



May 26, 2022

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 Position Limits for Market Makers - 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 adjust a position limits for dedicated market makers with whom Nadex has entered a Market Maker Agreement. Nadex is making these amendments to adjust the limits to a level in line with Nadex’s recent update of position limits for its non-market maker retail traders, which was self-certified pursuant to §40.6(a) and assigned submission no. 2205-1213-3100-67. In setting these limits, Nadex has taken into consideration the value of the contract and typical size that retail traders trade, and the capital usage and exposure of the market makers.

DCM Core Principles

Nadex has identified the following Designated Contract Market (“DCM”) Core Principle as potentially being impacted by the amendments discussed herein: Core Principle 5 Position Limits or Accountability; Core Principle 7 Availability of General Information.

Core Principle 5 (Position Limits or Accountability), implemented by Commission Regulation 38.300, requires a DCM to establish position limits for speculators. Nadex recently lowered its overall position limits to align with the levels it has observed its retail Members trade at after analyzing market data for several years. After determining that the lower limits were appropriate for Nadex’s market, the market maker alternative position limits were unnecessarily high. Therefore, Nadex is adjusting the market maker alternative position limits relative to the new contract position limits. As Nadex is

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not removing position limits for speculators but rather adjusting the levels to fit its market activity, the amendments discussed herein will not negatively impact Nadex's ability to comply with this Core Principle.

Core Principle 7 (Availability of General Information), implemented by Regulation 38.400, requires the DCM make available to the public accurate information concerning the terms and conditions of the contracts of the contract market. Nadex currently makes its Rulebook available to the public on its website and will continue to do so following the effective date of this submission. The Rulebook contains the contract specifications for all contracts, including each contract's position limits which will be updated as discussed herein and republished on the Nadex website. Historically, Nadex has identified the market maker alternative position limits in Rule 4.4 Obligations of Market Makers, however, it is moving these limits to Chapter 12, and each contract's individual specifications. Accordingly, these amendments will not negatively affect Nadex's ability to comply with this Core Principle.

DCO Core Principles

Nadex has not identified any Derivatives Clearing Organization ("DCO") Core Principles as potentially being impacted by the amendments discussed herein.

A complete index of the DCM and DCO Core Principles that indicates whether the Core Principle is applicable and addressed in the text of this submission is attached in Exhibit A. These Rule changes have been outlined in Exhibit B. The amendments to the Rulebook are set forth in Exhibit C. 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 amendments was posted on its website at the time of this filing.

In accordance with the 10-day review period set forth in Commission Regulation 40.6(b), Nadex plans to implement these Rule changes for the start of business on trade date June 13, 2022.

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
Head of Legal

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EXHIBIT A

Designated Contract Market (“DCM”) Core Principles

Core Principle Number	Core Principle Name	Addressed in or Not Applicable to Self-Certification
1	Designation as Contract Market	Not applicable (designation granted)
2	Compliance with Rules	N/A; not impacted by this submission
3	Contracts Not Readily Subject to Manipulation	N/A; the contract structure will not change and imposing/lowering position limits does not increase the chance for manipulation
4	Prevention of Market Disruption	N/A; not impacted by this submission
5	Position Limitations or Accountability	Addressed
6	Emergency Authority	Not applicable (Nadex Rulebook, 2.4 Emergency Rules)
7	Availability of General Information	Addressed
8	Daily Publication of Trading Information	N/A; not impacted by this submission
9	Execution of Transactions	N/A; not impacted by this submission
10	Trade Information	N/A; not impacted by this submission
11	Financial Integrity of Transactions	N/A; not impacted by this submission, all trades are fully collateralized
12	Protection of Markets and Market Participants	N/A; not impacted by this submission
13	Disciplinary Procedures	Not applicable (Nadex Rulebook, Chapter 9 Rule Enforcement)

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14	Dispute Resolution	Not applicable (Nadex Rulebook, 10.2 – 10.4 Arbitration)
15	Governance Fitness Standards	Not applicable (Nadex Rulebook, 2.2 Service Restrictions, 11.2 Service and Disciplinary History)
16	Conflicts of Interest	Not applicable (Nadex Rulebook, 2.6 Voting, 2.9 Trading Limitations, 11.1 Non-Public Information, 11.3 Voting)
17	Composition of Governing Boards of Contract Markets	Not applicable (internal review and appointment of directors)
18	Recordkeeping	N/A; not impacted by this submission
19	Antitrust Considerations	Not applicable
20	System Safeguards	Not applicable (internal controls and policies in place)
21	Financial Resources	Not applicable (capital requirements and quarterly reporting compliant)
22	Diversity of Boards of Directors	Not applicable (not public company, internal review and appointment of directors)
23	Securities and Exchange Commission	Not applicable

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Derivatives Clearing Organization (“DCO”) Core Principles

Core Principle Number	Core Principle Name	Addressed in or Not Applicable to Self-Certification
A	Compliance	Not applicable
B	Financial Resources	Not applicable (capital requirement and quarterly reporting compliant)
C	Participant and Product Eligibility	N/A; not impacted by this submission
D	Risk Management	N/A; not impacted by this submission
E	Settlement Procedures	N/A; not impacted by this submission
F	Treatment of Funds	Not applicable (Nadex Rulebook Chapter 8 Member Funds)
G	Default Rules and Procedures	N/A; not impacted by this submission
H	Rule Enforcement	Not applicable (Nadex Rulebook, Chapter 9 Rule Enforcement, 10.2 – 10.4 Arbitration)
I	System Safeguards	Not applicable (internal controls and policies in place)
J	Reporting	Not applicable (Nadex Rulebook Chapter 8 Member Funds)
K	Recordkeeping	N/A; not impacted by this submission
L	Public Information	Not applicable (Nadex Rulebook Chapter 8 Member Funds)

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M	Information Sharing	N/A; not impacted by this submission
N	Antitrust Considerations	Not applicable
O	Governance Fitness Standards	Not applicable (Nadex Rulebook, 2.2 Service Restrictions, 11.2 Service and Disciplinary History, internal review and appointment of directors)
P	Conflicts of Interest	Not applicable (Nadex Rulebook, 2.6 Voting, 2.9 Trading Limitations, 11.1 Non-Public Information, 11.3 Voting)
Q	Composition of Governing Boards	Not applicable (internal review and appointment of directors)
R	Legal Risk	Not applicable (Nadex Rulebook Chapter 6)

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EXHIBIT B

Rule	Asset	Duration/Close Time	Action	Effective Date
4.4	Obligations of Market Makers	N/A	Remove reference to alternative position limits	06/13/2022
12.4	Gold Variable Payout Contracts	All variable payout contracts.	Amend market maker alternative position limits.	06/13/2022
12.5	Gold Binary Contracts	All binary contracts.	Amend market maker alternative position limits.	06/13/2022
12.6	Silver Variable Payout Contracts	All variable payout contracts.	Amend market maker alternative position limits.	06/13/2022
12.7	Silver Binary Contracts	All binary contracts.	Amend market maker alternative position limits.	06/13/2022
12.8	Crude Oil Variable Payout Contracts	All variable payout contracts.	Amend market maker alternative position limits.	06/13/2022
12.9	Crude Oil Binary Contracts	All binary contracts.	Amend market maker alternative position limits.	06/13/2022

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12.10	Natural Gas Variable Payout Contracts	All variable payout contracts.	Amend market maker alternative position limits.	06/13/2022
12.11	Natural Gas Binary Contracts	All binary contracts.	Amend market maker alternative position limits.	06/13/2022
12.26	Currency Exchange AUD/USD Variable Payout Contracts	All variable payout contracts.	Amend market maker alternative position limits.	06/13/2022
12.27	Currency Exchange AUD/USD Binary Contracts	All binary contracts	Amend market maker alternative position limits.	06/13/2022
12.28	Currency Exchange EUR/USD Variable Payout Contracts	All variable payout contracts.	Amend market maker alternative position limits.	06/13/2022
12.29	Currency Exchange EUR/USD Binary Contracts	All binary contracts	Amend market maker alternative position limits.	06/13/2022
12.30	Currency Exchange GBP/USD Variable Payout Contracts	All variable payout contracts.	Amend market maker alternative position limits.	06/13/2022
12.31	Currency Exchange GBP/USD Binary Contracts	All binary contracts	Amend market maker alternative position limits.	06/13/2022

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12.32	Currency Exchange USD/CAD Variable Payout Contracts	All variable payout contracts.	Amend market maker alternative position limits.	06/13/2022
12.33	Currency Exchange USD/CAD Binary Contracts	All binary contracts	Amend market maker alternative position limits.	06/13/2022
12.34	Currency Exchange USD/CHF Variable Payout Contracts	All variable payout contracts.	Amend market maker alternative position limits.	06/13/2022
12.35	Currency Exchange USD/CHF Binary Contracts	All binary contracts	Amend market maker alternative position limits.	06/13/2022
12.36	Currency Exchange USD/JPY Variable Payout Contracts	All variable payout contracts.	Amend market maker alternative position limits.	06/13/2022
12.37	Currency Exchange USD/JPY Binary Contracts	All binary contracts	Amend market maker alternative position limits.	06/13/2022
12.38	Currency Exchange EUR/JPY Variable Payout Contracts	All variable payout contracts.	Amend market maker alternative position limits.	06/13/2022
12.39	Currency Exchange EUR/JPY Binary Contracts	All binary contracts	Amend market maker alternative position limits.	06/13/2022

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12.40	Currency Exchange GBP/JPY Variable Payout Contracts	All variable payout contracts.	Amend market maker alternative position limits.	06/13/2022
12.41	Currency Exchange GBP/JPY Binary Contracts	All binary contracts	Amend market maker alternative position limits.	06/13/2022
12.42	Currency Exchange EUR/GBP Variable Payout Contracts	All variable payout contracts.	Amend market maker alternative position limits.	06/13/2022
12.43	Currency Exchange EUR/GBP Binary Contracts	All binary contracts	Amend market maker alternative position limits.	06/13/2022
12.44	Currency Exchange AUD/JPY Variable Payout Contracts	All variable payout contracts.	Amend market maker alternative position limits.	06/13/2022
12.45	Currency Exchange AUD/JPY Binary Contracts	All binary contracts	Amend market maker alternative position limits.	06/13/2022
12.46	Currency Exchange AUD/MXN Binary Contracts	All binary contracts	Amend market maker alternative position limits.	06/13/2022
12.48	FTSE 100 Future Variable Payout Contracts	All variable payout contracts.	Amend market maker alternative position limits.	06/13/2022

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12.49	FTSE 100 Future Binary Contracts	All binary contracts	Amend market maker alternative position limits.	06/13/2022
12.50	Germany 40 Variable Payout Contracts	All variable payout contracts.	Amend market maker alternative position limits.	06/13/2022
12.51	Germany 40 Binary Contracts	All binary contracts.	Amend market maker alternative position limits.	06/13/2022
12.54	Japan 225 Variable Payout Contracts	All variable payout contracts.	Amend market maker alternative position limits.	06/13/2022
12.55	Japan 225 Binary Contracts	All binary contracts.	Amend market maker alternative position limits.	06/13/2022
12.57	China 50 Binary Contracts	All binary contracts.	Amend market maker alternative position limits.	06/13/2022
12.58	US 500 Variable Payout Contracts	All variable payout contracts.	Amend market maker alternative position limits.	06/13/2022
12.59	US 500 Binary Contracts	All binary contracts.	Amend market maker alternative position limits.	06/13/2022

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12.60	US SmallCap 2000 Variable Payout Contracts	All variable payout contracts.	Amend market maker alternative position limits.	06/13/2022
12.61	US SmallCap 2000 Binary Contracts	All binary contracts.	Amend market maker alternative position limits.	06/13/2022
12.62	US Tech 100 Variable Payout Contracts	All variable payout contracts.	Amend market maker alternative position limits.	06/13/2022
12.63	US Tech 100 Binary Contracts	All binary contracts.	Amend market maker alternative position limits.	06/13/2022
12.64	Wall Street 30 Variable Payout Contracts	All variable payout contracts.	Amend market maker alternative position limits.	06/13/2022
12.65	Wall Street 30 Binary Contracts	All binary contracts.	Amend market maker alternative position limits.	06/13/2022
12.72	Initial Jobless Claims Binary Contracts	All binary contracts.	Amend market maker alternative position limits.	06/13/2022
12.73	Nonfarm Payrolls Binary Contracts	All binary contracts.	Amend market maker alternative position limits.	06/13/2022

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12.74	Gross Domestic Product (“GDP”) Change Binary Contracts	All binary contracts.	Amend market maker alternative position limits.	06/13/2022
12.75	Unemployment Rate Binary Contracts	All binary contracts.	Amend market maker alternative position limits.	06/13/2022
12.76	Corn Yields Binary Contracts	All binary contracts.	Amend market maker alternative position limits.	06/13/2022
12.77	Soybeans Yields Binary Contracts	All binary contracts.	Amend market maker alternative position limits.	06/13/2022
12.78	Crude Oil Inventories Change Binary Contracts	All binary contracts.	Amend market maker alternative position limits.	06/13/2022
12.79	Natural Gas Net Change Binary Contracts	All binary contracts.	Amend market maker alternative position limits.	06/13/2022
12.80	Consumer Price Index – All Items Less Food and Energy Binary Contracts	All binary contracts.	Amend market maker alternative position limits.	06/13/2022
12.81	Consumer Price Index – Food at Home Binary Contracts	All binary contracts.	Amend market maker alternative position limits.	06/13/2022

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12.82	Consumer Price Index – Food Away From Home Binary Contracts	All binary contracts.	Amend market maker alternative position limits.	06/13/2022
12.83	Consumer Price Index Binary Contracts	All binary contracts.	Amend market maker alternative position limits.	06/13/2022
12.84	Federal Balance Sheet Total Assets (Millions) Binary Contracts	All binary contracts.	Amend market maker alternative position limits.	06/13/2022
12.85	New Home Sales Binary Contracts	All binary contracts.	Amend market maker alternative position limits.	06/13/2022
12.86	Retail Sales Change Binary Contracts	All binary contracts.	Amend market maker alternative position limits.	06/13/2022

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EXHIBIT C

Amendment of Rules 4.4, 12.4 – 12.11, 12.26 – 12.46, 12.48 – 12.51, 12.54 – 12.55, 12.57 – 12.65,
12.72 – 12.86

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

RULES 1.1 – 4.3 [UNCHANGED]

RULE 4.4 OBLIGATIONS OF MARKET MAKERS

(a) General – Transactions of Market Makers should constitute a course of dealings reasonably calculated to contribute to the maintenance of a fair and orderly market, and Market Makers shall not make bids or offers or enter into transactions that are inconsistent with such a course of dealings. Ordinarily, Market Makers shall be obligated to do the following:

(i) trade for the proprietary account of the Market Maker only;

(ii) maintain at least the minimum capital on deposit with Nadex in accordance with the terms of the applicable Market Maker Agreement;

(iii) comply with all other terms of the applicable Market Maker Agreement; and

(iv) maintain two-sided displayed quotes, insofar as required by the Market Maker Agreement, of a minimum designated quantity (“Size”) within a predefined spread (“Bid/Ask Spread”) for a Series of Contracts for a certain period of time throughout the trading day, and comply with all other terms of the applicable Market Maker Agreement.

(1) In ordinary market conditions, quotes must be made within a maximum Bid/Ask Spread.

(2) The Market Maker Agreement sets forth specific conditions under which a Market Maker is permitted to refrain from quoting binding bid and offer prices.

(b) A Market Maker has a continuous obligation to engage, to a reasonable degree under the existing circumstances, in dealings for the account of the Market Maker when there exists, or it is reasonably anticipated that there will exist, a lack of price continuity or a temporary disparity between the supply of and demand for quotations in a Series of a Designated Class to which the Market Maker is appointed. Without limiting the foregoing, a Market Maker is expected to perform the following activities in the course of maintaining a fair and orderly market;

(i) To post bid and ask quotations in all Designated Classes to which the Market Maker is appointed that, absent changed market conditions, will be honored by the Market Maker.

(ii) To update quotations in response to changed market conditions in all Designated Classes to which the Market Maker is appointed.

(iii) All Market Maker quotations shall be submitted as “Post-Only Quotes”. A Market Maker is not permitted to submit Non Post-Only Orders.

(iv) In the event a Market Maker has built a position size equal to or greater than 90% of any applicable position limit in a particular Class or Contract, Market Maker is temporarily relieved of its quoting obligation for such Class or Contract until Market Maker’s position in such Class or Contract has been reduced to 75% of the applicable position limit, at which time quoting obligations as set forth in the Market Maker Agreement will resume.

(c) Like other Members of Nadex, a Market Maker may not attempt to execute a trade unless it has the excess funds in its Nadex account necessary to fully collateralize its obligations of the trade.

~~(d)(d) Approved Market Makers who are engaged in bona fide market-making activity shall not be subject to the normal contract position limits, but rather will be subject to alternative market maker position limits as specified in each Contract’s specifications in Chapter 12 of this Rulebook. A Market Maker taking advantage of an alternative market maker position limit must, within 1 business day following a request by Nadex’s Compliance Department, provide the Nadex Compliance Department with a trade register detailing all trading activity in any account owned or controlled by the Market Maker in any relevant Underlying market during the 15 minutes immediately before and after any expiration time identified by Nadex’s Compliance Department.~~

~~_____ Alternative Position Limits for Certain Contracts~~

~~(i) Approved Market Makers who are engaged in bona fide market-making activity shall be exempt from the position limits for those Binary Contracts defined in~~

~~_____ (1) Rules 12.55 (Japan 225), 12.57 (China 50), 12.65 (Wall Street 30), 12.63 (US Tech 100), 12.59 (US 500) and 12.61 (US SmallCap 2000). Instead, such Market Makers shall be subject to Alternative Position Limits of twice the limit identified for such Binary Contract in Chapter 12. In addition, such Alternative Position Limits shall apply not to the entire class of Binary Contracts, but to each Binary Contract in that Class (i.e., per strike).~~

~~_____ (2) Rules 12.5 (Gold), 12.7 (Silver), 12.9 (Crude Oil), 12.11 (Natural Gas), 12.49 (FTSE 100) and 12.51 (Germany 40). Instead, such Market Makers shall be subject to Alternative Position Limits of the limit identified for such Binary Contract in Chapter 12,~~

~~which limit shall apply not to the entire class of Binary Contracts, but to each Binary Contract in that Class (i.e., per strike).~~

~~(ii) — Approved Market Makers who are engaged in bona fide market making activity shall be exempt from the position limits for those Touch Bracket Variable Payout Contracts defined in Rules 12.6.2 (Silver), 12.10.2 (Natural Gas), 12.26.2 (AUD/USD), 12.28.2 (EUR/USD), 12.30.2 (GBP/USD), 12.32.2 (USD/CAD), 12.34.2 (USD/CHF), 12.36.2 (USD/JPY), 12.38.2 (EUR/JPY), 12.41.2 (GBP/JPY), 12.43.2 (EUR/GBP), 12.44.2 (AUD/JPY), 12.58.2 (US 500), 12.60.2 (US SmallCap 2000), 12.62.2 (US Tech 100), and 12.64.2 (Wall Street 30). Instead, such Market Makers shall be subject to Alternative Position Limits of ten times the limit identified for such Touch Bracket Contracts in Chapter 12. In addition, such Alternative Position Limits shall apply not to the entire class of Touch Bracket Contracts, but to each Touch Bracket Contract in that Class (i.e., per strike).~~

~~(iii) — A Market Maker taking advantage of this exemption and an Alternative Position Limit must, within 1 business day following a request by Nadex’s Compliance Department, provide the Nadex Compliance Department with a trade register detailing all forex or futures trading activity in any account owned or controlled by the Market Maker in any relevant Underlying market during the 15 minutes immediately before and after any expiration time identified by Nadex’s Compliance Department in the request.~~

(e) Duly appointed Market Makers may be charged a Wide Spread Surcharge as set forth in the fee schedule.

RULES 5.1 – 12.3 [UNCHANGED]

RULE 12.4 GOLD VARIABLE PAYOUT CONTRACTS

RULE 12.4.1 GOLD “CALL SPREAD” VARIABLE PAYOUT CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the Gold Variable Call Spread Payout Contracts issued by Nadex.

(b) UNDERLYING – The Underlying for this Class of Contracts is the price, per troy ounce (in US dollars), of the Gold Futures Contracts (“GFC”) traded on the COMEX® Division of the New York Mercantile Exchange (“NYMEX”®)¹. The GFC trade prices that will be used for the Underlying will be taken from the February, April, June, August, or December GFC delivery months (each a “GFC

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Delivery Month”). The Start and End Date for which Nadex will use a specific delivery month as the Underlying will be set based on the Settlement date of the Underlying futures contract. The date on which a new delivery month will be used as the Underlying for Nadex contracts (i.e. “Start Date”) is one calendar day after the End Date for the previous delivery month contract. The last day on which a delivery month will be used as the Underlying for Nadex contracts (i.e. “End Date”) is the third to last business day of the month preceding the month of the Underlying futures contracts Expiration Date. For example, the Comex Gold April 2014 futures have an Expiration Date of April 28, 2014. The last day on which the Gold April 2014 futures prices will be used as the Underlying for Nadex contracts and to calculate the Expiration Value on the Expiration Date for the relevant Gold contracts will be the third to last business day of the preceding month, March. Therefore, the End Date for using Comex Gold April 2014 futures will be March 27, 2014 and the Start Date for the next delivery month, Comex Gold June 2014 futures, will be March 28, 2014.

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

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

(e) 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 Gold Variable Payout Contract, the Payout Criteria for the Contracts will be set as follows:

(i) DAILY GOLD CALL SPREAD VARIABLE PAYOUT CONTRACTS, 1:30 PM ET CLOSE - At the commencement of trading in a Daily Gold Call Spread Variable Payout Contract, referred to as a ‘Call Spread’, Nadex shall list one (1) Call Spread Contract, which conforms to the Payout Criteria listed below:

(1) DAILY GOLD CALL SPREAD CONTRACT

(aa) CEILING – The Ceiling shall be $X + 50.00$.

(bb) FLOOR – The Floor shall be $X - 50.00$.

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

(2) In each case, “X” equals the last Gold price, as reported by the Source Agency, rounded to the nearest 50.

(ii) DAILY GOLD CALL SPREAD CONTRACTS, 1:30 PM ET CLOSE - Nadex shall list a set of three (3) Call Spread Contracts with overlapping ranges, which conform to the Payout Criteria listed below:

(1) CONTRACT 1: The Ceiling shall be X; The Floor shall be $X - 50$.

(2) CONTRACT 2: The Ceiling shall be $X + 25$; The Floor shall be $X - 25$.

(3) CONTRACT 3: The Ceiling shall be $X + 50$; The Floor shall be X .

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

(5) In each case, “X” equals the last Gold price, as reported by the Source Agency, rounded to the nearest 50.

(iii) INTRADAY GOLD CALL SPREAD CONTRACTS, 8AM ET to 1:30 PM ET CLOSE - Nadex shall list a set of three (3) Call Spread Contracts with overlapping ranges, which conform to the Payout Criteria listed below:

(1) CONTRACT 1: The Ceiling shall be X ; The Floor shall be $X - 40$.

(2) CONTRACT 2: The Ceiling shall be $X + 20$; The Floor shall be $X - 20$.

(3) CONTRACT 3: The Ceiling shall be $X + 40$; The Floor shall be X .

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

(5) In each case, “X” equals the last Gold price, as reported by the Source Agency, rounded to the nearest 10.

(iv) INTRADAY 2-HOUR GOLD CALL SPREAD CONTRACTS, 10:00AM, 11:00AM, 12:00PM, and 1:00PM ET CLOSE - Nadex shall list a set of three (3) Call Spread 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 Ceiling shall be X ; The Floor shall be $X - 15$.

(2) CONTRACT 2: The Ceiling shall be $X + 7.5$; The Floor shall be $X - 7.5$.

(3) CONTRACT 3: The Ceiling shall be $X + 15$; The Floor shall be X .

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

(5) In each case, “X” equals the last Gold price, as reported by the Source Agency, rounded to the nearest 10.

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

(f) MINIMUM TICK – The Minimum Tick size for Gold Call Spread Contracts shall be 0.10.

~~(g)~~ POSITION LIMIT – The Position Limits for Gold Call Spread Contracts shall be 250 Contracts per Class.

~~(g)~~ ~~(h)~~ MARKET MAKER ALTERNATIVE POSITION LIMIT – The Position Limit for the Gold Call Spread Variable Payout Contracts for contracted Market Makers shall be 500 Contracts per strike level.

~~(h)~~ ~~(i)~~ LAST TRADING DATE – The Last Trading Date of the Contract is the same date as the Settlement Date.

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

~~(j)~~ ~~(k)~~ EXPIRATION DATE – The Expiration Date of the Contract shall be the date on which the Gold Expiration Value is released by the Source Agency.

~~(k)~~ ~~(l)~~ 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.

~~(l)~~ ~~(m)~~ EXPIRATION VALUE – The Expiration Value is the price or value of Gold released by the Source Agency on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking all GFC trade prices occurring in the ten (10) seconds leading up to the close of trading of the Gold Call Spread Contract, provided at least twenty-five (25) trade prices are captured during the ten (10) second period, removing the highest twenty (20) percent of GFC trade prices and the lowest twenty (20) percent of GFC trade prices from the data set², and using the remaining GFC trade prices to calculate the Expiration Value. The calculation used is a simple average of the remaining GFC trade prices in the data set, rounded to one decimal point past the precision of the underlying market. In the event the time it takes to collect at least twenty-five (25) GFC trade prices exceeds the ten (10) seconds just prior to the close of trading of the Gold Call Spread Contract, the Expiration Value is calculated by the Source Agency by taking the last twenty-five (25) GFC trade prices just prior to the close of trading of the Gold Call Spread Contract removing the highest five (5) GFC trade prices and the lowest five (5) GFC trade prices, and using the remaining fifteen (15) GFC trade prices to calculate the Expiration Value. The calculation used is a simple average of all fifteen (15) GFC trade prices, rounded to one decimal point past the precision of the underlying market.

² If 20% of the data set would result in a non-integer number of trade prices, the number of trade prices to be removed from the set will be rounded down. For example, if the number of trade prices collected during the last 10 seconds prior to the close of trading was 31, 20% of the data set would be 6.2 trade prices. As 6.2 is a non-integer number, the value will be rounded down, and the 6 highest and 6 lowest trade prices will be removed from the data set.

~~(m)~~(n) 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 12.4.2 GOLD “TOUCH BRACKET” VARIABLE PAYOUT CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the Gold Touch Bracket Variable Payout Contracts issued by Nadex.

(b) UNDERLYING – The Underlying for this Class of Contracts is the price, per troy ounce (in US dollars), of the Gold Futures Contracts (“GFC”) traded on the COMEX® Division of the New York Mercantile Exchange (“NYMEX”®)³. The GFC trade prices that will be used for the Underlying will be taken from the February, April, June, August, or December GFC delivery months (each a “GFC Delivery Month”). The Start and End Date for which Nadex will use a specific delivery month as the Underlying will be set based on the Settlement date of the Underlying futures contract. The date on which a new delivery month will be used as the Underlying for Nadex contracts (i.e. “Start Date”) is one calendar day after the End Date for the previous delivery month contract. The last day on which a delivery month will be used as the Underlying for Nadex contracts (i.e. “End Date”) is the third to last business day of the month preceding the month of the Underlying futures contracts Expiration Date. For example, the Comex Gold April 2014 futures have an Expiration Date of April 28, 2014. The last day on which the Gold April 2014 futures prices will be used as the Underlying for Nadex contracts and to calculate the Expiration Value on the Expiration Date for the relevant Gold contracts will be the third to last business day of the preceding month, March. Therefore, the End Date for using Comex Gold April 2014 futures will be March 27, 2014 and the Start Date for the next delivery month, Comex Gold June 2014 futures, will be March 28, 2014.

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

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

(e) 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 Gold Touch Bracket Contracts, the Payout Criteria for the Contracts will be set as follows:

(i) WEEKLY GOLD TOUCH BRACKET VARIABLE PAYOUT CONTRACTS, Close Time is the earlier of 1:30 PM ET on the last Trade Day of the contract listing, or when the Gold Index Value is equal to or greater than the Ceiling, or equal to or less than the Floor. Nadex shall list a set of four (4) Touch Bracket Variable Payout Contracts, referred to as a “Touch Bracket”, that open at

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6:00PM ET on the first Trade Day of the week, with overlapping ranges, which conform to the Payout Criteria listed below.

(1) CONTRACT 1: The Ceiling shall be $X + 16$; The Floor shall be $X - 4$.

(2) CONTRACT 1: The Ceiling shall be $X + 12$; The Floor shall be $X - 8$.

(3) CONTRACT 1: The Ceiling shall be $X + 8$; The Floor shall be $X - 12$.

(4) CONTRACT 1: The Ceiling shall be $X + 4$; The Floor shall be $X - 16$.

(5) DOLLAR MULTIPLIER – The Dollar Multiplier shall be 10.

(6) In each case, “X” equals the last Gold price, as reported by the Source Agency, rounded to the nearest 1.

(ii) Upon the early Expiration of a Touch Bracket, Nadex may list a new Touch Bracket with a Ceiling of $X + 16$ (or 4) and a Floor of $X - 4$ (or 16) where X equals the Ceiling (or Floor) of the Touch Bracket that expired early. The newly listed Touch Bracket will have the same Last Trade Day as originally established for the expired Touch Bracket and the same Dollar Multiplier as the expired Touch Bracket.

(f) MINIMUM TICK – The Minimum Tick size for Gold Touch Bracket Variable Payout Contracts shall be 0.1.

(g) POSITION LIMIT – The Position Limit for Gold Touch Bracket Variable Payout Contracts shall be 100 Contracts per Class.

(h) MARKET MAKER ALTERNATIVE POSITION LIMIT – The Position Limit for the Gold Touch Bracket Variable Payout Contracts for contracted Market Makers shall be 100,000 Contracts per strike level.

(hi) LAST TRADING DATE – The Last Trading Date of the Contract is the same date as the Settlement Date.

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

(jk) EXPIRATION DATE – The Expiration Date of the Contract shall be the date on which the Gold Touch Bracket Contract Expiration Value is released by the Source Agency.

(~~lk~~) 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.

(~~ml~~) GOLD INDEX VALUE – The Source Agency shall calculate and produce a Gold Index Value once each second throughout the life of the Gold Variable Payout Contracts. That is, each second the Source Agency will calculate a Gold Index Value by taking all GFC trade prices occurring in the ten (10) seconds leading up to the Calculation Time, provided at least twenty-five (25) trade prices are captured during the ten (10) second period, removing the highest twenty (20) percent of GFC trade prices and the lowest twenty (20) percent of GFC trade prices from the data set⁴, and using the remaining GFC trade prices to calculate the Index Value. The calculation used is a simple average of the remaining GFC trade prices in the data set, rounded to one decimal point past the precision of the underlying market. In the event the time it takes to collect at least twenty-five (25) GFC trade prices exceeds the ten (10) seconds just prior to the Calculation Time, the Index Value is calculated by the Source Agency by taking the last twenty-five (25) GFC trade prices just prior to the Calculation Time removing the highest five (5) GFC trade prices and the lowest five (5) GFC trade prices, and using the remaining fifteen (15) GFC trade prices to calculate the Index Value. The calculation used is a simple average of all fifteen (15) GFC trade prices, rounded to one decimal point past the precision of the underlying market.

(~~mn~~) EXPIRATION VALUE – The Expiration Value is the Gold Index Value as released by the Source Agency at Expiration.

(~~oh~~) 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 the Series.

RULE 12.5 GOLD BINARY CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the Gold Binary Contract issued by Nadex.

(b) UNDERLYING – The Underlying for this Class of Contracts is the price, per troy ounce (in US dollars), of Gold obtained from the Gold Futures Contracts (“GFC”) traded on the COMEX Division of the New York Mercantile Exchange (“NYMEX®”)⁵. The GFC trade prices that will be used for the

⁴ If 20% of the data set would result in a non-integer number of trade prices, the number of trade prices to be removed from the set will be rounded down. For example, if the number of trade prices collected during the last 10 seconds prior to the close of trading was 31, 20% of the data set would be 6.2 trade prices. As 6.2 is a non-integer number, the value will be rounded down, and the 6 highest and 6 lowest trade prices will be removed from the data set.

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Underlying will be taken from the February, April, June, August, or December GFC delivery months (each a “GFC Delivery Month”). The Start and End Date for which Nadex will use a specific delivery month as the Underlying will be set based on the Settlement date of the Underlying futures contract. The date on which a new delivery month will be used as the Underlying for Nadex contracts (i.e. “Start Date”) is one calendar day after the End Date for the previous delivery month contract. The last day on which a delivery month will be used as the Underlying for Nadex contracts (i.e. “End Date”) is the third to last business day of the month preceding the month of the Underlying futures contracts Expiration Date. For example, the Comex Gold April 2014 futures have an Expiration Date of April 28, 2014. The last day on which the Gold April 2014 futures prices will be used as the Underlying for Nadex contracts and to calculate the Expiration Value on the Expiration Date for the relevant Gold contracts will be the third to last business day of the preceding month, March. Therefore, the End Date for using Comex Gold April 2014 futures will be March 27, 2014 and the Start Date for the next delivery month, Comex Gold June 2014 futures, will be March 28, 2014.⁶

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

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

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

(i) WEEKLY GOLD BINARY CONTRACTS

(1) EXPIRATION TIME – 1:30PM ET CLOSE

(2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 10.0.

(3) NUMBER OF STRIKE LEVELS LISTED - Thirteen (13) strike levels will be listed for each Weekly Gold 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,

⁶ Weekly contracts listed on a Monday during a week containing an Underlying futures rollover date will be listed using the Underlying futures month scheduled to be used to determine the settlement value on the day the contract expires. For example, the End Date for which Nadex will use the Comex Gold April 2014 Underlying futures to determine the settlement value is March 27, 2014. March 27, 2014 is a Thursday, however, and any Nadex weekly contracts listed for this roll week and expiring on Friday, March 28, 2014, will be listed using the Comex Gold June 2014 futures as its Underlying, as June is the futures month scheduled to be used to determine the Settlement Value of the Nadex weekly contract on its expiration date. Therefore, the Start Date for the Comex Gold June 2014 futures will be Monday, March 24, 2014 for any Nadex weekly contracts listed on this date.

and shall be measured in U.S. cents rounded to the nearest value ending in 0.5 as reported by the Source Agency. Six (6) strike levels will be generated above Binary Contract W at an interval of 10.0, and six (6) strike levels will be generated below Binary Contract W at an interval of 10.0 (e.g. $W - 10.0$; W ; $W + 10.0$). The Contract will have a Payout Criterion of greater than the strike level value.

(ii) DAILY GOLD BINARY CONTRACTS

- (1) EXPIRATION TIME – 1:30PM ET CLOSE
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 3.
- (3) NUMBER OF STRIKE LEVELS LISTED – Twenty-one (21) strike levels will be listed for each Daily Gold 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 1.0 as reported by the Source Agency. Ten (10) strike levels will be generated above Binary Contract Y at an interval of 3, and ten (10) strike levels will be generated below Binary Contract Y at an interval of 3 (e.g. $Y - 3$; Y ; $Y + 3$). The Contract will have a Payout Criterion of greater than the strike level value.

(iii) INTRADAY GOLD BINARY CONTRACTS

- (1) EXPIRATION TIME – 10:00AM, 11:00AM, 12:00PM, 1:00PM ET CLOSE
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 3.
- (3) NUMBER OF STRIKE LEVELS LISTED - Nine (9) strike levels will be listed for each Intraday Gold 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 0.1 as reported by the Source Agency. Four (4) strike levels will be generated above Binary Contract Z at an interval of 3, and four (4) strike levels will be generated below Binary Contract Z at an interval of 3 (e.g. $Z - 3$; Z ; $Z + 3$). The Contract will have a Payout Criterion of greater than the strike level value.

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

(f) MINIMUM TICK – The Minimum Tick size for Gold Binary Contracts shall be \$0.25.

~~(g)~~ POSITION LIMIT – The Position Limits for the ~~\$100~~ Gold Binary Contracts shall be 2,500 Contracts per Class.

~~(g)~~ ~~(h)~~ MARKET MAKER ALTERNATIVE POSITION LIMIT – The Position Limit for the Gold Binary Contracts for contracted Market Makers shall be 5,000 Contracts per strike level.

~~(h)~~ ~~(i)~~ LAST TRADING DATE – The Last Trading Date in a Series is the same date as the Expiration Date. No trading in the Gold Binary Contracts shall occur after its Last Trading Date.

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

~~(j)~~ ~~(k)~~ EXPIRATION DATE – The Expiration Date of the Contract will be the date on which the Gold Expiration Value is to be released by the Source Agency.

~~(k)~~ ~~(l)~~ 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 Gold Binary Contract is \$100.

~~(l)~~ ~~(m)~~ EXPIRATION VALUE – The Expiration Value is the price or value of Gold released by the Source Agency on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking all GFC trade prices occurring in the ten (10) seconds leading up to the close of trading of the Gold Binary Contract, provided at least twenty-five (25) trade prices are captured during the ten (10) second period, removing the highest twenty (20) percent of GFC trade prices and the lowest twenty (20) percent of GFC trade prices from the data set⁷, and using the remaining GFC trade prices to calculate the Expiration Value. The calculation used is a simple average of the remaining GFC trade prices in the data set, rounded to one decimal point past the precision of the underlying market. In the event the time it takes to collect at least twenty-five (25) GFC trade prices exceeds the ten (10) seconds just prior to the close of trading of the Gold Binary Contract, the Expiration Value is calculated by the Source Agency by taking the last twenty-five (25) GFC trade prices just prior to the close of trading of the Gold Binary Contract removing the highest five (5) GFC trade prices and the lowest five (5) GFC trade prices, and using the remaining fifteen (15) GFC trade prices to calculate the Expiration Value. The calculation used

⁷ If 20% of the data set would result in a non-integer number of trade prices, the number of trade prices to be removed from the set will be rounded down. For example, if the number of trade prices collected during the last 10 seconds prior to the close of trading was 31, 20% of the data set would be 6.2 trade prices. As 6.2 is a non-integer number, the value will be rounded down, and the 6 highest and 6 lowest trade prices will be removed from the data set.

is a simple average of all fifteen (15) GFC trade prices, rounded to one decimal point past the precision of the underlying market.

(en) 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. If there are less than 250 GFC trade prices available during a single trading day prior to the issuance of a new Gold Contract Nadex may switch to the next available GFC Delivery Month that provides at least 250 GFC trade prices.

RULE 12.6 SILVER VARIABLE PAYOUT CONTRACTS

RULE 12.6.1 SILVER “CALL SPREAD” VARIABLE PAYOUT CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the Silver Call Spread Variable Payout Contracts issued by Nadex.

(b) UNDERLYING – The Underlying for this Class of Contracts is the price, cents per troy ounce (in US Currency), of Silver obtained from the Silver Futures Contracts (“SFC”) traded on the COMEX Division of the New York Mercantile Exchange (“NYMEX”⁸). The SFC trade prices that will be used to for the Underlying will be taken from the March, May, July, September, or December SFC delivery months (each a “SFC Delivery Month”). The Start and End Date for which Nadex will use a specific delivery month as the Underlying will be set based on the Settlement date of the Underlying futures contract. The date on which a new delivery month will be used as the Underlying for Nadex contracts (i.e. “Start Date”) is one calendar day after the End Date for the previous delivery month contract. The last day on which a delivery month will be used as the Underlying for Nadex contracts (i.e. “End Date”) is the third to last business day of the month preceding the month of the Underlying futures contracts Expiration Date. For example, the Comex Silver March 2014 futures have an Expiration Date of March 27, 2014. The last day on which the Silver March 2014 futures prices will be used as the Underlying for Nadex contracts and to calculate the Expiration Value on the Expiration Date for the relevant Silver contracts will be the third to last business day of the preceding month, February. Therefore, the End Date for using Comex Silver March 2014 futures will be February 26, 2014 and the Start Date for the next delivery month, Comex Silver May 2014 futures, will be February 27, 2014.

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

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

(e) 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 Silver Call Spread Variable Payout Contract, the Payout Criteria for the Contracts will be set as follows;

(i) DAILY SILVER CALL SPREAD VARIABLE PAYOUT CONTRACTS, 1:25 PM ET CLOSE - At the commencement of trading in a Daily Call Spread Silver Variable Payout Contract, referred to as a 'Call Spread', Nadex shall list one (1) Call Spread Contract, which conforms to the Payout Criteria listed below:

(1) DAILY SILVER CALL SPREAD CONTRACT

(aa) CEILING – The Ceiling 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 Silver price, as reported by the Source Agency, rounded to the nearest .50.

(ii) DAILY SILVER CALL SPREAD CONTRACTS, 1:25 PM ET CLOSE - Nadex shall list a set of three (3) Call Spread Contracts with overlapping ranges, which conform to the Payout Criteria listed below:

(1) CONTRACT 1: The Ceiling shall be X; The Floor shall be $X - 2.00$.

(2) CONTRACT 2: The Ceiling shall be $X + 1.00$; The Floor shall be $X - 1.00$.

(3) CONTRACT 3: The Ceiling 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 Silver price, as reported by the Source Agency, rounded to the nearest .50.

(iii) INTRADAY SILVER CALL SPREAD CONTRACTS, 8AM ET to 1:25 PM ET CLOSE - Nadex shall list a set of three (3) Call Spread Contracts with overlapping ranges, which conform to the Payout Criteria listed below:

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

(2) CONTRACT 2: The Ceiling shall be $X + .075$; The Floor shall be $X - .075$.

(3) CONTRACT 3: The Ceiling 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 Silver price, as reported by the Source Agency, rounded to the nearest .25.

(iv) INTRADAY 2-HOUR SILVER CALL SPREAD CONTRACTS, 10:00AM, 11:00AM, 12:00PM, and 1:00PM ET CLOSE - Nadex shall list a set of three (3) Call Spread 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 Ceiling shall be X ; The Floor shall be $X - .50$.

(2) CONTRACT 2: The Ceiling shall be $X + .25$; The Floor shall be $X - .25$.

(3) CONTRACT 3: The Ceiling shall be $X + .50$; The Floor shall be X .

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

(5) In each case, “X” equals the last Silver price, as reported by the Source Agency, rounded to the nearest .25.

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

(f) MINIMUM TICK – The Minimum Tick size for Silver Call Spread Contracts shall be .01.

(g) POSITION LIMIT – The Position Limits for Silver Call Spread Contracts shall be 250 Contracts per Class.

~~(g)~~ (h) MARKET MAKER ALTERNATIVE POSITION LIMIT – The Position Limit for the Silver Call Spread Variable Payout Contracts for contracted Market Makers shall be 500 Contracts per strike level.

~~(h)~~ (i) LAST TRADING DATE – The Last Trading Date of the Contract is the same date as the Settlement Date.

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

~~(j)~~ (k) EXPIRATION DATE – The Expiration Date of the Contract shall be the date on which the Silver Expiration Value is released by the Source Agency.

~~(k)~~(l) **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.

~~(j)~~(m) **EXPIRATION VALUE** –The Expiration Value is the price or value of Silver Index Value released by the Source Agency at Expiration on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking all SFC trade prices occurring in the ten (10) seconds leading up to the close of trading of the Silver Call Spread Contract, provided at least twenty-five (25) trade prices are captured during the ten (10) second period, removing the highest twenty (20) percent of SFC trade prices and the lowest twenty (20) percent of SFC trade prices from the data set⁹, and using the remaining SFC trade prices to calculate the Expiration Value. The calculation used is a simple average of the remaining SFC trade prices in the data set, rounded to one decimal point past the precision of the underlying market. In the event the time it takes to collect at least twenty-five (25) SFC trade prices exceeds the ten (10) seconds just prior to the close of trading of the Silver Call Spread Contract, the Expiration Value is calculated by the Source Agency by taking the last twenty-five (25) SFC trade prices just prior to the close of trading of the Silver Call Spread Contract removing the highest five (5) SFC trade prices and the lowest five (5) SFC trade prices, and using the remaining fifteen (15) SFC trade prices to calculate the Expiration Value. The calculation used is a simple average of all fifteen (15) SFC trade prices, rounded to one decimal point past the precision of the underlying market.

~~(m)~~(n) **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. If there are less than 250 SFC trade prices available during a single trading day prior to the issuance of a new Silver Contract Nadex may switch to the next available SFC Delivery Month that provides at least 250 SFC trade prices.

RULE 12.6.2 SILVER “TOUCH BRACKET” VARIABLE PAYOUT CONTRACTS

(a) **SCOPE** –These Rules shall apply to the Class of Contracts referred to as the Silver Touch Bracket Variable Payout Contracts issued by Nadex.

(b) **UNDERLYING** – The Underlying for this Class of Contracts is the price, cents per troy ounce (in US Currency), of Silver obtained from the Silver Futures Contracts (“SFC”) traded on the COMEX Division of the New York Mercantile Exchange (“NYMEX”¹⁰). The SFC trade prices that will be used

⁹ If 20% of the data set would result in a non-integer number of trade prices, the number of trade prices to be removed from the set will be rounded down. For example, if the number of trade prices collected during the last 10 seconds prior to the close of trading was 31, 20% of the data set would be 6.2 trade prices. As 6.2 is a non-integer number, the value will be rounded down, and the 6 highest and 6 lowest trade prices will be removed from the data set.

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to for the Underlying will be taken from the March, May, July, September, or December SFC delivery months (each a “SFC Delivery Month”). The Start and End Date for which Nadex will use a specific delivery month as the Underlying will be set based on the Settlement date of the Underlying futures contract. The date on which a new delivery month will be used as the Underlying for Nadex contracts (i.e. “Start Date”) is one calendar day after the End Date for the previous delivery month contract. The last day on which a delivery month will be used as the Underlying for Nadex contracts (i.e. “End Date”) is the third to last business day of the month preceding the month of the Underlying futures contracts Expiration Date. For example, the Comex Silver March 2014 futures have an Expiration Date of March 27, 2014. The last day on which the Silver March 2014 futures prices will be used as the Underlying for Nadex contracts and to calculate the Expiration Value on the Expiration Date for the relevant Silver contracts will be the third to last business day of the preceding month, February. Therefore, the End Date for using Comex Silver March 2014 futures will be February 26, 2014 and the Start Date for the next delivery month, Comex Silver May 2014 futures, will be February 27, 2014.

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

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

(e) 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 Silver Touch Bracket Contracts, the Payout Criteria for the Contracts will be set as follows:

(i) WEEKLY SILVER TOUCH BRACKET VARIABLE PAYOUT CONTRACTS, Close Time is the earlier of 1:25 PM ET on the last Trade Day of the contract listing, or when the Silver Index Value is equal to or greater than the Ceiling, or equal to or less than the Floor. Nadex shall list a set of four (4) Touch Bracket Variable Payout Contracts, referred to as a “Touch Bracket”, that open at 3:00AM ET on the first Trade Day of the week, with overlapping ranges, which conform to the Payout Criteria listed below.

(1) CONTRACT 1: The Ceiling shall be $X + 0.6$; The Floor shall be $X - 0.15$.

(2) CONTRACT 1: The Ceiling shall be $X + 0.45$; The Floor shall be $X - 0.3$.

(3) CONTRACT 1: The Ceiling shall be $X + 0.3$; The Floor shall be $X - 0.45$.

(4) CONTRACT 1: The Ceiling shall be $X + 0.15$; The Floor shall be $X - 0.6$.

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

(6) In each case, “X” equals the last Crude Oil price, as reported by the Source Agency, rounded to the nearest 0.25.

(ii) Upon the early Expiration of a Touch Bracket, Nadex may list a new Touch Bracket with a Ceiling of $X + 0.6$ (or 0.15) and a Floor of $X - 0.15$ (or 0.6) where X equals the Ceiling (or Floor) of the Touch Bracket that expired early. The newly listed Touch Bracket will have the same Last Trade Day as originally established for the expired Touch Bracket and the same Dollar Multiplier as the expired Touch Bracket.

(f) MINIMUM TICK – The Minimum Tick size for Silver Touch Bracket Variable Payout Contracts shall be 0.01.

(g) POSITION LIMIT – The Position Limit for Silver Touch Bracket Variable Payout Contracts shall be 100 Contracts per Class.

(h) MARKET MAKER ALTERNATIVE POSITION LIMIT – The Position Limit for the Silver Touch Bracket Variable Payout Contracts for contracted Market Makers shall be 100,000 Contracts per strike level.

(hi) LAST TRADING DATE – The Last Trading Date of the Contract is the same date as the Settlement Date.

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

(jk) EXPIRATION DATE – The Expiration Date of the Contract shall be the date on which the Silver Touch Bracket Contract Expiration Value is released by the Source Agency.

(lk) 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.

(lm) SILVER INDEX VALUE – The Source Agency shall calculate and produce a Silver Index Value once each second throughout the life of the Silver Variable Payout contracts. That is, each second the Source Agency will calculate a Silver Index Value by taking all SFC trade prices occurring in the ten (10) seconds leading up to the Calculation Time, provided at least twenty-five (25) trade prices are captured during the ten (10) second period, removing the highest twenty (20) percent of SFC trade prices and the lowest twenty (20) percent of SFC trade prices in the data set¹¹, and using the remaining SFC trade prices in the data set, to calculate the Index Value. The calculation used is a simple average of the remaining SFC trade prices in the data set, rounded to one decimal point past the precision of the

¹¹ If 20% of the data set would result in a non-integer number of trade prices, the number of trade prices to be removed from the set will be rounded down. For example, if the number of trade prices collected during the last 10 seconds prior to the close of trading was 31, 20% of the data set would be 6.2 trade prices. As 6.2 is a non-integer number, the value will be rounded down, and the 6 highest and 6 lowest trade prices will be removed from the data set.

underlying market. In the event the time it takes to collect at least twenty-five (25) SFC trade prices exceeds the ten (10) seconds just prior to the Calculation Time, the Index Value is calculated by the Source Agency by taking the last twenty-five (25) SFC trade prices just prior to the Calculation Time, removing the highest five (5) SFC trade prices and the lowest five (5) SFC trade prices, and using the remaining fifteen (15) SFC trade prices to calculate the Index Value. The calculation used is a simple average of all fifteen (15) SFC trade prices, rounded to one decimal point past the precision of the underlying market.

(m) EXPIRATION VALUE – The Expiration Value is the Silver Index Value as released by the Source Agency at Expiration.

(n) 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 the Series.

RULE 12.7 SILVER BINARY CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the Silver Binary Contract issued by Nadex.

