



October 23, 2019

VIA ELECTRONIC MAIL

Christopher J. Kirkpatrick
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, DC 20581

Re: Rule Filing SR-OCC-2019-008 Rule Certification

Dear Secretary Kirkpatrick:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended (“Act”), and Commodity Futures Trading Commission (“CFTC”) Regulation 40.6, enclosed is a copy of the above-referenced rule filing submitted by The Options Clearing Corporation (“OCC”). The date of implementation of the rule is the later of at least 10 business days following receipt of the rule filing by the CFTC or the date the proposed rule is approved by the Securities and Exchange Commission (“SEC”) or otherwise becomes effective under the Securities Exchange Act of 1934 (“Exchange Act”). This rule filing has been submitted to the SEC under the Exchange Act.

In conformity with the requirements of Regulation 40.6(a)(7), OCC states the following:

Explanation and Analysis

This proposed rule change would establish the OCC Regulatory Committee (“Committee”) and adopt the OCC Regulatory Committee Charter (“Committee Charter”). The Committee Charter is being submitted in its entirety as new rule text. A corresponding proposed change to Article III, Section 4 of the OCC By-Laws (“By-Laws”) and the OCC Board of Directors Charter and Corporate Governance Principles (“Board Charter”) would be adopted to list the Committee among the other OCC Board of Directors (“Board”) committees.

OCC is filing this proposed rule change to establish a Board-level Regulatory Committee that would: (a) operate separately from the current OCC Audit Committee; (b) complement the work done by independent consultants on regulatory compliance matters; (c) take over and continue the work done by the current OCC Regulatory Oversight Working Group (“ROWG”), including but not limited to OCC’s efforts to demonstrate compliance with applicable laws and regulations; and (d) be solely comprised of OCC’s Public Directors, as that term is defined in the Board Charter.¹ For the

¹ OCC’s Board Charter can be found on OCC’s website: <https://www.theocc.com/about/corporate-information/board-charter.jsp>.

avoidance of doubt, upon approval of the proposed Committee Charter, the ROWG will cease to exist.

The contents of the proposed rule change are summarized as follows.

1. Regulatory Committee Charter

Committee Purpose

The proposed Committee Charter would state that the OCC Board has established the Committee to assist the Board in overseeing OCC's efforts to demonstrate compliance with its regulatory obligations with particular attention to the OCC Regulatory Compliance Oversight Group ("RCOG"), a working group established by OCC management. The proposed Committee Charter would explain that given OCC's designation as a Systemically Important Financial Market Utility, the Board believes it is critical that OCC demonstrate its continued strong commitment to compliance with applicable regulations in the conduct of its core clearance and settlement activities. The proposed Committee Charter would also state that nothing in the Committee Charter alters the existing roles and responsibilities of other Board Committees.

Committee Membership and Organization

Composition

The proposed Committee Charter would provide that the Committee will be comprised of all OCC Public Directors, as that term is defined in the Board Charter. The proposed Committee Charter would state that (i) unless a chair of the Committee ("Chair") is elected by the Board, the members of the Committee will designate a Chair by majority vote of the full membership, and (ii) in the absence of the Chair at any meeting of the Committee, those members of the Committee present would designate a Committee member to serve as acting Chair. The proposed Committee Charter would explain that in the event of a vacancy on the Committee, the Committee would continue to undertake its responsibilities, so long as the remaining Committee members are capable of satisfying the quorum requirement.

Meetings

The proposed Committee Charter would provide that the Committee will meet at least quarterly, or more frequently, as deemed necessary by the Committee in order to fulfill its purposes as described in the Committee Charter. The proposed Committee Charter would additionally provide that other meetings may be called by the Chair as circumstances dictate. The proposed Committee Charter would explain that the Chair or designee, in consultation with OCC management, as well as the OCC Corporate Secretary, would establish the agenda for Committee meetings. The proposed Committee Charter would state that members of the Committee may ask members of OCC management or others to attend the meeting and provide pertinent information as necessary. The

proposed Committee Charter would provide that the OCC Chief Compliance Officer, or one of his or her deputies if the Chief Compliance Officer is unable to attend, shall attend all meetings of the Committee. The proposed Committee Charter would provide that the Committee may call executive sessions from which members of management and invited guests, and other Committee members to the extent the Chair determines there exists an actual or potential conflict of interest, may be excluded. The proposed Committee Charter would explain that the Chair or acting Chair, as applicable, would serve as Chair for the executive session. The proposed Committee Charter would explain that 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.

Quorum

The proposed Committee Charter would state that a simple majority of the Committee members would constitute a quorum for the transaction of business.

Minutes and Reports

The proposed Committee Charter would require that the Committee maintain minutes of all Committee meetings. The proposed Committee Charter would explain that the Chair or acting Chair, as applicable, would determine whether separate minutes of executive sessions are to be recorded as well as determined by 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. The proposed Committee Charter would provide that meeting minutes would reflect that an executive session was convened and broadly describe the topic(s) discussed. The proposed Committee Charter would require that minutes of Committee meetings are circulated to the Board.

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

Committee Authority

The proposed Committee Charter would provide that 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 the Committee Charter. The proposed Committee Charter would further provide that 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 and that the

Committee may confer with management and other employees of OCC to the extent it may deem necessary or appropriate to fulfill its duties.

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

Committee Functions and Responsibilities

The proposed Committee Charter would state that the Committee's role is one of oversight, and that it remains the responsibility of the RCOG to identify, manage, monitor, and report on OCC's activities that demonstrate compliance with regulatory obligations.

The proposed Committee Charter would provide that the Committee would have the following functions and responsibilities in discharging its oversight role:

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

Review Cycle

The proposed Committee Charter would provide that the Committee review the Committee Charter at least once every twelve months and submit the Committee Charter to the Board for approval, with such changes, if any, as the Board deems advisable. The proposed Committee Charter would additionally provide that the Board would have the authority to diminish or eliminate the duties and obligations of the Committee as of the date of any final report of any independent compliance auditor, but in any case, no sooner than three years from the initial approval of the Committee Charter, subject to regulatory approval.

2. By-Laws

The proposed rule change would also adopt an amendment to the OCC By-Laws to include reference to the Regulatory Committee in Article III, Section 4 to list the Committee among the other OCC Board committees. The proposed By-Law provision would state that the Board shall appoint the Committee, having the powers and duties set forth in the By-Laws and Rules and as delegated by the Board. The proposed By-Law provision would state that the Committee members will be all OCC Public Directors. The proposed By-Law provision would state that the chairman of the Committee shall be designated by the Board or by a majority vote of the Committee membership from among the members of the Committee.

3. Board Charter

The proposed rule change would also adopt an amendment to the Committees section of the Board Charter to include reference to the Committee among the other Board committees. The proposed Board Charter amendment would state that the Board has established Board-level committees including: Audit, Compensation and Performance, Governance and Nominating, Regulatory, Risk and Technology.

OCC reviewed the derivatives clearing organization (“DCO”) core principles (“Core Principles”) as set forth in the Act. During this review, OCC identified the following Core Principles as potentially being impacted:

Public Information. OCC believes that implementing the proposed rule change will be aligned with the requirement in Core Principle L² that each DCO provide sufficient information to enable market participants to identify and evaluate accurately the risks and costs associated with using the services of the DCO. Upon implementation, OCC will post the Committee Charter as well as the amended Board Charter and By-Laws on its public website thereby providing the public with relevant information regarding OCC’s governance arrangements and thereby providing market participants with information to identify and evaluate OCC’s governance arrangements.

² 7 U.S.C. 7a-1(c)(2)(L).

Governance Fitness Standards. OCC believes that implementing the proposed rule change would be aligned with the requirement in Core Principle O³ that each DCO establish governance arrangements that are transparent to fulfill public interest requirements and permit the consideration of the views of owners and participants. The Committee Charter, as well as revised Board Charter and By-Laws would be available on OCC's website, consistent with clear and transparent governance arrangements. In addition, the Committee Charter would establish clear responsibilities for the Committee.

Opposing Views

No opposing views were expressed related to the rule amendments.

Notice of Pending Rule Certification

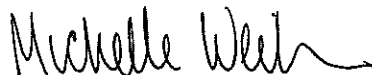
OCC hereby certifies that notice of this rule filing has been given to Clearing Members of OCC in compliance with Regulation 40.6(a)(2) by posting a copy of the proposed rule change on OCC's website concurrently with the filing of this submission.

Certification

OCC hereby certifies that the rules set forth at Item 1 of the enclosed filing complies with the Act and the CFTC's regulations thereunder.

Should you have any questions regarding this matter, please do not hesitate to contact me.

