

**North American Derivatives Exchange  
Emergency Action**

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

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

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

On Tuesday, September 29, 2020, at 5:21 AM ET, the Nadex trading platform was impacted when a WebLogic certificate expired. While the Exchange backend was not affected, the expired certificate resulted in members not being able to log into their accounts. Members who were already logged in to their accounts at the time the certificate expired were unable to open or close any trades. Due to previous encryption level requiring an upgrade by the service provider, a change to the WebLogic security profile and several configuration changes to the Apache plugin that routes to WebLogic were necessary. This cause a delay in the renewal of the certificate. The encryption required a change on WebLogic to use a different security profile and several configuration changes to the Apache plugin that routes to WebLogic. Once all updates and configuration changes were complete, the certificate was reissued and deployed to the impacted environments. Service was fully restored at 9:57 AM ET, 4 hours and 36 minutes after the start.

In order to prevent future incidents, the Platform Operations team will complete an audit of all certificates that could impact Nadex. The Infrastructure team will detail which certificates impact what features and where they should be deployed.

By: Andrew J. Snyder

Kate Knobl

Title: Chief Compliance Officer

Title: Chief Financial Officer

Date: September 30, 2020