Required fields are shown with yellow backgrounds and asterisks.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
Form 19b-4

File No. * SR 2026 - * 802

Amendment No. (req. for Amendments *)

Filing by Options Clearing Corporation

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

Initial *	Amendment *	Withdrawal	Section 19(b)(2) *	Section 19(b)(3)(A) *	Section 19(b)(3)(B) *
✓					

Pilot	Extension of Time Period for Commission Action *	Date Expires *

Rule

19b-4(f)(1)	19b-4(f)(4)
19b-4(f)(2)	19b-4(f)(5)
19b-4(f)(3)	19b-4(f)(6)

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010

Section 806(e)(1) *	Section 806(e)(2) *
✓	

Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934
Section 3C(b)(2) *

Exhibit 2 Sent As Paper Document

Exhibit 3 Sent As Paper Document

Description

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

Advance Notice Relating to The Options Clearing Corporation's Proposal to Amend the Evergreen Provisions Relating to its Revolving Credit Facility.

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 * [redacted]
Last Name * [redacted]
Title * [redacted]
E-mail * rulefilings@theocc.com
Telephone * [redacted]
Fax

Signature

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

Date 07/31/2026

By [redacted]
(Name *)

(Title *)
[redacted]

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

[redacted] Digitally signed by [redacted]
Date: 2026.07.31 08:03:50 -05'00'

Required fields are shown with yellow backgrounds and astericks.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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

Form 19b-4 Information * Add / Remove / View SR-OCC-2026-802 (Credit Facility Re	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 Advanced Notice by Clearing Agencies * Add / Remove / View SR-OCC-2026-802 (Credit Facility Re	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 2- Notices, Written Comments, Transcripts, Other Communications Add / Remove / View	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 Sent As Paper Document
Exhibit 3 - Form, Report, or Questionnaire Add / Remove / View SR-OCC-2026-802 (Credit Facility Re SR-OCC-2026-802 (Credit Facility Re SR-OCC-2026-802 (Credit Facility Re	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 Sent As Paper Document
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

Advance Notice
by

THE OPTIONS CLEARING CORPORATION

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

Item 1. <u>Text of the Advance Notice</u>

In accordance with Section 806(e)(1) of the Dodd-Frank Wall Street Reform and Consumer Protection Act, entitled Payment, Clearing and Settlement Supervision Act of 2010 ("Payment, Clearing and Settlement Supervision Act")[1] and Rule 19b-4(n)(1)(i)[2] of the Securities Exchange Act of 1934 ("Exchange Act"),[3] this advance notice is filed by The Options Clearing Corporation ("OCC") to amend the circumstances under which OCC may renew its revolving credit facility that OCC maintains for a 364-day term and that it may use: (i) to meet obligations arising out of the default or suspension of a Clearing Member or any action taken by OCC to address such a default or suspension; (ii) to reimburse OCC for bankruptcy losses, subject to the conditions set forth in the By-Laws and Rules; (iii) to the extent permitted by the By-Laws and Rules, (a) to obtain funds projected to be required by OCC in anticipation of a potential default by, or suspension of, a Clearing Member; or (b) to address liquidity needs for daily settlement obligations as the result of the failure of any bank, securities or commodities clearing organization, or investment counterparty to perform any obligation to OCC when due ("Revolving Credit Facility" or "Facility"). OCC proposes to remove the requirement that OCC submit an advance notice prior to any future decision to replace the lead or backup administrative agent of the Facility, update the current commitment amount of the Facility, and make other non-substantive changes. OCC does not presently have any plan to replace the lead or backup administrative agents of its Facility, but it may wish to do so in the future. The proposed change is described in detail in Item 10 below. All terms with initial capitalization that

1 12 U.S.C. 5465(e)(1).

2 17 CFR 240.19b-4(n)(1)(i).

3 15 U.S.C. 78a <u>et seq.</u>

are not otherwise defined herein have the same meaning as set forth in the OCC By-Laws and Rules.[4]

Item 2. Procedures of the Self-Regulatory Organization

The proposed change was approved for filing with the Commission by OCC's Risk Committee on February 26, 2026 and by OCC's Board of Directors ("Board") on February 27, 2026. The proposal was not presented to OCC's non-Board-level risk management committee ("RMC") [5] or its Financial Risk Advisory Council ("FRAC") [6] because the proposed change does not materially affect OCC's risk profile.

Item 3. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Advance Notice

Not applicable.

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

Not applicable.

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4 OCC's By-Laws and Rules can be found on OCC's public website: https://www.theocc.com/Company-Information/Documents-and-Archives/By-Laws-and-Rules.

5 The RMC is a sub-advisory group of rotating FRAC participants that OCC consults with on all matters that could materially affect OCC's risk profile. OCC established the RMC in compliance with Commodity Futures Trading Commission ("CFTC") Regulations, which requires a derivatives clearing organization ("DCO") to establish one or more risk management committees, comprised of a rotating membership of clearing member representatives and representatives of customers of clearing members, to consult with, and consider and respond to input from, on all matters that could materially affect the risk profile of the DCO, including any material changes to the DCO's margin model, default procedures, participation requirements, and risk monitoring practices, as well as the clearing of new products that could materially affect the risk profile of the DCO. See 17 CFR 39.24(b)(11).

6 The FRAC is a forum to discuss and seek feedback on proposed financial risk initiatives comprised of representatives from direct and indirect market participants, including clearing members, customers of clearing members, exchanges, and other relevant stakeholders. As such, the FRAC and RMC function as risk advisory working groups as required by CFTC Regulation. See 17 CFR 39.24(b)(12). Board consultation with the RMC and FRAC are also means by which OCC complies with Exchange Act Rule 17ad-25(j), which requires each clearing agency to establish, implement, maintain, and enforce written policies and procedures reasonably designed to require the board of directors to solicit, consider, and document its consideration of the view of participants and other relevant stakeholders of the registered clearing agency regarding material developments in its risk management and operations on a recurring basis. 17 CFR 240.17ad-25(j).

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

Written comments were not and are not intended to be solicited with respect to the proposed 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. Advance Notice 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 Exchange Act

Not applicable.

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

Description of Change

OCC maintains a Revolving Credit Facility to ensure access to needed liquidity in time to satisfy settlement obligations, even in the event of a default by a Clearing Member or another market disruption. A prior advance notice filing relating to the Facility, to which the Commission did not object, set forth the circumstances under which OCC may renew the Facility without filing an additional advance notice (the "Evergreen Provisions").[7] OCC now seeks to change the Evergreen Provisions to eliminate OCC's need to file an advance notice in order to change the lead administrative agent in future renewals of the Facility. OCC believes that

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7 See Securities Exchange Act Release No. 88971 (May 28, 2020), 85 FR 34257 (June 3, 2020) (SR-OCC-2020-804) (Notice of Filing of Advance Notice of and No Objection to Revolving Credit Facility).

removing this requirement will allow OCC the operational freedom to quickly and efficiently ensure that the proper lead administrative agent is in place if and when circumstances change. OCC also seeks to update the current commitment amount of the Facility and make other non-substantive changes to the language of the Evergreen Provisions.

Background

OCC proposes amending the Evergreen Provisions, to which the Commission has not objected, to permit OCC to replace the lead or backup administrative agent of its Revolving Credit Facility without first submitting an advance notice.

The Revolving Credit Facility provides short-term secured borrowings in an aggregate principal amount of $2.5 billion but may be increased to $3.5 billion if OCC so requests and sufficient commitments from lenders are received and accepted. To obtain a loan under the Revolving Credit Facility, OCC would pledge as collateral: (i) U.S. dollars; (ii) securities issued or guaranteed by the U.S. Government or the Government of Canada; (iii) equities included in the S&P 500 Market Index, the NASDAQ exchange, or any United States or Canadian national securities exchange; (iv) Exchange-Traded Funds ("ETFs"); or (v) American Depositary Receipts ("ADRs"). The Facility is renewed annually for a 364-day term.

Presently, OCC must submit an advance notice prior to renewing the Revolving Credit Facility if it intends to make changes to: (a) the financial institution acting as lead administrative agent;[8] or (b) the commitment period (which would continue to be 364 calendar days unless changes are necessary to avoid the expiration of the term falling on a weekend or other day that

8 As discussed in detail below, OCC proposes removing this condition and permitting a change in the lead and/or backup administrative agent without an advance notice.

is not a business day).[9] However, without submitting an advance notice, OCC may change: (1) the aggregate and potential additional commitment amounts that it may seek, so long as such amounts considered: (i) increase by no more than $500 million in total (whether in the initial commitment amount, additional commitment amount, or both) as compared to the 2020 Bank Syndicate Revolving Credit Facility, which authorized a $2 billion initial commitment that could be increased to $3 billion if OCC so requests and sufficient commitments from lenders are received and accepted, or (ii) decrease by no more than $500 million, provided that any decrease in the initial commitment amount is replaced by other qualifying liquid resources (as defined in Exchange Act Rule 17ad-22(a)(14))[10] of an equal amount;[11] (2) the syndicate so long as all lenders party to future facilities are subject to the same credit review as those lenders that were party to the 2020 Revolving Credit Facility; (3) pricing and collateral haircuts,[12] so long as such terms are consistent with the then current market practice; and (4) representations, warranties, covenants, and terms of events of default,[13] so long as any modifications are immaterial to OCC as a borrower and do not impair materially OCC's ability to borrow under the line of credit consistent with these provisions. OCC proposes to remove the requirement that it file an

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9 See Securities Exchange Act Release No. 88971 (May 28, 2020), 85 FR 34257 (June 3, 2020) (SR-OCC-2020-804) (Notice of Filing of Advance Notice of and No Objection to Revolving Credit Facility).

10 17 CFR 240.17ad-22(a)(14).

11 For example, this may include an increase in OCC's Cash Clearing Fund Requirement as required under Rule 1002(a) or other committed liquidity resources for which the Commission has issued a Notice of No Objection. See, e.g., Securities Exchange Act Release No. 88317 (March 4, 2020), 85 FR 13681 (March 9, 2020) (SR-OCC-2020-801).

12 "Collateral haircuts" with respect to the collateral for any borrowing under the Facility refers to the schedule of percentages of market value by type of collateral, determining the collateral value of that type of collateral, for purposes of securing a borrowing.