Sincerely,



Michelle Weiler
Vice President, Associate General Counsel

Enclosure

³ 7 U.S.C. 7a-1(c)(2)(O).

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 52	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4	File No.* SR - 2019 - * 008	Amendment No. (req. for Amendments *)
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Filing by Options Clearing Corporation
Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial * <input checked="" type="checkbox"/>	Amendment * <input type="checkbox"/>	Withdrawal <input type="checkbox"/>	Section 19(b)(2) * <input checked="" type="checkbox"/>	Section 19(b)(3)(A) * <input type="checkbox"/>	Section 19(b)(3)(B) * <input type="checkbox"/>
			Rule		
Pilot <input type="checkbox"/>	Extension of Time Period for Commission Action * <input type="checkbox"/>	Date Expires * <input type="text"/>	<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)	
			<input type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(5)	
			<input type="checkbox"/> 19b-4(f)(3)	<input type="checkbox"/> 19b-4(f)(6)	

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010	Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934
Section 806(e)(1) * <input type="checkbox"/>	Section 806(e)(2) * <input type="checkbox"/>
Section 3C(b)(2) * <input type="checkbox"/>	

Exhibit 2 Sent As Paper Document <input type="checkbox"/>	Exhibit 3 Sent As Paper Document <input type="checkbox"/>
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Description

Provide a brief description of the action (limit 250 characters, required when Initial is checked *).

The proposed rule change would establish the OCC Regulatory Committee and adopt the OCC Regulatory Committee Charter.

Contact Information

Provide the name, telephone number, and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the action.

First Name * Michelle Last Name * Weiler

Title * Associate General Counsel

E-mail * mweiler@theocc.com

Telephone * (312) 998-4604 Fax

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934,

has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

(Title *)

Date 09/25/2019 Associate General Counsel

By Michelle Weiler

(Name *)

Michelle Weiler, mweiler@theocc.com

NOTE: Clicking the button at right will digitally sign and lock this form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFF website.

Form 19b-4 Information *

Add Remove View

The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

Exhibit 1 - Notice of Proposed Rule Change *

Add Remove View

The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 1A- Notice of Proposed Rule Change, Security-Based Swap Submission, or Advance Notice by Clearing Agencies *

Add Remove View

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Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications

Add Remove View

Exhibit Sent As Paper Document

Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

Exhibit 3 - Form, Report, or Questionnaire

Add Remove View

Exhibit Sent As Paper Document

Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

Exhibit 4 - Marked Copies

Add Remove View

The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

Exhibit 5 - Proposed Rule Text

Add Remove View

The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.

Partial Amendment

Add Remove View

If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 19b-4

Proposed Rule Change
by

THE OPTIONS CLEARING CORPORATION

Pursuant to Rule 19b-4 under the
Securities Exchange Act of 1934

Item 1. Text of the Proposed Rule Change

This proposed rule change by The Options Clearing Corporation (“OCC”) would establish the OCC Regulatory Committee (“Committee”) and adopt the OCC Regulatory Committee Charter (“Committee Charter”). The Committee Charter is being submitted in its entirety as new rule text. A corresponding proposed change to OCC’s Article III, Section 4 of the OCC By-Laws (“By-Laws”) and the OCC Board of Directors Charter and Corporate Governance Principles (“Board Charter”) would be adopted in to list the Committee among the other OCC Board of Directors (“Board”) committees.

The proposed rule change does not require any changes to the text of OCC’s Rules. All terms with initial capitalization that are not otherwise defined herein have the same meaning as set forth in the OCC By-Laws and Rules.¹

Item 2. Procedures of the Self-Regulatory Organization

The proposed rule change was approved for filing with the Securities and Exchange Commission (“Commission”) by the OCC Board at a meeting held on July 17, 2019. The changes to the By-Laws were approved by OCC’s shareholders on July 17, 2019.

Questions should be addressed to Michelle Weiler, Vice President, Associate General Counsel, at (312) 998-4604.

¹ OCC’s By-Laws and Rules can be found on OCC’s website:
<http://optionsclearing.com/about/publications/bylaws.jsp>.

Item 3. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

A. Purpose

OCC is filing this proposed rule change to establish a Board-level Regulatory Committee that would: (a) operate separately from the current OCC Audit Committee; (b) complement the work done by independent consultants on regulatory compliance matters; (c) take over and continues the work done by the current OCC Regulatory Oversight Working Group (“ROWG”), including but not limited to OCC’s efforts to demonstrate compliance with applicable laws and regulations; and (d) be solely comprised of OCC’s Public Directors, as that term is defined in the Board Charter.² For the avoidance of doubt, upon approval of the proposed Committee Charter, the ROWG will cease to exist.

The contents of the proposed rule change are summarized as follows.

Regulatory Committee Charter

Committee Purpose

The proposed Committee Charter would state that the OCC Board has established the Committee to assist the Board in overseeing OCC’s efforts to demonstrate compliance with its regulatory obligations with particular attention to the OCC Regulatory Compliance Oversight Group (“RCOG”), a working group established by OCC management. The proposed Committee Charter would explain that given OCC’s designation as a Systemically Important Financial Market Utility, the Board believes it is critical that OCC demonstrate its continued strong commitment to compliance with applicable regulations in the conduct of its core clearance and

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settlement activities. The proposed Committee Charter would also state that nothing in the Committee Charter alters the existing roles and responsibilities of other Board Committees.

Committee Membership and Organization

Composition

The proposed Committee Charter would provide that the Committee will be comprised of all OCC Public Directors, as that term is defined in the Board Charter. The proposed Committee Charter would state that (i) unless a chair of the Committee (“Chair”) is elected by the Board, the members of the Committee will designate a Chair by majority vote of the full membership, and (ii) in the absence of the Chair at any meeting of the Committee, those members of the Committee present would designate a Committee member to serve as acting Chair. The proposed Committee Charter would explain that in the event of a vacancy on the Committee, the Committee would continue to undertake its responsibilities, so long as the remaining Committee members are capable of satisfying the quorum requirement.

Meetings

The proposed Committee Charter would provide that the Committee will meet at least quarterly, or more frequently, as deemed necessary by the Committee in order to fulfill its purposes as described in the Committee Charter. The proposed Committee Charter would additionally provide that other meetings may be called by the Chair as circumstances dictate. The proposed Committee Charter would explain that the Chair or designee, in consultation with OCC management, as well as the OCC Corporate Secretary, would establish the agenda for Committee meetings. The proposed Committee Charter would state that members of the Committee may ask members of OCC management or others to attend the meeting and provide pertinent information

as necessary. The proposed Committee Charter would provide that the OCC Chief Compliance Officer, or one of his or her deputies if the Chief Compliance Officer is unable to attend, shall attend all meetings of the Committee. The proposed Committee Charter would provide that the Committee may call executive sessions from which members of management and invited guests, and other Committee members to the extent the Chair determines there exists an actual or potential conflict of interest, may be excluded. The proposed Committee Charter would explain that the Chair or acting Chair, as applicable, would serve as Chair for the executive session. The proposed Committee Charter would explain that 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.

Quorum

The proposed Committee Charter would state that a simple majority of the Committee members would constitute a quorum for the transaction of business.

Minutes and Reports

The proposed Committee Charter would require that the Committee maintain minutes of all Committee meetings. The proposed Committee Charter would explain that the Chair or acting Chair, as applicable, would determine whether separate minutes of executive sessions are to be recorded as well as determined by 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. The proposed Committee Charter would provide that meeting minutes would reflect that an executive session was convened and broadly describe the

topic(s) discussed. The proposed Committee Charter would require that minutes of Committee meetings are circulated to the Board.

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

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The proposed Committee Charter would provide that the Committee would have the authority to hire specialists or rely upon other outside advisors, including legal advisors, to assist it in carrying out its activities. The proposed Committee Charter would also state that the Committee would have the authority to approve the fees and retention terms applicable to such advisors and specialists. The proposed Committee Charter would require that the Committee's

annual report to the Board reference any engagement of specialists or outside advisors, including any fees and expenses associated therewith.

Committee Functions and Responsibilities

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The proposed Committee Charter would provide that the Committee would have the following functions and responsibilities in discharging its oversight role:

- The Committee would oversee, and assist the Board in evaluating, OCC's efforts to demonstrate compliance with applicable laws and regulations, including banking and securities laws and other applicable regulatory guidance and standards, through regular reporting to the Committee by the RCOG.
- The Committee would oversee OCC management's action plans to achieve compliance with any proposed new regulation to which OCC is subject.
- The Committee would oversee work performed by any independent compliance auditor(s) engaged by OCC and approved by the Board.
- The Committee would make recommendations to the Board as it deems appropriate, and as the Board may request.
- The Committee would meet with OCC's regulators, with or without OCC management, as the Committee deems necessary, in order to discuss OCC's efforts to enhance its regulatory compliance posture.