(b) UNDERLYING – The Underlying for this Class of Contracts is the price, cents per troy ounce (in US Currency), of Silver obtained from the Silver Futures Contracts (“SFC”) traded on the COMEX Division of the New York Mercantile Exchange (“NYMEX”¹²). The SFC trade prices that will be used to for the Underlying will be taken from the March, May, July, September, or December SFC delivery months (each a “SFC Delivery Month”). The Start and End Date for which Nadex will use a specific delivery month as the Underlying will be set based on the Settlement date of the Underlying futures contract. The date on which a new delivery month will be used as the Underlying for Nadex contracts (i.e. “Start Date”) is one calendar day after the End Date for the previous delivery month contract. The last day on which a delivery month will be used as the Underlying for Nadex contracts (i.e. “End Date”) is the third to last business day of the month preceding the month of the Underlying futures contracts Expiration Date. For example, the Comex Silver March 2014 futures have an Expiration Date of March 27, 2014. The last day on which the Silver March 2014 futures prices will be used as the Underlying for Nadex contracts and to calculate the Expiration Value on the Expiration Date for the relevant Silver contracts will be the third to last business day of the preceding month, February. Therefore, the End Date for using Comex Silver March 2014 futures will be February 26, 2014 and the Start Date for the next delivery month, Comex Silver May 2014 futures, will be February 27, 2014.¹³

¹² NYMEX[®] is a registered service mark of the New York Mercantile Exchange, Inc. COMEX[®] is a registered service mark of the Commodity Exchange, Inc. Nadex is not affiliated with the New York Mercantile Exchange, Inc. or the Commodity Exchange, Inc. and neither the New York Mercantile Exchange, the Commodity Exchange, Inc., nor their affiliates, sponsor or endorse Nadex or any of its products in any way.

¹³ Weekly contracts listed on a Monday during a week containing an Underlying futures rollover date will be listed using the Underlying futures month scheduled to be used to determine the settlement value on the day the contract expires. For example, the End Date for which Nadex will use the Comex Silver March 2014 Underlying futures to determine the

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

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

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

(i) INTRADAY SILVER BINARY CONTRACTS

(1) EXPIRATION TIME – 10:00AM, 11:00AM, 12:00PM, 1:00PM ET CLOSE

(2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 0.06.

(3) NUMBER OF STRIKE LEVELS LISTED - Nine (9) strike levels will be listed for each Intraday Silver 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 0.06, and four (4) strike levels will be generated below Binary Contract Z at an interval of 0.06 (e.g. $Z - 0.06$; Z ; $Z + 0.06$). The Contract will have a Payout Criterion of greater than the strike level value.

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

(f) MINIMUM TICK – The Minimum Tick size for Silver Binary Contracts shall be \$0.25.

(g) POSITION LIMIT – The Position Limits for Silver Binary Contracts shall be 2,000 Contracts per Class.

~~(g)~~ (h) MARKET MAKER ALTERNATIVE POSITION LIMIT – The Position Limit for Silver Binary Contracts for contracted Market Makers shall be 4,000 Contracts per strike level.

settlement value is February 26, 2014. February 26, 2014 is a Wednesday, however, and any Nadex weekly contracts listed for this roll week and expiring on Friday, February 28, 2014, will be listed using the Comex Silver May 2014 futures as its Underlying, as May is the futures month scheduled to be used to determine the Settlement Value of the Nadex weekly contract on its expiration date. Therefore, the Start Date for the Comex Silver May 2014 futures will be Monday, February 24, 2014 for any Nadex weekly contracts listed on this date.

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

~~(i)~~ (j) SETTLEMENT DATE – The Settlement Date will be the same date as the Expiration Date.

~~(j)~~ (k) EXPIRATION DATE – The Expiration Date of the Contract will be the date on which the Silver price is released by the Source Agency.

~~(k)~~ (l) 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 Silver Binary Contract is \$100.

~~(l)~~ (m) EXPIRATION VALUE – The Expiration Value is the price or value of Silver released by the Source Agency on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking all SFC trade prices occurring in the ten (10) seconds leading up to the close of trading of the Silver Binary Contract, provided at least twenty-five (25) trade prices are captured during the ten (10) second period, removing the highest twenty (20) percent of SFC trade prices and the lowest twenty (20) percent of SFC trade prices from the data set¹⁴, and using the remaining SFC trade prices to calculate the Expiration Value. The calculation used is a simple average of the remaining SFC trade prices in the data set, rounded to one decimal point past the precision of the underlying market. In the event the time it takes to collect at least twenty-five (25) SFC trade prices exceeds the ten (10) seconds just prior to the close of trading of the Silver Binary Contract, the Expiration Value is calculated by the Source Agency by taking the last twenty-five (25) SFC trade prices just prior to the close of trading of the Silver Binary Contract removing the highest five (5) SFC trade prices and the lowest five (5) SFC trade prices, and using the remaining fifteen (15) SFC trade prices to calculate the Expiration Value. The calculation used is a simple average of all fifteen (15) SFC trade prices, rounded to one decimal point past the precision of the underlying market.

(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. If there are less than 250 SFC trade prices available during a single trading day prior to the issuance of a new Silver Contract Nadex may switch to the next available SFC Delivery Month that provides at least 250 SFC trade prices.

¹⁴ If 20% of the data set would result in a non-integer number of trade prices, the number of trade prices to be removed from the set will be rounded down. For example, if the number of trade prices collected during the last 10 seconds prior to the close of trading was 31, 20% of the data set would be 6.2 trade prices. As 6.2 is a non-integer number, the value will be rounded down, and the 6 highest and 6 lowest trade prices will be removed from the data set.

RULE 12.8 CRUDE OIL VARIABLE PAYOUT CONTRACTS

RULE 12.8.1 CRUDE OIL “CALL SPREAD” VARIABLE PAYOUT CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the Crude Oil Call Spread Variable Payout Contracts issued by Nadex.

(b) UNDERLYING – The Underlying for this Class of Contracts is WTI Light, Sweet Crude Oil price per barrel (in US dollars), obtained from the WTI Light, Sweet Crude Oil Futures contracts (“CFC”) traded on the New York Mercantile Exchange (“NYMEX®”¹⁵). The CFC trade prices that will be used for the Underlying will be taken from all twelve CFC delivery months: January, February, March, April, May, June, July, August, September, October, November, or December (each a “CFC Delivery Month”). The date on which a new delivery month will be used as the Underlying for Nadex contracts (i.e. “Start Date”) is one calendar day after the End Date for the previous delivery month contract. The last day on which a delivery month will be used as the Underlying for Nadex contracts (i.e. “End Date”) is the Friday of the week preceding the Underlying futures contracts Expiration Date. If the Underlying futures contracts Expiration Date falls on a Monday, the End Date for that specific delivery month will be the Friday of the week preceding the week of the Underlying futures contracts Expiration Date, i.e. not the Friday that is one business day prior to the Monday Expiration Date. For example, the Nymex Crude Oil March 2012 futures have an Expiration Date of February 21, 2012. The last day on which the Crude Oil March 2012 futures prices will be used as the Underlying for Nadex contracts and to calculate the Expiration Value on the Expiration Date for the relevant Crude Oil contracts will be the Friday of the preceding week. Therefore, the End Date for using Nymex Crude Oil March 2012 futures will be February 17, 2012 and the Start Date for the next delivery month, Nymex Crude Oil April 2012 futures, will be February 18, 2012. The Nymex Crude Oil November 2012 futures, however, have an Expiration Date of Monday, October 22, 2012. The last day on which the Crude Oil November 2012 futures prices will be as the Underlying for Nadex contracts and to calculate the Expiration Value on the Expiration Date for the relevant Crude Oil contracts will be October 12, 2012, rather than October 19, 2012, and the Start Date for the next delivery month, Nymex Crude Oil December 2012 futures will be October 13, 2012.

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

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

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(e) 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 Crude Oil Variable Payout Contract, the Payout Criteria for the Contracts will be set as follows;

(i) DAILY CRUDE OIL CALL SPREAD VARIABLE PAYOUT CONTRACTS, 2:30 PM ET CLOSE - At the commencement of trading in a Daily Crude Oil Call Spread Variable Payout Contract, referred to as a ‘Call Spread’, Nadex shall list one (1) Call Spread Contract, which conforms to the Payout Criteria listed below:

(1) DAILY CRUDE OIL CALL SPREAD CONTRACT

(aa) CEILING – The Ceiling shall be $X + 5$.

(bb) FLOOR – The Floor shall be $X - 5$.

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

(2) In each case, “X” equals the last Crude Oil price, as reported by the Source Agency, rounded to the nearest 1.

(ii) DAILY CRUDE OIL CALL SPREAD CONTRACTS, 2:30 PM ET CLOSE - Nadex shall list a set of three (3) Call Spread Contracts with overlapping ranges, which conform to the Payout Criteria listed below:

(1) CONTRACT 1: The Ceiling shall be X ; The Floor shall be $X - 5$.

(2) CONTRACT 2: The Ceiling shall be $X + 2.50$; The Floor shall be $X - 2.50$.

(3) CONTRACT 3: The Ceiling shall be $X + 5$; The Floor shall be X .

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

(5) In each case, “X” equals the last Crude Oil price, as reported by the Source Agency, rounded to the nearest 1.

(iii) INTRADAY CRUDE OIL CALL SPREAD CONTRACTS, 8AM ET to 2:30 PM ET CLOSE - Nadex shall list a set of three (3) Call Spread Contracts with overlapping ranges, which conform to the Payout Criteria listed below:

(1) CONTRACT 1: The Ceiling shall be X ; The Floor shall be $X - 3$.

(2) CONTRACT 2: The Ceiling shall be $X + 1.50$; The Floor shall be $X - 1.50$.

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

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

(5) In each case, “X” equals the last Crude Oil price, as reported by the Source Agency, rounded to the nearest 0.50.

(iv) INTRADAY 2-HOUR CRUDE OIL CALL SPREAD CONTRACTS, 10:00AM, 11:00AM, 12:00PM, 1:00PM and 2:00PM ET CLOSE - Nadex shall list a set of five (5) Call Spread 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 Ceiling shall be $X - 0.75$; The Floor shall be $X - 2.25$.

(2) CONTRACT 2: The Ceiling shall be X ; The Floor shall be $X - 1.50$.

(3) CONTRACT 3: The Ceiling shall be $X + 0.75$; The Floor shall be $X - 0.75$.

(4) CONTRACT 4: The Ceiling shall be $X + 1.50$; The Floor shall be X .

(5) CONTRACT 5: The Ceiling shall be $X + 2.25$; The Floor shall be $X + 0.75$.

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

(7) In each case, “X” equals the last Crude Oil price, as reported by the Source Agency, rounded to the nearest 0.25.

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

(f) MINIMUM TICK – The Minimum Tick size for Crude Oil Call Spread Contracts shall be 0.01.

(g) POSITION LIMIT – The Position Limits for Crude Oil Call Spread Contracts shall be 250 Contracts per Class.

(h) MARKET MAKER ALTERNATIVE POSITION LIMIT – The Position Limit for the Crude Oil Call Spread Variable Payout Contracts for contracted Market Makers shall be 500 Contracts per strike level.

~~(h)~~ (i) LAST TRADING DATE – The Last Trading Date of the Contract is the same date as the Settlement Date.

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

~~(j)~~~~(k)~~ EXPIRATION DATE – The Expiration Date of the Contract will be the date on which the Crude Oil Expiration Value is released by the Source Agency.

~~(k)~~~~(l)~~ 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.

~~(j)~~~~(m)~~ EXPIRATION VALUE – The Expiration Value is the price or value of Crude Oil released by the Source Agency on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking all CFC trade prices occurring in the ten (10) seconds leading up to the close of trading of the Crude Oil Call Spread Contract, provided at least twenty-five (25) trade prices are captured during the ten (10) second period, removing the highest twenty (20) percent of CFC trade prices and the lowest twenty (20) percent of CFC trade prices in the data set¹⁶, and using the remaining CFC trade prices in the data set, to calculate the Expiration Value. The calculation used is a simple average of the remaining CFC trade prices in the data set, rounded to one decimal point past the precision of the underlying market. In the event the time it takes to collect at least twenty-five (25) CFC trade prices exceeds the ten (10) seconds just prior to the close of trading of the Crude Oil Call Spread Contract, the Expiration Value is calculated by the Source Agency by taking the last twenty-five (25) CFC trade prices just prior to the close of trading of the Crude Oil Call Spread Contract removing the highest five (5) CFC trade prices and the lowest five (5) CFC trade prices, and using the remaining fifteen (15) CFC trade prices to calculate the Expiration Value. The calculation used is a simple average of all fifteen (15) CFC trade prices, rounded to one decimal point past the precision of the underlying market.

~~(m)~~ (n) 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 12.8.2 CRUDE OIL “TOUCH BRACKET” VARIABLE PAYOUT CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the Crude Oil Touch Bracket Variable Payout Contracts issued by Nadex.

(b) UNDERLYING – The Underlying for this Class of Contracts is WTI Light, Sweet Crude Oil price per barrel (in US dollars), obtained from the WTI Light, Sweet Crude Oil Futures contracts (“CFC”) traded on the New York Mercantile Exchange (“NYMEX®”¹⁷). The CFC trade prices that will be used

¹⁶ If 20% of the data set would result in a non-integer number of trade prices, the number of trade prices to be removed from the set will be rounded down. For example, if the number of trade prices collected during the last 10 seconds prior to the close of trading was 31, 20% of the data set would be 6.2 trade prices. As 6.2 is a non-integer number, the value will be rounded down, and the 6 highest and 6 lowest trade prices will be removed from the data set.

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for the Underlying will be taken from all twelve CFC delivery months: January, February, March, April, May, June, July, August, September, October, November, or December (each a “CFC Delivery Month”). The date on which a new delivery month will be used as the Underlying for Nadex contracts (i.e. “Start Date”) is one calendar day after the End Date for the previous delivery month contract. The last day on which a delivery month will be used as the Underlying for Nadex contracts (i.e. “End Date”) is the Friday of the week preceding the Underlying futures contracts Expiration Date. If the Underlying futures contracts Expiration Date falls on a Monday, the End Date for that specific delivery month will be the Friday of the week preceding the week of the Underlying futures contracts Expiration Date, i.e. not the Friday that is one business day prior to the Monday Expiration Date. For example, the Nymex Crude Oil March 2012 futures have an Expiration Date of February 21, 2012. The last day on which the Crude Oil March 2012 futures prices will be used as the Underlying for Nadex contracts and to calculate the Expiration Value on the Expiration Date for the relevant Crude Oil contracts will be the Friday of the preceding week. Therefore, the End Date for using Nymex Crude Oil March 2012 futures will be February 17, 2012 and the Start Date for the next delivery month, Nymex Crude Oil April 2012 futures, will be February 18, 2012. The Nymex Crude Oil November 2012 futures, however, have an Expiration Date of Monday, October 22, 2012. The last day on which the Crude Oil November 2012 futures prices will be as the Underlying for Nadex contracts and to calculate the Expiration Value on the Expiration Date for the relevant Crude Oil contracts will be October 12, 2012, rather than October 19, 2012, and the Start Date for the next delivery month, Nymex Crude Oil December 2012 futures will be October 13, 2012.

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

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

(e) 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 Crude Oil Touch Bracket Contracts, the Payout Criteria for the Contracts will be set as follows:

(i) WEEKLY CRUDE OIL TOUCH BRACKET VARIABLE PAYOUT CONTRACTS, Close Time is the earlier of 2:30 PM ET on the last Trade Day of the contract listing, or when the Crude Oil Index Value is equal to or greater than the Ceiling, or equal to or less than the Floor. Nadex shall list a set of four (4) Touch Bracket Variable Payout Contracts, referred to as a “Touch Bracket”, that open at 6:00PM ET on the first Trade Day of the week, with overlapping ranges, which conform to the Payout Criteria listed below.

(1) CONTRACT 1: The Ceiling shall be $X + 1.2$; The Floor shall be $X - 0.3$.

(2) CONTRACT 1: The Ceiling shall be $X + 0.9$; The Floor shall be $X - 0.6$.

(3) CONTRACT 1: The Ceiling shall be $X + 0.6$; The Floor shall be $X - 0.9$.

(4) CONTRACT 1: The Ceiling shall be $X + 0.3$; The Floor shall be $X - 1.2$.

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

(6) In each case, “X” equals the last Crude Oil price, as reported by the Source Agency, rounded to the nearest 0.25.

(ii) Upon the early Expiration of a Touch Bracket, Nadex may list a new Touch Bracket with a Ceiling of $X + 1.2$ (or 0.3) and a Floor of $X - 0.3$ (or 1.2) where X equals the Ceiling (or Floor) of the Touch Bracket that expired early. The newly listed Touch Bracket will have the same Last Trade Day as originally established for the expired Touch Bracket and the same Dollar Multiplier as the expired Touch Bracket.

(f) MINIMUM TICK – The Minimum Tick size for Crude Oil Touch Bracket Variable Payout Contracts shall be 0.01.

(g) POSITION LIMIT – The Position Limit for Crude Oil Touch Bracket Variable Payout Contracts shall be 100 Contracts per Class.

(h) MARKET MAKER ALTERNATIVE POSITION LIMIT – The Position Limit for the Crude Oil Touch Bracket Variable Payout Contracts for contracted Market Makers shall be 100,000 Contracts per strike level.

(hi) LAST TRADING DATE – The Last Trading Date of the Contract is the same date as the Settlement Date.

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

(k) EXPIRATION DATE – The Expiration Date of the Contract shall be the date on which the Crude Oil Touch Bracket Contract Expiration Value is released by the Source Agency.

(l) 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.

(m) CRUDE OIL INDEX VALUE – The Source Agency shall calculate and produce a Crude Oil Index Value once each second throughout the life of the Crude Oil Variable Payout contracts. That is, each second the Source Agency will calculate a Crude Oil Index Value by taking all CFC trade prices occurring in the ten (10) seconds leading up to the Calculation Time, provided at least twenty-five (25)

trade prices are captured during the ten (10) second period, removing the highest twenty (20) percent of CFC trade prices and the lowest twenty (20) percent of CFC trade prices in the data set¹⁸, and using the remaining CFC trade prices in the data set, to calculate the Index Value. The calculation used is a simple average of the remaining CFC trade prices in the data set, rounded to one decimal point past the precision of the underlying market. In the event the time it takes to collect at least twenty-five (25) CFC trade prices exceeds the ten (10) seconds just prior to the Calculation Time, the -Index Value is calculated by the Source Agency by taking the last twenty-five (25) CFC trade prices just prior to the Calculation Time removing the highest five (5) CFC trade prices and the lowest five (5) CFC trade prices, and using the remaining fifteen (15) CFC trade prices to calculate the Index Value. The calculation used is a simple average of all fifteen (15) CFC trade prices, rounded to one decimal point past the precision of the underlying market.

(m) EXPIRATION VALUE – The Expiration Value is the Crude Oil Index Value as released by the Source Agency at Expiration.

(n) 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 the Series.

RULE 12.9 CRUDE OIL BINARY CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the Crude Oil Binary Contract issued by Nadex.

(b) UNDERLYING – The Underlying for this Class of Contracts is WTI Light, Sweet Crude Oil price per barrel (in US dollars), obtained from the WTI Light, Sweet Crude Oil Futures contracts (“CFC”) traded on the New York Mercantile Exchange (“NYMEX®”¹⁹). The CFC trade prices that will be used for the Underlying will be taken from all twelve CFC delivery months: January, February, March, April, May, June, July, August, September, October, November, or December (each a “CFC Delivery Month”). The date on which a new delivery month will be used as the Underlying for Nadex contracts (i.e. “Start Date”) is one calendar day after the End Date for the previous delivery month contract. The last day on which a delivery month will be used as the Underlying for Nadex contracts (i.e. “End Date”) is the Friday of the week preceding the Underlying futures contracts Expiration Date. If the Underlying futures

¹⁸ If 20% of the data set would result in a non-integer number of trade prices, the number of trade prices to be removed from the set will be rounded down. For example, if the number of trade prices collected during the last 10 seconds prior to the close of trading was 31, 20% of the data set would be 6.2 trade prices. As 6.2 is a non-integer number, the value will be rounded down, and the 6 highest and 6 lowest trade prices will be removed from the data set.

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contracts Expiration Date falls on a Monday, the End Date for that specific delivery month will be the Friday of the week preceding the week of the Underlying futures contracts Expiration Date, i.e. not the Friday that is one business day prior to the Monday Expiration Date. For example, the Nymex Crude Oil March 2012 futures have an Expiration Date of February 21, 2012. The last day on which the Crude Oil March 2012 futures prices will be used as the Underlying for Nadex contracts and to calculate the Expiration Value on the Expiration Date for the relevant Crude Oil contracts will be the Friday of the preceding week. Therefore, the End Date for using Nymex Crude Oil March 2012 futures will be February 17, 2012 and the Start Date for the next delivery month, Nymex Crude Oil April 2012 futures, will be February 18, 2012. The Nymex Crude Oil November 2012 futures, however, have an Expiration Date of Monday, October 22, 2012. The last day on which the Crude Oil November 2012 futures prices will be used as the Underlying for Nadex contracts and to calculate the Expiration Value on the Expiration Date for the relevant Crude Oil contracts will be October 12, 2012, rather than October 19, 2012, and the Start Date for the next delivery month, Nymex Crude Oil December 2012 futures will be October 13, 2012.

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

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

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

(i) WEEKLY CRUDE OIL BINARY CONTRACTS

(1) EXPIRATION TIME – 2:30PM ET CLOSE

(2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 1.00.

(3) NUMBER OF STRIKE LEVELS LISTED - Thirteen (13) strike levels will be listed for each Weekly Crude Oil 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 0.25 or 0.75 as reported by the Source Agency. Six (6) strike levels will be generated above Binary Contract W at an interval of 1.00, and six (6) strike levels will be generated below Binary Contract W at an interval of 1.00 (e.g. $W - 1.00$; W ; $W + 1.00$). The Contract will have a Payout Criterion of greater than the strike level value.

(ii) DAILY CRUDE OIL BINARY CONTRACTS

- (1) EXPIRATION TIME – 2:30PM ET CLOSE
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 0.40.
- (3) NUMBER OF STRIKE LEVELS LISTED – Twenty-three (23) strike levels will be listed for each Daily Crude Oil 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 0.5 as reported by the Source Agency. Eleven (11) strike levels will be generated above Binary Contract Y at an interval of 0.40, and eleven (11) strike levels will be generated below Binary Contract Y at an interval of 0.40 (e.g. $Y - 0.40$; Y ; $Y + 0.40$). The Contract will have a Payout Criterion of greater than the strike level value.

(iii) INTRADAY CRUDE OIL BINARY CONTRACTS

- (1) EXPIRATION TIME – 10:00AM, 11:00AM, 12:00PM, 1:00PM, 2:00PM ET CLOSE
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 0.2.
- (3) NUMBER OF STRIKE LEVELS LISTED - Nine (9) strike levels will be listed for each Intraday Crude Oil 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 0.2, and four (4) strike levels will be generated below Binary Contract Z at an interval of 0.2 (e.g. $Z - 0.2$; Z ; $Z + 0.2$). The Contract will have a Payout Criterion of greater than the strike level value.

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

(f) MINIMUM TICK – The Minimum Tick size for the Crude Oil Binary Contract shall be \$0.25.

(g) POSITION LIMIT – The Position Limits for the ~~\$100~~ Crude Oil Binary Contracts shall be 2,500 Contracts per Class.

~~(g)~~(h) MARKET MAKER ALTERNATIVE POSITION LIMIT – The Position Limit for the Crude Oil Binary Contracts for contracted Market Makers shall be 5,000 Contracts per strike level.

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

~~(i)~~(j) SETTLEMENT DATE – The Settlement Date will be the date on which the Crude Oil Binary Contract as reported by the Source Agency.

~~(j)~~(k) EXPIRATION DATE – The Expiration Date of the Contract will be the date on which the Crude Oil price or level is released by the Source Agency.

~~(k)~~(l) 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 Crude Oil Binary Contract is \$100.

~~(l)~~(m) EXPIRATION VALUE – The Expiration Value is the price or value of Crude Oil released by the Source Agency on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking all CFC trade prices occurring in the ten (10) seconds leading up to the close of trading of the Crude Oil Binary Contract, provided at least twenty-five (25) trade prices are captured during the ten (10) second period, removing the highest twenty (20) percent of CFC trade prices and the lowest twenty (20) percent of CFC trade prices in the data set²⁰, and using the remaining CFC trade prices in the data set, to calculate the Expiration Value. The calculation used is a simple average of the remaining CFC trade prices in the data set, rounded to one decimal point past the precision of the underlying market. In the event the time it takes to collect at least twenty-five (25) CFC trade prices exceeds the ten (10) seconds just prior to the close of trading of the Crude Oil Binary Contract, the Expiration Value is calculated by the Source Agency by taking the last twenty-five (25) CFC trade prices just prior to the close of trading of the Crude Oil Binary Contract removing the highest five (5) CFC trade prices and the lowest five (5) CFC trade prices, and using the remaining fifteen (15) CFC trade prices to calculate the Expiration Value. The calculation used is a simple average of all fifteen (15) CFC trade prices, rounded to one decimal point past the precision of the underlying market.

~~(m)~~(n) 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.

²⁰ If 20% of the data set would result in a non-integer number of trade prices, the number of trade prices to be removed from the set will be rounded down. For example, if the number of trade prices collected during the last 10 seconds prior to the close of trading was 31, 20% of the data set would be 6.2 trade prices. As 6.2 is a non-integer number, the value will be rounded down, and the 6 highest and 6 lowest trade prices will be removed from the data set.

RULE 12.10 NATURAL GAS VARIABLE PAYOUT CONTRACTS

RULE 12.10.1 NATURAL GAS “CALL SPREAD” VARIABLE PAYOUT CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the Natural Gas Call Spread Variable Payout Contracts issued by Nadex.

(b) UNDERLYING – The Underlying for this Class of Contracts is the Natural Gas price per mmBtu (millions British thermal units, in US dollars), obtained from the Natural Gas Futures contracts (“NFC”) traded on the New York Mercantile Exchange (“NYMEX”®).²¹ The NFC trade prices that will be used for the Underlying will be taken from all twelve NFC delivery months: January, February, March, April, May, June, July, August, September, October, November, or December (each an “NFC Delivery Month”). The date on which a new delivery month will be used as the Underlying for Nadex contracts (i.e. “Start Date”) is one calendar day after the End Date for the previous delivery month contract. The last day on which a delivery month will be used as the Underlying for Nadex contracts (i.e. “End Date”) is the Friday of the week preceding the Underlying futures contracts Expiration Date. If the Underlying futures contracts Expiration Date falls on a Monday, the End Date for that specific delivery month will be the Friday of the week preceding the week of the Underlying futures contracts Expiration Date, i.e. not the Friday that is one business day prior to the Monday Expiration Date. For example, the Nymex Natural Gas February 2012 futures have an Expiration Date of January 27, 2012. The last day on which the Natural Gas February 2012 futures prices will be used as the Underlying for Nadex contracts and to calculate the Expiration Value on the Expiration Date for the relevant Natural Gas contracts will be the Friday of the preceding week. Therefore, the End Date for using Nymex Natural Gas February 2012 futures will be January 20, 2012 and the Start Date for the next delivery month, Nymex Natural Gas March 2012 futures, will be January 21, 2012. The Nymex Natural Gas March 2012 futures, however, have an Expiration Date of Monday, February 27, 2012. The last day on which the Natural Gas March 2012 futures prices will be as the Underlying for Nadex contracts and to calculate the Expiration Value on the Expiration Date for the relevant Natural Gas contracts will be February 17, 2012, rather than February 24, 2012, and the Start Date for the next delivery month, Nymex Natural Gas April 2012 futures will be February 18, 2012.

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

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

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(e) 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 Natural Gas Call Spread Variable Payout Contract, the Payout Criteria for the Contracts will be set as follows;

(i) DAILY NATURAL GAS CALL SPREAD VARIABLE PAYOUT CONTRACTS, 2:30 PM ET CLOSE - At the commencement of trading in a Daily Natural Gas Call Spread Variable Payout Contract, referred to as a ‘Call Spread’, Nadex shall list one (1) Call Spread Payout Contract, which conforms to the Payout Criteria listed below:

(1) DAILY NATURAL GAS CALL SPREAD CONTRACT

(aa) CEILING – The Ceiling shall be $X + 0.5$.

(bb) FLOOR – The Floor shall be $X - 0.5$.

(cc) DOLLAR MULTIPLIER – The Dollar Multiplier shall be 1000.

(2) In each case, “X” equals the last Natural Gas price, as reported by the Source Agency, rounded to the nearest 0.1.

(ii) DAILY NATURAL GAS CALL SPREAD CONTRACTS, 2:30 PM ET CLOSE - Nadex shall list a set of three (3) Call Spread Contracts with overlapping ranges, which conform to the Payout Criteria listed below:

(1) CONTRACT 1: The Ceiling shall be X ; The Floor shall be $X - 0.5$.

(2) CONTRACT 2: The Ceiling shall be $X + 0.25$; The Floor shall be $X - 0.25$.

(3) CONTRACT 3: The Ceiling shall be $X + 0.5$; The Floor shall be X .

(4) DOLLAR MULTIPLIER – The Dollar Multiplier shall be 1000.

(5) In each case, “X” equals the last Natural Gas price, as reported by the Source Agency, rounded to the nearest 0.1.

(iii) INTRADAY NATURAL GAS CALL SPREAD CONTRACTS, 8AM ET to 2:30 PM ET CLOSE - Nadex shall list a set of three (3) Call Spread Contracts with overlapping ranges, which conform to the Payout Criteria listed below:

(1) CONTRACT 1: The Ceiling shall be X ; The Floor shall be $X - 0.4$.

(2) CONTRACT 2: The Ceiling shall be $X + 0.2$; The Floor shall be $X - 0.2$.

(3) CONTRACT 3: The Ceiling shall be $X + 0.4$; The Floor shall be X .

(4) DOLLAR MULTIPLIER – The Dollar Multiplier shall be 1000.

(5) In each case, “X” equals the last Natural Gas price, as reported by the Source Agency, rounded to the nearest 0.1.

(iv) INTRADAY 2-HOUR NATURAL GAS CALL SPREAD CONTRACTS, 10:00AM, 11:00AM, 12:00PM, 1:00PM and 2:00PM ET CLOSE - Nadex shall list a set of three (3) Call Spread 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 Ceiling shall be X; The Floor shall be X – 0.2.

(2) CONTRACT 2: The Ceiling shall be X + 0.1; The Floor shall be X – 0.1.

(3) CONTRACT 3: The Ceiling shall be X + 0.2; The Floor shall be X.

(4) DOLLAR MULTIPLIER – The Dollar Multiplier shall be 1000.

(5) In each case, “X” equals the last Natural Gas price, as reported by the Source Agency, rounded to the nearest 0.05.

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

(f) MINIMUM TICK – The Minimum Tick size for Natural Gas Call Spread Contracts shall be 0.001.

(g) POSITION LIMIT – The Position Limits for Natural Gas Call Spread Contracts shall be 250 Contracts per Class.

(h) MARKET MAKER ALTERNATIVE POSITION LIMIT – The Position Limit for the Natural Gas Call Spread Variable Payout Contracts for contracted Market Makers shall be 500 Contracts per strike level.

(i) LAST TRADING DATE – The Last Trading Date for this Contract is the same date as the Settlement Date.

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

(k) EXPIRATION DATE – The Expiration Date of the Contract shall be the date on which the Natural Gas Expiration Value is released by the Source Agency.

~~(k)~~(l) 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.

~~(j)~~(m) EXPIRATION VALUE –The Expiration Value is the price or value of Natural Gas Index Value released by the Source Agency at Expiration on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking all NFC trade prices occurring in the ten (10) seconds leading up to the close of trading of the Natural Gas Call Spread Contract, provided at least twenty-five (25) trade prices are captured during the ten (10) second period, removing the highest twenty (20) percent of NFC trade prices and the lowest twenty (20) percent of NFC trade prices in the data set²², and using the remaining NFC trade prices in the data set, to calculate the Expiration Value. The calculation used is a simple average of all the remaining NFC trade prices in the data set, rounded to one decimal point past the precision of the underlying market. In the event the time it takes to collect at least twenty-five (25) NFC trade prices exceeds the ten (10) seconds just prior to the close of trading of the Natural Gas Call Spread Contract, the Expiration Value is calculated by the Source Agency by taking the last twenty-five (25) NFC trade prices just prior to the close of trading of the Natural Gas Call Spread Contract removing the highest five (5) NFC trade prices and the lowest five (5) NFC trade prices, and using the remaining fifteen (15) NFC trade prices to calculate the Expiration Value. The calculation used is a simple average of all fifteen (15) NFC trade prices, rounded to one decimal point past the precision of the underlying market.

~~(m)~~(n) 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 12.10.2 NATURAL GAS “TOUCH BRACKET” VARIABLE PAYOUT CONTRACTS

(a) SCOPE –These Rules shall apply to the Class of Contracts referred to as the Natural Gas Touch Bracket Variable Payout Contracts issued by Nadex.

(b) UNDERLYING - The Underlying for this Class of Contracts is the Natural Gas price per mmBtu (millions British thermal units, in US dollars), obtained from the Natural Gas Futures contracts (“NFC”) traded on the New York Mercantile Exchange (“NYMEX”®).²³ The NFC trade prices that will

²² If 20% of the data set would result in a non-integer number of trade prices, the number of trade prices to be removed from the set will be rounded down. For example, if the number of trade prices collected during the last 10 seconds prior to the close of trading was 31, 20% of the data set would be 6.2 trade prices. As 6.2 is a non-integer number, the value will be rounded down, and the 6 highest and 6 lowest trade prices will be removed from the data set.

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be used for the Underlying will be taken from all twelve NFC delivery months: January, February, March, April, May, June, July, August, September, October, November, or December (each an “NFC Delivery Month”). The date on which a new delivery month will be used as the Underlying for Nadex contracts (i.e. “Start Date”) is one calendar day after the End Date for the previous delivery month contract. The last day on which a delivery month will be used as the Underlying for Nadex contracts (i.e. “End Date”) is the Friday of the week preceding the Underlying futures contracts Expiration Date. If the Underlying futures contracts Expiration Date falls on a Monday, the End Date for that specific delivery month will be the Friday of the week preceding the week of the Underlying futures contracts Expiration Date, i.e. not the Friday that is one business day prior to the Monday Expiration Date. For example, the Nymex Natural Gas February 2012 futures have an Expiration Date of January 27, 2012. The last day on which the Natural Gas February 2012 futures prices will be used as the Underlying for Nadex contracts and to calculate the Expiration Value on the Expiration Date for the relevant Natural Gas contracts will be the Friday of the preceding week. Therefore, the End Date for using Nymex Natural Gas February 2012 futures will be January 20, 2012 and the Start Date for the next delivery month, Nymex Natural Gas March 2012 futures, will be January 21, 2012. The Nymex Natural Gas March 2012 futures, however, have an Expiration Date of Monday, February 27, 2012. The last day on which the Natural Gas March 2012 futures prices will be as the Underlying for Nadex contracts and to calculate the Expiration Value on the Expiration Date for the relevant Natural Gas contracts will be February 17, 2012, rather than February 24, 2012, and the Start Date for the next delivery month, Nymex Natural Gas April 2012 futures will be February 18, 2012.

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

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

(e) 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 Natural Gas Touch Bracket Contracts, the Payout Criteria for the Contracts will be set as follows:

(i) WEEKLY NATURAL GAS TOUCH BRACKET VARIABLE PAYOUT CONTRACTS, Close Time is the earlier of 2:30 PM ET on the last Trade Day of the contract listing, or when the Natural Gas Index Value is equal to or greater than the Ceiling, or equal to or less than the Floor. Nadex shall list a set of four (4) Touch Bracket Variable Payout Contracts, referred to as a “Touch Bracket”, that open at 3:00AM ET on the first Trade Day of the week, with overlapping ranges, which conform to the Payout Criteria listed below.

- ~~(7)~~ (1) CONTRACT 1: The Ceiling shall be $X + 0.20$; The Floor shall be $X - 0.05$.
- ~~(8)~~ (2) CONTRACT 1: The Ceiling shall be $X + 0.15$; The Floor shall be $X - 0.10$.
- ~~(9)~~ (3) CONTRACT 1: The Ceiling shall be $X + 0.10$; The Floor shall be $X - 0.15$.
- ~~(10)~~ (4) CONTRACT 1: The Ceiling shall be $X + 0.05$; The Floor shall be $X - 0.20$.

~~(11)~~ (5) DOLLAR MULTIPLIER – The Dollar Multiplier shall be 100.

~~(12)~~ (6) In each case, “X” equals the last Natural Gas price, as reported by the Source Agency, rounded to the nearest 0.25.

(ii) Upon the early Expiration of a Touch Bracket, Nadex may list a new Touch Bracket with a Ceiling of $X + 0.20$ (or 0.05) and a Floor of $X - 0.05$ (or 0.20) where X equals the Ceiling (or Floor) of the Touch Bracket that expired early. The newly listed Touch Bracket will have the same Last Trade Day as originally established for the expired Touch Bracket and the same Dollar Multiplier as the expired Touch Bracket.

(f) MINIMUM TICK – The Minimum Tick size for Natural Gas Touch Bracket Variable Payout Contracts shall be 0.001.

(g) POSITION LIMIT – The Position Limit for Natural Gas Touch Bracket Variable Payout Contracts shall be 100 Contracts per Class.

(h) MARKET MAKER ALTERNATIVE POSITION LIMIT – The Position Limit for the Natural Gas Touch Bracket Variable Payout Contracts for contracted Market Makers shall be 100,000 Contracts per strike level.

~~(i)(h)~~ LAST TRADING DATE – The Last Trading Date of the Contract is the same date as the Settlement Date.

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

~~(k)(j)~~ EXPIRATION DATE – The Expiration Date of the Contract shall be the date on which the Natural Gas Touch Bracket Contract Expiration Value is released by the Source Agency.

~~(l)(k)~~ 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.

~~(m)(l)~~ NATURAL GAS INDEX VALUE – The Source Agency shall calculate and produce a Natural Gas Index Value once each second throughout the life of the Natural Gas Variable Payout contracts. That is, each second the Source Agency will calculate a Natural Gas Index Value by taking all NFC trade prices occurring in the ten (10) seconds leading up to the Calculation Time, provided at least twenty-five (25) trade prices are captured during the ten (10) second period, removing the highest twenty

(20) percent of SFC trade prices and the lowest twenty (20) percent of NFC trade prices in the data set²⁴, and using the remaining NFC trade prices in the data set, to calculate the Index Value. The calculation used is a simple average of the remaining NFC trade prices in the data set, rounded to one decimal point past the precision of the underlying market. In the event the time it takes to collect at least twenty-five (25) NFC trade prices exceeds the ten (10) seconds just prior to the Calculation Time, the Index Value is calculated by the Source Agency by taking the last twenty-five (25) NFC trade prices just prior to the Calculation Time, removing the highest five (5) NFC trade prices and the lowest five (5) NFC trade prices, and using the remaining fifteen (15) NFC trade prices to calculate the Index Value. The calculation used is a simple average of all fifteen (15) NFC trade prices, rounded to one decimal point past the precision of the underlying market.

~~(n)(m)~~ EXPIRATION VALUE – The Expiration Value is the Natural Gas Index Value as released by the Source Agency at Expiration.

~~(o)(n)~~ 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 the Series.

RULE 12.11 NATURAL GAS BINARY CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the Natural Gas Binary Contract issued by Nadex.

(b) UNDERLYING – The Underlying for this Class of Contracts is the Natural Gas price per mmBtu (millions British thermal units, in US dollars), obtained from the Physical Natural Gas Futures contracts (“NFC”) traded on the New York Mercantile Exchange (“NYMEX”²⁵). The NFC trade prices that will be used for the Underlying will be taken from all twelve NFC delivery months: January, February, March, April, May, June, July, August, September, October, November, or December (each an “NFC Delivery Month”). The date on which a new delivery month will be used as the Underlying for Nadex contracts (i.e. “Start Date”) is one calendar day after the End Date for the previous delivery month contract. The last day on which a delivery month will be used as the Underlying for Nadex contracts (i.e. “End Date”) is the Friday of the week preceding the Underlying futures contracts Expiration Date. If the

²⁴ If 20% of the data set would result in a non-integer number of trade prices, the number of trade prices to be removed from the set will be rounded down. For example, if the number of trade prices collected during the last 10 seconds prior to the close of trading was 31, 20% of the data set would be 6.2 trade prices. As 6.2 is a non-integer number, the value will be rounded down, and the 6 highest and 6 lowest trade prices will be removed from the data set.

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Underlying futures contracts Expiration Date falls on a Monday, the End Date for that specific delivery month will be the Friday of the week preceding the week of the Underlying futures contracts Expiration Date, i.e. not the Friday that is one business day prior to the Monday Expiration Date. For example, the Nymex Natural Gas February 2012 futures have an Expiration Date of January 27, 2012. The last day on which the Natural Gas February 2012 futures prices will be used as the Underlying for Nadex contracts and to calculate the Expiration Value on the Expiration Date for the relevant Natural Gas contracts will be the Friday of the preceding week. Therefore, the End Date for using Nymex Natural Gas February 2012 futures will be January 20, 2012 and the Start Date for the next delivery month, Nymex Natural Gas March 2012 futures, will be January 21, 2012. The Nymex Natural Gas March 2012 futures, however, have an Expiration Date of Monday, February 27, 2012. The last day on which the Natural Gas March 2012 futures prices will be as the Underlying for Nadex contracts and to calculate the Expiration Value on the Expiration Date for the relevant Natural Gas contracts will be February 17, 2012, rather than February 24, 2012, and the Start Date for the next delivery month, Nymex Natural Gas April 2012 futures will be February 18, 2012.

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

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

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

(i) WEEKLY NATURAL GAS BINARY CONTRACTS

(1) EXPIRATION TIME – 2:30PM ET CLOSE

(2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 0.20.

(3) NUMBER OF STRIKE LEVELS LISTED - Thirteen (13) strike levels will be listed for each Weekly Natural Gas 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 0.250 or 0.750 as reported by the Source Agency. Six (6) strike levels will be generated above Binary Contract W at an interval of 0.20, and six (6) strike levels will be generated below Binary Contract W at an interval of 0.20 (e.g. $W - 0.20$; W ; $W + 0.20$). The Contract will have a Payout Criterion of greater than the strike level value.

(ii) DAILY NATURAL GAS BINARY CONTRACTS

0.06.

- (1) EXPIRATION TIME – 2:30PM ET CLOSE
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be
- (3) NUMBER OF STRIKE LEVELS LISTED – Fifteen (15) strike levels will be listed for each Daily Natural Gas 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 0.1 as reported by the Source Agency. Seven (7) strike levels will be generated above Binary Contract Y at an interval of 0.06, and seven (7) strike levels will be generated below Binary Contract Y at an interval of 0.06 (e.g. $Y - 0.06$; Y ; $Y + 0.06$). The Contract will have a Payout Criterion of greater than the strike level value.

(iii) INTRADAY NATURAL GAS BINARY CONTRACTS

- (1) EXPIRATION TIME – 10:00AM, 11:00AM, 12:00PM, 1:00PM, 2:00PM ET CLOSE
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 0.01.
- (3) NUMBER OF STRIKE LEVELS LISTED - Nine (9) strike levels will be listed for each Intraday Natural Gas 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 0.01, and four (4) strike levels will be generated below Binary Contract Z at an interval of 0.01 (e.g. $Z - 0.01$; Z ; $Z + 0.01$). The Contract will have a Payout Criterion of greater than the strike level value.

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

(f) MINIMUM TICK – The Minimum Tick size for Natural Gas Binary Contracts shall be \$0.25.

(g) POSITION LIMIT – The Position Limits for Natural Gas Binary Contracts shall be 2,500 Contracts per Class.

~~(g)~~(h) MARKET MAKER ALTERNATIVE POSITION LIMIT – The Position Limit for the Natural Gas Binary Contracts for contracted Market Makers shall be 5,000 Contracts per strike level.

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

~~(i)~~(j) SETTLEMENT DATE – The Settlement Date will be the same date as the Expiration Date.

~~(j)~~(k) EXPIRATION DATE – The Expiration Date of the Contract will be the date on which the Natural Gas Expiration Value is released by the Source Agency.

~~(k)~~(l) 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 Natural Gas Binary Contract is \$100.

~~(l)~~(m) EXPIRATION VALUE – The Expiration Value is the price or value of Natural Gas released by the Source Agency on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking all NFC trade prices occurring in the ten (10) seconds leading up to the close of trading of the Natural Gas Binary Contract, provided at least twenty-five (25) trade prices are captured during the ten (10) second period, removing the highest twenty (20) percent of NFC trade prices and the lowest twenty (20) percent of NFC trade prices in the data set²⁶, and using the remaining NFC trade prices in the data set, to calculate the Expiration Value. The calculation used is a simple average of all the remaining NFC trade prices in the data set, rounded to one decimal point past the precision of the underlying market. In the event the time it takes to collect at least twenty-five (25) NFC trade prices exceeds the ten (10) seconds just prior to the close of trading of the Natural Gas Binary Contract, the Expiration Value is calculated by the Source Agency by taking the last twenty-five (25) NFC trade prices just prior to the close of trading of the Natural Gas Binary Contract removing the highest five (5) NFC trade prices and the lowest five (5) NFC trade prices, and using the remaining fifteen (15) NFC trade prices to calculate the Expiration Value. The calculation used is a simple average of all fifteen (15) NFC trade prices, rounded to one decimal point past the precision of the underlying market.

~~(m)~~(n) 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.

²⁶ If 20% of the data set would result in a non-integer number of trade prices, the number of trade prices to be removed from the set will be rounded down. For example, if the number of trade prices collected during the last 10 seconds prior to the close of trading was 31, 20% of the data set would be 6.2 trade prices. As 6.2 is a non-integer number, the value will be rounded down, and the 6 highest and 6 lowest trade prices will be removed from the data set.

RULE 12.12 – 12.25 [RESERVED]

RULE 12.26 CURRENCY EXCHANGE AUD/USD VARIABLE PAYOUT CONTRACTS

RULE 12.26.1 CURRENCY EXCHANGE AUD/USD “CALL SPREAD” VARIABLE PAYOUT CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the Currency Exchange AUD/USD (“AUD/USD”) Call Spread Variable Payout Contracts, referred to as a “Call Spread”, 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) 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 Call Spread Variable Payout Contract, the Payout Criteria for the Contracts will be set as follows;

(i) WEEKLY AUD/USD CALL SPREAD VARIABLE PAYOUT CONTRACTS, 3:00 PM ET CLOSE – At the commencement of trading in a Weekly AUD/USD Call Spread, Nadex shall list one (1) Call Spread Contract, which conforms to the Payout Criteria listed below:

(1) WEEKLY AUD/USD CALL SPREAD CONTRACT

(aa) CEILING – The Ceiling shall be $X + 0.0375$.

(bb) FLOOR – The Floor shall be $X - 0.0375$.

(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.

(ii) WEEKLY AUD/USD CALL SPREAD VARIABLE PAYOUT CONTRACTS, 3:00 PM ET CLOSE – At the commencement of trading in a Weekly AUD/USD Call Spread, Nadex shall list five (5) Call Spread Contracts with overlapping ranges, which conforms to the Payout Criteria listed below:

(1) CONTRACT 1: The Ceiling shall be $X - 0.0125$; The Floor shall be $X - 0.0375$.

(2) CONTRACT 2: The Ceiling shall be X ; The Floor shall be $X - 0.0250$.

(3) CONTRACT 3: The Ceiling shall be $X + 0.0125$; The Floor shall be $X - 0.0125$.

(4) CONTRACT 4: The Ceiling shall be $X + 0.0250$; The Floor shall be X .

(5) CONTRACT 5: The Ceiling shall be $X + 0.0375$; The Floor shall be $X - 0.0125$.

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

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

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

(1) DAILY AUD/USD CALL SPREAD CONTRACT:

(aa) CEILING – The Ceiling 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.

(iv) DAILY AUD/USD CALL SPREAD CONTRACTS, 3:00 PM ET CLOSE - Nadex shall list a set of three (3) Call Spread Contracts with overlapping ranges, which conform to the Payout Criteria listed below:

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

(2) CONTRACT 2: The Ceiling shall be $X + 0.0125$; The Floor shall be $X - 0.0125$.

(3) CONTRACT 3: The Ceiling 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 AUD/USD price, as reported by the Source Agency, rounded to the nearest 0.0010.

(v) INTRADAY AUD/USD CALL 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) Call Spread Contracts with overlapping ranges, which conform to the Payout Criteria listed below:

- (1) CONTRACT 1: The Ceiling shall be X; The Floor shall be X- 0.0200.
- (2) CONTRACT 2: The Ceiling shall be X + 0.0100; The Floor shall be X – 0.0100
- (3) CONTRACT 3: The Ceiling 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.

(vi) INTRADAY 2-HOUR AUD/USD CALL 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) Call Spread 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 Ceiling shall be X; The Floor shall be X- 0.0100.
- (2) CONTRACT 2: The Ceiling shall be X + 0.0050; The Floor shall be X – 0.0050
- (3) CONTRACT 3: The Ceiling 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.

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

(f) MINIMUM TICK – The Minimum Tick size for AUD/USD Call Spread Contracts shall be 0.0001.

(g) POSITION LIMIT – The Position Limits for AUD/USD Call Spread Contracts shall be 250 Contracts per Class.

~~(g)~~(h) **MARKET MAKER ALTERNATIVE POSITION LIMIT** – The Position Limit for the AUD/USD Call Spread Variable Payout Contracts for contracted Market Makers shall be 500 Contracts per strike level.

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

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

~~(j)~~(k) **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.

~~(k)~~(l) **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.

~~(l)~~(m) **EXPIRATION VALUE** – The Expiration Value is the price or value of AUD/USD Index Value released by the Source Agency at Expiration on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking all Midpoints between the bid/ask spread (ten pips wide or less) occurring in the ten (10) seconds leading up to the close of trading of the AUD/USD Call Spread Contract, provided at least ten (10) Midpoints are captured during the ten (10) second period, removing the highest thirty (30) percent of Midpoints and the lowest thirty (30) percent of Midpoints from the data set²⁷, using the remaining AUD/USD Midpoints to calculate the Expiration Value. The calculation used is a simple average of the remaining AUD/USD Midpoints, rounded to one decimal point past the precision of the underlying market. In the event the time it takes to collect at least ten (10) Midpoints (ten pips wide or less) exceeds the ten (10) second time period, 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 Call Spread 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.

