



June 22, 2017

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 Underlying Asset Class for US SmallCap 2000 Variable Payout and Binary Contracts – Submission Pursuant to Commission Regulation §40.6(a)

Dear Mr. Kirkpatrick,

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended (the “Act”), and §40.6(a) of the regulations promulgated by the Commodity Futures Trading Commission (the “Commission”) under the Act, North American Derivatives Exchange, Inc. (“Nadex”) hereby submits to the Commission its intent to amend its Rulebook to update the underlying asset class for the Nadex US SmallCap 2000 Variable Payout and Binary contracts following the transfer of the Russell 2000[®] Index Futures from Intercontinental Exchange (“ICE”), to CME Group (“CME”). On April 12, 2017, CME announced that beginning on July 10, 2017, it would list futures (and options) contracts based on the Russell 2000 Index, including the E-mini[®] Russell 2000[®] Index Futures. The E-mini Russell 2000 Index Futures currently serves as the underlying asset class for the Nadex US SmallCap 2000 contracts, and is traded on ICE. Accordingly, Nadex is amending the contract specifications for its US SmallCap 2000 Variable Payout and Binary contracts to reflect the new underlying as the CME[®] E-mini Russell 2000 Index Futures (“CME Russell”), rather than the ICE E-mini Russell 2000 Index Futures (“ICE Russell”). No other contract specifications will be affected with this change. The underlying change is scheduled to occur for trade date July 10, 2017, and accordingly Nadex will not list its US SmallCap 2000 contracts based on the CME underlying prior to July 10, 2017. Nadex plans to initially monitor activity in the underlying market prior to listing its US SmallCap 2000 contracts in the live environment during the week of July 10. Nadex will relist these contracts when it is satisfied sufficient activity exists in the new underlying market in order to settle the contracts with an expiration value which appropriately reflects the market.

DCM Core Principles

Nadex has identified the following Designated Contact Market (“DCM”) Core Principles as potentially being impacted by the amendments discussed herein: Core Principle 3,

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implemented by Regulation 38.200 (Contracts Not Readily Subject to Manipulation); Core Principle 7, implemented by Commission Regulation 38.401 (Availability of General Information).

Core Principle 3, implemented by Commission Regulation 38.200 (Contracts not Readily Subject to Manipulation), requires the DCM to only list on the contract market contracts that are not readily susceptible to manipulation. When trading of the E-mini Russell 2000 Index Futures contract moves from ICE to CME on July 10, specific contract specifications for the product will remain unchanged. Nadex has listed its US SmallCap 2000 contracts based on the underlying E-mini for several years, and therefore has already determined that the contracts it lists are not readily susceptible to manipulation. With the change from ICE to CME, contract specifications for the E-mini Russell 2000 Index Futures will not be changing, and therefore the eligibility of Nadex's US SmallCap 2000 contracts which are based on the E-mini Russell Index Futures to be cleared by the Nadex DCO will not be affected. Additionally, Nadex plans to monitor the underlying market prior to listing its US SmallCap 2000 contracts in order to be confident that sufficient trading volume and reliable prices in the CME Russell exist to efficiently and accurately settle the Nadex contracts based upon this underlying market. Therefore, the amendment discussed herein will not negatively impact Nadex's ability to comply with this Core Principle.

Core Principle 7, implemented by Commission Regulation 38.401 (Availability of General Information), requires the DCM to make its Rulebook available on its website, and to ensure that it is accurate, complete, and current. Nadex makes its Rulebook available on its website, and will continue to make it available after the contract specifications for the US SmallCap 2000 are updated to reflect the underlying market as the CME Russell, when that change becomes effective on July 10, 2017. Accordingly, the amendments discussed herein will not have a negative impact on Nadex's ability to comply with this Core Principle.

DCO Core Principles

Nadex has identified the following Derivatives Clearing Organization ("DCO") Core Principles as potentially being impacted by the amendments discussed herein: Core Principle C, implemented by Commission Regulation 39.12 (Participant and Product Eligibility), Core Principle L, implemented by Commission Regulation 39.21 (Public Information).

Core Principle C, Participant and Product Eligibility, implemented by Commission Regulation 39.12, requires the DCO establish appropriate requirements for determining the eligibility of contacts submitted to the clearinghouse for clearing, and should consider such things as trading volume, liquidity, availability of reliable prices, etc. With the change from ICE to CME, contract specifications for the E-mini Russell 2000 Index Futures will not be changing, and therefore the eligibility of Nadex's US SmallCap 2000 contracts which are based on the E-mini Russell Index Futures to be cleared by the Nadex DCO will not be affected. Additionally, Nadex plans to monitor the underlying market prior to listing its US SmallCap 2000 contracts in order to be confident that sufficient trading volume and reliable prices in the CME Russell exist to efficiently and accurately settle the Nadex contracts based upon this underlying market. Therefore, the amendment discussed herein will not negatively impact Nadex's ability to comply with this Core Principle.