- The Committee would review any annual regulatory compliance reports provided by OCC management.
- The Committee would review any final exam report letter received from OCC's regulators. Additionally, the Committee would review any OCC response to an exam report letter received from OCC's regulators. The Committee would receive a briefing on OCC's action plans, if any, in response to items identified in any final exam report letter received from OCC's regulators.
- The Committee would perform such other activities consistent with the Board Charter and By-Laws and applicable legal and regulatory requirements, as the Committee deems necessary or appropriate.

Review Cycle

The proposed Committee Charter would provide that the Committee review the Committee Charter at least once every twelve months and submit the Committee Charter to the Board for approval, with such changes, if any, as the Board deems advisable. The proposed Committee Charter would additionally provide that the Board would have the authority to diminish or eliminate the duties and obligations of the Committee as of the date of any final report of any independent compliance auditor, but in any case, no sooner than three years from the initial approval of the Committee Charter, subject to the approval of the Commission.

By-Laws

The proposed rule change would also adopt an amendment to the OCC By-Laws to include reference to the Regulatory Committee in Article III, Section 4 to list the Committee among the other OCC Board committees. The proposed By-Law provision would state that the

Board shall appoint the Committee, having the powers and duties set forth in the By-Laws and Rules and as delegated by the Board. The proposed By-Law provision would state that the Committee members will be all OCC Public Directors. The proposed By-Law provision would state that the chairman of the Committee shall be designated by the Board or by a majority vote of the Committee membership from among the members of the Committee.

Board Charter

The proposed rule change would also adopt an amendment to the Committees section of the Board Charter to include reference to the Committee among the other Board committees. The proposed Board Charter amendment would state that the Board has established Board-level committees including: Audit, Compensation and Performance, Governance and Nominating, Regulatory, Risk and Technology.

B. Statutory Basis

OCC believes the proposed rule change is consistent with Section 17A of the Act³ and the rules thereunder applicable to OCC. Section 17A(b)(3)(A) of the Act⁴ requires, among other things, that a clearing agency be so organized and have the capacity to be able to facilitate the prompt and accurate clearance and settlement of securities transactions and derivatives agreements, contracts, and transactions for which it is responsible. OCC believes the proposed rule change is consistent with this requirement because the change would help ensure OCC has governance arrangements that are organized to support its ability to promptly and accurately serve Clearing Members and the markets for which it clears. For example, the proposed

³ 15 U.S.C. 78q-1.

⁴ 15 U.S.C. 78q-1(b)(3)(A).

Committee Charter would provide that, among other things, the Committee would oversee OCC management's action plans to achieve compliance with any proposed new regulation to which OCC is subject.

OCC believes the proposed rule change is also consistent with the requirements in Rule 17Ad-22(e)(2)(i)⁵ and (v)⁶ to establish, implement, maintain and enforce written policies and procedures reasonably designed to provide for governance arrangements that are clear and transparent and that specify clear and direct lines of responsibility. The proposed rule change is also consistent with the requirement to have governance arrangements that specify clear and direct lines of responsibility because the Committee Charter would provide a clear statement of the functions and responsibilities of the Committee. For example, the proposed Committee Charter would provide that, among other things, the Committee would make recommendations to the Board as it deems appropriate, and as the Board may request. Additionally, the proposed Committee Charter would provide that nothing in the Committee Charter alters the existing roles and responsibilities of other Board Committees. Finally, including the Committee in the By-Laws and Board Charter provides for consistency with how other committees of the Board are represented in the By-Laws and Board Charter.

OCC also believes that the proposed rule change is consistent with the requirement in Rule 17Ad-22(e)(3)(i)⁷ to establish, implement, maintain and enforce written policies and procedures reasonably designed to maintain a sound risk management framework for managing

⁵ 17 CFR 240.17Ad-22(e)(2)(i).

⁶ 17 CFR 240.17Ad-22(e)(2)(v).

⁷ 17 CFR 240.17Ad-22(e)(3)(i).

legal, credit, liquidity, operational, general business, investment, custody and other risks that arise in or are borne by OCC, including risk management policies, procedures, and systems that are designed to identify, measure, monitor, and manage such risks and that are subject to review on a periodic basis and approved annually by the Board. For example, the Committee Charter would provide that, among other things, the Committee would oversee, and assist the Board in evaluating, OCC's efforts to demonstrate compliance with applicable laws and regulations, including banking and securities laws and other applicable regulatory guidance and standards, through regular reporting to the Committee by the RCOG. Additionally, the Committee Charter would provide that the Committee will review the Committee Charter at least once every twelve months and submit the Committee Charter to the Board for approval, with such changes, if any, as the Committee deems advisable.

The proposed rule change is not inconsistent with the existing rules of OCC, including any other rules proposed to be amended.

Item 4. Self-Regulatory Organization's Statement on Burden on Competition

OCC does not believe that the proposed rule change would impact or impose any burden on competition.⁸ The proposed rule change addresses one charter used in OCC's governance structure, and all Clearing Members would be equally subject to these governance arrangements. Consequently, the Committee Charter, By-Laws and Board Charter would not provide any Clearing Member with a competitive advantage over any other Clearing Member. Further, the proposed rule change would not affect Clearing Member's access to OCC's services or impose

⁸ 15 U.S.C. 78q-1(b)(3)(I).

any direct burdens on Clearing Members. Accordingly, the proposed rule change would not unfairly inhibit access to OCC's services or disadvantage or favor any particular user in relationship to another user.

For the foregoing reasons, OCC believes that the proposed rule change is in the public interest, would be consistent with the requirements of the Act applicable to clearing agencies, and would not impact or impose a burden on competition.

Item 5. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants or Others

Written comments were not and are not intended to be solicited with respect to the proposed rule change and none have been received.

Item 6. Extension of Time Period for Commission Action

Not applicable.

Item 7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2) or Section 19(b)(7)(D)

Not applicable.

Item 8. Proposed Rule Change Based on Rule of Another Self-Regulatory Organization or of the Commission

Not applicable.

Item 9. Security-Based Swap Submissions Filed Pursuant to Section 3C of the Act

Not applicable.

Item 10. Advance Notices Filed Pursuant to Section 806(e) of the Payment, Clearing and Settlement Supervision Act

Not applicable.

Item 11. Exhibits

Exhibit 1A. Completed Notice of Proposed Rule Change for publication in the Federal Register.

Exhibit 5A. The Options Clearing Corporation Regulatory Committee Charter.

Exhibit 5B. The Options Clearing Corporation Board of Directors Charter and Corporate Governance Principles.

Exhibit 5C. The Options Clearing Corporation By-Laws.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, The Options Clearing Corporation has caused this filing to be signed on its behalf by the undersigned hereunto duly authorized.

THE OPTIONS CLEARING CORPORATION

By: _____
Michelle Weiler
Vice President, Associate General Counsel

EXHIBIT 1A

SECURITIES AND EXCHANGE COMMISSION

(Release No. 34-[_____]; File No. SR-OCC-2019-008)

September __, 2019

Self-Regulatory Organizations; The Options Clearing Corporation; Notice of Filing of Proposed Rule Change to Establish a Regulatory Committee of The Options Clearing Corporation's Board of Directors

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Exchange Act" or "Act"),¹ and Rule 19b-4 thereunder,² notice is hereby given that on April 18, 2019, The Options Clearing Corporation ("OCC") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared primarily by OCC. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Clearing Agency's Statement of the Terms of Substance of the Proposed Rule Change

The proposed rule change would establish the OCC Regulatory Committee ("Committee") and adopt the OCC Regulatory Committee Charter ("Committee Charter"). The Committee Charter is being submitted in its entirety as new rule text. A corresponding proposed change to OCC's Article III, Section 4 of the OCC By-Laws ("By-Laws") and the OCC Board of Directors Charter and Corporate Governance Principles ("Board Charter") would be adopted in to list the Committee among the other

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

OCC Board of Directors (“Board”) committees. The proposed rule change does not require any changes to the text of OCC’s Rules.

The proposed rule change is available on OCC’s website at <https://www.theocc.com/about/publications/bylaws.jsp>. All terms with initial capitalization that are not otherwise defined herein have the same meaning as set forth in the OCC By-Laws and Rules.³

II. Clearing Agency’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, OCC included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. OCC has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of these statements.