13 "Events of default" refers to those events or conditions which trigger or constitute a default of OCC under the credit agreement.

advance notice in order to change the financial institution acting as lead administrative agent without submitting an advance notice.

OCC seeks this change in order to be able to more quickly replace the lead administrative agent if doubts arise as to the agent's ability to meet OCC's expectations in the event that OCC might need to draw on the Facility, given that any new agent is subject to the requirements for selecting providers of core services as set forth in Rule 17ad-25(i).[14] OCC renews the Facility annually in June. To meet the June renewal, OCC needs to identify a lead administrative agency with certainty by March so that OCC and its chosen agent can arrange the syndicate. If OCC wanted to replace the administrative agent, an advance notice would need to be filed by January to meet that timeline, meaning that a decision to replace the administrative agent would need to be made in the fourth quarter of the preceding year and would be based on events, including performance in OCC's periodic testing of the Facility, that occurred even earlier. OCC seeks to remove the administrative notice requirement from this process to minimize the delay between the time in which OCC may recognize the need to replace its lead administrative agent and the time in which OCC is actually able to replace the agent. The change would also reduce the possibility that the Facility renewal may fall in an interim period in which OCC recognizes the need to replace a lead administrative agent but has not yet been able to do so. As such, OCC believes this change would better enable it to ensure that the Facility has an appropriate lead administrative agent, and would thereby reduce OCC's liquidity risk.

To be clear, OCC is satisfied with the current lead administrative agent of the Facility, and does not presently intend to replace the agent. However, OCC seeks the ability to more

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[14] 17 CFR 240.17ad-25(i).

quickly replace the lead administrative agent if at some point in the future it develops concerns with the then-current lead administrative agent's ability to meet OCC's expectations.

Proposed Change

OCC proposes to remove the Evergreen Provision currently applicable to renewals of its Revolving Credit Facility requiring an advance notice to change the lead administrative agent of the Facility. In its place, OCC requests a new Evergreen Provision permitting it to change its lead administrative agent, its backup administrative agent, or both, so long as any new agents are subject to the requirements for selecting providers of core services as set forth in OCC's policies and procedures as required by Rule 17ad-25(i).[15] OCC wishes to be able to, in the future, replace its lead and/or backup administrative agent with another suitable agent without filing an advance notice. This change would provide OCC with the flexibility to quickly replace its lead administrative agent with another institution that has been vetted under the exacting process for providers of core services set forth in Rule 17ad-25(i)[16] and in OCC's written policies and procedures implementing that Rule.

After the Commission promulgated Rule 17ad-25(i), OCC filed a proposed rule change to establish its framework for complying with the new obligations.[17] Specifically, OCC amended several documents including its Board of Directors Charter and Corporate Governance Principles ("Board Charter"), Risk Committee Charter, and Third-Party Risk Management Framework to ensure compliance with Rule 17ad-25(i). Among other things, the changes require OCC's Management Committee, as part of the process of onboarding a service provider for core services, to evaluate and document risks related to the service agreement with the service

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15 17 CFR 240.17ad-25(i).

16 17 CFR 240.17ad-25(i).

17 *See* Exchange Act Release No. 101792 (Dec. 2, 2024), 89 FR 97127 (Dec. 6, 2024) (SR-OCC-2024-015).

provider, assess the risks, and submit its findings to the Board for review and approval prior to onboarding. OCC's Management Committee must also monitor service provider performance and report any actions taken by senior management to the Board to: (i) remedy significant deterioration in services; (ii) address changing risks or material issues; or (iii) assess and document weaknesses or deficiencies if the risks or material issues cannot be remedied.

The lead and backup administrative agents of the Revolving Credit Facility constitute service providers for core services under the governance framework that OCC established to comply with SEC Rule 17ad-25(i).[18] As such, OCC's potential replacement of an administrative agent would be subject to the enhanced governance process required by that rule. This enhanced governance process provides appropriate oversight for administrative agent selections without requiring advance notice filings for what are fundamentally routine operational decisions. The Board-level review ensures that a proposed change to the administrative agent would receive appropriate scrutiny regarding operational risk, institutional quality, and service capabilities.

Moreover, SEC Rule 17ad-25(i)[19] carries with it the expectation that a clearing agency will take steps to address deficiencies in performance of a service provider for core services. OCC may in the future seek to substitute an administrative agent if OCC determines such action was necessary to address performance concerns. Its ability to quickly and efficiently make this change, if necessary, would enhance OCC's ability to manage liquidity risk. Accordingly, the risks that may have motivated requiring an advance notice for a lead administrative agent change have since been mitigated through other Commission regulation and OCC rulemaking.

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18 17 CFR 240.17ad-25(i).

19 17 CFR 240.17ad-25(i).

Because changes to the regulatory landscape, namely the enhanced processes for onboarding a provider of core services such as a lead or backup administrative agent, ensure that any replacement administrative agent will be safe and capable, and because OCC seeks the ability to quickly and efficiently change administrative agents in the event that problems are identified with the current administrative agent, the proposed change is consistent with Rule 17ad-22(e)(7).[20]

The role of lead administrative agent in OCC's Revolving Credit Facility includes acting as the central coordinator and manager, serving as the primary contact between OCC and syndicate lenders, and handling daily operations such as payment distribution, notice distribution, and other administrative functions. This role is designed to provide OCC with convenience and efficiency by creating a streamlined, single point of contact for the Facility—a complex, multi-lender transaction. In addition to the lead administrative agent, the Facility is also supported by a backup administrative agent to ensure redundancy and operational continuity in the event that the lead administrative agent was unavailable. OCC regularly tests the Facility using hypothetical drawdowns to assess operational readiness and identify process improvement opportunities, and it wishes to be able to quickly substitute the lead and/or backup administrative agent if the testing reveals concerns with the agent's performance, among other potential reasons for a change.

OCC also proposes that the Evergreen Provision relating to its ability to increase commitment amounts be updated to reflect the size of the current Bank Syndicate Revolving Committee, which is $2.5 billion. OCC seeks to retain the ability to increase or decrease the size of the Facility by an additional $500 million without submitting an advance notice. And OCC

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20 17 CFR 240.17ad-22(e)(7).

proposes other non-substantive revisions to the language of certain Evergreen Provisions for consistency and clarity.

OCC proposes that the Evergreen Provisions applicable to its Bank Syndicate Revolving Credit Facility be revised as follows:

i. An advance notice filing is required if OCC seeks to change the commitment period (which would continue to be 364 calendar days unless changes are necessary to avoid the expiration of the term falling on a weekend or other day that is not a business day) in connection with future renewals;

ii. OCC may increase the commitment amounts without an advance notice filing so long as the increase (whether in the initial commitment amount, additional commitment amount, or both) is by no more than $500 million in total as compared to the 2025 Bank Syndicate Revolving Credit Facility, which authorized a $2.5 billion initial commitment that could be increased to $3.5 billion if OCC so requests and sufficient commitments from lenders are received and accepted;

iii. OCC may decrease the commitment amounts by up to $500 million without an advance notice filing so long as any decrease in the initial commitment amount is replaced by other qualifying liquid resources (as defined in Exchange Act Rule 17ad-22(a)(14)) of an equal amount;

iv. OCC may add new lenders or remove existing lenders without an advance notice filing so long as all lenders to future renewals are subject to the same credit review as those lenders that were party to its 2020 Bank Syndicate Revolving Credit Facility;

v. OCC may change the lead administrative agent and/or backup administrative agent so long as the new agent in future renewals is subject to the requirements for selecting providers of core services set forth in OCC's policies and procedures;

vi. OCC may change pricing and collateral haircuts without an advance notice filing so long as such terms are consistent with the then-current market practice; and

vii. OCC may otherwise change the terms and conditions of the agreement without an advance notice filing so long as the changes do not materially affect the nature or level of risk presented to OCC.

<u>Anticipated Effect on and Management of Risk</u>

As a covered clearing agency and DCO, OCC's ability to meet settlement demands in the event of a Clearing Member default, or the failure of another participant to meet its obligations to

OCC, is critical to the markets that OCC serves. OCC believes that the overall effect of this proposed change on the risk profile at OCC would be to reduce liquidity risk associated with OCC's function as a covered clearing agency and DCO by providing it with the flexibility to more quickly replace its lead administrative agent in the event that testing reveals doubt about the agent's ability to meet OCC's expectations with respect to the Revolving Credit Facility. At worst, the proposed change is neutral with respect to OCC's risk profile, because any replacement lead administrative agent would vetted under the exacting process for providers of core services set forth in OCC's policies and procedures established to comply with Rule 17ad-25(i).[21]

Consistency with the Payment, Clearing and Settlement Supervision Act

The stated purpose of the Clearing Supervision Act is to mitigate systemic risk in the financial system and promote financial stability by, among other things, promoting uniform risk management standards for systemically important financial market utilities and strengthening the liquidity of systemically important financial market utilities.[22] Section 805(a)(2) of the Clearing Supervision Act[23] also authorizes the Commission to prescribe risk management standards for the payment, clearing and settlement activities of designated clearing entities, like OCC, for which the Commission is the supervisory agency. Section 805(b) of the Clearing Supervision Act[24] states that the objectives and principles for risk management standards prescribed under Section 805(a) shall be to:

- promote robust risk management;

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21 17 CFR 240.17ad-25(i).

22 12 U.S.C. 5461(b).

23 12 U.S.C. 5464(a)(2).

24 12 U.S.C. 5464(b).

- promote safety and soundness;
- reduce systemic risks; and
- support the stability of the broader financial system.

