

Exhibit C

FITNESS STANDARDS

A narrative that sets forth the fitness standards for the board of directors and its composition including the number and percentage of public directors.

Fitness standards of the Board of Directors

SDX Trading LLC has taken great care in considering the composition of its Board of Directors (the “Board”) in order to ensure that both individually and collectively the Board possess the required knowledge, experience, commitment and expertise to exercise their obligations of oversight and guidance of a swap execution facility.

SDX considers several factors in determining the composition of its Board, including whether directors, both individually and collectively, possess the required integrity, experience, judgment, commitment, skills and expertise to exercise their obligations of oversight and guidance over a swap execution facility (a “SEF”). Members of the Board must have the following attributes:

- Be of good repute;
- Have the requisite skills and expertise to fulfill their responsibilities in the management and governance of a SEF;
- Have a clear understanding of such responsibilities; and
- Have the ability to exercise sound judgment regarding SEF affairs.

Various other qualifications and requirements for members of the Board are set forth in SDX Trading, LLC’s Operating Agreement (*attached as Exhibit G-2*) and in SDX Trading LLC’s Rulebook (*attached as Exhibit M*). Some of these qualifications are as set forth in *Article 3.4* of SDX Trading Operating Agreement (*attached as Exhibit G-2*):

“3.4 Qualification of Managers. Each individual elected to the Board prior to serving on the Board and for as long as he or she continues to serve on the Board, shall (a) not be subject to a statutory disqualification under section 8a(2) of the CEA, and (b) not have a history of disciplinary offenses as defined in CFTC Regulation 1.63(a)(6). The Managers may also be directors, officers, partners or employees of the Member or of any Affiliate.”

and in *Rule 204* of SDX Trading Rule Book (*attached as Exhibit M*):

- (a) A Director or Officer must meet the qualifications set forth by the Board and in the Operating Agreement.
- (b) An individual may not serve as a Director, or serve on a committee established by the Board, a Disciplinary Panel or an Appeal Panel, or, directly or indirectly, owns 10% of any one class of equity interest in SDX Trading, if the individual:
 - (1) within the prior three (3) years has been found, by a final decision in any action or proceeding brought in a court of competent jurisdiction, the CFTC or any Self-Regulatory Organization, to have committed any Serious Disciplinary Offense;
 - (2) within the prior three (3) years has entered into a settlement agreement in which any of the findings or, in the absence of such findings, any of the acts charged, included a Serious Disciplinary Offense;
 - (3) is currently suspended from trading on a SEF or DCM, is suspended or expelled from membership in a Self-Regulatory Organization, is serving any sentence or probation or owes any portion of a fine or penalty related to either:
 - (i) a finding of a disciplinary offense by a final decision in any action or proceeding brought in a court of competent jurisdiction, the CFTC or any Self-Regulatory Organization; or
 - (ii) a settlement agreement in which any of the findings or, in the absence of such findings, any of the acts charged included a disciplinary offense.
- (c) An individual may not serve as a Director or an Officer, or serve on a committee established by the Board, a Disciplinary Panel or an Appeal Panel, or, directly or indirectly, own greater than 10% of any one class of equity interest in SDX Trading if a De-Registration Basis exists with respect to such individual or meets one or more of the criteria in the definition of Serious Disciplinary Offense.
- (d) Any Director, Officer, member of a committee established by the Board, any member of a Disciplinary Panel, or Appeal Panel, any individual nominated to serve in any such role, any individual who, directly or indirectly, owns greater than 10% of any one class of equity interest in the SDX Trading and any individual authorized by the SDX Trading Compliance Department to take summary action shall immediately notify the Chief Executive Officer if such individual meets one or more applicable criteria in Rule 204(b) or Rule 204(c).

Composition of the Board, including the number and percentage of Public Directors

SDX Trading LLC's board will initially consist of 5 directors, two (40%) of whom will be public directors.

Article 3.2 of SDX Trading Operating Agreement (see Exhibit G-2) states as follows:

“3.2 Composition of the Board. The Board of Managers shall at all times consist of a minimum of 5 Managers. Initially the Board shall consist of: three (3) Managers, who shall be selected by the Member (the “**Member Board**”); the Managers selected by the Member Board will be referred to herein, collectively, as the “**Member Appointed Managers**” and, individually, as a “**Member Appointed Manager**”), and two (2) additional Managers who shall be selected by the Board, with a majority vote of the Member Appointed Managers, to serve as Public Directors (as defined). The Member may increase or decrease the numbers of Managers provided that the Board shall consist of at least five (5) Managers and provided further that at all times the members of the Board shall include no fewer than the minimum number of Public Directors required by the CFTC Regulations.”

Rule 202(b) of SDX Trading Rule Book (see Exhibit M) states as follows:

- (b) At all times, at least 35%, but no less than two (2), of the Directors shall be Public Directors. Each Director (including Public Directors) shall be appointed in accordance with the Operating Agreement, and shall serve until his or her successor is duly appointed, or until his or her earlier resignation or removal, with or without cause.