



September 16, 2020

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 Adds Weekly Call Spread and Touch Bracket™
Contracts - Submission Pursuant to Commission Regulation §40.2(a)**

Dear Mr. Kirkpatrick:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended (the “Act”), and §40.2(a) of the regulations promulgated by the Commodity Futures Trading Commission (the “Commission”) under the Act, North American Derivatives Exchange, Inc. (“Nadex” or the “Exchange”) hereby submits to the Commission its intent to add Silver and Natural Gas Touch Bracket Variable Payout Contracts to Nadex Rules 12.6 and 12.10, respectively. Additionally, Nadex plans to add Weekly Call Spread contracts to all of its Foreign Currency contracts, as well as Touch Bracket contracts to its AUD/USD, USD/CAD, EUR/JPY, GBP/JPY, EUR/GBP, and AUD/JPY Currency contracts.

As you may recall, Nadex began listing Touch Bracket Contracts in December 2018 in its US Indices and certain Foreign Currency markets, and in its Gold and Crude Oil contracts in March 2020. Touch Bracket contracts have grown in popularity and represent a significant portion of the overall volume at Nadex. Gold and Crude Oil Touch Bracket contracts were added in part in response to member requests for the contracts. Nadex would like to expand the availability of these contracts and accordingly plans to add Touch Bracket listings to the remainder of its currency pair products which were not part of the original launch in December 2018, as well as its Silver and Natural Gas products, two of Nadex’s popular commodities.

The new Touch Bracket Contracts will function the same as those Touch Bracket Contracts already listed on the Exchange. All Touch Bracket contracts will have a Ceiling and a

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Floor and will be listed with a stated expiration time. If the underlying market equals or moves through (i.e., “touches”) either the Ceiling or Floor level of a Touch Bracket contract at any time prior to the listed expiration time, the Touch Bracket contract will immediately expire. In the event the underlying market does not touch the Ceiling or Floor prior to its listed expiration time, the Touch Bracket will expire at the listed expiration time.

The Expiration Value of Touch Brackets will be calculated in the same manner as all contracts. The Expiration Value of a commodity contract is calculated by taking a collection of underlying market trade prices occurring just before Expiration of the corresponding Nadex Contract, removing a set of the highest and the lowest prices from the data set, and using the remaining trade prices to calculate the Expiration Value. The calculation used is a simple average of those remaining trade prices. For currency contracts, the Expiration Value calculation process is similar, however, rather than underlying market trade prices, the underlying market bid/ask midpoint price is used¹. Nadex has historically calculated and published an indicative underlying index value for each asset class using this same calculation methodology; this value has been released once per second (i.e., 60 times per minute). This indicative index value is the value which will be used to determine whether the Floor or Cap of a particular instrument has been touched. To be clear, a single print or tick in the underlying futures or FX market cannot “knockout” a Touch Bracket by touching the Floor or the Cap.

The Nadex Touch Bracket Contracts are a type of Variable Payout contract, and accordingly have a variable payout at settlement. The settlement payout is dependent on the difference between the Opening Trade Value² and the Closing Trade Value³ or Expiration Value⁴, as set forth in the Nadex Rulebook. Nadex currently lists Binary and Call Spread contracts on the same underlying liquid markets upon which the new Touch Bracket contracts will be based. Additionally, Nadex has at least two dedicated Market Makers who have indicated their intent to make markets in the new Touch Bracket contracts.

Nadex also plans to list Weekly Call Spread contracts based upon the deep and liquid underlying currency pairs which Nadex currently lists Daily and Intraday Call Spread contracts. Like the Touch Bracket contracts, Weekly Call Spread contracts are a type of Variable Payout contract and have a variable payout at settlement, depending on the difference between the Opening Trade Value and the Closing Trade Value. The Expiration Value will be calculated in the same manner as all contracts, and as described above.

¹ Additional details regarding the calculation methodology is available on our website at <https://www.nadex.com/learning-center/courses/nadex/nadex-settlement-calculation-and-expiration-values> and in our rulebook at <https://www.nadex.com/rules/>.

² “Opening Trade Value” means the rate, level, amount, measure, or other value of a Binary, Call Spread, or Touch Bracket at which the Contract is opened in a Member’s account.

³ “Closing Trade Value” means the rate, level, amount, measure, or other value of a Binary, Call Spread, or Touch Bracket at which the Contract is closed in a Member’s or Customer’s account.

