

RESTATED CERTIFICATE OF INCORPORATION
OF
THE OPTIONS CLEARING CORPORATION

THE OPTIONS CLEARING CORPORATION, a corporation organized and existing under the laws of the State of Delaware, hereby certifies as follows:

1. The name of the corporation is THE OPTIONS CLEARING CORPORATION. The name under which the corporation was originally incorporated was the CHICAGO BOARD OPTIONS EXCHANGE CLEARING CORPORATION, and the date of filing of the corporation's original Certificate of Incorporation with the Secretary of State of Delaware was August 28, 1972.

2. The text of the Restated Certificate of Incorporation of the corporation as amended herewith is hereby restated to read as herein set forth in full:

* * *

ARTICLE V. DIRECTORS.

The Board of Directors shall be composed of Member Directors, Exchange Directors, Public Directors and ~~two~~ Management Directors. Each director shall be entitled to one vote on each proposition submitted to the Board of Directors for a vote thereon or for written consent thereto. The number of Member Directors shall be such number, not less than nine, as shall be fixed by or pursuant to the By-Laws, divided into three classes, as provided therein. Each class of Member Directors shall be elected for a term which expires at the third annual meeting of stockholders following their election and upon the election and qualification of their successors, subject to their earlier death, disqualification, resignation or removal. The number of Exchange Directors shall be such number as shall be fixed by or pursuant to the By-Laws, consistent with the provisions of the second paragraph of Article IV hereof. The number of Public Directors shall be such number as shall be fixed by or pursuant to the By-Laws. The number of Management Directors shall be such number as shall be fixed by or pursuant to the By-Laws. Each Management Director and each Exchange Director shall serve until the annual meeting of stockholders following their election or appointment and until the election or appointment and qualification of their respective successors, or until their earlier death, disqualification, resignation or removal. Except as otherwise provided in the By-Laws, each Public Director shall serve until the third annual meeting of stockholders following such Director's election and until a successor is elected and qualified, or until the earlier death, disqualification, resignation or removal of such Director. Election of directors need not be by

written ballot. Any director of the Corporation may be removed at any time, with or without cause, by the vote of a majority in number of the shares of the class or series of Common Stock which elected such director; provided, however, that Member Directors and Public Directors may be removed only for cause. Vacancies shall be filled in the manner provided in the By-Laws. The management of the business and affairs of the Corporation shall be vested in the Board of Directors except to the extent such management may be delegated by or pursuant to the By-Laws to a Committee of the Corporation and except as otherwise provided in this certificate of incorporation or in the By-Laws.

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[redacted pursuant to Rule 24b-2]

[redacted pursuant to Rule 24b-2]

[redacted pursuant to Rule 24b-2]

[redacted pursuant to Rule 24b-2]

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**THE OPTIONS CLEARING CORPORATION
BOARD OF DIRECTORS
CHARTER**

I. ~~INTRODUCTION~~ PURPOSE

~~Oversight of the management of the business and affairs~~ The Board of Directors (the “Board”) of The Options Clearing Corporation (“OCC” or the “Corporation”) is ~~vested in its Board of Directors (the “Board”)~~ responsible for providing direction to and overseeing the conduct of the affairs of the Corporation (except as may otherwise be provided in OCC’s Certificate of Incorporation or its ~~by-laws~~ By-Laws and ~~rules~~ Rules).¹

The Board discharges its responsibilities in a manner consistent with legal and regulatory requirements applicable to OCC and the expectations of OCC’s stakeholders ~~(i.e., stockholders, clearing members, cleared markets, market participants, and regulatory authorities)~~. In doing so, the Board exercises its authority to promote the safe, sound and efficient operation of OCC and the development of safe, sound and prudent principles for risk assessment, monitoring and management in light of OCC’s role as a systemically important financial market utility.

~~Capitalized terms used in this Charter shall have the meanings set forth in OCC’s by-laws and rules unless otherwise indicated.~~

II. MEMBERSHIP AND ORGANIZATION

A. ~~A. Size and Composition.~~ ~~As provided for in the by-laws, the~~ The Board presently is comprised of ~~two (2)~~ one Management Director; ~~five Public~~ five Public Directors ~~one of whom is the Executive Chairman of the Board and the other of whom is the President; five (5);~~ five Exchange Directors representing each of OCC’s Equity Exchanges ~~(i.e., stockholders);~~ and ~~nine (9)~~ nine Member Directors representing OCC clearing members; ~~and three (3) Public Directors.~~ ~~Board size may be increased or decreased as specified in the by-laws.~~¹

B. ~~—B. Qualification Standards.~~ As ~~provided for~~ set forth in the ~~by-laws~~ Corporate Governance Principles, the Board has adopted certain principles and criteria to be used ~~by designated persons~~ in considering nominees for service as a Director ~~(i.e., a member of OCC’s Board).~~ The, including the Fitness Standards for Directors, Clearing Members and Others (“Fitness Standards”), ~~as adopted and amended by the Board, set forth such criteria~~

¹ For example, Article III, Section 8 of OCC’s ~~by-laws~~ By-Laws states that the Board shall not take action in respect of matters as to which the Corporation has agreed to limit its authority under the provisions of its agreements with its Equity Exchanges. Such provisions include the requirement that amendment of certain ~~by-law~~ By-Law provisions requires the unanimous consent of OCC’s stockholders. Capitalized terms used in this Charter shall have the meanings set forth in OCC’s By-Laws and Rules unless otherwise indicated.

~~and which~~ is attached hereto. ~~Such Fitness Standards are periodically reviewed by the Board. In addition, the by laws set forth~~In addition and in order to achieve a balanced representation on the Board among Member Directors, the Board has determined that other considerations are to be taken into account in the nomination of Member Directors ~~for purposes of achieving balanced representation on the Board among Member Directors.~~ Those considerations include the ~~various business activities of clearing members and their geographical distribution.ⁱⁱ~~ volume of business transacted with OCC during the prior year and the mix of Member Directors that are primarily engaged in agency trading on behalf of retail customers or individual investors.

C. ~~—C.~~ Election of Directors, Resignation and Disqualification. Election of the categories of Directors shall occur as ~~provided~~discussed in the ~~by laws~~Corporate Governance Principles and the By-Laws. Resignations and disqualifications from the Board as well as the filling of any vacancy shall be addressed as provided in the ~~by laws.~~ⁱⁱⁱBy-Laws.

D. ~~—D.~~ Tenure, Term and Age Limitations. The tenure of service of each category of Director is specified in OCC's ~~by laws~~By-Laws. The Management ~~Directors~~Director and the Exchange Directors are elected at each annual stockholder meeting. ~~There and there are no term limitations with respect to such categories of Directors. Each class of Public Director is elected to a term of three years and there~~ are no term limitations with respect to such categories of Directors. Each class of Member Director ~~and Public Director~~ is elected to a term of three years subject to the term limitations ~~set forth~~described in the ~~by laws~~Corporate Governance Principles and By-Laws. No age limitations are imposed with respect to any category of Director.^{iv}

E. ~~—E.~~ Vice Chairmen of the Board. ~~If elected by the Board and serving, the Management Vice Chairman of the Board shall have the responsibilities and duties set forth in the by laws in the event of the absence or disability of the Executive Chairman~~Chairman of the Board. The Member Vice Chairman, who is elected by the Board from the Member Directors, shall have the responsibilities and duties set forth in the ~~by laws~~By-Laws, including those in the event of the absence or disability of the Executive Chairman ~~and the Management Vice Chairman, if elected and serving.~~^v

F. ~~—F.~~ Meetings. ~~Generally, the~~The Board ~~regularly meets~~shall meet a minimum of five times per year. ~~Directors are expected to attend all meetings of the Board, review all materials in advance and be prepared to participate fully in the meeting. Special meetings may be called as provided for in the by laws. Briefing materials are generally distributed in advance of each Board meeting.~~^{vi} with additional meetings called as the Board deems appropriate. Meetings of the Board shall be called by the Executive Chairman or the Executive Chairman's designee. The Executive Chairman ~~of the Board~~shall, in

consultation with ~~the President~~other directors or officers of OCC, as well as the Corporate Secretary, ~~shall~~ establish ~~the an~~ agenda ~~for~~in advance of each Board meeting.~~A. provided that a~~ Director may request that an item be included on any meeting agenda. The Executive Chairman may ask members of management or others to attend the meeting and provide pertinent information as is necessary. The Board may call executive sessions from which members of management and invited guests of the Board may be excluded. It is expected that management will be excluded from executive sessions or portions thereof at which the discussion concerns management's performance and other matters of interest that non-management Directors wish to discuss outside of management's presence. Individual Directors also may be excluded from executive sessions or portions thereof at which the discussion involves a matter as to which that Director has an actual or potential conflict of interest. The Board will meet in executive session at each regular Board meeting and will determine who will participate in such session. The Board shall select a Director to chair executive sessions in the absence of the Executive Chairman. The chair of the executive session shall determine whether separate minutes of the 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 minutes are recorded. It is expected that meeting minutes will reflect that an executive session was convened and broadly describe the topic(s) discussed. Directors 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. However, as provided in the Code of Conduct for OCC Directors, attendance by telephone is discouraged.

