



May 7, 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 Rules to Permit Nadex to Refrain from Listing Contracts, Delists Certain Intraday 5-Minute Currency Contracts, and Amends Uniform Terms - 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 amend its Rules to allow for the discretionary halting of contract listing, and to delist certain Intraday 5-Minute Currency Contracts. Nadex plans to implement these changes for the open of business on trade date May 26, 2015.

Nadex currently lists approximately 12,000 contracts each trading day. A significant portion of the contracts offered at Nadex are listed and expire intraday, with listings every 5 minutes, 20 minutes, and hourly. While infrequent, there have been occasions where the Exchange has deemed it necessary to halt the listing of certain contracts, whether due to technical issues in the underlying markets upon which the Nadex contracts are based, holidays or irregular trading hours in the underlying markets, or disruptions to the Nadex system. In these instances, Nadex has filed notices of Emergency Action with the Commission. In many of these instances, however, either action was taken that did not have an affect on any Members with open positions, or an Emergency Action Notice was submitted because there was not sufficient time to meet the Commission’s full review period of 10 business days as required by Regulation 40.6(b).

Nadex intends to add to its Rules the authority to refrain from listing contracts in any of its products as a matter of discretion to render unnecessary the filing of Emergency Action Notices for situations that do not constitute true “emergencies” as we believe the Commission intended. Nadex would have the discretionary authority to refrain from listing contracts as it deemed necessary in the best interest of the market and Nadex’s Members. The authority would be limited to contracts that have not yet been listed on the market, and therefore no established positions would exist in these contracts.

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On November 28, 2014, Nadex submitted a self-certification to the Commission which added new Intraday 5-Minute Currency contracts. As part of the specifications, Nadex included the authority to refrain from listing 5-minute contracts in its discretion, the purpose of which was to prevent the accumulation of contracts that were untradeable or were likely to experience settlement issues, or to address any other technical issue that may occur. Nadex has utilized its discretion to not list certain 5-minute contracts numerous times since the contracts were first listed and has kept the Commission apprised of the non-listings through Weekly Notifications in accordance with Commission Regulation 40.6(d). With the extension of this authority to cover all of Nadex's products, Nadex would continue to provide weekly notice to the Commission for any contracts that were not listed for trading according to their regular schedule. Additionally, Nadex would continue to submit Emergency Action notices in circumstances which constitute true emergencies, such as actions that would affect Members with open positions, the halting of trading in an active market, or the early closing of a listed contract.

For consistency, Nadex will be replacing the word "halt" in the provisions of its 5-Minute Currency contracts that grant the authority to refrain from listing those contracts with "refrain from".

Nadex also plans to delist its Intraday 5-Minute Currency contracts that expire on the hour, due to a duplicate strike issue. Currently, when an Intraday 5-Minute Currency contract that is set to expire on the hour overlaps with an Intraday 2-Hour Currency contract in the same currency pair, there is a potential for the same strike level to generate for the 5-Minute contract as that of an existing 2-Hour contract, essentially creating a duplicate contract. Intraday 5-Minute Currency contracts that expire on the hour have not been listed for trading, pursuant to the discretionary authority to refrain from listing the 5-Minute contracts granted in Rules 12.27(f)(iv)(5), 12.29(f)(iv)(5), 12.31(f)(iv)(5), and 12.37(f)(iv)(5), since these contracts were launched on December 15, 2014. Nadex has kept the Commission apprised of its decision to refrain from listing these contracts via Weekly Notification submissions in accordance with Regulation 40.6(d). Nadex has now made the decision to permanently delist the 5-Minute contracts that expire on the hour as its Members have alternative trading opportunities in the same products at the same times. With this change, the next Intraday 5-Minute Currency contract that would be listed following the expiration at 55 minutes past the hour would have an expiration of 5 minutes past the hour.

Finally, Nadex will be deleting certain definitions in Rule 12.1 (Terms That Are Uniform Across Contracts) for contract types that are not offered by Nadex. In the event Nadex should add any of these contract types to its listing of products in the future, the definition(s) will be re-added to this Rule at that time.

DCM Core Principles

Nadex has identified the following Designated Contract Market ("DCM") Core Principles as potentially being impacted by the Rule amendments discussed herein: Core Principle 6 (Emergency Authority) and Core Principle 7 (Availability of General Information).