~~(m)~~(n) **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.

²⁷ If 30% of the data set would result in a non-integer number of Midpoints, the number of Midpoints to be removed from the set will be rounded down. For example, if the number of Midpoints collected during the last 10 seconds prior to the close of trading was 14, 30% of the data set would be 4.2 Midpoints. As 4.2 is a non-integer number, the value will be rounded down, and the 4 highest and 4 lowest Midpoints will be removed from the data set.

RULE 12.26.2 CURRENCY EXCHANGE AUD/USD “TOUCH BRACKET” VARIABLE PAYOUT CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the Currency Exchange AUD/USD (“AUD/USD”) Touch Bracket Variable Payout Contracts, referred to as a ‘Touch Bracket’, 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) 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 Touch Bracket Contracts, the Payout Criteria for the Contracts will be set as follows:

(i) WEEKLY AUD/USD TOUCH BRACKET VARIABLE PAYOUT CONTRACTS, Expiration is the earlier of (a) 3:00PM ET on the Last Trade Day of the contract listing, or (b) when the AUD/USD Index Value is equal to or greater than the Ceiling, or equal to or less than the Floor. Nadex shall list a set of four (4) Touch Bracket Variable Payout Contracts, each referred to as a ‘Touch Bracket’, that open at 6:00PM ET on the first Trade Day of the week, with overlapping ranges, which conform to the Payout Criteria listed below.

(1) CONTRACT 1: The Ceiling shall be $X + 0.0080$; The Floor shall be $X - 0.0020$.

(2) CONTRACT 2: The Ceiling shall be $X + 0.0060$; The Floor shall be $X - 0.0040$.

(3) CONTRACT 3: The Ceiling shall be $X + 0.0040$; The Floor shall be $X - 0.0060$.

(4) CONTRACT 4: The Ceiling shall be $X + 0.0020$; The Floor shall be $X - 0.0080$.

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

(6) In each case, “X” equals the last AUD/USD price, as reported by the Source Agency, rounded to the nearest 0.0001.

(ii) Upon the early Expiration of a Touch Bracket, Nadex may list a new Touch Bracket with a Ceiling of $X + 0.0080$ (or 0.0020) and a Floor of $X - 0.0020$ (or 0.0080) where X equals the Ceiling (or Floor) of the Touch Bracket that expired early. The newly listed Touch Bracket will have the same Last Trade Day as originally established for the expired Touch Bracket and the same Dollar Multiplier as the expired Touch Bracket.

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

(g) POSITION LIMIT –The Position Limit for AUD/USD Touch Bracket Variable Payout Contracts shall be 100 Contracts per Class.

~~(g)~~ (h) MARKET MAKER ALTERNATIVE POSITION LIMIT – The Position Limit for the AUD/USD Touch Bracket Variable Payout Contracts for contracted Market Makers shall be 100,000 Contracts per strike level.

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

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

~~(j)~~ (k) 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.

~~(k)~~ (l) 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.

~~(l)~~ (m) AUD/USD INDEX VALUE – The Source Agency shall calculate and produce a AUD/USD Index Value once each second throughout the life of the AUD/USD Variable Payout contracts. That is, each second the Source Agency will calculate a AUD/USD Index Value by taking all Midpoints between the bid/ask spread (ten pips wide or less) occurring in the ten (10) seconds leading up to the Calculation Time, provided at least ten (10) Midpoints are captured during the ten (10) second period, removing the highest thirty (30) percent of Midpoints and the lowest thirty (30) percent of Midpoints from the data set²⁸, using the remaining AUD/USD Midpoints to calculate the AUD/USD Index Value for that second. The calculation used is a simple average of the remaining AUD/USD Midpoints, rounded to one decimal point past the precision of the underlying market. In the event the time it takes to collect at least ten (10) Midpoints (ten pips wide or less) exceeds the ten (10) second time period, the AUD/USD Index 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 Calculation Time and removing the highest three (3) Midpoints and the lowest three (3) Midpoints, using the remaining four (4) AUD/USD Midpoints to calculate the

²⁸ If 30% of the data set would result in a non-integer number of Midpoints, the number of Midpoints to be removed from the set will be rounded down. For example, if the number of Midpoints collected during the last 10 seconds prior to the close of trading was 14, 30% of the data set would be 4.2 Midpoints. As 4.2 is a non-integer number, the value will be rounded down, and the 4 highest and 4 lowest Midpoints will be removed from the data set.

AUD/USD Index 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.

~~(m)~~(n) EXPIRATION VALUE – The Expiration Value is the AUD/USD Index Value released by the Source Agency at Expiration on the Expiration Date.

~~(n)~~(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.

(e) 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 0.0012.
- (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 0.0012, and ten (10) strike levels will be generated below Binary Contract X at an interval of 0.0012 (e.g. $X - 0.0012$; X; $X + 0.0012$). 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 0.0004.
- (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 either 0.0000, 0.0002, 0.0004, 0.0006, or 0.0008 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 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 0.0002 for expirations occurring between 6:05pm ET and 8:05am ET and between 12:10pm ET and 5:00pm ET; the interval width shall be 0.0004 for expirations occurring between 8:10am ET and 12:05pm ET.
- (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 either 0.0001, 0.0003, 0.0005, 0.0007, or 0.0009 as reported by the Source Agency. For expirations occurring between 6:05pm ET and 8:05am ET and between 12:10pm ET and 5:00pm ET, two (2) strike levels will be generated above Binary Contract Z at an interval of 0.0002, and two (2) strike levels will be generated below Binary Contract Z at an interval of 0.0002 (e.g. $Z - 0.0002$; Z ; $Z + 0.0002$). The Contract will have a Payout Criterion of greater than the strike level value. For expirations occurring between 8:10am ET and 12:05pm ET, two (2) strike levels will be generated above Binary Contract Z at an interval of 0.0004, and two (2) 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.
- (5) Nadex may, in its discretion, temporarily refrain from 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.

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

(g) POSITION LIMIT – The Position Limits for AUD/USD Binary Contracts shall be 2,500 Contracts per Class.

(h) MARKET MAKER ALTERNATIVE POSITION LIMIT – The Position Limit for the AUD/USD Binary Contracts for contracted Market Makers shall be 5,000 Contracts per strike level.

(hi) 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.

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

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

~~(l)~~ 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.

~~(m)~~ 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 all Midpoints between the bid/ask spread (ten pips wide or less) occurring in the ten (10) seconds leading up to the close of trading of the AUD/USD Binary Contract, provided at least ten (10) Midpoints are captured during the ten (10) second period, removing the highest thirty (30) percent of Midpoints and the lowest thirty (30) percent of Midpoints from the data set²⁹, using the remaining AUD/USD Midpoints to calculate the Expiration Value. The calculation used is a simple average of the remaining AUD/USD Midpoints, rounded to one decimal point past the precision of the underlying market. In the event the time it takes to collect at least ten (10) Midpoints (ten pips wide or less) exceeds the ten (10) second time period, 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

²⁹ If 30% of the data set would result in a non-integer number of Midpoints, the number of Midpoints to be removed from the set will be rounded down. For example, if the number of Midpoints collected during the last 10 seconds prior to the close of trading was 14, 30% of the data set would be 4.2 Midpoints. As 4.2 is a non-integer number, the value will be rounded down, and the 4 highest and 4 lowest Midpoints will be removed from the data set.

simple average of all four (4) AUD/USD Midpoints, rounded to one decimal point past the precision of the underlying market.

~~(n)~~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

RULE 12.28.1 CURRENCY EXCHANGE EUR/USD “CALL SPREAD” VARIABLE PAYOUT CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the Currency Exchange EUR/USD (“EUR/USD”) Call Spread Variable Payout Contracts, referred to as a “Call Spread”, 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) 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 Call Spreads, the Payout Criteria for the Contracts will be set as follows:

(i) WEEKLY EUR/USD CALL SPREAD VARIABLE PAYOUT CONTRACTS, 3:00 PM ET CLOSE – At the commencement of trading in a Weekly EUR/USD Call Spread, Nadex shall list one (1) Call Spread Contract, which conforms to the Payout Criteria listed below:

(1) WEEKLY EUR/USD CALL SPREAD CONTRACT

(aa) CEILING – The Ceiling shall be $X + 0.0375$.

(bb) FLOOR – The Floor shall be $X - 0.0375$.

(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.

(ii) WEEKLY EUR/USD CALL SPREAD VARIABLE PAYOUT CONTRACTS, 3:00 PM ET CLOSE – At the commencement of trading in a Weekly EUR/USD Call Spread, Nadex shall list five (5) Call Spread Contracts with overlapping ranges, which conforms to the Payout Criteria listed below:

(1) CONTRACT 1: The Ceiling shall be $X - 0.0125$; The Floor shall be $X - 0.0375$.

(2) CONTRACT 2: The Ceiling shall be X ; The Floor shall be $X - 0.0250$.

(3) CONTRACT 3: The Ceiling shall be $X + 0.0125$; The Floor shall be $X - 0.0125$.

(4) CONTRACT 4: The Ceiling shall be $X + 0.0250$; The Floor shall be X .

(5) CONTRACT 5: The Ceiling shall be $X + 0.0375$; The Floor shall be $X - 0.0125$.

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

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

(iii) EUR/USD CALL SPREAD VARIABLE PAYOUT CONTRACTS, 3:00 PM ET CLOSE - At the commencement of trading in a Daily EUR/USD Call Spread, Nadex shall list one (1) Call Spread Contract, which conforms to one of the Payout Criteria listed below:

(1) DAILY EUR/USD CALL SPREAD CONTRACT:

(aa) CEILING – The Ceiling 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 EUR/USD price, as reported by the Source Agency, rounded to the nearest 0.0010.

(iv) DAILY EUR/USD CALL SPREAD CONTRACTS, 3:00 PM ET CLOSE - Nadex shall list a set of three (3) Call Spread Contracts with overlapping ranges, which conform to the Payout Criteria listed below:

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

(2) CONTRACT 2: The Ceiling shall be $X + 0.0125$; The Floor shall be $X - 0.0125$.

(3) CONTRACT 3: The Ceiling 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.

(v) INTRADAY EUR/USD CALL 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) Call Spread Contracts with overlapping ranges, which conform to the Payout Criteria listed below:

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

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

(3) CONTRACT 3: The Ceiling 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.

(vi) INTRADAY 2-HOUR EUR/USD CALL 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) Call Spread 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 Ceiling shall be X; The Floor shall be X- 0.0100.

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

(3) CONTRACT 3: The Ceiling 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.

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

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

~~(g)~~ POSITION LIMIT – The Position Limits for EUR/USD Call Spread Contracts shall be 250 Contracts per Class.

~~(g)~~ ~~(h)~~ MARKET MAKER ALTERNATIVE POSITION LIMIT – The Position Limit for the EUR/USD Call Spread Variable Payout Contracts for contracted Market Makers shall be 500 Contracts per strike level.

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

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

~~(j)~~ ~~(k)~~ 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.

~~(k)~~ ~~(l)~~ 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.

~~(l)~~ ~~(m)~~ EXPIRATION VALUE – The Expiration Value is the price or value of EUR/USD Index Value released by the Source Agency at Expiration on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking all Midpoints between the bid/ask spread (ten pips wide or less) occurring in the ten (10) seconds leading up to the close of trading of the EUR/USD Call Spread Contract, provided at least ten (10) Midpoints are captured during the ten (10) second period, removing the highest thirty (30) percent of Midpoints and the lowest thirty (30) percent of Midpoints from the data set³⁰, using the remaining EUR/USD Midpoints to calculate the Expiration Value. The calculation used is a simple average of the remaining EUR/USD Midpoints, rounded to one decimal point past the precision of the underlying market. In the event the time it takes to collect at least ten (10) Midpoints (ten pips wide or less) exceeds the ten (10) second time period, 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 Call Spread 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.

³⁰ If 30% of the data set would result in a non-integer number of Midpoints, the number of Midpoints to be removed from the set will be rounded down. For example, if the number of Midpoints collected during the last 10 seconds prior to the close of trading was 14, 30% of the data set would be 4.2 Midpoints. As 4.2 is a non-integer number, the value will be rounded down, and the 4 highest and 4 lowest Midpoints will be removed from the data set.

~~(m)~~(n) 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 12.28.2 CURRENCY EXCHANGE EUR/USD “TOUCH BRACKET” VARIABLE PAYOUT CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the Currency Exchange EUR/USD (“EUR/USD”) Touch Bracket Variable Payout Contracts, referred to as a ‘Touch Bracket’, 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) 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 Touch Bracket Contracts, the Payout Criteria for the Contracts will be set as follows:

(i) WEEKLY EUR/USD TOUCH BRACKET VARIABLE PAYOUT CONTRACTS, Expiration is the earlier of (a) 3:00PM ET on the Last Trade Day of the contract listing, or (b) when the EUR/USD Index Value is equal to or greater than the Ceiling, or equal to or less than the Floor. Nadex shall list a set of four (4) Touch Bracket Variable Payout Contracts, each referred to as a ‘Touch Bracket’, that open at 6:00PM ET on the first Trade Day of the week, with overlapping ranges, which conform to the Payout Criteria listed below.

(1) CONTRACT 1: The Ceiling shall be $X + 0.0080$; The Floor shall be $X - 0.0020$.

(2) CONTRACT 2: The Ceiling shall be $X + 0.0060$; The Floor shall be $X - 0.0040$.

(3) CONTRACT 3: The Ceiling shall be $X + 0.0040$; The Floor shall be $X - 0.0060$.

(4) CONTRACT 4: The Ceiling shall be $X + 0.0020$; The Floor shall be $X - 0.0080$.

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

(ii) In each case, “X” equals the last EUR/USD price, as reported by the Source Agency, rounded to the nearest 0.0001.

(iii) Upon the early Expiration of a Touch Bracket, Nadex may list a new Touch Bracket with a Ceiling of $X + 0.0080$ (or 0.0020) and a Floor of $X - 0.0020$ (or 0.0080) where X equals the Ceiling (or Floor) of the Touch Bracket that expired early. The newly listed Touch Bracket will have the same Last Trade Day as originally established for the expired Touch Bracket and the same Dollar Multiplier as the expired Touch Bracket.

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

(g) POSITION LIMIT –The Position Limit for EUR/USD Touch Bracket Variable Payout Contracts shall be 100 Contracts per Class.

(h) MARKET MAKER ALTERNATIVE POSITION LIMIT – The Position Limit for the EUR/USD Touch Bracket Variable Payout Contracts for contracted Market Makers shall be 100,000 Contracts per strike level.

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

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

(~~j~~k) 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.

(~~k~~) 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.

(~~m~~l) EUR/USD INDEX VALUE – The Source Agency shall calculate and produce a EUR/USD Index Value once each second throughout the life of the EUR/USD Variable Payout contracts. That is, each second the Source Agency will calculate a EUR/USD Index Value by taking all Midpoints between the bid/ask spread (ten pips wide or less) occurring in the ten (10) seconds leading up to the Calculation Time, provided at least ten (10) Midpoints are captured during the ten (10) second period, removing the highest thirty (30) percent of Midpoints and the lowest thirty (30) percent of Midpoints from the data set³¹, using the remaining EUR/USD Midpoints to calculate the EUR/USD Index Value for that second. The calculation used is a simple average of the remaining EUR/USD Midpoints, rounded to one decimal point past the precision of the underlying market. In the event the time it takes to collect at least ten (10)

³¹ If 30% of the data set would result in a non-integer number of Midpoints, the number of Midpoints to be removed from the set will be rounded down. For example, if the number of Midpoints collected during the last 10 seconds prior to the close of trading was 14, 30% of the data set would be 4.2 Midpoints. As 4.2 is a non-integer number, the value will be rounded down, and the 4 highest and 4 lowest Midpoints will be removed from the data set.

Midpoints (ten pips wide or less) exceeds the ten (10) second time period, the EUR/USD Index 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 Calculation Time and removing the highest three (3) Midpoints and the lowest three (3) Midpoints, using the remaining four (4) EUR/USD Midpoints to calculate the EUR/USD Index 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.

~~(m)~~ EXPIRATION VALUE – The Expiration Value is the EUR/USD Index Value released by the Source Agency at Expiration on the Expiration Date.

~~(n)~~ ~~(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.

(e) 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 0.0012.
- (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 0.0012, and ten (10) strike levels will be generated below Binary Contract X at an interval of 0.0012 (e.g. $X - 0.0012$; X ; $X + 0.0012$). 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 either 0.0000, 0.0002, 0.0004, 0.0006, or 0.0008 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 0.0002 for expirations occurring between 6:05pm ET and 8:05am ET and between 12:10pm ET and 5:00pm ET; the interval width shall be 0.0004 for expirations occurring between 8:10am ET and 12:05pm ET.
- (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 either 0.0001, 0.0003, 0.0005, 0.0007, or 0.0009 as reported by the Source Agency. For expirations occurring between 6:05pm ET and 8:05am ET and between 12:10pm ET and 5:00pm ET, two (2) strike levels will be generated above Binary Contract Z at an interval of 0.0002, and two (2) strike levels will be generated below Binary Contract Z at an interval of 0.0002 (e.g. $Z - 0.0002$; Z ; $Z + 0.0002$). The Contract will have a Payout Criterion of greater than the strike level value. For expirations occurring between 8:10am ET and 12:05pm ET, two (2) strike levels will be generated above Binary Contract Z at an interval of 0.0004, and two (2) 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.
- (5) Nadex may, in its discretion, temporarily refrain from 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.

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

(g) POSITION LIMIT – The Position Limits for EUR/USD Binary Contracts shall be 2,500 Contracts per Class.

(h) MARKET MAKER ALTERNATIVE POSITION LIMIT – The Position Limit for the EUR/USD Binary Contracts for contracted Market Makers shall be 5,000 Contracts per strike level.

(~~h~~i) 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.

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

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

~~(k)~~(l) 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.

~~(k)~~(m) 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 all Midpoints between the bid/ask spread (ten pips wide or less) occurring in the ten (10) seconds leading up to the close of trading of the EUR/USD Binary Contract, provided at least ten (10) Midpoints are captured during the ten (10) second period, removing the highest thirty (30) percent of Midpoints and the lowest thirty (30) percent of Midpoints from the data set³², using the remaining EUR/USD Midpoints to calculate the Expiration Value. The calculation used is a simple average of the remaining EUR/USD Midpoints, rounded to one decimal point past the precision of the underlying market. In the event the time it takes to collect at least ten (10) Midpoints (ten pips wide or less) exceeds the ten (10) second time period, 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

³² If 30% of the data set would result in a non-integer number of Midpoints, the number of Midpoints to be removed from the set will be rounded down. For example, if the number of Midpoints collected during the last 10 seconds prior to the close of trading was 14, 30% of the data set would be 4.2 Midpoints. As 4.2 is a non-integer number, the value will be rounded down, and the 4 highest and 4 lowest Midpoints will be removed from the data set.

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.

~~(m)~~(n)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

RULE 12.30.1 CURRENCY EXCHANGE GBP/USD “CALL SPREAD” VARIABLE PAYOUT CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the Currency Exchange GBP/USD (“GBP/USD”) Call Spread Variable Payout Contracts, referred to as a ‘Call Spread’, 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) 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 Call Spreads, the Payout Criteria for the Contracts will be set as follows:

(i) WEEKLY GBP/USD CALL SPREAD VARIABLE PAYOUT CONTRACTS, 3:00 PM ET CLOSE – At the commencement of trading in a Weekly GBP/USD Call Spread, Nadex shall list one (1) Call Spread Contract, which conforms to the Payout Criteria listed below:

(1) WEEKLY GBP/USD CALL SPREAD CONTRACT

(aa) CEILING – The Ceiling shall be $X + 0.0375$.

(bb) FLOOR – The Floor shall be $X - 0.0375$.

(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.

(ii) WEEKLY GBP/USD CALL SPREAD VARIABLE PAYOUT CONTRACTS, 3:00 PM ET CLOSE – At the commencement of trading in a Weekly GBP/USD Call Spread, Nadex shall list five (5) Call Spread Contracts with overlapping ranges, which conforms to the Payout Criteria listed below:

(1) CONTRACT 1: The Ceiling shall be $X - 0.0125$; The Floor shall be $X - 0.0375$.

(2) CONTRACT 2: The Ceiling shall be X ; The Floor shall be $X - 0.0250$.

(3) CONTRACT 3: The Ceiling shall be $X + 0.0125$; The Floor shall be $X - 0.0125$.

(4) CONTRACT 4: The Ceiling shall be $X + 0.0250$; The Floor shall be X .

(5) CONTRACT 5: The Ceiling shall be $X + 0.0375$; The Floor shall be $X - 0.0125$.

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

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

(iii) DAILY GBP/USD CALL SPREAD VARIABLE PAYOUT CONTRACTS, 3:00 PM ET CLOSE SPREAD - At the commencement of trading in a Daily USD/USD Call Spread, Nadex shall list one (1) Call Spread Contract, which conforms to one of the Payout Criteria listed below:

(1) DAILY GBP/USD CALL SPREAD CONTRACT

(aa) CEILING – The Ceiling 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 GBP/USD price, as reported by the Source Agency, rounded to the nearest 0.0010.

(iv) DAILY GBP/USD CALL SPREAD CONTRACTS, 3:00 PM ET CLOSE - Nadex shall list a set of three (3) Call Spread Contracts with overlapping ranges, which conform to the Payout Criteria listed below:

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

(3) CONTRACT 2: The Ceiling shall be $X + 0.0125$; The Floor shall be $X - 0.0125$.

(4) CONTRACT 3: The Ceiling shall be $X + 0.0250$; The Floor shall be X .

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

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

(v) INTRADAY GBP/USD CALL 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) Call Spread Contracts with overlapping ranges, which conform to the Payout Criteria listed below:

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

(2) CONTRACT 2: The Ceiling shall be $X + 0.0150$; The Floor shall be $X - 0.0150$

(3) CONTRACT 3: The Ceiling 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.

(vi) INTRADAY 2-HOUR GBP/USD CALL 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) Call Spread 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 Ceiling shall be X ; The Floor shall be $X - 0.0150$.

(2) CONTRACT 2: The Ceiling shall be $X + 0.0075$; The Floor shall be $X - 0.0075$.

(3) CONTRACT 3: The Ceiling 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.

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

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

(g) POSITION LIMIT – The Position Limits for GBP/USD Call Spread Contracts shall be 250 Contracts per Class.

(h) MARKET MAKER ALTERNATIVE POSITION LIMIT – The Position Limit for the GBP/USD Call Spread Variable Payout Contracts for contracted Market Makers shall be 500 Contracts per strike level.

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

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

(~~jk~~) 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.

(~~kl~~) 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.

(~~lm~~) EXPIRATION VALUE – The Expiration Value is the price or value of GBP/USD Index Value released by the Source Agency at Expiration on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking all Midpoints between the bid/ask spread (ten pips wide or less) occurring in the ten (10) seconds leading up to the close of trading of the GBP/USD Call Spread Contract, provided at least ten (10) Midpoints are captured during the ten (10) second period, removing the highest thirty (30) percent of Midpoints and the lowest thirty (30) percent of Midpoints from the data set³³, using the remaining GBP/USD Midpoints to calculate the Expiration Value. The calculation used is a simple average of the remaining GBP/USD Midpoints, rounded to one decimal point past the precision of the underlying market. In the event the time it takes to collect at least ten (10) Midpoints (ten pips wide or less) exceeds the ten (10) second time period, 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 Call Spread 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.

³³ If 30% of the data set would result in a non-integer number of Midpoints, the number of Midpoints to be removed from the set will be rounded down. For example, if the number of Midpoints collected during the last 10 seconds prior to the close of trading was 14, 30% of the data set would be 4.2 Midpoints. As 4.2 is a non-integer number, the value will be rounded down, and the 4 highest and 4 lowest Midpoints will be removed from the data set.

(mm) 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 12.30.2 CURRENCY EXCHANGE GBP/USD “TOUCH BRACKET” VARIABLE PAYOUT CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the Currency Exchange GBP/USD (“GBP/USD”) Touch Bracket Variable Payout Contracts, referred to as a ‘Touch Bracket’, 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) 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 Touch Bracket Contracts, the Payout Criteria for the Contracts will be set as follows:

(i) WEEKLY GBP/USD TOUCH BRACKET Variable Payout CONTRACTS, Expiration is the earlier of 3:00PM ET on the Last Trade Day of the contract listing, or when the GBP/USD Index Value is equal to or greater than the Ceiling, or equal to or less than the Floor. Nadex shall list a set of four (4) Touch Bracket Variable Payout Contracts, referred to as a ‘Touch Bracket’, that open at 6:00PM ET on the first Trade Day of the week, with overlapping ranges, which conform to the Payout Criteria listed below.

(1) CONTRACT 1: The Ceiling shall be $X + 0.0080$; The Floor shall be $X - 0.0020$.

(2) CONTRACT 2: The Ceiling shall be $X + 0.0060$; The Floor shall be $X - 0.0040$.

(3) CONTRACT 3: The Ceiling shall be $X + 0.0040$; The Floor shall be $X - 0.0060$.

(4) CONTRACT 4: The Ceiling shall be $X + 0.0020$; The Floor shall be $X - 0.0080$.

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

(6) In each case, “X” equals the last GBP/USD price, as reported by the Source Agency, rounded to the nearest 0.0001.

(ii) Upon the early Expiration of a Touch Bracket, Nadex may list a new Touch Bracket with a Ceiling of $X + 0.0080$ (or 0.0020) and a Floor of $X - 0.0020$ (or 0.0080) where X equals the Ceiling (or Floor) of the Touch Bracket that expired early. The newly listed Touch Bracket will have the same Last Trade Day as originally established for the expired Touch Bracket and the same Dollar Multiplier as the expired Touch Bracket.

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

(g) POSITION LIMIT – The Position Limit for GBP/USD Touch Bracket Variable Payout Contracts shall be 100 Contracts per Class.

(h) MARKET MAKER ALTERNATIVE POSITION LIMIT – The Position Limit for the GBP/USD Touch Bracket Variable Payout Contracts for contracted Market Makers shall be 100,000 Contracts per strike level.

~~(g)~~

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

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

~~(j)~~(k) 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.

~~(k)~~(l) 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.

~~(l)~~(m) GBP/USD INDEX VALUE – The Source Agency shall calculate and produce a GBP/USD Index Value once each second throughout the life of the GBP/USD Variable Payout contracts. That is, each second the Source Agency will calculate a GBP/USD Index Value by taking all Midpoints between the bid/ask spread (ten pips wide or less) occurring in the ten (10) seconds leading up to the Calculation Time, provided at least ten (10) Midpoints are captured during the ten (10) second period, removing the highest thirty (30) percent of Midpoints and the lowest thirty (30) percent of Midpoints from the data set³⁴, using the remaining GBP/USD Midpoints to calculate the GBP/USD Index Value for that second. The calculation used is a simple average of the remaining GBP/USD Midpoints, rounded to one

³⁴ If 30% of the data set would result in a non-integer number of Midpoints, the number of Midpoints to be removed from the set will be rounded down. For example, if the number of Midpoints collected during the last 10 seconds prior to the close of trading was 14, 30% of the data set would be 4.2 Midpoints. As 4.2 is a non-integer number, the value will be rounded down, and the 4 highest and 4 lowest Midpoints will be removed from the data set.

decimal point past the precision of the underlying market. In the event the time it takes to collect at least ten (10) Midpoints (ten pips wide or less) exceeds the ten (10) second time period, the GBP/USD Index 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 Calculation Time and removing the highest three (3) Midpoints and the lowest three (3) Midpoints, using the remaining four (4) GBP/USD Midpoints to calculate the GBP/USD Index 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.

~~(m)~~(n) EXPIRATION VALUE – The Expiration Value is the GBP/USD Index Value released by the Source Agency at Expiration on the Expiration Date.

~~(n)~~(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.

(e) 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 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 either 0.0000, 0.0002, 0.0004, 0.0006, or 0.0008 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 0.0002 for expirations occurring between 6:05pm ET and 8:05am ET and between 12:10pm ET and 5:00pm ET; the interval width shall be 0.0004 for expirations occurring between 8:10am ET and 12:05pm ET.
- (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 either 0.0001, 0.0003, 0.0005, 0.0007, or 0.0009 as reported by the Source Agency. For expirations occurring between 6:05pm ET and 8:05am ET and between 12:10pm ET and 5:00pm ET, two (2) strike levels will be generated above Binary Contract Z at an interval of 0.0002, and two (2) strike levels will be generated below Binary Contract Z at an interval of 0.0002 (e.g. $Z - 0.0002$; Z ; $Z + 0.0002$). The Contract will have a Payout Criterion of greater than the strike level value. For expirations occurring between 8:10am ET and 12:05pm ET, two (2) strike levels will be generated above Binary Contract Z at an interval of 0.0004, and two (2) 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.
- (5) Nadex may, in its discretion, temporarily refrain from 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.

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

(g) POSITION LIMIT – The Position Limits for GBP/USD Binary Contracts shall be 2,500 Contracts per Class.

(g)-(h) MARKET MAKER ALTERNATIVE POSITION LIMIT – The Position Limit for the GBP/USD Binary Contracts for contracted Market Makers shall be 5,000 Contracts per strike level.

(h)-(i) 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.

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

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

(k)-(l) 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.

(l)-(m) 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 all Midpoints between the bid/ask spread (ten pips wide or less) occurring in the ten (10) seconds leading up to the close of trading of the GBP/USD Binary Contract, provided at least ten (10) Midpoints are captured during the ten (10) second period, removing the highest thirty (30) percent of Midpoints and the lowest thirty (30) percent of Midpoints from the data set³⁵, using the remaining GBP/USD Midpoints to calculate the Expiration Value. The calculation used is a simple average of the remaining GBP/USD Midpoints, rounded to one decimal point past the precision of the underlying market. In the event the time it takes to collect at least ten (10) Midpoints (ten pips wide or less) exceeds the ten (10) second time period, 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)

³⁵ If 30% of the data set would result in a non-integer number of Midpoints, the number of Midpoints to be removed from the set will be rounded down. For example, if the number of Midpoints collected during the last 10 seconds prior to the close of trading was 14, 30% of the data set would be 4.2 Midpoints. As 4.2 is a non-integer number, the value will be rounded down, and the 4 highest and 4 lowest Midpoints will be removed from the data set.

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.

~~(m)~~-(n) 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

RULE 12.32.1 CURRENCY EXCHANGE USD/CAD “CALL SPREAD” VARIABLE PAYOUT CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the Currency Exchange USD/CAD (“USD/CAD”) Call Spread Variable Payout Contracts, referred to as a “Call Spread”, 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) 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 Call Spread Variable Payout Contract, the Payout Criteria for the Contracts will be set as follows;

(i) WEEKLY USD/CAD CALL SPREAD VARIABLE PAYOUT CONTRACTS, 3:00 PM ET CLOSE – At the commencement of trading in a Weekly USD/CAD Call Spread, Nadex shall list one (1) Call Spread Contract, which conforms to the Payout Criteria listed below:

(1) WEEKLY USD/CAD CALL SPREAD CONTRACT

(aa) CEILING – The Ceiling shall be $X + 0.0375$.

(bb) FLOOR – The Floor shall be $X - 0.0375$.

(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.

(ii) WEEKLY USD/CAD CALL SPREAD VARIABLE PAYOUT CONTRACTS, 3:00 PM ET CLOSE – At the commencement of trading in a Weekly USD/CAD Call Spread, Nadex shall list five (5) Call Spread Contracts with overlapping ranges, which conforms to the Payout Criteria listed below:

(1) CONTRACT 1: The Ceiling shall be $X - 0.0125$; The Floor shall be $X - 0.0375$.

(2) CONTRACT 2: The Ceiling shall be X ; The Floor shall be $X - 0.0250$.

(3) CONTRACT 3: The Ceiling shall be $X + 0.0125$; The Floor shall be $X - 0.0125$.

(4) CONTRACT 4: The Ceiling shall be $X + 0.0250$; The Floor shall be X .

(5) CONTRACT 5: The Ceiling shall be $X + 0.0375$; The Floor shall be $X - 0.0125$.

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

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

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

(1) DAILY USD/CAD CALL SPREAD CONTRACT

(aa) CEILING – The Ceiling 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.

(iv) DAILY USD/CAD CALL SPREAD CONTRACTS, 3:00 PM ET CLOSE - Nadex shall list a set of three (3) Call Spread Contracts with overlapping ranges, which conform to the Payout Criteria listed below:

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

(2) CONTRACT 2: The Ceiling shall be $X + 0.0125$; The Floor shall be $X - 0.0125$.

(3) CONTRACT 3: The Ceiling 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 USD/CAD price, as reported by the Source Agency, rounded to the nearest 0.0010.

(v) INTRADAY USD/CAD CALL 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) Call Spread Contracts with overlapping ranges, which conform to the Payout Criteria listed below:

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

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

(3) CONTRACT 3: The Ceiling 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.

(vi) INTRADAY 2-HOUR USD/CAD CALL 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) Call Spread 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 Ceiling shall be X ; The Floor shall be $X - 0.0100$.

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

(3) CONTRACT 3: The Ceiling 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.

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

(f) MINIMUM TICK – The Minimum Tick size for USD/CAD Call Spread Contracts shall be 0.0001.

(g) POSITION LIMIT – The Position Limits for USD/CAD Call Spread Contracts shall be 250 Contracts per Class.

(g)(h) MARKET MAKER ALTERNATIVE POSITION LIMIT – The Position Limit for the USD/CAD Call Spread Variable Payout Contracts for contracted Market Makers shall be 500 Contracts per strike level.

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

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

(j)(k) 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.

(k)(l) 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.

(l)(m) EXPIRATION VALUE – The Expiration Value is the price or value of USD/CAD Index Value released by the Source Agency at Expiration on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking all Midpoints between the bid/ask spread (ten pips wide or less) occurring in the ten (10) seconds leading up to the close of trading of the USD/CAD Call Spread Contract, provided at least ten (10) Midpoints are captured during the ten (10) second period, removing the highest thirty (30) percent of Midpoints and the lowest thirty (30) percent of Midpoints from the data set³⁶, using the remaining USD/CAD Midpoints to calculate the Expiration Value. The calculation used is a simple average of the remaining USD/CAD Midpoints, rounded to one decimal point past the precision of the underlying market. In the event the time it takes to collect at least ten (10) Midpoints (ten pips wide or less) exceeds the ten (10) second time period, 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/CAD Call Spread 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.

³⁶ If 30% of the data set would result in a non-integer number of Midpoints, the number of Midpoints to be removed from the set will be rounded down. For example, if the number of Midpoints collected during the last 10 seconds prior to the close of trading was 14, 30% of the data set would be 4.2 Midpoints. As 4.2 is a non-integer number, the value will be rounded down, and the 4 highest and 4 lowest Midpoints will be removed from the data set.

~~(m)~~(n) _____ 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 12.32.2 CURRENCY EXCHANGE USD/CAD “TOUCH BRACKET” VARIABLE PAYOUT CONTRACTS

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

(b) UNDERLYING – 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) 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 Touch Bracket Contracts, the Payout Criteria for the Contracts will be set as follows:

(i) WEEKLY USD/CAD TOUCH BRACKET VARIABLE PAYOUT CONTRACTS, Expiration is the earlier of (a) 3:00PM ET on the Last Trade Day of the contract listing, or (b) when the USD/CAD Index Value is equal to or greater than the Ceiling, or equal to or less than the Floor. Nadex shall list a set of four (4) Touch Bracket Variable Payout Contracts, each referred to as a ‘Touch Bracket’, that open at 6:00PM ET on the first Trade Day of the week, with overlapping ranges, which conform to the Payout Criteria listed below.

(1) CONTRACT 1: The Ceiling shall be $X + 0.0080$; The Floor shall be $X - 0.0020$.

(2) CONTRACT 2: The Ceiling shall be $X + 0.0060$; The Floor shall be $X - 0.0040$.

(3) CONTRACT 3: The Ceiling shall be $X + 0.0040$; The Floor shall be $X - 0.0060$.

(4) CONTRACT 4: The Ceiling shall be $X + 0.0020$; The Floor shall be $X - 0.0080$.

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

(6) In each case, “X” equals the last USD/CAD price, as reported by the Source Agency, rounded to the nearest 0.0001.

(ii) Upon the early Expiration of a Touch Bracket, Nadex may list a new Touch Bracket with a Ceiling of $X + 0.0080$ (or 0.0020) and a Floor of $X - 0.0020$ (or 0.0080) where X equals the Ceiling (or Floor) of the Touch Bracket that expired early. The newly listed Touch Bracket will have the same Last Trade Day as originally established for the expired Touch Bracket and the same Dollar Multiplier as the expired Touch Bracket.

(f) **MINIMUM TICK** –The Minimum Tick size for the USD/CAD Touch Bracket Variable Payout Contracts shall be 0.0001.

~~(g)~~ **POSITION LIMIT** –The Position Limit for USD/CAD Touch Bracket Variable Payout Contracts shall be 100 Contracts per Class.

~~(g)(h)~~ **MARKET MAKER ALTERNATIVE POSITION LIMIT** – The Position Limit for the USD/CAD Touch Bracket Variable Payout Contracts for contracted Market Makers shall be 100,000 Contracts per strike level.

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

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

~~(j)(k)~~ **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.

~~(k)(l)~~ **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.

~~(l)(m)~~ **USD/CAD INDEX VALUE** – The Source Agency shall calculate and produce a USD/CAD Index Value once each second throughout the life of the USD/CAD Variable Payout contracts. That is, each second the Source Agency will calculate a USD/CAD Index Value by taking all Midpoints between the bid/ask spread (ten pips wide or less) occurring in the ten (10) seconds leading up to the Calculation Time, provided at least ten (10) Midpoints are captured during the ten (10) second period, removing the highest thirty (30) percent of Midpoints and the lowest thirty (30) percent of Midpoints from the data set³⁷, using the remaining USD/CAD Midpoints to calculate the USD/CAD Index Value for that second. The calculation used is a simple average of the remaining

³⁷ If 30% of the data set would result in a non-integer number of Midpoints, the number of Midpoints to be removed from the set will be rounded down. For example, if the number of Midpoints collected during the last 10 seconds prior to the close of trading was 14, 30% of the data set would be 4.2 Midpoints. As 4.2 is a non-integer number, the value will be rounded down, and the 4 highest and 4 lowest Midpoints will be removed from the data set.

USD/CAD Midpoints, rounded to one decimal point past the precision of the underlying market. In the event the time it takes to collect at least ten (10) Midpoints (ten pips wide or less) exceeds the ten (10) second time period, the USD/CAD Index 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 Calculation Time and removing the highest three (3) Midpoints and the lowest three (3) Midpoints, using the remaining four (4) USD/CAD Midpoints to calculate the USD/CAD Index 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.

~~(m)~~(n) EXPIRATION VALUE – The Expiration Value is the USD/CAD Index Value released by the Source Agency at Expiration on the Expiration Date.

~~(n)~~(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.

(e) 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 “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 USD/CAD BINARY CONTRACTS

- (1) EXPIRATION TIME – 7 AM, 3 PM, 11 PM ET
CLOSE
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 0.0010.
- (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 “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 0.000, 0.0020, 0.0040, 0.0060, or 0.0080 as reported by the Source Agency. Ten (10) strike levels will be generated above Binary Contract X at an interval of 0.0010, and ten (10) strike levels will be generated below Binary Contract X at an interval of 0.0010 (e.g. $X - 0.0010$; X; $X + 0.0010$). 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, 1PM, 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 “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 either 0.0002, 0.0004, 0.0007, or 0.0009 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 USD/CAD 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 0.0005.
- (3) NUMBER OF STRIKE LEVELS LISTED – Five (5) strike levels will be listed for each Intraday 5-Minute 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 either 0.0001, 0.0006, 0.0003, or 0.0008 as reported by the Source Agency. Two (2) strike levels will be generated above Binary Contract Z at an interval of 0.0005, and two (2) strike levels will be generated below Binary Contract Z at an interval of 0.0005 (e.g. $Z - 0.0005$; Z ; $Z + 0.0005$). The Contract will have a Payout Criterion of greater than the strike level value.
- (5) Nadex may, in its discretion, temporarily refrain from 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 USD/CAD Binary Contracts with different ranges of Payout Criteria on a discretionary basis in accordance with the CEA and Commission Regulations

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

~~(g)~~ POSITION LIMIT – The Position Limits for USD/CAD Binary Contracts shall be 2,500 Contracts per Class.

~~(g)~~ ~~(h)~~ MARKET MAKER ALTERNATIVE POSITION LIMIT – The Position Limit for the USD/CAD Binary Contracts for contracted Market Makers shall be 5,000 Contracts per strike level.

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

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

~~(j)~~ ~~(k)~~ 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.

~~(k)~~ ~~(l)~~ 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.

~~(l)~~ ~~(m)~~ 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 all Midpoints between the bid/ask spread (ten pips wide or less) occurring in the ten (10) seconds leading up to the close of trading of the USD/CAD Binary Contract, provided at least ten (10) Midpoints are captured during the ten (10) second period, removing the highest thirty (30) percent of Midpoints and the lowest thirty (30) percent of Midpoints from the data set³⁸, using the remaining USD/CAD Midpoints to calculate the Expiration Value. The calculation used is a simple average of the remaining USD/CAD Midpoints, rounded to one decimal point past the precision of the underlying market. In the event the time it takes to collect at least ten (10) Midpoints (ten pips wide or less) exceeds the ten (10) second time period, 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/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.

³⁸ If 30% of the data set would result in a non-integer number of Midpoints, the number of Midpoints to be removed from the set will be rounded down. For example, if the number of Midpoints collected during the last 10 seconds prior to the close of trading was 14, 30% of the data set would be 4.2 Midpoints. As 4.2 is a non-integer number, the value will be rounded down, and the 4 highest and 4 lowest Midpoints will be removed from the data set.

~~(m)~~~~(n)~~ 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

RULE 12.34.1 CURRENCY EXCHANGE USD/CHF “CALL SPREAD” VARIABLE PAYOUT CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the Currency Exchange USD/CHF (“USD/CHF”) Call Spread Variable Payout Contracts, referred to as a ‘Call Spread’, 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) 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 Call Spreads, the Payout Criteria for the Contracts will be set as follows:

(i) WEEKLY USD/CHF CALL SPREAD VARIABLE PAYOUT CONTRACTS, 3:00 PM ET CLOSE – At the commencement of trading in a Weekly USD/CHF Call Spread, Nadex shall list one (1) Call Spread Contract, which conforms to the Payout Criteria listed below:

(1) WEEKLY USD/CHF CALL SPREAD CONTRACT

(aa) CEILING – The Ceiling shall be $X + 0.0375$.

(bb) FLOOR – The Floor shall be $X - 0.0375$.

(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) WEEKLY USD/CHF CALL SPREAD VARIABLE PAYOUT CONTRACTS, 3:00 PM ET CLOSE – At the commencement of trading in a Weekly USD/CHF Call Spread, Nadex shall list five (5) Call Spread Contracts with overlapping ranges, which conforms to the Payout Criteria listed below:

(1) CONTRACT 1: The Ceiling shall be $X - 0.0125$; The Floor shall be $X - 0.0375$.

(2) CONTRACT 2: The Ceiling shall be X ; The Floor shall be $X - 0.0250$.

(3) CONTRACT 3: The Ceiling shall be $X + 0.0125$; The Floor shall be $X - 0.0125$.

(4) CONTRACT 4: The Ceiling shall be $X + 0.0250$; The Floor shall be X .

(5) CONTRACT 5: The Ceiling shall be $X + 0.0375$; The Floor shall be $X - 0.0125$.

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

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

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

(1) DAILY USD/CHF CALL SPREAD CONTRACT

(aa) CEILING – The Ceiling 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.

(iv) DAILY USD/CHF CALL SPREAD CONTRACTS, 3:00 PM ET CLOSE - Nadex shall list a set of three (3) Call Spread Contracts with overlapping ranges, which conform to the Payout Criteria listed below:

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

(2) CONTRACT 2: The Ceiling shall be $X + 0.0125$; The Floor shall be $X - 0.0125$.

(3) CONTRACT 3: The Ceiling 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 USD/CHF price, as reported by the Source Agency, rounded to the nearest 0.0010.

(v) INTRADAY USD/CHF CALL 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) Call Spread Contracts with overlapping ranges, which conform to the Payout Criteria listed below:

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

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

(3) CONTRACT 3: The Ceiling 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.

(vi) INTRADAY 2-HOUR USD/CHF CALL 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) Call Spread 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 Ceiling shall be X; The Floor shall be X- 0.0100.

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

(3) CONTRACT 3: The Ceiling 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/CHF price, as reported by the Source Agency, rounded to the nearest 0.0010.

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

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

(g) POSITION LIMIT – The Position Limits for USD/CHF Call Spread Contracts shall be 250 Contracts per Class.

~~(g)~~ (h) MARKET MAKER ALTERNATIVE POSITION LIMIT – The Position Limit for the USD/CHF Call Spread Variable Payout Contracts for contracted Market Makers shall be 500 Contracts per strike level.

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

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

~~(+)~~ (k) 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.

~~(k)~~ (l) 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.

~~(+)~~ (m) EXPIRATION VALUE – The Expiration Value is the price or value of USD/CHF Index Value released by the Source Agency at Expiration on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking all Midpoints between the bid/ask spread (ten pips wide or less) occurring in the ten (10) seconds leading up to the close of trading of the USD/CHF Call Spread Contract, provided at least ten (10) Midpoints are captured during the ten (10) second period, removing the highest thirty (30) percent of Midpoints and the lowest thirty (30) percent of Midpoints from the data set³⁹, using the remaining USD/CHF Midpoints to calculate the Expiration Value. The calculation used is a simple average of the remaining USD/CHF Midpoints, rounded to one decimal point past the precision of the underlying market. In the event the time it takes to collect at least ten (10) Midpoints (ten pips wide or less) exceeds the ten (10) second time period, 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/CHF Call Spread 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.

~~(m)~~ (n) 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 12.34.2 CURRENCY EXCHANGE USD/CHF “TOUCH BRACKET” VARIABLE PAYOUT CONTRACTS

³⁹ If 30% of the data set would result in a non-integer number of Midpoints, the number of Midpoints to be removed from the set will be rounded down. For example, if the number of Midpoints collected during the last 10 seconds prior to the close of trading was 14, 30% of the data set would be 4.2 Midpoints. As 4.2 is a non-integer number, the value will be rounded down, and the 4 highest and 4 lowest Midpoints will be removed from the data set.

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the Currency Exchange USD/CHF (“USD/CHF”) Touch Bracket Variable Payout Contracts, referred to as a ‘Touch Bracket’, 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) 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 Touch Bracket Contracts, the Payout Criteria for the Contracts will be set as follows:

(i) WEEKLY USD/CHF TOUCH BRACKET VARIABLE PAYOUT CONTRACTS, Close Time is the earlier of 3:00PM ET on the last Trade Day of the contract listing, or when the USD/CHF Index Value is equal to or greater than the Ceiling, or equal to or less than the Floor. Nadex shall list a set of four (4) Touch Bracket Variable Payout Contracts, referred to as a ‘Touch Bracket’, that open at 6:00PM ET on the first Trade Day of the week, with overlapping ranges, which conform to the Payout Criteria listed below.

(1) CONTRACT 1: The Ceiling shall be $X + 0.0080$; The Floor shall be $X - 0.0020$.

(2) CONTRACT 2: The Ceiling shall be $X + 0.0060$; The Floor shall be $X - 0.0040$.

(3) CONTRACT 3: The Ceiling shall be $X + 0.0040$; The Floor shall be $X - 0.0060$.

(4) CONTRACT 4: The Ceiling shall be $X + 0.0020$; The Floor shall be $X - 0.0080$.

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

(6) In each case, “X” equals the last USD/CHF price, as reported by the Source Agency, rounded to the nearest 0.0001.

(ii) Upon the early Expiration of a Touch Bracket, Nadex may list a new Touch Bracket with a Ceiling of $X + 0.0080$ (or 0.0020) and a Floor of $X - 0.0020$ (or 0.0080) where X equals the Ceiling (or Floor) of the Touch Bracket that expired early. The newly listed Touch Bracket will have the same Last Trade Day as originally established for the expired Touch Bracket and the same Dollar Multiplier as the expired Touch Bracket.

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

(g) POSITION LIMIT – The Position Limit for USD/CHF Touch Bracket Variable Payout Contracts shall be 100 Contracts per Class.

(g)(h) MARKET MAKER ALTERNATIVE POSITION LIMIT – The Position Limit for the USD/CHF Touch Bracket Variable Payout Contracts for contracted Market Makers shall be 100,000 Contracts per strike level.

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

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

(i)(k) 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.

(i)(l) 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.

(i)(m) USD/CHF INDEX VALUE – The Source Agency shall calculate and produce a USD/CHF Index Value once each second throughout the life of the USD/CHF Variable Payout contracts. That is, each second the Source Agency will calculate a USD/CHF Index Value by taking all Midpoints between the bid/ask spread (ten pips wide or less) occurring in the ten (10) seconds leading up to the Calculation Time, provided at least ten (10) Midpoints are captured during the ten (10) second period, removing the highest thirty (30) percent of Midpoints and the lowest thirty (30) percent of Midpoints from the data set⁴⁰, using the remaining USD/CHF Midpoints to calculate the USD/CHF Index Value for that second. The calculation used is a simple average of the remaining USD/CHF Midpoints, rounded to one decimal point past the precision of the underlying market. In the event the time it takes to collect at least ten (10) Midpoints (ten pips wide or less) exceeds the ten (10) second time period, the USD/CHF Index 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 Calculation Time and removing the highest three (3) Midpoints and the lowest three (3) Midpoints, using the remaining four (4) USD/CHF Midpoints to calculate the USD/CHF Index 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.

⁴⁰ If 30% of the data set would result in a non-integer number of Midpoints, the number of Midpoints to be removed from the set will be rounded down. For example, if the number of Midpoints collected during the last 10 seconds prior to the close of trading was 14, 30% of the data set would be 4.2 Midpoints. As 4.2 is a non-integer number, the value will be rounded down, and the 4 highest and 4 lowest Midpoints will be removed from the data set.

~~(m)~~(n) EXPIRATION VALUE – The Expiration Value is the USD/CHF Index Value released by the Source Agency at Expiration on the Expiration Date.

~~(n)~~(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) 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.