- G. ~~—G.~~ Quorum. Except as may otherwise be provided in the ~~by laws~~By-Laws, a majority of the Directors then in office, but not less than six (6) Directors, shall constitute a quorum ~~of the Board~~ for the ~~conduct~~transaction of business.^{vii}
- H. ~~—~~ H. Minutes. The ~~Secretary or such other person appointed by the Board will prepare the~~Board shall maintain minutes of ~~each meeting of the all~~ Board meetings, which shall be furnished to the Directors for review.^{viii}

III. AUTHORITY

- A. Scope. Except as otherwise provided in the Certificate of Incorporation and the ~~by-laws~~By-Laws, the Board oversees the management of the business and affairs of OCC. As required by the ~~by-laws~~By-Laws, the Board annually elects certain corporate officers including the Executive Chairman of the Board and the President ~~(who are also the Management Directors)~~, the Secretary, and the Treasurer. Each of these officers has the authorities, responsibilities and duties set forth in the ~~by-laws~~By-Laws and ~~rules~~Rules and such other duties as may be delegated to them as provided in ~~accordance with the by-laws.~~^x the By-Laws or otherwise.

In discharging its oversight role, the Board may inquire into any matter it considers appropriate to carry out its duties and responsibilities. The Board shall confer with management and other employees of the Corporation to the extent it may deem necessary or appropriate to fulfill its duties. The Board shall have the authority to hire specialists or rely upon other outside advisors or specialists to assist it in carrying out its activities. The Board also shall have the authority to approve the fees and retention terms applicable to such advisors and specialists.

- B. Board Committees and Delegation. The Board shall establish any standing and other committees that it deems necessary or appropriate to discharge its responsibilities. The Board presently has established ~~three~~the following standing committees: the Audit Committee, the Compensation and Performance Committee, the Governance and Nominating Committee, the Risk Committee and the ~~Performance~~Technology Committee.*

For each standing Committee the Board shall establish a written charter which shall set forth the responsibilities of that Committee, as well as Committee structure and operations, and any required reporting to the full Board. The Chairs of such Committees shall be determined in accordance with the terms of the applicable Committee Charter and, if applicable, the ~~by-laws. Subject to and as provided in the by-laws, the~~By-Laws. ~~The~~ Board shall approve and annually review Committee assignments. Directors are expected to attend all meetings of Committees to which they are appointed, review all materials in advance and be prepared to participate fully in the Committee's meetings.

The Board may form such other committees, including subcommittees, as it from time to time deems appropriate, and may delegate authority to one or more designated members of such committees.

- ~~C. Review of Charter. This Charter shall be periodically reviewed by the Board of Directors.~~

IV. FUNCTIONS AND RESPONSIBILITIES

The Board performs an oversight role to ensure that OCC is managed and operated in a manner consistent with the discharge of OCC's regulatory responsibilities in connection with its provision of clearance and settlement services as an industry utility and its responsibilities as a designated systemically important financial market utility. The Board is responsible for acting as a steward of OCC to make certain OCC has the critical capabilities necessary to achieve its objectives and obligations in a safe, sound, efficient and prudential manner.

Either directly or indirectly through delegating certain responsibilities to its Committees, the Board has the following functions to discharge its management oversight responsibilities:

- ~~To oversee governance processes in a manner consistent with this Charter, including reviewing Committee charters and reports of Committee activities, effecting Committee appointments, and periodically evaluating the Fitness Standards;~~ Overseeing management's activities in managing, operating and developing OCC as a firm and evaluating management's performance in executing its responsibilities;
- Selecting, overseeing and, where appropriate, replacing the Executive Chairman of the Board and the President;
- Providing counsel and advice to the Executive Chairman and the President as well as oversight of the performance of each such officer and of OCC in order to evaluate whether the business is being appropriately managed;
- ~~To approve~~ Advising on, approving and oversee ~~overseeing~~ overseeing OCC's business strategies, including expansions of clearing and settlement services to new business lines; as well as, monitoring OCC's performance in delivering clearance and settlement services;
- ~~To monitor OCC's performance in delivering clearance and settlement services;~~ Setting expectations about the tone and ethical culture of OCC, and reviewing management's efforts to instill an appropriate tone and culture throughout OCC;
- ~~To oversee OCC's processes and framework for assessing, managing and monitoring strategic, financial and operational risk;~~ Reviewing and approving OCC's financial objectives and strategies, capital plan and capital structure, annual budget and corporate plan, OCC's fee structure, and major corporate plans and actions, including capital expenditures, as well as, periodic review of the types and amounts of insurance coverage available in light of OCC's clearing operations;

- ~~To oversee OCC's financial reporting, auditing, accounting and compliance processes;~~Providing oversight of risk assessment and risk management monitoring processes, including with respect to systemic risk and reviewing risk tolerances submitted to the Board for approval by its Risk Committee;
- ~~To foster OCC's processes designed~~Fostering OCC's ability to ensure compliance with applicable laws and regulations ~~and, including banking, securities and corporation laws and other applicable regulatory guidance and standards, and overseeing OCC's processes designed~~ to conduct business in a legal and ethical manner;
- Overseeing governance processes in a manner consistent with this Charter, including reviewing Committee charters and reports of Committee activities; effecting Committee appointments; performing an annual self-evaluation of its performance, the performance of its Committees, the performance of individual Directors and committee members; and evaluating the Corporate Governance Principles and Fitness Standards;
- Reviewing the amount of compensation for Public Directors;
- Providing oversight of internal and external audit processes and financial reporting, including approving major changes in auditing and accounting principles and practices;
- ~~To oversee~~Reviewing the annual study and evaluation of OCC's system of internal accounting controls;
- ~~To oversee major capital expenditures and to approve the annual budget and corporate plan;~~
- ~~To assure management succession; and~~
- ~~To oversee~~Evaluating and fixing the compensation of the Executive Chairman and President, overseeing succession planning, human resource programs, and talent management processes, and overseeing the development and design of employee compensation, incentive and benefit programs ~~and to regularly evaluate senior management performance and approve the compensation of the Executive Chairman and President.~~

~~In addition, the Board shall perform such functions and responsibilities as set forth in OCC's by laws and rules, including, but not limited to:~~

- ~~Determining disqualifications from Board service and making appointments to fill vacancies among the Management Directors, Member Directors and Public Directors as specified in the by laws^{xi};~~

- ~~• Electing designated corporate officers^{xiii};~~
- ~~• Approving OCC's fee structure consistent with the by-law requirements as well as rebates, discounts and refunds of clearing fees^{xiii};~~
- ~~• Approving additions to, amendments of, and deletions from OCC's by-laws and rules subject to the provisions of the by-laws^{xiv};~~
- ~~• Conducting convened hearings in connection with a denial of membership or a suspension determination^{xv};~~
- ~~Suspending a clearing member^{xvi}; and~~ Overseeing OCC's information technology strategy, infrastructure, resources and risks; and
- Performing such other functions ~~reserved to the Board under the by-laws and rules~~ as the Board believes appropriate or necessary, or as otherwise prescribed by rules or regulation, including OCC's By-Laws and Rules.

V. DUTIES AND RESPONSIBILITIES OF DIRECTORS

Each Director is required to act in good faith in the best interests of OCC and with due regard to the fiduciary responsibilities owed to OCC as a business and systemically important financial market utility. In addition, each Director is required to comply with the provisions of the Code of Conduct for OCC Directors, including, without limitation, the provisions relating to conflicts of interest and confidentiality.

VI. REVIEW CYCLE

This Charter, along with the Corporate Governance Principles and the Fitness Standards, shall be annually reviewed by the Board of Directors.

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- ~~i Article III, Section 1.~~
 - ~~ii Article III, Sections 2, 5, 6, 6A and 7.~~
 - ~~iii Article III, Sections 5, 6, 6A, 7, 10, 11 and 12.~~
 - ~~iv Article III, Sections 2, 6, 6A and 7; Article IV, Section 1.~~
 - ~~v Article IV, Sections 1 and 7.~~
 - ~~vi Article III, Section 14.~~
 - ~~vii Article III, Section 13.~~
 - ~~viii Article IV, Section 10.~~
 - ~~ix Article III, Section 8; Article IV Sections 1, 2 and 5.~~
 - ~~x Article III, Section 9.~~
 - ~~xi See end note iii.~~
 - ~~xii See end note ix.~~
 - ~~xiii Article III, Section 8; Article IX, Section 9.~~
 - ~~xiv Article XI, Sections 1 and 2.~~
 - ~~xv Article V, Section 2; Rule 1110.~~
 - ~~xvi Article III, Section 8; Rule 1102.~~

The Options Clearing Corporation: Fitness Standards for Directors, Clearing Members and Others

The Options Clearing Corporation Fitness Standards

The Board of Directors and the stockholders of The Options Clearing Corporation (the "Corporation") have established qualification and fitness standards (the "Fitness Standards") for (i) directors, (ii) Clearing Members, and (iii) any person affiliated with a director or a Clearing Member. The criteria of the applicable Fitness Standards shall be used in nominating directors and in admitting Clearing Members or otherwise granting direct access to the settlement or clearing activities of the Corporation.