Core Principle 6 (Emergency Authority), implemented by Regulation 38.350 states that the board of trade shall adopt rules to provide for the exercise of emergency authority, as is necessary and appropriate, and includes a specific reference to the suspension of trading in any contract. The Regulation requires Emergency Notice in order to suspend or curtail trading in any contract, and Nadex will continue to provide Emergency Action Notice to the Commission in the event it deems it necessary to suspend trading in any contract already listed and open on the

Exchange. The change to Nadex's Rules to permit it to refrain from listing any contract in its discretion will not impair the Exchange's ability to comply with this Regulation, as the authority would only extend to a contract that has not already been listed. Nadex would provide Weekly Notice to the Commission of any contracts that were not listed for trading, as it has done so in the past for the Intraday 5-Minute Currency contracts that expire on the hour.

Core Principle 7 (Availability of General Information), implemented by Regulation 38.401, requires the DCM to ensure its Rulebook is accurate and available on its website. Nadex currently makes its Rulebook available on its website and will continue to do so after the amendments discussed herein are implemented. Therefore, Nadex's ability to comply with this Core Principle will not be negatively impacted by the amendments discussed herein.

DCO Core Principles

Nadex has identified the following Derivatives Clearing Organization ("DCO") Core Principle as potentially being impacted by the Rule amendments discussed herein: Core Principle L (Public Information).

Core Principle L, implemented by Regulation 39.21, requires the DCO to make its Rulebook readily available to the general public. Nadex currently makes its Rulebook available on its website and will continue to do so after the amendments discussed herein are implemented. Therefore, Nadex's ability to comply with this Core Principle will not be negatively impacted.

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 additions 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 notice of these events 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) 884-0927 or by email at jaime.walsh@nadex.com.

Sincerely,



Jaime M. Walsh
Legal Counsel

EXHIBIT A

Rule	Asset	Duration/Close Time	Action	Effective Date
12.1	Terms that are Uniform Across Contracts	N/A	Add authority to refrain from listing contracts, delete unused contract types, and re-organize.	5/26/2015
12.27	Currency Exchange AUD/USD Binary Contracts	Expirations every 5 minutes beginning Sunday at 6:05pm ET and ending Friday at 4:00pm ET.	Delists 5-Minute contracts that expire on the hour; replace “halt” with “refrain”.	5/26/2015
12.29	Currency Exchange EUR/USD Binary Contracts	Expirations every 5 minutes beginning Sunday at 6:05pm ET and ending Friday at 4:00pm ET.	Delists 5-Minute contracts that expire on the hour; replace “halt” with “refrain”.	5/26/2015
12.31	Currency Exchange GBP/USD Binary Contracts	Expirations every 5 minutes beginning Sunday at 6:05pm ET and ending Friday at 4:00pm ET.	Delists 5-Minute contracts that expire on the hour; replace “halt” with “refrain”.	5/26/2015
12.37	Currency Exchange USD/JPY Binary Contracts	Expirations every 5 minutes beginning Sunday at 6:05pm ET and ending Friday at 4:00pm ET.	Delists 5-Minute contracts that expire on the hour; replace “halt” with “refrain”.	5/26/2015

EXHIBIT B

Amendment of Rules 12.1, 12.27, 12.29, 12.31, 12.37

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

RULES 1.1 – 11.3 [UNCHANGED]

RULE 12.1 TERMS THAT ARE UNIFORM ACROSS CONTRACTS

There are certain terms that are uniform across Contracts.

- (a) The minimum unit of trading for each Contract is one Contract.
- (b) All Contract prices are quoted in U.S. dollars and cents per Contract.
- (c) The minimum quote increment for each Contract is \$.01 per Contract.
- (d) All Expiration Values will be posted on Nadex's website no later than the close of business of the Expiration Date of a Contract Series.
- (e) At the time Nadex sets the Payout Criterion for any Binary Contract, Nadex will review its then-existing Binary Contracts in the same Class having the same Expiration time. No new Binary Contract in that same Class and having the same Expiration time will be offered with the same Payout Criterion. Instead, in instances where a duplicate Payout Criterion would be generated under the applicable product rule, the Payout Criterion for that Contract will be adjusted by pre-determined levels which shall be published on the Nadex website.
- (f) All Nadex Binary Swap Contracts and Variable Payout Contracts are deemed to be "swaps" as defined in 17 USC 1a(47).
- (g) **Halted Markets** - In the event that any market irregularities are declared by the ~~President~~ Chief Executive Officer of the Exchange, a market may be halted for trading, and the Commission will be notified, if required, pursuant to Commission Regulations. An explanation will be posted on the Nadex Notices section of the website within a reasonable amount of time but no later than 24 hours after the initiation of the halt.
- (h) **Discretion to Refrain from Listing Contracts** - Nadex may, in its discretion, temporarily refrain from the listing of any 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.
- (i) **Contract Modifications** - Specifications shall be fixed as of the first day of trading of a contract. If any U.S. governmental agency or body issues an order, ruling, directive or law that conflicts with the requirements of these rules, such order, ruling, directive or law shall be

