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January 23, 2015

Via CFTC Portal Submissions

Mr. Christopher Kirkpatrick
Secretary of the Commission
Office of the Secretariat
Commodity Futures Trading Commission
3 Lafayette Centre
1155 21st Street, N.W.
Washington D.C. 20581

RE: Rule Certification: Nadex Amends its Settlement Calculation Procedures for its Foreign Currency Products – Submission Pursuant to Commission Regulation §40.6(a)

Dear Mr. Kirkpatrick,

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended (the “Act”), and §40.6(a) of the regulations promulgated by the Commodity Futures Trading Commission (the “Commission”) under the Act, North American Derivatives Exchange, Inc. (“Nadex”) hereby submits to the Commission its intent to increase the acceptable maximum spread width between the bid and offer quotes in the underlying market upon which the Nadex foreign currency contracts are based, in order to determine the midpoint price used in the expiration value calculation process. Nadex intends to implement the amended process for the start of business on February 9, 2015.

Expiration values for the Nadex foreign currency contracts are calculated by taking the last ten midpoints between the bid/ask spread just prior to the close of trading in the contract, removing the highest three midpoints and the lowest three midpoints, and using the remaining four midpoints to calculate the expiration value. The remaining four midpoints are then averaged and rounded to one decimal point past the precision of the underlying market. With the exception of the GBP/JPY and AUD/JPY, the maximum acceptable spread between the bid and ask for currency contracts is to be no greater than five pips wide. Any quotes with a bid/ask spread greater than five pips will not be included in the set of ten prices used to calculate the midpoints, which are then averaged to the final expiration value.

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Before upgrading to its new underlying data source, the NadexFX Aggregate Feed (“NadexFX”), Nadex obtained the data used in its settlement calculation from Reuters. The Reuters data feed consisted of fewer reporting financial institutions than the NadexFX feed, and reflected price updates, not necessarily a full stream of bank prices. The maximum acceptable spread of five pips was originally used in order to prevent a misrepresentation of the true underlying value should any of Reuter’s reporting banks experience an outage or reporting error that could affect the accuracy of the final expiration value for the Nadex contracts. However, this precaution did at times result in unusually long periods of time to collect sufficient pricing information for the settlement calculation. In these instances the threshold for the time allotted to obtain the complete data set would be exceeded, requiring a manual review of the data and calculation process to ensure no errors occurred.

Nadex upgraded its underlying source of its currency data to the NadexFX feed on December 14, 2014. The NadexFX data feed is a robust compilation of actionable bids and offers in foreign currencies obtained from 12 well-known established banking institutions. Unlike Reuters, NadexFX pulls data from an executable matching environment where banks can trade against each other. Consequently, banks are inclined to stream more price updates to the source for the NadexFX feed. The NadexFX feed enables Nadex to collect the midpoints it uses in settlement calculation in a significantly more timely and efficient manner than with Reuters. As Nadex is able to collect data to use in the calculation of a particular expiration value in a matter of seconds, the prices that are obtained are more closely reflective of the true market value.

Due to the significant increase in data received from the NadexFX feed, Nadex believes the five pip maximum bid/ask spread is no longer necessary to prevent a misrepresentation of the expiration value. The prices obtained from the NadexFX feed are calculated values that have already been through a process of pruning outlier values and averaged¹, thereby preventing the likelihood that a Nadex expiration value could be manipulated or misrepresented due to pricing in the underlying market. The method of bid/ask calculation in the NadexFX feed accounts for banks experiencing outages or other reporting errors. For added protection, Nadex discards the highest and lowest three midpoint values between the calculated bid/ask prices from the data set of 10 midpoints before averaging the remaining four for a final expiration value.

Widening the maximum spread would further increase the speed in which Nadex is able to collect the data used in the settlement process, resulting in an even more precise expiration value. Additionally, widening the acceptable spread would reduce the number of contracts

¹ The bid/ask prices produced by the NadexFX feed are calculated as follows: prices are received from any of 12 reporting banks; outliers from the subset of firm prices in this data are then discarded. An outlier is the price furthest from the mean in the working set. If the highest and lowest prices are equidistant from the mean, both prices are discarded, provided the number of desired banks remain in the set, otherwise both prices remain. The number of desired banks in the data set is either the greater of 3, or half the number of total banks reporting prices. If less than 3 banks are reporting prices, all are used. The remaining prices from the desired number of banks is then averaged, rounding the resulting value up for offers and down for bids.

requiring a manual review when the threshold for collecting quotes five pips wide or less has been exceeded without increasing the risk of settlement manipulation. Nadex therefore intends to increase the maximum acceptable bid/ask spread from 5 pips to 10 pips. In accordance with §40.2(a)(2) of the Commission's Regulations, Nadex plans to implement this change for the start of business on trade date February 9, 2015.

DCM CORE PRINCIPLES

Nadex has identified the following Designated Contract Market ("DCM") Core Principles as potentially being impacted by the amendment discussed herein: Core Principle 7 (Regulation 38.400) Availability of General Information.

Core Principle 7 (Regulation 38.400) requires the DCM to make available to the public accurate information regarding a contract's terms and conditions. Nadex makes available on its website the Exchange Rulebook, which sets forth all contract specifications, including the expiration value calculation process for all currency contracts. The specifications currently indicate that any spread between the bid and ask which exceeds 5 pips will not be used to determine one of the midpoint prices included in the data set of 10 used in the expiration value calculation process. That language will be updated to reflect a maximum bid/ask spread of 10 pips, and this information will continue to be made public on the Nadex website as it is now. Therefore, the amendment to the maximum bid/ask spread used in the expiration value calculation will not negatively impact Nadex's ability to comply with this Core Principle.

DCO CORE PRINCIPLES

Nadex has identified the following Derivatives Clearing Organization ("DCO") Core Principles as potentially being impacted by the amendment discussed herein: Core Principle E (Regulation 39.14) Settlement Procedures; Core Principle L (Regulation 39.21) Public Information.

Core Principle E requires that the DCO shall effect a settlement with each clearing member at least once each business day. As all currency contracts will continue to expire and settle at their normal times as set forth in the contract specifications, the amendment to the maximum bid/ask spread used to determine the midpoints used in the expiration value calculation will not negatively impact Nadex's ability to comply with this Core Principle.

Core Principle L requires the DCO to make information concerning the rules governing the clearing and settlement systems of the DCO available to market participants. As previously stated, the amendment to the maximum bid/ask spread used to determine the midpoints which are included in the data set of 10 are set forth in the Rulebook, which is available on the Nadex website. Therefore, the amendment to the maximum bid/ask spread used in the expiration value calculation will not negatively impact Nadex's ability to comply with this Core Principle.

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These Rule changes have been outlined in Exhibit A. The amendments to the Rulebook are set forth in Exhibit B. Any deletions are stricken out while the amendments and/or additions are underlined.

Nadex hereby certifies that the amendments contained herein comply with the Act, as amended, and the Commission Regulations adopted thereunder. No substantive opposing views were expressed to Nadex with respect to any of these actions.

Nadex hereby certifies that a copy of these amendments was posted on its website at the time of this filing.

Should you have any questions regarding the above, please do not hesitate to contact me by telephone at (312) 884-0953 or by email at Donald.horwitz@nadex.com.

Sincerely,

A handwritten signature in black ink that reads "Donald L. Horwitz". The signature is written in a cursive, flowing style.

Donald L. Horwitz
General Counsel and Chief Regulatory Officer

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EXHIBIT A

Rule	Asset	Duration/Close Time	Action	Effective Date
12.26	AUD/USD Variable Payout	All Intraday and Daily Contracts	Widen maximum bid/ask spread used to determine midpoint in expiration value calculation process to 10 pips	02/09/15
12.27	AUD/USD Binary	All Intraday, Daily, and Weekly Contracts	Widen maximum bid/ask spread used to determine midpoint in expiration value calculation process to 10 pips	02/09/15
12.28	EUR/USD Variable Payout	All Intraday and Daily Contracts	Widen maximum bid/ask spread used to determine midpoint in expiration value calculation process to 10 pips	02/09/15
12.29	EUR/USD Binary	All Intraday, Daily, and Weekly Contracts	Widen maximum bid/ask spread used to determine midpoint in expiration value calculation process to 10 pips	02/09/15
12.30	GBP/USD Variable Payout	All Intraday and Daily Contracts	Widen maximum bid/ask spread used to determine midpoint in expiration value calculation process to 10 pips	02/09/15
12.31	GBP/USD Binary	All Intraday, Daily, and Weekly Contracts	Widen maximum bid/ask spread used to determine midpoint in expiration value calculation process to 10 pips	02/09/15
12.32	USD/CAD Variable Payout	All Intraday and Daily Contracts	Widen maximum bid/ask spread used to determine midpoint in expiration value calculation process to 10 pips	02/09/15

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12.33	USD/CAD Binary	All Intraday, Daily, and Weekly Contracts	Widen maximum bid/ask spread used to determine midpoint in expiration value calculation process to 10 pips	02/09/15
12.34	USD/CHF Variable Payout	All Intraday and Daily Contracts	Widen maximum bid/ask spread used to determine midpoint in expiration value calculation process to 10 pips	02/09/15
12.35	USD/CHF Binary	All Intraday, Daily, and Weekly Contracts	Widen maximum bid/ask spread used to determine midpoint in expiration value calculation process to 10 pips	02/09/15
12.36	USD/JPY Variable Payout	All Intraday and Daily Contracts	Widen maximum bid/ask spread used to determine midpoint in expiration value calculation process to 10 pips	02/09/15
12.37	USD/JPY Binary	All Intraday, Daily, and Weekly Contracts	Widen maximum bid/ask spread used to determine midpoint in expiration value calculation process to 10 pips	02/09/15
12.38	EUR/JPY Variable Payout	All Intraday and Daily Contracts	Widen maximum bid/ask spread used to determine midpoint in expiration value calculation process to 10 pips	02/09/15
12.39	EUR/JPY Binary	All Intraday, Daily, and Weekly Contracts	Widen maximum bid/ask spread used to determine midpoint in expiration value calculation process to 10 pips	02/09/15
12.42	EUR/GBP Binary	All Intraday, Daily, and Weekly Contracts	Widen maximum bid/ask spread used to determine midpoint in expiration value calculation process to 10 pips	02/09/15

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EXHIBIT B

Amendment of Rules 12.26 - 12.39, and 12.42

(The following Rule amendments are underlined and deletions are stricken out)

RULES 1.1 – 12.25 [UNCHANGED]

RULE 12.26 CURRENCY EXCHANGE AUD/USD VARIABLE PAYOUT CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the Currency Exchange AUD/USD (“AUD/USD”) Variable Payout Contracts issued by Nadex.

(b) UNDERLYING – The Underlying for this Class of Contracts is the Australian dollar/US dollar, herein referred to as “AUD/USD” as quoted in US dollars per Australian dollar obtained from the spot AUD/USD foreign currency market.

(c) SOURCE AGENCY – The Source Agency is Nadex.

(d) TYPE – The Type of Contract is a Variable Payout Contract.

(e) ISSUANCE – For each planned release by the Source Agency of the Underlying, Nadex will issue various Contracts, each of a different Series. A new issuance of Contracts will commence no later than two (2) business days following the Expiration Date.

(f) PAYOUT CRITERION – The Payout Criterion for each Contract will be set by Nadex at the time the Variable Payout Contracts are initially issued. For the AUD/USD Variable Payout Contract, the Payout Criteria for the Contracts will be set as follows;

(i) DAILY VARIABLE AUD/USD SPREAD CONTRACTS, 3:00 PM ET CLOSE
- At the commencement of trading in a Daily Spread AUD/USD Variable Payout Contract, Nadex shall list one (1) Variable Payout Contract, referred to as a ‘Spread’, which conforms to one of the Payout Criteria listed below:

(1) DAILY VARIABLE AUD/USD SPREAD CONTRACT:

(aa) CAP – The Cap shall be $X + 0.0250$.

(bb) FLOOR – The Floor shall be $X - 0.0250$.

(cc) DOLLAR MULTIPLIER – The Dollar Multiplier shall be 10,000.

(2) In each case, “X” equals the last AUD/USD price, as reported by the Source Agency, rounded to the nearest 0.0010.

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(ii) INTRADAY VARIABLE AUD/USD SPREAD CONTRACTS, 6:00PM to 11:00PM, 11:00PM to 7:00AM, and 7:00AM to 3:00PM ET CLOSE - Nadex shall list a set of three (3) Variable Payout Contracts with overlapping ranges, which conform to the Payout Criteria listed below:

(1) CONTRACT 1: The Cap shall be X; The Floor shall be X- 0.0200.

(2) CONTRACT 2: The Cap shall be X + 0.0100; The Floor shall be X – 0.0100

(3) CONTRACT 3: The Cap shall be X + 0.0200; The Floor shall be X.

(4) DOLLAR MULTIPLIER – The Dollar Multiplier shall be 10,000.

(5) In each case, “X” equals the last AUD/USD price, as reported by the Source Agency, rounded to the nearest 0.0010.

