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November 28, 2014

Via CFTC Portal Submissions

Mr. Christopher Kirkpatrick
Secretary of the Commission
Office of the Secretariat
Commodity Futures Trading Commission
3 Lafayette Centre
1155 21st Street, N.W.
Washington D.C. 20581

RE: Rule Certification: Nadex Amends its Settlement Calculation Procedures for its Foreign Currency Products, Adds Foreign Currencies 5-Minute Intraday Binary Contracts – Submission Pursuant to Commission Regulation §40.6(a)

Dear Mr. Kirkpatrick,

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended (the “Act”), and §40.6(a) of the regulations promulgated by the Commodity Futures Trading Commission (the “Commission”) under the Act, North American Derivatives Exchange, Inc. (“Nadex”) hereby submits to the Commission its intent to amend its Expiration Value calculation process for its foreign currency products, and to add new Intraday 5-Minute Binary Contracts to its current listing of GBP/USD, EUR/USD, AUD/USD, and USD/JPY Binary Contracts. Nadex plans to implement these changes for the open of business on trade date December 15, 2014.

Nadex currently calculates the Expiration Value for its foreign currency products by taking the last 25 midpoints between the bid and ask spread, five pips wide or less, just prior to the close of trading of that particular contract, removing the highest five and lowest five midpoints, and averaging the remaining 15 midpoints rounded to one decimal point past the precision of the underlying market. Nadex is amending the number of midpoint prices it collects in the initial data set from 25 prices to 10. Nadex is making this change to its settlement process as it has recently upgraded the underlying source of its currency data to a proprietary feed (“NadexFX data feed” or “NadexFX feed”)¹.

¹ The NadexFX Aggregate Feed (“NadexFX”) is a proprietary feed based on streams of quotes received from a collection of banks by IG Group plc, parent company of the North American Derivatives Exchange, Inc. The NadexFX data feed is transmitted from IG directly to Nadex.

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The NadexFX data feed is a robust compilation of actionable bids and offers in foreign currencies obtained from 12 well known established banking institutions². Unlike Reuters, NadexFX pulls data from an executable matching environment where banks can trade against each other. Consequently, banks are inclined to stream more price updates to the source for the NadexFX feed, whereas the bank quotes reflected in the current Reuters underlying data are price updates and not necessarily a full stream of bank prices. Hence, the data currently transmitted to Nadex from Reuters has on occasion resulted in unusually long periods of time to collect sufficient pricing for settlement calculations.³

The NadexFX feed enables Nadex to collect the midpoints it uses in settlement calculation in a significantly more timely and efficient manner than with Reuters. As Nadex is able to collect data to use in the calculation of a particular Expiration Value in a matter of seconds, the prices that are obtained are more closely reflective of the true market value. Additionally, as all data compiled in this feed and used in Nadex's Expiration Value calculation is derived from the activity of banking institutions rather than individual traders, there is no potential for manipulation of the Expiration Value by a Nadex market participant attempting to move the underlying price to effect an in-the-money contract on the Nadex system. Therefore, using an initial data set of 25 midpoint prices to prevent manipulation of the expiration calculation in these specific products is unnecessary and excessive now that the underlying feed has been upgraded to a more comprehensive compilation. Nadex believes that the set of 10 midpoint prices leading up to expiration of a particular Nadex contract is sufficient to provide a safe and accurate valuation of the underlying market. For added protection, the highest and lowest three prices will be removed from the set before averaging the final Expiration Value, thereby ensuring outlier prices are discarded.⁴

² Banks contributing data to the NadexFX data feed include Bank of America, Barclays, BNP Paribas, Citibank, Deutsche Bank, Goldman Sachs, Goldman Sachs FX, HSBC, Lucid, Morgan Stanley, Nomura, Royal Bank of Scotland, and UBS. The NadexFX feed will comprise quotes from a minimum of three such banks and, where more than six banks are providing quotes at any given time, only the half of those quotes constituting the tightest markets will be used with the outliers discarded.