Fitness Standards for Directors

The Corporation's By-Laws contain governance standards designed to provide fair representation to stockholders and Clearing Members. ~~The Board currently has 21 members consisting of nine Clearing Member directors ("Member Directors"), five directors nominated by the stockholder exchanges ("Exchange Directors"), five directors who are not affiliated with any national securities exchange, national securities association or broker or dealer in securities (the "Public Directors"), and two management directors, one of whom is the Corporation's Executive Chairman (the "Management Directors"). The Governance and Nominating Committee consists of at least one Public Director, at least one Exchange Director and at least one Member Director. All of the Governance and Nominating Committee members will be selected by the Board from among the directors recommended by the then-constituted Governance and Nominating Committee after consultation with the Executive Chairman and shall serve at the pleasure of the Board. The chairman of the Governance and Nominating Committee shall be designated by the Board from among the Public Director members of the Committee. Prior to each annual meeting of stockholders, the Governance and Nominating Committee nominates a slate of nominees for election to the class of Member Directors and the class of non-director members of the Committee whose terms expire at that meeting. Each Exchange Director serves a one-year term and is nominated by one of the five stockholder exchanges, although a single Exchange Director may represent more than one exchange. The Public Directors are divided into three classes, with two Class I Public Directors, one Class II Public Director, and two Class III Public Directors. Each Public Director is elected for staggered three-year terms (with the exception of: (i) the initial Class I Public Director who serves a one-year term ending in 2013 after which the Class I Public Director will be elected for a three-year term; (ii) the Class I Public Director first appointed or elected after the 2014 annual meeting who serves a term ending in 2016, after which the successor to such Class I Public Director will be elected for a three-year term at the 2016 annual meeting, and (iii) the Class III Public Director first appointed or elected after the 2014 annual meeting who serves a term ending in 2015, after which the successor to such Class III Public Director will be elected for a three-year term at the 2015 annual meeting) and are nominated by the Executive Chairman, with the approval of the Board of Directors. The Management Directors, one of whom is the Corporation's Executive Chairman, serve one-year terms. This governance structure was carefully designed to meet the statutory requirements of "fair representation" and These standards also facilitates the performance of the Corporation's role as a systemically important financial market utility.~~

The criteria below shall be used by the Governance and Nominating Committee, the stockholder exchanges, and the Board of Directors in considering nominees for election or appointment to the Board and service on the Disciplinary Committee.

Criteria Applicable to all Directors

- Characteristics essential for effectiveness as a member of the Board, including, but not limited to, integrity, objectivity, sound judgment, and leadership;
- Expertise and experience in an area relevant to governance of the Corporation, including, but not limited to: (i) strategic planning, such as new business development, expansion of markets, products and customers, and joint venture development; (ii) risk management relevant to risks such as credit, market, liquidity, operational, legal and regulatory compliance, payment systems, clearance and settlement, new products, risk modeling, risk valuation, and systemic risk management; (iii) technology, such as infrastructure, applications development and maintenance, information security, and disaster recovery; (iv) operations; (v) trading; (vi) business management; (vii) finance; (viii) audit; (ix) governmental and legislative relationship management; (x) compensation and human resources; and (xi) legal, regulatory, and compliance expertise.
- Substantial seniority in own firm;
- Knowledge of securities and/or futures industries;
- Appropriate educational credentials or other certifications;
- For current directors eligible for re-election, length of service on the Board and attendance, and participation, and contribution at Board and committee meetings; and
- Appropriate weight given to diversity factors.

In addition, no person shall be qualified to serve on the Board if such person:

- is subject to a “statutory disqualification” under Section 3(a)(39) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”);
- may be refused registration under the Commodity Exchange Act (“CEA”) pursuant to Section 8a(2) of the CEA; or
- has a history of serious disciplinary offenses, including, but not limited to, those that would be disqualifying under Commodity Futures Trading Commission (“CFTC”) Regulation § 1.63.

Additional Criteria for Member Directors

- Balanced representation among all Clearing Members;
- Balanced representation of all business activities of Clearing Members;

- Nature of the firm with which each prospective director is associated;
- Industry affiliations;
- Assure that not all Member Directors are representatives of the largest Clearing Member Organizations based on the prior year's volume; and
- Develop a mix of Member Directors that includes representatives of Clearing Member Organizations that are primarily engaged in agency trading on behalf of retail customers or individual investors.

Additional Criteria for Exchange Directors

- Ownership of common stock of the Corporation by the exchange nominating an Exchange Director.

Additional Criteria for the Public Directors

- No affiliation with any national securities exchange or national securities association or with any broker or dealer in securities, as stated in the Corporation's By-Laws.

Fitness Standards for Clearing Members

Clearing Members of the Corporation are subject to extensive regulation by either or both of the SEC and the CFTC, or, or in the case of Non-U.S. Securities Firms, the regulatory authority of the country or countries in which the firm conducts business. Clearing Member applicants must be:

- Registered as a broker or dealer under the Exchange Act;
- A futures commission merchant registered under Section 4f(a)(1) of the CEA; or
- A Non-U.S. Securities Firm, as defined in the By-Laws.

The Risk Committee may refuse to admit any person as a Clearing Member if the person is subject to a "statutory disqualification" under Section 3(a)(39) of the Exchange Act. No person shall be qualified to be admitted as a Clearing Member if the person is subject to statutory disqualification under Section 8a(2)-(4) of the Commodity Exchange Act.

Fitness Standards for Affiliates and Access Persons

~~No~~ Any person affiliated, within the meaning of Section 5b(c)(2)(O) of the CEA, with a director of the Corporation or a Clearing Member ("Affiliates") shall not:

- ~~be subject to meet~~ criteria for refusal to register a person under Section 8a(2) of the CEA; unless
- the Risk Committee finds that there are special circumstances warranting the waiver of such disqualification with respect to the Affiliate.

With respect to Affiliates, the Board shall be entitled to rely on a certification from the relevant director or Clearing Member that, to the best of such person's knowledge, none of its affiliates is subject to disqualification pursuant to the Corporation's Fitness Standards and that such person will notify the Corporation if at any time such director or Clearing Member becomes aware that any such affiliate fails to meet the Fitness Standards.

Section 5b(c)(2)(O)(ii)(IV) of the CEA requires each derivative clearing organization ("DCO") to establish Fitness Standards for persons with direct access to the settlement or clearing activities of the DCO ("Access Persons"). The Corporation believes that there are presently no persons with such access other than the Clearing Members.

THE OPTIONS CLEARING CORPORATION AUDIT COMMITTEE CHARTER

I. ~~PURPOSE~~Purpose

The Board of Directors ~~of OCC (the~~ (“Board”) of The Options Clearing Corporation (“OCC”) has established an Audit Committee (the “Committee”) to assist the Board ~~of Directors~~ in overseeing ~~the Corporation~~ OCC’s financial reporting process, ~~the Corporation~~ OCC’s system of internal control, and ~~the Corporation~~ OCC’s auditing, accounting, and compliance processes. The Committee’s role is that of oversight and its primary duties and responsibilities are to serve as an independent and objective party to oversee:

- ~~Serve as an independent and objective party to oversee (i) the Corporation~~ OCC’s financial reporting process, including the integrity of its financial statements, ~~(ii) the Corporation’s system of internal control, and (iii) the Corporation’s compliance environment and processes.~~
- OCC’s system of internal control;
- The audit efforts of OCC’s external auditors and the Internal Audit Department;
- ~~Oversee the audit efforts of the Corporation’s independent accountants and the internal audit department.~~ OCC’s compliance environment and processes; and
- ~~Facilitate~~ The facilitation of open communication among the ~~independent accountants~~ external auditors, financial and senior management, the ~~internal audit department, the compliance department~~ Internal Audit Department, the Compliance Department, and the Board ~~of Directors~~.

In fulfilling their responsibilities, it is recognized that the members of the Committee are not full-time employees of ~~the Corporation~~ OCC and are not, and do not represent themselves to be, accountants or auditors of ~~the Corporation~~ OCC. It is not the duty or responsibility of the Committee or its members to conduct field work or other types of auditing, accounting, or compliance reviews or procedures. Management of ~~the Corporation~~ OCC is responsible for maintaining appropriate accounting, compliance and financial reporting principles and policies and internal controls and procedures that comply with accounting standards and applicable laws. The ~~independent accountants and the internal audit department of the Corporation~~ external auditors and the Internal Audit Department of OCC are responsible for planning and carrying out a proper audit.

II. ~~MEMBERSHIP AND ORGANIZATION~~Membership and Organization

- A. Composition. The Committee shall be comprised of three or more directors as appointed annually by the Board. ~~At least one Committee member shall be a Public Director.~~ The Board may remove or replace any member of the Committee at any time. All members of the Committee shall be independent from management as determined by the Board of Directors. Management Directors do not qualify as independent and may not serve on the Committee. All members of the Committee shall have a working familiarity with basic finance and accounting practices, and ~~if possible,~~ at least one member of the Committee shall have accounting or related financial management expertise. The Chair shall be a Public Director. Unless a Chair is elected by the full Board, the members of the Committee ~~should~~shall designate a Chair by majority vote of the full Committee 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.¹
- B. Meetings. The Committee will meet at least four times a year. Other meetings may be called by the Chair as circumstances dictate. The Committee 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 the meeting and provide pertinent information as is necessary. The Committee may call executive sessions from which members of management and invited guests ~~of the Committee~~ may be excluded. ~~The Chair shall determine whether minutes of executive sessions are to be maintained, taking into consideration the sensitivity of the matters to be discussed and the possibility that candor might be limited if minutes are maintained.~~ Individual Committee members also may be excluded from executive sessions or portions thereof at which the discussion involves a matter as to which that member has an actual or potential conflict of interest. The Committee will meet in executive session at each regular Committee meeting and will determine who will participate in such session. The Committee 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. However, as provided in the Code of Conduct for OCC Directors, attendance by telephone is discouraged.

