

North American Derivatives Exchange Emergency Action

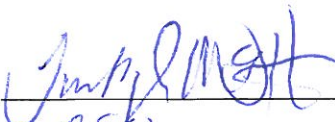
Per North American Derivatives Exchange Rule 2.4, the undersigned two members of the Management Team have authorized the adoption of a temporary emergency rule to address the emergency following emergency:

Indicate the type of emergency being addressed (as listed in Rule 2.4(c)) (check appropriate):

- (i) any activity that manipulates or attempts to manipulate the Market;
- (ii) any actual, attempted, or threatened corner, squeeze, or undue concentration of positions;
- (iii) any circumstance that may materially affect the performance of the Contracts traded on, Nadex;
- (iv) any action taken by the United States, any foreign government, any state or local governmental body, any other contract market or board of trade, or any other exchange, market, facility, or trade association (foreign or domestic) that may have a direct impact on trading on Nadex;
- (v) any circumstances that may have a severe, adverse impact upon the physical functions of Nadex including, for example, natural disasters such as fire or flood, terrorist acts such as bomb threats, physical plant breakdowns such as plumbing, heating, or air conditioning problems, system breakdowns such as power, telephony, cable, trading systems, or computer systems failures or interruptions to communications, the network, or the Internet;
- (vi) the imposition of any injunction or other restraint by any government agency, court, or arbitrator that may affect the ability of a Member to perform on Contracts;
- (vii) any circumstance in which it appears that a Nadex Member or any other person is in such operational condition, or is conducting business in such a manner, that such person cannot be permitted to continue in business without jeopardizing the safety of Nadex Members or Nadex itself; and
- (viii) any other unusual, unforeseeable, and adverse circumstance which, in the opinion of the governing board, requires immediate action and threatens or may threaten such things as the fair and orderly trading in, or the liquidation of or delivery pursuant to Contracts traded on Nadex.

The reason for the emergency action is: On December 31, 2015, due to the New Year's Eve holiday, the Liffe FTSE 100 Index Futures market closed early at 7:30am ET, however, the Nadex FTSE 100 Binary and Spread contracts, which are based upon the Liffe FTSE 100 Index Futures market, were scheduled to close at their regular 4pm ET expiration time. Due to the unavailability of the underlying market upon which the Nadex FTSE 100 contracts are based after 7:30am ET on December 31, 2015, Nadex implemented an Emergency Rule pursuant to Nadex Rule 2.4 to halt the listing of its FTSE 100 Intraday contracts beginning with the 12pm expiration time contract on trade date December 31, 2015, and halted trading in the Daily, Weekly, 10am expiration, and 11am expiration Intraday FTSE 100 contracts at 9:13am ET. No trading occurred in the 11am expiration Intraday contract while it was listed. Daily and Weekly contracts were settled using the regular calculation method with the last available underlying data prior to the

market's close at 7:30am ET. Six binary contracts having a \$100 value were traded in the 10am expiration Intraday contract, involving two local traders and a market maker. Pursuant to Nadex Rule 7.1, which permits Nadex to "adjust the terms of outstanding Series as it deems appropriate in its discretion to achieve fairness to holders of Contracts of the affected Series", as there was no underlying market upon which a fair settlement could be calculated, Nadex determined it was appropriate to make a cash adjustment to the three accounts to return them to the position they would have had if the trades had not occurred. This resulted in \$253.25 being credited to the market maker (\$250.25 in losses plus \$3 in fees), \$217.00 deducted from one local's account (\$226.00 in profits minus \$9 in fees), and \$22.45 deducted from the other local's account (\$24.25 in profits minus \$1.80 in fees).

By: 
Title: CEO
Date: 31 DEC 2015

and By: 
Title: CHIEF REGULATORY OFFICER