The Commission has adopted risk management standards under Section 805(a)(2) of the Clearing Supervision Act and the Exchange Act in furtherance of these objectives and principles.[25] Rule 17ad-22 requires registered clearing agencies, like OCC, to establish, implement, maintain, and enforce written policies and procedures that are reasonably designed to meet certain minimum requirements for their operations and risk management practices on an ongoing basis.[26] Therefore, the Commission has stated[27] that it believes it is appropriate to review changes proposed in advance notices against Rule 17ad-22 and the objectives and principles of these risk management standards as described in Section 805(b) of the Clearing Supervision Act.[28]

OCC believes that the proposed change is consistent with Section 805(b)(1) of the Clearing Supervision Act[29] because it promotes robust risk management and promotes safety and soundness. Allowing OCC to replace the lead or backup administrative agent without first filing an advance notice provides OCC with the ability to swiftly replace the administrative agent if it determines that incumbent agent may not be able to meet OCC's expectations with respect to the speed and reliability of the execution of the Facility. Any replacement administrative agent

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25 17 CFR 240.17ad-22. See Exchange Act Release Nos. 68080 (October 22, 2012), 77 FR 66220 (November 2, 2012) (S7-08-11) ("Clearing Agency Standards"); 78961 (September 28, 2016), 81 FR 70786 (October 13, 2016) (S7-03-14) ("Standards for Covered Clearing Agencies").

26 17 CFR 240.17ad-22.

27 See, e.g., Exchange Act Release No. 86182 (June 24, 2019), 84 FR 31128, 31129 (June 28, 2019) (SR-OCC-2019-803).

28 12 U.S.C. 5464(b).

29 12 U.S.C. 5464(b)(1).

would be selected through the process for selection of service providers for core services, ensuring an appropriate replacement administrative agent. Allowing OCC to promptly replace the lead or backup administrative agent without first submitting an advance notice reduces the risk that OCC would be unable to change its administrative agent, if necessary, prior to the annual renewal of its annual Revolving Credit Facility, and therefore reduce the risk that OCC might need to rely on potentially deficient administrative agent in the event that OCC needed to draw on the Facility. In this way, the proposed change is designed to promote robust risk management; promote safety and soundness; reduce systemic risks; and support the stability of the broader financial system.

OCC believes the proposed change is reasonably designed to comply with Rule 17ad-22(e)(7).[30] Rule 17ad-22(e)(7)[31] requires OCC to, in part, establish, implement, maintain, and enforce written policies and procedures reasonably designed to effectively measure, monitor, and manage the liquidity risk that arises in or is borne by the covered clearing agency. OCC's proposed change is consistent with Rule 17ad-22(e)(7)[32] because it would safely provide OCC with operational flexibility to quickly address any issues that may arise with its administrative agent.

For the foregoing reasons, OCC believes that the proposed change is consistent with Section 805(b)(1) of the Clearing Supervision Act[33] and Rule 17ad-22(e)[34] under the Exchange Act.

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30 17 CFR 240.17ad-22(e)(7).

31 17 CFR 240.17ad-22(e)(7).

32 17 CFR 240.17ad-22(e)(7).

33 12 U.S.C. 5464(b)(1).

34 17 CFR 240.17ad-22(e).

Item 11. Exhibits

Exhibit 1A. Completed Notice of Advance Notice for publication in the Federal Register.

Exhibit 3A. June 9, 2026 OCC Responses to SEC Staff Requests for Information

Exhibit 3B. OCC Board Charter

Exhibit 3C. OCC Risk Committee Charter

Exhibit 3D. Third-Party Risk Management Framework

Exhibit 3A is omitted and filed separately with the Commission in connection with a request for confidential treatment pursuant to SEC Rule 24b-2 (17 CFR 240.24b-2).

EXHIBIT 1A

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-[_______________]; File No. SR-OCC-2026-802)

[July __, 2026]

Self-Regulatory Organizations; The Options Clearing Corporation; Notice of Filing of Advance Notice Relating to The Options Clearing Corporation's Proposal to Amend the Evergreen Provisions Relating to its Revolving Credit Facility.

Pursuant to Section 806(e)(1) of Title VIII of the Dodd-Frank Wall Street Reform and Consumer Protection Act, entitled Payment, Clearing and Settlement Supervision Act of 2010 ("Clearing Supervision Act")[1] and Rule 19b-4(n)(1)(i)[2] of the Securities Exchange Act of 1934 ("Exchange Act" or "Act"),[3] notice is hereby given that on July 31, 2026, The Options Clearing Corporation ("OCC" or "Corporation") filed with the Securities and Exchange Commission ("SEC" or "Commission") an advance notice 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 advance notice from interested persons.

I. Clearing Agency's Statement of the Terms of Substance of the Advance Notice

This advance notice is submitted by OCC in connection with a prosed change to its operations to amend the circumstances under which OCC may renew its revolving credit facility that OCC maintains for a 364-day term and that it may use: (i) to meet obligations arising out of the default or suspension of a Clearing Member or any action taken by OCC to address such a default or suspension; (ii) to reimburse OCC for bankruptcy losses, subject to the conditions set forth in the By-Laws and Rules; (iii) to

1 12 U.S.C. 5465(e)(1).

2 17 CFR 240.19b-4(n)(1)(i).

3 15 U.S.C. 78a et seq.

the extent permitted by the By-Laws and Rules, (a) to obtain funds projected to be required by OCC in anticipation of a potential default by, or suspension of, a Clearing Member; or (b) to address liquidity needs for daily settlement obligations as the result of the failure of any bank, securities or commodities clearing organization, or investment counterparty to perform any obligation to OCC when due ("Revolving Credit Facility" or "Facility"). OCC proposes to remove the requirement that OCC submit an advance notice prior to any future decision to replace the lead or backup administrative agent of the Facility, update the current commitment amount of the Facility, and make other non-substantive changes. OCC does not presently have any plan to replace the lead or backup administrative agents of its Facility, but it may wish to do so in the future. The proposed change is described in detail in Item 10 below. 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.[4]

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 advance notice and discussed any comments it received on the advance notice. 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) and (B) below, of the most significant aspects of these statements.

4 OCC's By-Laws and Rules can be found on OCC's public website: https://www.theocc.com/Company-Information/Documents-and-Archives/By-Laws-and-Rules.

(A) Clearing Agency's Statement on Comments on the Advance Notice Received from Members, Participants or Others

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

(B) Advance Notice Filed Pursuant to Section 806(e) of the Payment, Clearing, and Settlement Supervision Act

Description of Change

OCC maintains a Revolving Credit Facility to ensure access to needed liquidity in time to satisfy settlement obligations, even in the event of a default by a Clearing Member or another market disruption. A prior advance notice filing relating to the Facility, to which the Commission did not object, set forth the circumstances under which OCC may renew the Facility without filing an additional advance notice (the "Evergreen Provisions").[5] OCC now seeks to change the Evergreen Provisions to eliminate OCC's need to file an advance notice in order to change the lead administrative agent in future renewals of the Facility. OCC believes that removing this requirement will allow OCC the operational freedom to quickly and efficiently ensure that the proper lead administrative agent is in place if and when circumstances change. OCC also seeks to update the current commitment amount of the Facility and make other non-substantive changes to the language of the Evergreen Provisions.

Background

OCC proposes amending the Evergreen Provisions, to which the Commission has not objected, to permit OCC to replace the lead or backup administrative agent of its Revolving Credit Facility without first submitting an advance notice.

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[5] See Securities Exchange Act Release No. 88971 (May 28, 2020), 85 FR 34257 (June 3, 2020) (SR-OCC-2020-804) (Notice of Filing of Advance Notice of and No Objection to Revolving Credit Facility).

The Revolving Credit Facility provides short-term secured borrowings in an aggregate principal amount of $2.5 billion but may be increased to $3.5 billion if OCC so requests and sufficient commitments from lenders are received and accepted. To obtain a loan under the Revolving Credit Facility, OCC would pledge as collateral: (i) U.S. dollars; (ii) securities issued or guaranteed by the U.S. Government or the Government of Canada; (iii) equities included in the S&P 500 Market Index, the NASDAQ exchange, or any United States or Canadian national securities exchange; (iv) Exchange-Traded Funds ("ETFs"); or (v) American Depositary Receipts ("ADRs"). The Facility is renewed annually for a 364-day term.

Presently, OCC must submit an advance notice prior to renewing the Revolving Credit Facility if it intends to make changes to: (a) the financial institution acting as lead administrative agent;[6] or (b) the commitment period (which would continue to be 364 calendar days unless changes are necessary to avoid the expiration of the term falling on a weekend or other day that is not a business day).[7] However, without submitting an advance notice, OCC may change: (1) the aggregate and potential additional commitment amounts that it may seek, so long as such amounts considered: (i) increase by no more than $500 million in total (whether in the initial commitment amount, additional commitment amount, or both) as compared to the 2020 Bank Syndicate Revolving Credit Facility, which authorized a $2 billion initial commitment that could be increased to $3 billion if OCC so requests and sufficient commitments from lenders are received and accepted, or (ii) decrease by no more than $500 million, provided that any

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6 As discussed in detail below, OCC proposes removing this condition and permitting a change in the lead and/or backup administrative agent without an advance notice.

7 See Securities Exchange Act Release No. 88971 (May 28, 2020), 85 FR 34257 (June 3, 2020) (SR-OCC-2020-804) (Notice of Filing of Advance Notice of and No Objection to Revolving Credit Facility).

decrease in the initial commitment amount is replaced by other qualifying liquid resources (as defined in Exchange Act Rule 17ad-22(a)(14))[8] of an equal amount;[9] (2) the syndicate so long as all lenders party to future facilities are subject to the same credit review as those lenders that were party to the 2020 Revolving Credit Facility; (3) pricing and collateral haircuts,[10] so long as such terms are consistent with the then current market practice; and (4) representations, warranties, covenants, and terms of events of default,[11] so long as any modifications are immaterial to OCC as a borrower and do not impair materially OCC's ability to borrow under the line of credit consistent with these provisions. OCC proposes to remove the requirement that it file an advance notice in order to change the financial institution acting as lead administrative agent without submitting an advance notice.

OCC seeks this change in order to be able to more quickly replace the lead administrative agent if doubts arise as to the agent's ability to meet OCC's expectations in the event that OCC might need to draw on the Facility, given that any new agent is subject to the requirements for selecting providers of core services as set forth in Rule 17ad-25(i).[12] OCC renews the Facility annually in June. To meet the June renewal, OCC needs to identify a lead administrative agency with certainty by March so that OCC and

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8 17 CFR 240.17ad-22(a)(14).

9 For example, this may include an increase in OCC's Cash Clearing Fund Requirement as required under Rule 1002(a) or other committed liquidity resources for which the Commission has issued a Notice of No Objection. See, e.g., Securities Exchange Act Release No. 88317 (March 4, 2020), 85 FR 13681 (March 9, 2020) (SR-OCC-2020-801).

