

JSE CLEAR OPERATIONS ADVISORY COMMITTEE

Terms of Reference

January 2019

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1. Nature of the JSE Clear Operations Advisory Committee

- 1.1 The JSE Clear Operations Advisory Committee is an independent advisory committee established by JSE Clear Management to advise the JSE on matters relating to the management of operations for JSE Clear.
- 1.2 The Committee also serves to provide feedback to the JSE Clear management team for input into decisions made at the JSE Clear Risk Committee and JSE Clear Board
- 1.3 The advisory forum serves as a communication mechanism via which clients of the CCP are able to receive notification of changes to proposed within the CCP and Derivatives Market as a whole
- 1.4 Serving as a JSE Clear Operations Advisory Committee member is a non-remunerated position.

2. Composition of the JSE Clear Operations Advisory Committee

- 2.1 The Chairperson of the JSE Clear Operations Advisory Committee shall be a member of the JSE Clear Board.
- 2.2 The JSE Clear Operations Advisory Committee shall consist of JSE Management involved in the operations of the CCP and representatives from each of the Clearing Member firms, specifically involved in Derivatives clearing operations.
- 2.3 Clearing Member representatives are appointed by their respective firms in consultation with the Chairperson of the JSE Clear Operations Advisory Committee.
- 2.4 There is no limit to the number of individuals that may serve as members of the JSE Clear Operations Advisory Committee.
- 2.5 JSE Clear Operations Advisory Committee members must have relevant knowledge and experience in the management of clearing and settlement operations in the derivatives securities markets.
- 2.6 Membership of the JSE Clear Operations Advisory Committee will be reviewed annually by the Chairperson, in consultation with the Clearing Members and, where appropriate, the composition may be revised.
- 2.7 Subject to the other terms and conditions of this mandate, the Chairperson may appoint any person as a member of the JSE Clear Operations Advisory Committee, either to fill a casual vacancy, or as an additional committee member.

3. Mandate of the JSE Clear Operations Advisory Committee

- 3.1 The JSE Clear Operations Advisory Committee's mandate is to consider all proposed changes to Derivatives clearing operations and to advise JSE Clear management as to the viability and repercussions of these proposals.
- 3.2 The Operations Advisory Committee should consider and advise JSE Clear Management on
 - 3.2.1 proposed changes on operational matters pertaining to Clearing Members and their clients
 - 3.2.2 proposed amendments to the Derivatives Clearing rules and directives impacting the market
- 3.3 The JSE Clear Operations Advisory Committee will make recommendations on the basis of reasonable consensus. Where reasonable consensus on any issue considered by the Committee cannot be reached,

the conflicting views on the issue in question, shall be referred to the JSE Clear Management for determination.

- 3.4 The Chairperson must ensure that the JSE Clear Operations Advisory Committee is acting within its mandate at all times. If any matter outside the Committee's mandate comes before it, the Chairperson must refer the matter to the appropriate forum.

4. Meetings of the JSE Clear Operations Advisory Committee

- 4.1 The JSE Clear Operations Advisory Committee shall meet as and when necessary, and at least once a quarter in each calendar year.
- 4.2 A quorum at meetings of the JSE Clear Operations Advisory Committee shall be one-third of the Committee members, with at least 3 Clearing Members represented.
- 4.3 The JSE Clear Operations Advisory Committee may conduct its meetings as it thinks fit.
- 4.4 Persons serving on the JSE Clear Operations Advisory Committee should ensure that they are in a position to meet the required time commitments, and should ensure that they are suitably experienced to contribute appropriately to the Committee.
- 4.5 An agenda with preparation material (if needed) will be sent out in advance to the JSE Clear Advisory Committee members and shall state the time, place and the nature of the business to be transacted at the meeting.
- 4.6 Should the Chairperson be unable to attend a meeting then the Chairman will nominate an alternate to stand in their place.

5. Disqualification of JSE Clear Operations Advisory Committee Members

- 5.1 A JSE Clear Operations Advisory Committee member shall cease to hold office as such if he or she –
 - 5.1.1 gives notice to the Chairperson of his or her resignation as a JSE Clear Advisory Committee member with effect from the date specified in such notice, ; notice of resignation must be tendered three months prior to the next scheduled Advisory Committee meeting.
 - 5.1.2 absents himself or herself from meetings for three consecutive meetings without the leave of the Chairperson;
 - 5.1.3 is, in the opinion of the Chairperson, no longer sufficiently involved in the financial services industry such that he or she still has relevant knowledge and experience in the securities markets.

6. Confidential Information

- 6.1 Each JSE Clear Operations Advisory Committee member shall hold in confidence all confidential information made available.
- 6.2 All confidential information made available to the JSE Clear Operations Advisory Committee can only be made public through written consent from the Chairman of the Committee.