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construed to take precedence and become part of these rules, and all open and new contracts shall be subject to such government orders.

(j) CONTRACT TYPES

(i) Daily Contracts means a Series of Contracts that have an Expiration Date within 24 hours after they are issued.

(ii) Intraday Contracts means a Series of Contracts that expire on the same trade date as, and within eight hours or less, of issuance.

(iii) Weekly Contracts mean a Series of Contracts that have an Expiration Date that is no less than four calendar days and no greater than seven calendar days from the date on which the contracts are issued. Unless otherwise specified in these rules, this Series shall have an Expiration Date that is equal to the Last Trading Date of the current week.

~~(f) DAILY CONTRACTS means a Series of Contracts that have an Expiration Date within 24 hours after they are issued.~~

~~(g) MONTHLY CONTRACTS mean a Series of Contracts that have a Payout Criterion based on the last reported level of the Underlying by the Source Agency. Monthly Contracts have an Expiration Date that is no less than twenty one calendar days and no greater than thirty five calendar days from the date on which the last reported level of the Underlying is released by the Source Agency. Unless otherwise specified in these rules, this Series shall have an Expiration Date that is equal to the Last Trading Date of the current month.~~

~~(h) WEEKLY CONTRACTS mean a Series of Contracts that have an Expiration Date that is no less than four calendar days and no greater than seven calendar days from the date on which the contracts are issued. Unless otherwise specified in these rules, this Series shall have an Expiration Date that is equal to the Last Trading Date of the current week.~~

~~(i) QUARTERLY CONTRACTS mean a Series of Contracts that have a Payout Criterion based on the last reported level of the Underlying during the previous quarter as released by the Source Agency. Unless otherwise specified in these rules, this Series shall have an Expiration Date that is equal to the Last Trading Date of the current quarter as defined by the Source Agency.~~

~~(j) BI-ANNUAL CONTRACTS mean a Series of Contracts that have a Payout Criterion based on the last reported level of the Underlying from two quarters back as released by the Source Agency. Unless otherwise specified in these rules, this Series shall have an Expiration Date that is equal to the Last Trading Date of the current quarter as defined by the Source Agency. For example, if the Source Agency reports a level for the Underlying every February, May, August and November, a Bi-Annual Contract will have a Payout Criterion based on the level reported in May with the Expiration Value based on the level of the Underlying scheduled to be released in November.~~

~~(k) YEAR-END CONTRACTS mean a Series of Contracts that have a Payout Criterion based on the last reported level of the Underlying by the Source Agency prior to the issuance date of the Contract. Unless otherwise specified in these rules, this Series of Contracts shall have an Expiration Date that is equal to the Last Trading Date of the current year.~~

~~(l) TWO MONTH CONTRACTS mean a Series of Contracts that have a Payout Criterion based on the last reported level of the Underlying from two months back as released by the Source Agency. Unless otherwise specified in these rules, this Series shall have an Expiration Date that is equal to the Last Trading Date of the current month as defined by the Source Agency.~~

~~(m) CYCLICAL CONTRACTS mean a Series of Contracts that have a Payout Criterion based on the last reported level of the Underlying by the Source Agency. Unless otherwise specified in these Rules, this Series shall have an Expiration Date that is equal to the Last Trading Date of the current reporting cycle of the Source Agency.~~