10 "Collateral haircuts" with respect to the collateral for any borrowing under the Facility refers to the schedule of percentages of market value by type of collateral, determining the collateral value of that type of collateral, for purposes of securing a borrowing.

11 "Events of default" refers to those events or conditions which trigger or constitute a default of OCC under the credit agreement.

12 17 CFR 240.17ad-25(i).

its chosen agent can arrange the syndicate. If OCC wanted to replace the administrative agent, an advance notice would need to be filed by January to meet that timeline, meaning that a decision to replace the administrative agent would need to be made in the fourth quarter of the preceding year and would be based on events, including performance in OCC's periodic testing of the Facility, that occurred even earlier. OCC seeks to remove the administrative notice requirement from this process to minimize the delay between the time in which OCC may recognize the need to replace its lead administrative agent and the time in which OCC is actually able to replace the agent. The change would also reduce the possibility that the Facility renewal may fall in an interim period in which OCC recognizes the need to replace a lead administrative agent but has not yet been able to do so. As such, OCC believes this change would better enable it to ensure that the Facility has an appropriate lead administrative agent, and would thereby reduce OCC's liquidity risk.

To be clear, OCC is satisfied with the current lead administrative agent of the Facility, and does not presently intend to replace the agent. However, OCC seeks the ability to more quickly replace the lead administrative agent if at some point in the future it develops concerns with the then-current lead administrative agent's ability to meet OCC's expectations.

<u>Proposed Change</u>

OCC proposes to remove the Evergreen Provision currently applicable to renewals of its Revolving Credit Facility requiring an advance notice to change the lead administrative agent of the Facility. In its place, OCC requests a new Evergreen Provision permitting it to change its lead administrative agent, its backup administrative agent, or both, so long as any new agents are subject to the requirements for selecting providers of core services as set forth in OCC's policies and procedures as required by Rule 17ad-25(i).[13] OCC wishes to be able to, in the future, replace its lead and/or backup administrative agent with another suitable agent without filing an advance notice. This change would provide OCC with the flexibility to quickly replace its lead administrative agent with another institution that has been vetted under the exacting process for providers of core services set forth in Rule 17ad-25(i)[14] and in OCC's written policies and procedures implementing that Rule.

After the Commission promulgated Rule 17ad-25(i), OCC filed a proposed rule change to establish its framework for complying with the new obligations.[15] Specifically, OCC amended several documents including its Board of Directors Charter and Corporate Governance Principles ("Board Charter"), Risk Committee Charter, and Third-Party Risk Management Framework to ensure compliance with Rule 17ad-25(i). Among other things, the changes require OCC's Management Committee, as part of the process of onboarding a service provider for core services, to evaluate and document risks related to the service agreement with the service provider, assess the risks, and submit its findings to the Board for review and approval prior to onboarding. OCC's Management Committee must also monitor service provider performance and report any actions taken by senior management to the Board to: (i) remedy significant deterioration in services; (ii) address changing risks or material issues; or (iii) assess and document weaknesses or deficiencies if the risks or material issues cannot be remedied.

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[13] 17 CFR 240.17ad-25(i).

[14] 17 CFR 240.17ad-25(i).

[15] *See* Exchange Act Release No. 101792 (Dec. 2, 2024), 89 FR 97127 (Dec. 6, 2024) (SR-OCC-2024-015).

The lead and backup administrative agents of the Revolving Credit Facility constitute service providers for core services under the governance framework that OCC established to comply with SEC Rule 17ad-25(i).[16] As such, OCC's potential replacement of an administrative agent would be subject to the enhanced governance process required by that rule. This enhanced governance process provides appropriate oversight for administrative agent selections without requiring advance notice filings for what are fundamentally routine operational decisions. The Board-level review ensures that a proposed change to the administrative agent would receive appropriate scrutiny regarding operational risk, institutional quality, and service capabilities.

Moreover, SEC Rule 17ad-25(i)[17] carries with it the expectation that a clearing agency will take steps to address deficiencies in performance of a service provider for core services. OCC may in the future seek to substitute an administrative agent if OCC determines such action was necessary to address performance concerns. Its ability to quickly and efficiently make this change, if necessary, would enhance OCC's ability to manage liquidity risk. Accordingly, the risks that may have motivated requiring an advance notice for a lead administrative agent change have since been mitigated through other Commission regulation and OCC rulemaking.

Because changes to the regulatory landscape, namely the enhanced processes for onboarding a provider of core services such as a lead or backup administrative agent, ensure that any replacement administrative agent will be safe and capable, and because OCC seeks the ability to quickly and efficiently change administrative agents in the event

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[16] 17 CFR 240.17ad-25(i).

[17] 17 CFR 240.17ad-25(i).

that problems are identified with the current administrative agent, the proposed change is consistent with Rule 17ad-22(e)(7).[18]

The role of lead administrative agent in OCC's Revolving Credit Facility includes acting as the central coordinator and manager, serving as the primary contact between OCC and syndicate lenders, and handling daily operations such as payment distribution, notice distribution, and other administrative functions. This role is designed to provide OCC with convenience and efficiency by creating a streamlined, single point of contact for the Facility—a complex, multi-lender transaction. In addition to the lead administrative agent, the Facility is also supported by a backup administrative agent to ensure redundancy and operational continuity in the event that the lead administrative agent was unavailable. OCC regularly tests the Facility using hypothetical drawdowns to assess operational readiness and identify process improvement opportunities, and it wishes to be able to quickly substitute the lead and/or backup administrative agent if the testing reveals concerns with the agent's performance, among other potential reasons for a change.

OCC also proposes that the Evergreen Provision relating to its ability to increase commitment amounts be updated to reflect the size of the current Bank Syndicate Revolving Committee, which is $2.5 billion. OCC seeks to retain the ability to increase or decrease the size of the Facility by an additional $500 million without submitting an advance notice. And OCC proposes other non-substantive revisions to the language of certain Evergreen Provisions for consistency and clarity.

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[18] 17 CFR 240.17ad-22(e)(7).

OCC proposes that the Evergreen Provisions applicable to its Bank Syndicate Revolving Credit Facility be revised as follows:

i. An advance notice filing is required if OCC seeks to change the commitment period (which would continue to be 364 calendar days unless changes are necessary to avoid the expiration of the term falling on a weekend or other day that is not a business day) in connection with future renewals;

ii. OCC may increase the commitment amounts without an advance notice filing so long as the increase (whether in the initial commitment amount, additional commitment amount, or both) is by no more than $500 million in total as compared to the 2025 Bank Syndicate Revolving Credit Facility, which authorized a $2.5 billion initial commitment that could be increased to $3.5 billion if OCC so requests and sufficient commitments from lenders are received and accepted;

iii. OCC may decrease the commitment amounts by up to $500 million without an advance notice filing so long as any decrease in the initial commitment amount is replaced by other qualifying liquid resources (as defined in Exchange Act Rule 17ad-22(a)(14)) of an equal amount;

iv. OCC may add new lenders or remove existing lenders without an advance notice filing so long as all lenders to future renewals are subject to the same credit review as those lenders that were party to its 2020 Bank Syndicate Revolving Credit Facility;

v. OCC may change the lead administrative agent and/or backup administrative agent so long as the new agent in future renewals is subject to the requirements for selecting providers of core services set forth in OCC's policies and procedures;

vi. OCC may change pricing and collateral haircuts without an advance notice filing so long as such terms are consistent with the then-current market practice; and

vii. OCC may otherwise change the terms and conditions of the agreement without an advance notice filing so long as the changes do not materially affect the nature or level of risk presented to OCC.

Anticipated Effect on and Management of Risk

As a covered clearing agency and DCO, OCC's ability to meet settlement demands in the event of a Clearing Member default, or the failure of another participant to meet its obligations to OCC, is critical to the markets that OCC serves. OCC believes that the overall effect of this proposed change on the risk profile at OCC would be to reduce liquidity risk associated with OCC's function as a covered clearing agency and DCO by providing it with the flexibility to more quickly replace its lead administrative agent in the event that testing reveals doubt about the agent's ability to meet OCC's expectations with respect to the Revolving Credit Facility. At worst, the proposed change is neutral with respect to OCC's risk profile, because any replacement lead administrative agent would vetted under the exacting process for providers of core services set forth in OCC's policies and procedures established to comply with Rule 17ad-25(i).[19]

Consistency with the Payment, Clearing and Settlement Supervision Act

The stated purpose of the Clearing Supervision Act is to mitigate systemic risk in the financial system and promote financial stability by, among other things, promoting uniform risk management standards for systemically important financial market utilities and strengthening the liquidity of systemically important financial market utilities.[20] Section 805(a)(2) of the Clearing Supervision Act[21] also authorizes the Commission to prescribe risk management standards for the payment, clearing and settlement activities of designated clearing entities, like OCC, for which the Commission is the supervisory agency. Section 805(b) of the Clearing Supervision Act[22] states that the objectives and principles for risk management standards prescribed under Section 805(a) shall be to:

- promote robust risk management;
- promote safety and soundness;

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[19] 17 CFR 240.17ad-25(i).

[20] 12 U.S.C. 5461(b).

[21] 12 U.S.C. 5464(a)(2).

[22] 12 U.S.C. 5464(b).

- reduce systemic risks; and
- support the stability of the broader financial system.

The Commission has adopted risk management standards under Section 805(a)(2) of the Clearing Supervision Act and the Exchange Act in furtherance of these objectives and principles.[23] Rule 17ad-22 requires registered clearing agencies, like OCC, to establish, implement, maintain, and enforce written policies and procedures that are reasonably designed to meet certain minimum requirements for their operations and risk management practices on an ongoing basis.[24] Therefore, the Commission has stated[25] that it believes it is appropriate to review changes proposed in advance notices against Rule 17ad-22 and the objectives and principles of these risk management standards as described in Section 805(b) of the Clearing Supervision Act.[26]

OCC believes that the proposed change is consistent with Section 805(b)(1) of the Clearing Supervision Act[27] because it promotes robust risk management and promotes safety and soundness. Allowing OCC to replace the lead or backup administrative agent without first filing an advance notice provides OCC with the ability to swiftly replace the administrative agent if it determines that incumbent agent may not be able to meet OCC's expectations with respect to the speed and reliability of the execution of the Facility. Any replacement administrative agent would be selected through the process for selection of

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23 17 CFR 240.17ad-22. See Exchange Act Release Nos. 68080 (October 22, 2012), 77 FR 66220 (November 2, 2012) (S7-08-11) ("Clearing Agency Standards"); 78961 (September 28, 2016), 81 FR 70786 (October 13, 2016) (S7-03-14) ("Standards for Covered Clearing Agencies").

