.

4. Informing clients

The customer also expects help in understanding complex financial products. The financial intermediary should, therefore, reliably and accessibly explain to the customer all the essential characteristics of the product, noting the associated benefits and risks, as well as the consequences of its acquisition.

5. Fair Competition



The basis of relationships with financial market participants, including the financial intermediation sector, is the principle of fair competition, understood as ethical behaviour towards all partners - customers, employees, competitors or suppliers. Doing so helps to build a relationship based on mutual respect and trust, and in the long run, improves the image of the industry and conditions for the development of financial intermediation market.

Part II

Definitions

§ 113

The following terms used in these rules, are:

- a) Financial intermediary - a natural or legal person carrying out a business of financial intermediation;
- b) Partnership financial institution - financial institution with which the financial intermediary has concluded an agreement on cooperation in the field of distribution of financial products or services offered by this institution;
- c) Product - own product or financial service as well as product or financial service of the partnership financial institution.
- d) Customer - a natural or legal person or entity without legal personality, which is provided with brokering services by financial intermediary, as well as the person or entity to which financial intermediary offers products with an intention of concluding an agreement to provide them with services.

Part III

Responsible financial intermediation

§ 114

1. The financial intermediary cares about building effective and lasting relationships with customers by acting in a way causing mutual respect and trust.
2. The financial intermediary honestly informs the customer about the cost of its services and the manner of payment.
3. The financial intermediary is not limited only to offering products to the customer, but helps him in choosing products that suit best their needs and possibilities, taking care of his interests and security.
4. On the basis of information received from the client, the financial intermediary shall analyse the needs and preferences of the customer and his ability to discharge of his liabilities, and then provides the proposal of a solution or solutions supported by a reliable overview that allows the client to make an informed decision.



5. Analysing the client's financial situation, the financial intermediary takes into account the products already owned by him and liabilities arising therefrom.
6. By providing the customer with the information about the products offered, financial intermediary shall endeavour to be fair, complete and understandable to the client, especially in the design of these products, the cost, the benefits and risks associated with them, as well as the consequences of their purchase by the customer.
7. The financial intermediary shall ensure that the transmitted information does not mislead customer, in particular in the design, purpose and mode of operation of the product.
8. Offering to the client the combined product (sales combined) financial intermediary presents the customer with reliable characteristics of the particular products and the way in which they are interconnected, and also reports on alternatives, enabling the customer to make an informed choice.

Part IV Advertising

§ 115

1. In formulating advertising and marketing messages financial intermediary shall ensure that the information presented in them is accurate and not misleading.
2. Advertising and marketing messages concerning products of partnership financial institutions should be formulated in consultation with these institutions, so that the information they presented was consistent with the information presented in this respect by partner financial institutions.
3. Advertising services offered should be based on correct and complete data, and liabilities that may arise from using the product offered, verifiable by the recipient.
4. The advertising and marketing should be formulated in a clear and understandable way for the potential customer, and information about the costs and risks should be presented in a way just as readable as information about the achievable benefits.

Part V Customer information

§ 116

1. The financial intermediary presents its products in a manner appropriate to the customer's level of knowledge of the financial market, so that the client was able to make a fully informed and responsible decisions.



2. The financial intermediary ensures that the client had full knowledge of not only the benefits but also the risks associated with the purchase of financial products, especially the consequences that may arise as a result of the misfortune, hindering the implementation of its obligations.
3. The financial intermediary also makes sure that the customer was aware of the legal consequences of giving deliberately incomplete or outright false information, including at least those consequences which result in the inability to use by the customer powers provided by law.
4. The financial intermediary pays special attention to the fact that the customer has received the legally required standard contracts and has understood patterns of contracts, used mechanisms and their consequences.

Part VI

In-service training

§ 117

1. Financial intermediaries ensure systematic updating and supplementing their general knowledge of the financial market and detailed knowledge of their specialization and the products offered.
2. Financial intermediaries are responsible for ensuring that their employees and those representing them have the appropriate level of knowledge and competence and update it systematically.
3. Financial intermediaries ensure that their employees, before starting independent work with clients, have received appropriate training.