(ii) DAILY USD/CHF BINARY CONTRACTS

- (1) EXPIRATION TIME – 7 AM, 3 PM, 11 PM ET
CLOSE
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 0.0010.
- (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 0.0010, and ten (10) 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.

(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.

(ii) 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.

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

~~(g)~~ POSITION LIMIT – The Position Limits for USD/CHF Binary Contracts shall be 2,500 Contracts per Class.

~~(g)~~~~(h)~~ MARKET MAKER ALTERNATIVE POSITION LIMIT – The Position Limit for the USD/CHF Binary Contracts for contracted Market Makers shall be 5,000 Contracts per strike level.

~~(h)~~~~(i)~~ 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.

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

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

~~(k)~~~~(l)~~ 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.

~~(l)~~~~(m)~~ 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 all Midpoints between the bid/ask spread (ten pips wide or less) occurring in the ten (10) seconds leading up to the close of trading of the USD/CHF Binary Contract, provided at least ten (10) Midpoints are captured during the ten (10) second period, removing the highest thirty (30) percent of Midpoints and the lowest thirty (30) percent of Midpoints from the data set⁴¹, using the remaining USD/CHF Midpoints to calculate the Expiration Value. The calculation used is a simple average of the remaining USD/CHF Midpoints, rounded to one decimal point past the precision of the underlying market. In the event the time it takes to collect at least ten (10) Midpoints (ten pips wide or less) exceeds the ten (10) second time period, 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/CHF Binary Contract and removing the highest three (3) Midpoints and the lowest three (3)

⁴¹ If 30% of the data set would result in a non-integer number of Midpoints, the number of Midpoints to be removed from the set will be rounded down. For example, if the number of Midpoints collected during the last 10 seconds prior to the close of trading was 14, 30% of the data set would be 4.2 Midpoints. As 4.2 is a non-integer number, the value will be rounded down, and the 4 highest and 4 lowest Midpoints will be removed from the data set.

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.

~~(m)~~-(n) 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 12.36 CURRENCY EXCHANGE USD/JPY VARIABLE PAYOUT CONTRACTS

RULE 12.36.1 CURRENCY EXCHANGE USD/JPY “CALL SPREAD” VARIABLE PAYOUT CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the Currency Exchange USD/JPY (“USD/JPY”) Call Spread Variable Payout Contracts, referred to as a ‘Call Spread’, 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) 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 Call Spreads, the Payout Criteria for the Contracts will be set as follows:

(i) WEEKLY USD/JPY CALL SPREAD VARIABLE PAYOUT CONTRACTS, 3:00 PM ET CLOSE – At the commencement of trading in a Weekly USD/JPY Call Spread, Nadex shall list one (1) Call Spread Contract, which conforms to the Payout Criteria listed below:

(1) WEEKLY USD/JPY CALL SPREAD CONTRACT

(aa) CEILING – The Ceiling shall be $X + 3.75$.

(bb) FLOOR – The Floor shall be $X - 3.75$.

(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) WEEKLY USD/JPY CALL SPREAD VARIABLE PAYOUT CONTRACTS, 3:00 PM ET CLOSE – At the commencement of trading in a Weekly USD/JPY Call Spread, Nadex shall list five (5) Call Spread Contracts with overlapping ranges, which conforms to the Payout Criteria listed below:

(1) CONTRACT 1: The Ceiling shall be $X - 1.25$; The Floor shall be $X - 3.75$.

(2) CONTRACT 2: The Ceiling shall be X ; The Floor shall be $X - 2.50$.

(3) CONTRACT 3: The Ceiling shall be $X + 1.25$; The Floor shall be $X - 1.25$.

(4) CONTRACT 4: The Ceiling shall be $X + 2.50$; The Floor shall be X .

(5) CONTRACT 5: The Ceiling shall be $X + 3.75$; The Floor shall be $X - 1.25$.

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

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

(iii) DAILY USD/JPY CALL SPREAD VARIABLE PAYOUT CONTRACTS, 3:00 PM ET CLOSE - At the commencement of trading in a Daily USD/JPY Call Spread, Nadex shall list one (1) Call Spread Contract, which conforms to the Payout Criteria listed below:

(1) DAILY USD/JPY CALL SPREAD CONTRACT

(aa) CEILING – The Ceiling 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 USD/JPY price, as reported by the Source Agency, rounded to the nearest 0.10.

(iv) DAILY USD/JPY CALL SPREAD CONTRACTS, 3:00 PM ET CLOSE - Nadex shall list a set of three (3) Call Spread Contracts with overlapping ranges, which conform to the Payout Criteria listed below:

(1) CONTRACT 1: The Ceiling shall be X ; The Floor shall be $X - 2.50$.

(2) CONTRACT 2: The Ceiling shall be $X + 1.25$; The Floor shall be $X - 1.25$.

(3) CONTRACT 3: The Ceiling shall be $X + 2.50$; 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.

(v) INTRADAY USD/JPY CALL 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) Call Spread Contracts with overlapping ranges, which conform to the Payout Criteria listed below:

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

(2) CONTRACT 2: The Ceiling shall be X + 0.75; The Floor shall be X – 0.75.

(3) CONTRACT 3: The Ceiling 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.

(vi) INTRADAY 2-HOUR USD/JPY CALL 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) Call Spread 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 Ceiling shall be X; The Floor shall be X- 1.00.

(2) CONTRACT 2: The Ceiling shall be X + 0.50; The Floor shall be X – 0.50.

(3) CONTRACT 3: The Ceiling 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.

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

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

~~(g)~~ POSITION LIMIT – The Position Limits for USD/JPY Call Spread Contracts shall be 250 Contracts per Class.

~~(g)~~ ~~(h)~~ MARKET MAKER ALTERNATIVE POSITION LIMIT – The Position Limit for the USD/JPY Call Spread Variable Payout Contracts for contracted Market Makers shall be 500 Contracts per strike level.

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

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

~~(j)~~ ~~(k)~~ 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.

~~(k)~~ ~~(l)~~ 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.

~~(l)~~ ~~(m)~~ EXPIRATION VALUE – The Expiration Value is the price or value of USD/JPY Index Value released by the Source Agency at Expiration on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking all Midpoints between the bid/ask spread (ten pips wide or less) occurring in the ten (10) seconds leading up to the close of trading of the USD/JPY Call Spread Contract, provided at least ten (10) Midpoints are captured during the ten (10) second period, removing the highest thirty (30) percent of Midpoints and the lowest thirty (30) percent of Midpoints from the data set⁴², using the remaining USD/JPY Midpoints to calculate the Expiration Value. The calculation used is a simple average of the remaining USD/JPY Midpoints, rounded to one decimal point past the precision of the underlying market. In the event the time it takes to collect at least ten (10) Midpoints (ten pips wide or less) exceeds the ten (10) second time period, 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 Call Spread 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.

⁴² If 30% of the data set would result in a non-integer number of Midpoints, the number of Midpoints to be removed from the set will be rounded down. For example, if the number of Midpoints collected during the last 10 seconds prior to the close of trading was 14, 30% of the data set would be 4.2 Midpoints. As 4.2 is a non-integer number, the value will be rounded down, and the 4 highest and 4 lowest Midpoints will be removed from the data set.

~~(m)~~(n) 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 12.36.2 CURRENCY EXCHANGE USD/JPY “TOUCH BRACKET” VARIABLE PAYOUT CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the Currency Exchange USD/JPY (“USD/JPY”) Touch Bracket Variable Payout Contracts, referred to as a ‘Touch Bracket’, 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) 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 Touch Bracket Contracts, the Payout Criteria for the Contracts will be set as follows:

(i) WEEKLY USD/JPY TOUCH BRACKET VARIABLE PAYOUT CONTRACTS, Close Time is the earlier of 3:00PM ET on the last Trade Day of the contract listing, or when the USD/JPY Index Value is equal to or greater than the Ceiling, or equal to or less than the Floor. Nadex shall list a set of four (4) Touch Bracket Variable Payout Contracts, referred to as a ‘Touch Bracket’, that open at 6:00PM ET on the first Trade Day of the week, with overlapping ranges, which conform to the Payout Criteria listed below.

(1) CONTRACT 1: The Ceiling shall be $X + 0.60$; The Floor shall be $X - 0.15$.

(2) CONTRACT 2: The Ceiling shall be $X + 0.45$; The Floor shall be $X - 0.30$.

(3) CONTRACT 3: The Ceiling shall be $X + 0.30$; The Floor shall be $X - 0.45$.

(4) CONTRACT 4: The Ceiling shall be $X + 0.15$; The Floor shall be $X - 0.60$.

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

(6) In each case, “X” equals the last USD/JPY price, as reported by the Source Agency, rounded to the nearest 0.01.

(ii) Upon the early Expiration of a Touch Bracket, Nadex may list a new Touch Bracket with a Ceiling of $X + 0.60$ (or 0.15) and a Floor of $X - 0.15$ (or 0.60) where X equals the Ceiling (or Floor) of the Touch Bracket that expired early. The newly listed Touch Bracket will have the same Last Trade Day as originally established for the expired Touch Bracket and the same Dollar Multiplier as the expired Touch Bracket.

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

(g) POSITION LIMIT –The Position Limit for USD/JPY Touch Bracket Variable Payout Contracts shall be 100 Contracts per Class.

~~(g)(h)~~ MARKET MAKER ALTERNATIVE POSITION LIMIT – The Position Limit for the USD/JPY Touch Bracket Variable Payout Contracts for contracted Market Makers shall be 100,000 Contracts per strike level.

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

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

~~(j)(k)~~ 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.

~~(k)(l)~~ 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.

~~(l)(m)~~ USD/JPY INDEX VALUE – The Source Agency shall calculate and produce a USD/JPY Index Value once each second throughout the life of the USD/JPY Variable Payout contracts. That is, each second the Source Agency will calculate a USD/JPY Index Value by taking all Midpoints between the bid/ask spread (ten pips wide or less) occurring in the ten (10) seconds leading up to the Calculation Time, provided at least ten (10) Midpoints are captured during the ten (10) second period, removing the highest thirty (30) percent of Midpoints and the lowest thirty (30) percent of Midpoints from the data set⁴³, using the remaining USD/JPY Midpoints to calculate the USD/JPY Index Value for that second. The calculation used is a simple average of the remaining USD/JPY Midpoints, rounded to one

⁴³ If 30% of the data set would result in a non-integer number of Midpoints, the number of Midpoints to be removed from the set will be rounded down. For example, if the number of Midpoints collected during the last 10 seconds prior to the close of trading was 14, 30% of the data set would be 4.2 Midpoints. As 4.2 is a non-integer number, the value will be rounded down, and the 4 highest and 4 lowest Midpoints will be removed from the data set.

decimal point past the precision of the underlying market. In the event the time it takes to collect at least ten (10) Midpoints (ten pips wide or less) exceeds the ten (10) second time period, the USD/JPY Index 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 Calculation Time and removing the highest three (3) Midpoints and the lowest three (3) Midpoints, using the remaining four (4) USD/JPY Midpoints to calculate the USD/JPY Index 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.

~~(m)~~(n) _____ EXPIRATION VALUE – The Expiration Value is the USD/JPY Index Value released by the Source Agency at Expiration on the Expiration Date.

~~(n)~~(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) 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 0.12.
- (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 0.12, and ten (10) strike levels will be generated below Binary Contract X at an interval of 0.12 (e.g. $X - 0.12$; X ; $X + 0.12$). 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 either 0.00, 0.02, 0.04, 0.06, or 0.08 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 0.02 for expirations occurring between 6:05pm ET and 8:05am ET and between 12:10pm ET and 5:00pm ET; the interval width shall be 0.04 for expirations occurring between 8:10am ET and 12:05pm ET.
- (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 either 0.01, 0.03, 0.05, 0.07, or 0.09 as reported by the Source Agency. For expirations occurring between 6:05pm ET and 8:05am ET and between 12:10pm ET and 5:00pm ET, two (2) strike levels will be generated above Binary Contract Z at an interval of 0.02, and two (2) strike levels will be generated below Binary Contract Z at an interval of 0.02 (e.g. $Z - 0.02$; Z ; $Z + 0.02$). The Contract will have a Payout Criterion of greater than the strike level value. For expirations occurring between 8:10am ET and 12:05pm ET, two (2) strike levels will be generated above Binary Contract Z at an interval of 0.04, and two (2) strike levels will be generated below Binary Contract Z at an interval of 0.04 (e.g. $Z - 0.04$; Z ; $Z + 0.04$). The Contract will have a Payout Criterion of greater than the strike level value.
- (5) Nadex may, in its discretion, temporarily refrain from 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 USD/JPY Binary Contracts with different ranges of Payout Criteria on a discretionary basis in accordance with the CEA and Commission Regulations.

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

~~(g)~~ POSITION LIMIT – The Position Limits for USD/JPY Binary Contracts shall be 2,500 Contracts per Class.

~~(g)~~~~(h)~~ MARKET MAKER ALTERNATIVE POSITION LIMIT – The Position Limit for the USD/JPY Binary Contracts for contracted Market Makers shall be 5,000 Contracts per strike level.

~~(h)~~~~(i)~~ 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.

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

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

~~(k)~~~~(l)~~ 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.

~~(l)~~~~(m)~~ EXPIRATION VALUE – The Expiration Value is 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 all Midpoints between the bid/ask spread (ten pips wide or less) occurring in the ten (10) seconds leading up to the close of trading of the USD/JPY Binary Contract, provided at least ten (10) Midpoints are captured during the ten (10) second period, removing the highest thirty (30) percent of Midpoints and the lowest thirty (30) percent of Midpoints from the data set⁴⁴, using the remaining USD/JPY Midpoints to calculate the Expiration Value. The calculation used is a simple average of the remaining USD/JPY Midpoints, rounded to one decimal point past the precision of the underlying market. In the event the time it takes to collect at least ten (10) Midpoints (ten pips wide or less) exceeds the ten (10) second time period, 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

⁴⁴ If 30% of the data set would result in a non-integer number of Midpoints, the number of Midpoints to be removed from the set will be rounded down. For example, if the number of Midpoints collected during the last 10 seconds prior to the close of trading was 14, 30% of the data set would be 4.2 Midpoints. As 4.2 is a non-integer number, the value will be rounded down, and the 4 highest and 4 lowest Midpoints will be removed from the data set.

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.

~~(m)~~-(n) 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

RULE 12.38.1 CURRENCY EXCHANGE EUR/JPY “CALL SPREAD” VARIABLE PAYOUT CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the Currency Exchange EUR/JPY (“EUR/JPY”) Call Spread Variable Payout Contracts, referred to as a “Call Spread”, 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) 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 Call Spread Variable Payout Contract, the Payout Criteria for the Contracts will be set as follows:

(i) WEEKLY EUR/JPY CALL SPREAD VARIABLE PAYOUT CONTRACTS, 3:00 PM ET CLOSE – At the commencement of trading in a Weekly EUR/JPY Call Spread, Nadex shall list one (1) Call Spread Contract, which conforms to the Payout Criteria listed below:

(1) WEEKLY EUR/JPY CALL SPREAD CONTRACT

(aa) CEILING – The Ceiling shall be $X + 3.75$.

(bb) FLOOR – The Floor shall be $X - 3.75$.

(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) WEEKLY EUR/JPY CALL SPREAD VARIABLE PAYOUT CONTRACTS, 3:00 PM ET CLOSE – At the commencement of trading in a Weekly EUR/JPY Call Spread, Nadex shall list five (5) Call Spread Contracts with overlapping ranges, which conforms to the Payout Criteria listed below:

(1) CONTRACT 1: The Ceiling shall be $X - 1.25$; The Floor shall be $X - 3.75$.

(2) CONTRACT 2: The Ceiling shall be X ; The Floor shall be $X - 2.50$.

(3) CONTRACT 3: The Ceiling shall be $X + 1.25$; The Floor shall be $X - 1.25$.

(4) CONTRACT 4: The Ceiling shall be $X + 2.50$; The Floor shall be X .

(5) CONTRACT 5: The Ceiling shall be $X + 3.75$; The Floor shall be $X - 1.25$.

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

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

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

(1) DAILY EUR/JPY CALL SPREAD CONTRACT

(aa) CEILING – The Ceiling 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.

(iv) DAILY EUR/JPY CALL SPREAD CONTRACTS, 3:00 PM ET CLOSE - Nadex shall list a set of three (3) Call Spread Contracts with overlapping ranges, which conform to the Payout Criteria listed below:

(1) CONTRACT 1: The Ceiling shall be X ; The Floor shall be $X - 2.50$.

(2) CONTRACT 2: The Ceiling shall be $X + 1.25$; The Floor shall be $X - 1.25$.

(3) CONTRACT 3: The Ceiling shall be $X + 2.50$; 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.

(v) INTRADAY EUR/JPY CALL 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) Call Spread Contracts with overlapping ranges, which conform to the Payout Criteria listed below:

(1) CONTRACT 1: The Ceiling shall be X ; The Floor shall be $X - 2.00$.

(2) CONTRACT 2: The Ceiling shall be $X + 1.00$; The Floor shall be $X - 1.00$.

(3) CONTRACT 3: The Ceiling 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.

(vi) INTRADAY 2-HOUR EUR/JPY CALL 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) Call Spread 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 Ceiling shall be X ; The Floor shall be $X - 1.00$.

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

(3) CONTRACT 3: The Ceiling 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.

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

(f) MINIMUM TICK – The Minimum Tick size for EUR/JPY Call Spread Contracts shall be 0.01.

~~(g)~~ POSITION LIMIT – The Position Limits for EUR/JPY Call Spread Contracts shall be 250 Contracts per Class.

~~(g)~~ ~~(h)~~ MARKET MAKER ALTERNATIVE POSITION LIMIT – The Position Limit for the EUR/JPY Call Spread Variable Payout Contracts for contracted Market Makers shall be 500 Contracts per strike level.

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

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

~~(j)~~ ~~(k)~~ 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.

~~(k)~~ ~~(l)~~ 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.

~~(l)~~ ~~(m)~~ EXPIRATION VALUE – The Expiration Value is the price or value of EUR/JPY Index Value released by the Source Agency at Expiration on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking all Midpoints between the bid/ask spread (ten pips wide or less) occurring in the ten (10) seconds leading up to the close of trading of the EUR/JPY Call Spread Contract, provided at least ten (10) Midpoints are captured during the ten (10) second period, removing the highest thirty (30) percent of Midpoints and the lowest thirty (30) percent of Midpoints from the data set⁴⁵, using the remaining EUR/JPY Midpoints to calculate the Expiration Value. The calculation used is a simple average of the remaining EUR/JPY Midpoints, rounded to one decimal point past the precision of the underlying market. In the event the time it takes to collect at least ten (10) Midpoints (ten pips wide or less) exceeds the ten (10) second time period, 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/JPY Call Spread 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.

⁴⁵ If 30% of the data set would result in a non-integer number of Midpoints, the number of Midpoints to be removed from the set will be rounded down. For example, if the number of Midpoints collected during the last 10 seconds prior to the close of trading was 14, 30% of the data set would be 4.2 Midpoints. As 4.2 is a non-integer number, the value will be rounded down, and the 4 highest and 4 lowest Midpoints will be removed from the data set.

~~(m)~~-(n) 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 12.38.2 CURRENCY EXCHANGE EUR/JPY “TOUCH BRACKET” VARIABLE PAYOUT CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the Currency Exchange EUR/JPY (“EUR/JPY”) Touch Bracket Variable Payout Contracts, referred to as a ‘Touch Bracket’, 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) 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 Touch Bracket Contracts, the Payout Criteria for the Contracts will be set as follows:

(i) WEEKLY EUR/JPY TOUCH BRACKET VARIABLE PAYOUT CONTRACTS, Close Time is the earlier of 3:00PM ET on the last Trade Day of the contract listing, or when the EUR/JPY Index Value is equal to or greater than the Ceiling, or equal to or less than the Floor. Nadex shall list a set of four (4) Touch Bracket Variable Payout Contracts, referred to as a ‘Touch Bracket’, that open at 6:00PM ET on the first Trade Day of the week, with overlapping ranges, which conform to the Payout Criteria listed below.

(1) CONTRACT 1: The Ceiling shall be $X + 0.600$; The Floor shall be $X - 0.150$.

(2) CONTRACT 2: The Ceiling shall be $X + 0.450$; The Floor shall be $X - 0.300$.

(3) CONTRACT 3: The Ceiling shall be $X + 0.300$; The Floor shall be $X - 0.450$.

(4) CONTRACT 4: The Ceiling shall be $X + 0.150$; The Floor shall be $X - 0.600$.

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

(6) In each case, “X” equals the last EUR/JPY price, as reported by the Source Agency, rounded to the nearest 0.01.

(ii) Upon the early Expiration of a Touch Bracket, Nadex may list a new Touch Bracket with a Ceiling of $X + 0.600$ (or 0.150) and a Floor of $X - 0.150$ (or .600) where X equals the Ceiling (or Floor) of the Touch Bracket that expired early. The newly listed Touch Bracket will have the same Last Trade Day as originally established for the expired Touch Bracket and the same Dollar Multiplier as the expired Touch Bracket.

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

(g) POSITION LIMIT –The Position Limit for EUR/JPY Touch Bracket Variable Payout Contracts shall be 100 Contracts per Class.

~~(g)~~(h) MARKET MAKER ALTERNATIVE POSITION LIMIT – The Position Limit for the EUR/JPY Touch Bracket Variable Payout Contracts for contracted Market Makers shall be 100,000 Contracts per strike level.

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

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

~~(j)~~(k) 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.

~~(k)~~(l) 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.

~~(l)~~(m) EUR/JPY INDEX VALUE – The Source Agency shall calculate and produce a EUR/JPY Index Value once each second throughout the life of the EUR/JPY Variable Payout contracts. That is, each second the Source Agency will calculate a EUR/JPY Index Value by taking all Midpoints between the bid/ask spread (ten pips wide or less) occurring in the ten (10) seconds leading up to the Calculation Time, provided at least ten (10) Midpoints are captured during the ten (10) second period, removing the highest thirty (30) percent of Midpoints and the lowest thirty (30) percent of Midpoints from the data set⁴⁶, using the remaining EUR/JPY Midpoints to calculate the EUR/JPY Index Value for that second. The calculation used is a simple average of the remaining EUR/JPY Midpoints, rounded to one decimal point past the precision of the underlying market. In the event the time it takes to collect at least ten (10)

⁴⁶ If 30% of the data set would result in a non-integer number of Midpoints, the number of Midpoints to be removed from the set will be rounded down. For example, if the number of Midpoints collected during the last 10 seconds prior to the close of trading was 14, 30% of the data set would be 4.2 Midpoints. As 4.2 is a non-integer number, the value will be rounded down, and the 4 highest and 4 lowest Midpoints will be removed from the data set.

Midpoints (ten pips wide or less) exceeds the ten (10) second time period, the EUR/JPY Index 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 Calculation Time and removing the highest three (3) Midpoints and the lowest three (3) Midpoints, using the remaining four (4) EUR/JPY Midpoints to calculate the EUR/JPY Index 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.

~~(m)~~(n) EXPIRATION VALUE – The Expiration Value is the EUR/JPY Index Value released by the Source Agency at Expiration on the Expiration Date.

~~(n)~~(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.

(e) 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 “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 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 0.10.
- (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 “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 value ending in either 0.00, 0.20, 0.40, 0.60, or 0.80 as reported by the Source Agency. Ten (10) strike levels will be generated above Binary Contract X at an interval of 0.10, and ten (10) strike levels will be generated below Binary Contract X at an interval of 0.10 (e.g. $X - 0.10$; X ; $X + 0.10$). 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 “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 either 0.02, 0.04, 0.07, or 0.09 as reported by the Source Agency. Four (4) strike levels will be generated above Binary Contract Y at an interval of 0.10, and four (4) strike levels will be generated below Binary Contract Y at an interval of 0.10 (e.g. $Y - 0.10$; Y ; $Y + 0.10$). The Contract will have a Payout Criterion of greater than the strike level value.

(iv) INTRADAY 5-MINUTE EUR/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 0.05.
- (3) NUMBER OF STRIKE LEVELS LISTED – Five (5) strike levels will be listed for each Intraday 5-Minute 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 either 0.01, 0.06, 0.03, or 0.08 as reported by the Source Agency. Two (2) strike levels will be generated above Binary Contract Z at an interval of 0.05, and two (2) strike levels will be generated below Binary Contract Z at an interval of 0.05 (e.g. $Z - 0.05$; Z ; $Z + 0.05$). The Contract will have a Payout Criterion of greater than the strike level value.
- (5) Nadex may, in its discretion, temporarily refrain from 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/JPY Binary Contract with different ranges of Payout Criteria on a discretionary basis in accordance with the CEA and Commission Regulations.

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

(g) POSITION LIMIT – The Position Limits for EUR/JPY Binary Contracts shall be 2,500 Contracts [per Class](#).

(h) MARKET MAKER ALTERNATIVE POSITION LIMIT – The Position Limit for the EUR/JPY Binary Contracts for contracted Market Makers shall be 5,000 Contracts per strike level.

(i) 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.

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

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

~~(k)~~(l) 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.

~~(l)~~(m) EXPIRATION VALUE – The Expiration Value is 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 all Midpoints between the bid/ask spread (ten pips wide or less) occurring in the ten (10) seconds leading up to the close of trading of the EUR/JPY Binary Contract, provided at least ten (10) Midpoints are captured during the ten (10) second period, removing the highest thirty (30) percent of Midpoints and the lowest thirty (30) percent of Midpoints from the data set⁴⁷, using the remaining EUR/JPY Midpoints to calculate the Expiration Value. The calculation used is a simple average of the remaining EUR/JPY Midpoints, rounded to one decimal point past the precision of the underlying market. In the event the time it takes to collect at least ten (10) Midpoints (ten pips wide or less) exceeds the ten (10) second time period, 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/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.

~~(m)~~(n) 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.

⁴⁷ If 30% of the data set would result in a non-integer number of Midpoints, the number of Midpoints to be removed from the set will be rounded down. For example, if the number of Midpoints collected during the last 10 seconds prior to the close of trading was 14, 30% of the data set would be 4.2 Midpoints. As 4.2 is a non-integer number, the value will be rounded down, and the 4 highest and 4 lowest Midpoints will be removed from the data set.

RULE 12.40 CURRENCY EXCHANGE GBP/JPY VARIABLE PAYOUT CONTRACTS

RULE 12.40.1 CURRENCY EXCHANGE GBP/JPY “CALL SPREAD” VARIABLE PAYOUT CONTRACTS

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

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

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

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

(e) 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/JPY Call Spread Variable Payout Contract, the Payout Criteria for the Contracts will be set as follows;

(i) WEEKLY GBP/JPY CALL SPREAD VARIABLE PAYOUT CONTRACTS, 3:00 PM ET CLOSE – At the commencement of trading in a Weekly GBP/JPY Call Spread, Nadex shall list one (1) Call Spread Contract, which conforms to the Payout Criteria listed below:

(1) WEEKLY GBP/JPY CALL SPREAD CONTRACT

(aa) CEILING – The Ceiling shall be $X + 3.75$.

(bb) FLOOR – The Floor shall be $X - 3.75$.

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

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

(ii) WEEKLY GBP/JPY CALL SPREAD VARIABLE PAYOUT CONTRACTS, 3:00 PM ET CLOSE – At the commencement of trading in a Weekly GBP/JPY Call Spread, Nadex shall list five (5) Call Spread Contracts with overlapping ranges, which conforms to the Payout Criteria listed below:

(1) CONTRACT 1: The Ceiling shall be $X - 1.25$; The Floor shall be $X - 3.75$.

(2) CONTRACT 2: The Ceiling shall be X ; The Floor shall be $X - 2.50$.

(3) CONTRACT 3: The Ceiling shall be $X + 1.25$; The Floor shall be $X - 1.25$.

(4) CONTRACT 4: The Ceiling shall be $X + 2.50$; The Floor shall be X .

(5) CONTRACT 5: The Ceiling shall be $X + 3.75$; The Floor shall be $X - 1.25$.

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

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

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

(1) DAILY GBP/JPY CALL SPREAD CONTRACT

(aa) CEILING – The Ceiling 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 GBP/JPY price, as reported by the Source Agency, rounded to the nearest 0.10.

(iv) DAILY GBP/JPY CALL SPREAD CONTRACTS, 3:00 PM ET CLOSE - Nadex shall list a set of three (3) Call Spread Contracts with overlapping ranges, which conform to the Payout Criteria listed below:

~~(2)~~(1) CONTRACT 1: The Ceiling shall be X ; The Floor shall be $X - 2.50$.

~~(3)~~(2) CONTRACT 2: The Ceiling shall be $X + 1.25$; The Floor shall be $X - 1.25$.

~~(4)~~(3) CONTRACT 3: The Ceiling shall be $X + 2.50$; The Floor shall be X .

~~(5)~~(4) DOLLAR MULTIPLIER – The Dollar Multiplier shall be 100.

~~(6)~~(5) In each case, “X” equals the last GBP/JPY price, as reported by the Source Agency, rounded to the nearest 0.10.

(v) INTRADAY GBP/JPY CALL 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) Call Spread Contracts with overlapping ranges, which conform to the Payout Criteria listed below:

- (1) CONTRACT 1: The Ceiling shall be X; The Floor shall be X- 2.50.
- (2) CONTRACT 2: The Ceiling shall be X + 1.25; The Floor shall be X – 1.25.
- (3) CONTRACT 3: The Ceiling shall be X + 2.50; The Floor shall be X.
- (4) DOLLAR MULTIPLIER – The Dollar Multiplier shall be 100.

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

(vi) INTRADAY 2-HOUR GBP/JPY CALL 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) Call Spread 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 Ceiling shall be X; The Floor shall be X- 1.00.
- (2) CONTRACT 2: The Ceiling shall be X + 0.50; The Floor shall be X – 0.50.
- (3) CONTRACT 3: The Ceiling 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 GBP/JPY price, as reported by the Source Agency, rounded to the nearest 0.10.

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

(f) MINIMUM TICK – The Minimum Tick size for GBP/JPY Call Spread Contracts shall be 0.01.

(g) POSITION LIMIT – The Position Limits for GBP/JPY Call Spread Contracts shall be 250 Contracts per Class.

~~(g)~~(h) MARKET MAKER ALTERNATIVE POSITION LIMIT – The Position Limit for the GBP/JPY Call Spread Variable Payout Contracts for contracted Market Makers shall be 500 Contracts per strike level.

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

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

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

~~(k)~~ (l) 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.

~~(l)~~ (m) EXPIRATION VALUE – The Expiration Value is the price or value of GBP/JPY Index Value released by the Source Agency at Expiration on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking all Midpoints between the bid/ask spread (ten pips wide or less) occurring in the ten (10) seconds leading up to the close of trading of the GBP/JPY Call Spread Contract, provided at least ten (10) Midpoints are captured during the ten (10) second period, removing the highest thirty (30) percent of Midpoints and the lowest thirty (30) percent of Midpoints from the data set⁴⁸, using the remaining GBP/JPY Midpoints to calculate the Expiration Value. The calculation used is a simple average of the remaining GBP/JPY Midpoints, rounded to one decimal point past the precision of the underlying market. In the event the time it takes to collect at least ten (10) Midpoints (ten pips wide or less) exceeds the ten (10) second time period, 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/JPY Call Spread Contract and removing the highest three (3) Midpoints and the lowest three (3) Midpoints, using the remaining four (4) GBP/JPY Midpoints to calculate the Expiration Value. The calculation used is a simple average of all four (4) GBP/JPY Midpoints, rounded to one decimal point past the precision of the underlying market.

~~(m)~~ (n) 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 12.40.2 CURRENCY EXCHANGE GBP/JPY “TOUCH BRACKET” VARIABLE PAYOUT CONTRACTS

⁴⁸ If 30% of the data set would result in a non-integer number of Midpoints, the number of Midpoints to be removed from the set will be rounded down. For example, if the number of Midpoints collected during the last 10 seconds prior to the close of trading was 14, 30% of the data set would be 4.2 Midpoints. As 4.2 is a non-integer number, the value will be rounded down, and the 4 highest and 4 lowest Midpoints will be removed from the data set.

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

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

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

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

(e) 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/JPY Touch Bracket Contracts, the Payout Criteria for the Contracts will be set as follows:

(i) WEEKLY GBP/JPY TOUCH BRACKET VARIABLE PAYOUT CONTRACTS, Close Time is the earlier of 3:00PM ET on the last Trade Day of the contract listing, or when the GBP/JPY Index Value is equal to or greater than the Ceiling, or equal to or less than the Floor. Nadex shall list a set of four (4) Touch Bracket Variable Payout Contracts, referred to as a ‘Touch Bracket’, that open at 6:00PM ET on the first Trade Day of the week, with overlapping ranges, which conform to the Payout Criteria listed below.

(1) CONTRACT 1: The Ceiling shall be $X + 0.80$; The Floor shall be $X - 0.20$.

(2) CONTRACT 2: The Ceiling shall be $X + 0.60$; The Floor shall be $X - 0.40$.

(3) CONTRACT 3: The Ceiling shall be $X + 0.40$; The Floor shall be $X - 0.60$.

(4) CONTRACT 4: The Ceiling shall be $X + 0.20$; The Floor shall be $X - 0.80$.

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

(6) In each case, “X” equals the last GBP/JPY price, as reported by the Source Agency, rounded to the nearest 0.01.

(ii) Upon the early Expiration of a Touch Bracket, Nadex may list a new Touch Bracket with a Ceiling of $X + 0.80$ (or 0.20) and a Floor of $X - 0.20$ (or 0.80) where X equals the Ceiling (or Floor) of the Touch Bracket that expired early. The newly listed Touch Bracket will have the same Last Trade Day as originally established for the expired Touch Bracket and the same Dollar Multiplier as the expired Touch Bracket.

(f) MINIMUM TICK – The Minimum Tick size for GBP/JPY Touch Bracket Variable Payout Contracts shall be 0.01.

(g) POSITION LIMIT –The Position Limit for GBP/JPY Touch Bracket Variable Payout Contracts shall be 100 Contracts per Class.

(g)(h) MARKET MAKER ALTERNATIVE POSITION LIMIT – The Position Limit for the GBP/JPY Touch Bracket Variable Payout Contracts for contracted Market Makers shall be 100,000 Contracts per strike level.

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

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

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

(i)(l) 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.

(i)(m) GBP/JPY INDEX VALUE – The Source Agency shall calculate and produce a GBP/JPY Index Value once each second throughout the life of the GBP/JPY Variable Payout contracts. That is, each second the Source Agency will calculate a GBP/JPY Index Value by taking all Midpoints between the bid/ask spread (ten pips wide or less) occurring in the ten (10) seconds leading up to the Calculation Time, provided at least ten (10) Midpoints are captured during the ten (10) second period, removing the highest thirty (30) percent of Midpoints and the lowest thirty (30) percent of Midpoints from the data set⁴⁹, using the remaining GBP/JPY Midpoints to calculate the GBP/JPY Index Value for that second. The calculation used is a simple average of the remaining GBP/JPY Midpoints, rounded to one decimal point past the precision of the underlying market. In the event the time it takes to collect at least ten (10) Midpoints (ten pips wide or less) exceeds the ten (10) second time period, the GBP/JPY Index 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 Calculation Time and removing the highest three (3) Midpoints and the lowest three (3) Midpoints, using the remaining four (4) GBP/JPY Midpoints to calculate the GBP/JPY Index Value. The calculation used is a simple average of all four (4) GBP/JPY Midpoints, rounded to one decimal point past the precision of the underlying market.

⁴⁹ If 30% of the data set would result in a non-integer number of Midpoints, the number of Midpoints to be removed from the set will be rounded down. For example, if the number of Midpoints collected during the last 10 seconds prior to the close of trading was 14, 30% of the data set would be 4.2 Midpoints. As 4.2 is a non-integer number, the value will be rounded down, and the 4 highest and 4 lowest Midpoints will be removed from the data set.

~~(m)~~(n) EXPIRATION VALUE – The Expiration Value is the GBP/JPY Index Value released by the Source Agency at Expiration on the Expiration Date.

~~(m)~~(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 12.41 CURRENCY EXCHANGE GBP/JPY BINARY CONTRACTS

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

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

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

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

(e) 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/JPY Binary Contract, the Payout Criteria for the Contracts will be set as follows:

(i) WEEKLY GBP/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 GBP/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 GBP/JPY BINARY CONTRACTS

- (1) EXPIRATION TIME – 7 AM, 3 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 GBP/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 either 0.0, 0.20, 0.40, 0.60, or 0.80 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 GBP/JPY 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 0.10.
- (3) NUMBER OF STRIKE LEVELS LISTED – Nine (9) strike levels will be listed for each Intraday GBP/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 either 0.02, 0.04, 0.07, or 0.09 as reported by the Source Agency. Four (4) strike levels will be generated above Binary Contract Y at an interval of 0.10, and four (4) strike levels will be generated below Binary Contract Y at an interval of 0.10 (e.g. $Y - 0.10$; Y ; $Y + 0.10$). The Contract will have a Payout Criterion of greater than the strike level value.

(iv) INTRADAY 5-MINUTE GBP/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 0.05.
- (3) NUMBER OF STRIKE LEVELS LISTED – Five (5) strike levels will be listed for each Intraday 5-Minute GBP/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 either 0.01, 0.06, 0.03, or 0.08 as reported by the Source Agency. Two (2) strike levels will be generated above Binary Contract Z at an interval of 0.05, and two (2) strike levels will be generated below Binary Contract Z at an interval of 0.05 (e.g. $Z - 0.05$; Z ; $Z + 0.05$). The Contract will have a Payout Criterion of greater than the strike level value.
- (5) Nadex may, in its discretion, temporarily refrain from 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/JPY Binary Contracts with different ranges of Payout Criteria on a discretionary basis in accordance with the CEA and Commission Regulations.

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

(g) POSITION LIMIT – The Position Limits for GBP/JPY Binary Contracts shall be 2,500 Contracts per Class.

(g)-(h) MARKET MAKER ALTERNATIVE POSITION LIMIT – The Position Limit for the GBP/JPY Binary Contracts for contracted Market Makers shall be 5,000 Contracts per strike level.

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

~~(j)~~ (i) SETTLEMENT DATE – The Settlement Date will be the date the GBP/JPY number is released by the Source Agency.

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

~~(l)~~ (k) 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 GBP/JPY Binary Contract is \$100.

~~(m)~~ (l) EXPIRATION VALUE – The Expiration Value is the price or value of GBP/JPY released by the Source Agency on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking all Midpoints between the bid/ask spread (ten pips wide or less) occurring in the ten (10) seconds leading up to the close of trading of the GBP/JPY Binary Contract, provided at least ten (10) Midpoints are captured during the ten (10) second period, removing the highest thirty (30) percent of Midpoints and the lowest thirty (30) percent of Midpoints from the data set⁵⁰, using the remaining GBP/JPY Midpoints to calculate the Expiration Value. The calculation used is a simple average of the remaining GBP/JPY Midpoints, rounded to one decimal point past the precision of the underlying market. In the event the time it takes to collect at least ten (10) Midpoints (ten pips wide or less) exceeds the ten (10) second time period, 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/JPY Binary Contract and removing the highest three (3) Midpoints and the lowest three (3) Midpoints, using the remaining four (4) GBP/JPY Midpoints to calculate the Expiration Value. The calculation used is a simple average of all four (4) GBP/JPY Midpoints, rounded to one decimal point past the precision of the underlying market.

~~(n)~~ (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 12.42 CURRENCY EXCHANGE EUR/GBP VARIABLE PAYOUT CONTRACTS

RULE 12.42.1 CURRENCY EXCHANGE EUR/GBP “CALL SPREAD” VARIABLE PAYOUT CONTRACTS

⁵⁰ If 30% of the data set would result in a non-integer number of Midpoints, the number of Midpoints to be removed from the set will be rounded down. For example, if the number of Midpoints collected during the last 10 seconds prior to the close of trading was 14, 30% of the data set would be 4.2 Midpoints. As 4.2 is a non-integer number, the value will be rounded down, and the 4 highest and 4 lowest Midpoints will be removed from the data set.

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the Currency Exchange EUR/GBP (“EUR/GBP”) Call Spread Variable Payout Contracts, referred to as a “Call Spread”, 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 the 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 Variable Payout Contract.

(e) 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/GBP Call Spread Variable Payout Contract, the Payout Criteria for the Contracts will be set as follows;

(i) WEEKLY EUR/GBP CALL SPREAD VARIABLE PAYOUT CONTRACTS, 3:00 PM ET CLOSE – At the commencement of trading in a Weekly EUR/GBP Call Spread, Nadex shall list one (1) Call Spread Contract, which conforms to the Payout Criteria listed below:

(1) WEEKLY EUR/GBP CALL SPREAD CONTRACT

(aa) CEILING – The Ceiling shall be $X + 0.0375$.

(bb) FLOOR – The Floor shall be $X - 0.0375$.

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

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

(ii) WEEKLY EUR/GBP CALL SPREAD VARIABLE PAYOUT CONTRACTS, 3:00 PM ET CLOSE – At the commencement of trading in a Weekly EUR/GBP Call Spread, Nadex shall list five (5) Call Spread Contracts with overlapping ranges, which conforms to the Payout Criteria listed below:

(1) CONTRACT 1: The Ceiling shall be $X - 0.0125$; The Floor shall be $X - 0.0375$.

(2) CONTRACT 2: The Ceiling shall be X ; The floor shall be $X - 0.0250$.

(3) CONTRACT 3: The Ceiling shall be $X + 0.0125$; The Floor shall be $X - 0.0125$.

(4) CONTRACT 4: The Ceiling shall be $X + 0.0250$; The Floor shall be X .

(5) CONTRACT 5: The Ceiling shall be $X + 0.0375$; The Floor shall be $X - 0.0125$.

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

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

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

(1) DAILY EUR/GBP CALL SPREAD CONTRACT

(aa) CEILING – The Ceiling 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 EUR/GBP price, as reported by the Source Agency, rounded to the nearest 0.0010.

(iv) DAILY EUR/GBP CALL SPREAD CONTRACTS, 3:00 PM ET CLOSE - Nadex shall list a set of three (3) Call Spread Contracts with overlapping ranges, which conform to the Payout Criteria listed below:

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

(2) CONTRACT 2: The Ceiling shall be $X + 0.0125$; The Floor shall be $X - 0.0125$.

(3) CONTRACT 3: The Ceiling 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/GBP price, as reported by the Source Agency, rounded to the nearest 0.0010.

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

(f) MINIMUM TICK – The Minimum Tick size for EUR/GBP Call Spread Contracts shall be 0.0001.

(g) POSITION LIMIT – The Position Limits for EUR/GBP Call Spread Contracts shall be 250 Contracts per Class.

(g)(h) MARKET MAKER ALTERNATIVE POSITION LIMIT – The Position Limit for the EUR/GBP Call Spread Variable Payout Contracts for contracted Market Makers shall be 500 Contracts per strike level.

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

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

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

(i)(l) 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.

(i)(m) EXPIRATION VALUE – The Expiration Value is the price or value of EUR/GBP Index Value released by the Source Agency at Expiration on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking all Midpoints between the bid/ask spread (ten pips wide or less) occurring in the ten (10) seconds leading up to the close of trading of the EUR/GBP Call Spread Contract, provided at least ten (10) Midpoints are captured during the ten (10) second period, removing the highest thirty (30) percent of Midpoints and the lowest thirty (30) percent of Midpoints from the data set⁵¹, using the remaining EUR/GBP Midpoints to calculate the Expiration Value. The calculation used is a simple average of the remaining EUR/GBP Midpoints, rounded to one decimal point past the precision of the underlying market. In the event the time it takes to collect at least ten (10) Midpoints (ten pips wide or less) exceeds the ten (10) second time period, 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/GBP Call Spread 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.

⁵¹ If 30% of the data set would result in a non-integer number of Midpoints, the number of Midpoints to be removed from the set will be rounded down. For example, if the number of Midpoints collected during the last 10 seconds prior to the close of trading was 14, 30% of the data set would be 4.2 Midpoints. As 4.2 is a non-integer number, the value will be rounded down, and the 4 highest and 4 lowest Midpoints will be removed from the data set.

~~(m)~~(n) 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 12.42.2 CURRENCY EXCHANGE EUR/GBP “TOUCH BRACKET” VARIABLE PAYOUT CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the Currency Exchange EUR/GBP (“EUR/GBP”) Touch Bracket Variable Payout Contracts, referred to as a ‘Touch Bracket’, 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 the 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 Variable Payout Contract.

(e) 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/GBP Touch Bracket Contracts, the Payout Criteria for the Contracts will be set as follows:

(i) WEEKLY EUR/GBP TOUCH BRACKET VARIABLE PAYOUT CONTRACTS, Close Time is the earlier of 3:00PM ET on the last Trade Day of the contract listing, or when the EUR/GBP Index Value is equal to or greater than the Ceiling, or equal to or less than the Floor. Nadex shall list a set of four (4) Touch Bracket Variable Payout Contracts, referred to as a ‘Touch Bracket’, that open at 6:00PM ET on the first Trade Day of the week, with overlapping ranges, which conform to the Payout Criteria listed below.

(1) CONTRACT 1: The Ceiling shall be $X + 0.0060$; The Floor shall be $X - 0.0015$.

(2) CONTRACT 2: The Ceiling shall be $X + 0.0045$; The Floor shall be $X - 0.0030$.

(3) CONTRACT 3: The Ceiling shall be $X + 0.0030$; The Floor shall be $X - 0.0045$.

(4) CONTRACT 4: The Ceiling shall be $X + 0.0015$; The Floor shall be $X - 0.0060$.

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

(6) In each case, “X” equals the last EUR/GBP price, as reported by the Source Agency, rounded to the nearest 0.0001.

(ii) Upon the early Expiration of a Touch Bracket, Nadex may list a new Touch Bracket with a Ceiling of $X + 0.0060$ (or 0.0015) and a Floor of $X - 0.0015$ (or 0.0060) where X equals the Ceiling (or Floor) of the Touch Bracket that expired early. The newly listed Touch Bracket will have the same Last Trade Day as originally established for the expired Touch Bracket and the same Dollar Multiplier as the expired Touch Bracket.

(f) MINIMUM TICK – The Minimum Tick size for the EUR/GBP Touch Bracket Variable Payout Contracts shall be 0.0001.

(g) POSITION LIMIT – The Position Limit for EUR/GBP Touch Bracket Variable Payout Contracts shall be 100 Contracts per Class.

(h) MARKET MAKER ALTERNATIVE POSITION LIMIT – The Position Limit for the EUR/GBP Touch Bracket Variable Payout Contracts for contracted Market Makers shall be 100,000 Contracts per strike level.

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

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

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

~~(l)~~ (l) 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.

~~(m)~~ (m) EUR/GBP INDEX VALUE – The Source Agency shall calculate and produce a EUR/GBP Index Value once each second throughout the life of the EUR/GBP Variable Payout contracts. That is, each second the Source Agency will calculate a EUR/GBP Index Value by taking all Midpoints between the bid/ask spread (ten pips wide or less) occurring in the ten (10) seconds leading up to the Calculation Time, provided at least ten (10) Midpoints are captured during the ten (10) second period, removing the highest thirty (30) percent of Midpoints and the lowest thirty (30) percent of Midpoints from the data set⁵², using the remaining EUR/GBP Midpoints to calculate the EUR/GBP Index Value for that second. The calculation used is a simple average of the remaining EUR/GBP Midpoints, rounded to one decimal point past the precision of the underlying market. In the event the time it takes to collect at least

⁵² If 30% of the data set would result in a non-integer number of Midpoints, the number of Midpoints to be removed from the set will be rounded down. For example, if the number of Midpoints collected during the last 10 seconds prior to the close of trading was 14, 30% of the data set would be 4.2 Midpoints. As 4.2 is a non-integer number, the value will be rounded down, and the 4 highest and 4 lowest Midpoints will be removed from the data set.

ten (10) Midpoints (ten pips wide or less) exceeds the ten (10) second time period, the EUR/GBP Index 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 Calculation Time and removing the highest three (3) Midpoints and the lowest three (3) Midpoints, using the remaining four (4) EUR/GBP Midpoints to calculate the EUR/GBP Index 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.

~~(m)~~ (n) EXPIRATION VALUE – The Expiration Value is the EUR/GBP Index Value released by the Source Agency at Expiration on the Expiration Date.

~~(n)~~ (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 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) 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 PM ET
CLOSE
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 0.0010.
- (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 0.0010, and ten (10) 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.

(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.

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

(g) POSITION LIMIT – The Position Limits for EUR/GBP Binary Contracts shall be 2,500 Contracts per Class.

(h) MARKET MAKER ALTERNATIVE POSITION LIMIT – The Position Limit for the EUR/GBP Binary Contracts for contracted Market Makers shall be 5,000 Contracts per strike level.

(hi) 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.

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

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

(kl) 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.

(lm) EXPIRATION VALUE – The Expiration Value is the price or value of EUR/GBP released by the Source Agency on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking all Midpoints between the bid/ask spread (ten pips wide or less) occurring in the ten (10) seconds leading up to the close of trading of the EUR/GBP Binary Contract, provided at least ten (10) Midpoints are captured during the ten (10) second period, removing the highest thirty (30) percent of Midpoints and the lowest thirty (30) percent of Midpoints from the data set⁵³, using the remaining EUR/GBP Midpoints

⁵³ If 30% of the data set would result in a non-integer number of Midpoints, the number of Midpoints to be removed from the set will be rounded down. For example, if the number of Midpoints collected during the last 10 seconds prior to the close of

to calculate the Expiration Value. The calculation used is a simple average of the remaining EUR/GBP Midpoints, rounded to one decimal point past the precision of the underlying market. In the event the time it takes to collect at least ten (10) Midpoints (ten pips wide or less) exceeds the ten (10) second time period, 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/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.

(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 12.44 CURRENCY EXCHANGE AUD/JPY VARIABLE PAYOUT CONTRACTS

RULE 12.44.1 CURRENCY EXCHANGE AUD/JPY “CALL SPREAD” VARIABLE PAYOUT CONTRACTS

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

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

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

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

(e) 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/JPY Call Spread Variable Payout Contract, the Payout Criteria for the Contracts will be set as follows;

(i) WEEKLY AUD/JPY CALL SPREAD VARIABLE PAYOUT CONTRACTS, 3:00 PM ET CLOSE – At the commencement of trading in a Weekly AUD/JPY Call Spread, Nadex shall list one (1) Call Spread Contract, which conforms to the Payout Criteria listed below:

(1) WEEKLY AUD/JPY CALL SPREAD CONTRACT

trading was 14, 30% of the data set would be 4.2 Midpoints. As 4.2 is a non-integer number, the value will be rounded down, and the 4 highest and 4 lowest Midpoints will be removed from the data set.