(iii) INTRADAY 2-HOUR VARIABLE AUD/USD SPREAD CONTRACTS, 8:00PM, 9:00PM, 10:00PM, 11:00PM, 12:00AM, 1:00AM, 2:00AM, 3:00AM, 4:00AM, 5:00AM, 6:00AM, 7:00AM, 8:00AM, 9:00AM, 10:00AM, 11:00AM, 12:00PM, 1:00PM, 2:00PM, and 3:00PM ET CLOSE - Nadex shall list a set of three (3) Variable Payout Contracts that open 2 hours prior to the stated closing time(s) above with overlapping ranges, which conform to the Payout Criteria listed below:

(1) CONTRACT 1: The Cap shall be X; The Floor shall be X- 0.0100.

(2) CONTRACT 2: The Cap shall be X + 0.0050; The Floor shall be X – 0.0050

(3) CONTRACT 3: The Cap shall be X + 0.0100; The Floor shall be X.

(4) DOLLAR MULTIPLIER – The Dollar Multiplier shall be 10,000.

(5) In each case, “X” equals the last AUD/USD price, as reported by the Source Agency, rounded to the nearest 0.0010.

(iv) Nadex may list additional Variable Payout Contracts with different ranges of Payout Criteria on a discretionary basis in accordance with the CEA and Commission Regulations.

(g) MINIMUM TICK – The Minimum Tick size for AUD/USD Variable Payout Contracts shall be 0.0001.

(h) REPORTING LEVEL – The Reporting Level for the AUD/USD Variable Payout Contracts shall be 2,500 Contracts.

(i) POSITION LIMIT – There are currently no Position Limits for AUD/USD Variable Payout Contracts.

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(j) LAST TRADING DATE – The Last Trading Date in a Series is the same date as the Settlement Date.

(k) SETTLEMENT DATE – The Settlement Date of the Contract shall be the same date as the Expiration Date.

(l) EXPIRATION DATE – The Expiration Date of the Contract shall be the date on which the AUD/USD Expiration Value is released by the Source Agency.

(m) SETTLEMENT VALUE – The Settlement Value is the amount paid to the holder of either a Short or Long Variable Payout Contract on Settlement Date. The Settlement Value of a Variable Payout Contract is determined as described in the definition for Long and Short Variable Payout Contracts.

(n) EXPIRATION VALUE – The Expiration Value is the price or value of AUD/USD released by the Source Agency on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking the last ten (10) Midpoints between the bid/ask spread (~~five~~ten pips wide or less) just prior to the close of trading of the AUD/USD Variable Payout Contract and removing the highest three (3) Midpoints and the lowest three (3) Midpoints, using the remaining four (4) AUD/USD Midpoints to calculate the Expiration Value. The calculation used is a simple average of all four (4) AUD/USD Midpoints, rounded to one decimal point past the precision of the underlying market. A Midpoint is calculated by adding the bid price and the ask price together and then dividing that number by two (2). For example, if the bid price is 1.3400 and the ask price is 1.3402, the two numbers are added together (totaling 2.6802) and then divided by two (2), equaling a Midpoint of 1.3401. If the spread between a particular bid price and ask price is deemed too wide (greater than ~~five~~ten (510) pips), those prices will not be used to calculate a Midpoint and will thus not be included within the 10 initially captured values.

(o) CONTINGENCIES – If no level is actually announced on the Expiration Date due to a delay, postponement or otherwise in such release announcement by the Source Agency, the Settlement Date will be delayed until the Underlying number is released for that Series.

RULE 12.27 CURRENCY EXCHANGE AUD/USD BINARY CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the Currency Exchange AUD/USD (“AUD/USD”) Binary Contract issued by Nadex.

(b) UNDERLYING – The Underlying for this Class of Contracts is the Australian dollar/US dollar herein referred to as “AUD/USD” as quoted in U.S. dollars per Australian dollar obtained from the spot AUD/USD foreign currency market.

(c) SOURCE AGENCY – The Source Agency is Nadex.

(d) TYPE – The type of Contract is a Binary Contract.

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(e) ISSUANCE – For each planned release by the Source Agency of the Underlying, Nadex will issue various Contracts, each of a different Series. A new issuance of Contracts will commence no later than two (2) business days following the Expiration Date.

(f) PAYOUT CRITERION – The Payout Criterion for each Contract will be set by Nadex at the time the Binary Contracts are initially issued. For the AUD/USD Binary Contract, the Payout Criteria for the Contracts will be set as follows:

(i) WEEKLY AUD/USD BINARY CONTRACTS

- (1) EXPIRATION TIME – 3 PM ET CLOSE
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 0.0050.
- (3) NUMBER OF STRIKE LEVELS LISTED - Fourteen (14) strike levels will be listed for each Weekly AUD/USD Binary Contract Series.
- (4) STRIKE LEVELS GENERATED - Strike levels will be generated such that Binary Contract “W” is valued ‘at-the-money’ in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in either 0.0025 or 0.0075 as reported by the Source Agency. Six (6) strike levels will be generated above Binary Contract W at an interval of 0.0050, and seven (7) strike levels will be generated below Binary Contract W at an interval of 0.0050 (e.g. $W - 0.0050$; W ; $W + 0.0050$). The Contract will have a Payout Criterion of greater than the strike level value.

(ii) DAILY AUD/USD BINARY CONTRACTS

- (1) EXPIRATION TIME – 3 AM, 7 AM, 11 AM, 3 PM, 7 PM, 11 PM ET CLOSE
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 0.0020.
- (3) NUMBER OF STRIKE LEVELS LISTED – Twenty-one (21) strike levels will be listed for each Daily AUD/USD Binary Contract Series.
- (4) STRIKE LEVELS GENERATED - Strike levels will be generated such that Binary Contract “X” is valued ‘at-the-money’ in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in 0.0020 as reported by the Source Agency. Ten (10) strike levels will be generated above Binary Contract X at an interval of 0.0020, and

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ten (10) strike levels will be generated below Binary Contract X at an interval of 0.0020 (e.g. $X - 0.0020$; X ; $X + 0.0020$). The Contract will have a Payout Criterion of greater than the strike level value.

(iii) INTRADAY 2-HOUR AUD/USD BINARY CONTRACTS

- (1) EXPIRATION TIME – 8 PM, 9 PM, 10 PM, 11 PM, 12 AM, 1 AM, 2 AM, 3 AM, 4 AM, 5 AM, 6 AM, 7 AM, 8 AM, 9 AM, 10 AM, 11 AM, 12 PM, 1 PM, 2 PM, 3 PM, 4 PM, 5 PM ET CLOSE
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 0.0005.
- (3) NUMBER OF STRIKE LEVELS LISTED – Nineteen (19) strike levels will be listed for each Intraday 2-Hour AUD/USD Binary Contract Series.
- (4) STRIKE LEVELS GENERATED - Strike levels will be generated such that Binary Contract “Y” is valued ‘at-the-money’ in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in 0.0001 as reported by the Source Agency. Nine (9) strike levels will be generated above Binary Contract Y at an interval of 0.0005, and nine (9) strike levels will be generated below Binary Contract Y at an interval of 0.0005 (e.g. $Y - 0.0005$; Y ; $Y + 0.0005$). The Contract will have a Payout Criterion of greater than the strike level value.

(iv) INTRADAY 5-MINUTE AUD/USD BINARY CONTRACTS

- (1) EXPIRATION TIME – 5-Minute Binary Contracts will expire every 5 minutes beginning Sunday at 6:05pm ET and ending Friday at 4:00pm ET.
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 0.0004.
- (3) NUMBER OF STRIKE LEVELS LISTED – Three (3) strike levels will be listed for each Intraday 5-Minute AUD/USD Binary Contract Series.
- (4) STRIKE LEVELS GENERATED - Strike levels will be generated such that Binary Contract “Z” is valued ‘at-the-money’ in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in 0.0001 as reported by the Source Agency. One (1) strike level will be generated above Binary Contract Z at an interval of 0.0004, and

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one (1) strike level will be generated below Binary Contract Z at an interval of 0.0004 (e.g. $Z - 0.0004$; Z ; $Z + 0.0004$). The Contract will have a Payout Criterion of greater than the strike level value.

(5) Nadex may, in its discretion, temporarily halt the listing of any 5-Minute Binary Contract due to the unavailability of the underlying market upon which the Contract is based, or any other condition Nadex determines may be detrimental to the listing of the Contract.

(v) Nadex may list additional AUD/USD Binary Contracts with different ranges of Payout Criteria on a discretionary basis in accordance with the CEA and Commission Regulations.

(g) MINIMUM TICK – The Minimum Tick size for AUD/USD Binary Contracts shall be \$0.25.

(h) REPORTING LEVEL – The Reporting Level for the AUD/USD Binary Contracts shall be 12,500 Contracts.

(i) POSITION LIMIT – There are currently no Position Limits for AUD/USD Binary Contract.

(j) LAST TRADING DATE – The Last Trading Date in a Series is the same as the Expiration Date. No trading in the AUD/USD Binary Contracts shall occur after its Last Trading Date.

(k) SETTLEMENT DATE – The Settlement Date will be the date on which the AUD/USD number as reported by the Source Agency.

(l) EXPIRATION DATE – The Expiration Date of the Contract will be the date on which the AUD/USD number is scheduled to be released.

(m) SETTLEMENT VALUE – The Settlement Value is the amount paid to the holder of the in the money Contract on the Settlement Date. The Settlement Value of an in the money AUD/USD Binary Contract is \$100.

(n) EXPIRATION VALUE – The Expiration Value is the price or value of AUD/USD as released by the Source Agency on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking the last ten (10) Midpoints between the bid/ask spread (~~five~~ten pips wide or less) just prior to the close of trading of the AUD/USD Binary Contract and removing the highest three (3) Midpoints and the lowest three (3) Midpoints, using the remaining four (4) AUD/USD Midpoints to calculate the Expiration Value. The calculation used is a simple average of all four (4) AUD/USD Midpoints, rounded to one decimal point past the precision of the underlying market. A Midpoint is calculated by adding the bid price and the ask price together and then dividing that number by two (2). For example, if the bid price is 1.3400 and

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the ask price is 1.3402, the two numbers are added together (totaling 2.6802) and then divided by two (2), equaling a Midpoint of 1.3401. If the spread between a particular bid price and ask price is deemed too wide (greater than ~~five~~ ten (510) pips), those prices will not be used to calculate a Midpoint and will thus not be included within the 10 initially captured values.

(o) CONTINGENCIES – If no level is actually announced on the Expiration Date due to a delay, postponement or otherwise in such release announcement by the Source Agency, the Settlement Date will be delayed until the Underlying number is released for that Series.

RULE 12.28 CURRENCY EXCHANGE EUR/USD VARIABLE PAYOUT CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the Currency Exchange EUR/USD (“EUR/USD”) Variable Payout Contracts issued by Nadex.

(b) UNDERLYING – The Underlying for this Class of Contracts is the Euro/US dollar, herein referred to as “EUR/USD” as quoted in US dollars per Euro obtained from the spot EUR/USD foreign currency market.

(c) SOURCE AGENCY – The Source Agency is Nadex.

(d) TYPE – The Type of Contract is a Variable Payout Contract.

(e) ISSUANCE – For each planned release by the Source Agency of the Underlying, Nadex will issue various Contracts, each of a different Series. A new issuance of Contracts will commence no later than two (2) business days following the Expiration Date.

(f) PAYOUT CRITERION – The Payout Criterion for each Contract will be set by Nadex at the time the Variable Payout Contracts are initially issued. For the EUR/USD Variable Payout Contract, the Payout Criteria for the Contracts will be set as follows;

(i) DAILY VARIABLE EUR/USD SPREAD CONTRACTS, 3:00 PM ET CLOSE - At the commencement of trading in a Daily Spread EUR/USD Variable Payout Contract, Nadex shall list one (1) Variable Payout Contract, referred to as a ‘Spread’, which conforms to one of the Payout Criteria listed below:

(1) DAILY VARIABLE EUR/USD SPREAD CONTRACT:

(aa) CAP – The Cap shall be $X + 0.0300$.

(bb) FLOOR – The Floor shall be $X - 0.0300$.

(cc) DOLLAR MULTIPLIER – The Dollar Multiplier shall be 10,000.

(2) In each case, “X” equals the last EUR/USD price, as reported by the Source Agency, rounded to the nearest 0.0010.

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(ii) INTRADAY VARIABLE EUR/USD SPREAD CONTRACTS, 6:00PM to 11:00PM, 11:00PM to 7:00AM, and 7:00AM to 3:00PM ET CLOSE - Nadex shall list a set of three (3) Variable Payout Contracts with overlapping ranges, which conform to the Payout Criteria listed below:

(1) CONTRACT 1: The Cap shall be X; The Floor shall be X- 0.0250.

(2) CONTRACT 2: The Cap shall be X + 0.0125; The Floor shall be X – 0.0125

(3) CONTRACT 3: The Cap shall be X + 0.0250; The Floor shall be X.

(4) DOLLAR MULTIPLIER – The Dollar Multiplier shall be 10,000.

(5) In each case, “X” equals the last EUR/USD price, as reported by the Source Agency, rounded to the nearest 0.0010.