⁴ “Expiration Value” means the rate, level, amount, measure, or other value of the Underlying at Expiration as calculated and/or published by the Source Agency.

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DCM Core Principles

Nadex has identified the following Designated Contract Market (“DCM”) Core Principles as potentially being impacted by the addition of the Weekly Call Spread and Touch Bracket contracts: Core Principle 2 Compliance with Rules (Regulation Subparts 38.156 Automated trade surveillance system, 38.157 Real-time market monitoring); Core Principle 3 Contracts Not Readily Subject to Manipulation (Regulation Subparts 38.200, 38.201 Additional sources for compliance); Core Principle 4 Prevention of Market Disruption (Regulation Subparts 38.250 Core Principle 4, 38.251 General requirements, 38.253 Additional requirements for cash-settled contracts, 38.256 Trade reconstruction); Core Principle 7 Availability of General Information (Regulation Subparts 38.400 Core Principle 7, 38.401 General requirements); Core Principle 8 Daily Publication of Trading Information (Regulation Subparts 38.450, 38.451 Reporting of trade information); and Core Principle 18 Recordkeeping (Regulation Subpart 38.951 Additional Sources for Compliance).

Commission Regulations Subparts 38.156 and 38.157, which implement Core Principle 2, require a DCM to maintain an automated trade surveillance system capable of detecting and investigating potential trade practice violations, and to conduct real-time market monitoring of all trading activity. Nadex uses the automated Scila surveillance system to aid in the ongoing monitoring of all trading activity and has the capability of detecting potential trade practice violations based on the parameters set by the DCM. This surveillance system monitors all trading activity on the Exchange in real-time and will be able to monitor activity in the new Call Spread and Touch Bracket Variable Payout contracts in the same manner as it currently does for all other listed Call Spreads and Touch Bracket contracts. The Nadex surveillance system and its staff currently monitor all trading activity, and this will not change with the addition of the new contracts. Therefore, the addition of the new Weekly Call Spreads and Touch Bracket contracts will not negatively impact Nadex’s ability to comply with this Core Principle.

Core Principles 3 and 4 require a DCM to list only contracts that are not readily susceptible to manipulation and to prevent market disruption. Nadex is currently listing Variable Payout contracts of various durations based on the underlying assets upon which the new Weekly Call Spread and Touch Bracket contracts will be based. All underlying markets upon which the new contracts will be based are highly liquid and are traded in real-time, thereby eliminating the possibility of an early release of an underlying trade price.

Additionally, the Expiration Value calculation method of removing a percentage of the highest and lowest trade prices (commodities) or midpoint prices (currencies) from the collected data set and averaging the remaining trade prices further mitigates the possibility of manipulation in the underlying markets. Nadex has multiple Market Makers that have indicated a willingness to providing liquidity in these contracts, which should limit opportunities for the new markets to be manipulated. As previously stated, Nadex also uses the Scila surveillance system to assist with market monitoring and has a staff dedicated to market surveillance to detect potential market manipulation.

Regulation 38.253 requires a DCM to have rules in place that allow the DCM access to information about the activities of its traders in a reference market if the contracts listed on the

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DCM are settled by reference to the price of a contract in another venue. Nadex Variable Payout Contracts are currently, and will continue to be, settled based on data from the relevant underlying markets upon which those contracts are based. Nadex Rule 3.3(a) specifically requires each Member and Authorized Trader to cooperate in “providing Nadex with access to information on the activities of such Member and/or Authorized Trader in any referenced market that provides the underlying prices for any Nadex market”. This obligation is applicable to any contract traded on Nadex, and will therefore apply to the new Weekly Call Spread and Touch Bracket contracts as well. In addition, Nadex is a signatory to both the International Information Sharing Memorandum of Understanding and Agreement and the Joint Compliance Committee’s Agreement for Sharing Regulatory Data and Information.

Regulation 38.256 requires a DCM to have the ability to comprehensively and accurately reconstruct all trading on its trading facility. Nadex is currently able to reconstruct trading in its contracts based on the data stored in the database, the Scila surveillance system, as well as the Exchange log files. Trade data will continue to be stored in this same manner following the addition of the new Weekly Call Spread and Touch Bracket contracts. Therefore, the addition of these contracts will not negatively impact Nadex’s ability to comply with these Core Principles.

