

ICAP SEF Application

Exhibit C: Fitness Standards

Contents

1 Fitness Standards 3

1.1 Overview 3

1.2 Composition 3

1.3 Qualifications 4

1.4 Verification of Qualifications 4

1.5 Conflicts of interest..... 5

1.6 Compensation 6

1.7 Certification and Compliance..... 6

1.8 Self-Review 7

1.9 Removal for Cause 7

1 Fitness Standards

The fitness standards set forth herein are ICAP SEF (US) LLC (the “**Company**”) Board of Directors Corporate Governance Principles (the “**Governance Principles**”). The Governance Principles have been adopted by the Company’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 or the Company’s Certificate of Formation or Operating Agreement.

1.1 Overview

The Company has set high standards for the Board that reflect our commitment to our unitholders 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 unitholders and oversee the management of the Company’s business. The Board is responsible for general oversight of the Company, including:

- reviewing, approving and monitoring major strategic, financial and business activities, the Company’s budget and the Company’s financial performance;
- evaluating risks and opportunities facing the Company and proposing options for addressing such issues; and
- overseeing and reviewing recommendations from the Company’s committees and its Chief Compliance Officer.

The Board should be committed to upholding the highest legal and ethical conduct in fulfilling its responsibilities. Each director is expected to comply with all applicable laws, rules and regulations, and Company policies, and promote compliance by the Company 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 the Company and its swap execution activities. The Board shall, to the extent consistent with such responsibilities and as long as the Company remains an indirect subsidiary of ICAP plc, operate within the restraints and delegated authorities set by the ICAP plc Group.

1.2 Composition

The Board will consist of no less than five, and up to twelve, directors from time to time designated by the Company’s unitholders for such purpose.

At least thirty-five (35%) percent, but no less than two, 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 assisting the entire Board to carry out their responsibilities more effectively.

Each director shall serve a one year term, and may be reappointed to one or more successive one-year terms. The initial directors shall be appointed by the unitholders, and thereafter, directors will be proposed by the Nominating Committee, if then established, and must be approved by the Company's unitholders in order to assume office. Any vacancies caused by death, resignation or any other reason may be immediately filled by the Company's unitholders without a proposal from the Nominating Committee with any qualified person, who shall hold office for the unexpired term and until his or her successor shall be duly chosen. Any director may be removed either for or without cause at any time by the affirmative vote of a majority of the directors or by the affirmative vote of a majority interest of the unitholders entitled to vote, at the annual meeting or at a special meeting called for that purpose.

1.3 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 the Company's business objectives and legal obligations.

In particular, directors should:

- Demonstrate sufficient experience in the Company's scope or intended scope of financial services (including ancillary services valuable for the Company to fulfill its business purposes); and
- 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.

1.4 Verification of Qualifications

In order to verify that each director is qualified to serve, the Company will require (a) a written statement from each prospective director containing the following: (x) biographical information demonstrating the prospective director's experience in the Company's scope and intended scope of financial services (including ancillary services valuable for the Company to fulfill its business purposes); and (y) representations that the prospective director has (i) no disciplinary

offenses that would be disqualifying 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 (b) each director to inform the Company's Chief Compliance Officer in writing if any of the information in the statement materially changes thereafter. Upon receipt of the written statement, the Company'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 unitholders and the Board prior to the election of the prospective director.

1.5 Conflicts of interest

Each director is required to act in the best interests of the Company 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, the Company's interests. This includes a personal interest in a Company 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 that does not choose to abstain from the deliberations and voting must disclose the potential conflict of interest to the Chairman of the Board or the chairman of the relevant committee. Under such circumstances, the director should consider recusing himself or herself from participating in the decision. The director is encouraged to consult with the Company's General Counsel and any necessary 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 unitholders of the Company, which may call a special meeting of unitholders 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 the Operating Agreement of the Company) with the Company which reasonably could affect the independent judgment or decision-making of such director. "Material relationships" are currently defined to include the following:

- (i) The director, or an immediate family member of the director, may not be an officer or employee of the Company or its affiliate.
- (ii) The director, or an immediate family member of the director, may not be a member of the Company, or a director, officer or employee of a Company member (as defined in

Section 1a(34) of the Commodity Exchange Act and any regulation promulgated thereunder).

- (iii) 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 the Company serves.
- (iv) 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 \$100,000 in combined annual payments for legal, accounting, or consulting services from the Company, any affiliate thereof, any member of the Company or any affiliate of such member.

Notwithstanding the foregoing, (a) compensation for services as a director of the Company or as a director of an affiliate of the Company shall not count toward the \$100,000 threshold specified in clause (iv) of the above definition, nor shall compensation for services rendered by such individual prior to becoming a director of the Company, 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 the Company if he or she otherwise meets the requirements set forth in clauses (i) through (iv) 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.

1.6 Compensation

Compensation awarded to Public Directors and other nonexecutive directors shall not be linked to the Company's business performance.

1.7 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 publication of a revised set of Governance Principles or amendment thereto. In addition, (i) upon request from the Company, the director shall certify that the qualification information he/she provided to the Company 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 or the Chief Compliance Officer (who will subsequently relay 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 Company's General Counsel if there is any doubt as to whether a particular transaction or course of conduct complies with or is subject to the Governance Principles.

1.8 Self-Review

The Board shall review its performance and that of its individual directors on an annual basis, before the expiration of each one year term of office for the directors. 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.

1.9 Removal for Cause

Any director failing to comply with, or certify compliance with, the Governance Principles, or whose conduct otherwise is likely to be prejudicial to the sound and prudent management of the Company, may be removed for cause at any time by the affirmative vote of a majority of the directors, other than the director whose conduct is at issue, or by the affirmative vote of a majority interest of the unitholders, at the annual meeting or at a special meeting called for that purpose.