



## Exhibit C: Fitness Standards

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*Attach as Exhibit C, a narrative that sets forth the fitness standards for the Board of Directors and its composition including the number and percentage of public Directors.*

The fitness standards set forth herein are the Seed SEF LLC (“Seed SEF”) Board of Directors Corporate Governance Principles (the “Governance Principles”). The Governance Principles were adopted by Seed SEF’s Board of Directors (the “Board”) to assist the Board in the exercise of its responsibilities. The Governance Principles are not intended to supersede or interpret any applicable Federal or State law or regulation.

### 1. Overview

Seed SEF has set standards for the Board that reflects our commitment to our shareholder and to the institutions and individuals who will rely on us to provide swap execution services, and to comply with our role as a swap execution facility subject to oversight by the Commodity Futures Trading Commission.

The Board must act as a prudent fiduciary for shareholders and oversee the management of Seed SEF's business. The Board is responsible for general oversight of Seed SEF, the formulation or approval of policy and direction of the overall management of Seed SEF’s business by its officers, including:

- (a) Reviewing, approving and monitoring major strategic, financial and business activities, Seed SEF’s budget and Seed SEF’s financial performance;
- (b) Evaluating risks and opportunities facing Seed SEF and proposing options for addressing such issues; and overseeing and reviewing recommendations from Seed SEF’s committees and its Chief Compliance Officer.
- (c) Determine the Seed SEF’s strategy;
- (d) Review and approve long-range plans;
- (e) Review and approve the Seed SEF’s annual operating and capital budgets;
- (f) Monitor the Seed SEF’s performance against its long-range plans and budgets and the financial and operating results of the Seed SEF;
- (g) Approve significant transactions and amendments to material contracts of the Seed SEF and its affiliates;
- (h) Monitor actions relating to the evaluation of the performance of the President and such other officers as needed, and take appropriate action, including removal, when warranted;
- (i) Review compensation and succession plans;
- (j) Review and monitor actions related to the adoption of policies relating to the integrity of Seed SEF’s financial statements and the accounting, reporting and financial practices of the Seed SEF;
- (k) Review any Director’s recommendation for the selection of the independent public accountants;
- (l) In consultation with the Seed SEF Chief Compliance Officer, resolve any conflicts of interest that may arise and review Seed SEF’s compliance with applicable laws and regulations and reviewing the adequacy of compliance systems;
- (m) Each Director is expected to comply with all applicable laws, rules and regulations, and Seed SEF policies, and promote compliance by Seed SEF and all of its employees. The Board will discharge its responsibilities and exercise its authority in a manner, consistent with applicable legal and regulatory requirements, that promotes the sound and efficient operation of Seed SEF and its swap execution activities. The Board shall, to the extent consistent with such responsibilities and as long as Seed SEF remains an indirect subsidiary of SEED CX Ltd., operate within the restraints and delegated authorities set by the SEED CX Ltd.



## **2. Composition**

The Board consists of no less than four, and up to twelve, Directors.

At least twenty (20) percent, but no less than one, of the Directors will be Public Directors, as such term is defined from time to time in the rules, regulations, orders, directives or any interpretation thereof promulgated by the Commodity Futures Trading Commission. Public Directors shall be capable of exercising independent judgment to guard against conflicts of interest and to assist the entire Board to carry out their responsibilities more effectively.

The initial Directors are appointed by the subscribers to Seed SEF's Certificate of Incorporation (as named on Exhibit G-1), and thereafter Directors will be proposed by the Nomination Committee once established. Any vacancies caused by death, resignation or any other reason may be immediately filled by Seed SEF's Board without a proposal from the Nomination Committee with any qualified person, who shall hold office until his or her successor shall be duly chosen. Any Director may be removed for cause (see paragraph 5.3 below) at any time by the affirmative vote of a majority of the Directors or by the registered holder of more than half of the ordinary share capital in issue.

### **2.1 Qualifications**

In order to fulfill their responsibilities, Directors (including Public Directors) will be selected based on their experience, qualifications, attributes and skills and the understanding that their leadership will play an integral role in fulfilling Seed SEF's business objectives and legal obligations.

All Directors shall be of sufficiently good repute, including the absence of (i) disciplinary offenses that would be disqualifying under Section 1.63(b) of the Commodity Futures Trading Commission's regulations, and (ii) any felony conviction in the last 10 years, and (iii) any grounds for refusal to register under Section 8a(2) of the Commodity Exchange Act.