(A) Clearing Agency’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

(1) Purpose

Background

OCC is filing this proposed rule change to establish a Board-level Regulatory Committee that would: (a) operate separately from the current OCC Audit Committee; (b) complement the work done by independent consultants on regulatory compliance matters; (c) take over and continues the work done by the current OCC Regulatory Oversight Working Group (“ROWG”), including but not limited to OCC’s efforts to demonstrate compliance with applicable laws and regulations; and (d) be solely

³ OCC’s By-Laws and Rules can be found on OCC’s public website: <http://optionsclearing.com/about/publications/bylaws.jsp>.

comprised of OCC's Public Directors, as that term is defined in the Board Charter.⁴ For the avoidance of doubt, upon approval of the proposed Committee Charter, the ROWG will cease to exist.

The contents of the proposed rule change are summarized as follows.

Regulatory Committee Charter

Committee Purpose

The proposed Committee Charter would state that the OCC Board has established the Committee to assist the Board in overseeing OCC's efforts to demonstrate compliance with its regulatory obligations with particular attention to the OCC Regulatory Compliance Oversight Group ("RCOG"), a working group established by OCC management. The proposed Committee Charter would explain that given OCC's designation as a Systemically Important Financial Market Utility, the Board believes it is critical that OCC demonstrate its continued strong commitment to compliance with applicable regulations in the conduct of its core clearance and settlement activities. The proposed Committee Charter would also state that nothing in the Committee Charter alters the existing roles and responsibilities of other Board Committees.

Committee Membership and Organization

Composition

The proposed Committee Charter would provide that the Committee will be comprised of all OCC Public Directors, as that term is defined in the Board Charter. The proposed Committee Charter would state that (i) unless a chair of the Committee ("Chair") is elected by the Board, the members of the Committee will designate a Chair

⁴ OCC's Board Charter can be found on OCC's website:
<https://www.theocc.com/about/corporate-information/board-charter.jsp>.

by majority vote of the full membership, and (ii) in the absence of the Chair at any meeting of the Committee, those members of the Committee present would designate a Committee member to serve as acting Chair. The proposed Committee Charter would explain that in the event of a vacancy on the Committee, the Committee would continue to undertake its responsibilities, so long as the remaining Committee members are capable of satisfying the quorum requirement.

Meetings

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

as applicable, would serve as Chair for the executive session. The proposed Committee Charter would explain that 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.

Quorum

The proposed Committee Charter would state that a simple majority of the Committee members would constitute a quorum for the transaction of business.

Minutes and Reports

The proposed Committee Charter would require that the Committee maintain minutes of all Committee meetings. The proposed Committee Charter would explain that the Chair or acting Chair, as applicable, would determine whether separate minutes of executive sessions are to be recorded as well as determined by 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. The proposed Committee Charter would provide that meeting minutes would reflect that an executive session was convened and broadly describe the topic(s) discussed. The proposed Committee Charter would require that minutes of Committee meetings are circulated to the Board.

The proposed Committee Charter would provide that the Committee would make such reports to the Board as deemed necessary or advisable and that the Chair is responsible for ensuring that important issues discussed at Committee meetings are reported timely to the Board. The proposed Committee Charter would require that on an

annual basis, the Committee would provide a report to the Board summarizing its activities during the previous year.

Committee Authority

The proposed Committee Charter would provide that 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 the Committee Charter. The proposed Committee Charter would further provide that 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 and that the Committee may confer with management and other employees of OCC to the extent it may deem necessary or appropriate to fulfill its duties.

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

Committee Functions and Responsibilities

The proposed Committee Charter would state that the Committee's role is one of oversight, and that it remains the responsibility of the RCOG to identify, manage,

monitor, and report on OCC's activities that demonstrate compliance with regulatory obligations.

The proposed Committee Charter would provide that the Committee would have the following functions and responsibilities in discharging its oversight role:

- The Committee would oversee, and assist the Board in evaluating, OCC's efforts to demonstrate compliance with applicable laws and regulations, including banking and securities laws and other applicable regulatory guidance and standards, through regular reporting to the Committee by the RCOG.
- The Committee would oversee OCC management's action plans to achieve compliance with any proposed new regulation to which OCC is subject.
- The Committee would oversee work performed by any independent compliance auditor(s) engaged by OCC and approved by the Board.
- The Committee would make recommendations to the Board as it deems appropriate, and as the Board may request.
- The Committee would meet with OCC's regulators, with or without OCC management, as the Committee deems necessary, in order to discuss OCC's efforts to enhance its regulatory compliance posture.
- The Committee would review any annual regulatory compliance reports provided by OCC management.
- The Committee would review any final exam report letter received from OCC's regulators. Additionally, the Committee would review any OCC response to an exam report letter received from OCC's regulators. The Committee would receive

a briefing on OCC's action plans, if any, in response to items identified in any final exam report letter received from OCC's regulators.

- The Committee would perform such other activities consistent with the Board Charter and By-Laws and applicable legal and regulatory requirements, as the Committee deems necessary or appropriate.

Review Cycle

The proposed Committee Charter would provide that the Committee review the Committee Charter at least once every twelve months and submit the Committee Charter to the Board for approval, with such changes, if any, as the Board deems advisable. The proposed Committee Charter would additionally provide that the Board would have the authority to diminish or eliminate the duties and obligations of the Committee as of the date of any final report of any independent compliance auditor, but in any case, no sooner than three years from the initial approval of the Committee Charter, subject to the approval of the Commission.

By-Laws

The proposed rule change would also adopt an amendment to the OCC By-Laws to include reference to the Regulatory Committee in Article III, Section 4 to list the Committee among the other OCC Board committees. The proposed By-Law provision would state that the Board shall appoint the Committee, having the powers and duties set forth in the By-Laws and Rules and as delegated by the Board. The proposed By-Law provision would state that the Committee members will be all OCC Public Directors. The proposed By-Law provision would state that the chairman of the Committee shall be

designated by the Board or by a majority vote of the Committee membership from among the members of the Committee.

Board Charter

The proposed rule change would also adopt an amendment to the Committees section of the Board Charter to include reference to the Committee among the other Board committees. The proposed Board Charter amendment would state that the Board has established Board-level committees including: Audit, Compensation and Performance, Governance and Nominating, Regulatory, Risk and Technology.

(2) Statutory Basis

OCC believes the proposed rule change is consistent with Section 17A of the Act⁵ and the rules thereunder applicable to OCC. Section 17A(b)(3)(A) of the Act⁶ requires, among other things, that a clearing agency be so organized and have the capacity to be able to facilitate the prompt and accurate clearance and settlement of securities transactions and derivatives agreements, contracts, and transactions for which it is responsible. OCC believes the proposed rule change is consistent with this requirement because the change would help ensure OCC has governance arrangements that are organized to support its ability to promptly and accurately serve Clearing Members and the markets for which it clears. For example, the proposed Committee Charter would provide that, among other things, the Committee would oversee OCC management's action plans to achieve compliance with any proposed new regulation to which OCC is subject.

⁵ 15 U.S.C. 78q-1.

⁶ 15 U.S.C. 78q-1(b)(3)(A).

OCC believes the proposed rule change is also consistent with the requirements in Rule 17Ad-22(e)(2)(i)⁷ and (v)⁸ to establish, implement, maintain and enforce written policies and procedures reasonably designed to provide for governance arrangements that are clear and transparent and that specify clear and direct lines of responsibility. The proposed rule change is also consistent with the requirement to have governance arrangements that specify clear and direct lines of responsibility because the Committee Charter would provide a clear statement of the functions and responsibilities of the Committee. For example, the proposed Committee Charter would provide that, among other things, the Committee would make recommendations to the Board as it deems appropriate, and as the Board may request. Additionally, the proposed Committee Charter would provide that nothing in the Committee Charter alters the existing roles and responsibilities of other Board Committees. Finally, including the Committee in the By-Laws and Board Charter provides for consistency with how other committees of the Board are represented in the By-Laws and Board Charter.

OCC also believes that the proposed rule change is consistent with the requirement in Rule 17Ad-22(e)(3)(i)⁹ to establish, implement, maintain and enforce written policies and procedures reasonably designed to maintain a sound risk management framework for managing legal, credit, liquidity, operational, general business, investment, custody and other risks that arise in or are borne by OCC, including risk management policies, procedures, and systems that are designed to identify, measure, monitor, and manage such risks and that are subject to review on a periodic basis and

⁷ 17 CFR 240.17Ad-22(e)(2)(i).

⁸ 17 CFR 240.17Ad-22(e)(2)(v).

⁹ 17 CFR 240.17Ad-22(e)(3)(i).

approved annually by the Board. For example, the Committee Charter would provide that, among other things, the Committee would oversee, and assist the Board in evaluating, OCC's efforts to demonstrate compliance with applicable laws and regulations, including banking and securities laws and other applicable regulatory guidance and standards, through regular reporting to the Committee by the RCOG. Additionally, the Committee Charter would provide that the Committee will review the Committee Charter at least once every twelve months and submit the Committee Charter to the Board for approval, with such changes, if any, as the Committee deems advisable.