The Committee will meet ~~at least~~regularly, but no less than once annually, with management, the Chief Audit Executive, the Chief Compliance Officer, the Chief ~~Audit Executive~~Financial Officer, and the ~~independent accountants~~external auditors in separate executive sessions to discuss any

¹ In the event OCC has a Non-Executive Chairman, such individual shall not be considered a Management Director.

matters that either side believes should be discussed privately. Between meetings of the Committee, the Chief Audit Executive and the Chief Compliance Officer are authorized to communicate directly with the Chair with respect to any of the responsibilities of the Audit Committee.

- C. Quorum. A 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. It is expected that 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.

~~D. — Minutes and Reports. Except as otherwise noted above, the Committee shall maintain minutes of all Committee meetings and The Committee shall make such reports to the Board as deemed necessary or advisable. Minutes of Committee meetings shall be circulated to the Board. On an annual basis, the Committee shall provide a report to the Board summarizing its activities during the previous year. 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.~~

~~The Committee Chair is responsible for ensuring that important issues discussed at the Committee meetings are reported timely to the full Board.~~

~~III. — AUTHORITY~~

III. Authority

- A. Scope. 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 ~~the Corporation~~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 or specialists 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.

~~B.~~—Delegation. The Committee may form and delegate authority to subcommittees, and may delegate authority to one or more designated members of the Committee, including the approval of non-audit services performed by the ~~independent accountant~~external auditors as set forth below.

~~C. Authority of the Chair. The Chair of the Committee may act on behalf of the Committee in such circumstances when immediate action is required and it is impractical to convene the Committee. In such instances, the Chair shall report on any actions taken as soon as practicable to the Committee for its ratification.~~

IV. **ACTIVITIES**Functions and Responsibilities

The following shall be the common recurring activities of the Committee in carrying out its oversight function. These activities are set forth as a guide with the understanding that the Committee may modify this guidance as appropriate given the circumstances.

The Committee shall:

Financial Statements and ~~Independent Accountants~~ Financial Reporting

- Discuss with management and the external auditors (as appropriate) the audited and unaudited financial statements.
- Upon management's recommendation, approve OCC's annual audited financial statements after reviewing with management and the external auditors prior to issuance.
- Review with management, the external auditors and Internal Audit (as appropriate) significant financial reporting issues and judgments made in connection with the preparation of financial statements, critical accounting policies and estimates, any major issues regarding accounting principles and financial statement presentation and the effect of regulatory and accounting initiatives.
- Approve material changes in accounting principles and practices.
- Resolve any disagreements between management and the external auditors regarding financial reporting.
- Review and discuss with the external auditors any audit problems or difficulties and management's response thereto.

External Auditors Independence, Performance and Services

- Have a clear understanding with management and the ~~independent accountants~~external auditors that the ~~independent accountants~~external auditors are ultimately accountable to the Board and the Committee.
- Monitor and evaluate the ~~independent accountant~~external auditors' and engagement partner's qualifications, performance and independence and based upon such evaluations recommend the appointment or dismissal of the ~~independent accountants~~external auditors, determine appropriate compensation for their services, and pre-approve all audit services provided, subject to annual approval by the Board.
- Discuss with management the timing and process for implementing a rotation of the engagement partner of the external auditor and any other active audit engagement team partner and consider whether there should be a regular rotation of the audit firm itself.
- Review and approve the scope and approach of the annual audit plan and the annual internal control attestation engagement with the ~~independent accountants.~~external auditors.
- ~~Review the Corporation's annual audited financial statements with management and the independent accountants prior to issuance.~~
- Review reports of the ~~independent accountants~~external auditors issued in connection with the annual audit and the annual internal control attestation engagement, as well as any other special reports, and inquire of management regarding steps taken to deal with items raised.
- Discuss with the ~~independent accountants~~external auditors any significant issues that may be required in accordance with generally accepted auditing standards relating to the conduct of the financial statement audit.
- ~~Resolve any disagreements between management and the independent accountants regarding financial reporting.~~
- Obtain and review annually reports prepared by the ~~independent accountant~~external auditors describing: the firm's internal quality-control procedures; any material issues raised by the most recent internal quality-control review or peer review, or by any inquiry or investigation conducted by governmental or professional authorities during the preceding five years with respect to independent audits carried out by the firm, and any steps taken to deal with any such issues; and all relationships between the ~~independent accountant and the Corporation~~external auditors and OCC that could be thought to bear on its independence, as well as its independence status within the meaning of the Securities Acts administered by the Securities and Exchange Commission. These

reports should be used to evaluate the ~~independent accountant~~external auditor's qualifications, performance, and independence.

- Pre-approve ~~non-audit~~all services ~~with the independent accountants provided by the external auditors.~~
- Review fees paid to the ~~independent accountants.~~external auditors.

Internal Audit

- Review and approve annually the Internal Audit ~~Department Charter~~Policy. Ensure there are no unjustified scope restrictions or limitations placed on the Internal Audit Department.
- Approve management's recommendation to appoint or replace the Chief Audit Executive. The Chief Audit Executive shall report functionally to the Committee and administratively to the Executive Chairman.
- Review the ~~internal audit department~~Internal Audit Department process for establishing the risk-based annual internal audit plan ~~and~~, approve the annual internal audit plan, monitor progress against the annual internal audit plan, and approve any Chief Audit Executive recommendations for removing or deferring any audits from a previously approved annual internal audit plan.
- ~~Review~~Monitor ongoing internal audit activities by reviewing reports and other communications prepared by the ~~internal audit department~~Internal Audit Department and inquire of management regarding steps taken to deal with items raised.
- ~~Assess the performance of the Chief Audit Executive and the internal audit department, including review of periodic external assessment reports regarding compliance of the internal audit department with standards published by the Institute of Internal Auditors.~~
- ~~Approve the Chief Audit Executive's annual compensation, but delegate to the Chair the ability to modify the approved amount as a result of the Chair's participation in the annual meeting of the Performance Committee at which the compensation for senior management is determined.~~
- Oversee the structure, staffing and resources of the Internal Audit Department.
- Have the ability to delegate to the Chief Audit Executive the authority to approve, within the external audit hour limits of the approved annual internal audit plan, the

following:

- • ~~Hire~~Hiring of the internal audit co-sourcing service providers whenever it is determined a specialist is needed to review particular areas of the ~~Corporation~~OCC, to augment the resources available internally within OCC's Internal Audit Department or for any other practical purpose.
- • ~~Review~~Reviewing the performance of the internal audit co-sourcing service providers, and ~~exercise~~exercising final approval on the appointment, retention or discharge of the audit firm.
- • ~~Approve~~Approving the scope of services to be performed by the internal audit co-sourcing service provider.

Compliance

- Review and approve annually the Code of Conduct and Compliance ~~Charter.~~
Policy.
- Approve management's recommendation to appoint or replace the Chief Compliance Officer. The Chief Compliance Officer shall report functionally to the Committee and administratively to the Executive Chairman.
- Review the Compliance Department's process for establishing the risk-based annual Compliance Testing Plan, approve the annual Compliance Testing Plan, monitor progress against the annual Compliance Testing Plan, and approve any Chief Compliance Officer recommendations for removing or deferring any tests from a previously approved annual Compliance Testing Plan.
- ~~Assess the performance and the effectiveness of the compliance program, including monitoring, testing and issue resolution processes.~~
Monitor ongoing compliance activities by reviewing reports and other communications prepared by the Compliance Department, including updates from the Chief Compliance Officer, and inquire of management regarding steps taken to deal with items raised.
- Review ~~the Corporation~~OCC's system to communicate and monitor compliance with and enforcement of its Code of Conduct.
- Review periodic regulatory inspection reports, management's responses thereto, and the ~~compliance department~~Compliance Department's tracking of remediation by the ~~Corporation~~OCC of noted items.

- Review the investigation and enforcement outcomes of disciplinary actions taken by the ~~Corporation~~ OCC against clearing members through its established processes.
- Review and evaluate any Annual Compliance Report certified by the Chief Compliance Officer as required by regulation.

Other

- Regularly review with management OCC's system of internal controls. Review any (i) significant deficiencies and material weaknesses in the design or operation of internal control, and (ii) any fraud, whether or not material, that involves management or other employees.
- ~~Review periodic reports on the Corporation's enterprise risk management program and the corporate security program.~~ In consultation with the Executive Chairman, review the performance of the Internal Audit function and the Chief Audit Executive, and the Compliance function and the Chief Compliance Officer, and determine whether to accept or modify the Executive Chairman's recommendations with respect to the performance assessment and annual compensation for each.

~~V.~~ **GENERAL**

~~The Committee shall:~~

- Approve management's decision to hire employees or former employees of the ~~independent accountants~~ external auditors who were engaged on ~~the Corporation~~ OCC's account.
- ~~Have the authority to obtain advice, at the Corporation's expense, from independent counsel, accountants, or others to assist it in fulfilling its duties.~~
- Have the ability to delegate authority to one of its members to approve non-audit services performed by the ~~independent accountant~~ external auditors, with such decisions communicated regularly to the Committee.
- ~~Establish~~ Review and approve "whistleblower procedures" for the reporting by personnel of any concerns regarding unethical or illegal conduct; questionable accounting, internal controls, or auditing matters; or fraudulent, deliberate errors or misrepresentations in financial reporting. Discuss with any relevant parties, departments or advisors any material issues identified through these procedures.
- Confirm annually that all responsibilities outlined in this Charter have been carried out.