~~(n) 4TH MEETING CONTRACTS mean a Series of Contracts that have a Payout Criterion based on the last reported level of the Underlying at the time the Contract is listed from four (4) meetings back as released by the Source Agency. Unless otherwise specified in these rules, this Series shall have an Expiration Date that is the last of the FOMC meeting scheduled as defined by the Source Agency. For example, if the Source Agency reports a level for the Underlying on March 21st, a 4th Meeting Contract will have a Payout Criterion based on the level reported on March 21st and will have an Expiration Value based on the level of the Underlying scheduled to be released four (4) scheduled meetings from that date, on September 18th.~~

~~(o) DAMAGE CONTRACTS mean a Series of Contracts that have a Payout Criterion based upon the amount of damage estimates calculated and released by the Source Agency.~~

~~(p) BI WEEKLY CONTRACTS mean a Series of Contracts that have a Payout Criterion based on the last reported level of the Underlying from two weeks back as released by the Source Agency. Unless otherwise specified in these rules, this Series shall have an Expiration Date that is equal to the Last Trading Date.~~

~~(q) HALTED MARKETS—In the event that any market irregularities are declared by the President of the Exchange, a market may be halted for trading, and an explanation will be posted on the Nadex Notices section of the website within a reasonable amount of time but no later than 24 hours after the initiation of the halt.~~

~~(r) CONTRACT MODIFICATIONS—Specifications shall be fixed as of the first day of trading of a contract. If any U.S. governmental agency or body issues an order, ruling, directive or law that conflicts with the requirements of these rules, such order, ruling, directive or law shall be construed to take precedence and become part of these rules, and all open and new contracts shall be subject to such government orders.~~

~~(s) INTRADAY CONTRACTS means a series of contracts that expire on the same trade date as, and within eight hours or less, of issuance.~~

~~(t) All Nadex Binary Swap Contracts and Variable Payout Contracts are deemed to be “swaps” as defined in 17 USC 1a(47).~~

RULES 12.2 – 12.26 [UNCHANGED]

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.

(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

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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 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 0.0003.
- (3) NUMBER OF STRIKE LEVELS LISTED – Five (5) 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. Two (2) strike levels will be generated above Binary Contract Z at an interval of 0.0003, and two (2) strike levels will be generated below Binary Contract Z at an interval 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 refrain from ~~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.

(6) No 5-Minute Binary Contracts will be listed that expire on the hour. For example, the next expiration to follow the 9:55am expiration would be the 10:05am expiration. Likewise, the next expiration to follow the 10:55am expiration would be 11:05am, and so forth.

(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 (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 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 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.

12.28 [UNCHANGED]

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.

(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 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 – Five (5) 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. Two (2) strike levels will be generated above Binary Contract Z at an interval of 0.0003, and two (2) strike levels will be generated below Binary Contract Z at an interval 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 refrain from ~~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.

(6) No 5-Minute Binary Contracts will be listed that expire on the hour. For example, the next expiration to follow the 9:55am expiration would be the 10:05am expiration. Likewise, the next expiration to follow the 10:55am expiration would be 11:05am, and so forth.

(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.

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

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

(k) 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.

(l) 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 (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 (2), equaling a Midpoint of 1.3401. If the spread between a particular bid price and ask price is deemed too wide (greater than 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.

(m) 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 [UNCHANGED]

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.

(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

W

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

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 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

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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 – Five (5) 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. Two (2) strike levels will be generated above Binary Contract Z at an interval of 0.0003, and two (2) strike levels will be generated below Binary Contract Z at an interval 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 refrain from ~~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.

(6) No 5-Minute Binary Contracts will be listed that expire on the hour. For example, the next expiration to follow the 9:55am expiration would be the 10:05am expiration. Likewise, the next expiration to follow the 10:55am expiration would be 11:05am, and so forth.

(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 (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 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 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.

RULES 12.32 – 12.36 [UNCHANGED]

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.

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(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:

(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

- (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 – Five (5) 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. Two (2) strike levels will be generated above Binary Contract Z at an interval of 0.08, and two (2)

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strike levels 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 refrain from ~~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.

(6) No 5-Minute Binary Contracts will be listed that expire on the hour. For example, the next expiration to follow the 9:55am expiration would be the 10:05am expiration. Likewise, the next expiration to follow the 10:55am expiration would be 11:05am, and so forth.

(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 (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 deemed too wide (greater than 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.

RULES 12.38 – 12.78 [UNCHANGED]

End of Rulebook.

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