(aa) CEILING – The Ceiling shall be $X + 3.75$.

(bb) FLOOR – The Floor shall be $X - 3.75$.

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

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

(ii) WEEKLY AUD/JPY CALL SPREAD VARIABLE PAYOUT CONTRACTS, 3:00 PM ET CLOSE – At the commencement of trading in a Weekly AUD/JPY Call Spread, Nadex shall list five (5) Call Spread Contracts with overlapping ranges, which conforms to the Payout Criteria listed below:

(1) CONTRACT 1: The Ceiling shall be $X - 1.25$; The Floor shall be $X - 3.75$.

(2) CONTRACT 2: The Ceiling shall be X ; The Floor shall be $X - 2.50$.

(3) CONTRACT 3: The Ceiling shall be $X + 1.25$; The Floor shall be $X - 1.25$.

(4) CONTRACT 4: The Ceiling shall be $X + 2.50$; The Floor shall be X .

(5) CONTRACT 5: The Ceiling shall be $X + 3.75$; The Floor shall be $X - 1.25$.

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

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

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

(1) DAILY AUD/JPY CALL SPREAD CONTRACT

(aa) CEILING – The Ceiling 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 AUD/JPY price, as reported by the Source Agency, rounded to the nearest 0.10.

(iv) DAILY AUD/JPY CALL SPREAD CONTRACTS, 3:00 PM ET CLOSE - Nadex shall list a set of three (3) Call Spread Contracts with overlapping ranges, which conform to the Payout Criteria listed below:

(1) CONTRACT 1: The Ceiling shall be X; The Floor shall be X – 2.50.

(2) CONTRACT 2: The Ceiling shall be X + 1.25; The Floor shall be X – 1.25.

(3) CONTRACT 3: The Ceiling shall be X + 2.50; The Floor shall be X.

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

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

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

(f) MINIMUM TICK – The Minimum Tick size for AUD/JPY Call Spread Contracts shall be 0.01.

(g) POSITION LIMIT – The Position Limits for AUD/JPY Call Spread Contracts shall be 250 Contracts per Class.

(g)(h) MARKET MAKER ALTERNATIVE POSITION LIMIT – The Position Limit for the AUD/JPY Call Spread Variable Payout Contracts for contracted Market Makers shall be 500 Contracts per strike level.

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

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

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

(k)(l) 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.

(l)(m) EXPIRATION VALUE – The Expiration Value is the price or value of AUD/JPY Index Value released by the Source Agency at Expiration on the Expiration Date. The Expiration Value is

calculated by the Source Agency by taking all Midpoints between the bid/ask spread (ten pips wide or less) occurring in the ten (10) seconds leading up to the close of trading of the AUD/JPY Call Spread Contract, provided at least ten (10) Midpoints are captured during the ten (10) second period, removing the highest thirty (30) percent of Midpoints and the lowest thirty (30) percent of Midpoints from the data set⁵⁴, using the remaining AUD/JPY Midpoints to calculate the Expiration Value. The calculation used is a simple average of the remaining AUD/JPY Midpoints, rounded to one decimal point past the precision of the underlying market. In the event the time it takes to collect at least ten (10) Midpoints (ten pips wide or less) exceeds the ten (10) second time period, 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/JPY Call Spread Contract and removing the highest three (3) Midpoints and the lowest three (3) Midpoints, using the remaining four (4) AUD/JPY Midpoints to calculate the Expiration Value. The calculation used is a simple average of all four (4) AUD/JPY Midpoints, rounded to one decimal point past the precision of the underlying market.

~~(m)~~(n) 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 12.44.2 CURRENCY EXCHANGE AUD/JPY “TOUCH BRACKET” VARIABLE PAYOUT CONTRACTS

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

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

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

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

(e) 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/JPY Touch Bracket Contracts, the Payout Criteria for the Contracts will be set as follows:

⁵⁴ If 30% of the data set would result in a non-integer number of Midpoints, the number of Midpoints to be removed from the set will be rounded down. For example, if the number of Midpoints collected during the last 10 seconds prior to the close of trading was 14, 30% of the data set would be 4.2 Midpoints. As 4.2 is a non-integer number, the value will be rounded down, and the 4 highest and 4 lowest Midpoints will be removed from the data set.

(i) WEEKLY AUD/JPY TOUCH BRACKET VARIABLE PAYOUT CONTRACTS, Close Time is the earlier of 3:00PM ET on the last Trade Day of the contract listing, or when the AUD/JPY Index Value is equal to or greater than the Ceiling, or equal to or less than the Floor. Nadex shall list a set of four (4) Touch Bracket Variable Payout Contracts, referred to as a 'Touch Bracket', that open at 6:00PM ET on the first Trade Day of the week, with overlapping ranges, which conform to the Payout Criteria listed below.

(1) CONTRACT 1: The Ceiling shall be $X + 0.600$; The Floor shall be $X - 0.150$.

(2) CONTRACT 2: The Ceiling shall be $X + 0.450$; The Floor shall be $X - 0.300$.

(3) CONTRACT 3: The Ceiling shall be $X + 0.300$; The Floor shall be $X - 0.450$.

(4) CONTRACT 4: The Ceiling shall be $X + 0.150$; The Floor shall be $X - 0.600$.

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

(6) In each case, "X" equals the last AUD/JPY price, as reported by the Source Agency, rounded to the nearest 0.01.

(ii) Upon the early Expiration of a Touch Bracket, Nadex may list a new Touch Bracket with a Ceiling of $X + 0.600$ (or 0.150) and a Floor of $X - 0.150$ (or 0.600) where X equals the Ceiling (or Floor) of the Touch Bracket that expired early. The newly listed Touch Bracket will have the same Last Trade Day as originally established for the expired Touch Bracket and the same Dollar Multiplier as the expired Touch Bracket.

(f) MINIMUM TICK – The Minimum Tick size for AUD/JPY Touch Bracket Variable Payout Contracts shall be 0.01.

(g) POSITION LIMIT –The Position Limit for AUD/JPY Touch Bracket Variable Payout Contracts shall be 100 Contracts per Class.

(h) MARKET MAKER ALTERNATIVE POSITION LIMIT – The Position Limit for the AUD/JPY Touch Bracket Variable Payout Contracts for contracted Market Makers shall be 100,000 Contracts per strike level.

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

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

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

~~(k)~~ (l) 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.

~~(j)~~ (m) AUD/JPY INDEX VALUE – The Source Agency shall calculate and produce a AUD/JPY Index Value once each second throughout the life of the AUD/JPY Variable Payout contracts. That is, each second the Source Agency will calculate a AUD/JPY Index Value by taking all Midpoints between the bid/ask spread (ten pips wide or less) occurring in the ten (10) seconds leading up to the Calculation Time, provided at least ten (10) Midpoints are captured during the ten (10) second period, removing the highest thirty (30) percent of Midpoints and the lowest thirty (30) percent of Midpoints from the data set⁵⁵, using the remaining AUD/JPY Midpoints to calculate the AUD/JPY Index Value for that second. The calculation used is a simple average of the remaining AUD/JPY Midpoints, rounded to one decimal point past the precision of the underlying market. In the event the time it takes to collect at least ten (10) Midpoints (ten pips wide or less) exceeds the ten (10) second time period, the AUD/JPY Index 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 Calculation Time and removing the highest three (3) Midpoints and the lowest three (3) Midpoints, using the remaining four (4) AUD/JPY Midpoints to calculate the AUD/JPY Index Value. The calculation used is a simple average of all four (4) AUD/JPY Midpoints, rounded to one decimal point past the precision of the underlying market.

~~(m)~~ (n) EXPIRATION VALUE – The Expiration Value is the AUD/JPY Index Value released by the Source Agency at Expiration on the Expiration Date.

~~(i)~~ (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 12.45 CURRENCY EXCHANGE AUD/JPY BINARY CONTRACTS

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

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

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

⁵⁵ If 30% of the data set would result in a non-integer number of Midpoints, the number of Midpoints to be removed from the set will be rounded down. For example, if the number of Midpoints collected during the last 10 seconds prior to the close of trading was 14, 30% of the data set would be 4.2 Midpoints. As 4.2 is a non-integer number, the value will be rounded down, and the 4 highest and 4 lowest Midpoints will be removed from the data set.

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

(e) 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/JPY Binary Contract, the Payout Criteria for the Contracts will be set as follows:

(i) WEEKLY AUD/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 AUD/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 AUD/JPY BINARY CONTRACTS

- (1) EXPIRATION TIME – 7 AM, 3 PM, 11 PM ET CLOSE
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 0.10.
- (3) NUMBER OF STRIKE LEVELS LISTED – Twenty-one (21) strike levels will be listed for each Daily AUD/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 0.10, and ten (10) strike levels will be generated below Binary Contract Y at an interval of 0.10 (e.g. $Y - 0.10$; Y ; $Y + 0.10$). The Contract will have a Payout Criterion of greater than the strike level value.

(iii) INTRADAY AUD/JPY 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 0.05.
- (3) NUMBER OF STRIKE LEVELS LISTED – Nine (9) strike levels will be listed for each Intraday AUD/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 0.05, and four (4) strike levels will be generated below Binary Contract Z at an interval of 0.05 (e.g. $Z - 0.05$; Z ; $Z + 0.05$). The Contract will have a Payout Criterion of greater than the strike level value.

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

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

(g) POSITION LIMIT – The Position Limits for AUD/JPY Binary Contracts shall be 2,500 Contracts per Class.

~~(g)~~ (h) MARKET MAKER ALTERNATIVE POSITION LIMIT – The Position Limit for the EUR/USD Binary Contracts for contracted Market Makers shall be 5,000 Contracts per strike level.

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

~~(i)~~ (j) SETTLEMENT DATE – The Settlement Date will be the date the AUD/JPY number is released by the Source Agency.

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

~~(k)~~(l) 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 AUD/JPY Binary Contract is \$100.

~~(l)~~(m) EXPIRATION VALUE – The Expiration Value is the price or value of AUD/JPY released by the Source Agency on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking all Midpoints between the bid/ask spread (ten pips wide or less) occurring in the ten (10) seconds leading up to the close of trading of the AUD/JPY Binary Contract, provided at least ten (10) Midpoints are captured during the ten (10) second period, removing the highest thirty (30) percent of Midpoints and the lowest thirty (30) percent of Midpoints from the data set⁵⁶, using the remaining AUD/JPY Midpoints to calculate the Expiration Value. The calculation used is a simple average of the remaining AUD/JPY Midpoints, rounded to one decimal point past the precision of the underlying market. In the event the time it takes to collect at least ten (10) Midpoints (ten pips wide or less) exceeds the ten (10) second time period, 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/JPY Binary Contract and removing the highest three (3) Midpoints and the lowest three (3) Midpoints, using the remaining four (4) AUD/JPY Midpoints to calculate the Expiration Value. The calculation used is a simple average of all four (4) AUD/JPY Midpoints, rounded to one decimal point past the precision of the underlying market.

~~(m)~~(n) 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 12.46 CURRENCY EXCHANGE USD/MXN BINARY CONTRACTS

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

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

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

⁵⁶ If 30% of the data set would result in a non-integer number of Midpoints, the number of Midpoints to be removed from the set will be rounded down. For example, if the number of Midpoints collected during the last 10 seconds prior to the close of trading was 14, 30% of the data set would be 4.2 Midpoints. As 4.2 is a non-integer number, the value will be rounded down, and the 4 highest and 4 lowest Midpoints will be removed from the data set.

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

(e) 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/MXN Binary Contract, the Payout Criteria for the Contracts will be set as follows:

(i) WEEKLY USD/MXN BINARY CONTRACTS

- (1) EXPIRATION TIME – 3 PM ET CLOSE
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 0.1.
- (3) NUMBER OF STRIKE LEVELS LISTED - Thirteen (13) strike levels will be listed for each Weekly USD/MXN 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 0.025 or 0.075 as reported by the Source Agency. Six (6) strike levels will be generated above Binary Contract W at an interval of 0.1, and six (6) strike levels will be generated below Binary Contract W at an interval of 0.1 (e.g. $W - 0.1$; W ; $W + 0.1$). The Contract will have a Payout Criterion of greater than the strike level value.

(ii) DAILY USD/MXN BINARY CONTRACTS

- (1) EXPIRATION TIME – 3 PM ET CLOSE
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 0.04.
- (3) NUMBER OF STRIKE LEVELS LISTED – Twenty-one (21) strike levels will be listed for each Daily USD/MXN 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 0.02 as reported by the Source Agency. Ten (10) strike levels will be generated above Binary Contract X at an interval of 0.04, and

ten (10) strike levels will be generated below Binary Contract X at an interval of 0.04 (e.g. $X - 0.04$; X ; $X + 0.04$). The Contract will have a Payout Criterion of greater than the strike level value.

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

- (1) EXPIRATION TIME – 10 AM, 11 AM, 12 PM, PM , 2 PM, 3 PM ET CLOSE
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 0.016.
- (3) NUMBER OF STRIKE LEVELS LISTED – Fifteen (15) strike levels will be listed for each Intraday 2-Hour USD/MXN 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 either 0.000, 0.002, 0.004, 0.006 or 0.008 as reported by the Source Agency. Seven (7) strike levels will be generated above Binary Contract Y at an interval of 0.016, and seven (7) strike levels will be generated below Binary Contract Y at an interval of 0.016 (e.g. $Y - 0.016$; Y ; $Y + 0.016$). The Contract will have a Payout Criterion of greater than the strike level value.

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

(f) MINIMUM TICK – The Minimum Tick size for USD/MXN Binary Contracts shall be 0.25.

(g) POSITION LIMIT – The Position Limits for USD/MXN Binary Contracts shall be 2,500 Contracts per Class.

(h) MARKET MAKER ALTERNATIVE POSITION LIMIT – The Position Limit for the USD/MXN Binary Contracts for contracted Market Makers shall be 5,000 Contracts per strike level.

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

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

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

(k)(l) 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 USD/MXN Binary Contract is \$100.

(m) EXPIRATION VALUE – The Expiration Value is the price or value of USD/MXN released by the Source Agency on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking all Midpoints between the bid/ask spread (250 pips wide or less) occurring in the ten (10) seconds leading up to the close of trading of the USD/MXN Binary Contract, provided at least ten (10) Midpoints are captured during the ten (10) second period, removing the highest thirty (30) percent of Midpoints and the lowest thirty (30) percent of Midpoints from the data set⁵⁷, using the remaining USD/MXN Midpoints to calculate the Expiration Value. The calculation used is a simple average of the remaining USD/MXN Midpoints, rounded to the fourth decimal precision point. In the event the time it takes to collect at least ten (10) Midpoints (250 pips wide or less) exceeds the ten (10) second time period, the Expiration Value is calculated by the Source Agency by taking the last ten (10) Midpoints between the bid/ask spread (250 pips wide or less) just prior to the close of trading of the USD/MXN Binary Contract and removing the highest three (3) Midpoints and the lowest three (3) Midpoints, using the remaining four (4) USD/MXN Midpoints to calculate the Expiration Value. The calculation used is a simple average of all four (4) USD/MXN Midpoints, rounded to the fourth decimal precision point.

(m)(n) 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 12.47 [RESERVED]

RULE 12.48 FTSE 100[®] FUTURE VARIABLE PAYOUT CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the FTSE 100 Future Variable Payout Contracts issued by Nadex.

(b) UNDERLYING – The Underlying for this Class of Contracts is the price (in British Pounds) of the FTSE 100 Futures contracts (“FFC”) traded on the ICE Futures Europe[®] exchange (IFE).⁵⁸ The FFC trade prices that will be used for the Underlying will be taken from four (4) FFC

⁵⁷ If 30% of the data set would result in a non-integer number of Midpoints, the number of Midpoints to be removed from the set will be rounded down. For example, if the number of Midpoints collected during the last 10 seconds prior to the close of trading was 14, 30% of the data set would be 4.2 Midpoints. As 4.2 is a non-integer number, the value will be rounded down, and the 4 highest and 4 lowest Midpoints will be removed from the data set.

⁵⁸ FTSE[®] and FTSE 100[®] are trademarks of the London Stock Exchange Group (“LSE”). The prices relating to any index are not in any way sponsored, endorsed or promoted by FTSE or by the LSE and neither FTSE nor LSE makes any warranty or representation whatsoever, expressly or impliedly, either as to the results to be obtained from the use of such prices and/or

delivery months: March, June, September, or December (each a “FFC Delivery Month”). The date on which a new delivery month will be used as the Underlying for Nadex contracts (i.e. “Start Date”) is one calendar day after the End Date for the previous delivery month contract. The last day on which a delivery month will be used as the Underlying for Nadex contracts (i.e. “End Date”) is the Monday of the week of the Underlying futures contracts Expiration Date. For example, the IFE FTSE 100 March 2012 futures have an Expiration Date of March 16, 2012. The last day on which the FTSE100 March 2012 futures prices will be used as the Underlying for Nadex contracts and to calculate the Expiration Value on the Expiration Date for the relevant FTSE 100 contracts will be the Monday of the week of the IFE FTSE 100 March 2012 futures contracts Expiration Date (i.e. March 16, 2012). Therefore, the End Date for using IFE FTSE 100 March 2012 futures will be March 12, 2012 and the Start Date for the next delivery month, IFE FTSE 100 June 2012 futures, will be March 13, 2012⁵⁹.

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

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

(e) 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 FTSE 100 Future Variable Payout Contract, the Payout Criteria for the Contracts will be set as follows:

(i) DAILY FTSE 100[®] FUTURE CALL SPREAD VARIABLE PAYOUT CONTRACTS, 4:00 PM ET CLOSE - At the commencement of trading in a Daily FTSE 100 Future Call Spread Variable Payout Contract, referred to as a ‘Call Spread’, Nadex shall list one (1) Call Spread Contract, which conforms to the Payout Criteria listed below:

(1) DAILY FTSE 100[®] FUTURE CALL SPREAD CONTRACT

(aa) CEILING – The Ceiling shall be $X + 200$.

the figure at which any index stands at any particular time on any particular day or otherwise. Neither FTSE nor LSE shall be liable (whether in negligence or otherwise) to any person for any error in any index and neither FTSE nor LSE shall be under any obligation to advise any person of any error therein. The FTSE Future Binary Option Contracts are not sponsored, endorsed, sold or promoted by FTSE or LSE. Neither FTSE nor LSE accept any liability in connection with the trading of these products. ICE Futures Europe[®] is a registered mark of Intercontinental Exchange Holdings, Inc. (“ICE Holdings”). Nadex is not affiliated with ICE Futures Europe[®] or ICE Holdings, and the FTSE 100 Future Binary Option Contracts are not sponsored, endorsed, sold or promoted by ICE Futures Europe[®] or ICE Holdings in any way.

⁵⁹ Weekly contracts listed on a Monday during a week containing an Underlying futures rollover date will be listed using the Underlying futures month scheduled to be used to determine the settlement value on the day the contract expires. For example, the End Date for the IFE FTSE 100[®] March 2012 Underlying futures is March 12, 2012. March 12, 2012 is a Monday, however, and any Nadex weekly contracts listed on this date and expiring on Friday, March 16, 2012, will be listed using the IFE FTSE 100[®] June 2012 futures as its Underlying, as June is the futures month scheduled to be used to determine the Settlement Value of the Nadex weekly contract on its expiration date. Therefore, the Start Date for the IFE FTSE 100 June 2012 futures will be Monday, March 12, 2012 for any Nadex weekly contracts listed on this date.

(bb) FLOOR – The Floor shall be $X - 200$.

(cc) DOLLAR MULTIPLIER – The Dollar Multiplier shall be 1.

(2) In each case, “X” equals the last FTSE 100 Future price, as reported by the Source Agency, rounded to the nearest 100.

(ii) DAILY FTSE 100[®] FUTURE CALL SPREAD CONTRACTS, 4:00 PM ET CLOSE - Nadex shall list a set of three (3) Call Spread Contracts with overlapping ranges, which conform to the Payout Criteria listed below:

(1) CONTRACT 1: The Ceiling shall be X; The Floor shall be $X - 200$.

(2) CONTRACT 2: The Ceiling shall be $X + 100$; The Floor shall be $X - 100$.

(3) CONTRACT 3: The Ceiling shall be $X + 200$; The Floor shall be X.

(4) DOLLAR MULTIPLIER – The Dollar Multiplier shall be 1.

(5) In each case, “X” equals the last FTSE 100 Future price, as reported by the Source Agency, rounded to the nearest 100.

(iii) INTRADAY FTSE 100[®] FUTURE CALL SPREAD CONTRACTS, 8AM ET to 4:00 PM ET CLOSE - Nadex shall list a set of three (3) Call Spread Contracts with overlapping ranges, which conform to the Payout Criteria listed below:

(1) CONTRACT 1: The Ceiling shall be X; The Floor shall be $X - 150$.

(2) CONTRACT 2: The Ceiling shall be $X + 75$; The Floor shall be $X - 75$.

(3) CONTRACT 3: The Ceiling shall be $X + 150$; The Floor shall be X.

(4) DOLLAR MULTIPLIER – The Dollar Multiplier shall be 1.

(5) In each case, “X” equals the last FTSE 100 Future price, as reported by the Source Agency, rounded to the nearest 25.

(iv) INTRADAY 2-HOUR FTSE 100[®] FUTURE CALL SPREAD CONTRACTS, 5:00AM, 6:00AM, 7:00AM, 8:00AM, 9:00AM, 10:00AM, 11:00AM, 12:00PM, 1:00PM, and 4:00PM ET CLOSE - Nadex shall list a set of three (3) Call Spread 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 Ceiling shall be X; The Floor shall be $X - 50$.

(2) CONTRACT 2: The Ceiling shall be $X + 25$; The Floor shall be $X - 25$.

(3) CONTRACT 3: The Ceiling shall be $X + 50$; The Floor shall be X .

(4) DOLLAR MULTIPLIER – The Dollar Multiplier shall be 1.

(5) In each case, “X” equals the last FTSE 100 Future price, as reported by the Source Agency, rounded to the nearest 25.

(6) The Intraday 2-Hour FTSE[®] 100 Futures Variable Payout Spread Contracts, 5:00AM, 6:00AM, 7:00AM, 8:00AM, 9:00AM, 10:00AM, 11:00AM, 12:00PM, 1:00PM and 4:00PM ET Close, will not be listed on the three business days immediately following the End Date of the Underlying.

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

(f) MINIMUM TICK – The Minimum Tick size for FTSE 100 Future Call Spread Contracts shall be 1.

(g) POSITION LIMIT – The Position Limits for FTSE 100 Future Call Spread Contracts shall be 250 Contracts per Class.

(g)-(h) MARKET MAKER ALTERNATIVE POSITION LIMIT – The Position Limit for the FTSE 100 Future Call Spread Variable Payout Contracts for contracted Market Makers shall be 500 Contracts per strike level.

(h)-(i) LAST TRADING DATE – The Last Trading Date of the Contract is the same date as the Settlement Date.

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

(j)-(k) EXPIRATION DATE – The Expiration Date of the Contract shall be the date on which the FTSE 100 Future Expiration Value is released by the Source Agency.

(k)-(l) 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.

(l)-(m) EXPIRATION VALUE – The Expiration Value is the price or value of FTSE 100 Future released by the Source Agency on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking all FFC trade prices occurring in the ten (10) seconds leading up to the close of trading of the FTSE 100 Future Call Spread Contract, provided at least twenty-five (25) trade prices are captured during the ten (10) second period, removing the highest twenty (20) percent of FFC trade prices and the

lowest twenty (20) percent of FFC trade prices from the data set⁶⁰, and using the remaining FFC trade prices to calculate the Expiration Value. The calculation used is a simple average of the remaining FFC trade prices in the data set, rounded to one decimal point past the precision of the underlying market. In the event the time it takes to collect at least twenty-five (25) FFC trade prices exceeds the ten (10) seconds just prior to the close of trading of the FTSE 100 Future Call Spread Contract, the Expiration Value is calculated by the Source Agency by taking the last twenty-five (25) FFC trade prices just prior to the close of trading of the FTSE 100 Future Call Spread Contract removing the highest five (5) FFC trade prices and the lowest five (5) FFC trade prices, and using the remaining fifteen (15) FFC trade prices to calculate the Expiration Value. The calculation used is a simple average of all fifteen (15) FFC trade prices, rounded to one decimal point past the precision of the underlying market.

~~(m)~~-(n) 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 12.49 FTSE 100[®] FUTURE BINARY CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the FTSE 100 Future Binary Contract issued by Nadex.

(b) UNDERLYING – The Underlying for this Class of Binary Contracts is the price (in British Pounds) of the FTSE 100 Futures contracts (“FFC”) traded on the ICE Futures Europe[®] exchange (IFE).⁶¹ The FFC trade prices that will be used for the Underlying will be taken from four (4) FFC delivery months: March, June, September, or December (each a “FFC Delivery Month”). The date on which a new delivery month will be used as the Underlying for Nadex contracts (i.e. “Start Date”) is one calendar day after the End Date for the previous delivery month contract. The last day on which a delivery month will be used as the Underlying for Nadex contracts (i.e. “End Date”) is the Monday of the week of the Underlying futures contracts Expiration Date. For example, the IFE FTSE 100 March 2012 futures have an Expiration Date of March 16, 2012. The last day on which the FTSE100 March 2012 futures prices will be used as the Underlying for Nadex contracts and to calculate the Expiration Value on the Expiration Date for the

⁶⁰ If 20% of the data set would result in a non-integer number of trade prices, the number of trade prices to be removed from the set will be rounded down. For example, if the number of trade prices collected during the last 10 seconds prior to the close of trading was 31, 20% of the data set would be 6.2 trade prices. As 6.2 is a non-integer number, the value will be rounded down, and the 6 highest and 6 lowest trade prices will be removed from the data set.

⁶¹ FTSE[®] and FTSE 100[®] are trademarks of the London Stock Exchange Group (“LSE”). The prices relating to any index are not in any way sponsored, endorsed or promoted by FTSE or by the LSE and neither FTSE nor LSE makes any warranty or representation whatsoever, expressly or impliedly, either as to the results to be obtained from the use of such prices and/or the figure at which any index stands at any particular time on any particular day or otherwise. Neither FTSE nor LSE shall be liable (whether in negligence or otherwise) to any person for any error in any index and neither FTSE nor LSE shall be under any obligation to advise any person of any error therein. The FTSE Future Binary Option Contracts are not sponsored, endorsed, sold or promoted by FTSE or LSE. Neither FTSE nor LSE accept any liability in connection with the trading of these products. ICE Futures Europe[®] is a registered mark of Intercontinental Exchange Holdings, Inc. (“ICE Holdings”). Nadex is not affiliated with ICE Futures Europe[®] or ICE Holdings, and the FTSE 100 Future Binary Option Contracts are not sponsored, endorsed, sold or promoted by ICE Futures Europe[®] or ICE Holdings in any way.

relevant FTSE 100 contracts will be the Monday of the week of the IFE FTSE 100 March 2012 futures contracts Expiration Date (i.e. March 16, 2012). Therefore, the End Date for using IFE FTSE 100 March 2012 futures will be March 12, 2012 and the Start Date for the next delivery month, IFE FTSE 100 June 2012 futures, will be March 13, 2012⁶².

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

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

(e) PAYOUT CRITERION – The Payout Criterion for each Contract will be set by Nadex at the time the Binary Contracts are initially issued. For the FTSE 100 Future Binary Contract, the Payout Criteria for the Contracts will be set as follows:

(i) WEEKLY FTSE 100 FUTURE BINARY CONTRACTS

(1) EXPIRATION TIME – 4:00 PM ET CLOSE

(2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 50.

(3) NUMBER OF STRIKE LEVELS LISTED - Thirteen (13) strike levels will be listed for each Weekly FTSE 100 Future 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 25 or 75 as reported by the Source Agency. Six (6) strike levels will be generated above Binary Contract X at an interval of 50, and six (6) strike levels will be generated below Binary Contract X at an interval of 50 (e.g. $X - 50$; X ; $X + 50$). The Contract will have a Payout Criterion of greater than the strike level value.

⁶² Weekly contracts listed on a Monday during a week containing an Underlying futures rollover date will be listed using the Underlying futures month scheduled to be used to determine the settlement value on the day the contract expires. For example, the End Date for the IFE FTSE 100[®] March 2012 Underlying futures is March 12, 2012. March 12, 2012 is a Monday, however, and any Nadex weekly contracts listed on this date and expiring on Friday, March 16, 2012, will be listed using the IFE FTSE 100[®] June 2012 futures as its Underlying, as June is the futures month scheduled to be used to determine the Settlement Value of the Nadex weekly contract on its expiration date. Therefore, the Start Date for the IFE FTSE 100 June 2012 futures will be Monday, March 12, 2012 for any Nadex weekly contracts listed on this date.

(ii) DAILY FTSE 100 FUTURE BINARY CONTRACTS

- (1) EXPIRATION TIME – 4:00 PM ET CLOSE
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 20.
- (3) NUMBER OF STRIKE LEVELS LISTED – Twenty-one (21) strike levels will be listed for each Daily FTSE 100 Future 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 20 as reported by the Source Agency. Ten (10) strike levels will be generated above Binary Contract Y at an interval of 20, and ten (10) strike levels will be generated below Binary Contract Y at an interval of 20 (e.g. $Y - 20$; Y ; $Y + 20$). The Contract will have a Payout Criterion of greater than the strike level value.

(iii) INTRADAY FTSE 100 FUTURE BINARY CONTRACTS

- (1) EXPIRATION TIME – 5 AM, 6 AM, 7 AM, 8 AM, 9AM, 10 AM, 11 AM, 12 PM, 1 PM, 4 PM ET CLOSE
- (2) EXCEPTIONS – No Intraday FTSE 100 Future Binary Contract will be listed on the three business days immediately following the End Date of the Underlying.
- (3) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 15.
- (4) NUMBER OF STRIKE LEVELS LISTED – Nine (9) strike levels will be listed for each Intraday FTSE 100 Future Binary Contract Series.
- (5) 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 1 as reported by the Source Agency. Four (4) strike levels will be generated above Binary Contract Z at an interval of 15, and four (4) strike levels will be generated below Binary Contract Z at an interval of 15 (e.g. $Z - 15$; Z ; $Z + 15$). The Contract will have a Payout Criterion of greater

than the strike level value.

(iv) Nadex may list additional FTSE 100 Future Binary Contract with different ranges of Payout Criteria on a discretionary basis in accordance with the CEA and Commission Regulations.

(f) MINIMUM TICK – The Minimum Tick size for the FTSE 100 Future Binary Contract shall be \$0.25.

(g) POSITION LIMIT – The Position Limits for the FTSE 100 Future Binary Contracts shall be 2,500 Contracts per Class.

~~(g)-(h)~~ MARKET MAKER ALTERNATIVE POSITION LIMIT – The Position Limit for the FTSE 100 Future Binary Contracts for contracted Market Makers shall be 5,000 Contracts per strike level.

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

~~(i)-(j)~~ SETTLEMENT DATE – The Settlement Date in a Series is the same date as the Expiration Date.

~~(j)-(k)~~ EXPIRATION DATE – The Expiration Date of the Contract will be the date for which the relevant FFC daily settlement price is released by the Source Agency.

~~(k)-(l)~~ 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 FTSE 100 Future Binary Contract is \$100.

~~(l)-(m)~~ EXPIRATION VALUE – The Expiration Value is the price or value of FTSE 100 Future released by the Source Agency on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking all FFC trade prices occurring in the ten (10) seconds leading up to the close of trading of the FTSE 100 Future Binary Contract, provided at least twenty-five (25) trade prices are captured during the ten (10) second period, removing the highest twenty (20) percent of FFC trade prices and the lowest twenty (20) percent of FFC trade prices from the data set⁶³, and using the remaining FFC trade prices to calculate the Expiration Value. The calculation used is a simple average of the remaining FFC trade prices in the data set, rounded to one decimal point past the precision of the underlying market. In the event the time it takes to collect at least twenty-five (25) FFC trade prices exceeds the ten (10) seconds just prior to the close of trading of the FTSE 100 Future Binary Contract, the Expiration Value is calculated by the

⁶³ If 20% of the data set would result in a non-integer number of trade prices, the number of trade prices to be removed from the set will be rounded down. For example, if the number of trade prices collected during the last 10 seconds prior to the close of trading was 31, 20% of the data set would be 6.2 trade prices. As 6.2 is a non-integer number, the value will be rounded down, and the 6 highest and 6 lowest trade prices will be removed from the data set.

Source Agency by taking the last twenty-five (25) FFC trade prices just prior to the close of trading of the FTSE 100 Future Binary Contract removing the highest five (5) FFC trade prices and the lowest five (5) FFC trade prices, and using the remaining fifteen (15) FFC trade prices to calculate the Expiration Value. The calculation used is a simple average of all fifteen (15) FFC trade prices, rounded to one decimal point past the precision of the underlying market.

~~(m)~~(n) CONTINGENCIES – If no daily settlement price of the relevant FFC is announced by the Source Agency, the Settlement Date will be delayed until such daily settlement price for that Series is released and publicly available.

RULE 12.50 GERMANY 40 VARIABLE PAYOUT CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the Germany 40 Variable Payout Contracts issued by Nadex.

(b) UNDERLYING – The Underlying for this Class of Contracts is the price (in Euro Currency) of the DAX[®] Futures contracts (“DFC”) traded on the Eurex[®] exchange (Eurex).⁶⁴ The DFC trade prices that will be used for the Underlying will be taken from four (4) DFC delivery months: March, June, September, or December (each a “DFC Delivery Month”). The date on which a new delivery month will be used as the Underlying for Nadex contracts (i.e. “Start Date”) is one calendar day after the End Date for the previous delivery month contract. The last day on which a delivery month will be used as the Underlying for Nadex contracts (i.e. “End Date”) is the Monday of the week of the Underlying futures contracts Expiration Date. For example, the Eurex DAX March 2012 futures have an Expiration Date of March 16, 2012. The last day on which the DAX March 2012 futures prices will be used as the Underlying for Nadex contracts and to calculate the Expiration Value on the Expiration Date for the relevant DAX contracts will be the Monday of the week of the Eurex DAX March 2012 futures contracts Expiration Date (i.e. March 16, 2012). Therefore, the End Date for using Eurex DAX March 2012 futures will be March 12, 2012 and the Start Date for the next delivery month, Eurex DAX June 2012 futures, will be March 13, 2012⁶⁵.

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

⁶⁴ Eurex[®] and DAX[®] are registered marks of Deutsche Börse AG. Nadex is not affiliated with the Eurex or Deutsche Börse AG, and neither Eurex nor its affiliates sponsor or endorse Nadex or its products in any way. In particular, the Nadex Germany 40 Variable Payout Contracts are not sponsored, endorsed, sold or promoted by Eurex or Deutsche Börse AG.

⁶⁵ Weekly contracts listed on a Monday during a week containing an Underlying futures rollover date will be listed using the Underlying futures month scheduled to be used to determine the settlement value on the day the contract expires. For example, the End Date for the Eurex DAX March 2012 Underlying futures is March 12, 2012. March 12, 2012 is a Monday, however, and any Nadex weekly contracts listed on this date and expiring on Friday, March 16, 2012, will be listed using the Eurex DAX June 2012 futures as its Underlying, as June is the futures month scheduled to be used to determine the Settlement Value of the Nadex weekly contract on its expiration date. Therefore, the Start Date for the Eurex DAX June 2012 futures will be Monday, March 12, 2012 for any Nadex weekly contracts listed on this date.

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

(e) 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 Germany 40 Variable Payout Contract, the Payout Criteria for the Contracts will be set as follows:

(i) DAILY GERMANY 40 CALL SPREAD VARIABLE PAYOUT CONTRACTS, 4:00 PM ET CLOSE - At the commencement of trading in a Daily Germany 40 Call Spread Variable Payout Contract, referred to as a ‘Call Spread’, Nadex shall list one (1) Call Spread Contract, which conforms to the Payout Criteria listed below:

(1) DAILY GERMANY 40 CALL SPREAD CONTRACT

(aa) CEILING – The Ceiling shall be $X + 200$.

(bb) FLOOR – The Floor shall be $X - 200$.

(cc) DOLLAR MULTIPLIER – The Dollar Multiplier shall be 1.

(2) In each case, “X” equals the last DFC trade price, as reported by the Source Agency, rounded to the nearest 100.

(ii) DAILY GERMANY 40 CALL SPREAD CONTRACTS, 4:00 PM ET CLOSE - Nadex shall list a set of three (3) Call Spread Contracts with overlapping ranges, which conform to the Payout Criteria listed below:

(1) CONTRACT 1: The Ceiling shall be X; The Floor shall be $X - 200$.

(2) CONTRACT 2: The Ceiling shall be $X + 100$; The Floor shall be $X - 100$.

(3) CONTRACT 3: The Ceiling shall be $X + 200$; The Floor shall be X.

(4) DOLLAR MULTIPLIER – The Dollar Multiplier shall be 1.

(5) In each case, “X” equals the last DFC price, as reported by the Source Agency, rounded to the nearest 100.

(iii) INTRADAY GERMANY 40 CALL SPREAD CONTRACTS, 8AM ET to 4:00 PM ET CLOSE - Nadex shall list a set of three (3) Call Spread Contracts with overlapping ranges, which conform to the Payout Criteria listed below:

(1) CONTRACT 1: The Ceiling shall be X; The Floor shall be $X - 150$.

(2) CONTRACT 2: The Ceiling shall be $X + 75$; The Floor shall be $X - 75$.

(3) CONTRACT 3: The Ceiling shall be $X + 150$; The Floor shall be X .

(4) DOLLAR MULTIPLIER – The Dollar Multiplier shall be 1.

(5) In each case, “X” equals the last DFC price, as reported by the Source Agency, rounded to the nearest 25.

(iv) INTRADAY 2-HOUR GERMANY 40 CALL SPREAD CONTRACTS, 5:00AM, 6:00AM, 7:00AM, 8:00AM, 9:00AM, 10:00AM, 11:00AM, 12:00PM, 1:00PM, 2:00PM, 3:00PM and 4:00PM ET CLOSE - Nadex shall list a set of three (3) Call Spread 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 Ceiling shall be X ; The Floor shall be $X - 50$.

(2) CONTRACT 2: The Ceiling shall be $X + 25$; The Floor shall be $X - 25$.

(3) CONTRACT 3: The Ceiling shall be $X + 50$; The Floor shall be X .

(4) DOLLAR MULTIPLIER – The Dollar Multiplier shall be 1.

(5) In each case, “X” equals the last DFC price, as reported by the Source Agency, rounded to the nearest 25.

(6) The Intraday 2-Hour Germany 40 Call Spread Contracts, 5:00AM, 6:00AM, 7:00AM, 8:00AM, 9:00AM, 10:00AM, 11:00AM, 12:00PM, 1:00PM, 2:00PM, 3:00PM and 4:00PM ET Close, will not be listed on the three business days immediately following the End Date of the Underlying.

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

(f) MINIMUM TICK – The Minimum Tick size for Germany 40 Call Spread Contracts shall be 1.

(g) POSITION LIMIT – The Position Limits for Germany 40 Call Spread Contracts shall be 250 Contracts per Class.

~~(g)~~ ~~(h)~~ MARKET MAKER ALTERNATIVE POSITION LIMIT – The Position Limit for the Germany 40 Call Spread Variable Payout Contracts for contracted Market Makers shall be 500 Contracts per strike level.

~~(h)~~ ~~(i)~~ LAST TRADING DATE – The Last Trading Date of the Contract is the same date as the Settlement Date.

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

~~(k)~~ (j) EXPIRATION DATE – The Expiration Date of the Contract shall be the date on which the Germany 40 Expiration Value is released by the Source Agency.

~~(l)~~ (k) 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.

~~(m)~~ (l) EXPIRATION VALUE – The Expiration Value is the price or value of Germany 40 released by the Source Agency on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking all DFC trade prices occurring in the ten (10) seconds leading up to the close of trading of the Germany 40 Call Spread Contract, provided at least twenty-five (25) trade prices are captured during the ten (10) second period, removing the highest twenty (20) percent of DFC trade prices and the lowest twenty (20) percent of DFC trade prices from the data set⁶⁶, and using the remaining DFC trade prices to calculate the Expiration Value. The calculation used is a simple average of the remaining DFC trade prices in the data set, rounded to one decimal point past the precision of the underlying market. In the event the time it takes to collect at least twenty-five (25) DFC trade prices exceeds the ten (10) seconds just prior to the close of trading of the Germany 40 Call Spread Contract, the Expiration Value is calculated by the Source Agency by taking the last twenty-five (25) DFC trade prices just prior to the close of trading of the Germany 40 Call Spread Contract removing the highest five (5) DFC trade prices and the lowest five (5) DFC trade prices, and using the remaining fifteen (15) DFC trade prices to calculate the Expiration Value. The calculation used is a simple average of all fifteen (15) DFC trade prices, rounded to one decimal point past the precision of the underlying market.

~~(n)~~ (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 12.51 GERMANY 40 BINARY CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the Germany 40 Binary Contracts issued by Nadex.

⁶⁶ If 20% of the data set would result in a non-integer number of trade prices, the number of trade prices to be removed from the set will be rounded down. For example, if the number of trade prices collected during the last 10 seconds prior to the close of trading was 31, 20% of the data set would be 6.2 trade prices. As 6.2 is a non-integer number, the value will be rounded down, and the 6 highest and 6 lowest trade prices will be removed from the data set.

(b) UNDERLYING – The Underlying for this Class of Binary Contracts is the price (in Euro Currency) of the DAX[®] Futures contracts (“DFC”) traded on the Eurex[®] exchange (Eurex).⁶⁷ The DFC trade prices that will be used for the Underlying will be taken from four (4) DFC delivery months: March, June, September, or December (each a “DFC Delivery Month”). The date on which a new delivery month will be used as the Underlying for Nadex contracts (i.e. “Start Date”) is one calendar day after the End Date for the previous delivery month contract. The last day on which a delivery month will be used as the Underlying for Nadex contracts (i.e. “End Date”) is the Monday of the week of the Underlying futures contracts Expiration Date. For example, the Eurex DAX March 2012 futures have an Expiration Date of March 16, 2012. The last day on which the DAX March 2012 futures prices will be used as the Underlying for Nadex contracts and to calculate the Expiration Value on the Expiration Date for the relevant DAX contracts will be the Monday of the week of the Eurex DAX March 2012 futures contracts Expiration Date (i.e. March 16, 2012). Therefore, the End Date for using Eurex DAX March 2012 futures will be March 12, 2012 and the Start Date for the next delivery month, Eurex DAX June 2012 futures, will be March 13, 2012⁶⁸.

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

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

(e) PAYOUT CRITERION – The Payout Criterion for each Contract will be set by Nadex at the time the Binary Contracts are initially issued. For the Germany 40 Binary Contract, the Payout Criteria for the Contracts will be set as follows:

(i) WEEKLY GERMANY 40 BINARY CONTRACTS

(1) EXPIRATION TIME – 4:00 PM ET CLOSE

(2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 50.

(3) NUMBER OF STRIKE LEVELS LISTED - Thirteen (13) strike levels will be listed for each Weekly Germany 40 Future Binary Contract Series.

⁶⁷ Eurex[®] and DAX[®] are registered marks of Deutsche Börse AG. Nadex is not affiliated with the Eurex or Deutsche Börse AG, and neither Eurex nor its affiliates sponsor or endorse Nadex or its products in any way. In particular, the Nadex Germany 40 Binary Option Contracts are not sponsored, endorsed, sold or promoted by Eurex or Deutsche Börse AG.

⁶⁸ Weekly contracts listed on a Monday during a week containing an Underlying futures rollover date will be listed using the Underlying futures month scheduled to be used to determine the settlement value on the day the contract expires. For example, the End Date for the Eurex DAX March 2012 Underlying futures is March 12, 2012. March 12, 2012 is a Monday, however, and any Nadex weekly contracts listed on this date and expiring on Friday, March 16, 2012, will be listed using the Eurex DAX June 2012 futures as its Underlying, as June is the futures month scheduled to be used to determine the Settlement Value of the Nadex weekly contract on its expiration date. Therefore, the Start Date for the Eurex DAX June 2012 futures will be Monday, March 12, 2012 for any Nadex weekly contracts listed on this date.

- (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 25 or 75 as reported by the Source Agency. Six (6) strike levels will be generated above Binary Contract X at an interval of 50, and six (6) strike levels will be generated below Binary Contract X at an interval of 50 (e.g. $X - 50$; X ; $X + 50$). The Contract will have a Payout Criterion of greater than the strike level value.

(ii) DAILY GERMANY 40 BINARY CONTRACTS

- (1) EXPIRATION TIME – 4:00 PM ET CLOSE
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 20.
- (3) NUMBER OF STRIKE LEVELS LISTED – Twenty-one (21) strike levels will be listed for each Daily Germany 40 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 20 as reported by the Source Agency. Ten (10) strike levels will be generated above Binary Contract Y at an interval of 20, and ten (10) strike levels will be generated below Binary Contract Y at an interval of 20 (e.g. $Y - 20$; Y ; $Y + 20$). The Contract will have a Payout Criterion of greater than the strike level value.

(iii) INTRADAY GERMANY 40 BINARY CONTRACTS

- (1) EXPIRATION TIME – 5 AM, 6 AM, 7 AM, 8 AM, 9AM, 10 AM, 11 AM, 12 PM, 1 PM, 2 PM, 3 PM, 4 PM ET CLOSE
- (2) EXCEPTIONS – No Intraday Germany 40 Binary Contract will be listed on the three business days immediately following the End Date of the Underlying.
- (3) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 20.
- (4) NUMBER OF STRIKE LEVELS LISTED – Nine (9) strike levels

will be listed for each Intraday Germany Binary Contract Series.

- (5) 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 1 as reported by the Source Agency. Four (4) strike levels will be generated above Binary Contract Z at an interval of 20, and four (4) strike levels will be generated below Binary Contract Z at an interval of 20 (e.g. $Z - 20$; Z ; $Z + 20$). The Contract will have a Payout Criterion of greater than the strike level value.

(iv) Nadex may list additional Germany 40 Binary Contract with different ranges of Payout Criteria on a discretionary basis in accordance with the CEA and Commission Regulations.

(f) MINIMUM TICK – The Minimum Tick size for the Germany 40 Binary Contract shall be \$0.25.

(g) POSITION LIMIT – The Position Limits for the Germany 40 Binary Contracts shall be 2,500 Contracts per Class.

(g)(h) MARKET MAKER ALTERNATIVE POSITION LIMIT – The Position Limit for the Germany 40 Binary Contracts for contracted Market Makers shall be 5,000 Contracts per strike level.

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

(i)(j) SETTLEMENT DATE – The Settlement Date in a Series is the same date as the Expiration Date.

(k) EXPIRATION DATE – The Expiration Date of the Contract will be the date for which the relevant DFC daily settlement price is released by the Source Agency.

(l) 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 Germany 40 Binary Contract is \$100.

(m) EXPIRATION VALUE – The Expiration Value is the price or value of Germany 40 released by the Source Agency on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking all DFC trade prices occurring in the ten (10) seconds leading up to the close of trading of the Germany 40 Binary Contract, provided at least twenty-five (25) trade prices are captured during the ten

(10) second period, removing the highest twenty (20) percent of DFC trade prices and the lowest twenty (20) percent of DFC trade prices from the data set⁶⁹, and using the remaining DFC trade prices to calculate the Expiration Value. The calculation used is a simple average of the remaining DFC trade prices in the data set, rounded to one decimal point past the precision of the underlying market. In the event the time it takes to collect at least twenty-five (25) DFC trade prices exceeds the ten (10) seconds just prior to the close of trading of the Germany 40 Binary Contract, the Expiration Value is calculated by the Source Agency by taking the last twenty-five (25) DFC trade prices just prior to the close of trading of the Germany 40 Binary Contract removing the highest five (5) DFC trade prices and the lowest five (5) DFC trade prices, and using the remaining fifteen (15) DFC trade prices to calculate the Expiration Value. The calculation used is a simple average of all fifteen (15) DFC trade prices, rounded to one decimal point past the precision of the underlying market.

(n) CONTINGENCIES – If no daily settlement price of the relevant DFC is announced by the Source Agency, the Settlement Date will be delayed until such daily settlement price for that Series is released and publicly available.

RULE 12.52 - 12.53 [RESERVED]

RULE 12.54 JAPAN 225 VARIABLE PAYOUT CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the Japan 225 Variable Payout Contracts issued by Nadex.

(b) UNDERLYING – The Underlying for this Class of Contracts is the price of the SGX[®] Nikkei 225 Index Futures contracts (“NKFC”) traded on the Singapore Exchange (SGX)⁷⁰. The NKFC trade prices that will be used to calculate the Underlying will be taken from four (4) NKFC delivery months:

⁶⁹ If 20% of the data set would result in a non-integer number of trade prices, the number of trade prices to be removed from the set will be rounded down. For example, if the number of trade prices collected during the last 10 seconds prior to the close of trading was 31, 20% of the data set would be 6.2 trade prices. As 6.2 is a non-integer number, the value will be rounded down, and the 6 highest and 6 lowest trade prices will be removed from the data set.

⁷⁰ SGX[®] is a registered service mark of the Singapore Exchange Limited (“SGX”). Nikkei is a registered mark of Nikkei, Inc. All rights in the Trademarks and Futures Trading Data of SGX vest in Singapore Exchange Limited (“SGX”). The Japan 225 Variable Payout Contract is not sponsored, endorsed, sold or promoted by SGX. SGX makes no representation or warranty, express or implied to the investors in the Japan 225 Variable Payout Contract or any member of the public in any manner whatsoever regarding the advisability of investing in any financial product generally or in particularly the Japan 225 Variable Payout Contract. The relationship of SGX towards Nadex is in respect of licensing the use of the SGX Nikkei 225 Index Futures Trading Data. SGX has no obligation to take the needs of the investors of the Japan 225 Variable Payout Contract into consideration in determining, composing or calculating the SGX Nikkei 225 Index Futures Trading Data. SGX is neither responsible for nor has participated in the structure of the Japan 225 Variable Payout Contract. SGX has no obligation or liability in connection with the administration, marketing or trading of the Japan 225 Variable Payout Contract. You are strongly advised to independently verify the accuracy, timeliness and reliability of the Japan 225 Variable Payout Contract and to consult with your investment advisor before investing. Nadex is not affiliated with Nikkei, Inc. and neither Nikkei, Inc., nor its affiliates, sponsor or endorse Nadex or its products in any way. In particular, the Nadex Japan 225 Contracts are not sponsored, endorsed, sold or promoted by Nikkei, Inc.