Core Principles 7 and 8, implemented by Regulations Subsections 38.400, 38.401, 38.450, and 38.451, require a DCM to make available to the public accurate information regarding the contract terms and conditions, as well as daily information on contracts such as settlement price, volume, open interest, and opening and closing ranges. Nadex makes the Exchange Rulebook available on its website, as well as the Daily Bulletin which contains the preceding required information. The Results page on the website also publishes the Expiration Value and Settlement Value for all Nadex contracts settled during that week. Contract specifications for the new Weekly Call Spread and Touch Bracket contracts will likewise be set forth in the Rulebook and on the Nadex website. Daily settlement prices, volume, open interest, and opening and closing ranges for the new contracts will be included on the Daily Bulletin and posted on the Nadex website. Therefore, the addition of the new contracts will not negatively impact Nadex’s ability to comply with these Core Principles.

Finally, Core Principle 18, implemented by Regulation Subsection 38.951, requires a DCM to maintain records in accordance with part 45, Swap Data Recordkeeping and Reporting Requirements. In early 2013, Nadex and CFTC staff engaged in discussions regarding the classification of its Binary Contracts and Variable Payout Contracts following the Dodd-Frank amendments to the Act. The review resulted in the determination that Nadex Binary Contracts and Variable Payout Contracts were deemed to be “swaps” under Section 1a(47) of the Act. On June 30, 2017, Nadex was granted relief in CFTC Letter No. 17-31 (the “Letter”) from Commission Regulations 38.8(b), 38.10, 38.951 (in part), 39.20(b)(2) and Parts 43 and 45. In the Letter, the Division of Market Oversight (“DMO”) and Division of Clearing and Risk (“DCR”) (collectively, the “Divisions”) referred to the Nadex contracts as “binary options” and “spread contracts”, as the Nadex Variable Payout contracts were commonly known. During conversations with CFTC staff prior to the initial listing of Touch Bracket contracts in December 2018, CFTC staff indicated the Letter was intended to cover Variable Payout contracts, and hence, include both Call Spreads and Touch Bracket contracts. Nadex will continue to meet the

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requirements for which it has not been granted relief, as well as the conditional requirements set forth in the Letter.

DCO Core Principles

Nadex has identified the following Derivatives Clearing Organization (“DCO”) Core Principles as potentially being impacted by these amendments: C Participant and Product Eligibility, E Settlement Procedures, K Recordkeeping, and L Public Information.

Core Principle C, implemented by Regulation 39.12, requires a DCO to determine the eligibility of contracts for clearing. Nadex has determined the new Weekly Call Spread and Touch Bracket Variable Payout contracts will be eligible for clearing as the contracts will be listed based upon the same liquid underlying markets that Nadex currently lists other Variable Payout contracts of various durations. Moreover, as required by Nadex’s Order of Designation, trading in the new Weekly Call Spread and Touch Bracket contracts will be conducted on a fully-collateralized basis, thereby mitigating any credit risk of a particular member to Nadex or any other market participant.

Core Principle E, implemented by Regulation 39.14, requires a DCO to effect a settlement with each member at least once each business day. Nadex’s Weekly Call Spread and Touch Bracket contracts will settle in a timely manner after expiration. Also, in accordance with this Core Principle, Nadex will continue to maintain an accurate record of the flow of funds associated with each settlement of the new contracts. Therefore, the additions discussed herein will not negatively impact Nadex’s ability to comply with this Core Principle.

Core Principle K, implemented by Regulation 39.20, requires a DCO that clears swaps maintain swap data in accordance with the requirements of part 45. As indicated above, Nadex has been granted relief from Commission Regulations 38.8(b), 38.10, 38.951 (in part), 39.20(b)(2) and Parts 43 and 45 in CFTC Letter No. 17-31 with respect to its binary option and spread contracts. In discussions with DMO and DCR, staff have indicated that the relief was intended for Variable Payout contracts, and accordingly, would be extended to Touch Bracket contracts, a type of Variable Payout contract. Nadex will continue to meet the requirements for which it has not been granted relief, as well as the conditional requirements set forth in the Letter.

Core Principle L, implemented by Regulation 39.21, requires a DCO to make available to the public the terms and conditions of each contract, as well as the daily settlement prices, volume, and open interest of the contract. As stated previously, the Rulebook contains the contract specifications for all contracts listed on the Exchange, and is made available to the public on the Nadex website. All settlement values are listed on the Nadex website on the ‘Results Page’, as well as the Daily Bulletin which also shows volume and open interest. Therefore, the amendments discussed herein will not negatively impact Nadex’s ability to comply with this Core Principle.