24 17 CFR 240.17ad-22.

25 See, e.g., Exchange Act Release No. 86182 (June 24, 2019), 84 FR 31128, 31129 (June 28, 2019) (SR-OCC-2019-803).

26 12 U.S.C. 5464(b).

27 12 U.S.C. 5464(b)(1).

service providers for core services, ensuring an appropriate replacement administrative agent. Allowing OCC to promptly replace the lead or backup administrative agent without first submitting an advance notice reduces the risk that OCC would be unable to change its administrative agent, if necessary, prior to the annual renewal of its annual Revolving Credit Facility, and therefore reduce the risk that OCC might need to rely on potentially deficient administrative agent in the event that OCC needed to draw on the Facility. In this way, the proposed change is designed to promote robust risk management; promote safety and soundness; reduce systemic risks; and support the stability of the broader financial system.

OCC believes the proposed change is reasonably designed to comply with Rule 17ad-22(e)(7).[28] Rule 17ad-22(e)(7)[29] requires OCC to, in part, establish, implement, maintain, and enforce written policies and procedures reasonably designed to effectively measure, monitor, and manage the liquidity risk that arises in or is borne by the covered clearing agency. OCC's proposed change is consistent with Rule 17ad-22(e)(7)[30] because it would safely provide OCC with operational flexibility to quickly address any issues that may arise with its administrative agent.

For the foregoing reasons, OCC believes that the proposed change is consistent with Section 805(b)(1) of the Clearing Supervision Act[31] and Rule 17ad-22(e)[32] under the Exchange Act.

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28 17 CFR 240.17ad-22(e)(7).

29 17 CFR 240.17ad-22(e)(7).

30 17 CFR 240.17ad-22(e)(7).

31 12 U.S.C. 5464(b)(1).

32 17 CFR 240.17ad-22(e).

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

The proposed change may be implemented if the Commission does not object to the proposed change within 60 days of the later of (i) the date that the proposed change was filed with the Commission or (ii) the date that any additional information requested by the Commission is received. The clearing agency shall not implement the proposed change if the Commission has any objection to the proposed change.

The Commission may extend period for review by an additional 60 days if the proposed change raises novel or complex issues, subject to the Commission or the Board of Governors of the Federal Reserve System providing the clearing agency with prompt written notice of the extension. A proposed change may be implemented in less than 60 days from the date the advance notice is filed, or the date further information requested by the Commission is received, if the Commission notifies the clearing agency in writing that it does not object to the proposed change and authorizes the clearing agency to implement the proposed change on an earlier date, subject to any conditions imposed by the Commission. The clearing agency shall post notice on its website of proposed changes that are implemented.

The proposal shall not take effect until all regulatory actions required with respect to the proposal are completed.

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-2026-802 on the subject line.

Paper Comments:

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

All submissions should refer to File Number SR-OCC-2026-802. 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 such filing will be available for inspection and copying at the principal office of OCC and on OCC's website at https://www.theocc.com/Company-Information/Documents-and-Archives/By-Laws-and-Rules.

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-2026-802 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.[33]

Secretary

[33] 17 CFR 200.30-3(a)(12).

<u>Exhibit 3A</u>

This Exhibit contains one electronic file embedded in this cover page for filing efficiency, as identified below. OCC has omitted the embedded file pursuant to 17 CFR 240.24b-2. OCC has separately filed and requested confidential treatment of the cover page containing the embedded file as protected from public disclosure by Exemptions 4 and 8 of the Freedom of Information Act ("FOIA"), 5 U.S.C. 552(b)(4), (b)(8), and 15 U.S.C. 78x(e) because the information it contains concerns (i) OCC's trade secrets and commercial information not customarily released to the public and is, and always has been, treated as the private information of OCC, the release of which is likely to cause foreseeable harm to OCC's commercial or financial interests; and (ii) the supervision of OCC, a financial institution regulated by the Commission. OCC believes the Form 19b-4 Information and Exhibit 1A provide a clear and adequate description of the relevant substance of the embedded file to facilitate meaningful public comment.

Embedded File: **[Redacted Pursuant to Rule 24b-2]**

- Exhibit 3A. June 9, 2026 OCC Responses to SEC Staff Requests for Information; 3 pages

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 ("Board") of The Options Clearing Corporation ("OCC") to assist the Board in the exercise of its responsibilities.

The Board is responsible for advising the Management Committee 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 the Management Committee 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 oversight 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 the Management Committee 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 the Management Committee 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 the Management Committee regarding the governance, management, and oversight practices to be followed at OCC, and reflect the Board's commitment to monitor the effectiveness of 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. 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 services to the industry, 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 the Management Committee have appropriate experience and skills to discharge their respective responsibilities and have established clear and direct lines of responsibility between the Board and the Management Committee;

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

- Ensuring that at least a majority of the directors on the Board and on each Board-level committee are independent as determined by the Board and in accordance with Securities and Exchange Commission Rule 17Ad-25(b) adopted on December 5, 2023;

- Periodically reviewing and approving the amount of compensation for Public Directors;

- Setting expectations about the tone and ethical culture of OCC, and reviewing the Management Committee's efforts to instill an appropriate tone

[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.

and culture throughout OCC;

- Overseeing the Management Committee's activities in managing and operating OCC and evaluating the Management Committee's performance in executing its responsibilities;

- Selecting and overseeing and, where appropriate, replacing the Chairman[1], 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 any Executive Chairman, the Chief Executive Officer, and the Chief Operating Officer and approving the compensation of each;

- 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, 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 service providers that provide core services for OCC, including review of risk assessment for current vendors and approving terms for new vendors that will provide core services for OCC;

- Overseeing senior management's review and approval of an agreement that establishes a relationship with a service provider for core services, and overseeing senior management's risk assessment for such agreements;

- Reviewing and approving policies and procedures established by senior management that govern relationships and manage risks related to agreements with service providers for core services;

- Evaluating any action taken by senior management to remedy

[2] Or the Executive Chairman, if applicable.

significant deterioration in performance or address changing risks or material issues identified through senior management's monitoring of relationships with a service provider for core services, and if such risks or issues cannot be remedied, overseeing senior management's assessment and documentation of weaknesses or deficiencies in the relationship with the service provider;

- 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 material 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;

- Overseeing OCC's process for consultation with a non-Board-level risk management committee and the consideration of, and responses to, input from the non-Board-level risk management committee by the Board through reports from the Risk Committee.

- Reviewing and considering the discussions with the Risk Committee regarding the Risk Committee's consultation with a non-Board-level risk management committee; 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 Board 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");
   - No less than five directors who are not an associated person or employee of an: (i) entity that is registered or exempt from registration with the Securities and Exchange Commission or Commodity Futures Trading Commission or (ii) affiliate of such an entity described in (i) ("Public Directors"); and
   - At the discretion of the Board, 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 majority of directors shall be "independent" 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 any 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). The Governance and Nominating Committee and the Board shall also take into consideration the desire to obtain input from a broad array of market participants on risk management issues. 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 Chairman, Chief Executive Officer, and Chief Operating Officer, and other members of the Management Committee, 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. **<u>Appointment of Governance and Nominating Committee</u>.** On an annual basis, the Board 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. 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 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 Chairman, from among the Public Director members of the Governance and Nominating Committee.

4. **<u>Selection of Member Directors and Public Directors</u>.** 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 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 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 the annual meeting. In selecting such nominees, the Governance and Nominating Committee shall follow the Director Nomination Procedure. With respect to Public Directors, the Governance and Nominating Committee shall consider whether the candidate lacks material relationships to OCC, OCC's the Management Committee, and other directors such that the Public Director may be considered to be "independent" by the Board. 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, after evaluation by the Governance and Nominating Committee, 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, a Management Director may be elected 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.

7. **Extending Invitation to New Board Members.** The Chairman shall extend the invitation to potential candidates to stand for election to the Board.

8. <u>Retirement</u>.

Term Limits. As provided in the By-Laws, Member Directors are limited to serving three consecutive three-year terms; Exchange Directors, Public Directors, and any 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 a senior officer position at OCC by virtue of which he was elected as a Management Director.

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 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, consistent with 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 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 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. Any Management Director should not accept an invitation to serve on another board without prior approval of the Governance and Nominating Committee.

The 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

Conduct

1. **Board Meetings.**

Selection of Agenda Items. The 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 Chairman, the Chairman's 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 Chairman in advance of such meeting. As provided in the Code of Conduct for OCC Directors, attendance by telephone or videoconference for meetings that are scheduled for in-person attendance 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 materials 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 and other employees may attend Board meetings at the invitation of the Chairman, Chief 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 Chairman, Chief Executive Officer, and Chief Operating Officer encourage members of the Management Committee to respond to questions posed by directors relating to their areas of expertise. The Board also believes that members of the Management Committee 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 the Management Committee focused on the overall strategic objectives of OCC each calendar year.

Number of Meetings. The Board shall hold a minimum of four 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. **<u>Executive Sessions</u>*.*** 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 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. **<u>Ethics and Conflicts of Interest</u>.** 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 a 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 actual, potential or apparent conflicts of interests (referred to herein as "conflicts of interest") are handled with care. 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 conflicts of interest and directors are expected to be mindful of their fiduciary obligations to OCC as set forth in the Code of Conduct for OCC Directors. Public Directors are expected to refrain from entering into material business relationships with other directors.

When faced with a situation involving a conflict of interest, directors are at all times expected to err on the side of caution and immediately bring to the attention of the Chairman and OCC's Chief Legal Officer any matters that may involve conflicts of interest 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.

4. **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.