- Evaluate annually the Committee's and individual members' performance ~~on a regular basis~~ and provide results of such assessment to the Governance and Nominating Committee for review.
- The Committee shall also have the authority to perform any other duties consistent with this Charter, as the Committee or Board deems necessary.

~~VI. REVIEW CYCLE~~

V. Review Cycle

The Committee will review this Charter annually. The Committee shall submit this Charter to the Board for reapproval, with such changes, if any, as the Committee deems advisable.

THE OPTIONS CLEARING CORPORATION
COMPENSATION AND PERFORMANCE COMMITTEE CHARTER

I. — PURPOSE

I. Purpose

The Board of Directors (~~the~~ “Board”) of The Options Clearing Corporation (“OCC”) has established a Compensation and Performance Committee (the “Committee”) to assist the Board in (i) overseeing the overall performance of ~~the Corporation~~OCC in promptly and accurately delivering clearance, settlement and other designated industry services, and the accomplishment of other periodically established corporate goals and objectives in light of ~~the Corporation~~OCC’s role as ~~an~~ a systemically important financial market utility; (ii) overseeing OCC’s Capital Plan and financial performance; (iii) overseeing OCC’s Human Resources program; (iv) overseeing the structure, design and funding, as applicable, of employee (including management) compensation, incentive and benefit programs; and (v) recommending the compensation of the Executive Chairman, ~~the Management Vice Chairman~~, and the President to the Board and approving the compensation of members of the Management Committee and certain other ~~officers~~; and (iii) ~~reviewing and approving the structure and design of employee compensation, incentive and benefit programs~~key officers, as appropriate.

II. — MEMBERSHIP AND ORGANIZATION

II. Membership and Organization

- A. Composition. The Committee shall consist of the Executive Chairman, the Member Vice Chairman, and three or more other directors appointed annually by the Board. ~~At least one member of the Committee shall be a Public Director.~~—The Board may remove or replace any member of the Committee at any time. The Chair of the Committee shall be ~~chaired by the Member Vice Chairman~~a Public Director. ~~Unless a Chair is elected by the full Board, the members of the Committee shall designate a Chair by majority vote of the full Committee 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 ~~the~~ Acting Chair.
- B. Meetings. ~~Generally, the~~The Committee will meet ~~in advance of each regularly scheduled Board meeting.~~ at least four times a year. Other

meetings may be called by the Chair as circumstances dictate. The Committee 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 the meeting and provide pertinent information as is necessary. The Committee may call executive sessions from which members of management and invited guests ~~of the Committee~~ may be excluded. ~~The Chair shall determine whether minutes of executive sessions are to be maintained, taking into consideration the sensitivity of the matters to be discussed and the possibility that candor might be limited if minutes are maintained.~~ Individual Committee members also may be excluded from executive sessions or portions thereof at which the discussion involves a matter as to which that member has an actual or potential conflict of interest. The Committee will meet in executive session at each regular Committee meeting and will determine who will participate in such session. The Committee Chair or Acting Chair, as applicable, will serve as chair of 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. However, as provided in the Code of Conduct for OCC Directors, attendance by telephone is discouraged.

~~The Chair shall meet at least annually in private session with the Chair of the Governance Committee to discuss the performance of key officers.~~

The Committee shall meet at least annually with the Executive Chairman, the President and any other corporate officers the Committee deems appropriate to discuss and review the performance and compensation levels ~~of~~ (including benefits and perquisites such as sign-on bonuses, retention arrangements, relocation arrangements and other financial commitments of OCC) of members of the Management Committee and certain other key officers, as appropriate.

The Committee shall meet annually to determine the compensation levels of members of the Management Committee and certain other key officers. ~~The Chairs of the Audit and Risk Committees shall be invited to attend such meeting in order to discuss the performance of the CAE and GRO, respectively, as well as to advise on the compensation levels approved for such officers as provided for in each such Committee's Charter. — as appropriate.~~ Except as otherwise requested by the other members of the Committee, the Executive Chairman shall recuse himself from any discussion of his individual compensation, benefits, or perquisites.

- C. Quorum. A 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. It is expected that 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.

~~D. — Minutes and Reports. Except as otherwise noted above, the Committee shall maintain minutes of all Committee meetings and~~The Committee shall make such reports to the Board as deemed necessary or advisable. ~~On an annual basis, the Committee shall provide a report to the Board summarizing its activities during the previous year.~~ 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~~

III. Authority

A. Scope. 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 the ~~Corporation~~OCC to the extent it may deem necessary or appropriate to fulfill its duties.

~~Subject to the approval of the Board, the~~The Committee shall have the authority to hire specialists or rely upon other outside advisors or specialists 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.

B. Delegation. The Committee may form and delegate authority to subcommittees, ~~including the Administrative Committee, and~~ may delegate authority to one or more designated members of the Committee, and may delegate authority to the Administrative Committee.

~~C. Authority of the Chair. The Chair of the Committee may act on behalf of the Committee in such circumstances when immediate action is required and it is impractical to convene the Committee. In such instances, the Chair shall report on any actions taken as soon as practicable to the Committee for its ratification.~~

~~IV. FUNCTIONS AND RESPONSIBILITIES~~

IV. Functions and Responsibilities

The Committee's role is one of oversight. Management is responsible for identifying, organizing, and managing the operational, systems, technology, financial, human, and other resources necessary to support the Corporation OCC's clearance, settlement and other business activities in light of its role as ~~an~~ a systemically important financial market utility.

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

Capital Structure, Financial Planning, and Corporate Goals and Objectives

- To oversee management's processes for determining, monitoring and evaluating the adequacy of OCC's Capital Plan, including the maintenance of required regulatory capital, and to recommend any Capital Plan changes to the Board.
- To review and approve changes in OCC's fees pursuant to the Capital Plan, including authorizing the filing of regulatory submissions relating thereto.
- To review annually the Fee, Refund and Dividend Policies, make recommendations to the Board regarding changes, if any, to such Policies, and make recommendations to the Board for payments, if any, under the Refund and Dividend Policies.
- To ~~review the Corporate Plan and Budget~~ oversee the corporate financial planning process, including reviewing the corporate budget for each fiscal year (including anticipated capital expenditures) and make recommendations to the Board regarding revisions thereto and the adoption ~~and revision~~ thereof.
- To ~~review anticipated capital expenditures included in the annual Budget and to~~ review and approve significant unanticipated capital expenditures or, where appropriate, ~~recommend approval thereof~~ make recommendations with respect thereto to the Board.
- To review and recommend to the Board changes to OCC's fee structure.
- To review special financial matters as requested by the Board.

- To review the annual corporate goals and objectives and recommend their approval to the Board and routinely receive reports regarding progress in achieving such goals and objectives.

Human Resources and Compensation Programs

- To oversee the development and administration of OCC's Human Resources programs and policies, including talent acquisition, performance management, training and development, benefits and succession planning for key roles.
- To periodically (not less than annually) review and approve the general strategy, policies and programs with respect to salary compensation (including management compensation) and incentive compensation; and seek to ensure compensation policies meet evolving compensation practices so that such policies remain effective to attract, motivate and retain executive officers and other key personnel.
- To review and approve the annual goals and objectives of the Executive Chairman and the President.
- ~~To review the Corporation's performance under the approved Corporate Plan at each regularly scheduled meeting.~~ approve on an annual basis funding, if any, of OCC's incentive compensation programs.
- ~~At the end of each year, to~~ To review performance and approve compensation of ~~key employees and~~ Management Committee members and other key officers, as appropriate, at the end of each year and to make recommendations to the Board regarding the compensation of the Executive Chairman, ~~the Management Vice Chairman,~~ and the President.
- In general, to oversee the compensation, benefits, and perquisites of OCC's executive management personnel, provided that decisions with respect to those of the Executive Chairman and the President and any special benefits or perquisites for those officers shall be made in the form of recommendations to the Board.
- To review proposed material changes to executive management benefits.
- ~~To oversee the administration of the Corporation's compensation plans, including but not limited to the Incentive Compensation Program, the Capital Accumulation Plan, the Discretionary Bonus Program, the Special Retention Program, the Executive Deferred Compensation Plan, and any other deferred compensation plans.~~ periodically review the compensation of Public Directors and make recommendations to the Board with respect thereto.

Employee Benefit Programs

- ~~To oversee the administration of the Corporation's retirement and retiree benefit plans, including but not limited to the Retirement Plan, the Supplemental Executive~~

Retirement Plan, the Retirement Savings Plan, and the Retiree Welfare Plan. OCC's employee benefit, retiree benefit, and welfare benefit programs and plans, as well as the operation and administration thereof, including funding obligations (if any).