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

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

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

In accordance Commission Regulation 40.2(a), Nadex plans to list the new contracts for the start of business on trade date September 21, 2020.

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 jaimewalsh@nadex.com.

Sincerely,



Jaime M. Walsh
Legal Counsel

EXHIBIT A

Rule	Asset	Duration/Close Time	Action	Effective Date
12.6	Silver Variable Payout Contracts	Weekly Touch Bracket 1:25pm ET	Add Touch Bracket contracts	9/21/2020
12.10	Natural Gas Variable Payout Contracts	Weekly Touch Bracket 2:30pm ET	Add Touch Bracket contracts	9/21/2020
12.26	AUD/USD Variable Payout Contracts	Weekly Call Spread and Touch Bracket 3:00pm ET	Add Weekly Call Spread contracts and Touch Bracket contracts	9/21/2020
12.28	EUR/USD Variable Payout Contracts	Weekly Call Spread 3:00pm ET	Add Weekly Call Spread contracts	9/21/2020
12.30	GBP/USD Variable Payout Contracts	Weekly Call Spread 3:00pm ET	Add Weekly Call Spread contracts	9/21/2020
12.32	USD/CAD Variable Payout Contracts	Weekly Call Spread and Touch Bracket 3:00pm ET	Add Weekly Call Spread contracts and Touch Bracket contracts	9/21/2020
12.34	USD/CHF Variable Payout Contracts	Weekly Call Spread 3:00pm ET	Add Weekly Call Spread contracts	9/21/2020

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12.36	USD/JPY Variable Payout Contracts	Weekly Call Spread 3:00pm ET	Add Weekly Call Spread contracts	9/21/2020
12.38	EUR/JPY Variable Payout Contracts	Weekly Call Spread and Touch Bracket 3:00pm ET	Add Weekly Call Spread contracts and Touch Bracket contracts	9/21/2020
12.40	GBP/JPY Variable Payout Contracts	Weekly Call Spread and Touch Bracket 3:00pm ET	Add Weekly Call Spread contracts and Touch Bracket contracts	9/21/2020
12.42	EUR/GBP Variable Payout Contracts	Weekly Call Spread and Touch Bracket 3:00pm ET	Add Weekly Call Spread contracts and Touch Bracket contracts	9/21/2020
12.44	AUD/JPY Variable Payout Contracts	Weekly Call Spread and Touch Bracket 3:00pm ET	Add Weekly Call Spread contracts and Touch Bracket contracts	9/21/2020

EXHIBIT B

Amendment of Rules 12.6, 12.10, 12.26, 12.28, 12.30, 12.32, 12.34, 12.36, 12.38, 12.40, 12.42,
12.44

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

RULES 1.1 – 12.5 [UNCHANGED]

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”⁵). 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.

(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

⁸ *Supra, at fn 4.*

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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:

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(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 100,000 Contracts.

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

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

(j) 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) 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) 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 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 set⁶, and using the remaining SFC trade prices to

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 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

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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) **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”⁷). 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.

number, the value will be rounded down, and the 6 highest and 6 lowest trade prices will be removed from the data set.

⁸ *Supra, at fn 4.*

(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 $X + 4$; The Floor shall be $X - 1$.

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

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

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

(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 $X + 4$ (or 1) and a Floor of $X - 1$ (or 4) 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.

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

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

(j) 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.

(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.

(l) 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 set⁸, 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 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 – 12.9 [UNCHANGED]

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.

⁸ 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 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”®).⁹ 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.

(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 $X + 0.5$.

⁹ *Supra*, at fn 4.

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(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 25,000 Contracts.

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

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

(j) 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) 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) 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 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 set¹⁰, 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

¹⁰ 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.

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) 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”®).¹¹ 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.

¹¹ *Supra*, at fn 4.

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(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.

(1) CONTRACT 1: The Ceiling shall be $X + 0.400$; The Floor shall be $X - 0.100$.

(2) CONTRACT 1: The Ceiling shall be $X + 0.300$; The Floor shall be $X - 0.200$.

(3) CONTRACT 1: The Ceiling shall be $X + 0.200$; The Floor shall be $X - 0.300$.