The proposed rule change is not inconsistent with the existing rules of OCC, including any other rules proposed to be amended.

(B) Clearing Agency's Statement on Burden on Competition

OCC does not believe that the proposed rule change would impact or impose any burden on competition.¹⁰ The proposed rule change addresses one charter used in OCC's governance structure, and all Clearing Members would be equally subject to these governance arrangements. Consequently, the Committee Charter, By-Laws and Board Charter would not provide any Clearing Member with a competitive advantage over any other Clearing Member. Further, the proposed rule change would not affect Clearing Member's access to OCC's services or impose any direct burdens on Clearing Members. Accordingly, the proposed rule change would not unfairly inhibit access to OCC's services or disadvantage or favor any particular user in relationship to another user.

¹⁰ 15 U.S.C. 78q-1(b)(3)(I).

For the foregoing reasons, OCC believes that the proposed rule change is in the public interest, would be consistent with the requirements of the Act applicable to clearing agencies, and would not impact or impose a burden on competition.

(C) Clearing Agency's Statement on Comments on the Proposed Rule Change Received from Members, Participants or Others

Written comments on the proposed rule change were not and are not intended to be solicited with respect to the proposed rule change and none have been received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Within 45 days of the date of publication of this notice in the Federal Register or within such longer period up to 90 days (i) as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

(A) by order approve or disapprove the proposed rule change, or

(B) institute proceedings to determine whether the proposed rule change should be disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments:

- Use the Commission's Internet comment form

(<http://www.sec.gov/rules/sro.shtml>); or

- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-OCC-2019-008 on the subject line.

Paper Comments:

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-OCC-2019-008. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet website (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street, NE, Washington, DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of such filing also will be available for inspection and copying at the principal office of OCC and on OCC's website at <https://www.theocc.com/about/publications/bylaws.jsp>.

All comments received will be posted without change. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make available publicly.

All submissions should refer to File Number SR-OCC-2019-008 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹¹

Secretary

¹¹ 17 CFR 200.30-3(a)(12).

EXHIBIT 5A**THE OPTIONS CLEARING CORPORATION
REGULATORY COMMITTEE CHARTER****I. Purpose**

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

II. Membership and Organization**A. Composition**

The Committee shall be comprised of all Public Directors, as that term is defined in the Board of Directors Charter and Corporate Governance Principles (“Board Charter”). Unless a Chair is elected by the Board, the members of the Committee shall designate a Chair by majority vote of the full membership. In the absence of the Chair at any meeting of the Committee, those members of the Committee present shall designate a Committee member to serve as Acting Chair. In the event of a vacancy on the Committee, the Committee will continue to undertake its responsibilities, so long as the remaining Committee members are capable of satisfying the quorum requirement.

B. Meetings

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

Members of the Committee may participate in meetings by means of a conference telephone call or other means of communication that allows all participants in the meeting to hear each other.

C. Quorum

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

D. Minutes and Reports

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

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

III. Authority

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

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

IV. Functions and Responsibilities

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

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

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

V. Review Cycle

The Committee will review this Charter at least once every twelve months. The Committee shall submit this Charter to the Board for approval, with such changes, if any, as the Committee deems advisable. The Board shall have the authority to diminish

or eliminate the duties and obligations of the Committee as of the date of any final report of any independent compliance auditor, but in any case, no sooner than [MM DD, 202Y]¹, subject to the approval of the Securities and Exchange Commission.

¹ To be inserted upon approval, the date that is three (3) years from the date of initial regulatory approval of this Charter.

EXHIBIT 5B**THE OPTIONS CLEARING CORPORATION
BOARD OF DIRECTORS
CHARTER
AND
CORPORATE GOVERNANCE PRINCIPLES**

The following Board of Directors Charter and Corporate Governance Principles (“Principles”) have been adopted by the Board of Directors (the “Board”) of The Options Clearing Corporation (“OCC”) to assist the Board in the exercise of its responsibilities.

The Board is responsible for advising management and overseeing the management of the business and affairs of OCC (except as may otherwise be provided in OCC’s Amended and Restated Certificate of Incorporation or its By-Laws and Rules). The Board discharges its responsibilities in a manner consistent with legal and regulatory requirements applicable to OCC and the expectations of all relevant stakeholders of OCC. In doing so, the Board exercises its authority to provide for governance arrangements that: are clear and transparent; clearly prioritize the safety and efficiency of OCC; support applicable public interest requirements and the objectives of owners and participants; establish that the Board and senior management have appropriate experience and skills to discharge their duties and responsibilities; specify clear and direct lines of responsibility; and consider the interests of clearing members’ customers, securities issuers and holders, and other relevant stakeholders. The Board additionally seeks to: promote the safe and efficient operation of OCC; maintain a sound risk management framework for comprehensively managing the risks that arise in or are borne by OCC in light of OCC’s role as a systemically important financial market utility (“SIFMU”); and pursue objectives that are consistent with the interests of its stakeholders and support the public interest. In consideration of its responsibility to maintain a sound risk management framework for comprehensively managing the risks that arise in or are borne by OCC, the Board has explicitly delegated the management of specific risks to the Board committees. To the extent a specific risk is not retained by the Board or otherwise assigned to a Board committee, such risk shall be overseen by the Risk Committee. Accordingly, the Board is mindful of the public interest as it fulfills its duties by complying with the obligations imposed upon the Board by federal and state laws and regulations applicable to OCC and ensures that major decisions of OCC are appropriately disclosed to relevant stakeholders and to the public. Where the Board is authorized to approve reports or proposals provided to it by management or a committee, the Board may or may not approve such matters in its business judgment. If the Board does not approve such a report or proposal, it shall report to management or the relevant committee(s) that it has not approved such matter and may provide direction as to the revisions or alternative courses of action as appropriate.

These Principles set forth the shared vision of the Board and OCC’s management regarding the governance, management, and oversight practices to be followed at OCC, and reflect the Board’s commitment to monitor the effectiveness of

Board of Directors Charter and Corporate Governance Principles.

Last Revised Date: ~~February-MM DD15~~, 20YY19

policy and decision-making both at the Board and management level. The Board may form and delegate authority to committees and may delegate authority to one or more of its members and to one or more designated officers of OCC. However, in all instances, the Board retains the obligation to oversee such delegated activity and to assure itself that delegation and reliance on the work of such delegates is reasonable.

These Principles are not intended to change or interpret any Federal or state law or regulation, including the Delaware General Corporation Law, or the OCC Amended and Restated Certificate of Incorporation, the OCC By-Laws, or the Rules of OCC.¹ These Principles are subject to modification from time to time by the Board.

THE MISSION OF THE BOARD

The Board performs an oversight role (either directly or indirectly through delegating certain authority to its committees) to ensure: that OCC is managed and operated in a manner consistent with the discharge of OCC's regulatory responsibilities as a SIFMU in connection with providing its clearance and settlement services, and that OCC has the critical capabilities necessary to achieve its objectives and obligations in a safe and efficient manner.

The Board fulfills its oversight role by:

- Overseeing OCC's governance structures and processes to ensure that the Board is positioned to fulfill its responsibilities effectively and efficiently consistent with these Principles and regulatory requirements, including through regular assessments of Board and individual director performance;
- Ensuring that the Board and senior management have appropriate experience and skills to discharge their respective responsibilities and have established clear and direct lines of responsibility between the Board and senior management;
- Ensuring that risk management, compliance and internal audit personnel have sufficient authority, resources, independence from management, and access to the Board;
- Ensuring that risk management, compliance and internal audit personnel have a direct reporting line to, and oversight by, a risk management

¹ OCC is subject to comprehensive regulation and supervision by the Securities and Exchange Commission (with respect to its clearing agency registration) and by the Commodity Futures Trading Commission (with respect to its derivatives clearing organization registration). As a SIFMU, OCC is also subject to supervision by the Board of Governors of the Federal Reserve System under Title VIII of the Dodd-Frank Act. Capitalized terms used in these Principles shall have the meanings set forth in OCC's By-Laws and Rules unless otherwise indicated.

committee and an independent audit committee of the Board, respectively;