- ~~• To oversee the administration of the Corporation's welfare benefit plans, including but not limited to the Flexible Benefit Plan.~~
- To appoint (and remove) members of the Administrative Committee and oversee and monitor the activities of the Administrative Committee with respect to ~~any duties and responsibilities delegated to the Administrative Committee by the Committee, including but not limited to the power to administer and amend the Flexible Benefit Plan~~retirement and retirement savings plans, investment strategy and performance, plan design and compliance, prudent selection of investment managers and compensation and benefits consultants, and perform such other oversight duties as called for in retirement, retirement and savings and welfare plan documents.
- ~~• To adopt new compensation, retirement and welfare benefit plans and to amend or terminate existing plans other than the Capital Accumulation Plan (which by its terms requires Board action to amend or terminate).~~

Other
- To review employment contracts and approve the same, or, in the case of contracts with the Executive Chairman, ~~the Management Vice Chairman~~, or the President, to make recommendations to the Board with respect to the approval thereof.
- ~~• In general, to oversee the compensation, benefits, and perquisites of the Corporation's executive and management personnel, provided that decisions with respect to the individual compensation of the Executive Chairman, the Management Vice Chairman, and the President and any special benefits or perquisites for those officers shall be made in the form of recommendations to the Board.~~
- To ~~review and recommend to the Board, as necessary, changes in the Corporation's fee structure.~~provide periodic updates as may be necessary or advisable under the circumstances (but not less frequently than annually) to the Board regarding (i) actions taken by the Committee with respect to its review of OCC's compensation, retirement and welfare benefit plans, (ii) the financial position and performance of such plans, and (iii) adherence to investment guidelines, in each case, where applicable.
- ~~• To review special financial matters as requested by the Board.~~To adopt new compensation, retirement and welfare benefit plans and to amend or terminate existing plans other than such plans that require Board action to amend or terminate.
- To periodically ~~assess, as deemed necessary or appropriate, succession plans for key executives~~review OCC's insurance program.

- To perform such other activities consistent with the Charter, as the Committee or the Board may deem necessary or appropriate.
- ~~Confirm~~To confirm annually that all responsibilities outlined in this Charter have been carried out.
- ~~Evaluate~~To annually evaluate the Committee's and individual members' performance ~~on a regular basis~~ and provide results of such assessment to the Governance ~~and Nominating~~ Committee for review.

~~V. REVIEW CYCLE~~

V. Review Cycle

The Committee will review this Charter annually. The Committee shall submit this Charter to the Board for reapproval, with such changes, if any, as the Committee deems advisable.

THE OPTIONS CLEARING CORPORATION GOVERNANCE AND NOMINATING COMMITTEE CHARTER

I. Purpose

The Board of Directors (“Board”) of The Options Clearing Corporation (“OCC”) has established a Governance and Nominating Committee (“Committee”) to assist the Board in: (a) identifying, screening and reviewing individuals qualified to serve as Directors and recommending to the Board candidates for nomination for election at the annual meeting of stockholders or to fill Board vacancies; (b) developing, recommending to the Board and overseeing implementation of OCC’s Board Code of Conduct; and (c) reviewing on a regular basis the overall corporate governance of OCC and recommending improvements to the Board when necessary.

II. Membership and Organization

- A. Composition. The Committee will be composed of at least one Public Director, one Exchange Director, and one Member Director. No Management Director will be a member of the Committee. All of the Committee members will be selected by the Board from among the Directors recommended by the Committee after consultation with the Executive Chairman, and shall serve at the pleasure of the Board. The Committee Chair will be designated by the Board from among the Public Director Committee members. In the absence of the Chair at any meeting of the Committee, those members of the Committee present will designate a Committee member to serve as the 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 shall meet at least four times a year, with additional meetings called as the Committee deems appropriate. Meetings of the Committee shall be called by the Chair or the Chair’s designee. The Chair or the Chair’s designee shall, in consultation with management, as ~~appropriate~~ well as the Corporate Secretary, prepare an agenda in advance of each meeting. The members of the Committee may ask members of management or others to attend meetings and provide pertinent information as necessary. The Committee may call executive sessions from which members of management and invited guests ~~of the Committee~~ may be excluded. ~~The Chair shall determine whether minutes of executive sessions are to be recorded, taking into consideration the sensitivity of the matters to be discussed and the possibility that candor might be limited if minutes are recorded~~ Individual Committee members also may be excluded from executive sessions or portions thereof at which the discussion involves a matter as to which that member has an actual or potential conflict of interest. The Committee will meet in executive session at each regular Committee meeting and will determine who will participate in such session. The Committee Chair or Acting Chair, as applicable, will

serve as chair for an 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. However, as provided in the Code of Conduct for OCC Directors, attendance by telephone is discouraged.

- C. Quorum. A majority of the Committee members will constitute a quorum for the transaction of business.
- D. Minutes and Reports. ~~Except as otherwise noted above, the~~The Committee shall maintain minutes of all Committee meetings ~~and. 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. It is expected that 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. ~~Copies of Committee minutes shall be circulated~~The Committee Chair is responsible for ensuring that important issues discussed at the Committee meetings are reported timely to the Board. On an annual basis, the Committee shall provide a report to the Board summarizing its activities during the previous year. ~~In addition, the Chair shall be responsible for ensuring that important issues discussed at the Committee meetings are reported timely to the Board.~~

- ~~E. Staff Liaison. A designated officer of management shall serve to assist the Committee and to perform liaison functions between staff and the Committee.~~

III. Authority

- A. Scope. 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.

~~Subject to the approval of the Board, the~~The Committee shall have the authority to hire specialists or rely upon other outside advisors or specialists 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 fees and expenses associated therewith.

- B. Delegation. The Committee may form and delegate authority to subcommittees and may delegate authority to one or more designated members of the Committee.

IV. Functions and Responsibilities

The following responsibilities are set forth to guide the Committee in fulfilling its purpose. In addition, the Committee may undertake other and different activities as appropriate for that purpose, or as may be delegated to it by the Board. The Committee shall:

Board Composition

1. Seek to develop a Board that consists of individuals from diverse professional backgrounds who combine a broad spectrum of experience and expertise with a reputation for integrity by:
 - Recommending to the Board for approval and overseeing the implementation and effectiveness of OCC's policies and procedures for identifying and reviewing Board nominee candidates, including the criteria for Board nominees (including experience, qualifications, attributes or skills in light of OCC's business and structure);
 - Identifying, screening and reviewing individuals qualified to serve as Directors of OCC, consistent with criteria approved by the Board (including evaluation of incumbent Directors for potential renomination, taking into consideration, among other things, an incumbent Director's past performance, including attendance at meetings and participation and contributions to the activities of the Board);
 - Recommending to the Board candidates for nomination for election or re-election by the stockholders and any Board vacancies that are to be filled by the Board, after consultation with the Executive Chairman;
 - Assessing the appropriateness of a Director continuing to serve on the Board where such Director submits his or her offer to resign upon the Director ceasing to hold the principal occupation or business association that such Director held when originally invited to join the Board, and recommending to the Board any action to be taken thereto, consistent with the requirements of the By-Laws concerning the continued eligibility of such person to remain a Director;
 - Reviewing periodically the composition of the Board as a whole, including whether the Board reflects the appropriate balance of Member Directors, Exchange Directors, Public Directors and Management Directors, business specialization, technical skills, diversity (including diverse professional backgrounds) and other desired qualities such as sound judgment and a reputation for integrity; and
 - Reviewing periodically the continued appropriateness of the term limits applicable to Member Directors ~~and Public Directors~~ set forth in the By-Laws and recommend to the Board, where appropriate, changes to such provisions.

Governance Practices

2. Review the Board's Charter for consistency with regulatory requirements, transparency of the governance process and other sound governance practices, including:
 - Recommending to the Board, where appropriate, changes to the Board's Charter;
 - Recommending to the Board, where appropriate, changes to Committee charters, including this Charter;

- Developing and recommending to the Board, and coordinating and providing oversight of, the annual process of self-evaluation of the role and performance of the Board and its committees in the governance of OCC;
- Reviewing and considering whether changes are appropriate to OCC's policies on conflicts of interest of directors, including the OCC Directors Code of Conduct;
- Developing and recommending to the Board corporate governance principles applicable to OCC, and reviewing those principles at least once a year;
- Reviewing and considering whether changes are needed to, and provide oversight of, the orientation program for new Directors and continuing Director training and education opportunities; and
- Advising the Board with respect to Committee structure, operations and charters, including:
 - Reviewing periodically the committee structure of the Board; and
 - Recommending to the Board for its approval the appointment of Directors to Board committees and assignment of committee Chairs, in each case after consultation with the Executive Chairman of the Board.

Conflicts of Interest

3. Review conflicts of interest of Directors and the manner in which any such conflicts are to be monitored and resolved.

Evaluation and Reporting

4. Evaluate annually the Committee's and individual members' performance ~~on a regular basis~~ and provide results of such assessment to the Board for review.
5. Prepare and deliver an annual report to the Board of the activities undertaken by the Committee during the preceding year, which report includes a statement that all responsibilities outlined in this Charter have been carried out.

General

6. Perform any other duties consistent with this Charter as the Committee deems necessary or appropriate, or as the Board shall further delegate to the Committee.

V. Review Cycle

The Committee shall review this Charter annually. The Committee shall submit this Charter to the Board for reapproval, with such changes, if any, as the Committee deems advisable.

