JSE Clear Business Continuity Policy

April 2020

Contents

VERSION CONTROL

Created By:	Post Trade Services Division
Creation Date:	30 June 2019
To be approved by:	JSE Clear Risk Committee JSE Clear Board
Version:	2.0
Last update:	April 2020

VERSION HISTORY

Version	Date	Summary of changes	Author
1.0	June 2019	Initial Draft of Policy	Post-trade Services Risk
2.0	April 2020	Cosmetic changes, governance updates	Post-trade Services Risk

1   INTRODUCTION

The purpose of this document is to articulate JSE Clear's (JSEC) business continuity management (BCM) philosophy and the various policy decisions taken to ensure a disruption to the business is managed appropriately.

JSE Clear recognizes that effective BCM is fundamental to the achievement of its objectives. Through a robust and relevant BCM programme and embedded business continuity culture, JSE Clear drives business resilience, innovation and growth, while protecting and enhancing our value. Business continuity management is an integral part of business and as such is incorporated into its strategic decision making processes and day-to-day business operations. Business continuity is a core management competency and the clear responsibility of management.

The JSE defines Business Continuity as the ability to continue the delivery of core products and services at a predetermined level in the event of a material business incident/disruption, while ensuring the protection of its employees and reputation.

The following standards and guidelines were referenced in the development of this policy:

- The Business Continuity Institute Good Practice Guidelines (2013);
- Financial Markets Act (FMA);
- ISO 22301: 2012 (Societal Security – Business Continuity Management Systems – Guidance);
- King IV Report on Corporate Governance for South Africa; and
- IOSCO requirements.

2   POLICY OBJECTIVES

This policy sets out the objectives, approach and requirements in order to:

1. **Commit -** serve as commitment by JSE Clear for accountability and responsibility for business continuity;

2. **Protect** - protect the business, including its employees, customers and stakeholders, by minimizing the impact of material disruptions to critical business activities through proper planning;

3. **Communicate -** communicate the business recovery requirements and ensure an appropriate recovery capability is provided; and

4. **Embed business continuity culture** by ensuring that it is an essential part of business planning, development and risk management.

3   SCOPE

This policy applies to all business units and activities of JSE Clear including third parties and market players, upon whom JSE Clear is dependent for critical services/systems.

This policy includes BCM in its entirety which incorporates business continuity, information and communication technology (ICT) continuity, including key elements of emergency response, relocation of employees and crisis management.

4   POLICY STATEMENT

JSE Clear maintains robust BCM processes that establish a fit-for-purpose and strategic operational framework in the event of a significant business disruption. JSE Clear utilizes remote recovery capabilities for both office space and operations from a stand-alone data centre to supplement the business continuity capabilities of JSE Clear's main service provider. The following are defined to enable fit-for-purpose recovery capabilities:

- Business Continuity Planning specific to each area supporting JSE Clear to recover defined core services;
- Emergency Response Planning for employee safety;
- Recovery site and relocation;
- IT Recovery Planning;
- Defined Risk Appetite; and
- Communication Plan.

5   PRINCIPLES

Organizational resilience should enable an organization to deliver its objectives and to survive and prosper. Business continuity management is implemented and embedded within JSE Clear informed by the JSE Group's BCM policy and following two (2) principles: resilience and value adding.
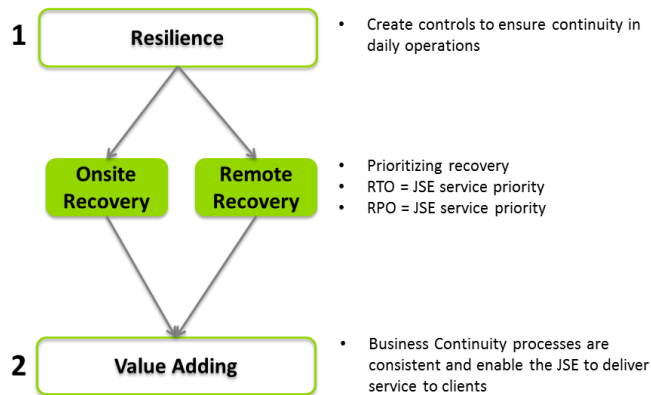
RTO = Recovery Time Objective (how soon you must recover)
RPO = Recovery Point Objective (acceptable time period of data loss)

Whereas the BCM Policy prescribes the intentions and principles, the specific business continuity plans detail the ways and means to ensure critical services and products are delivered at required service levels within tolerable down time.