5. **Board Access to the Management Committee 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 the Management Committee and, as appropriate, to OCC's outside advisors. Directors shall coordinate such access through the 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.

6. **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.

7. **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.

8. **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.

9. **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 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. Each committee established by the Board must be comprised of a majority of directors who are deemed independent by the Board and in accordance with regulatory requirements. The Board has established 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 additional independence criteria with respect to the Audit Committee. A 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 may 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, the Management Committee 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 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 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 Chairman, Chief Executive Officer, or Chief Operating Officer to obtain their insights and to optimize committee performance. The committee Chairs, in consultation with the 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 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, Regulatory, 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 management leadership may be comprised of an Executive Chairman, a Chief Executive Officer, and a Chief Operating Officer, as the Board determines necessary. In making leadership determinations, the Board considers many factors, including the specific needs of the business and 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 Board annually elects certain corporate officers including any Executive Chairman (if applicable), and the 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. Factors the Board considers in delegating authority to an officer to authorize a regulatory filing include, but are not limited to, the responsibilities and expertise of the officer and any limitations on the scope of the delegated authority that the Board determines are appropriate, including limitations to the subject matter, materiality of the changes, the regulatory process required to implement the changes, and the manner in which the officermust notify the Board or a committee about filings approved pursuant to such authority.

   The Compensation and Performance Committee shall conduct an annual evaluation of the performance of each of any Executive Chairman and the 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 any Executive Chairman, the Chief Executive Officer, and the Chief Operating Officer, is critical to OCC's long-term success. To assist the Board, such officers 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 any 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.

THE OPTIONS CLEARING CORPORATION
RISK COMMITTEE CHARTER

I. Purpose

The Board of Directors (the “Board”) of The Options Clearing Corporation (“OCC”) has established a Risk Committee (the “Committee”) to assist the Board in overseeing OCC’s financial, collateral, risk model and third-party risk management processes. The purpose of the Committee is also to advise management regarding these aspects of OCC’s operation. Additionally, the Committee is responsible for performing those functions delegated to the Committee under OCC’s By-Laws and Rules. In fulfilling its responsibilities, the Committee shall prioritize the safety and efficiency of OCC, generally support the stability of the broader financial system and consider legitimate interests of Clearing Members, customers of Clearing Members and other relevant stakeholders taking into account prudent risk management standards (including systemic risk mitigation) and industry best practices.

II. Membership and Organization

A. Composition. The Committee shall consist of (i) the Chairman[1], (ii) at least one Exchange Director, (iii) at least one Member Director, and (iii) at least one Public Director, each of whom shall be appointed each calendar year by the Board. At least a majority of the Committee shall be composed of directors who are independent directors, consistent with Securities and Exchange Commission Rule 17Ad-25(e) and the judgement of the Board. 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 Chairman and shall serve at the pleasure of the Board. In making their nominations, the Governance and Nominating Committee and the Board take into consideration the desire to obtain input from a broad array of market participants on risk management issues and the ability of the Committee to provide a risk-based, independent and informed opinion on all matters presented to it for consideration. The Board may remove or replace any member of the Committee at any time. The Committee shall be chaired by a Public Director. Unless a Chair is elected by the full Board, the members of the Committee shall designate a Chair by majority vote of the full Committee membership. In the absence of the Chair at any meeting of the Committee, those members of the Committee present shall designate a Committee member to serve as the Acting Chair.

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.

Meetings. The Committee will meet at least four times a year, inclusive of

[1] Or “Executive Chairman” in the event this role is filled by an Executive Chairman.

joint meetings with other Board committees. Other meetings may be called by the Chair as circumstances dictate. The Committee Chair or its designee, in consultation with management, as well as the Corporate Secretary, shall establish the agenda for Committee meetings. The members of the Committee may ask members of management or others to attend the meeting and provide pertinent information as is necessary. The Committee may call executive sessions from which members of management and invited guests of the Committee may be excluded. Individual Committee members also may be excluded from executive sessions or portions thereof at which the discussion involves a matter as to which that member has an actual or potential conflict of interest. The Committee will meet in executive session at each regular Committee meeting and will determine who will participate in such session. The Committee Chair or the Acting Chair, as applicable, will serve as chair for the executive session. Members of the Committee may participate in meetings by means of a conference telephone call or other means of communication that allows all participants in the meeting to hear each other. However, as provided in the Code of Conduct for OCC Directors, attendance by telephone or videoconference for meetings that are scheduled for in-person attendance is discouraged. The Committee shall meet regularly, and at least once each calendar year, with members of management and the Chief Risk Officer in separate executive sessions to discuss any matters that either side believes should be discussed privately. Between meetings of the Committee, the Chief Risk Officer is authorized to communicate directly with the Chair with respect to any of the responsibilities of the Committee.

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

C. 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 an executive session are to be recorded as well as determine the level of detail to be included in such minutes, taking into consideration the sensitivity of the matters to be discussed and the possibility that candor might be limited if detailed minutes are recorded. It is expected that meeting minutes will reflect that an executive session was convened and broadly describe the topic(s) discussed. Minutes of Committee meetings shall be circulated to the Board.

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

III. Authority

A. Scope. Subject to the direction of the Board, the Committee is authorized to act on behalf of the Board with respect to any matter necessary or appropriate to the accomplishment of the purpose and responsibilities set forth in this Charter. In discharging its role, the Committee may inquire into any matter it considers appropriate to carry out its purpose and responsibilities, with access to all books, records, facilities and personnel of OCC. The Committee shall confer with management and other employees of OCC to the extent it may deem necessary or appropriate to fulfill its duties. Where the Committee is authorized to approve reports or proposals provided to it by management, the Committee may or may not approve such matters in its business judgment. If the Committee does not approve such a report or proposal, it shall report to management that it has not approved such matter and may provide direction as to revisions or alternative courses of action as appropriate. The Committee shall report to the Board in the event that it does not approve a report or proposal provided to it by management, including the reasons for non-approval.

From time to time, the Committee may receive reports and guidance relating to financial risk issues from, among others, the OCC Financial Risk Advisory Council and, in the exercise of its fiduciary judgment, shall take such guidance into account in the performance of its functions and responsibilities.

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

The Committee shall perform its responsibilities in accordance with this Charter and applicable regulatory requirements.

B. Delegation. The Committee may form and delegate authority to subcommittees and may delegate authority to one or more designated members of the Committee and to one or more designated officers. The Committee may refer a risk under its oversight to another committee or the Board as advisable or appropriate. However, in all instances, the Committee retains the obligation to oversee such delegated or referred activity and to assure itself that delegation and reliance on the work of such delegates is reasonable.

IV. Functions and Responsibilities

The Committee's role is one of oversight. It remains the responsibility of OCC management to identify, measure, manage, monitor and report on financial, collateral, risk model and third-party risks arising from OCC's business activities in light of OCC's role as a systemically important financial market utility.

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

- The Committee shall review at least once every twelve months the adequacy of OCC's management of risks related to credit exposures, including its margin and clearing fund methodologies. The Committee shall have the authority to approve all material changes to written policies with respect to the management of risks related to credit exposures. The Committee shall receive a monthly report from management that provides information on the effectiveness of the management of risks related to credit exposures, including the results of (i) a comprehensive analysis of the existing stress testing scenarios, models, and underlying parameters and assumptions, and (ii) a sensitivity analysis of OCC's margin model and a review of the margin model's parameters and assumptions for back testing.

- The Committee shall review at least once every twelve months the adequacy of OCC's management of collateral risks. The Committee shall have the authority to approve all material changes to written policies related to the management of collateral risks. The Committee shall receive a quarterly report from management that provides information on the effectiveness of OCC's management of collateral risks.

- The Committee shall review at least once every twelve months the adequacy of OCC's management of liquidity risks, including the adequacy of any committed liquidity facilities. The Committee shall have the authority to approve all material changes to written policies with respect to the management of liquidity risks. The Committee shall receive a monthly report from management that provides information on the effectiveness of OCC's management of liquidity risks, including the results of a comprehensive analysis of existing stress testing scenarios, models, and underlying parameters and assumptions used in evaluating liquidity needs.

- The Committee shall oversee OCC's risk models and risk model validation process. The Committee shall have the authority to approve all material changes to written policies with respect to risk model management. The Committee shall review and have the authority to approve all new risk models and recommend such changes to the Board for approval. The Committee shall review and have the authority to approve material changes to existing risk models. Additionally, the Committee shall review and have the authority to approve the annual risk model validation plan and plan deviations, and any Chief Risk Officer recommendations for removing or deferring any risk model validation from a previously approved risk model validation plan. The Committee shall receive a quarterly report from the Chief Risk Officer that provides information on progress against the annual risk model validation plan and measures being taken by management regarding findings made. The Committee also shall review the results of any third-party validations of OCC's risk models and, if any, recommended actions and remediation plans.

- The Committee shall review and have the authority to approve at least once every twelve months OCC's risk appetites and risk tolerances.

- The Committee shall review and have the authority to approve new products that materially impact OCC's established risk profile or introduce novel or unique financial, risk model and third-party risks and shall refer such products to the Board for approval.

- The Committee shall oversee OCC's Recovery and Orderly Wind-Down Plan. The Committee shall review and have the authority to approve at least once every twelve months the adequacy of OCC's Recovery and Orderly Wind-Down Plan and recommend approval thereof to the Board. The Committee shall have the authority to approve all material changes to the Recovery and Orderly Wind-Down Plan and recommend such changes to the Board for approval.

- The Committee shall consult with OCC's non-Board-level risk management committee and consider and respond to input from that non-Board-level risk management committee on all matters that could materially affect OCC's risk profile, and provide such information to the Board for its consideration.

- The Committee shall oversee the framework for Clearing Membership, including (i) periodically reviewing and revising, as appropriate, OCC's initial and ongoing requirements for Clearing Membership, (ii) overseeing the processes established for reviewing and monitoring Clearing Membership (including in respect of the continuance of potentially problematic members), and (iii) making recommendations to the Board, as applicable, for final determination in respect of the foregoing. At least once each calendar year, the Committee shall review the investigation and enforcement outcomes of disciplinary actions taken by the OCC against Clearing Members through its established processes.