THE OPTIONS CLEARING CORPORATION RISK COMMITTEE CHARTER

I. ~~PURPOSE~~ Purpose

The Board of Directors ~~of OCC (the~~ (“Board”) of The Options Clearing Corporation (“OCC”) has established a Risk Committee (the “Committee”) to assist the Board in overseeing the ~~Corporation~~OCC’s policies and processes for identifying and addressing strategic, operational and financial (i.e., credit, market, liquidity and systemic) risks. The Committee is responsible for overseeing the overall enterprise risk management framework implemented by management, including reviewing material policies and processes relating to

(i) membership criteria and financial safeguards, (ii) member and other counterparty risk exposure assessments, (iii) liquidity requirements and maintenance of financial resources, (iv) risk modeling and assessments, ~~and~~ (v) default management planning, and (vi) risks related to new initiatives. The Committee is also responsible for performing those functions delegated to the Committee under ~~the Corporation’s By-Laws and Rules.~~ OCC’s By-Laws and Rules. While certain risks will be overseen by other Board committees, the Committee will, nonetheless, coordinate risk oversight with these Board committees as appropriate to achieve a comprehensive and holistic oversight of the organization’s risk-related matters.

II. ~~MEMBERSHIP AND ORGANIZATION~~ Membership and Organization

~~A. A.~~ Composition. The Committee shall consist of (i) the Executive Chairman, the Member Vice Chairman, and three or more Member Directors (iii) at least one Exchange Director, (iii) at least one Member Director, and (iv) at least one Public Director, who shall be appointed annually by the Board. ~~At least one member of the Committee shall be a Public Director.~~ The Board may remove or replace any member of the Committee at any time. The Committee shall be chaired by a Public Director. Unless a Chair is elected by the full Board, the members of the Committee shall designate a Chair by majority vote of the full Committee 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 the Acting Chair.

~~B. B.~~ Meetings. Generally, the Committee will meet at least ~~seven~~six times a year. Other meetings may be called by the Chair as circumstances dictate. The Committee 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 the meeting and provide pertinent information as is necessary. The Committee may call executive sessions from which members of management and invited guests of the Committee may be excluded. ~~The Chair shall determine whether minutes of executive sessions are to be maintained, taking into consideration the sensitivity of~~

~~the matters to be discussed and the possibility that candor might be limited if minutes are maintained~~ Individual Committee members also may be excluded from executive sessions or portions thereof at which the discussion involves a matter as to which that member has an actual or potential conflict of interest. The Committee will meet in executive session at each regular Committee meeting and will determine who will participate in such session. The Committee Chair or the 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. However, as provided in the Code of Conduct for OCC Directors, attendance by telephone is discouraged.

The Committee shall meet ~~at least~~ regularly, and no less than once annually, with members of management and the Chief Risk Officer ~~and any other corporate officers the Committee deems appropriate~~ in separate executive sessions to discuss any matters that either side believes should be discussed privately. Between meetings of the Committee, the Chief Risk Officer is authorized to communicate directly with the Chair with respect to any of the responsibilities of the Committee.

~~A Committee member shall recuse himself from any matter in which his firm has an interest, other than a common interest shared with Clearing Members generally or a particular class of Clearing Members.~~

~~G.C.~~ Quorum. A majority of the Committee members shall constitute a quorum for the transaction of business.

~~D.D.~~ Minutes and Reports. ~~Except as otherwise noted above, the~~ The Committee shall maintain minutes of all Committee meetings ~~and~~. 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. It is expected that 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. ~~Copies of Committee minutes shall be circulated to the Board. On an annual basis, the Committee shall provide a report to the Board summarizing its activities during the previous year.~~ 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~~Authority

~~A.~~A. Scope. 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 ~~the Corporation~~OCC to the extent it may deem necessary or appropriate to fulfill its duties.

~~Subject to the approval of the Board, the~~The Committee shall have the authority to hire specialists or rely upon other outside advisors or specialists 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.

~~B.~~B. Delegation. The Committee may form and delegate authority to subcommittees and may delegate authority to one or more designated members of the Committee and to the Management Committee and the Enterprise Risk Management Committee.

~~C. Authority of the Chair. The Chair of the Committee may act on behalf of the Committee in such circumstances when immediate action is required and it is impractical to convene the Committee. In such instances, the Chair shall report on any actions taken as soon as practicable to the Committee for its ratification.~~

IV. ~~FUNCTIONS AND RESPONSIBILITIES~~Functions and Responsibilities

The Committee's role is one of oversight. Management is responsible for identifying, addressing and reporting on strategic, operational and financial risks arising from ~~the Corporation~~OCC's clearance, settlement and other business activities in light of ~~the Corporation~~OCC's role as ~~an~~a systemically important financial market utility.

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

- To oversee management's responsibility for handling financial (i.e., credit, market, liquidity and systemic) risks, including the structure, staffing and resources of Financial Risk Management.
- Approving applications for clearing membership and initial contributions to the clearing fund of newly admitted clearing members, subject to the By- Laws and Rules.

- ~~— To conduct hearings, as required by the By-Laws, if requested by applicants whose applications are proposed to be disapproved by the Committee.~~
- ~~— To approve or disapprove continued Clearing Membership by (i) Clearing Members that propose to become managed Clearing Members and (ii) managed Clearing Members after termination of their facilities management agreements, and to ratify, modify or reverse temporary approvals of such requests by the Executive Chairman, the Management Vice Chairman, or the President.~~
- To oversee the framework for Clearing Membership, including (i) periodically reviewing and revising, as appropriate, OCC's initial and ongoing requirements for Clearing Membership, (ii) overseeing the processes established for reviewing and monitoring Clearing Membership (including in respect of the continuance of potentially problematic members), and (iii) making recommendations to the Board, as applicable, for final determination in respect the foregoing.
- ~~—~~ • To review and approve or disapprove requests by Clearing Members to expand clearing activities to include additional account types and/or products, and to ratify, modify, or reverse temporary approvals of such requests by the Executive Chairman, the Management Vice Chairman, or the President. actions taken by OCC officers having delegated authority to consider such requests.
- ~~— To review and approve or disapprove requests by Clearing Members to participate in the Stock Loan Programs.~~
- ~~— To periodically review the Corporation's initial and ongoing requirements for Clearing Membership and to recommend to the Board such changes therein as the Committee deems appropriate.~~
- ~~— If required, to develop and recommend to the Board membership requirements and standards for entities other than broker-dealers.~~
- ~~— To periodically review the inputs to the Corporation's margin formula and modify them to the extent that the Committee deems such action consistent with the protection of the Corporation, Clearing Members, or the general public.~~
- ~~— To increase the amount of margin required in respect of any contract or position if the Committee deems such increase advisable for the protection of the Corporation, Clearing Members, or the general public.~~
- ~~— To establish and periodically review guidelines for requiring the deposit of additional margin for the purpose of protecting the Corporation, Clearing Members, or the general public.~~
- To oversee the adequacy and effectiveness of OCC's contingency plan for Clearing Member failures, including (i) reviewing Clearing Member surveillance criteria, (ii) overseeing the management processes for managing Clearing Members that are subject to closer than normal surveillance or are otherwise in or approaching

financial or operational difficulty, (iii) imposing and modifying restrictions and requirements already imposed on Clearing Members in a manner consistent with the By-Laws and Rules, and (iv) making recommendations to the Board in respect of the foregoing.

~~—To periodically review~~

- ~~•~~ To oversee the processes established for establishing, monitoring and adjusting margin consistent with the protection of OCC, Clearing Members, or the general public, including (i) reviewing and modifying the OCC's margin formula, the methodologies used for determining margin and clearing fund requirements ~~and to recommend to the Board such changes therein as the Committee deems appropriate.~~ and making recommendations to the Board, as applicable, in respect thereof, (ii) evaluating (including, increasing) the amount of margin required in respect of any contract or position, (iii) establishing and reviewing guidelines for requiring the deposit of additional margin, and (iv) reviewing and approving determinations about assets eligible for deposit as margin or clearing fund as provided in the By- Laws and Rules.

~~—To periodically review Clearing Member surveillance criteria and make such changes therein as the Committee deems appropriate.~~

- ~~•~~ To oversee the processes established for setting, monitoring and acting on risk exposures to OCC presented by banks, depositories, financial market utilities, and trade sources, including performing such reviews as may be required under OCC's exchange pre-trade risk control program.

~~—To review, as appropriate, the adequacy and effectiveness of the Corporation's contingency plan for Clearing Member failures and to approve or recommend to the Board such changes therein as the Committee deems appropriate.~~

- ~~•~~ To discuss on a regular basis with management the impact on systemic stability that may arise as a result of OCC's actions in responding to an extraordinary market event (including the impending or actual failure of a Clearing Member), and the development of strategies to mitigate these effects.

~~—To review the financial and operational condition of Clearing Members that are subject to closer than normal surveillance (Watch Levels III and IV) and impose such restrictions on their activities, consistent with the By-Laws and Rules, as the Committee deems appropriate.~~

- ~~•~~ To oversee the processes established for setting, monitoring and managing liquidity needs necessary for OCC to perform its obligations as a systemically important financial market utility.

~~—To advise management regarding actions to be taken with respect to Clearing Members that are subject to closer than normal surveillance or are otherwise in or approaching financial or operational difficulty.~~

- ~~•~~ To oversee OCC's Enterprise Risk Management ("ERM") program, including (i) overseeing the structure, staffing and resources of the ERM program, (ii) annually

approving the ERM program's goals and objectives, (ii) reviewing periodic reports from the ERM program, (iii) regularly discussing with management and reviewing the systems and procedures that management has developed to identify, monitor, mitigate and otherwise manage the risks to OCC's business and operations, (iv) reviewing with management the interrelated nature of risks facing OCC, and (v) annually reviewing and assessing the ERM program.