March, June, September, or December (each a “NKFC Delivery Month”). The date on which a new delivery month will be used as the Underlying for Nadex contracts (i.e. “Start Date”) is one calendar day after the End Date for the previous delivery month contract. The last day on which a delivery month will be used as the Underlying for Nadex contracts (i.e. “End Date”) is the Monday of the week of the Underlying futures contracts Expiration Date. For example, the SGX Nikkei 225 December 2014 futures have an Expiration Date of December 11, 2014. The last day on which the Nikkei 225 December 2014 futures prices will be used as the Underlying for Nadex contracts and to calculate the Expiration Value on the Expiration Date for the relevant Nikkei 225 contracts will be the Monday of the week of the SGX Nikkei 225 December 2014 futures contracts Expiration Date (i.e. December 11, 2014). Therefore, the End Date for using SGX Nikkei 225 December 2014 futures will be December 8, 2014 and the Start Date for the next delivery month, SGX Nikkei 225 March 2015 futures, will be December 9, 2014.

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

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

(e) 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 Japan 225 Variable Payout Contract, the Payout Criteria for the Contracts will be set as follows:

(i) DAILY JAPAN 225 CALL SPREAD VARIABLE PAYOUT CONTRACTS, 1:25 AM ET⁷¹ CLOSE SPREAD - At the commencement of trading in a Daily Japan 225 Call Spread Variable Payout Contract, referred to as a ‘Call Spread’, Nadex shall list one (1) Call Spread Contract, which conforms to the Payout Criteria listed below:

(1) DAILY JAPAN 225 CALL SPREAD CONTRACT

(aa) CEILING – The Ceiling shall be $X + 400$.

(bb) FLOOR – The Floor shall be $X - 400$.

(cc) DOLLAR MULTIPLIER – The Dollar Multiplier shall be 1.

(2) In each case, “X” equals the last NKFC price, as reported by the Source Agency, rounded to the nearest 100.

(ii) DAILY JAPAN 225 NARROW CALL SPREAD CONTRACTS, 1:25 AM ET⁷² CLOSE – At the commencement of trading in a Daily Japan 225 Narrow Call Spread Variable Payout

⁷¹ During the period when the US observes daylight savings time, all Variable payout Japan 225 contracts will open and close 1 hour later than their regular defined times.

⁷² During the period when the US observes daylight savings time, all Variable payout Japan 225 contracts will open and close 1 hour later than their regular defined times.

Contract, Nadex shall list a set of three (3) Call Spread Contracts with overlapping ranges which conform to the Payout Criteria listed below:

(1) DAILY JAPAN 225 NARROW CALL SPREAD CONTRACT

(aa) CONTRACT 1: The Ceiling shall be X; The Floor shall be X – 400.

(bb) CONTRACT 2; The Ceiling shall be X + 200; The Floor shall be X – 200.

(cc) CONTRACT 3: The Ceiling shall be X + 400; The Floor shall be X.

(dd) DOLLAR MULTIPLIER – The Dollar Multiplier shall be 1.

(2) In each case, “X” equals the last NKFC price, as reported by the Source Agency rounded to the nearest 100.

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

(f) MINIMUM TICK – The Minimum Tick size for Japan 225 Call Spread Contracts shall be 1.

(g) POSITION LIMIT – The Position Limits for Japan 225 Call Spread Contracts shall be 250 Contracts per Class.

(h) MARKET MAKER ALTERNATIVE POSITION LIMIT – The Position Limit for the Japan 225 Call Spread Variable Payout Contracts for contracted Market Makers shall be 500 Contracts per strike level.

(hi) LAST TRADING DATE – The Last Trading Date of the Contract is the same date as the Settlement Date.

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

(jk) EXPIRATION DATE – The Expiration Date of the Contract shall be the date on which the Japan 225 Expiration Value is released by the Source Agency.

(kl) 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.

(~~fm~~) EXPIRATION VALUE – The Expiration Value is the price or value of Japan 225 calculated by the Source Agency on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking all NKFC trade prices occurring in the ten (10) seconds leading up to the close of trading of the Japan 225 Call Spread Contract, provided at least twenty-five (25) trade prices are captured during the ten (10) second period, removing the highest twenty (20) percent of NKFC trade prices and the lowest twenty (20) percent of NKFC trade prices from the data set⁷³, and using the remaining NKFC trade prices to calculate the Expiration Value. The calculation used is a simple average of the remaining NKFC trade prices in the data set, rounded to one decimal point past the precision of the underlying market. In the event the time it takes to collect at least twenty-five (25) NKFC trade prices exceeds the ten (10) seconds just prior to the close of trading of the Japan 225 Call Spread Contract, the Expiration Value is calculated by the Source Agency by taking the last twenty-five (25) NKFC trade prices just prior to the close of trading of the Japan 225 Call Spread Contract removing the highest five (5) NKFC trade prices and the lowest five (5) NKFC trade prices, and using the remaining fifteen (15) NKFC trade prices to calculate the Expiration Value. The calculation used is a simple average of all fifteen (15) NKFC trade prices, rounded to one decimal point past the precision of the underlying market.

(~~mn~~) 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 the Series.

RULE 12.55 JAPAN 225 BINARY CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the Japan 225 Binary Contracts issued by Nadex.

(b) UNDERLYING – The Underlying for this Class of Contracts is the price of the SGX[®] Nikkei 225 Futures contracts (“NKFC”) traded on the Singapore Exchange (SGX)⁷⁴. The NKFC trade prices that

⁷³ If 20% of the data set would result in a non-integer number of trade prices, the number of trade prices to be removed from the set will be rounded down. For example, if the number of trade prices collected during the last 10 seconds prior to the close of trading was 31, 20% of the data set would be 6.2 trade prices. As 6.2 is a non-integer number, the value will be rounded down, and the 6 highest and 6 lowest trade prices will be removed from the data set.

⁷⁴ SGX[®] is a registered service mark of the Singapore Exchange Limited (“SGX”). Nikkei is a registered mark of Nikkei, Inc. All rights in the Trademarks and Futures Trading Data of SGX vest in Singapore Exchange Limited (“SGX”). The Japan 225 Binary Contract is not sponsored, endorsed, sold or promoted by SGX. SGX makes no representation or warranty, express or implied to the investors in the Japan 225 Binary Contract or any member of the public in any manner whatsoever regarding the advisability of investing in any financial product generally or in particularly the Japan 225 Binary Contract. The relationship of SGX towards Nadex is in respect of licensing the use of the SGX Nikkei 225 Index Futures Trading Data. SGX has no obligation to take the needs of the investors of the Japan 225 Binary Contract into consideration in determining, composing or calculating the SGX Nikkei 225 Index Futures Trading Data. SGX is neither responsible for nor has participated in the structure of the Japan 225 Binary Contract. SGX has no obligation or liability in connection with the administration, marketing or trading of the Japan 225 Binary Contract. You are strongly advised to independently verify the accuracy, timeliness and reliability of the Japan 225 Binary Contract and to consult with your investment advisor before investing. Nadex is not affiliated with Nikkei, Inc. and neither Nikkei, Inc., nor its affiliates, sponsor or endorse Nadex or its

will be used to calculate the Underlying will be taken from four (4) NKFC delivery months: March, June, September, or December (each a “NKFC Delivery Month”). The date on which a new delivery month will be used as the Underlying for Nadex contracts (i.e. “Start Date”) is one calendar day after the End Date for the previous delivery month contract. The last day on which a delivery month will be used as the Underlying for Nadex contracts (i.e. “End Date”) is the Monday of the week of the Underlying futures contracts Expiration Date. For example, the SGX Nikkei 225 December 2014 futures have an Expiration Date of December 11, 2014. The last day on which the Nikkei 225 December 2014 futures prices will be used as the Underlying for Nadex contracts and to calculate the Expiration Value on the Expiration Date for the relevant Nikkei 225 contracts will be the Monday of the week of the SGX Nikkei 225 December 2014 futures contracts Expiration Date (i.e. December 11, 2014). Therefore, the End Date for using SGX Nikkei 225 December 2014 futures will be December 8, 2014 and the Start Date for the next delivery month, SGX Nikkei 225 March 2015 futures, will be December 9, 2014⁷⁵.

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

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

(e) PAYOUT CRITERION – The Payout Criterion for each Contract will be set by Nadex at the time the Binary Contracts are initially issued. For the Japan 225 Binary Contract, the Payout Criteria for the Contracts will be set as follows:

(i) WEEKLY JAPAN 225 BINARY CONTRACTS

(1) EXPIRATION TIME – 1:25 AM ET CLOSE⁷⁶

(2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 200.

(3) NUMBER OF STRIKE LEVELS LISTED - Thirteen (13) strike levels will be listed for each Weekly Japan 225 Binary Contract Series.

products in any way. In particular, the Nadex Japan 225 Contracts are not sponsored, endorsed, sold or promoted by Nikkei, Inc.

⁷⁵ Weekly contracts listed on a Monday during a week containing an Underlying futures rollover date will be listed using the Underlying futures month scheduled to be used to determine the settlement value on the day the contract expires. For example, the End Date for the SGX Nikkei 225 December 2014 Underlying futures is December 11, 2014. December 11, 2014 is a Thursday, however, and any Nadex weekly contracts listed during this week and expiring on Friday, December 12, 2014, will be listed using the SGX Nikkei March 2015 futures as its Underlying, as March is the futures month scheduled to be used to determine the Settlement Value of the Nadex weekly contract on its expiration date. Therefore, the Start Date for the SGX Nikkei March 2015 futures will be Monday, December 8, 2014 for any Nadex weekly contracts listed on this date.

⁷⁶ During the period when the US observes daylight savings time, Weekly Japan 225 Binary Contracts will open and close 1 hour later than their regular defined times.

- (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 25 or 75 as reported by the Source Agency. Six (6) strike levels will be generated above Binary Contract W at an interval of 200, and six (6) strike levels will be generated below Binary Contract W at an interval of 200 (e.g. $W - 200$; W ; $W + 200$). The Contract will have a Payout Criterion of greater than the strike level value.

(ii) DAILY JAPAN 225 BINARY CONTRACTS

- (1) EXPIRATION TIME – 1:25 AM ET CLOSE⁷⁷
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 80.
- (3) NUMBER OF STRIKE LEVELS LISTED – Fifteen (15) strike levels will be listed for each Daily Japan 225 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 10 as reported by the Source Agency. Seven (7) strike levels will be generated above Binary Contract X at an interval of 80, and seven (7) strike levels will be generated below Binary Contract X at an interval of 80 (e.g. $X - 80$; X ; $X + 80$). The Contract will have a Payout Criterion of greater than the strike level value.

(iii) Nadex may list additional Japan 225 Binary Contracts with different ranges of Payout Criteria on a discretionary basis in accordance with the CEA and Commission Regulations.

(f) MINIMUM TICK – The Minimum Tick size for the Japan 225 Binary Contracts shall be \$0.25.

(g) POSITION LIMIT – The Position Limits for the Japan 225 Binary Contracts shall be 2,500 Contracts [per Class](#).

⁷⁷ During the period when the US observes daylight savings time, Daily Japan 225 Binary Contracts will open and close 1 hour later than their regular defined times.

(h) MARKET MAKER ALTERNATIVE POSITION LIMIT – The Position Limit for the Japan 225 Binary Contracts for contracted Market Makers shall be 5,000 Contracts per strike level.

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

(hj) SETTLEMENT DATE – The Settlement Date in a Series is the same date as the Expiration Date.

(jk) EXPIRATION DATE – The Expiration Date of the Contract will be the date on which the Japan 225 Expiration Value is released by the Source Agency.

(kl) 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 Japan 225 Binary Contract is \$100.

(lm) EXPIRATION VALUE – The Expiration Value is the price or value of Japan 225 calculated by the Source Agency on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking all NKFC trade prices occurring in the ten (10) seconds leading up to the close of trading of the Japan 225 Binary Contract, provided at least twenty-five (25) trade prices are captured during the ten (10) second period, removing the highest twenty (20) percent of NKFC trade prices and the lowest twenty (20) percent of NKFC trade prices from the data set⁷⁸, and using the remaining NKFC trade prices to calculate the Expiration Value. The calculation used is a simple average of the remaining NKFC trade prices in the data set, rounded to one decimal point past the precision of the underlying market. In the event the time it takes to collect at least twenty-five (25) NKFC trade prices exceeds the ten (10) seconds just prior to the close of trading of the Japan 225 Binary Contract, the Expiration Value is calculated by the Source Agency by taking the last twenty-five (25) NKFC trade prices just prior to the close of trading of the Japan 225 Binary Contract removing the highest five (5) NKFC trade prices and the lowest five (5) NKFC trade prices, and using the remaining fifteen (15) NKFC trade prices to calculate the Expiration Value. The calculation used is a simple average of all fifteen (15) NKFC trade prices, rounded to one decimal point past the precision of the underlying market.

(mn) CONTINGENCIES – If no daily settlement price of the relevant NKFC is announced by the Source Agency, the Settlement Date will be delayed until such daily settlement price for that Series is released and publicly available.

⁷⁸ If 20% of the data set would result in a non-integer number of trade prices, the number of trade prices to be removed from the set will be rounded down. For example, if the number of trade prices collected during the last 10 seconds prior to the close of trading was 31, 20% of the data set would be 6.2 trade prices. As 6.2 is a non-integer number, the value will be rounded down, and the 6 highest and 6 lowest trade prices will be removed from the data set.

RULE 12.56 [RESERVED]

RULE 12.57 CHINA 50 BINARY CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the China 50 Binary Contracts issued by Nadex.

(b) UNDERLYING – The Underlying for this Class of Contracts is the SGX[®] FTSE[®] Xinhua[®] China A50 Index Futures⁷⁹ contracts (“CHFC”) traded on the Singapore Exchange (SGX). The CHFC prices that will be used to calculate the Underlying will be taken from twelve (12) CHFC futures months: January, February, March, April, May, June, July, August, September, October, November, December (each a “CHFC Delivery Month”). The date on which a new delivery month will be used as the Underlying for Nadex contracts (i.e. “Start Date”) is one calendar day after the End Date for the previous delivery month contract. The last day on which a delivery month will be used as the Underlying for Nadex contracts (i.e. “End Date”) is the third business day prior to the last trading day of the Underlying futures contracts Expiration Date. For example, the SGX FTSE Xinhua China A50 Index March 2015 Futures has an Expiration Date of March 30, 2015. The last day on which the China A50 Index March 2015 Futures prices will be used as the Underlying for Nadex contracts and to calculate the Expiration Value on the Expiration Date for the relevant China 50 Contracts will be the third business day prior to the China A50 Index Futures’ Expiration Date (i.e. March 30, 2015). Therefore, the End Date for using the China A50 Index March 2015 Futures will be March 25, 2015, and the Start Date for the next delivery month, China A50 Index April 2015 Futures, will be March 26, 2015.⁸⁰

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

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

⁷⁹ SGX[®] is a registered service mark of the Singapore Exchange Limited (“SGX”). All rights in the Trademarks and Futures Trading Data of SGX vest in Singapore Exchange Limited (“SGX”). The Nadex China 50 Binary Contract is not sponsored, endorsed, sold or promoted by SGX. SGX makes no representation or warranty, express or implied to the investors in the China 50 Binary Contract or any member of the public in any manner whatsoever regarding the advisability of investing in any financial product generally or in particularly the China 50 Binary Contract. The relationship of SGX towards Nadex is in respect of licensing the use of the SGX FTSE Xinhua China A50 Index Futures Trading Data. SGX has no obligation to take the needs of the investors of the China 50 Binary Contract into consideration in determining, composing or calculating the SGX FTSE Xinhua China A50 Index Futures Trading Data. SGX is neither responsible for nor has participated in the structure of the China 50 Binary Contract. SGX has no obligation or liability in connection with the administration, marketing or trading of the China 50 Binary Contract. FTSE[®] is a trade mark jointly owned by the London Stock Exchange plc and the Financial Times Limited. Xinhua[®] is a registered mark of Xinhua Financial Limited.

⁸⁰ Weekly contracts listed on a Monday during a week containing an underlying futures rollover date will be listed using the underlying futures month scheduled to be used to determine the settlement value on the day the contract expires. For example, the last trading date for the SGX FTSE Xinhua China A50 Index Futures March 2015 contract is March 30, 2015. The last trading date the Nadex China 50 Binary Contract would be based on the underlying April 2015 contract month would be March 25, 2015, and the underlying futures month would roll to April 2015 for trade date March 26, 2015. March 26, 2015 is a Thursday, however, and any Nadex weekly contracts listed on this date and expiring on Friday, March 27, 2015, will be listed using the SGX FTSE Xinhua China A50 Index April 2015 Futures as its Underlying, as May is the futures month scheduled to be used to determine the Settlement Value of the Nadex weekly contract on its expiration date. Therefore, the first trading date for the Start Date for the SGX FTSE Xinhua China A50 Index Futures April 2015 futures contract will be Monday, March 23, 2015 for any Nadex weekly contracts listed on this date.

(e) PAYOUT CRITERION – The Payout Criterion for each Contract will be set by Nadex at the time the Binary Contracts are initially issued. For the China 50 Binary Contract, the Payout Criteria for the Contracts will be set as follows:

(i) WEEKLY CHINA 50 BINARY CONTRACTS

- (1) EXPIRATION TIME – 2:55AM ET CLOSE⁸¹
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 200.
- (3) NUMBER OF STRIKE LEVELS LISTED - Thirteen (13) strike levels will be listed for the Weekly China 50 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 25 or 75 as reported by the Source Agency. Six (6) strike levels will be generated above Binary Contract W at an interval of 200, and six (6) strike levels will be generated below Binary Contract W at an interval of 200 (e.g. W – 200; W; W + 200). The Contract will have a Payout Criterion of greater than the strike level value.

(ii) DAILY CHINA 50 BINARY CONTRACTS

- (1) EXPIRATION TIME – 2:55AM ET CLOSE⁸²
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 40.
- (3) NUMBER OF STRIKE LEVELS LISTED - Fifteen (15) strike levels will be listed for the Daily China 50 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 10 as reported by the Source Agency. Seven (7) strike levels will be generated above Binary Contract X at an interval of 40, and seven (7) strike levels will be generated below Binary Contract X at

⁸¹ During the period when the US observes daylight savings time, Weekly China 50 Binary Contracts will open and close 1 hour later than their regular defined times.

⁸² During the period when the US observes daylight savings time, Daily China 50 Binary Contracts will open and close 1 hour later than their regular defined times.

an interval of 40 (e.g. $X - 40$; X ; $X + 40$). The Contract will have a Payout Criterion of greater than the strike level value.

(iii) Nadex may list additional China 50 Binary Contracts with different ranges of Payout Criteria on a discretionary basis in accordance with the CEA and Commission Regulations.

(f) MINIMUM TICK – The Minimum Tick size for the China 50 Binary Contracts shall be \$0.25.

(g) POSITION LIMIT – The Position Limit for the China 50 Binary Contracts shall be 2,500 Contracts per Class.

(h) MARKET MAKER ALTERNATIVE POSITION LIMIT – The Position Limit for the China 50 Binary Contracts for contracted Market Makers shall be 5,000 Contracts per strike level.

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

(~~h~~) SETTLEMENT DATE – The Settlement Date in a Series is the same date as the Expiration Date.

(~~k~~) EXPIRATION DATE – The Expiration Date of the Contract will be the date on which the China 50 Expiration Value is released by the Source Agency.

(~~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 China 50 Binary Contract is \$100.

(~~m~~) EXPIRATION VALUE – The Expiration Value is the price or value of China 50 released by the Source Agency on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking all CHFC trade prices occurring in the ten (10) seconds leading up to the close of trading of the China 50 Variable Contract, provided at least twenty-five (25) trade prices are captured during the ten (10) second period, removing the highest twenty (20) percent of CHFC trade prices and the lowest twenty (20) percent of CHFC trade prices from the data set⁸³, and using the remaining CHFC trade prices to calculate the Expiration Value. The calculation used is a simple average of the remaining CHFC trade prices in the data set, rounded to one decimal point past the precision of the underlying market. In the event the time it takes to collect at least twenty-five (25) CHFC trade prices exceeds the ten (10) seconds just prior to the close of trading of the China 50 Variable Contract, the Expiration Value is calculated by the Source Agency by taking the last twenty-five (25) CHFC trade prices just prior to the close of trading

⁸³ If 20% of the data set would result in a non-integer number of trade prices, the number of trade prices to be removed from the set will be rounded down. For example, if the number of trade prices collected during the last 10 seconds prior to the close of trading was 31, 20% of the data set would be 6.2 trade prices. As 6.2 is a non-integer number, the value will be rounded down, and the 6 highest and 6 lowest trade prices will be removed from the data set.

of the China 50 Variable Contract removing the highest five (5) CHFC trade prices and the lowest five (5) CHFC trade prices, and using the remaining fifteen (15) CHFC trade prices to calculate the Expiration Value. The calculation used is a simple average of all fifteen (15) CHFC trade prices, rounded to one decimal point past the precision of the underlying market.

(iii) CONTINGENCIES – If no daily settlement price of the relevant CHFC is announced by the Source Agency, the Settlement Date will be delayed until such settlement price for that Series is released and publicly available.

RULE 12.58 US 500 VARIABLE PAYOUT CONTRACTS

RULE 12.58.1 US 500 “CALL SPREAD” VARIABLE PAYOUT CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the US 500 Call Spread Variable Payout Contracts, referred to as a ‘Call Spread’, issued by Nadex.

(b) UNDERLYING – The Underlying for this Class of Contracts is the price of the E-mini S&P 500® Futures contracts (“SPFC”) traded on the Chicago Mercantile Exchange® (CME®)⁸⁴. The SPFC trade prices that will be used for the Underlying will be taken from four (4) SPFC delivery months: March, June, September, or December (each a “SPFC Delivery Month”). The date on which a new delivery month will be used as the Underlying for Nadex contracts (i.e. “Start Date”) is one calendar day after the End Date for the previous delivery month contract. The last day on which a delivery month will be used as the Underlying for Nadex contracts (i.e. “End Date”) is the Friday of the week preceding the Underlying futures contracts Expiration Date. For example, the CME e-mini S&P 500 March 2012 futures have an Expiration Date of March 16, 2012. The last day on which the e-mini S&P 500 March 2012 futures prices will be used as the Underlying for Nadex contracts and to calculate the Expiration Value on the Expiration Date for the relevant e-mini S&P 500 contracts will be the Friday of the preceding week. Therefore, the End Date for using CME e-mini S&P 500 March 2012 futures will be March 9, 2012 and the Start Date for the next delivery month, CME e-mini S&P 500 June 2012 futures, will be March 10, 2012.

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

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

(e) 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 US 500 Call Spreads, the Payout Criteria for the Contracts will be set as follows:

⁸⁴ CME® is a registered mark of the Chicago Mercantile Exchange. S&P 500 is a registered mark of the McGraw-Hill Companies, Inc. Nadex is not affiliated with the Chicago Mercantile Exchange or the McGraw-Hill Companies and neither the Chicago Mercantile Exchange, the McGraw-Hill Companies, nor its affiliates, sponsor or endorse Nadex or its products in any way. In particular, the Nadex US 500 Contracts are not sponsored, endorsed, sold or promoted by CME or the McGraw-Hill Companies.

(i) DAILY US 500 CALL SPREAD VARIABLE PAYOUT-CONTRACTS, 4:15 PM ET CLOSE - At the commencement of trading in a Daily US 500 Call Spread, Nadex shall list one (1) Call Spread Contract, which conforms to the Payout Criteria listed below:

(1) DAILY US 500 CALL SPREAD CONTRACT

(aa) CEILING – The Ceiling shall be $X + 40$.

(bb) FLOOR – The Floor shall be $X - 40$.

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

(2) In each case, “X” equals the last SPFC price, as reported by the Source Agency, rounded to the nearest 10.

(ii) DAILY US 500 CALL SPREAD CONTRACTS, 4:15 PM ET CLOSE - Nadex shall list a set of three (3) Call Spread Contracts with overlapping ranges, which conform to the Payout Criteria listed below:

(1) CONTRACT 1: The Ceiling shall be X ; The Floor shall be $X - 40$.

(2) CONTRACT 2: The Ceiling shall be $X + 20$; The Floor shall be $X - 20$.

(3) CONTRACT 3: The Ceiling shall be $X + 40$; The Floor shall be X .

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

(5) In each case, “X” equals the last SPFC price, as reported by the Source Agency, rounded to the nearest 10.

(iii) INTRADAY US 500 CALL SPREAD CONTRACTS, 8AM ET to 4:15 PM ET CLOSE - Nadex shall list a set of five (5) Call Spread Contracts with overlapping ranges, which conform to the Payout Criteria listed below:

(1) CONTRACT 1: The Ceiling shall be $X - 15$; The Floor shall be $X - 45$.

(2) CONTRACT 2: The Ceiling shall be X ; The Floor shall be $X - 30$.

(3) CONTRACT 3: The Ceiling shall be $X + 15$; The Floor shall be $X - 15$.

(4) CONTRACT 4: The Ceiling shall be $X + 30$; The Floor shall be X .

(5) CONTRACT 5: The Ceiling shall be $X + 45$; The Floor shall be $X + 15$.

(6) DOLLAR MULTIPLIER – The Dollar Multiplier shall be 10.

(7) In each case, “X” equals the last SPFC price, as reported by the Source Agency, rounded to the nearest 5.

(iv) INTRADAY 2-HOUR US 500 CALL SPREAD CONTRACTS, 10:00AM, 11:00AM, 12:00PM, 1:00PM, 2:00PM, 3:00PM, 4:00PM ET CLOSE - Nadex shall list a set of five (5) Call Spread 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 Ceiling shall be X - 5; The Floor shall be X - 15.

(2) CONTRACT 2: The Ceiling shall be X; The Floor shall be X - 10.

(3) CONTRACT 3: The Ceiling shall be X + 5; The Floor shall be X - 5.

(4) CONTRACT 4: The Ceiling shall be X + 10; The Floor shall be X.

(5) CONTRACT 5: The Ceiling shall be X + 15; The Floor shall be X + 5.

(6) DOLLAR MULTIPLIER – The Dollar Multiplier shall be 10.

(7) In each case, “X” equals the last SPFC price, as reported by the Source Agency, rounded to the nearest 5.

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

(f) MINIMUM TICK – The Minimum Tick size for US 500 Call Spread Variable Payout Contracts shall be 0.1.

(g) POSITION LIMIT – The Position Limits for US 500 Call Spread Variable Payout Contracts shall be 250 Contracts per Class.

(h) MARKET MAKER ALTERNATIVE POSITION LIMIT – The Position Limit for the US 500 Call Spread Variable Payout Contracts for contracted Market Makers shall be 500 Contracts per strike level.

(~~h~~i) LAST TRADING DATE – The Last Trading Date of the Contract is the same date as the Settlement Date.

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

(jk) EXPIRATION DATE – The Expiration Date of the Contract shall be the date on which the US 500 Expiration Value is released by the Source Agency.

(kl) 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.

(lm) EXPIRATION VALUE - The Expiration Value is the US 500 Index Value as calculated by the Source Agency on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking all SPFC trade prices occurring in the ten (10) seconds leading up to the close of trading of the US 500 Call Spread Contract, provided at least twenty-five (25) trade prices are captured during the ten (10) second period, removing the highest twenty (20) percent of SPFC trade prices and the lowest twenty (20) percent of SPFC trade prices from the data set⁸⁵, and using the remaining SPFC trade prices to calculate the Expiration Value. The calculation used is a simple average of the remaining SPFC trade prices in the data set, rounded to one decimal point past the precision of the underlying market. In the event the time it takes to collect at least twenty-five (25) SPFC trade prices exceeds the ten (10) seconds just prior to the close of trading of the US 500 Call Spread Contract, the Expiration Value is calculated by the Source Agency by taking the last twenty-five (25) SPFC trade prices just prior to the close of trading of the US 500 Call Spread Contract removing the highest five (5) SPFC trade prices and the lowest five (5) SPFC trade prices, and using the remaining fifteen (15) SPFC trade prices to calculate the Expiration Value. The calculation used is a simple average of all fifteen (15) SPFC trade prices, rounded to one decimal point past the precision of the underlying market.

(mn) 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 the Series.

RULE 12.58.2 US 500 “TOUCH BRACKET” VARIABLE PAYOUT CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the US 500 Touch Bracket Variable Payout Contracts, referred to as a ‘Touch Bracket’, issued by Nadex.

(b) UNDERLYING – The Underlying for this Class of Contracts is the price of the E-mini S&P 500® Futures contracts (“SPFC”) traded on the Chicago Mercantile Exchange® (CME®)⁸⁶. The SPFC

⁸⁵ If 20% of the data set would result in a non-integer number of trade prices, the number of trade prices to be removed from the set will be rounded down. For example, if the number of trade prices collected during the last 10 seconds prior to the close of trading was 31, 20% of the data set would be 6.2 trade prices. As 6.2 is a non-integer number, the value will be rounded down, and the 6 highest and 6 lowest trade prices will be removed from the data set.

⁸⁶ CME® is a registered mark of the Chicago Mercantile Exchange. S&P 500 is a registered mark of the McGraw-Hill Companies, Inc. Nadex is not affiliated with the Chicago Mercantile Exchange or the McGraw-Hill Companies and neither the Chicago Mercantile Exchange, the McGraw-Hill Companies, nor its affiliates, sponsor or endorse Nadex or its products

trade prices that will be used for the Underlying will be taken from four (4) SPFC delivery months: March, June, September, or December (each a “SPFC Delivery Month”). The date on which a new delivery month will be used as the Underlying for Nadex contracts (i.e. “Start Date”) is one calendar day after the End Date for the previous delivery month contract. The last day on which a delivery month will be used as the Underlying for Nadex contracts (i.e. “End Date”) is the Friday of the week preceding the Underlying futures contracts Expiration Date. For example, the CME e-mini S&P 500 March 2012 futures have an Expiration Date of March 16, 2012. The last day on which the e-mini S&P 500 March 2012 futures prices will be used as the Underlying for Nadex contracts and to calculate the Expiration Value on the Expiration Date for the relevant e-mini S&P 500 contracts will be the Friday of the preceding week. Therefore, the End Date for using CME e-mini S&P 500 March 2012 futures will be March 9, 2012 and the Start Date for the next delivery month, CME e-mini S&P 500 June 2012 futures, will be March 10, 2012.

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

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

(e) 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 US 500 Touch Bracket Contracts, the Payout Criteria for the Contracts will be set as follows:

(i) WEEKLY US 500 TOUCH BRACKET VARIABLE PAYOUT CONTRACTS, Close Time is the earlier of 4:15PM ET on the last Trade Day of the contract listing, or when the US 500 Index Value is equal to or greater than the Ceiling, or equal to or less than the Floor. Nadex shall list a set of four (4) Touch Bracket Variable Payout Contracts, referred to as a ‘Touch Bracket’, that open at 3:00AM ET on the first Trade Day of the week, with overlapping ranges, which conform to the Payout Criteria listed below.

(1) CONTRACT 1: The Ceiling shall be $X + 40$; The Floor shall be $X - 10$.

(2) CONTRACT 2: The Ceiling shall be $X + 30$; The Floor shall be $X - 20$.

(3) CONTRACT 3: The Ceiling shall be $X + 20$; The Floor shall be $X - 30$.

(4) CONTRACT 4: The Ceiling shall be $X + 10$; The Floor shall be $X - 40$.

(5) DOLLAR MULTIPLIER – The Dollar Multiplier shall be 10.

(6) In each case, “X” equals the last US 500 price, as reported by the Source Agency, rounded to the nearest 1.

in any way. In particular, the Nadex US 500 Contracts are not sponsored, endorsed, sold or promoted by CME or the McGraw-Hill Companies.

(ii) Upon the early Expiration of a , Nadex may list a new with a Ceiling of $X + 40$ (or 10) and a Floor of $X - 10$ (or 40) where X equals the Ceiling (or Floor) of the that expired early. The newly listed will have the same Last Trade Day as originally established for the expired Touch Bracket and the same Dollar Multiplier as the expired Touch Bracket.

(f) MINIMUM TICK – The Minimum Tick size for US 500 Touch Bracket Variable Payout Contracts shall be 0.1.

(g) POSITION LIMIT – The Position Limit for US 500 Touch Bracket Variable Payout Contracts shall be 100 Contracts per Class.

(h) MARKET MAKER ALTERNATIVE POSITION LIMIT – The Position Limit for the US 500 Touch Bracket Variable Payout Contracts for contracted Market Makers shall be 100,000 Contracts per strike level.

(~~h~~i) LAST TRADING DATE – The Last Trading Date of the Contract is the same date as the Settlement Date.

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

(~~j~~k) EXPIRATION DATE – The Expiration Date of the Contract shall be the date on which the US 500 Expiration Value is released by the Source Agency.

(~~k~~l) 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.

(~~m~~) US 500 INDEX VALUE – The Source Agency shall calculate and produce a US 500 Index Value once each second throughout the life of the US 500 Variable Payout contracts. That is, each second the Source Agency will calculate a US 500 Index Value by taking by taking all SPFC trade prices occurring in the ten (10) seconds leading up to the Calculation Time, provided at least twenty-five (25) trade prices are captured during the ten (10) second period, removing the highest twenty (20) percent of SPFC trade prices and the lowest twenty (20) percent of SPFC trade prices from the data set⁸⁷, and using the remaining SPFC trade prices to calculate the US 500 Index Value for that second. The calculation used is a simple average of the remaining SPFC trade prices in the data set, rounded to one decimal point past the precision of the underlying market. In the event the time it takes to collect at least twenty-five

⁸⁷ If 20% of the data set would result in a non-integer number of trade prices, the number of trade prices to be removed from the set will be rounded down. For example, if the number of trade prices collected during the last 10 seconds prior to the close of trading was 31, 20% of the data set would be 6.2 trade prices. As 6.2 is a non-integer number, the value will be rounded down, and the 6 highest and 6 lowest trade prices will be removed from the data set.

(25) SPFC trade prices exceeds the ten (10) second period, the US 500 Index Value will be calculated by the Source Agency by taking the last twenty-five (25) SPFC trade prices just prior to the Calculation Time, removing the highest five (5) SPFC trade prices and the lowest five (5) SPFC trade prices, and using the remaining fifteen (15) SPFC trade prices to calculate the US 500 Index Value. The calculation used is a simple average of all fifteen (15) SPFC trade prices, rounded to one decimal point past the precision of the underlying market.

~~(m)~~ EXPIRATION VALUE - The Expiration Value is the US 500 Index Value released by the Source Agency at Expiration on the Expiration Date.

~~(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 the Series.

RULE 12.59 US 500 BINARY CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the US 500 Binary Contracts issued by Nadex.

(b) UNDERLYING – The Underlying for this Class of Binary Contracts is the price of the E-mini S&P 500® Futures contracts (“SPFC”) traded on the Chicago Mercantile Exchange® (CME®)⁸⁸. The SPFC trade prices that will be used to calculate the Underlying will be taken from four (4) SPFC delivery months: March, June, September, or December (each a “SPFC Delivery Month”). The date on which a new delivery month will be used as the Underlying for Nadex contracts (i.e. “Start Date”) is one calendar day after the End Date for the previous delivery month contract. The last day on which a delivery month will be used as the Underlying for Nadex contracts (i.e. “End Date”) is the Friday of the week preceding the Underlying futures contracts Expiration Date. For example, the CME e-mini S&P 500 March 2012 futures have an Expiration Date of March 16, 2012. The last day on which the e-mini S&P 500 March 2012 futures prices will be used as the Underlying for Nadex contracts and to calculate the Expiration Value on the Expiration Date for the relevant e-mini S&P 500 contracts will be the Friday of the preceding week. Therefore, the End Date for using CME e-mini S&P 500 March 2012 futures will be March 9, 2012 and the Start Date for the next delivery month, CME e-mini S&P 500 June 2012 futures, will be March 10, 2012.

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

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

⁸⁸ CME® is a registered mark of the Chicago Mercantile Exchange. S&P 500 is a registered mark of the McGraw-Hill Companies, Inc. Nadex is not affiliated with the Chicago Mercantile Exchange or the McGraw-Hill Companies and neither the Chicago Mercantile Exchange, the McGraw-Hill Companies, nor its affiliates, sponsor or endorse Nadex or its products in any way. In particular, the Nadex US 500 Contracts are not sponsored, endorsed, sold or promoted by CME or the McGraw-Hill Companies.

(e) PAYOUT CRITERION – The Payout Criterion for each Contract will be set by Nadex at the time the Binary Contracts are initially issued. For the US 500 Binary Contract, the Payout Criteria for the Contracts will be set as follows:

(i) WEEKLY US 500 BINARY CONTRACTS

- (1) EXPIRATION TIME – 4:15PM ET CLOSE
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 24.
- (3) NUMBER OF STRIKE LEVELS LISTED - Thirteen (13) strike levels will be listed for the Weekly US 500 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 .50. Six (6) strike levels will be generated above Binary Contract W at an interval of 24, and six (6) strike levels will be generated below Binary Contract W at an interval of 24 (e.g. W – 24; W; W + 24). The Contract will have a Payout Criterion of greater than the strike level value.

(iii) DAILY US 500 BINARY CONTRACTS

- (1) EXPIRATION TIME – 4:15PM ET CLOSE
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 6.
- (3) NUMBER OF STRIKE LEVELS LISTED - Twenty-one (21) strike levels will be listed for the Daily US 500 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 one (1). Ten (10) strike levels will be generated above Binary Contract X at an interval of 6, and ten (10) strike levels will be generated below Binary Contract X at an interval of 6 (e.g. X – 6; X; X + 6). The Contract will have a Payout Criterion of greater than the strike level value.

(iii) INTRADAY US 500 2-HOUR BINARY CONTRACTS

- (1) EXPIRATION TIME – 10:00AM, 11:00AM, 12:00PM, 1:00PM, 2:00PM, 3:00PM, 4:00PM, 5:00PM ET CLOSE (5:00PM only Monday – Thursday)
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 3.
- (3) NUMBER OF STRIKE LEVELS LISTED - Fifteen (15) strike levels will be listed for each Intraday US 500 2-Hour 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 .10. Seven (7) strike levels will be generated above Binary Contract Y at an interval of 3, and seven (7) strike levels will be generated below Binary Contract Y at an interval of 3 (e.g. $Y - 3$; Y ; $Y + 3$). The Contract will have a Payout Criterion of greater than the strike level value.

(iv) INTRADAY US 500 20-MINUTE BINARY CONTRACTS

- (1) EXPIRATION TIME – 10:00AM, 10:20AM, 10:40AM, 11:00AM, 11:20AM, 2:40PM, 3:00PM, 3:20PM, 3:40PM 4:00PM ET CLOSE
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 1.5.
- (3) NUMBER OF STRIKE LEVELS LISTED – Fifteen (15) strike levels will be listed for each Intraday US 500 20-Minute 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 .05. Seven (7) strike levels will be generated above Binary Contract Z at an interval of 1.5, and seven (7) strike levels will be generated below Binary Contract Z at an interval of 1.5 (e.g. $Z - 1.5$; Z ; $Z + 1.5$). The Contract will have a Payout Criterion of greater than the strike level value.

(v) INTRADAY US 500 20-MINUTE BINARY CONTRACTS

- (1) EXPIRATION TIME – 11:40AM, 12:00PM, 12:20PM, 12:40PM, 1:00PM, 1:20PM, 1:40PM, 2:00PM, 2:20PM ET CLOSE
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 1.

(3) NUMBER OF STRIKE LEVELS LISTED - Fifteen (15) strike levels will be listed for each Intraday US 500 20-Minute 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 .05. Seven (7) strike levels will be generated above Binary Contract Z at an interval of 1, and seven (7) strike levels will be generated below Binary Contract Z at an interval of 1 (e.g. Z - 1; Z; Z + 1). The Contract will have a Payout Criterion of greater than the strike level value.

(vi) Nadex may list additional US 500 Binary Contracts with different ranges of Payout Criteria on a discretionary basis in accordance with the CEA and Commission Regulations.

(f) MINIMUM TICK – The Minimum Tick size for the US 500 Binary Contracts shall be \$0.25.

(g) POSITION LIMIT – The Position Limits for the US 500 Binary Contracts shall be 2,500 Contracts per Class.

(h) MARKET MAKER ALTERNATIVE POSITION LIMIT – The Position Limit for the US 500 Binary Contracts for contracted Market Makers shall be 5,000 Contracts per strike level.

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

~~(j)(i)~~ SETTLEMENT DATE – The Settlement Date in a Series is the same date as the Expiration Date.

~~(k)(j)~~ EXPIRATION DATE – The Expiration Date of the Contract will be the date on which the 500 Expiration Value is released by the Source Agency.

~~(l)(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 US 500 Binary Contract is \$100.

~~(m)(l)~~ EXPIRATION VALUE – The Expiration Value is the price or value of US 500 as calculated by the Source Agency on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking all SPFC trade prices occurring in the ten (10) seconds leading up to the close of trading of the US 500 Binary Contract, provided at least twenty-five (25) trade prices are captured during the ten (10) second period, removing the highest twenty (20) percent of SPFC trade prices and the lowest twenty

(20) percent of SPFC trade prices from the data set⁸⁹, and using the remaining SPFC trade prices to calculate the Expiration Value. The calculation used is a simple average of the remaining SPFC trade prices in the data set, rounded to one decimal point past the precision of the underlying market. In the event the time it takes to collect at least twenty-five (25) SPFC trade prices exceeds the ten (10) seconds just prior to the close of trading of the US 500 Binary Contract, the Expiration Value is calculated by the Source Agency by taking the last twenty-five (25) SPFC trade prices just prior to the close of trading of the US 500 Binary Contract removing the highest five (5) SPFC trade prices and the lowest five (5) SPFC trade prices, and using the remaining fifteen (15) SPFC trade prices to calculate the Expiration Value. The calculation used is a simple average of all fifteen (15) SPFC trade prices, rounded to one decimal point past the precision of the underlying market.

~~(n)(m)~~ CONTINGENCIES – If no daily settlement price of the relevant SPFC is announced by the Source Agency, the Settlement Date will be delayed until such daily settlement price for that Series is released and publicly available.

RULE 12.60 US SMALLCAP 2000 VARIABLE PAYOUT CONTRACTS

RULE 12.60.1 US SMALLCAP 2000 “CALL SPREAD” VARIABLE PAYOUT CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the US SmallCap 2000 Call Spread Variable Payout Contracts, referred to as a ‘Call Spread’, issued by Nadex.

(b) UNDERLYING – The Underlying for this Class of Contracts is the price of the E-mini Russell 2000^{®90} Index Futures contracts (“RUFC”) traded on the Chicago Mercantile Exchange (CME[®])⁹¹. The RUFC trade prices that will be used for the Underlying will be taken from four (4) RUFC delivery months: March, June, September, or December (each a “RUFC Delivery Month”). The date on which a new delivery month will be used as the Underlying for Nadex contracts (i.e. “Start Date”) is one calendar day after the End Date for the previous delivery month contract. The last day on which a delivery month will be used as the Underlying for Nadex contracts (i.e. “End Date”) is the Friday of the week preceding the Underlying futures contracts Expiration Date. For example, the CME E-mini Russell 2000 Index September 2017 Futures has an Expiration Date of September 15, 2017. The last day on which the CME E-mini Russell 2000 Index September 2017 Futures prices will be used as the Underlying for Nadex contracts and to calculate the Expiration Value on the Expiration Date for the relevant CME E-mini Russell 2000 Index Futures contracts will be the Friday of the preceding week. Therefore, the End Date for using CME E-mini Russell 2000 Index September 2017 Futures will be September 8, 2017 and the

⁸⁹ If 20% of the data set would result in a non-integer number of trade prices, the number of trade prices to be removed from the set will be rounded down. For example, if the number of trade prices collected during the last 10 seconds prior to the close of trading was 31, 20% of the data set would be 6.2 trade prices. As 6.2 is a non-integer number, the value will be rounded down, and the 6 highest and 6 lowest trade prices will be removed from the data set.

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⁹¹ CME[®] is a registered mark of the Chicago Mercantile Exchange. Nadex is not affiliated with the Chicago Mercantile Exchange (“CME”), nor its affiliates, and CME does not sponsor or endorse Nadex or its products in any way. In particular, the Nadex US SmallCap 2000 Contracts are not sponsored, endorsed, sold or promoted by CME.

Start Date for the next delivery month, CME E-mini Russell 2000 Index December 2017 Futures, will be September 9, 2017.

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

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

(e) 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 US SmallCap 2000 Call Spread_Contract, the Payout Criteria for the Contracts will be set as follows:

(i) DAILY US SMALLCAP 2000 CALL SPREAD VARIABLE PAYOUT CONTRACTS, 4:15 PM ET CLOSE - At the commencement of trading in a Daily US SmallCap 2000 Call Spread, Nadex shall list one (1) Call Spread Contract, which conforms to the Payout Criteria listed below:

(1) DAILY US SMALLCAP 2000 CALL SPREAD CONTRACT

(aa) CEILING – The Ceiling shall be $X + 30$.

(bb) FLOOR – The Floor shall be $X - 30$.

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

(2) In each case, “X” equals the last RUFC price, as reported by the Source Agency, rounded to the nearest 5.

(ii) DAILY US SMALLCAP 2000 CALL SPREAD CONTRACTS, 4:15 PM ET CLOSE - Nadex shall list a set of three (3) Call Spread Contracts with overlapping ranges, which conform to the Payout Criteria listed below:

(1) CONTRACT 1: The Ceiling shall be X; The Floor shall be $X - 30$.

(2) CONTRACT 2: The Ceiling shall be $X + 15$; The Floor shall be $X - 15$.

(3) CONTRACT 3: The Ceiling shall be $X + 30$; The Floor shall be X.

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

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

(iii) INTRADAY US SMALLCAP 2000 CALL SPREAD CONTRACTS, 8AM ET to 4:15 PM ET CLOSE - Nadex shall list a set of five (5) Call Spread Contracts with overlapping ranges, which conform to the Payout Criteria listed below:

(1) CONTRACT 1: The Ceiling shall be $X - 10$; The Floor shall be $X - 30$.

(2) CONTRACT 2: The Ceiling shall be X ; The Floor shall be $X - 20$.

(3) CONTRACT 3: The Ceiling shall be $X + 10$; The Floor shall be $X - 10$.

(4) CONTRACT 4: The Ceiling shall be $X + 20$; The Floor shall be X .

(5) CONTRACT 5: The Ceiling shall be $X + 30$; The Floor shall be $X + 10$.

(6) DOLLAR MULTIPLIER – The Dollar Multiplier shall be 10.

(7) In each case, “X” equals the last RUFC price, as reported by the Source Agency, rounded to the nearest 5.

(iv) INTRADAY 2-HOUR US SMALLCAP 2000 CALL SPREAD CONTRACTS, 10:00AM, 11:00AM, 12:00PM, 1:00PM, 2:00PM, 3:00PM, 4:00PM ET CLOSE - Nadex shall list a set of five (5) Call Spread 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 Ceiling shall be $X - 3.5$; The Floor shall be $X - 10.5$.

(2) CONTRACT 2: The Ceiling shall be X ; The Floor shall be $X - 7$.

(3) CONTRACT 3: The Ceiling shall be $X + 3.5$; The Floor shall be $X - 3.5$.

(4) CONTRACT 4: The Ceiling shall be $X + 7$; The Floor shall be X .

(5) CONTRACT 5: The Ceiling shall be $X + 10.5$; The Floor shall be $X + 3.5$.

(6) DOLLAR MULTIPLIER – The Dollar Multiplier shall be 10.

(7) In each case, “X” equals the last RUFC price, as reported by the Source Agency, rounded to the nearest 1.

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

(f) MINIMUM TICK – The Minimum Tick size for US SmallCap 2000 Call Spread Variable Payout Contracts shall be 0.1.

(g) POSITION LIMIT – The Position Limits for US SmallCap 2000 Call Spread Variable Payout Contracts shall be 250 Contracts per Class.

(h) MARKET MAKER ALTERNATIVE POSITION LIMIT – The Position Limit for the US SmallCap 2000 Call Spread Variable Payout Contracts for contracted Market Makers shall be 500 Contracts per strike level.

(hi) LAST TRADING DATE – The Last Trading Date of the Contract is the same date as the Settlement Date.

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

(hk) EXPIRATION DATE – The Expiration Date of the Contract shall be the date on which the US SmallCap 2000 Expiration Value is released by the Source Agency.

(hl) 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.

(hm) EXPIRATION VALUE – The Expiration Value is the US SmallCap 2000 Index Value as calculated by the Source Agency on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking all RUFC trade prices occurring in the ten (10) seconds leading up to the close of trading of the US SmallCap 2000 Call Spread Contract, provided at least twenty-five (25) trade prices are captured during the ten (10) second period, removing the highest twenty (20) percent of RUFC trade prices and the lowest twenty (20) percent of RUFC trade prices from the data set⁹², and using the remaining RUFC trade prices to calculate the Expiration Value. The calculation used is a simple average of the remaining RUFC trade prices in the data set, rounded to one decimal point past the precision of the underlying market. In the event the time it takes to collect at least twenty-five (25) RUFC trade prices exceeds the ten (10) seconds just prior to the close of trading of the US SmallCap 2000 Call Spread Contract, the Expiration Value is calculated by the Source Agency by taking the last twenty-five (25) RUFC trade prices just prior to the close of trading of the US SmallCap 2000 Call Spread Contract removing the highest five (5) RUFC trade prices and the lowest five (5) RUFC trade prices, and using the remaining fifteen (15) RUFC trade prices to calculate the Expiration Value. The calculation used is a simple average of all fifteen (15) RUFC trade prices, rounded to one decimal point past the precision of the underlying market.

⁹² If 20% of the data set would result in a non-integer number of trade prices, the number of trade prices to be removed from the set will be rounded down. For example, if the number of trade prices collected during the last 10 seconds prior to the close of trading was 31, 20% of the data set would be 6.2 trade prices. As 6.2 is a non-integer number, the value will be rounded down, and the 6 highest and 6 lowest trade prices will be removed from the data set.

(iii) CONTINGENCIES – If no daily settlement price of the relevant RUFC is announced by the Source Agency, the Settlement Date will be delayed until such daily settlement price for that Series is released and publicly available.