(iii) INTRADAY 2-HOUR VARIABLE EUR/USD SPREAD CONTRACTS, 8:00PM, 9:00PM, 10:00PM, 11:00PM, 12:00AM, 1:00AM, 2:00AM, 3:00AM, 4:00AM, 5:00AM, 6:00AM, 7:00AM, 8:00AM, 9:00AM, 10:00AM, 11:00AM, 12:00PM, 1:00PM, 2:00PM, and 3:00PM ET CLOSE - Nadex shall list a set of three (3) Variable Payout Contracts that open 2 hours prior to the stated closing time(s) above with overlapping ranges, which conform to the Payout Criteria listed below:

(1) CONTRACT 1: The Cap shall be X; The Floor shall be X- 0.0100.

(2) CONTRACT 2: The Cap shall be X + 0.0050; The Floor shall be X – 0.0050

(3) CONTRACT 3: The Cap shall be X + 0.0100; The Floor shall be X.

(4) DOLLAR MULTIPLIER – The Dollar Multiplier shall be 10,000.

(5) In each case, “X” equals the last EUR/USD price, as reported by the Source Agency, rounded to the nearest 0.0010.

(iv) Nadex may list additional Variable Payout Contracts with different ranges of Payout Criteria on a discretionary basis in accordance with the CEA and Commission Regulations.

(g) MINIMUM TICK – The Minimum Tick size for EUR/USD Variable Payout Contracts shall be 0.0001.

(h) REPORTING LEVEL – The Reporting Level for the EUR/USD Variable Payout Contracts shall be 2,083 Contracts.

(i) POSITION LIMIT – There are currently no Position Limits for EUR/USD Variable Payout Contracts.

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(j) LAST TRADING DATE – The Last Trading Date in a Series is the same date as the Settlement Date.

(k) SETTLEMENT DATE – The Settlement Date of the Contract shall be the same date as the Expiration Date.

(l) EXPIRATION DATE – The Expiration Date of the Contract shall be the date on which the EUR/USD Expiration Value is released by the Source Agency.

(m) SETTLEMENT VALUE – The Settlement Value is the amount paid to the holder of either a Short or Long Variable Payout Contract on Settlement Date. The Settlement Value of a Variable Payout Contract is determined as described in the definition for Long and Short Variable Payout Contracts.

(n) EXPIRATION VALUE – The Expiration Value is the price or value of EUR/USD released by the Source Agency on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking the last ten (10) Midpoints between the bid/ask spread (~~five~~ten pips wide or less) just prior to the close of trading of the EUR/USD Variable Payout Contract and removing the highest three (3) Midpoints and the lowest three (3) Midpoints, using the remaining four (4) EUR/USD Midpoints to calculate the Expiration Value. The calculation used is a simple average of all four (4) EUR/USD Midpoints, rounded to one decimal point past the precision of the underlying market. A Midpoint is calculated by adding the bid price and the ask price together and then dividing that number by two (2). For example, if the bid price is 1.3400 and the ask price is 1.3402, the two numbers are added together (totaling 2.6802) and then divided by two (2), equaling a Midpoint of 1.3401. If the spread between a particular bid price and ask price is deemed too wide (greater than ~~five~~ten (~~5~~10) pips), those prices will not be used to calculate a Midpoint and will thus not be included within the 10 initially captured values.

(o) CONTINGENCIES – If no level is actually announced on the Expiration Date due to a delay, postponement or otherwise in such release announcement by the Source Agency, the Settlement Date will be delayed until the Underlying number is released for that Series.

RULE 12.29 CURRENCY EXCHANGE EUR/USD BINARY CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the Currency Exchange EUR/USD (“EUR/USD”) Binary Contract issued by Nadex.

(b) UNDERLYING – The Underlying for this Class of Contracts is the Euro/US dollar herein referred to as “EUR/USD” as quoted in U.S. dollars per Euro obtained from the spot EUR/USD foreign currency market.

(c) SOURCE AGENCY – The Source Agency is Nadex.

(d) TYPE – The type of Contract is a Binary Contract.

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(e) ISSUANCE – For each planned release by the Source Agency of the Underlying, Nadex will issue various Contracts, each of a different Series. A new issuance of Contracts will commence no later than two (2) business days following the Expiration Date.

(f) PAYOUT CRITERION – The Payout Criterion for each Contract will be set by Nadex at the time the Binary Contracts are initially issued. For the EUR/USD Binary Contract, the Payout Criteria for the Contracts will be set as follows:

(i) WEEKLY EUR/USD BINARY CONTRACTS

- (1) EXPIRATION TIME – 3 PM ET CLOSE
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 0.0050.
- (3) NUMBER OF STRIKE LEVELS LISTED - Fourteen (14) strike levels will be listed for each Weekly EUR/USD Binary Contract Series.
- (4) STRIKE LEVELS GENERATED - Strike levels will be generated such that Binary Contract “W” is valued ‘at-the-money’ in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in 0.0025 or 0.0075 as reported by the Source Agency. Six (6) strike levels will be generated above Binary Contract W at an interval of 0.0050, and seven (7) strike levels will be generated below Binary Contract W at an interval of 0.0050 (e.g. $W - 0.0050$; W ; $W + 0.0050$). The Contract will have a Payout Criterion of greater than the strike level value.

(ii) DAILY EUR/USD BINARY CONTRACTS

- (1) EXPIRATION TIME – 3 AM, 7 AM, 11 AM, 3 PM, 7 PM, 11 PM ET CLOSE
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 0.0020.
- (3) NUMBER OF STRIKE LEVELS LISTED – Twenty-one (21) strike levels will be listed for each Daily EUR/USD Binary Contract Series.
- (4) STRIKE LEVELS GENERATED - Strike levels will be generated such that Binary Contract “X” is valued ‘at-the-money’ in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in 0.0020 as reported by the Source Agency. Ten (10) strike levels will be generated above Binary Contract X at an interval of 0.0020, and

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ten (10) strike levels will be generated below Binary Contract X at an interval of 0.0020 (e.g. $X - 0.0020$; X ; $X + 0.0020$). The Contract will have a Payout Criterion of greater than the strike level value.

(iii) INTRADAY 2-HOUR EUR/USD BINARY CONTRACTS

- (1) EXPIRATION TIME – 8 PM, 9 PM, 10 PM, 11 PM, 12 AM, 1 AM, 2 AM, 3 AM, 4 AM, 5 AM, 6 AM, 7 AM, 8 AM, 9 AM, 10 AM, 11 AM, 12 PM, 1 PM, 2 PM, 3 PM, 4 PM, 5 PM ET CLOSE
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 0.0004.
- (3) NUMBER OF STRIKE LEVELS LISTED – Nineteen (19) strike levels will be listed for each Intraday 2-Hour EUR/USD Binary Contract Series.
- (4) STRIKE LEVELS GENERATED - Strike levels will be generated such that Binary Contract “Y” is valued ‘at-the-money’ in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in 0.0001 as reported by the Source Agency. Nine (9) strike levels will be generated above Binary Contract Y at an interval of 0.0004, and nine (9) strike levels will be generated below Binary Contract Y at an interval of 0.0004 (e.g. $Y - 0.0004$; Y ; $Y + 0.0004$). The Contract will have a Payout Criterion of greater than the strike level value.

(iv) INTRADAY 5-MINUTE EUR/USD BINARY CONTRACTS

- (1) EXPIRATION TIME – 5-Minute Binary Contracts will expire every 5 minutes beginning Sunday at 6:05pm ET and ending Friday at 4:00pm ET.
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 0.0003.
- (3) NUMBER OF STRIKE LEVELS LISTED – Three (3) strike levels will be listed for each Intraday 5-Minute EUR/USD Binary Contract Series.
- (4) STRIKE LEVELS GENERATED - Strike levels will be generated such that Binary Contract “Z” is valued ‘at-the-money’ in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in 0.0001 as reported by the Source Agency. One (1) strike level will be generated above Binary Contract Z at an interval of 0.0003, and one (1) strike level will be generated below Binary Contract Z at an interval

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of 0.0003 (e.g. $Z - 0.0003$; Z ; $Z + 0.0003$). The Contract will have a Payout Criterion of greater than the strike level value.

(5) Nadex may, in its discretion, temporarily halt the listing of any 5-Minute Binary Contract due to the unavailability of the underlying market upon which the Contract is based, or any other condition Nadex determines may be detrimental to the listing of the Contract.

(v) Nadex may list additional EUR/USD Binary Contracts with different ranges of Payout Criteria on a discretionary basis in accordance with the CEA and Commission Regulations.

(g) MINIMUM TICK – The Minimum Tick size for EUR/USD Binary Contracts shall be \$0.25.

(h) REPORTING LEVEL – The Reporting Level for the EUR/USD Binary Contracts shall be 12,500 Contracts.

(i) POSITION LIMIT – There are currently no Position Limits for EUR/USD Binary Contract.

(j) LAST TRADING DATE – The Last Trading Date in a Series is the same as the Expiration Date. No trading in the EUR/USD Binary Contracts shall occur after its Last Trading Date.

(k) SETTLEMENT DATE – The Settlement Date will be the date on which the EUR/USD number as reported by the Source Agency.

(l) EXPIRATION DATE – The Expiration Date of the Contract will be the date on which the EUR/USD number is scheduled to be released.

(m) SETTLEMENT VALUE – The Settlement Value is the amount paid to the holder of the in the money Contract on the Settlement Date. The Settlement Value of an in the money EUR/USD Binary Contract is \$100.

(n) EXPIRATION VALUE – The Expiration Value is the price or value of EUR/USD as released by the Source Agency on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking the last ten (10) Midpoints between the bid/ask spread (~~five~~ten pips wide or less) just prior to the close of trading of the EUR/USD Binary Contract and removing the highest three (3) Midpoints and the lowest three (3) Midpoints, using the remaining four (4) EUR/USD Midpoints to calculate the Expiration Value. The calculation used is a simple average of all four (4) EUR/USD Midpoints, rounded to one decimal point past the precision of the underlying market. A Midpoint is calculated by adding the bid price and the ask price together and then dividing that number by two (2). For example, if the bid price is 1.3400 and the ask price is 1.3402, the two numbers are added together (totaling 2.6802) and then divided by two

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(2), equaling a Midpoint of 1.3401. If the spread between a particular bid price and ask price is deemed too wide (greater than ~~five~~ten (510) pips), those prices will not be used to calculate a Midpoint and will thus not be included within the 10 initially captured values.

(o) CONTINGENCIES – If no level is actually announced on the Expiration Date due to a delay, postponement or otherwise in such release announcement by the Source Agency, the Settlement Date will be delayed until the Underlying number is released for that Series.

RULE 12.30 CURRENCY EXCHANGE GBP/USD VARIABLE PAYOUT CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the Currency Exchange GBP/USD (“GBP/USD”) Variable Payout Contracts issued by Nadex.

(b) UNDERLYING – The Underlying for this Class of Contracts is the British Pound/ US dollar, herein referred to as “GBP/USD” as quoted in US dollars per British Pound obtained from the spot GBP/USD foreign currency market.

(c) SOURCE AGENCY – The Source Agency is Nadex.

(d) TYPE – The Type of Contract is a Variable Payout Contract.

(e) ISSUANCE – For each planned release by the Source Agency of the Underlying, Nadex will issue various Contracts, each of a different Series. A new issuance of Contracts will commence no later than two (2) business days following the Expiration Date.

(f) PAYOUT CRITERION – The Payout Criterion for each Contract will be set by Nadex at the time the Variable Payout Contracts are initially issued. For the GBP/USD Variable Payout Contract, the Payout Criteria for the Contracts will be set as follows;

(i) DAILY VARIABLE GBP/USD CONTRACTS, 3:00 PM ET CLOSE SPREAD - At the commencement of trading in a Daily Spread USD/USD Variable Payout Contract, Nadex shall list one (1) Variable Payout Contract, referred to as a ‘Spread’, which conforms to one of the Payout Criteria listed below:

(1) DAILY VARIABLE GBP/USD SPREAD CONTRACT

(aa) CAP – The Cap shall be $X + 0.0400$.

(bb) FLOOR – The Floor shall be $X - 0.0400$.

(cc) DOLLAR MULTIPLIER – The Dollar Multiplier shall be 10,000.

(2) In each case, “X” equals the last GBP/USD price, as reported by the Source Agency, rounded to the nearest 0.0010.

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(ii) INTRADAY VARIABLE GBP/USD SPREAD CONTRACTS, 6:00PM to 11:00PM, 11:00PM to 7:00AM, and 7:00AM to 3:00PM ET CLOSE - Nadex shall list a set of three (3) Variable Payout Contracts with overlapping ranges, which conform to the Payout Criteria listed below:

(1) CONTRACT 1: The Cap shall be X; The Floor shall be X- 0.0300.

(2) CONTRACT 2: The Cap shall be X + 0.0150; The Floor shall be X – 0.0150

(3) CONTRACT 3: The Cap shall be X + 0.0300; The Floor shall be X.

(4) DOLLAR MULTIPLIER – The Dollar Multiplier shall be 10,000.

(5) In each case, “X” equals the last GBP/USD price, as reported by the Source Agency, rounded to the nearest 0.0010.

