



Nominations Committee and Board Policy For Assessing Board of Director Candidates

The main purpose of the Nominations Committee is to identify individuals qualified to serve on the MGEX Board of Directors and nominate such individuals to M 402 Holdings, LLC for election to the Board. To this end, the Nominations Committee should seek to identify possible candidates, contact and recruit those candidates, and inform them of the duties and responsibilities involved with serving on the Board. A current Board Director serving on the Nominations Committee may not vote on his or her re-nomination to the Board.

In performing their duties, the Nominations Committee shall give due consideration to the following:

I. Composition

Pursuant to MGEX Bylaw 2.1., the Board shall consist of a minimum of eight Directors, with not less than four individuals who qualify as Public Directors and not less than one individual who is a Market Participant. The Board of Directors must include individuals who are not executives, officers or employees of MGEX to meet the compositional requirement of being at least 50% Public Directors.

II. Qualification Requirements

MGEX aims to retain the most qualified Directors as possible to serve on the Board. To attain this objective, MGEX requires that the Board consist of suitable individuals having appropriate skills and background experience. The Nominations Committee shall assess all Director candidates based on the following criteria:

- A. Skills and Experience: The candidate must have relevant skills and experience. If requested, the Committee may elect to have each candidate submit documentation describing his or her relevant skills and experiences.
- B. Other Fitness Considerations: To the extent possible, when evaluating potential candidates, the Committee shall seek out strategic thinkers, team players, and individuals who understand the industry within which MGEX operates and its goals.
- C. Disciplinary History: The candidate should not have a significant history of serious disciplinary offenses. A review will be conducted of the candidate's disciplinary records for the prior three years as well as his or her disciplinary history on NFA BASIC.

- D. Conflicts of Interest: No Director will be nominated for re-election if it has been found that such Director knowingly failed to disclose a financial, personal, or prejudicial interest or concern in any matter that was under consideration or action by the Board.
- E. Misrepresentation and False Information: No candidate or current Director shall be nominated for election or re-election if the candidate or Director intentionally submits materially inaccurate information or falsely represents his or her skills, knowledge, or experience, or otherwise makes deceptive statements or supplies false information.
- F. Public Directors: In addition to the criteria above, candidates for Public Director must also fill out a Public Director Questionnaire in order to be considered qualified for the position. The candidate for Public Director is required to disclose any and all material relationships that would pose as a conflict of interest and interfere with his or her ability to make independent assessments and decisions.

III. Evaluation of Current Directors

If a candidate is a current Director who is being considered for re-election, the Nominations Committee must take into consideration the Chief Compliance Officer's annual review of the Director.