- Ensuring that the Audit Committee of the Board is independent as determined by the Board;
- Periodically reviewing and approving the amount of compensation for Public Directors;
- Setting expectations about the tone and ethical culture of OCC, and reviewing management's efforts to instill an appropriate tone and culture throughout OCC;
- Overseeing management's activities in managing and operating OCC and evaluating senior management's performance in executing its responsibilities;
- Selecting and overseeing and, where appropriate, replacing the Executive Chairman, Chief Executive Officer, and the Chief Operating Officer, as well as counseling and advising such officers in the management of OCC's business and affairs;
- Overseeing the development and design of employee compensation, incentive, and benefit programs and evaluating the performance of the Executive Chairman, Chief Executive Officer, and the Chief Operating Officer and approving the compensation of each such officer;
- Overseeing management succession planning and talent management processes;
- Overseeing OCC's business strategies, including expansions of clearing and settlement services to new business lines and product types, to ensure they reflect the legitimate interests of relevant stakeholders and are consistent with the public interest;
- Monitoring OCC's performance in delivering clearance and settlement services;
- Reviewing and approving major corporate plans and actions, including capital expenditures, the annual budget and corporate plan, financial objectives, operating capital and capital structure, and fee structure, as well as periodically reviewing the types and amounts of insurance coverage available in light of OCC's clearance and settlement services;
- Overseeing OCC's processes and framework for comprehensively managing the range of risks that arise in or are borne by OCC, including the risk management policies, procedures, and systems

designed to identify, measure, monitor, and manage such risks consistent within the risk appetite and risk tolerances approved by the Board;

- Assigning responsibility and accountability for risk decisions and overseeing the establishment of policies addressing decision-making in crises and emergencies;
- Overseeing and approving OCC's Recovery and Orderly Wind-Down Plan;
- Overseeing OCC's financial reporting, internal and external auditing, and accounting and compliance processes, including the approval of major changes in auditing and accounting principles and practices;
- Overseeing OCC's processes designed to ensure compliance with applicable laws and regulations, 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 OCC's system of internal controls, including review of the annual study and evaluation of OCC's system of internal accounting controls;
- Overseeing OCC's technology infrastructure, resources, and capabilities to ensure resiliency with regard to OCC's provision of its clearing, settlement, and risk management services; and
- Performing such other functions as the Board believes appropriate or necessary, or as otherwise prescribed by rules or regulation, including OCC's By-Laws and Rules, or other policies.

BOARD ISSUES

Membership

1. **Size of Board; Composition.** OCC's By-Laws currently provide that the size of the Board shall be up to twenty members and shall be comprised of:
 - Nine directors who represent OCC clearing members ("Member Directors");
 - Five directors designated by and representing each of OCC's Equity Exchanges ("Exchange Directors");
 - Five directors who are not affiliated with any national securities exchange or national securities association or with any broker or dealer in securities ("Public Directors"); and

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- One Management Director, who may be chosen from the employees of the Corporation (“Management Director”).

It is the policy of the Board that the Board at all times reflect the following characteristics:

- Each director shall at all times be committed to discharging effectively OCC’s regulatory responsibilities in connection with its provision of clearance and settlement services as a SIFMU;
- Each director shall at all times exhibit high standards of integrity and commitment;
- Each director shall dedicate sufficient time, energy, and attention to ensure the diligent performance of his or her duties, including by attending meetings of the Board and committees of which he or she is a member, and by reviewing in advance all meeting materials;
- The Board shall encompass a range of talent, skill, industry knowledge, and expertise sufficient to provide sound and prudent guidance with respect to all of OCC’s business, operations and interests;
- The Board shall reflect the diversity of OCC’s employees and the employees of the market participants that OCC serves; and
- A substantial portion of directors shall be “independent” of OCC and OCC’s management as defined by applicable regulatory requirements and the judgment of the Board.

The Governance and Nominating Committee is responsible for making recommendations to the Board regarding the composition of the Board as a whole, including whether the Board reflects: the appropriate balance of Member Directors, Exchange Directors, Public Directors and the Management Director; business specialization, technical skills, diversity (including diverse professional backgrounds); and other desired qualities such as sound judgment and a reputation for integrity.

2. **Board Membership Criteria.** The Board seeks directors from diverse professional backgrounds who combine a broad spectrum of experience and expertise with a reputation for integrity. In making their nominations, the Governance and Nominating Committee and the Board shall take into consideration applicable board of directors composition requirements of the Securities and Exchange Commission (as well as the Commodity Futures Trading Commission, to the extent applicable to OCC). As provided in OCC’s By-Laws, the Governance and Nominating Committee and the Board also shall use the criteria of the Fitness Standards for Directors, Clearing Members and Others (“Fitness Standards”) in considering nominees for election to the Board. In addition, Board members should have the highest professional and personal ethics and values, the relevant expertise and experience required to offer advice and guidance to the Executive Chairman, Chief Executive Officer, and Chief Operating Officer, and other members of senior management, the ability to

make independent analytical inquiries, a commitment to discharging effectively OCC's regulatory responsibilities and an understanding of OCC's business, and should be willing to devote adequate time and effort to Board responsibilities. Each Board member is expected to ensure that his or her other commitments do not materially interfere with his or her service overall as a director. The Governance and Nominating Committee shall take the foregoing criteria into account in connection with its recommendations for nomination of the Member Directors and Public Directors, as well as other considerations discussed in Section 4 below. In addition, in determining whether to recommend a Member Director or a Public Director for re-election, the Governance and Nominating Committee shall also consider the director's past performance, including attendance at meetings and participation and contributions to the activities of the Board.

Resignations and disqualifications from the Board shall be addressed as provided in the By-Laws.

3. **Appointment of Governance and Nominating Committee.** As provided in the By-Laws, on an annual basis, the Board shall appoint a Governance and Nominating Committee consisting 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 Chair of the Governance and Nominating Committee shall be designated by the Board, after consultation with the Executive Chairman, from among the Public Director members of the Governance and Nominating Committee.
4. **Selection of Member Directors and Public Directors.** As provided in its Charter, the Governance and Nominating Committee conducts periodic assessments of the overall composition of the Board in light of OCC's current and expected business needs and, as a result of such assessments, the Governance and Nominating Committee shall recommend to the Board specific qualifications that it determines would be desirable to seek in candidates for Member Directors and Public Directors. In light of such assessments, the Governance and Nominating Committee may seek to identify new candidates for the Board who possess the specific qualifications approved by the Board and satisfy the other requirements for Board service, including those set forth in OCC's By-Laws. It is acknowledged that, over time, different skill sets are likely to be determined to be desirable, so that the specific qualifications are likely to change. Moreover, it is acknowledged that it is not expected that the Board will necessarily include all identified skill sets at all times in light of the pool of candidates available to the Governance and Nominating Committee and other considerations such as re-nominating incumbent directors to maintain continuity and particular skills that they may have. In identifying new director candidates, the Governance and Nominating Committee seeks advice and names of candidates from Governance

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and Nominating Committee members, other members of the Board, members of management, and other public and private sources. The Governance and Nominating Committee may also, but need not, retain a search firm in order to assist it in these efforts.

As provided in the By-Laws, prior to each annual meeting of stockholders, the Governance and Nominating Committee shall nominate for approval by the Board one person for each directorship among the Member Directors and the Public Directors to be filled at such annual meeting. In selecting such nominees, the Governance and Nominating Committee shall follow the Director Nomination Procedure as in effect from time to time. With respect to Public Directors, the Governance and Nominating Committee shall consider whether the candidate lacks material relationships to OCC, OCC's senior management, and other directors such that the Public Director may be considered to be "independent" by the Board. With respect to Member Directors, 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, including the 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. As further provided in the By-Laws, the Board shall be responsible for filling vacancies on the Board among the Member Directors or the Public Directors that may occur between annual meetings of stockholders, in each case with a nominee recommended by the Governance and Nominating Committee.

5. **Selection of Exchange Directors.** As provided in the By-Laws, each Exchange Director shall be elected by the Equity Exchange entitled to vote for such Exchange Director at each annual meeting of stockholders. An individual may be nominated by, elected by, and serve as an Exchange Director for more than one Equity Exchange. As further provided in the By-Laws, a vacancy occurring for any reason among the Exchange Directors shall be filled by the Equity Exchange entitled to elect such Exchange Director.
6. **Selection of Management Director.** As provided in the By-Laws, the Executive Chairman, by virtue of holding his or her office of Executive Chairman, shall be elected as a Management Director by the stockholders at each annual meeting of the stockholders. If a Management Director shall cease to hold the office by virtue of which he or she was elected as a Management Director, he or she shall simultaneously be disqualified to serve as a Management Director. As further provided in the By-Laws, a vacancy occurring for any reason in the position of Management Director shall be filled by the Board with the person elected or appointed to fill the office of Executive Chairman.
7. **Extending Invitation to New Board Members.** The Executive Chairman shall extend the invitation to potential candidates to stand for election to the Board.