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Core Principle L, Public Information, implemented by Commission Regulation 39.21 requires the DCO make publicly available the terms and conditions of each contract it clears and settles. The underlying for the Nadex US SmallCap 2000 contracts will be reflected as the CME Russell in the Rulebook in the contract specifications. The Nadex Rulebook is, and will continue, to be made available on the Nadex website. Additionally, the underlying market upon which the Nadex contract is based is posted on the contract specifications page of the Nadex website. Therefore, the amendment discussed herein will not negatively impact Nadex's ability to comply with this Core Principle.

Pursuant to the 10-day filing period under Regulation 40.6(a) (3), this submission would become effective July 10, 2017. Accordingly, Nadex will list its US SmallCap 2000, underlying CME E-mini Russell 2000 Index Futures, no earlier than July 10, 2017.

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

No substantive opposing views were expressed to Nadex with respect to these amendments.

Nadex hereby certifies that the amendments contained herein comply with the Act, as amended, and the Commission Regulations adopted thereunder.

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

Should you have any questions regarding the above, please do not hesitate to contact me at (312) 884-0927 or by email at jaime.walsh@nadex.com.

Sincerely,



Jaime Walsh
Legal Counsel

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EXHIBIT A

Rule	Asset	Duration/Close Time	Action	Effective Date
12.60	US SmallCap 2000 Variable Payout Contracts	All	Amend underlying asset from ICE to CME	7/10/2017
12.61	US SmallCap 2000 Binary Contracts	All	Amend underlying asset from ICE to CME	7/10/2017

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EXHIBIT B

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Amendment of Rules 12.60, 12.61

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

RULES 1.1 – 12.59 [UNCHANGED]

RULE 12.60 US SMALLCAP 2000 VARIABLE PAYOUT CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the US SmallCap 2000 Variable Payout Contracts issued by Nadex.

(b) UNDERLYING – The Underlying for this Class of Contracts is the price of the E-mini Russell 2000^{®1} ~~Mini Index~~ Futures contracts (“RUFC”) traded on the Chicago Mercantile Exchange (CME)[®] ~~ICE Futures US~~[®] ~~(ICE Futures)~~². 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 ~~ICECME eE-mini Russell 2000 Index September 2017 Futures~~ has ~~March 2012 futures~~ have an Expiration Date of ~~March 16, 2012~~ September 15, 2017. The last day on which the CME Ee-mini Russell 2000 Index September 2017 Futures ~~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 CME Ee-mini Russell 2000 Index Futures contracts will be the Friday of the preceding week. Therefore, the End Date for using ~~ICECME eE-mini Russell 2000 Index September 2017 Futures~~ ~~March 2012 futures~~ will be ~~March 9, 2012~~ September 8, 2017 and the Start Date for the next delivery month, ICECME Ee-mini Russell 2000 June 2012 Index December 2017 Futures ~~futures~~, will be ~~March 10, 2012~~ September 9, 2017.

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

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

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² 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.

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

(f) PAYOUT CRITERION – The Payout Criterion for each Contract will be set by Nadex at the time the Variable Payout Contracts are initially issued. For the US SmallCap 2000 Variable Payout Contract, the Payout Criteria for the Contracts will be set as follows:

(i) DAILY US SMALLCAP 2000 VARIABLE PAYOUT SPREAD CONTRACTS, 4:15 PM ET CLOSE - At the commencement of trading in a Daily Spread US SmallCap 2000 Variable Payout Contract, Nadex shall list one (1) Variable Payout Contract, referred to as a ‘Spread’, which conforms to the Payout Criteria listed below:

(1) DAILY US SMALLCAP 2000 VARIABLE PAYOUT ‘SPREAD’ CONTRACT

(aa) CAP – The Cap shall be $X + 30$.

(bb) FLOOR – The Floor shall be $X - 30$.

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

(1) 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 VARIABLE PAYOUT SPREAD CONTRACTS, 4:15 PM ET CLOSE - Nadex shall list a set of three (3) Variable Payout Contracts with overlapping ranges, which conform to the Payout Criteria listed below:

(1) CONTRACT 1: The Cap shall be X ; The Floor shall be $X - 30$.

(2) CONTRACT 2: The Cap shall be $X + 15$; The Floor shall be $X - 15$.