³ On August 23, 2014 and September 22, 2014 Nadex filed emergency action forms notifying the Commission of its decision to halt the listing of certain AUD/JPY Binary Contracts due to an issue Reuters experienced whereby one of its contributing banks temporarily ceased providing quotes, causing a delay in the settlement in the Nadex contracts which had to be calculated manually using Bloomberg data. On August 26, 2014, Nadex informed Commission staff in a telephone conversation and later by email that due to the issues experienced by Reuters the Exchange was investigating alternative providers who derive their data sets from a larger sample of banks. After ruling out certain providers who could not meet the needs of Nadex as its primary data source, Nadex determined that the proprietary NadexFX feed proved most cost effective while also meeting the Exchange's criteria, namely the streaming of accurate data in real-time from a large sample of banking institutions (the NadexFX feed obtains data from 12 well known established banking institutions), while also preventing any possible manipulation or conflict of interest.

⁴ For comparison's sake, another DCM/DCO listing binary options on FX rates, the Cantor Exchange, takes the 8 most recent prints from its FX feed, discards the 2 high and the 2 low and averages the remaining 4 quotes. See, e.g., Cantor Futures Exchange Rule IX-5(b).

Additionally, Nadex is including new Intraday Binary Contracts of 5-minute duration to its current offering of foreign currencies to provide its market participants with a wider variety of trading opportunities tailored to the interests of those participants.

Nadex's current offering of Intraday Contracts are the most actively traded contracts on the Exchange. Based on volume observations among the Weekly, Daily, and Intraday Contracts, it appears market participants have a significant interest in contracts with shorter durations, with the highest trading activity occurring at the beginning of the contract and as the contract approaches expiration. Nadex's recently added US Indices 20-Minute Intraday Binary Contracts have been received with a positive response from traders. Within the first week of listing, trading volume in the 20-Minute Binary Contracts constituted between 15% and 20% of the Exchange's total volume. The listing of three additional contracts (i.e. three strikes) in each of four different currency pairs every five minutes (144 additional contracts per hour) will provide significantly more trading opportunities throughout the day for Nadex's market participants.

The 5-Minute Intraday Binary Contracts will have at least one dedicated market maker who is required to make a two-sided market to provide liquidity. Additionally, Nadex is adding a provision to the contract specifications that Nadex may, in its discretion, temporarily halt the listing of any 5-Minute Binary Contract due to the unavailability of the underlying market upon which the Contract is based, or any other condition Nadex determines may be detrimental to the listing of the Contract. In the event that any 5-Minute Binary Contract is unable to be settled using data from the NadexFX feed, Nadex will obtain suitable pricing data for settlement purposes from a backup source deemed appropriate under the circumstances. In such a situation the Expiration Value will be calculated manually using the backup data. Nadex currently obtains data from Bloomberg in order to manually calculate an Expiration Value when underlying Reuters data is unavailable, and therefore the process of obtaining data from a secondary source in the event NadexFX data is unavailable does not differ from present procedures.

Finally, offering a 5-Minute Binary Contract will enable the strike levels of each currency pair to be more tightly aligned with the expected price range in the underlying leading to expiration. Contracts of shorter duration with strike levels closer to the underlying currency's value means less movement in the underlying market is needed for the contract to be active. This will prove beneficial for traders, offering trading opportunities when the overall market is not active.

In addition to the demand from its market participants, Nadex notes that 5-Minute binary options are currently listed by the Cantor Exchange, a CFTC regulated DCM and DCO, on three different currency pairs. Nadex believes it should offer its participants the same opportunity of trading a short-term contract as participants of other exchanges have.

DCM Core Principles: Amendments to Foreign Currency Settlement Process

Nadex has identified the following Designated Contract Market (“DCM”) Core Principles as potentially being impacted by the amendments to the currency contracts’ Expiration Value calculation process: Core Principle 3 Contracts Not readily Subject to Manipulation; Core Principle 7 Availability of General Information.

Core Principle 3 requires that the DCM list only contracts that are not readily susceptible to manipulation. The Commission’s guidelines state that “[i]n evaluating the susceptibility of a cash-settled contract to manipulation, a designated contract market should consider the size and liquidity of the cash market that underlies the listed contract. . .” and further that “[i]n particular, situations susceptible to manipulation include those in which the volume of cash market transactions and/or the number of participants contacted in determining the cash-settlement price are very low. Cash-settled contracts may create an incentive to manipulate or artificially influence the data from which the cash-settlement price is derived or to exert undue influence on the cash-settlement price’s computation in order to profit on a futures position in that commodity.” The data Nadex collects to calculate the Expiration Value of its currency products is obtained from the interbank foreign exchange market, which is a high volume market traded by banking institutions. Nadex is a market designed for retail traders and, as such, its retail market participants would not trade in the interbank market on their own behalf. Accordingly, there is little risk that a Nadex participant would even have the ability to attempt to manipulate the Expiration Value of any Nadex currency contract by transacting in an underlying FX market. Additionally, Nadex’s amended calculation method would continue using a set of prices and removing the highest and lowest outliers, and averaging the remainder, mitigating the possibility of manipulation or that any party would acquire advance knowledge of the Expiration Value prior to expiration of the contract. Furthermore, the value of the transactions that occur on the interbank market is so enormous that it would be virtually impossible for any retail market participant to manipulate the Nadex Expiration Value of any currency contract by trading in the underlying market.