(iii) INTRADAY 2-HOUR VARIABLE GBP/USD SPREAD CONTRACTS, 8:00PM, 9:00PM, 10:00PM, 11:00PM, 12:00AM, 1:00AM, 2:00AM, 3:00AM, 4:00AM, 5:00AM, 6:00AM, 7:00AM, 8:00AM, 9:00AM, 10:00AM, 11:00AM, 12:00PM, 1:00PM, 2:00PM, and 3:00PM ET CLOSE - Nadex shall list a set of three (3) Variable Payout Contracts that open 2 hours prior to the stated closing time(s) above with overlapping ranges, which conform to the Payout Criteria listed below:

(1) CONTRACT 1: The Cap shall be X; The Floor shall be X- 0.0150.

(2) CONTRACT 2: The Cap shall be X + 0.0075; The Floor shall be X – 0.0075.

(3) CONTRACT 3: The Cap shall be X + 0.0150; The Floor shall be X.

(4) DOLLAR MULTIPLIER – The Dollar Multiplier shall be 10,000.

(5) In each case, “X” equals the last GBP/USD price, as reported by the Source Agency, rounded to the nearest 0.0010.

(iv) Nadex may list additional Variable Payout Contracts with different ranges of Payout Criteria on a discretionary basis in accordance with the CEA and Commission Regulations.

(g) MINIMUM TICK – The Minimum Tick size for GBP/USD Variable Payout Contracts shall be 0.0001.

(h) REPORTING LEVEL – The Reporting Level for the GBP/USD Variable Payout Contracts shall be 1,562 Contracts.

(i) POSITION LIMIT – There are currently no Position Limits for GBP/USD Variable Payout Contracts.

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(j) LAST TRADING DATE – The Last Trading Date in a Series shall be the same date as the Settlement Date.

(k) SETTLEMENT DATE – The Settlement Date of the Contract shall be the same date as the Expiration Date.

(l) EXPIRATION DATE – The Expiration Date of the Contract shall be the date on which the GBP/USD Expiration Value is released by the Source Agency.

(m) SETTLEMENT VALUE – The Settlement Value is the amount paid to the holder of either a Short or Long Variable Payout Contract on Settlement Date. The Settlement Value of a Variable Payout Contract is determined as described in the definition for Long and Short Variable Payout Contracts.

(n) EXPIRATION VALUE – The Expiration Value is the price or value of GBP/USD released by the Source Agency on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking the last ten (10) Midpoints between the bid/ask spread (~~five~~ten pips wide or less) just prior to the close of trading of the GBP/USD Variable Payout Contract and removing the three (3) Midpoints and the lowest three (3) Midpoints, using the remaining four (4) GBP/USD Midpoints to calculate the Expiration Value. The calculation used is a simple average of all four (4) GBP/USD Midpoints, rounded to one decimal point past the precision of the underlying market. A Midpoint is calculated by adding the bid price and the ask price together and then dividing that number by two (2). For example, if the bid price is 1.9900 and the ask price is 1.9902, the two numbers are added together (totaling 3.9802) and then divided by two (2), equaling a Midpoint of 1.9901. If the spread between a particular bid price and ask price is deemed too wide (greater than ~~five~~ten (~~5~~10) pips), those prices will not be used to calculate a Midpoint and will thus not be included within the 10 initially captured values.

(o) CONTINGENCIES – If no level is actually announced on the Expiration Date due to a delay, postponement or otherwise in such release announcement by the Source Agency, the Settlement Date will be delayed until the Underlying number is released for that Series.

RULE 12.31 CURRENCY EXCHANGE GBP/USD BINARY CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the Currency Exchange GBP/USD (“GBP/USD”) Binary Contract issued by Nadex.

(b) UNDERLYING – The Underlying for this Class of Contracts is the British Pound/US dollar herein referred to as “GBP/USD” as quoted in US dollars per British Pound obtained from the spot GBP/USD foreign currency market.

(c) SOURCE AGENCY – The Source Agency is Nadex.

(d) TYPE – The type of Contract is a Binary Contract.

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(e) ISSUANCE – For each planned release by the Source Agency of the Underlying, Nadex will issue various Contracts, each of a different Series. A new issuance of Contracts will commence no later than two (2) business days following the Expiration Date.

(f) PAYOUT CRITERION – The Payout Criterion for each Contract will be set by Nadex at the time the Binary Contracts are initially issued. For the GBP/USD Binary Contract, the Payout Criteria for the Contracts will be set as follows:

(i) WEEKLY GBP/USD BINARY CONTRACTS

- (1) EXPIRATION TIME – 3 PM ET CLOSE
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 0.0050.
- (3) NUMBER OF STRIKE LEVELS LISTED - Fourteen (14) strike levels will be listed for each Weekly GBP/USD Binary Contract Series.
- (4) STRIKE LEVELS GENERATED - Strike levels will be generated such that Binary Contract “W” is valued ‘at-the-money’ in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in 0.0025 or 0.0075 as reported by the Source Agency. Six (6) strike levels will be generated above Binary Contract W at an interval of 0.0050, and seven (7) strike levels will be generated below Binary Contract W at an interval of 0.0050 (e.g. $W - 0.0050$; W ; $W + 0.0050$). The Contract will have a Payout Criterion of greater than the strike level value.

(ii) DAILY GBP/USD BINARY CONTRACTS

- (1) EXPIRATION TIME – 3 AM, 7 AM, 11 AM, 3 PM, 7 PM, 11 PM ET CLOSE
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 0.0020.
- (3) NUMBER OF STRIKE LEVELS LISTED – Twenty-one (21) strike levels will be listed for each Daily GBP/USD Binary Contract Series.
- (4) STRIKE LEVELS GENERATED - Strike levels will be generated such that Binary Contract “X” is valued ‘at-the-money’ in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in 0.0020 as reported by the Source Agency. Ten (10) strike levels will be generated above Binary Contract X at an interval of 0.0020, and

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ten (10) strike levels will be generated below Binary Contract X at an interval of 0.0020 (e.g. $X - 0.0020$; X ; $X + 0.0020$). The Contract will have a Payout Criterion of greater than the strike level value.

(iii) INTRADAY 2-HOUR GBP/USD BINARY CONTRACTS

- (1) EXPIRATION TIME – 8 PM, 9 PM, 10 PM, 11 PM, 12 AM, 1 AM, 2 AM, 3 AM, 4 AM, 5 AM, 6 AM, 7 AM, 8 AM, 9 AM, 10 AM, 11 AM, 12 PM, 1 PM, 2 PM, 3 PM, 4 PM, 5 PM ET CLOSE
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 0.0010.
- (3) NUMBER OF STRIKE LEVELS LISTED – Nine (9) strike levels will be listed for each Intraday 2-Hour GBP/USD Binary Contract Series.
- (4) STRIKE LEVELS GENERATED - Strike levels will be generated such that Binary Contract “Y” is valued ‘at-the-money’ in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in 0.0001 as reported by the Source Agency. Four (4) strike levels will be generated above Binary Contract Y at an interval of 0.0010, and four (4) strike levels will be generated below Binary Contract Y at an interval of 0.0010 (e.g. $Y - 0.0010$; Y ; $Y + 0.0010$). The Contract will have a Payout Criterion of greater than the strike level value.

(iv) INTRADAY 5-MINUTE GBP/USD BINARY CONTRACTS

- (1) EXPIRATION TIME – 5-Minute Binary Contracts will expire every 5 Minutes beginning Sunday at 6:05pm ET and ending Friday at 4:00pm ET.
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 0.0003.
- (3) NUMBER OF STRIKE LEVELS LISTED – Three (3) strike levels will be listed for each Intraday 5-Minute GBP/USD Binary Contract Series.
- (4) STRIKE LEVELS GENERATED - Strike levels will be generated such that Binary Contract “Z” is valued ‘at-the-money’ in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in 0.0001 as reported by the Source Agency. One (1) strike level will be generated above Binary Contract Z at an interval of 0.0003, and one (1) strike level will be generated below Binary Contract Z at an interval

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of 0.0003 (e.g. $Z - 0.0003$; Z ; $Z + 0.0003$). The Contract will have a Payout Criterion of greater than the strike level value.

- (5) Nadex may, in its discretion, temporarily halt the listing of any 5-Minute Binary Contract due to the unavailability of the underlying market upon which the Contract is based, or any other condition Nadex determines may be detrimental to the listing of the Contract.

(v) Nadex may list additional GBP/USD Binary Contract with different ranges of Payout Criteria on a discretionary basis in accordance with the CEA and Commission Regulations.

(g) MINIMUM TICK – The Minimum Tick size for GBP/USD Binary Contracts shall be \$0.25.

(h) REPORTING LEVEL – The Reporting Level for the GBP/USD Binary Contracts shall be 12,500 Contracts.

(i) POSITION LIMIT – There are currently no Position Limits for GBP/USD Binary Contract.

(j) LAST TRADING DATE – The Last Trading Date in a Series is the same date as the Expiration Date. No trading in the GBP/USD Binary Contracts shall occur after its Last Trading Date.

(k) SETTLEMENT DATE – The Settlement Date will be the date the GBP/USD number is scheduled to be released.

(l) EXPIRATION DATE – The Expiration Date of the Contract will be the date on which the GBP/USD number is scheduled to be released.

(m) SETTLEMENT VALUE – The Settlement Value is the amount paid to the holder of the in the money Contract on the Settlement Date. The Settlement Value of an in the money GBP/USD Binary Contract is \$100.

(n) EXPIRATION VALUE – The Expiration Value is the price or value of GBP/USD as released by the Source Agency on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking the last ten (10) Midpoints between the bid/ask spread (~~five~~ten pips wide or less) just prior to the close of trading of the GBP/USD Binary Contract and removing the highest three (3) Midpoints and the lowest three (3) Midpoints, using the remaining four (4) GBP/USD Midpoints to calculate the Expiration Value. The calculation used is a simple average of all four (4) GBP/USD Midpoints, rounded to one decimal point past the precision of the underlying market. A Midpoint is calculated by adding the bid price and the ask price together and then dividing that number by two (2). For example, if the bid price is 1.9900 and the ask

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price is 1.9902, the two numbers are added together (totaling 3.9802) and then divided by two (2), equaling a Midpoint of 1.9901. If the spread between a particular bid price and ask price is deemed too wide (greater than ~~five~~ten (\$10) pips), those prices will not be used to calculate a Midpoint and will thus not be included within the 10 initially captured values.

(o) CONTINGENCIES – If no level is actually announced on the Expiration Date due to a delay, postponement or otherwise in such release announcement by the Source Agency, the Settlement Date will be delayed until the Underlying number is released for that Series.

RULE 12.32 CURRENCY EXCHANGE USD/CAD VARIABLE PAYOUT CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the Currency Exchange USD/CAD (“USD/CAD”) Variable Payout Contracts issued by Nadex.

(b) UNDERLYING – The Underlying for this Class of Contracts is the US the US Dollar/ Canadian Dollar, herein referred to as “USD/CAD” as quoted in US dollars per Canadian Dollar obtained from the spot USD/CAD foreign currency market.

(c) SOURCE AGENCY – The Source Agency is Nadex.

(d) TYPE – The Type of Contract is a Variable Payout Contract.

(e) ISSUANCE – For each planned release by the Source Agency of the Underlying, Nadex will issue various Contracts, each of a different Series. A new issuance of Contracts will commence no later than two (2) business days following the Expiration Date.

(f) PAYOUT CRITERION – The Payout Criterion for each Contract will be set by Nadex at the time the Variable Payout Contracts are initially issued. For the USD/CAD Variable Payout Contract, the Payout Criteria for the Contracts will be set as follows;

(i) DAILY VARIABLE USD/CAD CONTRACTS, 3:00 PM ET CLOSE SPREAD - At the commencement of trading in a Daily Spread USD/CAD Variable Payout Contract, Nadex shall list one (1) Variable Payout Contract, referred to as a ‘Spread’, which conforms to the Payout Criteria listed below:

(1) DAILY VARIABLE USD/CAD SPREAD CONTRACT

(aa) CAP – The Cap shall be $X + 0.0250$.

(bb) FLOOR – The Floor shall be $X - 0.0250$.

(cc) DOLLAR MULTIPLIER – The Dollar Multiplier shall be 10,000.

(2) In each case, “X” equals the last USD/CAD price, as reported by the Source Agency, rounded to the nearest 0.0010.

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(ii) INTRADAY VARIABLE USD/CAD SPREAD CONTRACTS, 6:00PM to 11:00PM, 11:00PM to 7:00AM, 7:00AM to 3:00PM ET CLOSE - Nadex shall list a set of three (3) Variable Payout Contracts with overlapping ranges, which conform to the Payout Criteria listed below:

(1) CONTRACT 1: The Cap shall be X; The Floor shall be X- 0.0200.

(2) CONTRACT 2: The Cap shall be X + 0.0100; The Floor shall be X – 0.0100

(3) CONTRACT 3: The Cap shall be X + 0.0200; The Floor shall be X.

(4) DOLLAR MULTIPLIER – The Dollar Multiplier shall be 10,000.

(5) In each case, “X” equals the last USD/CAD price, as reported by the Source Agency, rounded to the nearest 0.0010.