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8. **Retirement.**

Term Limits. As provided in the By-Laws, Member Directors are limited to serving three consecutive three-year terms; Exchange Directors, Public Directors, and the Management Director do not have term limits. As provided in the Charter for the Governance and Nominating Committee, the Governance and Nominating Committee is responsible for reviewing periodically the continued appropriateness of the term limits applicable to Member Directors set forth in the By-Laws and for recommending to the Board, where appropriate, changes to such provisions.

Retirement Policy. The Board does not favor a mandatory retirement age for directors, therefore no age limitations are imposed with respect to any category of director.

Retirement Policy – Management Director. As provided in the By-Laws, a Management Director is no longer eligible to serve if he or she ceases to hold the office of Executive Chairman.

Member Directors Changing Their Employment. If a Member Director ceases to be employed by the Clearing Member Organization that employed him or her at the time of his or her election as a Member Director, the director shall notify the Executive Chairman. As provided in the Charter for the Governance and Nominating Committee, the Governance and Nominating Committee shall assess the appropriateness of such Member Director continuing to serve on the Board, and shall recommend to the Board any action to be taken with respect thereto, consistent with the requirements of the By-Laws concerning the continued eligibility of such person to remain a Member Director. The affected director is expected to act in accordance with the Board's decision following such review. The Governance and Nominating Committee, in accordance with the By-Laws, is responsible for recommending a replacement in the event that any such resignation is accepted by the Board.

Other Board Commitments. It is the policy of the Board that non-employee directors shall disclose to the Executive Chairman information regarding each other board of directors on which a non-employee director serves at the time of his or her election to the Board, and after election shall advise the Executive Chairman in advance of accepting an invitation to serve on another board, in each case to ensure that such additional board service will not impact such director's ability to serve on OCC's Board and does not create a conflict of interest. The Management Director should not accept an invitation to serve on another board without prior approval of the Governance and Nominating Committee.

The Executive Chairman may request the voluntary resignation of a director whose other board service (i) interferes with the director's ability to dedicate sufficient time, energy and attention to the performance of his or her duties as a

director of OCC, or (ii) results in the need for the director to recuse himself or herself regularly as a result of conflicts of interest.

Conduct

1. Board Meetings.

Selection of Agenda Items. The Executive Chairman, in consultation with the Chief Executive Officer and Chief Operating Officer, other directors or officers of OCC, and the Corporate Secretary, shall establish the agenda for Board meetings. Any director may request that an item be included on any meeting agenda.

Calling Board Meetings. Meetings of the Board shall be called by the Executive Chairman, his designee, or as provided in the By-Laws.

Attendance. Directors are expected to prepare for, attend, and participate in all Board and applicable committee meetings. Directors should use their best efforts to attend Board and committee meetings in person. When necessary, a director who is unable to attend in person may attend by telephone or other means of communication that allows all participants to hear and speak to each other if appropriate under the circumstances. A director who is unable to attend a meeting (which it is understood will occur on occasion) or who wishes to participate telephonically or use other communications equipment is expected to notify the Corporate Secretary or the Executive Chairman in advance of such meeting. As provided in the Code of Conduct for OCC Directors, attendance by telephone is discouraged.

Distribution of Materials; Board Presentations. It is important for directors to have materials on topics to be discussed sufficiently in advance of a meeting date and for directors to be kept abreast of developments between Board meetings. OCC regularly informs directors of internal and competitive developments between such meetings.

Directors can generally expect to receive summaries/slides of presentations at least a week in advance of a meeting to permit meaningful review and enable them to prepare for the meeting. Directors should review material distributed in advance of such meetings. In the event of a pressing need for the Board to meet on short notice or if such materials would otherwise contain highly confidential or sensitive information, it is recognized that written materials may not be available in advance of the meeting. OCC operates a board portal for the general dissemination of meeting and other written material to directors.

Attendance of Non-Directors. The Board believes that attendance of key executive officers relevant for the topic being discussed augments the meeting process. Members of OCC's senior management team and other employees may attend Board meetings at the invitation of the Executive Chairman, Chief

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Executive Officer, or Chief Operating Officer, and provide pertinent information as is necessary. Such persons may be excluded from Executive Sessions either of the Board or any Committee thereof.

The Executive Chairman, Chief Executive Officer, and Chief Operating Officer encourage members of senior management to respond to questions posed by directors relating to their areas of expertise. The Board also believes that members of senior management of OCC can assist the Board with its deliberations and provide critical insights and analyses, particularly when the Board hears presentations on the business plan for the upcoming year. Attendance of such officers allows the most knowledgeable and accountable executives to communicate directly with the Board. It also provides the Board direct access to individuals critical to OCC's succession planning.

Participation in Strategic Issues Discussions. To facilitate the Board's oversight of OCC's major strategic, financial, and business activities, OCC will hold a meeting of the Board and management focused on the overall strategic objectives of OCC each calendar year.

Number of Meetings. The Board shall hold a minimum of five meetings per year with additional meetings called as the Board deems appropriate.

Quorum. Except as may otherwise be provided in the By-Laws, a majority of the Directors then in office, but not less than six (6) Directors, shall constitute a quorum for the transaction of business.

Minutes. The Board shall maintain minutes of all Board meetings, which shall be furnished to the directors for review.

2. **Executive Sessions.** The Board and each Board committee may call executive sessions from which members of management and invited guests may be excluded. While it is up to the Board and each committee to decide when to call an executive session and who will participate in such sessions, 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 members of the Board and of a committee also may be excluded from executive sessions or portions thereof at which the discussion concerns a matter as to which that member has an actual or potential conflict of interest. The Board shall select a director to chair executive sessions in the absence of the Executive Chairman. The Chair or Acting Chair of each committee shall chair an executive session of the committee. The chair of the executive session shall determine if 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 account 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 in executive session.

3. **Ethics and Conflicts of Interest.** 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 SIFMU. The Board has adopted a Code of Conduct for OCC

Directors that includes a Conflict of Interest Policy. The Conflict of Interest Policy incorporates various provisions of applicable corporate law and other standards adopted by OCC to ensure that Board and committee decisions are not impacted by conflicts of interest. Directors are expected to avoid any action, position or interest that conflicts with an interest of OCC, or gives the appearance of a conflict, in accordance with the Conflict of Interest Policy. Each calendar year, OCC solicits information from directors in order to monitor potential conflicts of interest and directors are expected to be mindful of their fiduciary obligations to OCC as set forth in the Code of Conduct. Public Directors are expected to refrain from entering into material business relationships with other directors.

When faced with a situation involving a potential conflict of interest, directors are at all times expected to err on the side of caution and immediately bring to the attention of the Executive Chairman and OCC's General Counsel any matters that may involve conflicts of interest or be reasonably perceived by others to raise questions about potential conflicts even if the director does not believe that an actual conflict exists.

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. Directors are required to confirm each calendar year their compliance with the Code of Conduct for OCC Directors.

3. **Board Compensation.** A Management Director shall not receive additional compensation for service as a director. Because OCC is an industry utility that benefits both clearing members and participant exchanges, Member Directors and Exchange Directors are not paid an annual retainer, but instead are each entitled to be paid \$100 for each meeting attended.

OCC believes that compensation for Public Directors should be competitive. The Compensation and Performance Committee will periodically review the level of the compensation for Public Directors, including how such compensation relates to director compensation of companies of comparable size and complexity. Changes to the compensation for Public Directors will be proposed to the full Board for consideration and approval.

4. **Board Access to Senior Management and Independent Advisors.** In discharging its oversight role, the Board may inquire into any matter it considers appropriate to carry out its duties and responsibilities. Directors should have complete and open access to members of senior management and, as appropriate, to OCC's outside advisors. Directors shall coordinate such access through the Executive Chairman, Chief Executive Officer, or Chief Operating Officer. Directors will use their judgment to assure that this access is not distracting to the business operation of OCC.

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. The Board shall have the right at any time to retain independent outside financial, legal or other advisors. The Board committees may retain independent outside financial, legal or other advisors, and OCC will provide appropriate funding, as determined by the relevant committee, for the payment of reasonable compensation to such advisors. When providing the annual report of its activities to the Board, the relevant committee will include information concerning any engagement of outside advisors and the associated fees and expenses.