- The Committee shall at least once every twelve months review the adequacy of OCC's management of third-party risks. The Committee shall receive a quarterly report from management that provides information on the effectiveness of OCC's management of third-party risks, including key linked and vendor relationships, and provide risk assessments to the Board for any service providers providing core services to OCC, consistent with regulatory requirements.

- The Committee shall have the authority to approve management's recommendation to appoint or replace the Chief Risk Officer. The Chief Risk Officer shall report functionally to the Committee and administratively to a member of the Management Committee designated by the Committee. The Committee shall at least once every twelve months review and have the authority to approve the Chief Risk Officer's goals and objectives and any material changes thereto. The Committee shall at least once every twelve months review the performance of the Chief Risk Officer with respect to performance assessment and annual compensation for the Chief Risk Officer.

- The Committee shall at least once every twelve months review the structure and staffing of OCC's financial risk management and corporate risk management functions.

- The Committee shall review the results of any audits (internal and external) as to financial, collateral, risk model and third-party risk management processes or any other matter relating to the areas that the Committee oversees, as well as management's responses pertaining to such audits.

- The Committee shall identify risk issues relating to the areas that the Committee oversees that should be escalated to the Board for its review and consideration.

- Each calendar year, the Committee shall confirm to the Board that all responsibilities outlined in this Charter have been carried out.

- Each calendar year, the Committee shall assess its and its individual members' performance and provide results of such assessment to the Governance and Nominating Committee for review.

- The Committee shall perform such other responsibilities and functions as shall from time to time be assigned to it under the By-Laws and Rules, other policies or delegated to it by the Board, including authorizing the filing of regulatory submissions pursuant to such delegation.

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

V. Review Cycle

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

Third-Party Risk Management Framework

Effective Date:	11/18/2025
Board Approval:	Risk Committee

I. EXECUTIVE SUMMARY

As a central counterparty, The Options Clearing Corporation ("OCC") is exposed to risks arising from its Third-Party relationships. This Third-Party Risk Management Framework ("Framework") outlines OCC's approach to identify, measure, monitor, and manage risks arising from Third-Party relationships including:

- Clearing Members
- Clearing Banks, custodians, liquidity providers under OCC's committed facilities, and investment counterparties ("Financial Institutions")
- Financial market utilities ("FMU")[1]
- Exchange Relationships
- Vendors

This Framework is approved by the Risk Committee of OCC's Board of Directors ("Risk Committee") at least annually and implemented by the Management Committee ("MC").

II. RISK IDENTIFICATION

OCC faces risks associated with its Third-Party relationships, including:

Financial risks arise from a Clearing Member failing to meet its financial obligations to OCC including, but not limited to, obligations related to settlement, margin, and clearing fund. OCC may also face financial risks from other Third-Parties not meeting their obligations to OCC, including, but not limited to, facilitating daily settlements, providing timely access to collateral, honoring liquidity draw requests, or meeting obligations under an agreement.

Operational risks arise from errors, disruptions, failures, or the inability of a Third-Party to fulfill its obligations to OCC. These risks include a Third-Party disruption preventing OCC from completing trade processing, daily settlements, accessing collateral, or safeguarding OCC property, equipment, or personnel.

General Business Risk arise when a Third-Party is unable to fulfill its obligations due to events or disruptions from the Third-Partys' administration and operation of its business resulting in a loss to OCC.

Information Technology and Security risks arise when a Third-Party is unable to safeguard OCC systems or data or maintain capabilities or services to support OCC's operations in accordance with OCC's service standards.

Legal and Regulatory risks arise when a Third-Party fails to fulfill its obligations to OCC or OCC fails to fulfill its obligations to a Third-Party. These risks also arise when a Third-Party fails to comply with

[1] FMUs may include any person that manages or operates a multilateral system for the purpose of transferring, clearing, or settling payments, securities, or other financial transactions among Financial Institutions or between Financial Institutions and the person.

regulatory standards and protocols agreed to with OCC. They also include exposure to potential litigation or regulatory compliance concerns.

III. THIRD-PARTY RELATIONSHIP LIFECYCLE

OCC's relationship lifecycle is designed to identify, measure, monitor, and manage Third-Party risks. The lifecycle consists of three stages.

- **On-Boarding –** Third-Parties are evaluated to determine whether they can engage in or expand a relationship with OCC. After evaluation, OCC completes any operational tasks necessary to activate the relationship.

- **Ongoing Monitoring –** Third-Parties are monitored for compliance with standards, the presence of additional or increased risks, and fulfillment of contractual obligations. Ongoing monitoring is conducted based upon the nature of each relationship and is commensurate with the risks posed by the Third-Party.

- **Off-Boarding –** Third-Party relationships may terminate. Following the termination of a relationship, OCC completes any operational tasks necessary to off-board the relationship in compliance with agreement terms.

In addition to the lifecycle management processes set forth above, certain Third-Parties may constitute Service Providers for Core Services and are subject to enhanced lifecycle management by both the MC and the Board. Enhanced lifecycle management includes:

- **On-Boarding:** Prior to entering into an agreement with a Service Provider for Core Services, the MC will evaluate and document the risks related to the agreement, including under changes to circumstances and potential disruptions, and assess whether the risks can be managed in a manner consistent with this Framework (the "Risk Analysis"). Prior to entering agreements establishing a relationship with a Service Provider for Core Services, the MC will submit the agreement, along with the Risk Analysis, to the Board of Directors for review and approval.

- **Ongoing Monitoring:** Service Providers for Core Services are monitored on an ongoing basis. The MC evaluates performance of Service Providers for Core Services and either: (a) remedies significant deterioration in performance of the Service Provider for Core Services, (b) addresses changing risks or material issues with the Service Provider for Core Services identified through such monitoring, or (c) if such risks or material issues cannot be remedied, documents weaknesses or deficiencies with the Service Provider for Core Services. The MC will report to the Board for its evaluation any action taken by the MC to remedy significant deterioration in performance of the Service Provider for Core Services or address changing risks or material issues with the Service Provider for Core Services. If the risks or issues with the Service Provider for Core Services cannot be remedied, the MC will assess and document the weaknesses and deficiencies and submit to the board the documented weaknesses or deficiencies in the relationship with the Service Provider for Core Services.

Third-Parties that have multiple engagements with OCC are subject to the processes described below for each type of engagement. OCC recognizes that multiple engagements with a single entity may result in additional risks (as identified in Section II) and incorporates this into its on-boarding and ongoing monitoring through their respective procedures (as identified in each Third-Party type below) and working groups.

As described below, risks identified throughout the relationship lifecycle are reported and escalated through associated working groups. Working groups are cross-departmental and support OCC's business as assigned by the MC. Each working group has a chair and designated MC member who are responsible to determine the matters to be escalated to the MC in accordance with this Framework. The working groups identified in this Framework have defined decision-making authority, functions and responsibilities as specified in the associated working group procedure. The working groups that support the activities described in this Framework are:

- Credit and Liquidity Risk Working Group ("CLRWG")
- Exchange and Vendor Working Group ("EVWG")

IV. THIRD-PARTY RELATIONSHIP MANAGEMENT

A. Clearing Members

OCC's membership standards are designed to be objective and risk-based and are publicly disclosed in OCC's Rules and By-Laws. Annually, Business Operations, Financial Risk Management ("FRM"), Treasury, and Third-Party Risk Management ("TPRM") assess the adequacy of OCC's membership standards to address the management of risks presented by Clearing Members and the processes used to monitor initial and ongoing compliance with those standards, in accordance with the Credit and Liquidity Risk Working Group Procedure. The review may contain recommendations to change the standards or monitoring processes. The results of the annual assessment are summarized for consecutive review and approval by the CLRWG, MC, Risk Committee, and if rule changes are necessary, the Board of Directors.

On-Boarding: Business Operations, FRM, and TPRM complete a risk-based evaluation of Clearing Member applicants by evaluating their financial resources, operational capacity, personnel, and facilities against OCC's membership standards. FRM presents the results of this evaluation to the CLRWG and other key stakeholders as identified within OCC Rule 203(a) for review and approval.

Ongoing Monitoring: Clearing Members are monitored for ongoing compliance with OCC's membership standards. FRM, with support from Business Operations and TPRM, performs Watch Level reporting and ongoing monitoring of financial and operational risks. In addition to or in support of Watch Level reporting, Business Operations and FRM conduct the following processes to monitor Clearing Members:

- Determining an internal credit rating to identify credit worthiness;
- Performing periodic examinations to evaluate Clearing Member risk management policies, procedures, and practices; and
- Evaluating material risks related to customers of Clearing Members.

FRM provides informational Watch Level reporting at meetings of the CLRWG, MC, and Risk Committee that summarizes the circumstances leading to violations of higher tier Watch Level criteria, additional risks observed, and any corrective measures taken by such Clearing Members.

Should a Clearing Member approach or no longer meet minimum membership standards, protective measures may be imposed to limit or eliminate OCC's counterparty exposure. OCC maintains authorities in its Rules (Chapter III, Chapter VI, and Chapter VII) to act to protect OCC, given the facts and circumstances of the exposure presented by a Clearing Member, including but not limited to the imposition of additional monitoring, changes to margin requirements or composition, or suspension of some or all product and account approvals.

Business Operations, FRM, and TPRM provide reporting to the CLRWG, comprised of results from ongoing monitoring and management of Clearing Member financial, operational, legal, and regulatory risks and may raise matters for consideration to the CLRWG. The CLRWG may take action or escalate the matter to the MC, in accordance with the functions and responsibilities assigned to the CLRWG by the MC in the Credit and Liquidity Risk Working Group Procedure.

Off-Boarding: A Clearing Member may voluntarily terminate its membership. Upon request for termination, Business Operations and FRM ensure all financial exposures and operational capabilities are wound down and all obligations to OCC are satisfied before the relationship is terminated. In the event a Clearing Member is suspended by OCC, the suspension will be managed in accordance with the Default Management Policy.

B. Clearing Banks, Custodians, Liquidity Providers, and Investment Counterparties

OCC maintains relationships with Financial Institutions that facilitate clearance and settlement activities, manage collateral, provide liquidity under OCC's committed facilities, and serve as investment counterparties.