(iii) INTRADAY 2-HOUR VARIABLE USD/CAD SPREAD CONTRACTS, 8:00PM, 9:00PM, 10:00PM, 11:00PM, 12:00AM, 1:00AM, 2:00AM, 3:00AM, 4:00AM, 5:00AM, 6:00AM, 7:00AM, 8:00AM, 9:00AM, 10:00AM, 11:00AM, 12:00PM, 1:00PM, 2:00PM, and 3:00PM ET CLOSE - Nadex shall list a set of three (3) Variable Payout Contracts that open 2 hours prior to the stated closing time(s) above with overlapping ranges, which conform to the Payout Criteria listed below:

(1) CONTRACT 1: The Cap shall be X; The Floor shall be X- 0.0100.

(2) CONTRACT 2: The Cap shall be X + 0.0050; The Floor shall be X – 0.0050

(3) CONTRACT 3: The Cap shall be X + 0.0100; The Floor shall be X.

(4) DOLLAR MULTIPLIER – The Dollar Multiplier shall be 10,000.

(5) In each case, “X” equals the last USD/CAD price, as reported by the Source Agency, rounded to the nearest 0.0010.

(iv) Nadex may list additional Variable Payout Contracts with different ranges of Payout Criteria on a discretionary basis in accordance with the CEA and Commission Regulations.

(g) MINIMUM TICK – The Minimum Tick size for USD/CAD Variable Payout Contracts shall be 0.0001.

(h) REPORTING LEVEL – The Reporting Level for the USD/CAD Variable Payout Contracts shall be 2,500 Contracts.

(i) POSITION LIMIT – There are currently no Position Limits for USD/CAD Variable Payout Contracts.

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(j) LAST TRADING DATE – The Last Trading Date in a Series is the same date as the Settlement Date.

(k) SETTLEMENT DATE – The Settlement Date of the Contract shall be the same date as the Expiration Date.

(l) EXPIRATION DATE – The Expiration Date of the Contract shall be the date on which the USD/CAD Expiration Value is released by the Source Agency.

(m) SETTLEMENT VALUE – The Settlement Value is the amount paid to the holder of either a Short or Long Variable Payout Contract on Settlement Date. The Settlement Value of a Variable Payout Contract is determined as described in the definition for Long and Short Variable Payout Contracts.

(n) EXPIRATION VALUE – The Expiration Value is the price or value of USD/CAD released by the Source Agency on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking the last ten (10) Midpoints between the bid/ask spread (~~five~~ten pips wide or less) just prior to the close of trading of the USD/CAD Variable Payout Contract and removing the highest three (3) Midpoints and the lowest three (3) Midpoints, using the remaining four (4) USD/CAD Midpoints to calculate the Expiration Value. The calculation used is a simple average of all four (4) USD/CAD Midpoints, rounded to one decimal point past the precision of the underlying market. A Midpoint is calculated by adding the bid price and the ask price together and then dividing that number by two (2). For example, if the bid price is 1.0700 and the ask price is 1.0702, the two numbers are added together (totaling 2.1402) and then divided by two (2), equaling a Midpoint of 1.0701. If the spread between a particular bid price and ask price is deemed too wide (greater than ~~five~~ten (510) pips), those prices will not be used to calculate a Midpoint and will thus not be included within the 10 initially captured values.

(o) CONTINGENCIES – If no level is actually announced on the Expiration Date due to a delay, postponement or otherwise in such release announcement by the Source Agency, the Settlement Date will be delayed until the Underlying number is released for that Series.

RULE 12.33 CURRENCY EXCHANGE USD/CAD BINARY CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the Currency Exchange USD/CAD (“USD/CAD”) Binary Contract issued by Nadex.

(b) UNDERLYING – The Underlying for this Class of Contracts is the US Dollar/ Canadian Dollar herein referred to as “USD/CAD” as quoted in Canadian Dollars per US dollars obtained from the spot USD/CAD foreign currency market.

(c) SOURCE AGENCY – The Source Agency is Nadex.

(d) TYPE – The type of Contract is a Binary Contract.

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(e) **ISSUANCE** – For each planned release by the Source Agency of the Underlying, Nadex will issue various Contracts, each of a different Series. A new issuance of Contracts will commence no later than two (2) business days following the Expiration Date.

(f) **PAYOUT CRITERION** – The Payout Criterion for each Contract will be set by Nadex at the time the Binary Contracts are initially issued. For the USD/CAD Binary Contract, the Payout Criteria for the Contracts will be set as follows:

(i) **WEEKLY USD/CAD BINARY CONTRACTS**

- (1) **EXPIRATION TIME** – 3 PM ET CLOSE
- (2) **STRIKE INTERVAL WIDTH** – The interval width between each strike level shall be 0.0050.
- (3) **NUMBER OF STRIKE LEVELS LISTED** - Fourteen (14) strike levels will be listed for each Weekly USD/CAD Binary Contract Series.
- (4) **STRIKE LEVELS GENERATED** - Strike levels will be generated such that Binary Contract “X” is valued ‘at-the-money’ in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in 0.0025 or 0.0075 as reported by the Source Agency. Six (6) strike levels will be generated above Binary Contract X at an interval of 0.0050, and seven (7) strike levels will be generated below Binary Contract X at an interval of 0.0050 (e.g. $X - 0.0050$; X ; $X + 0.0050$). The Contract will have a Payout Criterion of greater than the strike level value.

(ii) **DAILY USD/CAD BINARY CONTRACTS**

- (1) **EXPIRATION TIME** – 3 AM, 7 AM, 11 AM, 3 PM, 7 PM, 11 PM ET CLOSE
- (2) **STRIKE INTERVAL WIDTH** – The interval width between each strike level shall be 0.0020.
- (3) **NUMBER OF STRIKE LEVELS LISTED** – Twenty-one (21) strike levels will be listed for each Daily USD/CAD Binary Contract Series.
- (4) **STRIKE LEVELS GENERATED** - Strike levels will be generated such that Binary Contract “Y” is valued ‘at-the-money’ in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in 0.0020 as reported by the Source Agency. Ten (10) strike levels will be generated above Binary Contract Y at an interval of 0.0020, and

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ten (10) strike levels will be generated below Binary Contract Y at an interval of 0.0020 (e.g. $Y - 0.0020$; Y ; $Y + 0.0020$). The Contract will have a Payout Criterion of greater than the strike level value.

(iii) INTRADAY USD/CAD BINARY CONTRACTS

- (1) EXPIRATION TIME – 10 AM, 11 AM, 12 PM, 1 PM , 2 PM, 3 PM ET CLOSE
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 0.0010.
- (3) NUMBER OF STRIKE LEVELS LISTED – Nine (9) strike levels will be listed for each Intraday USD/CAD Binary Contract Series.
- (4) STRIKE LEVELS GENERATED - Strike levels will be generated such that Binary Contract “Z” is valued ‘at-the-money’ in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in 0.0001 as reported by the Source Agency. Four (4) strike levels will be generated above Binary Contract Z at an interval of 0.0010, and four (4) strike levels will be generated below Binary Contract Z at an interval of 0.0010 (e.g. $Z - 0.0010$; Z ; $Z + 0.0010$). The Contract will have a Payout Criterion of greater than the strike level value.

(iv) Nadex may list additional USD/CAD Binary Contracts with different ranges of Payout Criteria on a discretionary basis in accordance with the CEA and Commission Regulations

(g) MINIMUM TICK – The Minimum Tick size for the USD/CAD Binary Contracts shall be \$0.25.

(h) REPORTING LEVEL – The Reporting Level for the USD/CAD Binary Contracts shall be 12,500 Contracts.

(i) POSITION LIMIT – There are currently no Position Limits for USD/CAD Binary Contract.

(j) LAST TRADING DATE – The Last Trading Date in a Series is the same date as the Expiration Date.

(k) SETTLEMENT DATE – The Settlement Date will be the date on which the USD/CAD Settlement Price is released by the Source Agency.

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(l) EXPIRATION DATE – The Expiration Date of the Contract will be the date on which the USD/CAD Settlement Price is released by the Source Agency.

(m) SETTLEMENT VALUE – The Settlement Value is the amount paid to the holder of the in the money Contract on the Settlement Date. The Settlement Value for an in the money USD/CAD Binary Contract is \$100.

(n) EXPIRATION VALUE – The Expiration Value is the Settlement Price of USD/CAD Currency as calculated by the Source Agency on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking the last ten (10) Midpoints between the bid/ask spread (~~five~~ten pips wide or less) just prior to the close of trading of the USD/CAD Binary Contract and removing the highest three (3) Midpoints and the lowest three (3) Midpoints, using the remaining four (4) USD/CAD Midpoints to calculate the Expiration Value. The calculation used is a simple average of all four (4) USD/CAD Midpoints, rounded to one decimal point past the precision of the underlying market. A Midpoint is calculated by adding the bid price and the ask price together and then dividing that number by two (2). For example, if the bid price is 1.0700 and the ask price is 1.0702, the two numbers are added together (totaling 2.1402) and then divided by two (2), equaling a Midpoint of 1.0701. If the spread between a particular bid price and ask price is deemed too wide (greater than ~~five~~ten (~~\$10~~) pips), those prices will not be used to calculate a Midpoint and will thus not be included within the 10 initially captured values.

(o) CONTINGENCIES – If no level is actually announced on the Expiration Date due to a delay, postponement or otherwise in such release announcement by the Source Agency, the Settlement Date will be delayed until the Underlying number is released for that Series.

RULE 12.34 CURRENCY EXCHANGE USD/CHF VARIABLE PAYOUT CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the Currency Exchange USD/CHF (“USD/CHF”) Variable Payout Contracts issued by Nadex.

(b) UNDERLYING – The Underlying for this Class of Contracts is the US dollar/ Swiss Franc, herein referred to as “USD/CHF” as quoted in the Swiss Franc per US dollars obtained from the spot USD/CHF foreign currency market.

(c) SOURCE AGENCY – The Source Agency is Nadex.

(d) TYPE – The Type of Contract is a Variable Payout Contract.

(e) ISSUANCE – For each planned release by the Source Agency of the Underlying, Nadex will issue various Contracts, each of a different Series. A new issuance of Contracts will commence no later than two (2) business days following the Expiration Date.

(f) PAYOUT CRITERION – The Payout Criterion for each Contract will be set by Nadex at the time the Variable Payout Contracts are initially issued. For the USD/CHF Variable Payout Contract, the Payout Criteria for the Contracts will be set as follows;

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(i) DAILY VARIABLE USD/CHF CONTRACTS, 3:00 PM ET CLOSE SPREAD - At the commencement of trading in a Daily Spread USD/CHF Variable Payout Contract, Nadex shall list one (1) Variable Payout Contract, referred to as a 'Spread', which conforms to the Payout Criteria listed below:

(1) DAILY VARIABLE USD/CHF SPREAD CONTRACT

(aa) CAP – The Cap shall be $X + 0.0250$.

(bb) FLOOR – The Floor shall be $X - 0.0250$.

(cc) DOLLAR MULTIPLIER – The Dollar Multiplier shall be 10,000.

(2) In each case, "X" equals the last USD/CHF price, as reported by the Source Agency, rounded to the nearest 0.0010.

(ii) INTRADAY VARIABLE USD/CHF SPREAD CONTRACTS, 6:00PM to 11:00PM, 11:00PM to 7:00AM, 7:00AM to 3:00PM ET CLOSE - Nadex shall list a set of three (3) Variable Payout Contracts with overlapping ranges, which conform to the Payout Criteria listed below:

(1) CONTRACT 1: The Cap shall be X; The Floor shall be $X - 0.0200$.

(2) CONTRACT 2: The Cap shall be $X + 0.0100$; The Floor shall be $X - 0.0100$

(3) CONTRACT 3: The Cap shall be $X + 0.0200$; The Floor shall be X.

(4) DOLLAR MULTIPLIER – The Dollar Multiplier shall be 10,000.

(5) In each case, "X" equals the last USD/CHF price, as reported by the Source Agency, rounded to the nearest 0.0010.

(iii) INTRADAY 2-HOUR VARIABLE USD/CHF SPREAD CONTRACTS, 8:00PM, 9:00PM, 10:00PM, 11:00PM, 12:00AM, 1:00AM, 2:00AM, 3:00AM, 4:00AM, 5:00AM, 6:00AM, 7:00AM, 8:00AM, 9:00AM, 10:00AM, 11:00AM, 12:00PM, 1:00PM, 2:00PM, and 3:00PM ET CLOSE - Nadex shall list a set of three (3) Variable Payout Contracts that open 2 hours prior to the stated closing time(s) above with overlapping ranges, which conform to the Payout Criteria listed below:

(1) CONTRACT 1: The Cap shall be X; The Floor shall be $X - 0.0100$.

(2) CONTRACT 2: The Cap shall be $X + 0.0050$; The Floor shall be $X - 0.0050$

(3) CONTRACT 3: The Cap shall be $X + 0.0100$; The Floor shall be X.

(4) DOLLAR MULTIPLIER – The Dollar Multiplier shall be 10,000.

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(5) In each case, “X” equals the last USD/CHF price, as reported by the Source Agency, rounded to the nearest 0.0010.