JSE Clear must establish a recovery time objective for its core operations and processes which must include the ability to perform its key functions. JSE Clear must also establish for a recovery point objective for the data used by JSE Clear. These objectives must be realistically achievable and appropriate for the services JSE Clear provides and the markets it serves.

Further, JSE Clear must test its resilience processes and plans at least annually. Where appropriate this test should consider dependencies on service providers.

5

6 ROLES AND RESPONSIBILITIES

Detailed roles and responsibilities are detailed below.

Roles	Responsibilities
JSE Clear Board	The Board is ultimately responsible for BCM and • discharges this responsibility to Senior Management to implement and execute effective business continuity management; and • approves policies that articulate and give effect to its set direction on business continuity management.
Director: Post Trade Services (Responsible Officer)	The JSE Clear Responsible Officer (RO) is responsible for the implementation of BCM Policy for JSE Clear. The RO discharges this responsibility through the various roles described in this policy as well as steering, reviewing and correcting business continuity activities based on the reporting provided. The RO ensures that business continuity is actively and effectively implemented for JSE Clear's operations.
Crisis Management Team (CMT)	The CMT has the responsibility for the co-ordination and response to an emergency or for recovery of processes or functions in the event of an outage/incident or disaster. The CMT is led by the Recovery Director assigned for the incident, which may be the JSE Clear Responsible Officer, JSE Clear Head of Operations or JSE Clear Head of Risk.. The CMT is made up of the most senior people with understanding of the crisis and business implications thereof, the necessary SME(s).
Recovery Director(s)	The Recovery Director, the RO or a direct report to the RO, is responsible for providing overall leadership and co-ordination during an incident/outage/disaster, providing guidance to the recovery teams and communicating to the relevant stakeholders (internal and external) with the assistance of the communications team.
Enterprise Risk Management Team (including the BCM Team)	The JSE ERM function reviews and recommends the BCM Policy for approval by the Board. The ERM function provides oversight, assurance and measurement of conformance by the various business units regarding this policy and business continuity best practices. This function: • develops, maintains and promotes an appropriate business continuity management policy, framework, approach and culture, as well as methodologies, process and support systems; • facilitates and co-ordinates business continuity management processes in consultation with the JSE Group BCM team and in accordance with the JSE Business Continuity Management Framework; and • co-ordinates standardised and integrated reporting on business continuity activities to the JSE Executive Committee, JSE Clear Risk Committee and Group Risk Management Committee.
Business Recovery Champion	Appointed by the RO and leads the Business Recovery Team/s. The Business recovery champion in each division is to support the Exco head to ensure the business continuity arrangements in place are appropriate, complete and up-to-date. The Business Recovery Champion is the liaison between the ERM function and

	business to ensure the necessary steps are taken to be compliant with this policy and to ensure business readiness.
Business Recovery Team (BRT)	Business recovery team is a structured group of employees ready to take control of the recovery operations due to an incident/outage/disaster.
Governance and Assurance (GA)	Internal Audit team's responsibilities include: • verifying the effectiveness and mitigation activities as part of the audit plan; and • examining, evaluating, reporting and recommending improvements on the adequacy and effectiveness of the BCM processes .
All Employees	All employees are required to fulfil their roles, relevant to their area as set out in the Business Continuity Framework, Plans and/or BCM Policy and to participate in Business Resilience and Technical Resilience Tests as and when required.

7   CONCLUSION

This policy will be reviewed annually by the JSE Clear Head of Risk to ensure its on-going relevance and will be recommended for approval by the JSE Clear Risk Committee to the JSE Clear Board.

APPENDIX 1 - JSE CLEAR RISK COMMITTEE AND BOARD ACTIONS

Confidential – not for distribution

No.	Ref	Action Item	Frequency	Applicable Governance Forum
1.	6	The JSE Clear Board is ultimately responsible for BCM and • discharges this responsibility to Senior Management to implement and execute effective business continuity management; and • **approves policies that articulate and give effect to its set direction on business continuity management**.	Annual	JSE Clear Board
2.	6	The ERM function (within the Risk Management Team), reviews and recommends the **BCM Policy for approval by the Board**	Annual	JSE Clear Board
3.	6	The Business Continuity policy will be reviewed annually by the Risk Team to ensure its on-going relevance and presented for consideration and **approval to JSE Clear Board**.	Annual	JSE Clear Board