### **2.2 Verification of Qualifications**

In order to verify that each Director is qualified to serve, Seed SEF will require a written statement from each prospective Director containing the following:

- (a) Biographical information demonstrating the prospective Director's experience in Seed SEF's scope and intended scope of financial services (including ancillary services valuable for Seed SEF to fulfill its business purposes);
- (b) Representations that the prospective Director has (i) no disciplinary offenses that would be disqualified under Section 1.63(b) of the Commodity Futures Trading Commission's regulations, (ii) no felony conviction in the last 10 years and (iii) no grounds for refusal to register under Section 8a(2) of the Commodity Exchange Act. Each Director is to inform Seed SEF's Chief Compliance Officer in writing if any of the information in the statement materially changes thereafter.

Upon receipt of the written statement, Seed SEF's Chief Compliance Officer will conduct a search on NFA BASIC to determine whether there is anything contradictory to the prospective Director's statement, and will attempt to resolve any inconsistencies. The Chief Compliance Officer will report the results of this review to the Board prior to the election of the prospective Director.

## **3. Board Committees**

The Board will establish standing Board committees. Initially, the Board intends to establish a Participation Committee, Regulatory Oversight Committee and a Nomination Committee.

Each committee must have a charter approved by the Board.

The Board may create such other committees from time to time as it deems necessary. As permitted by Seed SEF operating agreement, any such committee, to the extent provided in a resolution of the Board, shall have and may exercise all the powers and authority of the Board in the management of the business and affairs of Seed SEF but no such committee shall have such power or authority to adopt, amend or repeal any provision of Seed SEF's limited agreement. Unless the Board otherwise provides, each committee designated by the Board may adopt, amend and repeal rules for the conduct of its business.

Materials related to agenda items are to be provided to the committee members in advance of the meeting to allow the members to prepare for discussion of the materials at the meeting.



## **4. Functioning of the Board**

### ***4.1 Regular Meetings***

The Board will meet at least quarterly and at such other times as deemed appropriate either in person or by telephone. Extraordinary meetings may be held from time to time as appropriate.

### ***4.2 Board Materials***

The agenda for each regular meeting and Board materials related to the agenda items will generally be provided to Board members at least five days in advance, or such other timeframe to allow Board members to prepare for discussion of the materials at the meeting. All Board members are free to suggest items for a Board agenda and to raise items for consideration at any meeting, which are not on the agenda for that meeting.

Board members will also receive financial statements, press releases and other information designed to keep them informed about the Seed SEF and its business, performance and prospects.

### ***4.3 Commitment and Attendance***

Each manager is expected to attend all meetings of the Board and of each Committee that the manager is a member. The Board recognizes that occasionally meetings may need to be scheduled on short notice and that conflicts may arise from time to time that will prevent a Board member from attending a meeting scheduled on short notice.

### ***4.4 Participation in Meetings***

Each Board member should be sufficiently familiar with the business of the Seed SEF, including its financial statements, and the risks and competition it faces, to facilitate active and effective participation in the deliberations of the Board and of each committee on which he or she serves. Upon request, management will make appropriate personnel available to answer any questions a manager may have about any aspect of the Seed SEF's business. Board Members should also review the materials provided by management and advisors in advance of the meetings of the Board and its committees and should arrive prepared to discuss the issues presented.

### ***4.5 Minutes***

A person appointed by the Board will prepare the minutes of each meeting of the Board and send them to all Board members for review.

### ***4.6 Access to Senior Management; Experts***

Board members have complete access to the management of the Seed SEF and the Seed SEF's outside advisors, including counsel and auditors. Board Members will use judgment to assure that contact is not distracting to the business operation of the Seed SEF and that the President is advised, as appropriate, of any such contact. The Board may retain outside advisors, including counsel, to assist it in fulfilling its duties.

## **5. Board member matters**

### ***5.1 Conflicts of interest***

Each Director is required to act in the best interests of Seed SEF and to refrain from any conduct that would be, or gives the appearance of being, a conflict of interest. A "conflict of interest" exists when a Director's private interest, including those of his or her immediate family, is inconsistent with or opposed to, or appears to be inconsistent with or opposed to, Seed SEF's interests. This includes a personal interest in a Seed SEF member (as defined in Section 1a (34) of the Commodity Exchange Act), vendor or other person that could be significantly and disproportionately impacted by a decision of the Board.