(iv) Nadex may list additional Variable Payout Contracts with different ranges of Payout Criteria on a discretionary basis in accordance with the CEA and Commission Regulations.

(g) MINIMUM TICK – The Minimum Tick size for USD/CHF Variable Payout Contracts shall be 0.0001.

(h) REPORTING LEVEL – The Reporting Level for the USD/CHF Variable Payout Contracts shall be 2,500 Contracts.

(i) POSITION LIMIT – There are currently no Position Limits for USD/CHF Variable Payout Contracts.

(j) LAST TRADING DATE – The Last Trading Date in a Series is the same date as the Settlement Date.

(k) SETTLEMENT DATE – The Settlement Date of the Contract shall be the same date as the Expiration Date.

(l) EXPIRATION DATE – The Expiration Date of the Contract shall be the date on which the USD/CHF Expiration Value is released by the Source Agency.

(m) SETTLEMENT VALUE – The Settlement Value is the amount paid to the holder of either a Short or Long Variable Payout Contract on Settlement Date. The Settlement Value of a Variable Payout Contract is determined as described in the definition for Long and Short Variable Payout Contracts.

(n) EXPIRATION VALUE – The Expiration Value is the price or value of USD/CHF released by the Source Agency on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking the last ten (10) Midpoints between the bid/ask spread (~~five~~ten pips wide or less) just prior to the close of trading of the USD/CHF Variable Payout Contract and removing the highest three (3) Midpoints and the lowest three (3) Midpoints, using the remaining four (4) USD/CHF Midpoints to calculate the Expiration Value. The calculation used is a simple average of all four (4) USD/CHF Midpoints, rounded to one decimal point past the precision of the underlying market. A Midpoint is calculated by adding the bid price and the ask price together and then dividing that number by two (2). For example, if the bid price is 1.2200 and the ask price is 1.2202, the two numbers are added together (totaling 2.4402) and then divided by two (2), equaling a Midpoint of 1.2201. If the spread between a particular bid price and ask price is deemed too wide (greater than ~~five~~ten (\$10) pips), those prices will not be used to calculate a Midpoint and will thus not be included within the 10 initially captured values.

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(o) CONTINGENCIES – If no level is actually announced on the Expiration Date due to a delay, postponement or otherwise in such release announcement by the Source Agency, the Settlement Date will be delayed until the Underlying number is released for that Series.

RULE 12.35 CURRENCY EXCHANGE USD/CHF BINARY CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the Currency Exchange USD/CHF (“USD/CHF”) Binary Contract issued by Nadex.

(b) UNDERLYING – The Underlying for this Class of Contracts is the US dollar/ Swiss Franc herein referred to as “USD/CHF” as quoted in the Swiss Franc per US dollar obtained from the spot USD/CHF foreign currency market.

(c) SOURCE AGENCY – The Source Agency is Nadex.

(d) TYPE – The type of Contract is a Binary Contract.

(e) ISSUANCE – For each planned release by the Source Agency of the Underlying, Nadex will issue various Contracts, each of a different Series. A new issuance of Contracts will commence no later than two (2) business days following the Expiration Date.

(f) PAYOUT CRITERION – The Payout Criterion for each Contract will be set by Nadex at the time the Binary Contracts are initially issued. For the USD/CHF Binary Contract, the Payout Criteria for the Contracts will be set as follows:

(i) WEEKLY USD/CHF BINARY CONTRACTS

(1) EXPIRATION TIME – 3 PM ET CLOSE

(2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 0.0050.

(3) NUMBER OF STRIKE LEVELS LISTED - Fourteen (14) strike levels will be listed for each Weekly USD/CHF Binary Contract Series.

(4) STRIKE LEVELS GENERATED - Strike levels will be generated such that Binary Contract “X” is valued ‘at-the-money’ in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in 0.0025 or 0.0075 as reported by the Source Agency. Six (6) strike levels will be generated above Binary Contract X at an interval of 0.0050, and seven (7) strike levels will be generated below Binary Contract X at an interval of 0.0050 (e.g. X – 0.0050; X; X + 0.0050). The Contract will have a Payout Criterion of greater than the strike level value.

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(ii) DAILY USD/CHF BINARY CONTRACTS

- (1) EXPIRATION TIME – 3 AM, 7 AM, 11 AM, 3 PM, 7 PM, 11 PM ET CLOSE
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 0.0020.
- (3) NUMBER OF STRIKE LEVELS LISTED – Twenty-one (21) strike levels will be listed for each Daily USD/CHF Binary Contract Series.
- (4) STRIKE LEVELS GENERATED - Strike levels will be generated such that Binary Contract “Y” is valued ‘at-the-money’ in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in 0.0020 as reported by the Source Agency. Ten (10) strike levels will be generated above Binary Contract Y at an interval of 0.0020, and ten (10) strike levels will be generated below Binary Contract Y at an interval of 0.0020 (e.g. $Y - 0.0020$; Y ; $Y + 0.0020$). The Contract will have a Payout Criterion of greater than the strike level value.

(iii) INTRADAY USD/CHF BINARY CONTRACTS

- (1) EXPIRATION TIME – 10 AM, 11 AM, 12 PM, 1 PM, 2 PM, 3 PM ET CLOSE
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 0.0004.
- (3) NUMBER OF STRIKE LEVELS LISTED – Fifteen (15) strike levels will be listed for each Intraday USD/CHF Binary Contract Series.
- (4) STRIKE LEVELS GENERATED - Strike levels will be generated such that Binary Contract “Z” is valued ‘at-the-money’ in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in 0.0001 as reported by the Source Agency. Seven (7) strike levels will be generated above Binary Contract Z at an interval of 0.0004, and seven (7) strike levels will be generated below Binary Contract Z at an interval of 0.0004 (e.g. $Z - 0.0004$; Z ; $Z + 0.0004$). The Contract will have a Payout Criterion of greater than the strike level value.

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(iv) Nadex may list additional USD/CHF Binary Contract with different ranges of Payout Criteria on a discretionary basis in accordance with the CEA and Commission Regulations.

(g) MINIMUM TICK - The Minimum Tick size for USD/CHF Binary Contracts shall be \$0.25.

(h) REPORTING LEVEL - The Reporting Level for the USD/CHF Binary Contracts shall be 12,500 Contracts.

(i) POSITION LIMIT – There are currently no Position Limits for USD/CHF Binary Contract.

(j) LAST TRADING DATE – The Last Trading Date in a Series is the same date as the Expiration Date. No trading in the USD/CHF Binary Contracts shall occur after its Last Trading Date.

(k) SETTLEMENT DATE – The Settlement Date will be the date the USD/CHF number is released by the Source Agency.

(l) EXPIRATION DATE – The Expiration Date of the Contract will be the date on which the USD/CHF number is scheduled to be released.

(m) SETTLEMENT VALUE – The Settlement Value is the amount paid to the holder of the in the money Contract on Settlement Date. The Settlement Value of an in the money USD/CHF Binary Contract is \$100.

(n) EXPIRATION VALUE – The Expiration Value is the price or value of USD/CHF as released by the Source Agency on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking the last ten (10) Midpoints between the bid/ask spread (~~five~~ten pips wide or less) just prior to the close of trading of the USD/CHF Binary Contract and removing the highest three (3) Midpoints and the lowest three (3) Midpoints, using the remaining four (4) USD/CHF Midpoints to calculate the Expiration Value. The calculation used is a simple average of all four (4) USD/CHF Midpoints, rounded to one decimal point past the precision of the underlying market. A Midpoint is calculated by adding the bid price and the ask price together and then dividing that number by two (2). For example, if the bid price is 1.2200 and the ask price is 1.2202, the two numbers are added together (totaling 2.4402) and then divided by two (2), equaling a Midpoint of 1.2201. If the spread between a particular bid price and ask price is deemed too wide (greater than ~~five~~ten (510) pips), those prices will not be used to calculate a Midpoint and will thus not be included within the 10 initially captured values.

(o) CONTINGENCIES – If no level is actually announced on the Expiration Date due to a delay, postponement or otherwise in such release announcement by the Source Agency, the Settlement Date will be delayed until the Underlying number is released for that Series.

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RULE 12.36 CURRENCY EXCHANGE USD/JPY VARIABLE PAYOUT CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the Currency Exchange USD/JPY (“USD/JPY”) Variable Payout Contracts issued by Nadex.

(b) UNDERLYING – The Underlying for this Class of Contracts is the US dollar/ Japanese Yen, herein referred to as “USD/JPY” as quoted in the Japanese Yen per US dollars obtained from the spot USD/JPY foreign currency market.

(c) SOURCE AGENCY – The Source Agency is Nadex.

(d) TYPE – The Type of Contract is a Variable Payout Contract.

(e) ISSUANCE – For each planned release by the Source Agency of the Underlying, Nadex will issue various Contracts, each of a different Series. A new issuance of Contracts will commence no later than two (2) business days following the Expiration Date.

(f) PAYOUT CRITERION – The Payout Criterion for each Contract will be set by Nadex at the time the Variable Payout Contracts are initially issued. For the USD/JPY Variable Payout Contract, the Payout Criteria for the Contracts will be set as follows;

(i) DAILY VARIABLE USD/YEN CONTRACTS, 3:00 PM ET CLOSE SPREAD - At the commencement of trading in a Daily Spread USD/JPY Variable Payout Contract, Nadex shall list one (1) Variable Payout Contract, referred to as a ‘Spread’, which conforms to the Payout Criteria listed below:

(1) DAILY VARIABLE USD/JPY SPREAD CONTRACT

(aa) CAP – The Cap shall be $X + 2.00$.

(bb) FLOOR – The Floor shall be $X - 2.00$.

(cc) DOLLAR MULTIPLIER – The Dollar Multiplier shall be 100.

(2) In each case, “X” equals the last USD/JPY price, as reported by the Source Agency, rounded to the nearest 0.10.

(ii) INTRADAY VARIABLE USD/JPY SPREAD CONTRACTS, 6:00PM to 11:00PM, 11:00PM to 7:00AM, and 7:00AM to 3:00PM ET CLOSE - Nadex shall list a set of three (3) Variable Payout Contracts with overlapping ranges, which conform to the Payout Criteria listed below:

(1) CONTRACT 1: The Cap shall be X; The Floor shall be $X - 1.50$.

(2) CONTRACT 2: The Cap shall be $X + 0.75$; The Floor shall be $X - 0.75$.

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(3) CONTRACT 3: The Cap shall be $X + 1.50$; The Floor shall be X .

(4) DOLLAR MULTIPLIER – The Dollar Multiplier shall be 100.

(5) In each case, “X” equals the last USD/JPY price, as reported by the Source Agency, rounded to the nearest 0.10.

(iii) INTRADAY 2-HOUR VARIABLE USD/JPY SPREAD

CONTRACTS, 8:00PM, 9:00PM, 10:00PM, 11:00PM, 12:00AM, 1:00AM, 2:00AM, 3:00AM, 4:00AM, 5:00AM, 6:00AM, 7:00AM, 8:00AM, 9:00AM, 10:00AM, 11:00AM, 12:00PM, 1:00PM, 2:00PM, and 3:00PM ET CLOSE - Nadex shall list a set of three (3) Variable Payout Contracts that open 2 hours prior to the stated closing time(s) above with overlapping ranges, which conform to the Payout Criteria listed below:

(1) CONTRACT 1: The Cap shall be X ; The Floor shall be $X - 1.00$.

(2) CONTRACT 2: The Cap shall be $X + 0.50$; The Floor shall be $X - 0.50$.

(3) CONTRACT 3: The Cap shall be $X + 1.00$; The Floor shall be X .

(4) DOLLAR MULTIPLIER – The Dollar Multiplier shall be 100.

(5) In each case, “X” equals the last USD/JPY price, as reported by the Source Agency, rounded to the nearest 0.10.

(iv) Nadex may list additional Variable Payout Contracts with different ranges of Payout Criteria on a discretionary basis in accordance with the CEA and Commission Regulations.

(g) MINIMUM TICK – The Minimum Tick size for USD/JPY Variable Payout Contracts shall be 0.01.

(h) REPORTING LEVEL – The Reporting Level for the USD/JPY Variable Payout Contracts shall be 3,125 Contracts.

(i) POSITION LIMIT – There are currently no Position Limits for USD/JPY Variable Payout Contracts.

(j) LAST TRADING DATE – The Last Trading Date in a Series is the same date as the Settlement Date.

(k) SETTLEMENT DATE – The Settlement Date of the Contract shall be the same date as the Expiration Date.

(l) EXPIRATION DATE – The Expiration Date of the Contract shall be the date on which the USD/JPY Expiration Value is released by the Source Agency.

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(m) SETTLEMENT VALUE – The Settlement Value shall be the amount paid to the holder of either a Short or Long Variable Payout Contract on Settlement Date. The Settlement Value of a Variable Payout Contract is determined as described in the definition for Long and Short Variable Payout Contracts.

