

OMBUDSMAN FINANCIAL SERVICES PROVIDER

ORGANISATIONAL REGULATIONS

The board has issued the following Organisational Regulations on the basis of Art. 84(2)c FinSA and Section 19(2) of the Articles of Association:

Introduction

§1 Subject

These Organisational Regulations define the requirements for the affiliation and exclusion of financial service providers and industry organisations, in addition to the activities of the board and its interaction with the other Association bodies. It sets out principles for the work performed by the Ombudsman, the office and the arbitration board.

Affiliation and exclusion of financial service providers

(Sections 11 - 12 of the Articles of Association)

§2 Affiliation of financial service providers

(Art. 78 - Art. 80 FinSA; 84(2)c FinSA; Art. 100 para. 1 FinSO; Art. 101(3) FinSO)

Financial service providers who want to join the Ombudsman of the OFD Association must continuously meet the following requirements:

- a) sign the affiliation contract with the office;
- b) meet the obligation to participate in accordance with Art. 78 FinSA;
- c) meet the obligation to provide information according to Art. 79 FinSA;
- d) pay the one-off admission fee and the annual fee (Art. 80 FinSA);
- e) pay the contributions for the conciliation proceedings in which the member is a party (Art. 80 FinSA).

§3 Affiliation of industry organisations

(Art. 100(1) FinSO)

Industry organisations of financial service providers who want to join the Ombudsman of the OFD Association must meet the following requirements:

- a) sign the affiliation contract with the office;
- b) submit address list of their members who want to join the Ombudsman of the OFD Association;

- c) pay the one-off admission fee and the annual fee.
- d)

§4 Ombudsman's obligation to grant membership

(Art. 81 FinSA; Art. 100(2) and (3) FinSO)

¹ If a financial service provider or an industry organisation meets the requirements for affiliation, the Ombudsman of the OFD Association is obliged to grant membership.

² It is not obliged to admit a financial service provider excluded under Art. 82 FinSA.

³ It will accept the financial service providers assigned to it by the EFD for affiliation.

⁴ If the Ombudsman refuses to grant membership, an appeal can be submitted to the arbitration tribunal in accordance with the Sanctions and Arbitration Rules.

§5 Exclusion of financial service providers and industry organisations

(Art. 82 FinSA)

¹ If a financial service provider or an industry organisation no longer fulfils the affiliation requirements, the office will ask it to rectify the situation by setting a reasonable deadline and threatening exclusion. If the requested rectification is not carried out, the member will be excluded by the Ombudsman of the OFD Association.

² An appeal against the exclusion decision can be submitted to the arbitration tribunal in accordance with the Sanction and Arbitration Rules.

§6 Information

(Art. 83 FinSA)

The Ombudsman of the OFD Association informs the responsible supervisory authorities and the registration office about the affiliation, the refused affiliation and the exclusion of financial service providers and industry organisations.

Board

(Sections 17 - 19 of the Articles of Association)

§7 Avoiding conflicts of interest

¹ Board members do not work for the office or any arbitration boards and do not provide any information to affiliated financial service providers or their customers.

² They cannot be appointed as Ombudsman of the OFD Association.

§8 Issuing regulations

The Board issues the Organisational Regulations, the Rules of Procedure, the Schedule of Contributions and Costs and the Sanction and Arbitration Rules. The issuing regulations are published in German, French, Italian and English. In the event of linguistic differences, the German text is authoritative.

§9 Sessions

¹ The board meets regularly if required for the management of the Association.

² Each member can ask the president to convene a meeting, stating the agenda.

³ To ensure adequate preparation, the agenda is sent out with all meeting documents at least ten days before the meeting. In urgent cases, this period can also be waived.

⁴ A telephone or video conference can also be held instead of a meeting.

§10 Minutes

¹ Written minutes of the meeting must be recorded.

² The minutes are signed by the secretary and the president.

³ The secretary is appointed by the board and does not need to be a member of the OFD Association or the board.

⁴ Circular resolutions and presidential decisions are included in the minutes of the next board meeting.

⁵ The minutes also include any pending issues.

§11 Delivery of the minutes and right of inspection

¹ The minutes are sent to all board members and the Ombudsman.

² The minutes are kept for ten years.

³ The auditor is granted access to the minutes upon request.

⁴ Third parties are not generally given access to the minutes, but the board may decide otherwise in exceptional cases.

§12 Executive decision

¹ The president can make his or her own decision in the case of urgent matters where it is not possible to hold a quorum conference call or video conference.

