

# **THE OPTIONS CLEARING CORPORATION REGULATORY COMMITTEE CHARTER**

## **I. Purpose**

The Board of Directors (“Board”) of The Options Clearing Corporation (“OCC”) has established a Regulatory Committee (“Committee”) to assist the Board in overseeing OCC’s efforts to demonstrate compliance with its regulatory obligations with particular attention to the Regulatory Compliance Oversight Group (“RCOG”), a working group established by OCC management. Given OCC’s designation as a Systemically Important Financial Market Utility (“SIFMU”), the Board believes it is critical that OCC demonstrate its continued strong commitment to compliance with applicable regulations in the conduct of its core clearance and settlement activities. Nothing in this Charter alters the existing roles and responsibilities of other Board Committees.

## **II. Membership and Organization**

### **A. Composition**

The Committee shall be comprised of all Public Directors, as that term is defined in the Board of Directors Charter and Corporate Governance Principles (“Board Charter”). At least a majority of the Committee shall be composed of directors who are independent directors, consistent with Securities and Exchange Commission Rule 17Ad-25(e) and the judgment of the Board. Unless a Chair is elected by the Board, the members of the Committee shall designate a Chair by majority vote of the full membership. In the absence of the Chair at any meeting of the Committee, those members of the Committee present shall designate a Committee member to serve as Acting Chair. In the event of a vacancy on the Committee, the Committee will continue to undertake its responsibilities, so long as the remaining Committee members are capable of satisfying the quorum requirement.

### **B. Meetings**

The Committee will meet at least quarterly, or more frequently, as deemed necessary by the Committee in order to fulfill its purposes as described in this Charter. Other meetings may be called by the Chair as circumstances dictate. The Chair or its designee, in consultation with management, as well as the Corporate Secretary, shall establish the agenda for Committee meetings. The members of the Committee may ask members of management or others to attend meetings and provide pertinent information as necessary. The Chief Compliance Officer, or one of his or her deputies if the Chief Compliance Officer is unable to attend, shall attend all meetings of the Committee. The Committee may call executive sessions from which members of management, invited guests, and other Committee members, to the extent the Chair determines there exists an actual or potential conflict of interest, may be excluded. The Chair or Acting Chair, as

applicable, will serve as chair for the executive session. Members of the Committee may participate in meetings by means of a conference telephone call or other means of communication that allows all participants in the meeting to hear each other.

#### C. Quorum

A simple majority of the Committee members shall constitute a quorum for the transaction of business.

#### D. Minutes and Reports

The Committee shall maintain minutes of all Committee meetings. The Chair or Acting Chair, as applicable, shall determine whether separate minutes of executive sessions are to be recorded as well as determine the level of detail to be included in such minutes, taking into consideration the sensitivity of the matters to be discussed and the possibility that candor might be limited if detailed minutes are recorded. Meeting minutes will reflect that an executive session was convened and broadly describe the topic(s) discussed. Minutes of Committee meetings shall be circulated to the Board.

The Committee shall make such reports to the Board as deemed necessary or advisable. The Committee Chair is responsible for ensuring that important issues discussed at the Committee meetings are reported timely to the full Board. On an annual basis, the Committee shall provide a report to the Board summarizing its activities during the previous year.

### **III. Authority**

Subject to the direction of the Board, the Committee is authorized to act on behalf of the Board with respect to any matter necessary or appropriate to the accomplishment of the purpose and responsibilities set forth in this Charter. In discharging its role, the Committee may inquire into any matter it considers appropriate to carry out its purpose and responsibilities, with access to all books, records, facilities and personnel of OCC. The Committee shall confer with management and other employees of OCC to the extent it may deem necessary or appropriate to fulfill its duties.

The Committee shall have the authority to hire specialists or rely upon other outside advisors, including legal advisors, to assist it in carrying out its activities. The Committee also shall have the authority to approve the fees and retention terms applicable to such advisors and specialists. The Committee's annual report to the Board will reference any engagement of specialists or outside advisors, including any fees and expenses associated therewith.

### **IV. Functions and Responsibilities**

The Committee's role is one of oversight. It remains the responsibility of the RCOG to identify, manage, monitor, and report on OCC's activities that demonstrate compliance

with regulatory obligations.

The Committee shall have the following functions and responsibilities in discharging its oversight role:

- Oversee, and assist the Board in evaluating, OCC's efforts to demonstrate compliance with applicable laws and regulations, including banking and securities laws and other applicable regulatory guidance and standards, through regular reporting to the Committee by the RCOG.
- Oversee OCC management's action plans to achieve compliance with any proposed new regulation to which OCC is subject.
- Oversee work performed by any independent compliance auditor(s) engaged by OCC and approved by the Board.
- Make recommendations to the Board as it deems appropriate, and as the Board may request.
- Meet with OCC's regulators, with or without OCC management, as the Committee deems necessary, in order to discuss OCC's efforts to enhance its regulatory compliance posture.
- Review any annual regulatory compliance reports provided by OCC management.
- Review any final exam report letter received from OCC's regulators. Additionally, the Committee shall review any OCC response to an exam report letter received from OCC's regulators. The Committee shall receive a briefing on OCC's action plans, if any, in response to items identified in any final exam report letter received from OCC's regulators.
- Perform such other activities consistent with the Board Charter and By-Laws and applicable legal and regulatory requirements, as the Committee deems necessary or appropriate.

## **V. Review Cycle**

The Committee will review this Charter at least once every twelve months. The Committee shall submit this Charter to the Board for approval, with such changes, if any, as the Committee deems advisable. The Board shall have the authority to diminish or eliminate the duties and obligations of the Committee as of the date of any final report of any independent compliance auditor, but in any case, no sooner than November 20, 2022, subject to the approval of the Securities and Exchange Commission.