RULE 12.60.2 US SMALLCAP 2000 “TOUCH BRACKET” VARIABLE PAYOUT CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the US SmallCap 2000 Touch Bracket Variable Payout Contracts, referred to as a ‘Touch Bracket’, issued by Nadex.

(b) UNDERLYING – The Underlying for this Class of Contracts is the price of the E-mini Russell 2000⁹³ Index Futures contracts (“RUFC”) traded on the Chicago Mercantile Exchange (CME[®])⁹⁴. The RUFC trade prices that will be used for the Underlying will be taken from four (4) RUFC delivery months: March, June, September, or December (each a “RUFC Delivery Month”). The date on which a new delivery month will be used as the Underlying for Nadex contracts (i.e. “Start Date”) is one calendar day after the End Date for the previous delivery month contract. The last day on which a delivery month will be used as the Underlying for Nadex contracts (i.e. “End Date”) is the Friday of the week preceding the Underlying futures contracts Expiration Date. For example, the CME E-mini Russell 2000 Index September 2017 Futures has an Expiration Date of September 15, 2017. The last day on which the CME E-mini Russell 2000 Index September 2017 Futures prices will be used as the Underlying for Nadex contracts and to calculate the Expiration Value on the Expiration Date for the relevant CME E-mini Russell 2000 Index Futures contracts will be the Friday of the preceding week. Therefore, the End Date for using CME E-mini Russell 2000 Index September 2017 Futures will be September 8, 2017 and the Start Date for the next delivery month, CME E-mini Russell 2000 Index December 2017 Futures, will be September 9, 2017.

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

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

(e) 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 US SmallCap 2000 Touch Bracket Contracts, the Payout Criteria for the Contracts will be set as follows:

(i) WEEKLY US SMALLCAP 2000 TOUCH BRACKET VARIABLE PAYOUT CONTRACTS, Close Time is the earlier of 4:15PM ET on the last Trade Day of the contract listing, or when the US SmallCap 2000 Index Value is equal to or greater than the Ceiling, or equal to or less than the Floor. Nadex shall list a set of four (4) Touch Bracket Variable Payout Contracts, referred

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to as a 'Touch Bracket', that open at 3:00AM ET on the first Trade Day of the week, with overlapping ranges, which conform to the Payout Criteria listed below.

(1) CONTRACT 1: The Ceiling shall be $X + 40$; The Floor shall be $X - 10$.

(2) CONTRACT 2: The Ceiling shall be $X + 30$; The Floor shall be $X - 20$.

(3) CONTRACT 3: The Ceiling shall be $X + 20$; The Floor shall be $X - 30$.

(4) CONTRACT 4: The Ceiling shall be $X + 10$; The Floor shall be $X - 40$.

(5) DOLLAR MULTIPLIER – The Dollar Multiplier shall be 10.

(6) In each case, "X" equals the last US SmallCap 2000 price, as reported by the Source Agency, rounded to the nearest 1.

(ii) Upon the early Expiration of a Touch Bracket, Nadex may list a new Touch Bracket with a Ceiling of $X + 40$ (or 10) and a Floor of $X - 10$ (or 40) where X equals the Ceiling (or Floor) of the Touch Bracket that expired early. The newly listed Touch Bracket will have the same Last Trade Day as originally established for the expired Touch Bracket and the same Dollar Multiplier as the expired Touch Bracket.

(f) MINIMUM TICK – The Minimum Tick size for US SmallCap 2000 Touch Bracket Variable Payout Contracts shall be 0.1.

(g) POSITION LIMIT – The Position Limit for US SmallCap 2000 Touch Bracket Variable Payout Contracts shall be 100 Contracts per Class.

(h) MARKET MAKER ALTERNATIVE POSITION LIMIT – The Position Limit for the US SmallCap 2000 Touch Bracket Variable Payout Contracts for contracted Market Makers shall be 100,000 Contracts per strike level.

(hi) LAST TRADING DATE – The Last Trading Date of the Contract is the same date as the Settlement Date.

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

(jk) EXPIRATION DATE – The Expiration Date of the Contract shall be the date on which the US SmallCap 2000 Expiration Value is released by the Source Agency.

(~~k~~) 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.

(~~h~~m) US SMALLCAP 2000 INDEX VALUE – The Source Agency shall calculate and produce a US SmallCap 2000 Index Value once each second throughout the life of the US SmallCap 2000 Variable Payout contracts. That is, each second the Source Agency will calculate a US SmallCap 2000 Index Value by taking by taking all RUFC trade prices occurring in the ten (10) seconds leading up to the Calculation Time, provided at least twenty-five (25) trade prices are captured during the ten (10) second period, removing the highest twenty (20) percent of RUFC trade prices and the lowest twenty (20) percent of RUFC trade prices from the data set⁹⁵, and using the remaining RUFC trade prices to calculate the US SmallCap 2000 Index Value for that second. The calculation used is a simple average of the remaining RUFC trade prices in the data set, rounded to one decimal point past the precision of the underlying market. In the event the time it takes to collect at least twenty-five (25) RUFC trade prices exceeds the ten (10) second period, the US SmallCap 2000 Index Value will be calculated by the Source Agency by taking the last twenty-five (25) RUFC trade prices just prior to the Calculation Time, removing the highest five (5) RUFC trade prices and the lowest five (5) RUFC trade prices, and using the remaining fifteen (15) RUFC trade prices to calculate the US SmallCap 2000 Index Value. The calculation used is a simple average of all fifteen (15) RUFC trade prices, rounded to one decimal point past the precision of the underlying market.

(~~m~~n) EXPIRATION VALUE – The Expiration Value is the US SmallCap 2000 Index Value as released by the Source Agency at Expiration

(~~n~~o) CONTINGENCIES – If no daily settlement price of the relevant RUFC is announced by the Source Agency, the Settlement Date will be delayed until such daily settlement price for that Series is released and publicly available.

RULE 12.61 US SMALLCAP 2000 BINARY CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the US SmallCap 2000 Binary Contracts issued by Nadex.

⁹⁵ If 20% of the data set would result in a non-integer number of trade prices, the number of trade prices to be removed from the set will be rounded down. For example, if the number of trade prices collected during the last 10 seconds prior to the close of trading was 31, 20% of the data set would be 6.2 trade prices. As 6.2 is a non-integer number, the value will be rounded down, and the 6 highest and 6 lowest trade prices will be removed from the data set.

(b) UNDERLYING – The Underlying for this Class of Contracts is the price of the E-mini Russell 2000⁹⁶ Index Futures contracts (“RUFC”) traded on the Chicago Mercantile Exchange (CME[®])⁹⁷. The RUFC trade prices that will be used for the Underlying will be taken from four (4) RUFC delivery months: March, June, September, or December (each a “RUFC Delivery Month”). The date on which a new delivery month will be used as the Underlying for Nadex contracts (i.e. “Start Date”) is one calendar day after the End Date for the previous delivery month contract. The last day on which a delivery month will be used as the Underlying for Nadex contracts (i.e. “End Date”) is the Friday of the week preceding the Underlying futures contracts Expiration Date. For example, the CME E-mini Russell 2000 Index September 2017 Futures has an Expiration Date of September 15, 2017. The last day on which the CME E-mini Russell 2000 Index September 2017 Futures prices will be used as the Underlying for Nadex contracts and to calculate the Expiration Value on the Expiration Date for the relevant CME E-mini Russell 2000 Index Futures contracts will be the Friday of the preceding week. Therefore, the End Date for using CME E-mini Russell 2000 Index September 2017 Futures will be September 8, 2017 and the Start Date for the next delivery month, CME E-mini Russell 2000 Index December 2017 Futures, will be September 9, 2017.

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

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

(e) PAYOUT CRITERION – The Payout Criterion for each Contract will be set by Nadex at the time the Binary Contracts are initially issued. For the US SmallCap 2000 Binary Contract, the Payout Criteria for the Contracts will be set as follows:

(i) WEEKLY US SMALLCAP 2000 BINARY CONTRACTS

- (1) EXPIRATION TIME – 4:15PM ET CLOSE
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 24.
- (3) NUMBER OF STRIKE LEVELS LISTED - Thirteen (13) strike levels will be listed for the Weekly US SmallCap 2000 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 one (1). Six (6) strike levels

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will be generated above Binary Contract W at an interval of 24, and six (6) strike levels will be generated below Binary Contract W at an interval of 24 (e.g. $W - 24$; W ; $W + 24$). The Contract will have a Payout Criterion of greater than the strike level value.

(ii) DAILY US SMALLCAP 2000 BINARY CONTRACTS

- (1) EXPIRATION TIME – 4:15PM ET CLOSE
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 4.
- (3) NUMBER OF STRIKE LEVELS LISTED - Twenty-one (21) strike levels will be listed for the Daily US SmallCap 2000 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 one (1). Ten (10) strike levels will be generated above Binary Contract X at an interval of 4, and ten (10) strike levels will be generated below Binary Contract X at an interval of 4 (e.g. $X - 4$; X ; $X + 4$). The Contract will have a Payout Criterion of greater than the strike level value.

(iii) INTRADAY US SMALLCAP 2000 2-HOUR BINARY CONTRACTS

- (1) EXPIRATION TIME – 10:00AM, 11:00AM, 12:00PM, 1:00PM, 2:00PM, 3:00PM, 4:00PM, 5:00PM ET CLOSE (5:00PM only Monday – Thursday)
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 2.8.
- (3) NUMBER OF STRIKE LEVELS LISTED - Fifteen (15) strike levels will be listed for each Intraday US SmallCap 2000 2-Hour 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 .10. Seven (7) strike levels will be generated above Binary Contract Y at an interval of 2.8, and seven (7) strike levels will be generated below Binary Contract Y at an interval of 2.8 (e.g. $Y - 2.8$; Y ; $Y + 2.8$). The Contract will have a Payout Criterion of greater than the strike level value.

(iv) INTRADAY US SMALLCAP 2000 20-MINUTE BINARY CONTRACTS

- (1) EXPIRATION TIME – 10:00AM, 10:20AM, 10:40AM, 11:00AM, 11:20AM, 2:40PM, 3:00PM, 3:20PM, 3:40PM 4:00PM ET CLOSE
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 1.4.
- (3) NUMBER OF STRIKE LEVELS LISTED – Fifteen (15) strike levels will be listed for each Intraday US SmallCap 2000 20-Minute 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 .10. Seven (7) strike levels will be generated above Binary Contract Z at an interval of 1.4, and seven (7) strike levels will be generated below Binary Contract Z at an interval of 1.4 (e.g. $Z - 1.4$; Z ; $Z + 1.4$). The Contract will have a Payout Criterion of greater than the strike level value.

(v) INTRADAY US SMALLCAP 2000 20-MINUTE BINARY CONTRACTS

- (1) EXPIRATION TIME – 11:40AM, 12:00PM, 12:20PM, 12:40PM, 1:00PM, 1:20PM, 1:40PM, 2:00PM, 2:20PM ET CLOSE
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 1.2.
- (3) NUMBER OF STRIKE LEVELS LISTED - Fifteen (15) strike levels will be listed for each Intraday US SmallCap 2000 20-Minute 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 .10. Seven (7) strike levels will be generated above Binary Contract Z at an interval of 1.2, and seven (7) strike levels will be generated below Binary Contract Z at an interval of 1.2 (e.g. $Z - 1.2$; Z ; $Z + 1.2$). The Contract will have a Payout Criterion of greater than the strike level value.

(vi) Nadex may list additional US SmallCap 2000 Binary Contracts with different ranges of Payout Criteria on a discretionary basis in accordance with the CEA and Commission Regulations.

(f) MINIMUM TICK – The Minimum Tick size for the US SmallCap 2000 Binary Contracts shall be \$0.25.

(g) POSITION LIMIT – The Position Limits for the US SmallCap 2000 Binary Contracts shall be 2,500 Contracts per Class.

(h) MARKET MAKER ALTERNATIVE POSITION LIMIT – The Position Limit for the US SmallCap 2000 Binary Contracts for contracted Market Makers shall be 5,000 Contracts per strike level.

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

(~~j~~i) SETTLEMENT DATE – The Settlement Date in a Series is the same date as the Expiration Date.

(~~j~~k) EXPIRATION DATE – The Expiration Date of the Contract will be the date on which the 500 Expiration Value is released by the Source Agency.

(~~k~~l) 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 US SmallCap 2000 Binary Contract is \$100.

(~~l~~m) EXPIRATION VALUE – The Expiration Value is the level of US SmallCap 2000 as calculated by the Source Agency on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking all RUFC trade prices occurring in the ten (10) seconds leading up to the close of trading of the US SmallCap 2000 Binary Contract, provided at least twenty-five (25) trade prices are captured during the ten (10) second period, removing the highest twenty (20) percent of RUFC trade prices and the lowest twenty (20) percent of RUFC trade prices from the data set⁹⁸, and using the remaining RUFC trade prices to calculate the Expiration Value. The calculation used is a simple average of the remaining RUFC trade prices in the data set, rounded to one decimal point past the precision of the underlying market. In the event the time it takes to collect at least twenty-five (25) RUFC trade prices exceeds the ten (10) seconds just prior to the close of trading of the US SmallCap 2000 Binary Contract, the Expiration Value is calculated by the Source Agency by taking the last twenty-five (25) RUFC trade prices just prior to the close of trading of the US SmallCap 2000 Binary Contract removing the highest five (5) RUFC trade prices and the lowest five (5) RUFC trade prices, and using the remaining fifteen (15) RUFC trade prices to calculate the Expiration Value. The calculation used is a simple average of all fifteen (15) RUFC trade prices, rounded to one decimal point past the precision of the underlying market.

⁹⁸ If 20% of the data set would result in a non-integer number of trade prices, the number of trade prices to be removed from the set will be rounded down. For example, if the number of trade prices collected during the last 10 seconds prior to the close of trading was 31, 20% of the data set would be 6.2 trade prices. As 6.2 is a non-integer number, the value will be rounded down, and the 6 highest and 6 lowest trade prices will be removed from the data set.

(m) CONTINGENCIES – If no daily settlement price of the relevant RUFC is announced by the Source Agency, the Settlement Date will be delayed until such daily settlement price for that Series is released and publicly available.

RULE 12.62 US TECH 100 VARIABLE PAYOUT CONTRACTS

RULE 12.62.1 US TECH 100 “CALL SPREAD” VARIABLE PAYOUT CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the US Tech 100 Call Spread Variable Payout Contracts, referred to as a ‘Call Spread’, issued by Nadex.

(b) UNDERLYING – The Underlying for this Class of Contracts is the price of the E-mini NASDAQ 100® Futures contracts (“NQFC”) traded on the Chicago Mercantile Exchange (CME®)⁹⁹. The NQFC trade prices that will be used to calculate the Underlying will be taken from four (4) NQFC delivery months: March, June, September, or December (each a “NQFC Delivery Month”). The date on which a new delivery month will be used as the Underlying for Nadex contracts (i.e. “Start Date”) is one calendar day after the End Date for the previous delivery month contract. The last day on which a delivery month will be used as the Underlying for Nadex contracts (i.e. “End Date”) is the Friday of the week preceding the Underlying futures contracts Expiration Date. For example, the CME e-mini NASDAQ 100 March 2012 futures have an Expiration Date of March 16, 2012. The last day on which the e-mini NASDAQ 100 March 2012 futures prices will be used as the Underlying for Nadex contracts and to calculate the Expiration Value on the Expiration Date for the relevant e-mini NASDAQ 100 contracts will be the Friday of the preceding week. Therefore, the End Date for using CME e-mini NASDAQ 100 March 2012 futures will be March 9, 2012 and the Start Date for the next delivery month, CME e-mini NASDAQ 100 June 2012 futures, will be March 10, 2012.

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

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

(e) 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 US Tech 100 Call Spreads, the Payout Criteria for the Contracts will be set as follows:

(i) DAILY US TECH 100 CALL SPREAD VARIABLE PAYOUT CONTRACTS, 4:15 PM ET CLOSE - At the commencement of trading in a Daily Spread US Tech 100

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Call Spread, Nadex shall list one (1) Call Spread Contract, which conforms to the Payout Criteria listed below:

(1) DAILY US TECH 100 CALL SPREAD CONTRACT

(aa) CEILING – The Ceiling shall be $X + 100$

(bb) FLOOR – The Floor shall be $X - 100$.

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

(2) In each case, “X” equals the last NQFC price, as reported by the Source Agency, rounded to the nearest 10.

(ii) DAILY US TECH 100 CALL SPREAD CONTRACTS, 4:15 PM ET CLOSE - Nadex shall list a set of three (3) Call Spread Contracts with overlapping ranges, which conform to the Payout Criteria listed below:

(1) CONTRACT 1: The Ceiling shall be X ; The Floor shall be $X - 100$.

(2) CONTRACT 2: The Ceiling shall be $X + 50$; The Floor shall be $X - 50$.

(3) CONTRACT 3: The Ceiling shall be $X + 100$; The Floor shall be X .

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

(5) In each case, “X” equals the last NQFC price, as reported by the Source Agency, rounded to the nearest 10.

(iii) INTRADAY US TECH 100 CALL SPREAD CONTRACTS, 8AM ET to 4:15 PM ET CLOSE - Nadex shall list a set of five (5) Call Spread Contracts with overlapping ranges, which conform to the Payout Criteria listed below:

(1) CONTRACT 1: The Ceiling shall be $X - 45$; The Floor shall be $X - 135$.

(2) CONTRACT 2: The Ceiling shall be X ; The Floor shall be $X - 90$.

(3) CONTRACT 3: The Ceiling shall be $X + 45$; The Floor shall be $X - 45$.

(4) CONTRACT 4: The Ceiling shall be $X + 90$; The Floor shall be X .

(5) CONTRACT 5: The Ceiling shall be $X + 135$; The Floor shall be $X + 45$.

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

(7) In each case, “X” equals the last NQFC price, as reported by the Source Agency, rounded to the nearest 10.

(iv) INTRADAY 2-HOUR US TECH 100 CALL SPREAD CONTRACTS, 10:00AM, 11:00AM, 12:00PM, 1:00PM, 2:00PM, 3:00PM, 4:00PM ET CLOSE - Nadex shall list a set of five (5) Call Spread 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 Ceiling shall be $X - 25$; The Floor shall be $X - 75$.

(2) CONTRACT 2: The Ceiling shall be X ; The Floor shall be $X - 50$.

(3) CONTRACT 3: The Ceiling shall be $X + 25$; The Floor shall be $X - 25$.

(4) CONTRACT 4: The Ceiling shall be $X + 50$; The Floor shall be X .

(5) CONTRACT 5: The Ceiling shall be $X + 75$; The Floor shall be $X + 25$.

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

(7) In each case, “X” equals the last NQFC price, as reported by the Source Agency, rounded to the nearest 5.

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

(f) MINIMUM TICK – The Minimum Tick size for US Tech 100 Call Spread Variable Payout Contracts shall be 0.25.

(g) POSITION LIMIT – The Position Limits for US Tech 100 Call Spread Variable Payout Contracts shall be 250 Contracts per Class.

(h) MARKET MAKER ALTERNATIVE POSITION LIMIT – The Position Limit for the US Tech 100 Call Spread Variable Payout Contracts for contracted Market Makers shall be 500 Contracts per strike level.

(hi) LAST TRADING DATE – The Last Trading Date of the Contract is the same date as the Settlement Date.

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

(~~jk~~) EXPIRATION DATE – The Expiration Date of the Contract shall be the date on which the US Tech 100 Expiration Value is released by the Source Agency.

(~~kl~~) 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.

(~~lm~~) EXPIRATION VALUE – The Expiration Value is the US Tech 100 Index Value as calculated by the Source Agency on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking all NQFC trade prices occurring in the ten (10) seconds leading up to the close of trading of the US Tech 100 Call Spread Contract, provided at least twenty-five (25) trade prices are captured during the ten (10) second period, removing the highest twenty (20) percent of NQFC trade prices and the lowest twenty (20) percent of NQFC trade prices from the data set¹⁰⁰, and using the remaining NQFC trade prices to calculate the Expiration Value. The calculation used is a simple average of the remaining NQFC trade prices in the data set, rounded to one decimal point past the precision of the underlying market. In the event the time it takes to collect at least twenty-five (25) NQFC trade prices exceeds the ten (10) seconds just prior to the close of trading of the US Tech 100 Call Spread Contract, the Expiration Value is calculated by the Source Agency by taking the last twenty-five (25) NQFC trade prices just prior to the close of trading of the US Tech 100 Call Spread Contract removing the highest five (5) NQFC trade prices and the lowest five (5) NQFC trade prices, and using the remaining fifteen (15) NQFC trade prices to calculate the Expiration Value. The calculation used is a simple average of all fifteen (15) NQFC trade prices, rounded to one decimal point past the precision of the underlying market.

(~~mn~~) 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 the Series.

RULE 12.62.2 US TECH 100 “TOUCH BRACKET” VARIABLE PAYOUT CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the US Tech 100 Touch Bracket Variable Payout Contracts, referred to as a ‘Touch Bracket’, issued by Nadex.

(b) UNDERLYING – The Underlying for this Class of Contracts is the price of the E-mini NASDAQ 100® Futures contracts (“NQFC”) traded on the Chicago Mercantile Exchange (CME®)¹⁰¹.

¹⁰⁰ If 20% of the data set would result in a non-integer number of trade prices, the number of trade prices to be removed from the set will be rounded down. For example, if the number of trade prices collected during the last 10 seconds prior to the close of trading was 31, 20% of the data set would be 6.2 trade prices. As 6.2 is a non-integer number, the value will be rounded down, and the 6 highest and 6 lowest trade prices will be removed from the data set.

¹⁰¹ CME® is a registered mark of the Chicago Mercantile Exchange. NASDAQ-100 are registered marks of the Nasdaq Stock Market, Inc. Nadex is not affiliated with the Chicago Mercantile Exchange or Nasdaq Stock Market and neither the Chicago Mercantile Exchange, the Nasdaq Market, nor its affiliates, sponsor or endorse Nadex or its products in any way. In

The NQFC trade prices that will be used to calculate the Underlying will be taken from four (4) NQFC delivery months: March, June, September, or December (each a “NQFC Delivery Month”). The date on which a new delivery month will be used as the Underlying for Nadex contracts (i.e. “Start Date”) is one calendar day after the End Date for the previous delivery month contract. The last day on which a delivery month will be used as the Underlying for Nadex contracts (i.e. “End Date”) is the Friday of the week preceding the Underlying futures contracts Expiration Date. For example, the CME e-mini NASDAQ 100 March 2012 futures have an Expiration Date of March 16, 2012. The last day on which the e-mini NASDAQ 100 March 2012 futures prices will be used as the Underlying for Nadex contracts and to calculate the Expiration Value on the Expiration Date for the relevant e-mini NASDAQ 100 contracts will be the Friday of the preceding week. Therefore, the End Date for using CME e-mini NASDAQ 100 March 2012 futures will be March 9, 2012 and the Start Date for the next delivery month, CME e-mini NASDAQ 100 June 2012 futures, will be March 10, 2012.

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

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

(e) 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 US Tech 100 Touch Bracket Contracts, the Payout Criteria for the Contracts will be set as follows:

(i) WEEKLY US TECH 100 TOUCH BRACKET VARIABLE PAYOUT CONTRACTS, Close Time is the earlier of 4:15PM ET on the last Trade Day of the contract listing, or when the US Tech 100 Index Value is equal to or greater than the Ceiling, or equal to or less than the Floor. Nadex shall list a set of four (4) Touch Bracket Variable Payout Contracts, referred to as a ‘Touch Bracket’, that open at 3:00AM ET on the first Trade Day of the week, with overlapping ranges, which conform to the Payout Criteria listed below.

(1) CONTRACT 1: The Ceiling shall be $X + 120$; The Floor shall be $X - 30$.

(2) CONTRACT 2: The Ceiling shall be $X + 90$; The Floor shall be $X - 60$.

(3) CONTRACT 3: The Ceiling shall be $X + 60$; The Floor shall be $X - 90$.

(4) CONTRACT 4: The Ceiling shall be $X + 30$; The Floor shall be $X - 120$.

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

(6) In each case, “X” equals the last US Tech 100 price, as reported by the Source Agency, rounded to the nearest 1.

particular, the Nadex US Tech 100 Contracts are not sponsored, endorsed, sold or promoted by CME or the Nasdaq Stock Market.

(ii) Upon the early Expiration of a Touch Bracket, Nadex may list a new Touch Bracket with a Ceiling of $X + 120$ (or 30) and a Floor of $X - 30$ (or 120) where X equals the Ceiling (or Floor) of the Touch Bracket that expired early. The newly listed Touch Bracket will have the same Last Trade Day as originally established for the expired Touch Bracket and the same Dollar Multiplier as the expired Touch Bracket.

(f) MINIMUM TICK – The Minimum Tick size for the US Tech 100 Touch Bracket Variable Payout Contracts shall be 0.25.

(g) POSITION LIMIT – The Position Limit for US Tech 100 Touch Bracket Variable Payout Contracts shall be 100 Contracts per Class.

(h) MARKET MAKER ALTERNATIVE POSITION LIMIT – The Position Limit for the US Tech 100 Touch Bracket Variable Payout Contracts for contracted Market Makers shall be 100,000 Contracts per strike level.

(hi) LAST TRADING DATE – The Last Trading Date of the Contract is the same date as the Settlement Date.

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

(jk) EXPIRATION DATE – The Expiration Date of the Contract shall be the date on which the US Tech 100 Expiration Value is released by the Source Agency.

(kl) 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.

(lm) US TECH 100 INDEX VALUE – The Source Agency shall calculate and produce a US Tech 100 Index Value once each second throughout the life of the US Tech 100 Variable Payout contracts. That is, each second the Source Agency will calculate a US Tech 100 Index Value by taking by taking all NQFC trade prices occurring in the ten (10) seconds leading up to the Calculation Time, provided at least twenty-five (25) trade prices are captured during the ten (10) second period, removing the highest twenty (20) percent of NQFC trade prices and the lowest twenty (20) percent of NQFC trade prices from the data set¹⁰², and using the remaining NQFC trade prices to calculate the US Tech 100 Index Value for that second. The calculation used is a simple average of the remaining NQFC trade prices in the data set,

¹⁰² If 20% of the data set would result in a non-integer number of trade prices, the number of trade prices to be removed from the set will be rounded down. For example, if the number of trade prices collected during the last 10 seconds prior to the close of trading was 31, 20% of the data set would be 6.2 trade prices. As 6.2 is a non-integer number, the value will be rounded down, and the 6 highest and 6 lowest trade prices will be removed from the data set.

rounded to one decimal point past the precision of the underlying market. In the event the time it takes to collect at least twenty-five (25) NQFC trade prices exceeds the ten (10) second period, the US Tech 100 Index Value will be calculated by the Source Agency by taking the last twenty-five (25) NQFC trade prices just prior to the Calculation Time, removing the highest five (5) NQFC trade prices and the lowest five (5) NQFC trade prices, and using the remaining fifteen (15) NQFC trade prices to calculate the US Tech 100 Index Value. The calculation used is a simple average of all fifteen (15) NQFC trade prices, rounded to one decimal point past the precision of the underlying market.

(m) EXPIRATION VALUE – The Expiration Value is the US Tech 100 Index Value as released by the Source Agency at Expiration.

(n) 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 the Series.

RULE 12.63 US TECH 100 BINARY CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the US Tech 100 Binary Contracts issued by Nadex.

(b) UNDERLYING – The Underlying for this Class of Binary Contracts is the price of the E-mini NASDAQ 100® Futures contracts (“NQFC”) traded on the Chicago Mercantile Exchange® (CME®)¹⁰³. The NQFC trade prices that will be used to calculate the Underlying will be taken from four (4) NQFC delivery months: March, June, September, or December (each a “NQFC Delivery Month”). The date on which a new delivery month will be used as the Underlying for Nadex contracts (i.e. “Start Date”) is one calendar day after the End Date for the previous delivery month contract. The last day on which a delivery month will be used as the Underlying for Nadex contracts (i.e. “End Date”) is the Friday of the week preceding the Underlying futures contracts Expiration Date. For example, the CME e-mini NASDAQ 100 March 2012 futures have an Expiration Date of March 16, 2012. The last day on which the e-mini NASDAQ 100 March 2012 futures prices will be used as the Underlying for Nadex contracts and to calculate the Expiration Value on the Expiration Date for the relevant e-mini NASDAQ 100 contracts will be the Friday of the preceding week. Therefore, the End Date for using CME e-mini NASDAQ 100 March 2012 futures will be March 9, 2012 and the Start Date for the next delivery month, CME e-mini NASDAQ 100 June 2012 futures, will be March 10, 2012.

¹⁰³ CME® is a registered mark of the Chicago Mercantile Exchange. NASDAQ-100 are registered marks of the Nasdaq Stock Market, Inc. Nadex is not affiliated with the Chicago Mercantile Exchange or Nasdaq Stock Market and neither the Chicago Mercantile Exchange, the Nasdaq Market, nor its affiliates, sponsor or endorse Nadex or its products in any way. In particular, the Nadex US Tech 100 Contracts are not sponsored, endorsed, sold or promoted by CME or the Nasdaq Stock Market.

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

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

(e) PAYOUT CRITERION – The Payout Criterion for each Contract will be set by Nadex at the time the Binary Contracts are initially issued. For the US Tech 100 Binary Contract, the Payout Criteria for the Contracts will be set as follows:

(i) WEEKLY US TECH 100 BINARY CONTRACTS

- (1) EXPIRATION TIME – 4:15PM ET CLOSE
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 144.
- (3) NUMBER OF STRIKE LEVELS LISTED - Thirteen (13) strike levels will be listed for the Weekly US Tech 100 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 one (1). Six (6) strike levels will be generated above Binary Contract W at an interval of 144, and six (6) strike levels will be generated below Binary Contract W at an interval of 144 (e.g. W – 144; W; W + 144). The Contract will have a Payout Criterion of greater than the strike level value.

(ii) DAILY US TECH 100 BINARY CONTRACTS

- (1) EXPIRATION TIME – 4:15PM ET CLOSE
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 24.
- (3) NUMBER OF STRIKE LEVELS LISTED - Twenty-one (21) strike levels will be listed for the Daily US Tech 100 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 one (1). Ten (10) strike levels will be generated above Binary Contract X at an interval of 24, and ten (10) strike levels will be generated below Binary Contract X at an interval of 24 (e.g. X – 24; X;

X + 24). The Contract will have a Payout Criterion of greater than the strike level value.

(iii) INTRADAY US TECH 100 2-HOUR BINARY CONTRACTS

- (1) EXPIRATION TIME – 10:00AM, 11:00AM, 12:00PM, 1:00PM, 2:00PM, 3:00PM, 4:00PM, 5:00PM ET CLOSE (5:00PM only Monday – Thursday)
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 12.
- (3) NUMBER OF STRIKE LEVELS LISTED - Fifteen (15) strike levels will be listed for each Intraday US Tech 100 2-Hour 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 one (1). Seven (7) strike levels will be generated above Binary Contract Y at an interval of 12, and seven (7) strike levels will be generated below Binary Contract Y at an interval of 12 (e.g. Y – 12; Y; Y + 12). The Contract will have a Payout Criterion of greater than the strike level value.

(iv) INTRADAY US TECH 100 20-MINUTE BINARY CONTRACTS

- (1) EXPIRATION TIME – 10:00AM, 10:20AM, 10:40AM, 11:00AM, 11:20AM, 2:40PM, 3:00PM, 3:20PM, 3:40PM 4:00PM ET CLOSE
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 4.
- (3) NUMBER OF STRIKE LEVELS LISTED – Fifteen (15) strike levels will be listed for each Intraday US Tech 100 20-Minute 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 0.5. Seven (7) strike levels will be generated above Binary Contract Z at an interval of 4, and seven (7) strike levels will be generated below Binary Contract Z at an interval of 4 (e.g. Z - 4; Z; Z + 4). The Contract will have a Payout Criterion of greater than the strike level value.

(v) INTRADAY US TECH 100 20-MINUTE BINARY CONTRACTS

- (1) EXPIRATION TIME – 11:40AM, 12:00PM, 12:20PM, 12:40PM, 1:00PM, 1:20PM, 1:40PM, 2:00PM, 2:20PM ET CLOSE
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 3.
- (3) NUMBER OF STRIKE LEVELS LISTED – Fifteen (15) strike levels will be listed for each Intraday US Tech 100 20-Minute 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 0.5. Seven (7) strike levels will be generated above Binary Contract Z at an interval of 3, and seven (7) strike levels will be generated below Binary Contract Z at an interval of 3 (e.g. $Z - 3$; Z ; $Z + 3$). The Contract will have a Payout Criterion of greater than the strike level value.

(vi) Nadex may list additional US Tech 100 Binary Contracts with different ranges of Payout Criteria on a discretionary basis in accordance with the CEA and Commission Regulations.

(f) MINIMUM TICK – The Minimum Tick size for the US Tech 100 Binary Contracts shall be \$0.25.

(g) POSITION LIMIT – The Position Limits for the US Tech 100 Binary Contracts shall be 2,500 Contracts per Class.

(h) MARKET MAKER ALTERNATIVE POSITION LIMIT – The Position Limit for the US Tech 100 Binary Contracts for contracted Market Makers shall be 5,000 Contracts per strike level.

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

(~~i~~j) SETTLEMENT DATE – The Settlement Date in a Series is the same date as the Expiration Date.

(~~j~~k) EXPIRATION DATE – The Expiration Date of the Contract will be the date on which the US Tech 100 Expiration Value is released by the Source Agency.

(~~k~~l) 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 US Tech 100 Binary Contract is \$100.

(m) EXPIRATION VALUE – The Expiration Value is the level of US Tech 100 as calculated by the Source Agency on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking all NQFC trade prices occurring in the ten (10) seconds leading up to the close of trading of the US Tech 100 Binary Contract, provided at least twenty-five (25) trade prices are captured during the ten (10) second period, removing the highest twenty (20) percent of NQFC trade prices and the lowest twenty (20) percent of NQFC trade prices from the data set¹⁰⁴, and using the remaining NQFC trade prices to calculate the Expiration Value. The calculation used is a simple average of the remaining NQFC trade prices in the data set, rounded to one decimal point past the precision of the underlying market. In the event the time it takes to collect at least twenty-five (25) NQFC trade prices exceeds the ten (10) seconds just prior to the close of trading of the US Tech 100 Binary Contract, the Expiration Value is calculated by the Source Agency by taking the last twenty-five (25) NQFC trade prices just prior to the close of trading of the US Tech 100 Binary Contract removing the highest five (5) NQFC trade prices and the lowest five (5) NQFC trade prices, and using the remaining fifteen (15) NQFC trade prices to calculate the Expiration Value. The calculation used is a simple average of all fifteen (15) NQFC trade prices, rounded to one decimal point past the precision of the underlying market.

(nn) CONTINGENCIES – If no daily settlement price of the relevant NQFC is announced by the Source Agency, the Settlement Date will be delayed until such daily settlement price for that Series is released and publicly available.

RULE 12.64 WALL STREET 30 VARIABLE PAYOUT CONTRACTS

RULE 12.64.1 WALL STREET 30 “CALL SPREAD” VARIABLE PAYOUT CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the Wall Street 30 Call Spread Variable Payout Contracts, referred to as a ‘Call Spread’, issued by Nadex.

(b) UNDERLYING – The Underlying for this Class of Contracts is the price of the E-mini Dow® Futures contracts (“DJFC”) traded on the Chicago Board of Trade (CBOT®)¹⁰⁵. The DJFC trade prices that will be used to calculate the Underlying will be taken from four (4) DJFC delivery months: March, June, September, or December (each a “DJFC Delivery Month”). The date on which a new delivery month will be used as the Underlying for Nadex contracts (i.e. “Start Date”) is one calendar day after the End Date for the previous delivery month contract. The last day on which a delivery month will be used

¹⁰⁴ If 20% of the data set would result in a non-integer number of trade prices, the number of trade prices to be removed from the set will be rounded down. For example, if the number of trade prices collected during the last 10 seconds prior to the close of trading was 31, 20% of the data set would be 6.2 trade prices. As 6.2 is a non-integer number, the value will be rounded down, and the 6 highest and 6 lowest trade prices will be removed from the data set.

¹⁰⁵ CBOT® is a registered service mark of the Board of Trade of the City of Chicago, “Dow Jones,” “DJIA,” and “The Dow” are registered trademarks of Dow Jones & Company, Inc. Nadex is not affiliated with the Board of Trade of the City of Chicago or Dow Jones and neither the Board of Trade of the City of Chicago, Dow Jones, nor its affiliates, sponsor or endorse Nadex or its products in any way. In particular, the Nadex Wall Street 30 Contracts are not sponsored, endorsed, sold or promoted by CBOT or Dow Jones.

as the Underlying for Nadex contracts (i.e. “End Date”) is the Friday of the week preceding the Underlying futures contracts Expiration Date. For example, the CME e-mini Dow March 2012 futures have an Expiration Date of March 16, 2012. The last day on which the e-mini Dow March 2012 futures prices will be used as the Underlying for Nadex contracts and to calculate the Expiration Value on the Expiration Date for the relevant e-mini Dow contracts will be the Friday of the preceding week. Therefore, the End Date for using CME e-mini Dow March 2012 futures will be March 9, 2012 and the Start Date for the next delivery month, CME e-mini Dow June 2012 futures, will be March 10, 2012.

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

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

(e) 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 Wall Street 30 Call Spreads, the Payout Criteria for the Contracts will be set as follows:

(i) DAILY WALL STREET 30 CALL SPREAD VARIABLE PAYOUT CONTRACTS, 4:15 PM ET CLOSE - At the commencement of trading in a Daily Wall Street 30 Call Spread, Nadex shall list one (1) Call Spread Contract, which conforms to the Payout Criteria listed below:

(1) DAILY WALL STREET 30 CALL SPREAD CONTRACT

(aa) CEILING – The Ceiling shall be $X + 400$.

(bb) FLOOR – The Floor shall be $X - 400$.

(cc) DOLLAR MULTIPLIER – The Dollar Multiplier shall be 1.

(2) In each case, “X” equals the last DJFC price, as reported by the Source Agency, rounded to the nearest 100.

(ii) DAILY WALL STREET 30 CALL SPREAD CONTRACTS, 4:15 PM ET CLOSE - Nadex shall list a set of three (3) Call Spread Payout Contracts with overlapping ranges, which conform to the Payout Criteria listed below:

(1) CONTRACT 1: The Ceiling shall be X; The Floor shall be $X - 400$.

(2) CONTRACT 2: The Ceiling shall be $X + 200$; The Floor shall be $X - 200$.

(3) CONTRACT 3: The Ceiling shall be $X + 400$; The Floor shall be X.

(4) DOLLAR MULTIPLIER – The Dollar Multiplier shall be 1.

(5) In each case, “X” equals the last DJFC price, as reported by the Source Agency, rounded to the nearest 100.

(iii) INTRADAY WALL STREET 30 CALL SPREAD CONTRACTS, 8AM ET to 4:15 PM ET CLOSE - Nadex shall list a set of five (5) Call Spread Contracts with overlapping ranges, which conform to the Payout Criteria listed below:

(1) CONTRACT 1: The Ceiling shall be $X - 150$; The Floor shall be $X - 450$.

(2) CONTRACT 2: The Ceiling shall be X ; The Floor shall be $X - 300$.

(3) CONTRACT 3: The Ceiling shall be $X + 150$; The Floor shall be $X - 150$.

(4) CONTRACT 4: The Ceiling shall be $X + 300$; The Floor shall be X .

(5) CONTRACT 5: The Ceiling shall be $X + 450$; The Floor shall be $X + 150$.

(6) DOLLAR MULTIPLIER – The Dollar Multiplier shall be 1.

(7) In each case, “X” equals the last DJFC price, as reported by the Source Agency, rounded to the nearest 50.

(iv) INTRADAY 2-HOUR WALL STREET 30 CALL SPREAD CONTRACTS, 10:00AM, 11:00AM, 12:00PM, 1:00PM, 2:00PM, 3:00PM, 4:00PM ET CLOSE - Nadex shall list a set of five (5) Call Spread 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 Ceiling shall be $X - 50$; The Floor shall be $X - 150$.

(2) CONTRACT 1: The Ceiling shall be X ; The Floor shall be $X - 100$.

(3) CONTRACT 2: The Ceiling shall be $X + 50$; The Floor shall be $X - 50$.

(4) CONTRACT 3: The Ceiling shall be $X + 100$; The Floor shall be X .

(5) CONTRACT 5: The Ceiling shall be $X + 150$; The Floor shall be $X + 50$.

(6) DOLLAR MULTIPLIER – The Dollar Multiplier shall be 1.

(7) In each case, “X” equals the last DJFC price, as reported by the Source Agency, rounded to the nearest 5.

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

(f) MINIMUM TICK – The Minimum Tick size for Wall Street 30 Call Spread Variable Payout Contracts shall be 1.

(g) POSITION LIMIT – The Position Limits for Wall Street 30 Call Spread Variable Payout Contracts shall be 250 Contracts per Class.

(h) MARKET MAKER ALTERNATIVE POSITION LIMIT – The Position Limit for the Wall Street 30 Call Spread Variable Payout Contracts for contracted Market Makers shall be 500 Contracts per strike level.

(~~h~~i) LAST TRADING DATE – The Last Trading Date of the Contract is the same date as the Settlement Date.

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

(~~j~~k) EXPIRATION DATE – The Expiration Date of the Contract shall be the date on which the Wall Street 30 Expiration Value is released by the Source Agency.

(~~k~~l) 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.

(~~m~~) EXPIRATION VALUE – The Expiration Value is the Wall Street 30 Index Value as calculated by the Source Agency on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking all DJFC trade prices occurring in the ten (10) seconds leading up to the close of trading of the Wall Street 30 Call Spread Contract, provided at least twenty-five (25) trade prices are captured during the ten (10) second period, removing the highest twenty (20) percent of DJFC trade prices and the lowest twenty (20) percent of DJFC trade prices from the data set¹⁰⁶, and using the remaining DJFC trade prices to calculate the Expiration Value. The calculation used is a simple average of the remaining DJFC trade prices in the data set, rounded to the precision of the underlying market. In the event the time it takes to collect at least twenty-five (25) DJFC trade prices exceeds the ten (10) seconds just prior to the close of trading of the Wall Street 30 Call Spread Contract, the Expiration Value is calculated by the Source Agency by taking the last twenty-five (25) DJFC trade prices just prior to the close of trading of the Wall Street 30 Call Spread Contract removing the highest five (5) DJFC trade prices and the lowest five (5) DJFC trade prices, and using the remaining fifteen (15) DJFC trade prices to calculate the

¹⁰⁶ If 20% of the data set would result in a non-integer number of trade prices, the number of trade prices to be removed from the set will be rounded down. For example, if the number of trade prices collected during the last 10 seconds prior to the close of trading was 31, 20% of the data set would be 6.2 trade prices. As 6.2 is a non-integer number, the value will be rounded down, and the 6 highest and 6 lowest trade prices will be removed from the data set.

Expiration Value. The calculation used is a simple average of all fifteen (15) DJFC trade prices, rounded to the precision of the underlying market.

(iii) 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 the Series.

RULE 12.64.2 WALL STREET 30 “TOUCH BRACKET” VARIABLE PAYOUT CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the Wall Street 30 Touch Bracket Variable Payout Contracts, referred to as a ‘Touch Bracket’, issued by Nadex.

(b) UNDERLYING – The Underlying for this Class of Contracts is the price of the E-mini Dow® Futures contracts (“DJFC”) traded on the Chicago Board of Trade (CBOT®)¹⁰⁷. The DJFC trade prices that will be used to calculate the Underlying will be taken from four (4) DJFC delivery months: March, June, September, or December (each a “DJFC Delivery Month”). The date on which a new delivery month will be used as the Underlying for Nadex contracts (i.e. “Start Date”) is one calendar day after the End Date for the previous delivery month contract. The last day on which a delivery month will be used as the Underlying for Nadex contracts (i.e. “End Date”) is the Friday of the week preceding the Underlying futures contracts Expiration Date. For example, the CME e-mini Dow March 2012 futures have an Expiration Date of March 16, 2012. The last day on which the e-mini Dow March 2012 futures prices will be used as the Underlying for Nadex contracts and to calculate the Expiration Value on the Expiration Date for the relevant e-mini Dow contracts will be the Friday of the preceding week. Therefore, the End Date for using CME e-mini Dow March 2012 futures will be March 9, 2012 and the Start Date for the next delivery month, CME e-mini Dow June 2012 futures, will be March 10, 2012.

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

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

(e) 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 Wall Street 30 Touch Bracket Contracts the Payout Criteria for the Contracts will be set as follows:

(i) WEEKLY WALL STREET 30 TOUCH BRACKET VARIABLE PAYOUT CONTRACTS, Close Time is the earlier of 4:15PM ET on the last Trade Day of the contract listing, or when the Wall Street 30 Index Value is equal to or greater than the Ceiling, or equal to or less than the Floor. Nadex shall list a set of four (4) Touch Bracket Variable Payout Contracts, referred to as a

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‘Touch Bracket’, that open at 3:00AM ET on the first Trade Day of the week, with overlapping ranges, which conform to the Payout Criteria listed below.

(1) CONTRACT 1: The Ceiling shall be $X + 400$; The Floor shall be $X - 100$.

(2) CONTRACT 2: The Ceiling shall be $X + 300$; The Floor shall be $X - 200$.

(3) CONTRACT 3: The Ceiling shall be $X + 200$; The Floor shall be $X - 300$.

(4) CONTRACT 4: The Ceiling shall be $X + 100$; The Floor shall be $X - 400$.

(5) DOLLAR MULTIPLIER – The Dollar Multiplier shall be 1.

(6) In each case, “X” equals the last Wall Street 30 price, as reported by the Source Agency, rounded to the nearest 10.

(ii) Upon the early Expiration of a Touch Bracket, Nadex may list a new Touch Bracket with a Ceiling of $X + 400$ (or 100) and a Floor of $X - 100$ (or 400) where X equals the Ceiling (or Floor) of the Touch Bracket that expired early. The newly listed Touch Bracket will have the same Last Trade Day as originally established for the expired Touch Bracket and the same Dollar Multiplier as the expired Touch Bracket.

(f) MINIMUM TICK – The Minimum Tick size for Wall Street 30 Touch Bracket Variable Payout Contracts shall be 1.

(g) POSITION LIMIT – The Position Limit for Wall Street 30 Touch Bracket Variable Payout Contracts shall be 100 Contracts per Class.

(h) MARKET MAKER ALTERNATIVE POSITION LIMIT – The Position Limit for the Wall Street 30 Touch Bracket Variable Payout Contracts for contracted Market Makers shall be 100,000 Contracts per strike level.

(hi) LAST TRADING DATE – The Last Trading Date of the Contract is the same date as the Settlement Date.

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

(jk) EXPIRATION DATE – The Expiration Date of the Contract shall be the date on which the Wall Street 30 Expiration Value is released by the Source Agency.

(k) 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.

(m) WALL STREET 30 INDEX VALUE – The Source Agency shall calculate and produce a Wall Street 30 Index Value once each second throughout the life of the Wall Street 30 Variable Payout contracts. That is, each second the Source Agency will calculate a Wall Street 30 Index Value by taking by taking all DJFC trade prices occurring in the ten (10) seconds leading up to the Calculation Time, provided at least twenty-five (25) trade prices are captured during the ten (10) second period, removing the highest twenty (20) percent of DJFC trade prices and the lowest twenty (20) percent of DJFC trade prices from the data set¹⁰⁸, and using the remaining DJFC trade prices to calculate the Wall Street 30 Index Value for that second. The calculation used is a simple average of the remaining DJFC trade prices in the data set, rounded to the precision of the underlying market. In the event the time it takes to collect at least twenty-five (25) DJFC trade prices exceeds the ten (10) second period, the Wall Street 30 Index Value will be calculated by the Source Agency by taking the last twenty-five (25) DJFC trade prices just prior to the Calculation Time, removing the highest five (5) DJFC trade prices and the lowest five (5) DJFC trade prices, and using the remaining fifteen (15) DJFC trade prices to calculate the Wall Street 30 Index Value. The calculation used is a simple average of all fifteen (15) DJFC trade prices, rounded to the precision of the underlying market.

(n) EXPIRATION VALUE – The Expiration Value is the Wall Street 30 Index Value as released by the Source Agency at Expiration.

(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 the Series.

RULE 12.65 WALL STREET 30 BINARY CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the Wall Street 30 Binary Contracts issued by Nadex.

(b) UNDERLYING – The Underlying for this Class of Contracts is the price of the E-mini Dow® Futures contracts (“DJFC”) traded on the Chicago Board of Trade (CBOT®)¹⁰⁹. The DJFC trade prices

¹⁰⁸ If 20% of the data set would result in a non-integer number of trade prices, the number of trade prices to be removed from the set will be rounded down. For example, if the number of trade prices collected during the last 10 seconds prior to the close of trading was 31, 20% of the data set would be 6.2 trade prices. As 6.2 is a non-integer number, the value will be rounded down, and the 6 highest and 6 lowest trade prices will be removed from the data set.

¹⁰⁹ CBOT® is a registered service mark of the Board of Trade of the City of Chicago, “Dow Jones,” “DJIA,” and “The Dow” are registered trademarks of Dow Jones & Company, Inc. Nadex is not affiliated with the Board of Trade of the City of Chicago or Dow Jones and neither the Board of Trade of the City of Chicago, Dow Jones, nor its affiliates, sponsor or

that will be used to calculate the Underlying will be taken from four (4) DJFC delivery months: March, June, September, or December (each a “DJFC Delivery Month”). The date on which a new delivery month will be used as the Underlying for Nadex contracts (i.e. “Start Date”) is one calendar day after the End Date for the previous delivery month contract. The last day on which a delivery month will be used as the Underlying for Nadex contracts (i.e. “End Date”) is the Friday of the week preceding the Underlying futures contracts Expiration Date. For example, the CME e-mini Dow March 2012 futures have an Expiration Date of March 16, 2012. The last day on which the e-mini Dow March 2012 futures prices will be used as the Underlying for Nadex contracts and to calculate the Expiration Value on the Expiration Date for the relevant e-mini Dow contracts will be the Friday of the preceding week. Therefore, the End Date for using CME e-mini Dow March 2012 futures will be March 9, 2012 and the Start Date for the next delivery month, CME e-mini Dow June 2012 futures, will be March 10, 2012.

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

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

(e) PAYOUT CRITERION – The Payout Criterion for each Contract will be set by Nadex at the time the Binary Contracts are initially issued. For the Wall Street 30 Binary Contract, the Payout Criteria for the Contracts will be set as follows:

(i) WEEKLY WALL STREET 30 BINARY CONTRACTS

(1) EXPIRATION TIME – 4:15PM ET CLOSE

(1) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 200.