On-Boarding: FRM and TPRM, with support as needed from Business Operations and Treasury, complete a risk-based evaluation of each entity by evaluating its financial resources and operational capacity. For custodians, the evaluation considers whether a relationship is structured to allow prompt access to OCC and Clearing Member assets and whether the custodian is a supervised and regulated institution that adheres to generally accepted accounting practices, maintains safekeeping procedures, and has controls that fully protect these assets. The results of the evaluation are presented to the CLRWG for review and recommendation for approval prior to presentation to the Chief Executive Officer or Chief Operating Officer, each of whom has the authority to approve such relationships.

Ongoing Monitoring: Business Operations, FRM, Treasury, and TPRM monitor the financial, operational, legal, and regulatory risks related to Financial Institution relationships. This monitoring includes Watch Level reporting, material agreement reviews, and ongoing monitoring of financial and operational risks. Should Watch Level reporting detect potential issues or trends that might indicate the deterioration of a Financial Institution's ability to perform, protective measures that may be applied include, but are not limited to, modifying the business relationship or termination of the relationship.

Business Operations, FRM, Treasury, and TPRM provide reporting to the CLRWG, comprised of results from ongoing monitoring and management of a Financial Institution's financial, operational, legal, and regulatory risks and may raise matters for consideration to the CLRWG. The CLRWG may take action or escalate the matter to the MC, in accordance with the functions and responsibilities assigned to the CLRWG by the MC in the Credit and Liquidity Risk Working Group Procedure.

Off-Boarding: A Financial Institution relationship may be terminated by the Financial Institution or OCC, pursuant to applicable agreements. The Chief Executive Officer or Chief Operating Officer, each of whom has the authority, must approve the termination of a Financial Institution relationship initiated by OCC. OCC may terminate a relationship if risks rise to an unacceptable level or a relationship is no longer required. Business Operations, FRM, Treasury, and Legal perform activities necessary to off-board the relationship in accordance with the agreement between OCC and the applicable Financial Institution.

C. Financial Market Utilities

FMUs provide OCC with a range of services, including custody, stock loan processing, cross-margin programs, and securities settlement.

On-Boarding: Business Operations, FRM, Legal, and TPRM consider an FMU's financial condition, operational capabilities, and any legal or regulatory risks associated with the relationship during the onboarding process. The CLRWG reviews this evaluation and recommends approval prior to presentation to the Chief Executive Officer or Chief Operating Officer, each of whom has the authority to approve such relationships. On-boarding of the relationship may be subject to completion of any necessary agreements or regulatory filings.

Ongoing Monitoring: Business Operations, FRM and TPRM monitor the financial, operational, legal, and regulatory risks related to FMU relationships. This monitoring includes Watch Level reporting, material agreement reviews, and ongoing monitoring of financial and operational risks.

Business Operations, FRM, and TPRM provide reporting to the CLRWG, comprised of results from ongoing monitoring and management of an FMU's financial, operational, legal, and regulatory risks and may raise matters for consideration to the CLRWG. The CLRWG may take action or escalate the matter to the MC in accordance with the functions and responsibilities assigned to the CLRWG by the MC in the Credit and Liquidity Risk Working Group Procedure.

Off-Boarding: An FMU relationship may be terminated by the FMU or OCC, pursuant to applicable agreements. The Chief Executive Officer or Chief Operating Officer, each of whom has the authority, must approve the termination of an FMU relationship initiated by OCC. Business Operations, FRM, Legal, and TPRM coordinate the activities necessary to off-board the relationship, including, but not limited to, the wind down of all services with the FMU and, if necessary, revising OCC policies and procedures and filing rule changes with OCC's regulators after receiving the appropriate internal approvals.

D. Exchange Relationships

OCC provides clearing services for Exchange Relationships pursuant to applicable agreements[2]. Under these agreements, OCC clears products including equity and index options, commodity contracts, treasury futures, security futures, and stock loan transactions.

On-Boarding: Participant Services and Solutions, in coordination with stakeholders which may include, but are not limited to, FRM, Business Operations, and TPRM, completes an evaluation of proposed Exchange Relationships, including assessing whether an Exchange Relationship meets OCC's qualification requirements[3]. The due diligence performed for a proposed Exchange Relationship is presented to the EVWG for review and subsequently to the MC for approval. A summary of due diligence and on-boarding activities are presented to the MC. A summary of legal documents and requirements are presented to the Board of Directors for approval to launch.

Ongoing Monitoring: Business Operations and TPRM monitor the operational and regulatory risks related to Exchange Relationships, and escalate identified legal risks to OCC's Legal Department. Such relationships are monitored for connectivity and trade activity on an ongoing basis. Exchange Relationships monitoring allows for internal escalation to Production Support and the EVWG, and externally to Exchange Relationships.

[2] Exchange Relationship agreements are filed with OCC's regulators, as required.
[3] See OCC By-Laws, Article VIIA – Equity Exchanges and Article VIIB – Non-Equity Exchanges for further detail.

Business Operations and TPRM conduct reviews to assess an Exchange Relationship's operational performance, overall financial condition, and ability to meet contractual obligations. To assess operational performance, Business Operations executes testing activities throughout the year aimed at mitigating operational risk, including the requirement that all Exchange Relationships must participate in annual disaster recovery tests. In addition, Business Operations supports external testing with all Exchange Relationships upon request or related to OCC system changes and enhancements. TPRM monitors the financial condition of Exchange Relationships and evaluates whether an Exchange Relationship's operations meet its contractual obligations. Business Operations facilitates annual meetings with each Exchange Relationship that include an operational performance review, communication of updates about upcoming OCC system enhancements and changes, and solicitation of feedback.

Business Operations and TPRM provide reporting to the EVWG, comprised of results from ongoing monitoring and management of an Exchange Relationship's financial, operational, legal and regulatory risks and may raise matters for consideration to the EVWG. The EVWG may take action or escalate the matter to the MC, in accordance with the functions and responsibilities assigned to the EVWG by the MC in the Exchange and Vendor Working Group Procedure.

Off-Boarding: An Exchange Relationship may be terminated by the Exchange or OCC, pursuant to the applicable Exchange Relationship agreement. Upon request for termination by the Exchange Relationship, Business Operations notifies the EVWG and the MC to discuss any immediate actions to mitigate exposure to operational, legal, or regulatory risks and to determine a termination date.

Additionally, Business Operations leads the development of a deployment plan to identify the departments and required actions necessary to reduce any interim risk prior to termination, which may include performing clearing system maintenance and limiting or removing connectivity to the Exchange Relationship. Business Operations and other supporting departments coordinate and perform activities necessary to off-board the relationship in accordance with the applicable Exchange Relationship agreements.

E. Vendors

OCC engages and maintains vendor relationships for various purposes, including to accomplish its strategic objectives, outsource operational activities, and assist in compliance with legal and regulatory obligations. All Third-Party relationships that are not Clearing Members, Financial Institutions, FMUs, or Exchange Relationships are treated as vendor relationships. Prior to commencing on-boarding of a new technology Vendor, implementing new capabilities, or services to existing technology, Information Technology reviews the request to identify solutions and analyze requirements to verify that they are in line with enterprise strategic requirements.

On-Boarding: During on-boarding, TPRM works with the business area requesting the vendor to assign a vendor relationship manager ("VRM") who manages the vendor relationship and execute the phases of the vendor relationship lifecycle. TPRM coordinates with the VRM to complete an evaluation of inherent risks posed by the vendor relationship. The evaluation of inherent risk results in a vendor risk tier which is used to inform the level of due diligence and frequency of monitoring for each vendor. Due diligence is based on the inherent risks identified and may include a review of financial health, operational capacity, and other standards based on the relationship.

Any potential risk issues identified are presented to the VRM and OCC's Legal Department for review. Potential risk issues may also be shared with the EVWG. An agreement that addresses control and business requirements is then negotiated with the vendor and executed by authorized signatories designated through the process outlined in the Legal Services Policy.

Ongoing Monitoring: VRMs monitor vendors to assess whether they are delivering services as required by applicable agreements. The scope and frequency of monitoring is determined by the vendor risk tier and inherent risks identified during on-boarding. Monitoring may include reviewing a vendor's financial health, operational capacity, and other standards based on the relationship's inherent risks.

TPRM provides reporting to the EVWG, comprised of results from ongoing monitoring and management of a vendor's financial, operational, legal, and regulatory risks and may raise matters for consideration to the EVWG. The EVWG may take action (e.g., additional monitoring, require contingency plans, and additional contractual requirements) or escalate the matter to the MC, in accordance with the functions and responsibilities assigned to the EVWG by the MC in the Exchange and Vendor Working Group Procedure.

Off-Boarding: A vendor relationship may be terminated by the vendor or OCC, pursuant to applicable agreements. OCC mitigates exposure to operational, legal, and regulatory risk and performs activities necessary to off-board the relationship in accordance with the applicable vendor agreement.

V. DEFINITIONS

Capitalized terms used and not defined below have the meaning set forth in OCC's Rules and By-Laws.

Exchange Relationships: Includes options exchanges, futures markets, OTC trade sources, or loan markets.

Service Provider for Core Services: Any person that, through a written services provider agreement for services provided to or on behalf of OCC, on an ongoing basis, directly supports the delivery of clearance or settlement functionality or any other purposes material to the business of OCC.

Third-Party: A Clearing Member, Clearing Bank, custodian, liquidity provider under OCC's committed facilities, investment counterparty, financial market utility, Exchange, or vendor, which also has:

(i) a relationship with OCC where products and/or services are exchanged; (ii) other ongoing business relationships with OCC; or (iii) responsibility for OCC associated records.

Watch Level: OCC assigns a level of required monitoring and reporting (i.e., a "Watch Level") based on the identification of events or trends that might signal the deterioration of an entity's financial, operational, or risk management ability to timely meet its future obligations to OCC. Watch Level is a tiered structure with financial (e.g., capital and profitability), operational (e.g., operational difficulties and late financial report submissions), and general business (e.g., risk management issues and business restrictions by another SRO) criteria at each tier. Reaching the criteria at higher tier levels signals a more material event or trend has been detected and an entity may require heightened risk management. The CLRWG may recommend changes to Watch Level criteria to the MC, which maintains approval authority for recommended changes. FRM is responsible for implementing all approved Watch Level criteria changes.