Prior to any deliberation or vote on the merits of any topic being considered by the Board or a committee of the Board, a Director with a potential conflict of interest must disclose the potential conflict of interest to the Chairman of the Board or the chairman of the relevant committee and may choose to abstain and recuse himself from the deliberating and voting. The Director is encouraged to consult with the Seed SEF Chief Compliance Officer and any necessary internal or external advisors in advance of the topic being discussed or voted upon. In the event that all Directors may be subject to a conflict of interest with respect to any topic being considered by the Board, the Chairman of the Board shall notify the shareholders of Seed SEF, which may call a special meeting of shareholders to make a determination on the topic being considered by the Board.



In addition to the general restrictions against conflicts of interest, all Public Directors will be prohibited from having “material relationships” (as defined from time to time in the rules, regulations, orders, directives or any interpretation thereof promulgated by the Commodity Futures Trading Commission and in Seed SEF’s Rulebook) with Seed SEF which reasonably could affect the independent judgment or decision-making of such Director. “Material relationships” are currently defined to include the following:

- (a) The Director, or an immediate family member of the Director, may not be an officer of Seed SEF or its affiliate;
- (b) The Director, or an immediate family member of the Director, may not be a member of Seed SEF (as defined in Section 1a (34) of the Commodity Exchange Act and any regulation promulgated there under), or a Director, officer or employee of an Seed SEF member;
- (c) The Director, or an immediate family member of the Director, may not be an officer of another entity, which entity has a compensation committee (or similar body) on which any officer of Seed SEF serves; and
- (d) The Director, or an immediate family member of the Director, or an entity with which the Director or such immediate family member is a partner, an officer, an employee or a Director, may not receive more than \$50,000 in combined annual payments for legal, accounting, or consulting services from Seed SEF, any affiliate thereof, any member of Seed SEF or any affiliate of such member.

Notwithstanding the foregoing, (a) compensation for services as a Director of Seed SEF or as a Director of an affiliate of Seed SEF shall not count toward the \$50,000 threshold specified in clause (d) of the above definition, nor shall compensation for services rendered by such individual prior to becoming a Director of Seed SEF, so long as such compensation is or was in no way contingent, conditioned or revocable; and (b) a Public Director may also serve as a Director of an affiliate of Seed SEF if he or she otherwise meets the requirements set forth in clauses (a) through (d) of the above definition.

Each of the preceding disqualifying circumstances is subject to a one-year look back. Public Directors will have an affirmative duty to investigate from time to time, and promptly disclose, the existence and nature of any such material relationships to the Board. The Board must make such findings of any material relationship upon the nomination or appointment of the proposed Public Director and as often as necessary in light of all circumstances relevant to such Director, but in no case less than annually.

## **5.2 Compensation**

Compensation awarded to Public Directors and other non-executive Directors shall not be linked to Seed SEF’s business performance.

## **5.3 Removal**

Any Director whose conduct is likely to be prejudicial to the sound and prudent management of Seed SEF or who is no longer qualified for the business Seed SEF carries out may be removed at any time by the affirmative vote of a majority of the Directors (other than the Director whose conduct is at issue). In addition, the registered holder of more than half of the ordinary share capital of Seed SEF in issue may remove any Director from office.

## **6. Certification and Compliance**

Each Director must become familiar with, and abide by, these Governance Principles. Each prospective Director and Director shall, before taking office, acknowledge his or her receipt and understanding of the Governance Principles, as well as upon any adoption of a revised set of Governance Principles or amendment thereto. In addition, (i) upon request from Seed SEF, the Director shall certify that the qualification information he/she provided to Seed SEF before being elected as a Director has not changed materially, and (ii) from time to time the Director shall provide an updated statement of qualification information that reflects any material changes.

Directors are required to report suspected violations of the Governance Principles or of any applicable law, rule or regulation by any Director to the Board, the Regulatory Oversight Committee, the Chief Compliance Officer (who will subsequently refer any such suspected violations to the Board or the Regulatory Oversight Committee, unless such reported violation is proven incorrect after a prompt initial review of its merits). The Board or the Regulatory Oversight Committee, as applicable, shall determine whether to conduct an investigation and what appropriate action should be taken. Directors may consult with the Seed SEF Chief Compliance Officer if there is any doubt as to whether a particular transaction or course of conduct complies with or is subject to the Governance Principles.



## **7. Self-Review**

The Board shall review its performance and that of its individual Directors on an annual basis. The Board, or a committee delegated such responsibility, shall establish criteria for the Board's evaluation, shall conduct the evaluation in accordance with such criteria, and shall make recommendations to improve deficiencies.

The Board shall make Public Director findings (including but not limited to determinations as to such Public Directors' Material Relationships) as often as necessary in light of all circumstances relevant to each Public Director, but in no case less than annually.