(2) NUMBER OF STRIKE LEVELS LISTED - Thirteen (13) strike levels will be listed for the Weekly Wall Street 30 Binary Contract Series.

(3) 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 one (1). Six (6) strike levels will be generated above Binary Contract W at an interval of 200, and six (6) strike levels will be generated below Binary Contract W at an interval of 200 (e.g. $W - 200$; W ; $W + 200$). The Contract will have a Payout Criterion of greater than the strike level value.

(ii) DAILY WALL STREET 30 BINARY CONTRACTS

endorse Nadex or its products in any way. In particular, the Nadex Wall Street 30 Contracts are not sponsored, endorsed, sold or promoted by CBOT or Dow Jones.

(1) EXPIRATION TIME – 4:15PM ET CLOSE

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

(3) NUMBER OF STRIKE LEVELS LISTED - Twenty-one (21) strike levels will be listed for the Daily Wall Street 30 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 one (1). Ten (10) strike levels will be generated above Binary Contract X at an interval of 40, and ten (10) strike levels will be generated below Binary Contract X at an interval of 40 (e.g. X – 40; X; X + 40). The Contract will have a Payout Criterion of greater than the strike level value.

(iii) INTRADAY WALL STREET 30 2-HOUR BINARY CONTRACTS

(1) EXPIRATION TIME – 10:00AM, 11:00AM, 12:00PM, 1:00PM, 2:00PM, 3:00PM, 4:00PM, 5:00PM ET CLOSE (5:00PM only Monday – Thursday)

(2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 24.

(3) NUMBER OF STRIKE LEVELS LISTED - Fifteen (15) strike levels will be listed for each Intraday Wall Street 30 2-Hour 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 one value ending in 1, 3, 5, 7, or 9 as reported by the Source Agency. Seven (7) strike levels will be generated above Binary Contract Y at an interval of 24, and seven (7) strike levels will be generated below Binary Contract Y at an interval of 24 (e.g. Y – 24; Y; Y + 24). The Contract will have a Payout Criterion of greater than the strike level value.

(iv) INTRADAY WALL STREET 30 20-MINUTE BINARY CONTRACTS

(1) EXPIRATION TIME – 10:00AM, 10:20AM, 10:40AM, 11:00AM, 11:20AM, 2:40PM, 3:00PM, 3:20PM, 3:40PM 4:00PM ET CLOSE

(2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 8.

- (3) NUMBER OF STRIKE LEVELS LISTED - Fifteen (15) strike levels will be listed for each Intraday Wall Street 30 20-Minute 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 either 0, 2, 4, 6, or 8. Seven (7) strike levels will be generated above Binary Contract Z at an interval of 8, and seven (7) strike levels will be generated below Binary Contract Z at an interval of 8 (e.g. $Z - 8$; Z ; $Z + 8$). The Contract will have a Payout Criterion of greater than the strike level value.

(v) INTRADAY WALL STREET 30 20-MINUTE BINARY CONTRACTS

- (1) EXPIRATION TIME – 11:40AM, 12:00PM, 12:20PM, 12:40PM, 1:00PM, 1:20PM, 1:40PM, 2:00PM, 2:20PM ET CLOSE
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 6.
- (3) NUMBER OF STRIKE LEVELS LISTED - Fifteen (15) strike levels will be listed for each Intraday Wall Street 30 20-Minute 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 either 0, 2, 4, 6, or 8. Seven (7) strike levels will be generated above Binary Contract Z at an interval of 6, and seven (7) strike levels will be generated below Binary Contract Z at an interval of 6 (e.g. $Z - 6$; Z ; $Z + 6$). The Contract will have a Payout Criterion of greater than the strike level value.

(vi) Nadex may list additional Wall Street 30 Binary Contracts with different ranges of Payout Criteria on a discretionary basis in accordance with the CEA and Commission Regulations.

(f) MINIMUM TICK – The Minimum Tick size for the Wall Street 30 Binary Contracts shall be \$0.25.

(g) POSITION LIMIT – The Position Limits for the Wall Street 30 Binary Contracts shall be 2,500 Contracts per Class.

(h) MARKET MAKER ALTERNATIVE POSITION LIMIT – The Position Limit for the Wall Street 30 Binary Contracts for contracted Market Makers shall be 5,000 Contracts per strike level.

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

(hj) SETTLEMENT DATE – The Settlement Date in a Series is the same date as the Expiration Date.

(jk) EXPIRATION DATE – The Expiration Date of the Contract will be the date on which the Wall Street 30 Expiration Value is released by the Source Agency.

(kl) 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 Wall Street 30 Binary Contract is \$100.

(lm) EXPIRATION VALUE – The Expiration Value is the level of Wall Street 30 as calculated by the Source Agency on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking all DJFC trade prices occurring in the ten (10) seconds leading up to the close of trading of the Wall Street 30 Binary Contract, provided at least twenty-five (25) trade prices are captured during the ten (10) second period, removing the highest twenty (20) percent of DJFC trade prices and the lowest twenty (20) percent of DJFC trade prices from the data set¹¹⁰, and using the remaining DJFC trade prices to calculate the Expiration Value. The calculation used is a simple average of the remaining DJFC trade prices in the data set, rounded to the precision of the underlying market. In the event the time it takes to collect at least twenty-five (25) DJFC trade prices exceeds the ten (10) seconds just prior to the close of trading of the Wall Street 30 Binary Contract, the Expiration Value is calculated by the Source Agency by taking the last twenty-five (25) DJFC trade prices just prior to the close of trading of the Wall Street 30 Binary Contract removing the highest five (5) DJFC trade prices and the lowest five (5) DJFC trade prices, and using the remaining fifteen (15) DJFC trade prices to calculate the Expiration Value. The calculation used is a simple average of all fifteen (15) DJFC trade prices, rounded to the precision of the underlying market.

(mn) CONTINGENCIES – If no daily settlement price of the relevant DJFC is announced by the Source Agency, the Settlement Date will be delayed until such daily settlement price for that Series is released and publicly available.

¹¹⁰ If 20% of the data set would result in a non-integer number of trade prices, the number of trade prices to be removed from the set will be rounded down. For example, if the number of trade prices collected during the last 10 seconds prior to the close of trading was 31, 20% of the data set would be 6.2 trade prices. As 6.2 is a non-integer number, the value will be rounded down, and the 6 highest and 6 lowest trade prices will be removed from the data set.

RULES 12.66 – 12.71 [RESERVED]

RULE 12.72 INITIAL JOBLESS CLAIMS BINARY CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the Initial Jobless Claims Binary Contract issued by Nadex.

(b) UNDERLYING – The Underlying for this Class of Contracts is the number of claims submitted for unemployment insurance benefits (seasonally adjusted and hereinafter referred to as “Initial Jobless Claims” or “Initial Claims”) last reported by the U.S. Department of Labor, Employment and Training Administration (“ETA”) Division. The Start Date for the Initial Jobless Claims Binary Contracts will be at least two business days prior to the next Expiration Date. The End Date will be the Last Trading Date.

(c) SOURCE AGENCY – The Source Agency is the U.S. Department of Labor.

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

(e) PAYOUT CRITERION - The Payout Criterion for each Contract will be set by Nadex at the time the Binary Contracts are initially issued. For the Initial Jobless Claims Binary Contract, the Payout Criteria for the Contracts will be set as follows:

(i) WEEKLY INITIAL JOBLESS CLAIMS BINARY CONTRACTS

(1) At the commencement of trading in a Jobless Claims Binary Contract, Nadex shall list all eligible Payout Criteria in a range of five (5) consecutive increments between 2,000 and 30,000, as determined by Nadex, with the contract Payout Criteria of greater than (>) the Expiration Value. For example, Nadex may list the following range of Payout Criteria (using a 10,000 increment): 607,000, 617,000, 627,000, 637,000, and 647,000. The following week, Nadex may list the following range of Payout Criteria (using a 5,000 increment): 610,000, 615,000, 620,000, 625,000, and 630,000.

(2) In each case above, “X” equals the first Payout Criteria listed. In the first example above, this is 607,000; in the second example above, this is 610,000.

(ii) Nadex may list additional Initial Jobless Claims Binary Contract with different ranges of Payout Criteria on a discretionary basis in accordance with the CEA and Commission Regulations.

(f) MINIMUM TICK – The Minimum Tick size for the Initial Jobless Claims Binary Contracts shall be \$0.25.

(g) POSITION LIMIT – The Position Limits for the Initial Jobless Claims Binary Contracts shall be 150 Contracts per Class.

(h) MARKET MAKER ALTERNATIVE POSITION LIMIT – The Position Limit for the Initial Jobless Claims Binary Contracts for contracted Market Makers shall be 300 Contracts per strike level.

(hi) LAST TRADING DATE – The Last Trading Date in a Series is the same day as the Expiration Date. The Initial Claims Contracts will stop trading on the Last Trading Date at 8:25 AM ET.

(hj) SETTLEMENT DATE – The Settlement Date of the Contract shall be the same date that the Initial Jobless Claims number is released by the Source Agency.

(hk) EXPIRATION DATE – The Expiration Date of the Contract shall be the date on which the Initial Jobless Claims number is scheduled to be released by the Source Agency.

(hl) 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 Initial Jobless Claims Binary Contract is \$100.

(hm) EXPIRATION VALUE – The Expiration Value is the Initial Jobless Claims number released by the Source Agency on the Expiration Date. The Expiration Value is released by the Source Agency at 8:30 AM ET on the Expiration Date.

(hn) 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 12.73 NONFARM PAYROLLS BINARY CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the Nonfarm Payrolls Binary Contract issued by Nadex.

(b) UNDERLYING – The Underlying for this Class of Contracts is the seasonally adjusted monthly change in the Nonfarm Payrolls release last reported by the Source Agency. The Start Date for the Nonfarm Payrolls Binary Contracts will be at least three business days prior to the next Expiration Date. The End Date will be the Last Trading Date.

(c) SOURCE AGENCY – The Source Agency is the United States Department of Labor, Bureau of Labor Statistics.

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

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

(i) WEEKLY NONFARM PAYROLLS BINARY CONTRACTS

(1) At the commencement of trading in a Nonfarm Payrolls Binary Contract, Nadex shall list all eligible Payout Criteria in a range of five (5) consecutive increments between 15,000 and 150,000, as determined by Nadex, with the contract Payout Criteria of greater than (>) the Expiration Value. For example, Nadex may list the following range of Payout Criteria (using the 75,000 increment): -748,000, -673,000, -598,000, -523,000, and -448,000. For the next issuance, Nadex may list the following range of Payout Criteria (using a 50,000 increment): 200,000, 250,000, 300,000, 350,000, and 400,000.

(2) In each case above, “X” equals the first Payout Criteria listed. In the first example above, this is -748,000; in the second example above, this is 200,000.

(ii) Nadex may list additional Nonfarm Payrolls Binary Contract with different ranges of Payout Criteria on a discretionary basis in accordance with the CEA and Commission Regulations.

(f) MINIMUM TICK – The Minimum Tick size for the Nonfarm Payrolls Binary Contracts shall be \$0.25.

(g) POSITION LIMIT – The Position Limits for the Nonfarm Payrolls Binary Contracts shall be 150 Contracts per Class.

(h) MARKET MAKER ALTERNATIVE POSITION LIMIT – The Position Limit for the Nonfarm Payrolls Binary Contracts for contracted Market Makers shall be 300 Contracts per strike level.

~~(g)~~ (i) LAST TRADING DATE – The Last Trading Date in a Series is the same day as the Expiration Date. The Nonfarm Payrolls Contracts will stop trading on the Last Trading Date at 8:25 AM ET.

~~(h)~~ (j) SETTLEMENT DATE – The Settlement Date will be the date the Nonfarm Payrolls number is released by the Source Agency.

~~(i)~~ (k) EXPIRATION DATE – The Expiration Date of the Contract will be the date on which the Nonfarm Payrolls number is scheduled to be released.

~~(j)~~ (l) 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 Nonfarm Payrolls Binary Contract is \$100.

~~(k)~~ (m) EXPIRATION VALUE – The Expiration Value is the level of the Nonfarm Payrolls release number on the Expiration Date. The Expiration Value is released by the Source Agency at 8:30 AM ET on the Expiration Date.

~~(l)~~ (n) 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 12.74 GROSS DOMESTIC PRODUCT (“GDP”) CHANGE BINARY CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the Gross Domestic Product Binary Contract issued by Nadex.

(b) UNDERLYING – The Underlying for this Class of Contracts is the quarterly advance estimate of the real gross domestic product (“GDP”) percentage increase or decrease last reported by the Source Agency. The Start Date for the GDP Binary Contracts will be at least two business days prior to the next Expiration Date. The End Date will be the Last Trading Date.

(c) SOURCE AGENCY – The Source Agency is the United States Department of Commerce, Bureau of Economic Analysis (“BEA”).

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

(e) PAYOUT CRITERION - The Payout Criterion for each Contract will be set by Nadex at the time the Binary Contracts are initially issued. For the GDP Change Binary Contract, the Payout Criteria for the Contracts will be set as follows:

(i) WEEKLY GDP CHANGE BINARY CONTRACTS

(1) At the commencement of trading in a GDP Change Binary Contract, Nadex shall list all eligible Payout Criteria in a range of five (5) consecutive increments between 0.0% and 5.0%, as determined by Nadex, with contract Payout Criteria of greater than (>) the Expiration Value. For example, Nadex may list the following range of Payout Criteria (using a 0.1% increment): 2.2%, 2.3%, 2.4%, 2.5%, 2.6%. For the next issuance, Nadex may list the following range of Payout Criteria (using a 0.5% increment): 1.5%, 2.0%, 2.5%, 3.0%, and 3.5%.

(2) In each case above, “X” equals the first Payout Criteria listed. In the first example above, this is 2.2%; in the second example above, this is 1.0%.

(ii) Nadex may list additional GDP Change Binary Contracts with different ranges of Payout Criteria on a discretionary basis in accordance with the BEA and Commission Regulations.

(f) MINIMUM TICK – The Minimum Tick size for the GDP Change Binary Contracts shall be \$0.25.

(g) POSITION LIMIT – The Position Limits for the GDP Change Binary Contracts shall be 150 Contracts per Class.

(h) MARKET MAKER ALTERNATIVE POSITION LIMIT – The Position Limit for the GDP Change Binary Contracts for contracted Market Makers shall be 300 Contracts per strike level.

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(~~ih~~) LAST TRADING DATE – The Last Trading Date in a Series is the same day as the Expiration Date. The GDP Change Binary Contracts will stop trading on the Last Trading Date at 8:25 AM ET.

(~~ij~~) SETTLEMENT DATE – The Settlement Date of the Contract shall be the same date that the GDP Change number is released by the Source Agency.

(~~ik~~) EXPIRATION DATE – The Expiration Date of the Contract shall be the date on which the GDP Change number is scheduled to be released by the Source Agency.

(~~il~~) 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 GDP Change Binary Contract is \$100.

(~~im~~) EXPIRATION VALUE – The Expiration Value is the quarterly advance estimate of the GDP percentage increase or decrease number released by the Source Agency on the Expiration Date. The Expiration Value is released by the Source Agency at 8:30 AM ET on the Expiration Date.

(~~inn~~) 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 12.75 UNEMPLOYMENT RATE BINARY CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the Unemployment Rate Binary Contract issued by Nadex.

(b) UNDERLYING – The Underlying for this Class of Contracts is the unemployment rate last reported by the Source Agency. The Start Date for the Unemployment Rate Binary Contracts will be at least two business days prior to the next Expiration Date. The End Date will be the Last Trading Date.

(c) SOURCE AGENCY – The Source Agency is the United States Department of Labor, Bureau of Labor Statistics (“BLS”).

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

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

(i) WEEKLY UNEMPLOYMENT RATE BINARY CONTRACTS

(1) At the commencement of trading in an Unemployment Rate Binary Contract, Nadex shall list all eligible Payout Criteria in a range of five (5) consecutive increments between 0.00% and 5.00%, as determined by Nadex, with contract Payout Criteria of greater than (>) the Expiration Value. For example, Nadex may list the following range of Payout Criteria (using a

0.01% increment): 7.50%, 7.51%, 7.52%, 7.53%, and 7.54%. For the next issuance, Nadex may list the following range of Payout Criteria (using a 1.0% increment): 6.50%, 7.50%, 8.50%, 9.50%, and 10.50%).

(2) In each case above, “X” equals the first Payout Criteria listed. In the first example above, this is 7.50%; in the second example above, this is 6.50%.

(ii) Nadex may list additional Unemployment Rate Binary Contracts with different ranges of Payout Criteria on a discretionary basis in accordance with the Department of Labor and Commission Regulations.

(f) MINIMUM TICK – The Minimum Tick size for the Unemployment Rate Binary Contracts shall be \$0.25.

~~(g)~~ POSITION LIMIT – The Position Limits for the Unemployment Rate Binary Contracts shall be 150 Contracts per Class.

~~(h)~~ MARKET MAKER ALTERNATIVE POSITION LIMIT – The Position Limit for the Unemployment Rate Binary Contracts for contracted Market Makers shall be 300 Contracts per strike level.

~~(g)~~ - ~~(i)~~ LAST TRADING DATE – The Last Trading Date in a Series is the same day as the Expiration Date. The Unemployment Rate Binary Contracts will stop trading on the Last Trading Date at 8:25 AM ET.

~~(h)~~ ~~(j)~~ SETTLEMENT DATE – The Settlement Date will be the date the Unemployment Rate number is released by the Source Agency.

~~(i)~~ ~~(k)~~ EXPIRATION DATE – The Expiration Date of the Contract will be the date on which the Unemployment Rate number is scheduled to be released.

~~(j)~~ ~~(l)~~ 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 Unemployment Rate Binary Contract is \$100.

~~(k)~~ ~~(m)~~ EXPIRATION VALUE – The Expiration Value is the level of the Unemployment Rate release number on the Expiration Date. The Expiration Value is released by the Source Agency at 8:30 AM ET on the Expiration Date.

~~(l)~~ ~~(n)~~ 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 12.76 CORN YIELDS BINARY CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the Corn Yields Binary Contract issued by Nadex.

(b) UNDERLYING – The Underlying for this Class of Contracts is the Projected Corn Yields per Harvested Acre (bushels) for the current month and marketing year last reported by the Source Agency in the World Agricultural Supply and Demand Estimates Report. The Start Date for the Corn Yields Binary Contracts will be at least two business days prior to the next Expiration Date. The End Date will be the Last Trading Date.

(c) SOURCE AGENCY – The Source Agency is the United States Department of Agriculture, World Agricultural Outlook Board (“WAOB”).

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

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

(i) WEEKLY CORN YIELDS BINARY CONTRACTS

(1) At the commencement of trading in a Corn Yields Binary Contract, Nadex shall list all eligible Payout Criteria in a range of five (5) consecutive increments between 0 and 1,000.1 as determined by Nadex, with contract Payout Criteria of greater than (>) the Expiration Value. For example, Nadex may list the following range of Payout Criteria (using the 0.3 increment): 170.1, 170.4, 170.7, 171.0, 171.3. For the next issuance, Nadex may list the following range of Payout Criteria (using a 1.5 increment): 170.0, 171.5, 173.0, 174.5, 176.0.

(2) In each case above, “X” equals the first Payout Criteria listed. In the first example above, this is 170.1; in the second example above, this is 170.0.

(ii) Nadex may list additional Corn Yields Binary Contracts with different ranges of Payout Criteria on a discretionary basis in accordance with the Department of Agriculture and Commission Regulations.

(f) MINIMUM TICK – The Minimum Tick size for the Corn Yields Binary Contracts shall be \$0.25.

~~(g) POSITION LIMIT – The Position Limits for the Corn Yields Binary Contracts shall be 150 Contracts per Class.~~

~~(h) MARKET MAKER ALTERNATIVE POSITION LIMIT – The Position Limit for the Corn Yields Binary Contracts for contracted Market Makers shall be 300 Contracts per strike level.~~

~~(g)~~

~~(h)~~ (i) LAST TRADING DATE – The Last Trading Date in a Series is the same day as the Expiration Date. The Corn Yields Binary Contracts will stop trading on the Last Trading Date at 11:55 AM ET.

~~(j)~~-(i) SETTLEMENT DATE – The Settlement Date will be the date the Corn Yields number is released by the Source Agency.

~~(j)~~-(k) EXPIRATION DATE – The Expiration Date of the Contract will be the date on which the Corn Yields number, as reported in the World Agricultural Supply and Demand Estimates Report, is scheduled to be released.

~~(k)~~-(l) 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 Corn Yields Binary Contract is \$100.

~~(l)~~-(m) EXPIRATION VALUE – The Expiration Value is the level of the Corn Yields release number on the Expiration Date. The Expiration Value is released by the Source Agency at 12:00 PM ET on the Expiration Date.

~~(m)~~-(n) 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 12.77 SOYBEANS YIELDS BINARY CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the Soybeans Yields Binary Contract issued by Nadex.

(b) UNDERLYING – The Underlying for this Class of Contracts is the Projected Soybeans Yields per Harvested Acre (bushels) for the current month and marketing year last reported by the Source Agency in the World Agricultural Supply and Demand Estimates Report. The Start Date for the Soybeans Yields Binary Contracts will be at least two business days prior to the next Expiration Date. The End Date will be the Last Trading Date.

(c) SOURCE AGENCY – The Source Agency is the United States Department of Agriculture, World Agricultural Outlook Board (“WAOB”).

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

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

(i) WEEKLY SOYBEANS YIELDS BINARY CONTRACTS

(1) At the commencement of trading in a Soybeans Yields Binary Contract, Nadex shall list all eligible Payout Criteria in a range of five (5) consecutive increments between 0 and 1,000.1 as determined by Nadex, with contract Payout Criteria of greater than (>) the Expiration Value. For example, Nadex may list the following range of Payout Criteria (using the 0.3 increment): 50.1, 50.4, 50.7, 60.0,

60.3. For the next issuance, Nadex may list the following range of Payout Criteria (using a 1.5 increment): 61.0, 62.5, 64.0, 65.5, 67.0.

(2) In each case above, “X” equals the first Payout Criteria listed. In the first example above, this is 50.1; in the second example above, this is 61.0.

(ii) Nadex may list additional Soybeans Yields Binary Contracts with different ranges of Payout Criteria on a discretionary basis in accordance with the Department of Agriculture and Commission Regulations.

(f) MINIMUM TICK – The Minimum Tick size for the Soybeans Yields Binary Contracts shall be \$0.25.

(g) POSITION LIMIT – The Position Limits for the Soybeans Yields Binary Contracts shall be 150 Contracts per Class.

(h) MARKET MAKER ALTERNATIVE POSITION LIMIT – The Position Limit for the Soybeans Yields Binary Contracts for contracted Market Makers shall be 300 Contracts per strike level.

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~~(g)~~

~~(h)~~ (i) LAST TRADING DATE – The Last Trading Date in a Series is the same day as the Expiration Date. The Soybeans Yields Binary Contracts will stop trading on the Last Trading Date at 11:55 AM ET.

~~(i)~~ (j) SETTLEMENT DATE – The Settlement Date will be the date the Soybeans Yields number is released by the Source Agency.

~~(j)~~ (k) EXPIRATION DATE – The Expiration Date of the Contract will be the date on which the Soybeans Yields number, as reported in the World Agricultural Supply and Demand Estimates Report, is scheduled to be released.

~~(k)~~ (l) 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 Soybeans Yields Binary Contract is \$100.

~~(l)~~ (m) EXPIRATION VALUE – The Expiration Value is the level of the Soybeans Yields release number on the Expiration Date. The Expiration Value is released by the Source Agency at 12:00 PM ET on the Expiration Date.

~~(m)~~ (n) 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 12.78 CRUDE OIL INVENTORIES CHANGE BINARY CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the Crude Oil Inventories Change Binary Contract issued by Nadex.

(b) UNDERLYING – The Underlying for this Class of Contracts is the weekly increase or decrease in Crude Oil Inventories last reported by the Source Agency. The Start Date for the Crude Oil Inventories Change Binary Contracts will be at least two business days prior to the next Expiration Date. The End Date will be the Last Trading Date.

(c) SOURCE AGENCY – The Source Agency is the United States Energy Information Administration.

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

(e) PAYOUT CRITERION – The Payout Criterion for each Contract will be set by Nadex at the time the Binary Contracts are initially issued. For the Crude Oil Inventories Change Binary Contract, the Payout Criteria for the Contracts will be set as follows:

(i) WEEKLY CRUDE OIL INVENTORIES CHANGE BINARY CONTRACTS

(1) At the commencement of trading in a Crude Oil Inventories Change Binary Contract, Nadex shall list all eligible Payout Criteria in a range of five (5) consecutive increments between -10,000,000 and 10,000,000, as determined by Nadex, with contract Payout Criteria of greater than (>) the Expiration Value. For example, Nadex may list the following range of Payout Criteria (using the 1,000,000 increment): 1,000,000, 2,000,000, 3,000,000, 4,000,000, and 5,000,000. For the next issuance, Nadex may list the following range of Payout Criteria (using a 2,000,000 increment): -2,000,000, 0, 2,000,000, 4,000,000, and 6,000,000.

(2) In each case above, “X” equals the first Payout Criteria listed. In the first example above, this is 1,000,000; in the second example above, this is -2,000,000.

(ii) Nadex may list additional Crude Oil Inventories Change Binary Contracts with different ranges of Payout Criteria on a discretionary basis in accordance with the Energy Information Administration and Commission Regulations.

(f) MINIMUM TICK – The Minimum Tick size for the Crude Oil Inventories Change Binary Contracts shall be \$0.25.

(g) POSITION LIMIT – The Position Limits for the Crude Oil Inventories Change Binary Contracts shall be 150 Contracts per Class.

(h) MARKET MAKER ALTERNATIVE POSITION LIMIT – The Position Limit for the Crude Oil Inventories Change Binary Contracts for contracted Market Makers shall be 300 Contracts per strike level.

~~(g)~~

~~(h)~~ (i) LAST TRADING DATE – The Last Trading Date in a Series is the same day as the Expiration Date. The Crude Oil Inventories Change Binary Contracts will stop trading on the Last Trading Date at 10:25 AM ET.

~~(i)~~ (j) SETTLEMENT DATE – The Settlement Date will be the date the Crude Oil Inventories Change number is released by the Source Agency.

~~(j)~~ (k) EXPIRATION DATE – The Expiration Date of the Contract will be the date on which the Crude Oil Inventories Change number, as reported in the Weekly Petroleum Status Report, is scheduled to be released.

~~(k)~~ (l) 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 Crude Oil Inventories Change Binary Contract is \$100.

~~(l)~~ (m) EXPIRATION VALUE – The Expiration Value is the level of the Crude Oil Inventories Change release number on the Expiration Date. The Expiration Value is released by the Source Agency at 10:30 AM ET on the Expiration Date.

~~(m)~~ (n) 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 12.79 NATURAL GAS NET CHANGE (BCF) BINARY CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the Natural Gas Net Change (bcf) Binary Contract issued by Nadex.

(b) UNDERLYING – The Underlying for this Class of Contracts is the weekly Natural Gas Net Change (bcf) last reported by the Source Agency. The Start Date for the Natural Gas Net Change (bcf) Binary Contracts will be at least two business days prior to the next Expiration Date. The End Date will be the Last Trading Date.

(c) SOURCE AGENCY – The Source Agency is the United States Energy Information Administration.

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

(e) PAYOUT CRITERION – The Payout Criterion for each Contract will be set by Nadex at the time the Binary Contracts are initially issued. For the Natural Gas Net Change Binary Contract, the Payout Criteria for the Contracts will be set as follows:

(i) WEEKLY NATURAL GAS NET CHANGE BINARY CONTRACTS

(1) At the commencement of trading in a Natural Gas Net Change Binary Contract, Nadex shall list all eligible Payout Criteria in a range of five (5) consecutive increments between -500 and 500, as determined by Nadex, with contract Payout Criteria of greater than (>) the Expiration Value. For example, Nadex may list the following range of Payout Criteria (using the 10 increment): 40, 50, 60, 70, and 80. For the next issuance, Nadex may list the following range of Payout Criteria (using a 20 increment): 65,85,105,125, and 145.

(2) In each case above, “X” equals the first Payout Criteria listed. In the first example above, this is 40; in the second example above, this is 65.

(ii) Nadex may list additional Natural Gas Net Change Binary Contracts with different ranges of Payout Criteria on a discretionary basis in accordance with the Energy Information Administration and Commission Regulations.

(f) MINIMUM TICK – The Minimum Tick size for the Natural Gas Net Change Binary Contracts shall be \$0.25.

(g) POSITION LIMIT – The Position Limits for the Natural Gas Net Change Binary Contracts shall be 150 Contracts per Class.

(h) MARKET MAKER ALTERNATIVE POSITION LIMIT – The Position Limit for the Natural Gas Net Change Binary Contracts for contracted Market Makers shall be 300 Contracts per strike level.

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~~(g)~~

~~(h)~~ (i) LAST TRADING DATE – The Last Trading Date in a Series is the same day as the Expiration Date. The Natural Gas Net Change Binary Contracts will stop trading on the Last Trading Date at 10:25 AM ET.

~~(i)~~ (j) SETTLEMENT DATE – The Settlement Date will be the date the Natural Gas Net Change number is released by the Source Agency.

~~(j)~~ (k) EXPIRATION DATE – The Expiration Date of the Contract will be the date on which the Natural Gas Net Change number, as reported in the Weekly Natural Gas Storage Report, is scheduled to be released.

~~(k)~~ (l) 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 Natural Gas Net Change Binary Contract is \$100.

~~(l)~~ (m) EXPIRATION VALUE – The Expiration Value is the level of the Natural Gas Net Change release number on the Expiration Date. The Expiration Value is released by the Source Agency at 10:30 AM ET on the Expiration Date.

~~(m)~~ (n) 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 12.80 CONSUMER PRICE INDEX – ALL ITEMS LESS FOOD AND ENERGY BINARY CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the Consumer Price Index - All Items less Food and Energy "Core CPI" Binary Contract issued by Nadex.

(b) UNDERLYING – The Underlying for this Class of Contracts is the monthly percentage increase or decrease in the Consumer Price Index – All Items Less Food and Energy last reported by the Source Agency. The Start Date for the CPI Less Food/Energy Binary Contracts will be at least two business days prior to the next Expiration Date. The End Date will be the Last Trading Date.

(c) SOURCE AGENCY – The Source Agency is the United States Department of Labor, Bureau of Labor Statistics (“BLS”).

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

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

(i) WEEKLY CPI LESS FOOD/ENERGY BINARY CONTRACTS

(1) At the commencement of trading in a CPI Less Food/Energy Binary Contract, Nadex shall list all eligible Payout Criteria in a range of five (5) consecutive increments between -5.0% and 5.0%, as determined by Nadex, with contract Payout Criteria of greater than (>) the Expiration Value. For example, Nadex may list the following range of Payout Criteria (using the 0.1% increment): 2.2%, 2.3%, 2.4%, 2.5%, and 2.6%. For the next issuance, Nadex may list the following range of Payout Criteria (using a 0.5% increment): 1.5%, 2.0%, 2.5%, 3.0%, and 3.5%.

(2) In each case above, “X” equals the first Payout Criteria listed. In the first example above, this is 2.2%; in the second example above, this is 1.5%.

(ii) Nadex may list additional CPI Less Food/Energy Binary Contracts with different ranges of Payout Criteria on a discretionary basis in accordance with the Department of Labor and Commission Regulations.

(f) MINIMUM TICK – The Minimum Tick size for the CPI Less Food/Energy Binary Contracts shall be \$0.25.

(g) POSITION LIMIT – The Position Limits for the CPI Less Food/Energy Binary Contracts shall be 150 Contracts per Class.

(h) MARKET MAKER ALTERNATIVE POSITION LIMIT – The Position Limit for the CPI Less Food/Energy Binary Contracts for contracted Market Makers shall be 300 Contracts per strike level.

~~(g)~~

~~(h)~~ (i) LAST TRADING DATE – The Last Trading Date in a Series is the same day as the Expiration Date. The CPI Less Food/Energy Binary Contracts will stop trading on the Last Trading Date at 8:25 AM ET.

~~(i)~~ (j) SETTLEMENT DATE – The Settlement Date will be the date the CPI Less Food/Energy number is released by the Source Agency.

~~(j)~~ (k) EXPIRATION DATE – The Expiration Date of the Contract will be the date on which the CPI Less Food/Energy, as reported in the CPI Report, is scheduled to be released.

~~(k)(h)~~ (l) -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 CPI Less Food/Energy Binary Contract is \$100.

~~(l)~~ (m) EXPIRATION VALUE – The Expiration Value is the level of the CPI Less Food/Energy release number on the Expiration Date. The Expiration Value is released by the Source Agency at 8:30 AM ET on the Expiration Date.

~~(m)(i)~~ (n) -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 12.81 CONSUMER PRICE INDEX – FOOD AT HOME BINARY CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the Consumer Price Index – Food at Home "CPI Food at Home" Binary Contract issued by Nadex.

(b) UNDERLYING – The Underlying for this Class of Contracts is the monthly percentage increase or decrease in the Consumer Price Index – Food at Home last reported by the Source Agency. The Start Date for the CPI Food at Home Binary Contracts will be at least two business days prior to the next Expiration Date. The End Date will be the Last Trading Date.

(c) SOURCE AGENCY – The Source Agency is the United States Department of Labor, Bureau of Labor Statistics ("BLS").

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

(e) PAYOUT CRITERION – The Payout Criterion for each Contract will be set by Nadex at the time the Binary Contracts are initially issued. For the CPI Food at Home Binary Contract, the Payout Criteria for the Contracts will be set as follows:

(i) WEEKLY CPI FOOD AT HOME BINARY CONTRACTS

(1) At the commencement of trading in a CPI Food at Home Binary Contract, Nadex shall list all eligible Payout Criteria in a range of five (5) consecutive increments between -5.0% and 5.0%, as determined by Nadex, with contract Payout Criteria of greater than (>) the Expiration Value. For example, Nadex may list the following range of Payout Criteria (using the 0.1% increment): 2.2%, 2.3%, 2.4%, 2.5%, and 2.6%. For the next issuance, Nadex may list the following range of Payout Criteria (using a 0.5% increment): 1.5%, 2.0%, 2.5%, 3.0%, and 3.5%.

(2) In each case above, “X” equals the first Payout Criteria listed. In the first example above, this is 2.2%; in the second example above, this is 1.5%.

(ii) Nadex may list additional CPI Food at Home Binary Contracts with different ranges of Payout Criteria on a discretionary basis in accordance with the Department of Labor and Commission Regulations.

(f) **MINIMUM TICK** – The Minimum Tick size for the CPI Food at Home Binary Contracts shall be \$0.25.

(g) **POSITION LIMIT** – The Position Limits for the CPI Food at Home Binary Contracts shall be 150 Contracts per Class.

(h) MARKET MAKER ALTERNATIVE POSITION LIMIT – The Position Limit for the CPI Food at Home Binary Contracts for contracted Market Makers shall be 300 Contracts per strike level.

~~(g)~~

~~(h)~~ (i) **LAST TRADING DATE** – The Last Trading Date in a Series is the same day as the Expiration Date. The CPI Food at Home Binary Contracts will stop trading on the Last Trading Date at 8:25 AM ET.

~~(i)~~ (j) **SETTLEMENT DATE** – The Settlement Date will be the date the CPI Food at Home number is released by the Source Agency.

~~(j)~~ (k) **EXPIRATION DATE** – The Expiration Date of the Contract will be the date on which the CPI Food at Home, as reported in the CPI Report, is scheduled to be released.

~~(k)~~ (l) **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 CPI Food at Home Binary Contract is \$100.

~~(l)~~ (m) **EXPIRATION VALUE** – The Expiration Value is the level of the CPI Food at Home release number on the Expiration Date. The Expiration Value is released by the Source Agency at 8:30 AM ET on the Expiration Date.

~~(m)~~ (n) -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 12.82 CONSUMER PRICE INDEX – FOOD AWAY FROM HOME BINARY CONTRACTS

(a) SCOPE –These Rules shall apply to the Class of Contracts referred to as the Consumer Price Index – Food Away From Home "CPI Food Away From Home" Binary Contract issued by Nadex.

(b) UNDERLYING – The Underlying for this Class of Contracts is the monthly percentage increase or decrease in the Consumer Price Index – Food Away From Home last reported by the Source Agency. The Start Date for the CPI Food Away From Home Binary Contracts will be at least two business days prior to the next Expiration Date. The End Date will be the Last Trading Date.

(c) SOURCE AGENCY – The Source Agency is the United States Department of Labor, Bureau of Labor Statistics (“BLS”).

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

(e) PAYOUT CRITERION – The Payout Criterion for each Contract will be set by Nadex at the time the Binary Contracts are initially issued. For the CPI Food Away From Home Binary Contract, the Payout Criteria for the Contracts will be set as follows:

(i) WEEKLY CPI FOOD AWAY FROM HOME BINARY CONTRACTS

(1) At the commencement of trading in a CPI Food Away From Home Binary Contract, Nadex shall list all eligible Payout Criteria in a range of five (5) consecutive increments between -5.0% and 5.0%, as determined by Nadex, with contract Payout Criteria of greater than (>) the Expiration Value. For example, Nadex may list the following range of Payout Criteria (using the 0.1% increment): 2.2%, 2.3%, 2.4%, 2.5%, and 2.6%. For the next issuance, Nadex may list the following range of Payout Criteria (using a 0.5% increment): 1.5%, 2.0%, 2.5%, 3.0%, and 3.5%

(2) In each case above, “X” equals the first Payout Criteria listed. In the first example above, this is 2.2%; in the second example above, this is 1.5%.

(ii) Nadex may list additional CPI Food Away From Home Binary Contracts with different ranges of Payout Criteria on a discretionary basis in accordance with the Department of Labor and Commission Regulations.

(f) MINIMUM TICK – The Minimum Tick size for the CPI Food Away From Home Binary Contracts shall be \$0.25.

~~(g)~~ POSITION LIMIT – The Position Limits for the CPI Food Away From Home Binary Contract shall be 150 Contracts per Class.

~~(h)~~ MARKET MAKER ALTERNATIVE POSITION LIMIT – The Position Limit for the CPI Food Away From Home Binary Contracts for contracted Market Makers shall be 300 Contracts per strike level.

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~~(g)~~

~~(h)~~ (i) LAST TRADING DATE – The Last Trading Date in a Series is the same day as the Expiration Date. The CPI Food Away From Home Binary Contracts will stop trading on the Last Trading Date at 8:25 AM ET.

~~(i)~~ (j) SETTLEMENT DATE – The Settlement Date will be the date the CPI Food Away From Home number is released by the Source Agency.

~~(j)~~ (k) EXPIRATION DATE – The Expiration Date of the Contract will be the date on which the CPI Food Away From Home, as reported in the CPI Report, is scheduled to be released.

~~(k)~~ (l) 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 CPI Food Away From Home Binary Contract is \$100.

~~(l)~~ (m) EXPIRATION VALUE – The Expiration Value is the level of the CPI Food Away From Home release number on the Expiration Date. The Expiration Value is released by the Source Agency at 8:30 AM ET on the Expiration Date.

~~(m)~~ (n) 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 12.83 CONSUMER PRICE INDEX BINARY CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the Consumer Price Index "Overall CPI" Binary Contract issued by Nadex.

(b) UNDERLYING – The Underlying for this Class of Contracts is the monthly percentage increase or decrease in the Consumer Price Index last reported by the Source Agency. The Start Date for the CPI Binary Contracts will be at least two business days prior to the next Expiration Date. The End Date will be the Last Trading Date.

(c) SOURCE AGENCY – The Source Agency is the United States Department of Labor, Bureau of Labor Statistics (“BLS”).

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

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

(i) WEEKLY CPI BINARY CONTRACTS

(1) At the commencement of trading in a CPI Binary Contract, Nadex shall list all eligible Payout Criteria in a range of five (5) consecutive increments between -5.0% and 5.0%, as determined by Nadex, with contract Payout Criteria of greater than (>) the Expiration Value. For example, Nadex may list the following range of Payout Criteria (using the 0.1% increment): 2.2%, 2.3%, 2.4%, 2.5%, and 2.6%. For the next issuance, Nadex may list the following range of Payout Criteria (using a 0.5% increment): 1.5%, 2.0%, 2.5%, 3.0%, and 3.5%.

(2) In each case above, “X” equals the first Payout Criteria listed. In the first example above, this is 2.2%; in the second example above, this is 1.5%.

(ii) Nadex may list additional CPI Binary Contracts with different ranges of Payout Criteria on a discretionary basis in accordance with the Department of Labor and Commission Regulations.

(f) MINIMUM TICK – The Minimum Tick size for the CPI Binary Contracts shall be \$0.25.

(g) POSITION LIMIT – The Position Limits for the CPI Binary Contracts shall be 150 Contracts per Class.

(h) MARKET MAKER ALTERNATIVE POSITION LIMIT – The Position Limit for the CPI Binary Contracts for contracted Market Makers shall be 300 Contracts per strike level.

~~(g)~~

~~(h)~~ (i) LAST TRADING DATE – The Last Trading Date in a Series is the same day as the Expiration Date. The CPI Binary Contracts will stop trading on the Last Trading Date at 8:25 AM ET.

~~(i)~~ (j) SETTLEMENT DATE – The Settlement Date will be the date the CPI number is released by the Source Agency.

~~(j)~~ (k) EXPIRATION DATE – The Expiration Date of the Contract will be the date on which the CPI, as reported in the CPI Report, is scheduled to be released.

~~(k)~~ (l) 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 CPI Binary Contract is \$100.

~~(h)~~ (m) EXPIRATION VALUE – The Expiration Value is the level of the CPI release number on the Expiration Date. The Expiration Value is released by the Source Agency at 8:30 AM ET on the Expiration Date.

~~(m)~~ (n) 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 12.84 FEDERAL BALANCE SHEET TOTAL ASSETS (MILLIONS) BINARY CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the Federal Balance Sheet Total Assets (Millions) “Total Assets” Binary Contract issued by Nadex.

(b) UNDERLYING – The Underlying for this Class of Contracts is the Total Assets (Millions) figure in the Consolidated Statement of Condition of All Federal Reserve Banks last reported by the Source Agency. The Start Date for the Total Assets Binary Contracts will be at least two business days prior to the next Expiration Date. The End Date will be the Last Trading Date.

(c) SOURCE AGENCY – The Source Agency is the United States Federal Reserve Bank.

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

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

(i) WEEKLY TOTAL ASSETS BINARY CONTRACTS

(1) At the commencement of trading in a Fed Balance Sheet Total Assets (Millions) Binary Contract, Nadex shall list one (1) eligible Payout Criteria between 1,000,000 and 25,000,000, as determined by Nadex, with contract Payout Criteria of greater than (>) the Expiration Value. For example, Nadex may list the following Payout Criteria: 9,000,000.

(2) In the case above, “X” equals the first Payout Criteria listed. In the example above, this is 9,000,000.

(ii) Nadex may list additional Total Assets Binary Contracts with different ranges of Payout Criteria on a discretionary basis in accordance with the Federal Reserve Bank and Commission Regulations.

(f) MINIMUM TICK – The Minimum Tick size for the Total Assets Binary Contracts shall be \$0.25.

(g) POSITION LIMIT – The Position Limits for the Total Assets Binary Contracts shall be 150 Contracts per Class.

(h) MARKET MAKER ALTERNATIVE POSITION LIMIT – The Position Limit for the Total Assets Binary Contracts for contracted Market Makers shall be 300 Contracts per strike level.

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~~(g)~~

~~(h)~~ (i) LAST TRADING DATE – The Last Trading Date in a Series is the same day as the Expiration Date. The Total Assets Binary Contracts will stop trading on the Last Trading Date at 4:25 PM ET.

~~(i)~~ (j) SETTLEMENT DATE – The Settlement Date will be the date the Total Assets number is released by the Source Agency.

~~(j)~~ (k) EXPIRATION DATE – The Expiration Date of the Contract will be the date on which the Total Assets (Millions), as reported in the Factors Affecting Reserve Balances Report, is scheduled to be released.

~~(k)~~ (l) 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 Total Assets Binary Contract is \$100.

~~(l)~~ (m) EXPIRATION VALUE – The Expiration Value is the level of the Total Assets (Millions) release number on the Expiration Date. The Expiration Value is released by the Source Agency at 4:30 PM ET on the Expiration Date.

~~(m)~~ (n) 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 12.85 NEW HOME SALES BINARY CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the New Home Sales Binary Contract issued by Nadex.

(b) UNDERLYING – The Underlying for this Class of Contracts is the New Residential Home Sales figure last reported by the Source Agency. The Start Date for the New Home Sales Binary Contracts will be at least two business days prior to the next Expiration Date. The End Date will be the Last Trading Date.

(c) SOURCE AGENCY – The Source Agency is the United States Census Bureau.

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

(e) PAYOUT CRITERION – The Payout Criterion for each Contract will be set by Nadex at the time the Binary Contracts are initially issued. For the New Home Sales Binary Contract, the Payout Criteria for the Contracts will be set as follows:

(i) WEEKLY NEW HOME SALES BINARY CONTRACTS

(1) At the commencement of trading in a New Home Sales Binary Contract, Nadex shall list all eligible Payout Criteria in a range of five (5) consecutive increments between 100,000 and 5,000,000, as determined by Nadex, with contract Payout Criteria of greater than (>) the Expiration Value. For example, Nadex may list the following range of Payout Criteria (using the 50,000 increment): 650,000, 700,000, 750,000, 800,000, 850,000. For the next issuance, Nadex may list the following range of Payout Criteria (using a 100,000 increment): 500,000, 600,000, 700,000, 800,000, 900,000.

(2) In each case above, “X” equals the first Payout Criteria listed. In the first example above, this is 650,000; in the second example above, this is 500,000.

(ii) Nadex may list additional New Home Sales Binary Contracts with different ranges of Payout Criteria on a discretionary basis in accordance with the Census Bureau and Commission Regulations.

(f) MINIMUM TICK – The Minimum Tick size for the New Home Sales Binary Contracts shall be \$0.25.

(g) POSITION LIMIT – The Position Limits for the New Home Sales Binary Contracts shall be 150 Contracts per Class.

(h) MARKET MAKER ALTERNATIVE POSITION LIMIT – The Position Limit for the New Home Sales Binary Contracts for contracted Market Makers shall be 300 Contracts per strike level.

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~~(h)~~ (i) LAST TRADING DATE – The Last Trading Date in a Series is the same day as the Expiration Date. The New Home Sales Binary Contracts will stop trading on the Last Trading Date at 9:55 AM ET.

~~(i)~~ (j) SETTLEMENT DATE – The Settlement Date will be the date the New Residential Home Sales number is released by the Source Agency.

~~(j)~~ (k) EXPIRATION DATE – The Expiration Date of the Contract will be the date on which the New Residential Home Sales number, as reported in the Monthly New Residential Sales Report, is scheduled to be released.

~~(k)~~ (l) 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 New Home Sales Binary Contract is \$100.

~~(l)~~ (m) EXPIRATION VALUE – The Expiration Value is the level of the New Home Sales release number on the Expiration Date. The Expiration Value is released by the Source Agency at 10:00 AM ET on the Expiration Date.

~~(m)~~ (n) 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 12.86 RETAIL SALES CHANGE BINARY CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the Retail Sales Change Binary Contract issued by Nadex.

(b) UNDERLYING – The Underlying for this Class of Contracts is the monthly percentage increase or decrease in Advance Monthly Sales for Retail and Food Services figure last reported by the Source Agency. The Start Date for the Retail Sales Change Binary Contracts will be at least two business days prior to the next Expiration Date. The End Date will be the Last Trading Date.

(c) SOURCE AGENCY – The Source Agency is the United States Census Bureau.

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

(e) PAYOUT CRITERION – The Payout Criterion for each Contract will be set by Nadex at the time the Binary Contracts are initially issued. For the Retail Sales Change Binary Contract, the Payout Criteria for the Contracts will be set as follows:

(i) WEEKLY RETAIL SALES CHANGE BINARY CONTRACTS

(1) At the commencement of trading in a Retail Sales Change Binary Contract, Nadex shall list all eligible Payout Criteria in a range of five (5) consecutive increments between -5.0% and 5.0%, as determined by Nadex, with contract Payout Criteria of greater than (>) the Expiration Value. For example, Nadex may list the following range of Payout Criteria (using the 0.2% increment): -0.5%, -0.3%, -0.1%, 0.1%, 0.3% For the next issuance, Nadex may list the following range of Payout Criteria (using a 1% increment): 0.0%, 1.0%, 2.0%, 3.0%, 4.0%.

(2) In each case above, “X” equals the first Payout Criteria listed. In the first example above, this is -0.5%; in the second example above, this is 0.0%.

(ii) Nadex may list additional Retail Sales Change Binary Contracts with different ranges of Payout Criteria on a discretionary basis in accordance with the Census Bureau and Commission Regulations.

(f) MINIMUM TICK – The Minimum Tick size for the Retail Sales Change Binary Contracts shall be \$0.25.

(g) POSITION LIMIT – The Position Limits for the Retail Sales Change Binary Contracts shall be 150 Contracts per Class.

(h) MARKET MAKER ALTERNATIVE POSITION LIMIT – The Position Limit for the Retail Sales Change Binary Contracts for contracted Market Makers shall be 300 Contracts per strike level.

~~(g)~~

~~(h)~~ (i) LAST TRADING DATE – The Last Trading Date in a Series is the same day as the Expiration Date. The Retail Sales Change Binary Contracts will stop trading on the Last Trading Date at 8:25 AM ET.

~~(i)~~ (j) SETTLEMENT DATE – The Settlement Date will be the date the Advance Monthly Sales for Retail and Food Services figure is released by the Source Agency.

~~(j)~~ (k) EXPIRATION DATE – The Expiration Date of the Contract will be the date on which the Advance Monthly Sales for Retail and Food Services figure, as reported in the Advance Monthly Sales for Retail and Food Services Report, is scheduled to be released.

~~(k)~~ (l) 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 Retail Sales Change Binary Contract is \$100.

~~(l)~~ (m) EXPIRATION VALUE – The Expiration Value is the level of the percentage increase or decrease from the Previous Month in Retail Sales Change release number on the Expiration Date. The Expiration Value is released by the Source Agency at 8:30 AM ET on the Expiration Date.

(n) 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.

End of Rulebook