

North American Derivatives Exchange Emergency Action

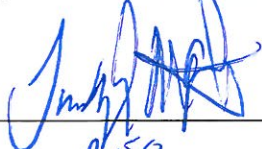
Per North American Derivatives Exchange Rule 2.4, the undersigned two members of the Management Team have authorized the adoption of a temporary emergency rule to address the following emergency:

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

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

The reason for the emergency action is: On March 21, 2016, due to the Vernal Equinox holiday, the Tokyo Stock Exchange was closed for that trade date. The Nadex Japan 225 contracts are based on the underlying SGX Nikkei 225 Index Futures market, which is based on the Nikkei Index traded at the Tokyo Stock Exchange. It is Nadex's standard practice to not list its Japan 225 contracts when the Tokyo Stock Exchange is closed, regardless of whether the SGX Nikkei 225 Index Futures market remains open, in order to prevent settlement issues that may arise as the result of low liquidity in the underlying SGX Nikkei 225 Index Futures market. On March 16, 2016, Nadex provided notice on its website that the contracts would not be listed on March 21, and the same notice appeared on the platform's 'welcome message' on March 17. However, Nadex inadvertently listed its Daily, 10pm ET expiration 2-Hour Intraday, 8:20pm and 8:40pm expiration 20-Minute Intraday Japan 225 Binary contracts and its Daily Japan 225 Variable Payout

spread contracts at the open of trade date March 21. Trading was halted in these contracts at 8:33:29pm ET. By this time, 16 Members had traded a total of 22 trades (60 contracts) in the 8:20pm, 10pm, and 2:25 expiration Japan 225 Binary contracts. Nadex Rule 7.1 states that Nadex may "adjust the terms of outstanding Series as it deems appropriate in its discretion to achieve fairness to holders of Contracts of the affected Series". As notice had been provided to its Members that the Japan 225 contracts would not be listed on March 21, and due to the potential for an illiquid underlying market upon which Nadex would obtain prices used in its settlement calculation, Nadex determined it was appropriate to halt trading in those contracts and make a cash adjustment to the accounts to return them to the position they would have had if the trades had not occurred. All affected Members have been contacted. The cash adjustment resulted in \$5,500 in settlement payout corrections, and \$31 in fees correction.

By: 
Title: CEO
Date: 21 MARCH 2016

and By: 
Title: CHIEF REGULATORY OFFICER