Part VII

Fair cooperation and ethical competition

§ 118

1. Financial intermediaries are working together to build the reputation and ensure development of the industry in which they operate, in particular by cooperating with making and observance of ethical norms and business standards.
2. Financial intermediaries communicate with each other in a transparent, open and honest way, respecting the confidentiality specified by the law, the principles of industry and internal regulations.
3. Financial intermediaries cooperate in raising the general level of knowledge and competence.
4. Financial intermediaries are competing with each other and with other financial institutions only by the quality of services rendered by them while avoiding criticism



of the services provided by their competitors, unless it is a constructive criticism and is dictated only by customer care and client protection against falling into unconscious risk, or is intended to ensure implementation of the Principles of Good Practices, in a sense of responsibility for building confidence in the financial services market. In each case, the purpose of such constructive criticism should be obvious and possible to confirm to customers and other market participants.

§ 119

Financial intermediaries do not use unfair competition. In particular, the following actions are prohibited:

- a) Dissemination of false information about competitors or discrediting them otherwise.
- b) Impersonating employees or customers of competitors.
- c) Industrial espionage.
- d) The use of corrupt practices.
- e) Limiting competition through price fixing or market sharing setting.

Part VIII

Cooperation between financial intermediaries and financial institutions

§ 120

1. The financial intermediary carries out constructive cooperation with partnership financial institutions, respecting the rights and obligations of the parties and taking into account the interest of the partners in the implementation of the agreements.
2. The financial intermediary cooperates with partnership financial institutions in creating solutions and developing products that make the most respond to changing needs and expectations of clients.
3. In the case of cooperation with several partnership financial institutions, the financial intermediary pays particular attention to the fact that cooperation does not cause the formation of a conflict of interest, and if such a conflict arose that does its best for its constructive solution.
4. The financial intermediary cooperates with partnership financial institutions in raising the level of knowledge and competence of its employees and representatives, paying special attention to the elimination of adverse effects that lower confidence in financial institutions.
5. In the event of a dispute with a partnership financial institution, financial intermediary is seeking for its swift, amicable solution.



§ 121

1. If a financial intermediary cooperates with several partnership financial institutions, makes sure that its customers are presented with a wide range of products, not unreasonably preferring one or a few selected suppliers of those products.
2. The financial intermediary honestly informs the customer which are its partnership financial institutions, as well as what additional fees can be charged on this account from the client.
3. The financial intermediary honestly and transparently informs the customer which partnership financial institution is the owner of the product, and pays special attention while offering combined products to clearly provide information about the suppliers of particular products involved.
4. The financial intermediary shall ensure that the credit and insurance applications and other documents sent to the partnership financial institution included information accurate and factually correct.
5. The financial intermediary timely and accurately informs the customer on the mode for carrying out customer's request forwarded to the partnership financial institution, as well as the final decision on this request.

Part IX
Customer complaints

§ 122

1. The financial intermediary clearly and honestly informs customers about the possibilities and procedures for lodging complaints.
2. The financial intermediary quickly and reliably examines customer complaints, no later than within 30 days of their receipt.
3. Where it is impossible to consider the complaint within 30 days, the financial intermediary shall notify the client in writing of the reasons for the delay and the new date of considering the complaint, which may not exceed 60 days.
4. If the complaint relates partly or wholly to the partnership financial institution, financial intermediary transfers it to that institution and cooperates with it when examining the complaint. The financial intermediary shall immediately inform the customer about the transfer of the complaint, so that the client was aware who resolves it, and was able - where necessary - provide that institution with additional information that is useful to consider the complaint.

Conference of Financial Companies in Poland (hereinafter referred to as "KPF") has been created on October 27th 1999 and currently associates several dozen key institutions active on the Polish Consumer Finance market (banks, financial advisors and intermediaries, money lending companies, economic information bureaus, debt management companies, mortgage funds and insurers). The companies associated in KPF decided to represent their interest in the form of a trade organization which has the right to present opinions about bills and legal acts as a social partner of the legislative process. This entitlement is honored by state authorities and administration. KPF plays an active role in Polish legislation as a professional organization which cooperates with Ministry of Finance, Ministry of Economy, Polish Financial Supervision Authority. It shall be stressed here that KPF has its representative among experts cooperating with Ministry of Justice – Codification Commission of Civil Law.

KPF decided to join the European Federation of Finance House Associations – EUROFINAS. EUROFINAS, the European Federation of Finance House Associations, is the main voice of the specialized consumer credit industry at European level. It currently represents 18 Member Associations, in turn bringing together more than 1,200 finance houses, captive companies, specialized and universal banks. Together, these consumer credit providers financed over EUR 400 billion worth of new loans during 2007, with outstandings reaching EUR 713 billion at the end of the year.

**We build social capital
in the financial sector**