(4) CONTRACT 1: The Ceiling shall be $X + 0.100$; The Floor shall be $X - 0.400$.

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

(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 $X + 0.400$ (or 0.100) and a Floor of $X - 0.100$ (or 0.400) 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 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.

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

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

(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.

(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.

(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 set¹², 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.

(m) EXPIRATION VALUE – The Expiration Value is the Natural Gas 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 12.11 – 12.25 [UNCHANGED]

RULE 12.26 CURRENCY EXCHANGE AUD/USD VARIABLE PAYOUT CONTRACTS

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

¹² 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.

(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. ~~Variable Payout Contracts issued by Nadex.~~

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

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

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

(e) 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 $X - 0.0125$.

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(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.

~~(i)~~–(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.

~~(ii)~~–(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.

~~(iii)~~–(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.

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

~~(iv)~~ (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.

~~(v)~~(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 – There are currently no Position Limits for AUD/USD Call Spread Contracts.

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

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

(j) 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) 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) 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 the price or value of AUD/USD released by the Source Agency on the Expiration Date.~~

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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 set¹³, 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) **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 12.26.2 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**

¹³ 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.

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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 $X + 0.0200$; The Floor shall be $X - 0.0050$.

(2) CONTRACT 2: The Ceiling shall be $X + 0.0150$; The Floor shall be $X - 0.0100$.

(3) CONTRACT 3: The Ceiling shall be $X + 0.0100$; The Floor shall be $X - 0.0150$.

(4) CONTRACT 4: The Ceiling shall be $X + 0.0050$; The Floor shall be $X - 0.0200$.

(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 $X + 0.0200$ (or 0.0050) and a Floor of $X - 0.0050$ (or 0.0200) 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.

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

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

(j) 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) 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) 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)

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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 set¹⁴, 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 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) EXPIRATION VALUE – The Expiration Value is the AUD/USD Index Value released by the Source Agency at Expiration 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.

RULE 12.27 [UNCHANGED]

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.

¹⁴ 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.

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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 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.

(i)-(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:

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(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.

~~(ii)~~ (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.

~~(iii)~~ (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.

~~(iv)~~ (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 $X - 0.0100$.

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(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.

~~(v)~~(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 – There are currently no Position Limits for EUR/USD Call Spread Variable Payout Contracts.

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

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

(j) 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.

(l) 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 set¹⁵, 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

¹⁵ 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.

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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.

(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 12.28.2 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 $X + 0.0200$; The Floor shall be $X - 0.0050$.

(2) CONTRACT 2: The Ceiling shall be $X + 0.0150$; The Floor shall be $X - 0.0100$.

(3) CONTRACT 3: The Ceiling shall be $X + 0.0100$; The Floor shall be $X - 0.0150$.

(4) CONTRACT 4: The Ceiling shall be $X + 0.0050$; The Floor shall be $X - 0.0200$.

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

(6) In each case, “X” equals the last EUR/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 $X + 0.0200$ (or 0.0050) and a Floor of $X - 0.0050$ (or 0.0200) 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.

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

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

(j) 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.

(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 set¹⁶, 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

¹⁶ 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.

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- (10) 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) 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 [UNCHANGED]

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.

(i)(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.

~~(ii)~~-(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.

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

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

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

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

~~(iii)~~ (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.

~~(iv)~~(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.

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~~(v)~~(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 – There are currently no Position Limits for GBP/USD Call Spread Variable Payout Contracts.

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

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

(j) 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) 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) 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 set¹⁷, 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.

¹⁷ 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.

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

**RULE 12.30.2 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 $X + 0.0200$; The Floor shall be $X - 0.0050$.

(2) CONTRACT 2: The Ceiling shall be $X + 0.0150$; The Floor shall be $X - 0.0100$.

(3) CONTRACT 3: The Ceiling shall be $X + 0.0100$; The Floor shall be $X - 0.0150$.

(4) CONTRACT 4: The Ceiling shall be $X + 0.0050$; The Floor shall be $X - 0.0200$.

(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 $X + 0.0200$ (or 0.0050) and a Floor of $X - 0.0050$ (or 0.0200) 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.

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(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.

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

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

(j) **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) **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) **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 set¹⁸, 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 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) **EXPIRATION VALUE** – The Expiration Value is the GBP/USD Index Value released by the Source Agency at Expiration on the Expiration Date.

¹⁸ 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.