² The members of the board and the office are to be informed immediately about the executive decision.

³ The executive decision is to be presented to the board members at the next board meeting in order to make a decision.

§13 Secretary

The board can appoint a secretary to keep minutes at board meetings. This does not need to be a member of the OFD Association or the board.

President

(Section 17(5) of the Articles of Association)

§14 Obligations

¹ The president represents the OFD Association externally, especially when dealing with the Federal Finance Directorate (EFD) and the media.

² He or she ensures efficient work on the board, prepares the board meetings and invites members to the board meetings in a timely manner.

Ombudsman

(Section 20 of the Articles of Association)

§15 Rights and obligations

(Art. 86 FinSA)

¹ The Ombudsman is in close contact with the board and regularly informs the board about his work.

² He draws up the annual report, has it approved by the board, submits it to the EFD and is responsible for its publication.

³ He advises the board on improvements and adjustments to the regulations of the OFD Association.

⁴ The Ombudsman ensures a regular exchange of experience with and among the mediators and organises information and training events.

⁵ After consultation with the board, he can call in one or more external lawyers to provide support with legal matters and training events.

§16 Independence

¹ The Ombudsman takes all reasonable precautions to ensure his own independence.

² If, despite all precautions, there is a conflict of interest, he will immediately inform the president and step down from office.

³ If the Ombudsman steps down, he must designate one of the approved arbitration boards as a representative.

Arbitration boards

(Sections 13, 14 and 19(3) of the Articles of Association)

§17 Appointment of mediators

(Art. 84(2) a and b FinSA)

¹ The Ombudsman proposes the mediators to the board. The board confirms or rejects these mediators.

² The Ombudsman must ensure that the mediators he uses:

- a) have the required specialist knowledge, in particular in the field of FinSA, FinSO, FinIA and FinIO (submission of specialist diplomas, further education courses attended, job references, CVs, references; legal training is not required);
- b) enjoy a good reputation (submission of an extract from criminal records);
- c) can provide an impartial, transparent, fair and efficient service as a mediator;
- d) are organisationally and financially independent of the parties requesting mediation;
- e) have a suitable infrastructure, in particular a suitable meeting room for conciliation meetings;
- f) can be reached by telephone during office hours.

³ If the Ombudsman determines that a mediator no longer fulfils the necessary prerequisites, he will set a reasonable deadline for rectification and threaten to exclude the mediator. If the requested rectification is not carried out before the deadline, he will immediately terminate the contract.

§18 Implementation of the conciliation proceedings

The conciliation proceedings are based on the procedural regulations.

Office

(Art. 83 FinSA, Section 26 of the Articles of Association)

§19 Obligations

The office has the following duties:

- a) completion of all administrative work;
- b) maintaining the directory of members and the directory of affiliated financial service providers, industry organisations and mediators;
- c) collection of fees, membership fees and advance payments;
- d) review of affiliation requests;
- e) conclusion and termination of the affiliation contracts and contracts with the arbitration boards;
- f) random affiliation requirement checks;
- g) providing information and sending notifications to the FDF, FINMA, the supervisory organisations, affiliated financial service providers and their customers as well as interested parties during normal office hours in accordance with the instructions of the Ombudsman;
- h) archiving of logs and files.

Confidentiality and independence

(Art. 75 FinSA)

§20 Confidentiality

All board members of the OFD Association and the mediators are obliged to maintain secrecy about all facts in connection with conciliation proceedings, provided that this does not conflict with any statutory provisions.

§21 Recusal

¹ Board members of the OFD Association and the mediators must recuse themselves if they:

- a) are a party or otherwise have an interest in the matter;
- b) are married or engaged to the party, live in a registered partnership or in a marriage-like community or are directly related;
- c) are a representative, agent, employee or body of a party;

d) appear to be biased for any other reason.

² The person affected by a conflict of interest will immediately inform the Ombudsman. If the latter is affected by a conflict of interest, he will inform the president. The latter will appoint a suitable mediator to represent the Ombudsman in the matter in question.

Final provisions

§22 Changes to the Organisational Regulations

¹ The Organisation Regulations can be changed by the Board at any time after consultation with the Ombudsman.

² The affiliation requirements according to Sections 2 and 4 above can only be changed after consulting the industry organisations.

³ Changes must be submitted to the Federal Departement of Finance (FDF) for approval. The board will not put the changed organisational regulations into force until the FDF has given its approval.

§23 Coming into effect

The Organisational Regulations will come into effect on First of July, 2020

Zurich, First of July 2020