(n) EXPIRATION VALUE – The Expiration Value shall be the price or value of USD/JPY released by the Source Agency on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking the last ten (10) Midpoints between the bid/ask spread (~~five~~ten pips wide or less) just prior to the close of trading of the USD/JPY Variable Payout Contract and removing the highest three (3) Midpoints and the lowest three (3) Midpoints, using the remaining four (4) USD/JPY Midpoints to calculate the Expiration Value. The calculation used is a simple average of all four (4) USD/JPY Midpoints, rounded to one decimal point past the precision of the underlying market. A Midpoint is calculated by adding the bid price and the ask price together and then dividing that number by two (2). For example, if the bid price is 121.00 and the ask price is 121.02, the two numbers are added together (totaling 242.02) and then divided by two (2), equaling a Midpoint of 121.01. If the spread between a particular bid price and ask price is deemed too wide (greater than ~~five~~ten (\$10) pips), those prices will not be used to calculate a Midpoint and will thus not be included within the 10 initially captured values.

(o) CONTINGENCIES – If no level is actually announced on the Expiration Date due to a delay, postponement or otherwise in such release announcement by the Source Agency, the Settlement Date will be delayed until the Underlying number is released for that Series.

RULE 12.37 CURRENCY EXCHANGE USD/JPY BINARY CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the Currency Exchange USD/JPY (“USD/JPY”) Binary Contract issued by Nadex.

(b) UNDERLYING – The Underlying for this Class of Contracts is the US dollar/ Japanese Yen, herein referred to as “USD/JPY” as quoted in the Japanese Yen per US dollar obtained from the spot USD/JPY foreign currency market.

(c) SOURCE AGENCY – The Source Agency is Nadex.

(d) TYPE – The type of Contract is a Binary Contract.

(e) ISSUANCE – For each planned release by the Source Agency of the Underlying, Nadex will issue various Contracts, each of a different Series. A new issuance of Contracts will commence no later than two (2) business days following the Expiration Date.

(f) PAYOUT CRITERION – The Payout Criterion for each Contract will be set by Nadex at the time the Binary Contracts are initially issued. For the USD/JPY Binary Contract, the Payout Criteria for the Contracts will be set as follows:

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(i) WEEKLY USD/JPY BINARY CONTRACTS

- (1) EXPIRATION TIME – 3 PM ET CLOSE
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 0.50.
- (3) NUMBER OF STRIKE LEVELS LISTED - Fourteen (14) strike levels will be listed for each Weekly USD/JPY Binary Contract Series.
- (4) STRIKE LEVELS GENERATED - Strike levels will be generated such that Binary Contract “W” is valued ‘at-the-money’ in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in 0.25 or 0.75 as reported by the Source Agency. Six (6) strike levels will be generated above Binary Contract W at an interval of 0.50, and seven (7) strike levels will be generated below Binary Contract W at an interval of 0.50 (e.g. $W - 0.50$; W ; $W + 0.50$). The Contract will have a Payout Criterion of greater than the strike level value.

(ii) DAILY USD/JPY BINARY CONTRACTS

- (1) EXPIRATION TIME – 3 AM, 7 AM, 11 AM, 3 PM, 7 PM, 11 PM ET CLOSE
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 0.20.
- (3) NUMBER OF STRIKE LEVELS LISTED – Twenty-one (21) strike levels will be listed for each Daily USD/JPY Binary Contract Series.
- (4) STRIKE LEVELS GENERATED - Strike levels will be generated such that Binary Contract “X” is valued ‘at-the-money’ in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in 0.20 as reported by the Source Agency. Ten (10) strike levels will be generated above Binary Contract X at an interval of 0.20, and ten (10) strike levels will be generated below Binary Contract X at an interval of 0.20 (e.g. $X - 0.20$; X ; $X + 0.20$). The Contract will have a Payout Criterion of greater than the strike level value.

(iii) INTRADAY 2-HOUR USD/JPY BINARY CONTRACTS

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- (1) EXPIRATION TIME – 8 PM, 9 PM, 10 PM, 11 PM, 12 AM, 1 AM, 2 AM, 3 AM, 4 AM, 5 AM, 6 AM, 7 AM, 8 AM, 9 AM, 10 AM, 11 AM, 12 PM, 1 PM, 2 PM, 3 PM, 4 PM, 5 PM ET CLOSE
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 0.04.
- (3) NUMBER OF STRIKE LEVELS LISTED – Nineteen (19) strike levels will be listed for each Intraday 2-Hour USD/JPY Binary Contract Series.
- (4) STRIKE LEVELS GENERATED - Strike levels will be generated such that Binary Contract “Y” is valued ‘at-the-money’ in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in 0.01 as reported by the Source Agency. Nine (9) strike levels will be generated above Binary Contract Y at an interval of 0.04, and nine (9) strike levels will be generated below Binary Contract Y at an interval of 0.04 (e.g. $Y - 0.04$; Y ; $Y + 0.04$). The Contract will have a Payout Criterion of greater than the strike level value.

(iv) INTRADAY 5-MINUTE USD/JPY BINARY CONTRACTS

- (1) EXPIRATION TIME – 5-Minute Binary Contracts will expire every 5 minutes beginning Sunday at 6:05pm ET and ending Friday at 4:00pm ET.
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 0.03.
- (3) NUMBER OF STRIKE LEVELS LISTED – Three (3) strike levels will be listed for each Intraday 5-Minute USD/JPY Binary Contract Series.
- (4) STRIKE LEVELS GENERATED - Strike levels will be generated such that Binary Contract “Z” is valued ‘at-the-money’ in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in 0.01 as reported by the Source Agency. One (1) strike level will be generated above Binary Contract Z at an interval of 0.08, and one (1) strike level will be generated below Binary Contract Z at an interval of 0.03 (e.g. $Z - 0.03$; Z ; $Z + 0.03$). The Contract will have a Payout Criterion of greater than the strike level value.
- (5) Nadex may, in its discretion, temporarily halt the listing of any 5-Minute Binary

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Contract due to the unavailability of the underlying market upon which the Contract is based, or any other condition Nadex determines may be detrimental to the listing of the Contract.

(v) Nadex may list additional USD/JPY Binary Contracts with different ranges of Payout Criteria on a discretionary basis in accordance with the CEA and Commission Regulations.

(g) MINIMUM TICK – The Minimum Tick size for USD/JPY Binary Contracts shall be \$0.25.

(h) REPORTING LEVEL – The Reporting Level for the USD/JPY Binary Contracts shall be 12,500 Contracts.

(i) POSITION LIMIT – There are currently no Position Limits for USD/JPY Binary Contract.

(j) LAST TRADING DATE – The Last Trading Date in a Series is the same date as the Expiration Date. No trading in the USD/JPY Binary Contracts shall occur after its Last Trading Date.

(k) SETTLEMENT DATE – The Settlement Date will be the date the USD/JPY number is released by the Source Agency.

(l) EXPIRATION DATE – The Expiration Date of the Contract will be the date on which the USD/JPY number is scheduled to be released.

(m) SETTLEMENT VALUE – The Settlement Value is the amount paid to the holder of the in the money Contract on Settlement Date. The Settlement Value of an in the money USD/JPY Binary Contract is \$100.

(n) EXPIRATION VALUE – The Expiration Value is the price or value of USD/JPY as released by the Source Agency on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking the last ten (10) Midpoints between the bid/ask spread (~~five~~ten pips wide or less) just prior to the close of trading of the USD/JPY Binary Contract and removing the highest three (3) Midpoints and the lowest three (3) Midpoints, using the remaining four (4) USD/JPY Midpoints to calculate the Expiration Value. The calculation used is a simple average of all four (4) USD/JPY Midpoints, rounded to one decimal point past the precision of the underlying market. A Midpoint is calculated by adding the bid price and the ask price together and then dividing that number by two (2). For example, if the bid price is 121.00 and the ask price is 121.02, the two numbers are added together (totaling 242.02) and then divided by two (2), equaling a Midpoint of 121.01. If the spread between a particular bid price and ask price is

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deemed too wide (greater than ~~five~~ten (510) pips), those prices will not be used to calculate a Midpoint and will thus not be included within the 10 initially captured values.

(o) CONTINGENCIES – If no level is actually announced on the Expiration Date due to a delay, postponement or otherwise in such release announcement by the Source Agency, the Settlement Date will be delayed until the Underlying number is released for that Series.

RULE 12.38 CURRENCY EXCHANGE EUR/JPY VARIABLE PAYOUT CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the Currency Exchange EUR/JPY (“EUR/JPY”) Variable Payout Contracts issued by Nadex.

(b) UNDERLYING – The Underlying for this Class of Contracts is the Euro/ Japanese Yen, herein referred to as “EUR/JPY” as quoted in the Japanese Yen per Euro obtained from the spot EUR/JPY foreign currency market.

(c) SOURCE AGENCY – The Source Agency is Nadex.

(d) TYPE – The Type of Contract is a Variable Payout Contract.

(e) ISSUANCE – For each planned release by the Source Agency of the Underlying, Nadex will issue various Contracts, each of a different Series. A new issuance of Contracts will commence no later than two (2) business days following the Expiration Date.

(f) PAYOUT CRITERION – The Payout Criterion for each Contract will be set by Nadex at the time the Variable Payout Contracts are initially issued. For the EUR/JPY Variable Payout Contract, the Payout Criteria for the Contracts will be set as follows;

(i) DAILY VARIABLE EUR/JPY CONTRACTS, 3:00 PM ET CLOSE SPREAD - At the commencement of trading in a Daily Spread EUR/JPY Variable Payout Contract, Nadex shall list one (1) Variable Payout Contract, referred to as a ‘Spread’, which conforms to the Payout Criteria listed below:

(1) DAILY VARIABLE EUR/JPY SPREAD CONTRACT

(aa) CAP – The Cap shall be $X + 2.50$.

(bb) FLOOR – The Floor shall be $X - 2.50$.

(cc) DOLLAR MULTIPLIER – The Dollar Multiplier shall be 100.

(2) In each case, “X” equals the last EUR/JPY price, as reported by the Source Agency, rounded to the nearest 0.10.

(ii) INTRADAY VARIABLE EUR/JPY SPREAD CONTRACTS, 6:00PM to 11:00PM, 11:00PM to 7:00AM, and 7:00AM to 3:00PM ET CLOSE - Nadex shall

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list a set of three (3) Variable Payout Contracts with overlapping ranges, which conform to the Payout Criteria listed below:

- (1) CONTRACT 1: The Cap shall be X; The Floor shall be X- 2.00.
- (2) CONTRACT 2: The Cap shall be X + 1.00; The Floor shall be X – 1.00.
- (3) CONTRACT 3: The Cap shall be X + 2.00; The Floor shall be X.
- (4) DOLLAR MULTIPLIER – The Dollar Multiplier shall be 100.

(5) In each case, “X” equals the last EUR/JPY price, as reported by the Source Agency, rounded to the nearest 0.10.

(iii) INTRADAY 2-HOUR VARIABLE EUR/JPY SPREAD

CONTRACTS, 8:00PM, 9:00PM, 10:00PM, 11:00PM, 12:00AM, 1:00AM, 2:00AM, 3:00AM, 4:00AM, 5:00AM, 6:00AM, 7:00AM, 8:00AM, 9:00AM, 10:00AM, 11:00AM, 12:00PM, 1:00PM, 2:00PM, and 3:00PM ET CLOSE - Nadex shall list a set of three (3) Variable Payout Contracts that open 2 hours prior to the stated closing time(s) above with overlapping ranges, which conform to the Payout Criteria listed below:

- (1) CONTRACT 1: The Cap shall be X; The Floor shall be X- 1.00.
- (2) CONTRACT 2: The Cap shall be X + 0.50; The Floor shall be X – 0.50.
- (3) CONTRACT 3: The Cap shall be X + 1.00; The Floor shall be X.
- (4) DOLLAR MULTIPLIER – The Dollar Multiplier shall be 100.

(5) In each case, “X” equals the last EUR/JPY price, as reported by the Source Agency, rounded to the nearest 0.10.

(iv) Nadex may list additional Variable Payout Contracts with different ranges of Payout Criteria on a discretionary basis in accordance with the CEA and Commission Regulations.

(g) MINIMUM TICK – The Minimum Tick size for EUR/JPY Variable Payout Contracts shall be 0.01.

(h) REPORTING LEVEL – The Reporting Level for the EUR/JPY Variable Payout Contracts shall be 2,500 Contracts.

(i) POSITION LIMIT – There are currently no Position Limits for EUR/JPY Variable Payout Contracts.

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(j) **LAST TRADING DATE** – The Last Trading Date in a Series is the same date as the Settlement Date.

(k) **SETTLEMENT DATE** – The Settlement Date of the Contract shall be the same date as the Expiration Date.

(l) **EXPIRATION DATE** – The Expiration Date of the Contract shall be the date on which the EUR/JPY Expiration Value is released by the Source Agency.

(m) **SETTLEMENT VALUE** – The Settlement Value shall be the amount paid to the holder of either a Short or Long Variable Payout Contract on Settlement Date. The Settlement Value of a Variable Payout Contract is determined as described in the definition for Long and Short Variable Payout Contracts.