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(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 12.31 [UNCHANGED]

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. ~~Variable Payout Contracts issued by Nadex.~~

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

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

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

(e) 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:

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(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.

~~(i)–(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.

~~(ii)–(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.

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

~~(iii)~~ (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.

~~(iv)~~ (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.

~~(v)~~(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 – There are currently no Position Limits for USD/CAD Call Spread Contracts.

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

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

(j) 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) 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) 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 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 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 set¹⁹, 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.

(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 12.32.2 CURRENCY EXCHANGE USD/CAD “TOUCH BRACKET”
VARIABLE PAYOUT CONTRACTS

¹⁹ 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.

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(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 $X + 0.0200$; The Floor shall be $X - 0.0050$.

(2) CONTRACT 2: The Ceiling shall be $X + 0.0150$; The Floor shall be $X - 0.0100$.

(3) CONTRACT 3: The Ceiling shall be $X + 0.0100$; The Floor shall be $X - 0.0150$.

(4) CONTRACT 4: The Ceiling shall be $X + 0.0050$; The Floor shall be $X - 0.0200$.

(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 $X + 0.0200$ (or 0.0050) and a Floor of $X - 0.0050$ (or 0.0200) 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.

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

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

(j) 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) 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) 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 set²⁰, 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 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) EXPIRATION VALUE – The Expiration Value is the USD/CAD Index Value released by the Source Agency at Expiration 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.

²⁰ 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.

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RULE 12.33 [UNCHANGED]

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 $X - 0.0250$.

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

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

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

(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.

~~(i)~~~~(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.

~~(ii)~~~~(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.

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

~~(iii)~~~~(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.

~~(iv)~~ (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.

~~(v)~~ (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 – There are currently no Position Limits for USD/CHF Call Spread Variable Payout Contracts.

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

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

(j) 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) 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) 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 set²¹, 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) 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

(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.

²¹ 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.

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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 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 $X + 0.0200$; The Floor shall be $X - 0.0050$.

(2) CONTRACT 2: The Ceiling shall be $X + 0.0150$; The Floor shall be $X - 0.0100$.

(3) CONTRACT 3: The Ceiling shall be $X + 0.0100$; The Floor shall be $X - 0.0150$.

(4) CONTRACT 4: The Ceiling shall be $X + 0.0050$; The Floor shall be $X - 0.0200$.

(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 $X + 0.0200$ (or 0.0050) and a Floor of $X - 0.0050$ (or 0.0200) 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.

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

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

(j) 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) **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) **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 set²², 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.

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

RULE 12.35 [UNCHANGED]

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.

²² 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.

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(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:

(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 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.

(iii) 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.

~~(i)~~(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.

~~(ii)~~(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.

~~(iii)~~ (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.

~~(iv)~~ (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.

~~(v)~~ (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 – There are currently no Position Limits for USD/JPY Call Spread Variable Payout Contracts.

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

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

(j) 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) 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) 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 set²³, 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.

(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 12.36.2 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.

²³ 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.

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(1) CONTRACT 1: The Ceiling shall be $X + 2.00$; The Floor shall be $X - 0.50$.

(2) CONTRACT 2: The Ceiling shall be $X + 1.50$; The Floor shall be $X - 1.00$.

(3) CONTRACT 3: The Ceiling shall be $X + 1.00$; The Floor shall be $X - 1.50$.

(4) CONTRACT 4: The Ceiling shall be $X + 0.50$; The Floor shall be $X - 2.00$.

(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 $X + 2.00$ (or 0.50) and a Floor of $X - 0.50$ (or 2.00) 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.

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

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

(j) 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) 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) 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 set²⁴, 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 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) EXPIRATION VALUE – The Expiration Value is the USD/JPY Index Value released by the Source Agency at Expiration 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.

RULE 12.37 [UNCHANGED]

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. ~~Variable Payout Contracts issued by Nadex.~~

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

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

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

(e) 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:

²⁴ 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.

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(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.

(ii)–(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.

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

~~(ii)~~(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.

~~(iii)~~(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.

~~(iv)~~(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.

~~(v)~~ (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 – There are currently no Position Limits for EUR/JPY Call Spread Contracts.

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

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

(j) 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) 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) 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 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 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 set²⁵, 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

²⁵ 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.

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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.

(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 12.36.2 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 $X + 2.00$; The Floor shall be $X - 0.50$.