- ~~—To review in accordance with the Rules, if timely requested by a Clearing Member, and to modify or reverse, restrictions and/or requirements imposed on the Clearing Member by the Executive Chairman, the Management Vice Chairman, or the President pursuant to Rule 305.~~
- To review and monitor determinations regarding appropriate risk tolerances, including (i) reviewing with management on a regular basis management's view of appropriate risk tolerances and assessing whether management's view is appropriate, (ii) reviewing and recommending the OCC Risk Appetite Statement for approval by the Board annually, (iii) reviewing and monitoring the risk profile of OCC for consistency with OCC's Risk Appetite Statement, and (iv) recommending to the Board for final approval the parameters of OCC's risk tolerances.
- ~~—To approve classes of GSE debt securities for deposit as margin.~~
- To oversee OCC's model risk management processes, policies and controls, including (i) overseeing model risk governance, (ii) reviewing the findings of any third party engaged by management to evaluate OCC's risk models, and (iii) annually reviewing and approving the Model Validation Plan and receiving periodic reports thereunder.
- ~~—To prescribe intervals for revaluing debt securities deposited as margin or clearing fund deposits as provided in the Rules.~~
- To review, approve and reassess periodically reporting metrics reflecting the OCC's risks for which the Committee has oversight.
- ~~—To specify "haircuts" for securities deposited as margin as provided in the Rules.~~
- To review the results of any audits (internal and external), regulatory examinations and supervisory examination reports as to significant risk items or any other matter relating to the areas that the Committee oversees, as well as management's responses pertaining to matters that are subject to the oversight of the Committee.
- ~~—To make the determinations regarding approval of non-U.S. institutions to issue letters of credit provided for in the Interpretations under Rule 604.~~
- To perform such other responsibilities and functions as shall from time to time be assigned to it by the By-Laws and Rules or delegated to it by the Board, including authorizing the filing of regulatory submissions pursuant to such delegation.
- ~~—To review and recommend the OCC Risk Appetite Statement for approval by the Board annually.~~

- To identify issues relating to strategic, credit, market, operational, liquidity and systemic risks that should be escalated to the Board for final action.
- ~~• To review and monitor the risk profile of OCC for consistency with OCC's Risk Appetite Statement.~~
- ~~• To review periodic reports from the Enterprise Risk Management program.~~
- ~~• To review and assess OCC's Enterprise Risk Management program annually.~~
- ~~Approve~~• To approve management's recommendation to appoint or replace the Chief Risk Officer. The Chief Risk Officer shall report functionally to the Committee and administratively to the Executive Chairman.
- ~~Assess~~• In consultation with the Executive Chairman, to review the performance of the ~~Chief Risk Officer and the Enterprise Risk Management department. Also approve any~~ERM and Model Validation programs and the Chief Risk Officer ~~annual compensation or salary adjustments, but delegate to the Chair the ability to modify the approved amount as a result of the Chair's participation in the annual meeting of the Performance Committee at which the, and to determine whether to accept or modify the Executive Chairman's recommendations with respect to performance assessment and annual~~ compensation for ~~senior management is determined.~~the Chief Risk Officer.
- ~~• Oversee the structure, staffing and resources of the Enterprise Risk Management department.~~
- ~~Confirm~~• To confirm annually that all responsibilities outlined in this Charter have been carried out.
- ~~Evaluate~~• To annually evaluate the Committee's and individual members' performance ~~on a regular basis~~ and provide results of such assessment to the Governance and Nominating Committee for review.
- ~~• To perform such other functions as shall from time to time be assigned to it by the By-Laws and Rules or delegated to it by the Board.~~

V. ~~REVIEW CYCLE~~Review Cycle

The Committee will review this Charter annually. The Committee shall submit this Charter to the Board for reapproval, with such changes, if any, as the Committee deems advisable.

THE OPTIONS CLEARING CORPORATION TECHNOLOGY COMMITTEE CHARTER

I. Purpose

The Board of Directors (“Board”) of The Options Clearing Corporation (“OCC”) has established a Technology Committee (the “Committee”) to assist the Board in overseeing OCC’s information technology (“IT”) strategy, infrastructure, resources and risks, including:

- Overseeing major IT related strategies, projects and technology architecture decisions;
- Monitoring whether OCC’s IT programs effectively support OCC’s business objectives and strategies;
- Monitoring OCC’s IT risk management efforts and the security of OCC’s information systems and physical security of information system assets; and
- Conferring with OCC’s senior IT management team and informing the Board on IT related matters.

In fulfilling their responsibilities, it is recognized that the members of the Committee are not full-time employees of OCC and are not, and do not represent themselves to be, technology experts.

II. Membership and Organization

- A. Composition. The Committee shall be comprised of three or more directors as appointed annually by the Board. The Board may remove or replace any member of the Committee at any time. Unless a Chair is elected by the full Board, the members of the Committee shall designate a Chair by majority vote of the full Committee 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.
- B. Meetings. The Committee will meet at least four times a year. Other meetings may be called by the Chair as circumstances dictate. The Committee 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 the meeting and provide pertinent information as is necessary. The Committee may call executive sessions from which members of management and invited guests ~~of the Committee~~

may be excluded. ~~The Chair shall determine whether minutes of executive sessions are to be maintained, taking into consideration the sensitivity of the matters to be discussed and the possibility that candor might be limited if minutes are maintained.~~ Individual Committee members also may be excluded from executive sessions or portions thereof at which the discussion involves a matter as to which that member has an actual or potential conflict of interest. The Committee will meet in executive session at each regular Committee meeting and will determine who will participate in such session. The Committee Chair or the Acting Chair, as applicable, will serve as chair for an executive session. The 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. However, as provided in the Code of Conduct for OCC Directors, attendance by telephone is discouraged.

The Committee ~~will~~shall meet regularly, and no less than once annually, with members of management in separate executive sessions to discuss any matters that either side believes should be discussed privately. The Committee shall meet regularly, and no less than once annually, in separate executive sessions with the Chief Security Officer ("CSO") in order provide for the CSO's autonomy and independence. Between meetings of the Committee, the CSO is authorized to communicate directly with the Chair with respect to any of the responsibilities of the Committee.

- C. Quorum. A majority of the Committee members shall constitute a quorum for the transaction of business.
- D. Minutes and Reports. ~~Except as otherwise noted above, the~~The Committee shall maintain minutes of all Committee meetings ~~and shall make such reports to the Board as deemed necessary or advisable. Minutes of Committee meetings shall be circulated to the Board. On an annual basis, the Committee shall provide a report to the Board summarizing its activities during the previous year.~~ The Chair or Acting Chair, as applicable, shall determine whether separate minutes of an executive session 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 may be limited if detailed minutes are recorded. It is expected that 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

- A. Scope. 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.

~~Subject to the approval of the Board, the~~The Committee shall have the authority to hire specialists or rely upon other outside advisors or specialists 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 fees and expenses associated therewith.

- B. Delegation. The Committee may form and delegate authority to subcommittees, and may delegate authority to one or more designated members of the Committee, ~~including the approval of non-audit services performed by the external auditor as set forth below.~~

IV. Functions and Responsibilities

The Committee shall:

IT Strategy and Projects

- Evaluate ~~the Company~~OCC's IT strategies and the financial, tactical and strategic benefits of proposed major IT related projects and technology architecture alternatives.
- Critically review the progress of major IT related projects and technology architecture decisions.
- Discuss IT costs and internal processes for approval of major IT related capital expenditures.
- Make recommendations to the Board ~~of Directors~~ with respect to IT related projects and investments that require Board approval.

IT and Physical Security

- Monitor the quality and effectiveness of ~~the Company~~OCC's IT and physical security.
- Periodically review and appraise ~~the Company~~OCC's IT disaster recovery capabilities and related crisis management plans.

Internal Controls

- In coordination and cooperation with the Audit Committee, monitor the quality and effectiveness of IT systems and processes that relate to or affect ~~the Company~~OCC's internal control systems.
- Monitor and assess ~~the Company~~OCC's management of IT-related compliance risks.
- As necessary report to and consult with the Board ~~of Directors~~ and other Board committees (including the Audit Committee and the Risk Committee) regarding IT systems and processes that relate to or affect ~~the Company~~OCC's internal control and risk management systems.

Advisory Role

- As necessary, consult with ~~the Company~~OCC's senior IT management team.
- Stay informed of, assess and confer with ~~the Company~~OCC's senior IT management team with respect to new technologies, applications and systems that relate to or affect ~~the Company~~OCC's IT strategy or programs.
- Inform and make recommendations to the Board and its committees with respect IT related matters.

Other

- Confirm annually that all responsibilities outlined in this Charter have been carried out.
- Evaluate annually the Committee's and individual members' performance ~~on a regular basis~~ and provide results of such assessment to the Governance and Nominating Committee for review.
- The Committee shall also have the authority to perform any other duties consistent with this Charter, as the Committee or Board deems necessary.

V. Review Cycle

The Committee will review this Charter annually. The Committee shall submit this Charter to the Board for reapproval, with such changes, if any, as the Committee deems advisable.