(n) **EXPIRATION VALUE** – The Expiration Value shall be the price or value of EUR/JPY released by the Source Agency on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking the last ten (10) Midpoints between the bid/ask spread (~~five~~ten pips wide or less) just prior to the close of trading of the EUR/JPY Variable Payout Contract and removing the highest three (3) Midpoints and the lowest three (3) Midpoints, using the remaining four (4) EUR/JPY Midpoints to calculate the Expiration Value. The calculation used is a simple average of all four (4) EUR/JPY Midpoints, rounded to one decimal point past the precision of the underlying market. A Midpoint is calculated by adding the bid price and the ask price together and then dividing that number by two (2). For example, if the bid price is 121.00 and the ask price is 121.02, the two numbers are added together (totaling 242.02) and then divided by two (2), equaling a Midpoint of 121.01. If the spread between a particular bid price and ask price is deemed too wide (greater than ~~five~~ten (~~\$~~10) pips), those prices will not be used to calculate a Midpoint and will thus not be included within the 10 initially captured values.

(o) **CONTINGENCIES** – If no level is actually announced on the Expiration Date due to a delay, postponement or otherwise in such release announcement by the Source Agency, the Settlement Date will be delayed until the Underlying number is released for that Series.

RULE 12.39 CURRENCY EXCHANGE EUR/JPY BINARY CONTRACTS

(a) **SCOPE** – These Rules shall apply to the Class of Contracts referred to as the Currency Exchange EUR/JPY (“EUR/JPY”) Binary Contract issued by Nadex.

(b) **UNDERLYING** – The Underlying for this Class of Contracts is the Euro/ Japanese Yen, herein referred to as “EUR/JPY” as quoted in the Japanese Yen per Euro obtained from the spot EUR/JPY foreign currency market.

(c) **SOURCE AGENCY** – The Source Agency is Nadex.

(d) **TYPE** – The type of Contract is a Binary Contract.

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(e) **ISSUANCE** – For each planned release by the Source Agency of the Underlying, Nadex will issue various Contracts, each of a different Series. A new issuance of Contracts will commence no later than two (2) business days following the Expiration Date.

(f) **PAYOUT CRITERION** – The Payout Criterion for each Contract will be set by Nadex at the time the Binary Contracts are initially issued. For the EUR/JPY Binary Contract, the Payout Criteria for the Contracts will be set as follows:

(i) **WEEKLY EUR/JPY BINARY CONTRACTS**

- (1) **EXPIRATION TIME** – 3 PM ET CLOSE
- (2) **STRIKE INTERVAL WIDTH** – The interval width between each strike level shall be 0.50.
- (3) **NUMBER OF STRIKE LEVELS LISTED** - Fourteen (14) strike levels will be listed for each Weekly EUR/JPY Binary Contract Series.
- (4) **STRIKE LEVELS GENERATED** - Strike levels will be generated such that Binary Contract “X” is valued ‘at-the-money’ in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in 0.25 or 0.75 as reported by the Source Agency. Six (6) strike levels will be generated above Binary Contract X at an interval of 0.50, and seven (7) strike levels will be generated below Binary Contract X at an interval of 0.50 (e.g. $X - 0.50$; X ; $X + 0.50$). The Contract will have a Payout Criterion of greater than the strike level value.

(ii) **DAILY EUR/JPY BINARY CONTRACTS**

- (1) **EXPIRATION TIME** – 3 AM, 7 AM, 11 AM, 3 PM, 7 PM, 11 PM ET CLOSE
- (2) **STRIKE INTERVAL WIDTH** – The interval width between each strike level shall be 0.20.
- (3) **NUMBER OF STRIKE LEVELS LISTED** – Twenty-one (21) strike levels will be listed for each Daily EUR/JPY Binary Contract Series.
- (4) **STRIKE LEVELS GENERATED** - Strike levels will be generated such that Binary Contract “Y” is valued ‘at-the-money’ in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in 0.20 as reported by the Source Agency. Ten (10) strike levels will be generated above Binary Contract Y at an interval of 0.20, and ten (10)

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strike levels will be generated below Binary Contract Y at an interval of 0.20 (e.g. $Y - 0.20$; Y ; $Y + 0.20$). The Contract will have a Payout Criterion of greater than the strike level value.

(iii) INTRADAY EUR/JPY BINARY CONTRACTS

- (1) EXPIRATION TIME – 8 PM, 9 PM, 10 PM, 11 PM, 12 AM, 1 AM, 2 AM, 3 AM, 4 AM, 5 AM, 6 AM, 7 AM, 8 AM, 9 AM, 10 AM, 11 AM, 12 PM, 1 PM, 2 PM, 3 PM, 4 PM, 5 PM ET CLOSE
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 0.10.
- (3) NUMBER OF STRIKE LEVELS LISTED – Nine (9) strike levels will be listed for each Intraday EUR/JPY Binary Contract Series.
- (4) STRIKE LEVELS GENERATED - Strike levels will be generated such that Binary Contract “Z” is valued ‘at-the-money’ in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in 0.01 as reported by the Source Agency. Four (4) strike levels will be generated above Binary Contract Z at an interval of 0.10, and four (4) strike levels will be generated below Binary Contract Z at an interval of 0.10 (e.g. $Z - 0.10$; Z ; $Z + 0.10$). The Contract will have a Payout Criterion of greater than the strike level value.

(iv) Nadex may list additional EUR/JPY Binary Contract with different ranges of Payout Criteria on a discretionary basis in accordance with the CEA and Commission Regulations.

(g) MINIMUM TICK – The Minimum Tick size for EUR/JPY Binary Contracts shall be \$0.25.

(h) REPORTING LEVEL – The Reporting Level for the EUR/JPY Binary Contracts shall be 12,500 Contracts.

(i) POSITION LIMIT – There are currently no Position Limits for EUR/JPY Binary Contract.

(j) LAST TRADING DATE – The Last Trading Date in a Series is the same date as the Expiration Date. No trading in the EUR/JPY Binary Contracts shall occur after its Last Trading Date.

(k) SETTLEMENT DATE – The Settlement Date will be the date the EUR/JPY number is released by the Source Agency.

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(l) EXPIRATION DATE – The Expiration Date of the Contract will be the date on which the EUR/JPY number is scheduled to be released.

(m) SETTLEMENT VALUE – The Settlement Value is the amount paid to the holder of the in the money Contract on Settlement Date. The Settlement Value of an in the money EUR/JPY Binary Contract is \$100.

(n) EXPIRATION VALUE – The Expiration Value is the price or value of EUR/JPY as released by the Source Agency on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking the last ten (10) Midpoints between the bid/ask spread (~~five~~ten pips wide or less) just prior to the close of trading of the EUR/JPY Binary Contract and removing the highest three (3) Midpoints and the lowest three (3) Midpoints, using the remaining four (4) EUR/JPY Midpoints to calculate the Expiration Value. The calculation used is a simple average of all four (4) EUR/JPY Midpoints, rounded to one decimal point past the precision of the underlying market. A Midpoint is calculated by adding the bid price and the ask price together and then dividing that number by two (2). For example, if the bid price is 121.00 and the ask price is 121.02, the two numbers are added together (totaling 242.02) and then divided by two (2), equaling a Midpoint of 121.01. If the spread between a particular bid price and ask price is deemed too wide (greater than ~~five~~ten (510) pips), those prices will not be used to calculate a Midpoint and will thus not be included within the 10 initially captured values.

(o) CONTINGENCIES – If no level is actually announced on the Expiration Date due to a delay, postponement or otherwise in such release announcement by the Source Agency, the Settlement Date will be delayed until the Underlying number is released for that Series.

RULE 12.40 – 12.41 [UNCHANGED]

RULE 12.42 CURRENCY EXCHANGE EUR/GBP BINARY CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the Currency Exchange EUR/GBP (“EUR/GBP”) Binary Contract issued by Nadex.

(b) UNDERLYING – The Underlying for this Class of Contracts is the Euro/British Pound herein referred to as “EUR/GBP” as quoted in British Pounds per Euro obtained from the spot EUR/GBP foreign currency market.

(c) SOURCE AGENCY – The Source Agency is Nadex.

(d) TYPE – The type of Contract is a Binary Contract.

(e) ISSUANCE – For each planned release by the Source Agency of the Underlying, Nadex will issue various Contracts, each of a different Series. A new issuance of Contracts will commence no later than two (2) business days following the Expiration Date.

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(f) PAYOUT CRITERION – The Payout Criterion for each Contract will be set by Nadex at the time the Binary Contracts are initially issued. For the EUR/GBP Binary Contract, the Payout Criteria for the Contracts will be set as follows:

(i) WEEKLY EUR/GBP BINARY CONTRACTS

- (1) EXPIRATION TIME – 3 PM ET CLOSE
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 0.0050.
- (3) NUMBER OF STRIKE LEVELS LISTED - Fourteen (14) strike levels will be listed for each Weekly EUR/GBP Binary Contract Series.
- (4) STRIKE LEVELS GENERATED - Strike levels will be generated such that Binary Contract “X” is valued ‘at-the-money’ in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in 0.0025 or 0.0075 as reported by the Source Agency. Six (6) strike levels will be generated above Binary Contract X at an interval of 0.0050, and seven (7) strike levels will be generated below Binary Contract X at an interval of 0.0050 (e.g. $X - 0.0050$; X ; $X + 0.0050$). The Contract will have a Payout Criterion of greater than the strike level value.

(ii) DAILY EUR/GBP BINARY CONTRACTS

- (1) EXPIRATION TIME – 3 AM, 7 AM, 11 AM, 3 PM, 7 PM, 11 PM ET CLOSE
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 0.0020.
- (3) NUMBER OF STRIKE LEVELS LISTED – Twenty-one (21) strike levels will be listed for each Daily EUR/GBP Binary Contract Series.
- (4) STRIKE LEVELS GENERATED - Strike levels will be generated such that Binary Contract “Y” is valued ‘at-the-money’ in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in 0.0020 as reported by the Source Agency. Ten (10) strike levels will be generated above Binary Contract Y at an interval of 0.0020, and ten (10) strike levels will be generated below Binary Contract Y at an interval of 0.0020 (e.g. $Y - 0.0020$; Y ; $Y + 0.0020$). The Contract will have a Payout Criterion of greater than the strike level value.

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(iii) INTRADAY EUR/GBP BINARY CONTRACTS

- (1) EXPIRATION TIME – 10 AM, 11 AM, 12 PM, 1 PM , 2 PM, 3 PM ET CLOSE
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 0.0010.
- (3) NUMBER OF STRIKE LEVELS LISTED – Nine (9) strike levels will be listed for each Intraday EUR/GBP Binary Contract Series.
- (4) STRIKE LEVELS GENERATED - Strike levels will be generated such that Binary Contract “Z” is valued ‘at-the-money’ in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in 0.0001 as reported by the Source Agency. Four (4) strike levels will be generated above Binary Contract Z at an interval of 0.0010, and four (4) strike levels will be generated below Binary Contract Z at an interval of 0.0010 (e.g. $Z - 0.0010$; Z ; $Z + 0.0010$). The Contract will have a Payout Criterion of greater than the strike level value.

(iv) Nadex may list additional EUR/GBP Binary Contracts with different ranges of Payout Criteria on a discretionary basis in accordance with the CEA and Commission Regulations.

(g) MINIMUM TICK – The Minimum Tick size for EUR/GBP Binary Contracts shall be \$0.25.

(h) REPORTING LEVEL – The Reporting Level for the EUR/GBP Binary Contracts shall be 12,500 Contracts.

(i) POSITION LIMIT – There are currently no Position Limits for EUR/GBP Binary Contract.

(j) LAST TRADING DATE – The Last Trading Date in a Series is the same as the Expiration Date. No trading in the EUR/GBP Binary Contracts shall occur after its Last Trading Date.

(k) SETTLEMENT DATE – The Settlement Date will be the date on which the EUR/GBP number as reported by the Source Agency.

(l) EXPIRATION DATE – The Expiration Date of the Contract will be the date on which the EUR/GBP number is scheduled to be released.

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(m) SETTLEMENT VALUE – The Settlement Value is the amount paid to the holder of the in the money Contract on the Settlement Date. The Settlement Value of an in the money EUR/GBP Binary Contract is \$100.

(n) EXPIRATION VALUE – The Expiration Value is the price or value of EUR/GBP as released by the Source Agency on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking the last ten (10) Midpoints between the bid/ask spread (~~five~~ten pips wide or less) just prior to the close of trading of the EUR/GBP Binary Contract and removing the highest three (3) Midpoints and the lowest three (3) Midpoints, using the remaining four (4) EUR/GBP Midpoints to calculate the Expiration Value. The calculation used is a simple average of all four (4) EUR/GBP Midpoints, rounded to one decimal point past the precision of the underlying market. A Midpoint is calculated by adding the bid price and the ask price together and then dividing that number by two (2). For example, if the bid price is 1.3400 and the ask price is 1.3402, the two numbers are added together (totaling 2.6802) and then divided by two (2), equaling a Midpoint of 1.3401. If the spread between a particular bid price and ask price is deemed too wide (greater than ~~five~~ten (510) pips), those prices will not be used to calculate a Midpoint and will thus not be included within the 10 initially captured values.

(o) CONTINGENCIES – If no level is actually announced on the Expiration Date due to a delay, postponement or otherwise in such release announcement by the Source Agency, the Settlement Date will be delayed until the Underlying number is released for that Series.

RULE 12.43 – 12.78 [UNCHANGED]

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