5. **Board Interaction with Media and Others.** The Code of Conduct for OCC Directors includes provisions related to inquiries made to directors from media and others (including regulators). Directors are expected to comply with these provisions.
6. **Confidentiality of Information.** In order to facilitate open discussion, confidentiality of information and deliberations is an imperative. As provided in the Code of Conduct for OCC Directors, each director has an affirmative duty to safeguard the confidentiality of information provided to the Board as well as the nature of Board room deliberations.
7. **Board Orientation and Continuing Education.** OCC shall provide new directors with a director orientation program to familiarize such directors with, among other things, OCC's business, strategic plans, significant financial, accounting and risk management issues, compliance programs, conflicts policies, the Code of Conduct for OCC Directors, the OCC By-Laws and Rules, the Principles, principal officers, internal auditors, and external auditors. Each director is encouraged to participate in continuing education programs as necessary or appropriate to assist him or her in performing his or her responsibilities as a director. The Corporate Secretary will periodically advise directors of available educational opportunities.
8. **Board and Committee Evaluations.** The Governance and Nominating Committee is responsible for developing and administering an annual self-evaluation of the Board and its committees. The Governance and Nominating

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Committee shall be responsible for establishing the evaluation criteria, implementing the process for such evaluation, as well as making appropriate recommendations for improving performance. These self-evaluations will focus primarily on the performance of the Board and each committee as a whole and shall concentrate on areas where performance might be improved.

COMMITTEES

1. **Board Committees.** The Board shall establish any standing and other committees that it deems necessary or appropriate to discharge its responsibilities. The Board ~~currently has~~ established the following Board-level committees including: Audit, Compensation and Performance, Governance and Nominating, Regulatory, Risk, and Technology. The Board may form a new committee or disband a current committee depending on circumstances. 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. In addition, the Board may determine to form ad hoc committees or groups from time to time, and determine the composition and areas of responsibility of such committees or groups.
2. **Independence Criteria for Audit Committee Service.** The Board has adopted the following independence criteria with respect to the Audit Committee. The Management Director does not qualify as independent for Audit Committee purposes provided that any Non-Executive Chairman of OCC shall not be deemed to be a Management Director for this purpose. Exchange Directors, Member Directors, and Public Directors qualify as independent for Audit Committee purposes, subject to an assessment by the Board (through the Governance and Nominating Committee) of individual directors for other disqualifying material relationships with OCC, OCC's senior management and other directors.
3. **Committee Assignments and Chairs.** The Chairs of the committees shall be determined in accordance with the terms of the applicable Committee Charter and, if applicable, the By-Laws. The Board shall have the authority to approve and shall each calendar year review committee assignments.

The Governance and Nominating Committee, after consultation with the Executive Chairman, shall be responsible for making recommendations to the Board with respect to the assignment of directors to various committees, including the designation of Chair. After reviewing the recommendations, the Board shall be responsible for appointing the members to the committees.

Committee assignments and the designation of committee Chairs should be based on the director's knowledge, interests and areas of expertise. The Board does not favor mandatory rotation of committee assignments or Chairs. The Board believes experience and continuity are more important than rotation and

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that directors and Chairs should be rotated only if a change is likely to increase Committee performance or facilitate committee work.

4. **Frequency and Length of Board Committee Meetings.** Committee Chairs should regularly consult with the Executive Chairman, Chief Executive Officer, or Chief Operating Officer to obtain their insights and to optimize committee performance. The committee Chairs, in consultation with the Executive Chairman, Chief Executive Officer, or Chief Operating Officer, as necessary, should establish the frequency and length of committee meetings. The Board agendas shall include regular reports from the Chairs of each of the Board committees.
5. **Development of Committee Agendas.** The committee Chairs, working with the Executive Chairman, should establish committee agendas for the year. All standing committees should meet regularly during the year and receive reports from OCC personnel on developments affecting the committee's work.
6. **Attendance at and Preparation for Committee Meetings.** 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.
7. **Charters.** 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.

For each of the Audit, Compensation and Performance, Governance and Nominating, Risk, and Technology Committees the charter shall set forth the purposes, goals, and responsibilities of such committee, the qualifications for committee membership, and committee reporting to the Board (which shall include a requirement that each committee provide the Board with an annual report summarizing the committee's activities over the prior year). Current versions of these charters shall be available on OCC's website.

MANAGEMENT STRUCTURE, EVALUATION AND SUCCESSION

1. **Management Structure.** OCC's By-Laws provide the Board with the flexibility to select the appropriate management leadership structure for OCC. OCC's current management leadership structure is comprised of an Executive Chairman, a Chief Executive Officer, and a Chief Operating Officer. In making leadership determinations, the Board considers many factors, including the specific needs of the business and what is in the best interests of OCC and the market participants that it serves.
2. **Selection and Evaluation of Management.** As required by the By-Laws, the

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Board annually elects certain corporate officers including the Executive Chairman, Chief Executive Officer, Chief Operating Officer, Secretary, and Treasurer. Each of these officers has the authorities, responsibilities and duties allocated to them as set forth in the By-Laws and Rules and such other duties as may be delegated to them as provided in the By-Laws or otherwise.

The Compensation and Performance Committee shall conduct an annual evaluation of the performance of each of the Executive Chairman, Chief Executive Officer, and Chief Operating Officer, including performance against his or her established goals. The Compensation and Performance Committee shall take such evaluations into consideration in recommending to the Board each such officer's compensation. After reviewing the recommendations of the Compensation and Performance Committee, the Board shall be responsible for establishing each such officer's compensation.

3. **Management Succession Planning.** Succession planning for OCC's senior management, including its Executive Chairman, Chief Executive Officer, and Chief Operating Officer, is critical to OCC's long-term success. To assist the Board, the Executive Chairman, Chief Executive Officer, and Chief Operating Officer shall provide an annual succession planning report to the Compensation and Performance Committee. There should also be available, on a continuing basis, the recommendations of the Executive Chairman, Chief Executive Officer, and Chief Operating Officer as a successor should any of them unexpectedly become unable to serve.
4. **Review Cycle.** These Principles, along with the Fitness Standards, shall be reviewed by the Board at least once every twelve months.

EXHIBIT 5C



By-Laws

Underlined text indicates new text

~~Strikethrough~~ text indicates deleted text

Article III – Board Directors

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Committees

SECTION 4. Subject to applicable law, the Certificate of Incorporation and the other provisions of these By-Laws, the Board of Directors, by resolution passed by a majority of the whole Board of Directors, may designate persons to serve on such committees as it may deem necessary and appropriate, may delegate one or more of its powers to such committees, and may fill any vacancy occurring in any such committee and may remove any member thereof for any reason.

Amended July 26, 1991, April 3, 2000; March 9, 2012; March 6, 2014; May 13, 2014; September 16, 2016.

(a) *Audit Committee.* On an annual basis, the Board of Directors shall appoint an Audit Committee, having the powers and duties set forth in the By-Laws and Rules and as delegated by the Board. All of the Audit 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 provided that no Management Director may serve on the Audit Committee. The chairman of the Audit Committee shall be designated by the Board from among the Public Director member(s) of the Committee.

Adopted September 16, 2016.

(b) *Compensation and Performance Committee.* On an annual basis, the Board of Directors shall appoint a Compensation and Performance Committee, having the powers and duties set forth in the By-Laws and Rules and as delegated by the Board. The Compensation and Performance Committee shall consist of the Executive Chairman, the Member Vice Chairman, and at least one Public Director. Consistent with the preceding sentence, all of the Compensation and Performance 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 Compensation and Performance Committee shall be designated by the Board from among the Public Director member(s) of the Committee.

Adopted September 16, 2016.

(c) *Governance and Nominating Committee.* On an annual basis, the Board of Directors shall appoint a Governance and Nominating Committee, having the powers and duties set forth in the By-Laws and Rules and as delegated by the Board. The Governance and Nominating Committee shall consist 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.

Adopted September 16, 2016.

(d) *Regulatory Committee.* The Board of Directors shall appoint a Regulatory Committee, having the powers and duties set forth in the By-Laws and Rules and as delegated by the Board. The Regulatory Committee members shall consist of all Public Directors of the Corporation. The chairman of the Regulatory Committee shall be designated by the Board or by a majority vote of

the Regulatory Committee membership from among the members of the Committee.
Adopted MM DD, 20YY.

(~~e~~) *Risk Committee.* On an annual basis, the Board of Directors shall appoint a Risk Committee, having the powers and duties set forth in the By-Laws and Rules and as delegated by the Board. The Risk Committee shall consist of the Executive Chairman, at least one Member Director selected on a basis that shall not discriminate against any Exchange, and at least one Public Director and one Exchange Director. Consistent with preceding sentence, all of the Risk 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 Risk Committee shall be a Director designated by the Board from among the Public Director member(s) of the Committee.

Adopted September 16, 2016.

(~~e~~) *Technology Committee.* On an annual basis, the Board of Directors shall appoint a Technology Committee, having the powers and duties set forth in the By-Laws and Rules and as delegated by the Board. All of the Technology 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 Technology Committee shall be designated by the Board from among the members of the Committee.

Adopted September 16, 2016.