(5) CONTRACT 2: The Ceiling shall be $X + 1.50$; The Floor shall be $X - 1.00$.

(6) CONTRACT 3: The Ceiling shall be $X + 1.00$; The Floor shall be $X - 1.50$.

(7) CONTRACT 4: The Ceiling shall be $X + 0.50$; The Floor shall be $X - 2.00$.

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

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

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(ii) Upon the early Expiration of a Touch Bracket, Nadex may list a new Touch Bracket with a Ceiling of $X + 2.00$ (or 0.50) and a Floor of $X - 0.50$ (or 2.00) 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.

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

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

(j) 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) 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) 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 set²⁶, 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) 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

²⁶ 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.

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all four (4) EUR/JPY Midpoints, rounded to one decimal point past the precision of the underlying market.

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

RULE 12.39 [UNCHANGED]

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. ~~Variable Payout Contracts 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.

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(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.

(i)-(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.

(ii)-(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:

- (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.

~~(iii)~~(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.

~~(iv)~~(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.

~~(v)~~ (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 – There are currently no Position Limits for GBP/JPY Call Spread Contracts.

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

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

(j) 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) 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) 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 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 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 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) 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

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.

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(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 $X + 2.00$; The Floor shall be $X - 0.50$.

(2) CONTRACT 2: The Ceiling shall be $X + 1.50$; The Floor shall be $X - 1.00$.

(3) CONTRACT 3: The Ceiling shall be $X + 1.00$; The Floor shall be $X - 1.50$.

(4) CONTRACT 4: The Ceiling shall be $X + 0.50$; The Floor shall be $X - 2.00$.

(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 $X + 2.00$ (or 0.50) and a Floor of $X - 0.50$ (or 2.00) 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.

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

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

(j) 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) 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) 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 set²⁸, 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.

(m) EXPIRATION VALUE – The Expiration Value is the GBP/JPY Index Value released by the Source Agency at Expiration 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.

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.

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RULE 12.41 [UNCHANGED]

RULE 12.42 CURRENCY EXCHANGE EUR/GBP VARIABLE PAYOUT CONTRACTS

RULE 12.42.1 CURRENCY EXCHANGE EUR/GBP “CALL SPREAD” VARIABLE PAYOUT CONTRACTS

(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. ~~Variable Payout Contracts 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 $X - 0.0250$.

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(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.

~~(i)~~(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.

~~(ii)~~ (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.

(iii) (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 – There are currently no Position Limits for EUR/GBP Call Spread Contracts.

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

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

(j) 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.

(k) 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) 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 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 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 set²⁹, 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

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.

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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 12.42.2 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 $X + 0.0200$; The Floor shall be $X - 0.0050$.

(2) CONTRACT 2: The Ceiling shall be $X + 0.0150$; The Floor shall be $X - 0.0100$.

(3) CONTRACT 3: The Ceiling shall be $X + 0.0100$; The Floor shall be $X - 0.0150$.

(4) CONTRACT 4: The Ceiling shall be $X + 0.0050$; The Floor shall be $X - 0.0200$.

(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 $X + 0.0200$ (or 0.0050) and a Floor of $X - 0.0050$ (or

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0.0200) 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.

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

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

(j) 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.

(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.

(l) 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 set³⁰, 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 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.

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.

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

RULE 12.43 [UNCHANGED]

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

(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

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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.

(i)(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.

(ii)(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.

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

~~(iii)~~(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 – There are currently no Position Limits for AUD/JPY Call Spread Contracts.

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

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

(j) 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) 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) 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 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 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 set³¹, 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

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.

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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) 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:

(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 $X + 2.00$; The Floor shall be $X - 0.50$.

(2) CONTRACT 2: The Ceiling shall be $X + 1.50$; The Floor shall be $X - 1.00$.

(3) CONTRACT 3: The Ceiling shall be $X + 1.00$; The Floor shall be $X - 1.50$.

(4) CONTRACT 4: The Ceiling shall be $X + 0.50$; The Floor shall be $X - 2.00$.

(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 $X + 2.00$ (or 0.50) and a Floor of $X - 0.50$ (or 2.00) 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.

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

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

(j) 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) 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) 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 set³², 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

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.

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

(m) EXPIRATION VALUE – The Expiration Value is the AUD/JPY Index Value released by the Source Agency at Expiration 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.

RULE 12.45 [UNCHANGED]