(3) CONTRACT 3: The Cap 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 VARIABLE PAYOUT SPREAD CONTRACTS, 8AM ET to 4:15 PM ET CLOSE - Nadex shall list a set of five (5) Variable Payout Contracts with overlapping ranges, which conform to the Payout Criteria listed below:

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(1) CONTRACT 1: The Cap shall be $X - 10$; The Floor shall be $X - 30$.

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

(3) CONTRACT 3: The Cap shall be $X + 10$; The Floor shall be $X - 10$.

(4) CONTRACT 4: The Cap shall be $X + 20$; The Floor shall be X .

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

(1) CONTRACT 1: The Cap shall be $X - 3.5$; The Floor shall be $X - 10.5$.

(2) CONTRACT 2: The Cap shall be X ; The Floor shall be $X - 7$.

(3) CONTRACT 3: The Cap shall be $X + 3.5$; The Floor shall be $X - 3.5$.

(4) CONTRACT 4: The Cap shall be $X + 7$; The Floor shall be X .

(5) CONTRACT 5: The Cap 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 Variable Payout Contracts with different ranges of Payout Criteria on a discretionary basis in accordance with the CEA and Commission Regulations.

(g) MINIMUM TICK – The Minimum Tick size for US SmallCap 2000 Variable Payout Contracts shall be 0.1.

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(h) POSITION LIMIT – The Position Limits for US SmallCap 2000 Variable Payout Contracts shall be 50,000 Contracts.

(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.

(k) 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.

(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 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 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 RUFC trade prices and the lowest twenty (20) percent of RUFC trade prices from the data set³, 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) SPFC trade prices exceeds the ten (10) seconds just prior to the close of trading of the US SmallCap 2000 Variable 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 Variable 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.

(n) 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.

³ 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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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.

(b) UNDERLYING – The Underlying for this Class of Contracts is the price of the E-mini Russell 2000⁴ ~~Mini Index Futures~~ contracts (“RUFC”) traded on the Chicago Mercantile Exchange (CME)⁵ ~~ICE Futures US~~ (ICE Futures)⁵. 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 ~~ICE CME eE-mini Russell 2000 Index September 2017 Futures~~ has ~~March 2012 futures~~ have an Expiration Date of ~~March 16, 2012~~ September 15, 2017. The last day on which the CME Ee-mini Russell 2000 Index September 2017 Futures ~~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 CME Ee-mini Russell 2000 Index Futures contracts will be the Friday of the preceding week. Therefore, the End Date for using ~~ICE CME eE-mini Russell 2000 Index September 2017 Futures~~ March 2012 futures will be ~~March 9, 2012~~ September 8, 2017 and the Start Date for the next delivery month, ~~ICE CME Ee-mini Russell 2000 June 2012 Index December 2017 Futures~~ futures, will be ~~March 10, 2012~~ September 9, 2017.

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

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

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

(f) PAYOUT CRITERION – The Payout Criterion for each Contract will be set by Nadex at the time the Binary Contracts are initially issued. For the US SmallCap 2000 Binary Contract, the Payout Criteria for the Contracts will be set as follows:

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⁵ 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.

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(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 6.
- (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 will be generated above Binary Contract W at an interval of 6, and six (6) strike levels will be generated below Binary Contract W at an interval of 6 (e.g. $W - 6$; W ; $W + 6$). 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 2.
- (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 2, and ten (10) strike levels will be generated below Binary Contract X at an interval of 2 (e.g. $X - 2$; X ; $X + 2$). 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 ET CLOSE

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- (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 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 1.4, and seven (7) strike levels will be generated below Binary Contract Y at an interval of 1.4 (e.g. $Y - 1.4$; Y ; $Y + 1.4$). 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 0.7.
- (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 0.7, and seven (7) strike levels will be generated below Binary Contract Z at an interval of 0.7 (e.g. $Z - 0.7$; Z ; $Z + 0.7$). 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 0.5.

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- (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 0.5, and seven (7) strike levels will be generated below Binary Contract Z at an interval of 0.5 (e.g. $Z - 0.5$; Z ; $Z + 0.5$). 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.

(g) MINIMUM TICK – The Minimum Tick size for the US SmallCap 2000 Binary Contracts shall be \$0.25.

(h) POSITION LIMIT – The Position Limits for the US SmallCap 2000 Binary Contracts shall be 2,500 Contracts.

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

(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 on which the 500 Expiration Value 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 US SmallCap 2000 Binary Contract is \$100.

(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 set⁶, and using the remaining RUFC trade prices to calculate the Expiration Value. The

⁶ 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

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) SPFC 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.

(n) 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.

RULES 12.62 – 12.78 [UNCHANGED]

End of Rulebook

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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