

## **Clearing Member Advisory Committee Mandate**

### **1. Nature of the Clearing Member Advisory Committee**

- 1.1 The Clearing Member Advisory Committee is an independent advisory appointed by the SAFCOM Board to advise the JSE as the outsourced service provider to SAFCOM.
- 1.2 Serving as a Clearing Member Advisory Committee member is a non-remunerated position.

### **2. Composition of the Clearing Member Advisory Committee**

- 2.1 The Chairperson of the Clearing Member Advisory Committee shall be a member of the SAFCOM Board and shall be appointed by the SAFCOM Board. Such appointment will be reviewed every two years.
- 2.2 The Clearing Member Advisory Committee shall consist of representatives from the clearing members and JSE staff members, appointed by the Chairperson, in consultation with the SAFCOM Board, provided that there shall always be more clearing member representatives than JSE staff members on the advisory committee and preferably no more than 25% JSE staff members.
- 2.3 There is no limit to the number of individuals that may serve as members of the Clearing Member Advisory Committee.
- 2.4 Clearing Member Advisory Committee members must have relevant knowledge and experience in the management of clearing and settlement in the derivative securities markets.
- 2.5 Membership of the Clearing Member Advisory Committee will be reviewed annually by the Chairperson, in consultation with the SAFCOM Board and, where appropriate, the composition may be revised.
- 2.6 Subject to the other terms and conditions of this mandate, the Chairperson may appoint any person as a member of the Clearing Member Advisory Committee, either to fill a casual vacancy, or as an additional committee member.

### **3. Mandate of the Clearing Member Advisory Committee**

- 3.1 The Clearing Member Advisory Committee's mandate is to consider and advise the JSE as the outsourced service provider to SAFCOM on –
  - 3.1.1 principle, risk and operational matters relating to clearing members; and
  - 3.1.2 proposed amendments to the JSE rules and directives affecting clearing members.
- 3.2 The Clearing Member Advisory Committee will make recommendations on the basis of reasonable consensus. Where reasonable consensus on any issue considered by the Committee cannot be reached, the conflicting views on the issue in question, shall be referred to the SAFCOM Board for determination.
- 3.3 The Chairperson must ensure that the Clearing Member Advisory Committee is acting within its mandate at all times. If any matter outside the Committee's mandate comes before it, the Chairperson must refer the matter to the appropriate forum.

## **Clearing Member Advisory Committee Mandate**

### **4. Meetings of the Clearing Member Advisory Committee**

- 4.1 The Clearing Member Advisory Committee shall meet as and when necessary at least once a quarter in each calendar year.
- 4.2 A quorum at meetings of the Clearing Member Advisory Committee shall be one-third of the Committee members, with no more than 25% being JSE staff members.
- 4.3 The Clearing Member Advisory Committee may conduct its meetings as it thinks fit.
- 4.4 Persons serving on the Clearing Member Advisory Committee should ensure that they are in a position to meet the required time commitments.
- 4.5 An agenda with preparation material (if needed) will be sent out in advance to the Clearing Member Advisory Committee members and shall state the time, place and the nature of the business to be transacted at the meeting.
- 4.6 Should the Chairperson be unable to attend a meeting, then the Committee members present shall elect one member from amongst themselves to chair that meeting.

### **5. Disqualification of Clearing Member Advisory Committee Members**

- 5.1 A Clearing Member Advisory Committee member shall cease to hold office as such if he or she -
  - 5.1.1 gives notice to the Chairperson of his or her resignation as a Clearing Member Advisory Committee member with effect from the date of, or such later date as is provided for in, such notice;
  - 5.1.2 absents himself or herself from meetings for three consecutive meetings without the leave of the Chairperson;
  - 5.1.3 is, in the opinion of the Chairperson, no longer sufficiently involved in the financial services industry such that he or she still has relevant knowledge and experience in the securities markets.

### **6. Confidential Information**

- 6.1 Each Clearing Member Advisory Committee member shall hold in confidence all confidential information made available.
- 6.2 All confidential information made available to the Clearing Member Advisory Committee can only be made public through written consent from the SAFCOM Board.