Core Principle 7 requires that the DCM make available the terms and conditions of its listed contracts. Nadex currently sets forth the calculation method used in Expiration Value determination in each currency pair’s respective contract specifications in the Rulebook, which is available on the Nadex website. The calculation method used to determine Expiration Value is also explained on the “What are Binary Options” and “What are Bull Spreads” pages of the Nadex website. Nadex will continue to make this information available to the public in both the Rulebook and on the Nadex website.

Accordingly, the Rule amendments to the Expiration Value calculation process discussed herein will not negatively impact Nadex’s ability to comply with these Core Principles.

DCO Core Principles: Amendments to Foreign Currency Settlement Process

Nadex has identified the following Derivatives Clearing Organization (“DCO”) Core Principles as potentially being impacted by the amendments to the currency contracts’ Expiration Value calculation process: Core Principle 39.21 Public Information.

Core Principle 39.21 requires the DCO to make available to the public the terms and conditions of each contract. As stated previously, Nadex makes the calculation method used in determining the Expiration Value of its contracts publicly available in the Nadex Rulebook, as well as on the Nadex website. Nadex will continue to make this information available to the public by the same means after the amendments to the Expiration Value calculation method for foreign currencies have been implemented. Therefore, the Rule amendments to the Expiration Value calculation process discussed herein will not negatively impact Nadex’s ability to comply with these Core Principles.

DCM Core Principles: Intraday 5-Minute Binary Contracts

Nadex has identified the following DCM Core Principles as potentially being impacted by the addition of Intraday 5-Minute Binary Contracts: Core Principle 2 Compliance with Rules (Regulation Subparts 38.156 Automated trade surveillance system, and 38.157 Real-time market monitoring); Core Principle 3 Contracts Not Readily Subject to Manipulation (Regulation Subparts 38.200 Core Principle 3 and 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, and 38.256 Trade reconstruction); Core Principle 7 Availability of General Information (Regulation Subparts 38.400 Core Principle 7 and 38.401 General requirements); and Core Principle 8 Daily Publication of Trading Information (Regulation Subparts 38.450 Core Principle 8 and 38.451 Reporting of trade information).

Commission Regulations Subparts 38.156 and 38.157, which implement Core Principle 2, require the 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 SMARTS[®] 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, day or night, and will continue to monitor activity in the Intraday 5-Minute Binary Contracts in the same manner. The Nadex surveillance system and its staff currently monitor all trading activity, and this will not change with the addition of Intraday 5-Minute Binary Contracts. Therefore, the addition of Intraday 5-Minute Binary Contracts will not negatively impact Nadex’s ability to comply with this Core Principle.

Core Principles 3 and 4 require the DCM to list only contracts that are not readily susceptible to manipulation and to prevent market disruption. Nadex is currently listing Weekly, Daily, and Intraday 2-hour Binary Contracts in the GBP/USD, EUR/USD, AUD/USD, and USD/JPY currencies, which are based on underlying markets that are highly liquid and are traded in real-time, thereby eliminating the possibility of an early release of an underlying trade price. The same underlying markets will continue to be used for the Intraday 5-Minute Binary Contracts.

Additionally, the Expiration Value calculation method of removing the top three and lowest three underlying trade prices from the last ten trades prior to expiration and averaging the remaining four further mitigates the possibility of manipulation. Nadex has designated a market maker who is obligated to provide liquidity in these contracts, limiting opportunities for the market to be manipulated. As previously stated, Nadex also uses the SMARTS surveillance system to assist with market monitoring and has a staff dedicated to market surveillance. The same methods used to detect and prevent potential contract manipulation or market disruption Nadex has historically used can be applied to the additional Intraday 5-Minute Binary Contracts in order to effectively monitor these contracts.

Regulation 38.253 requires the 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 DCM are settled by reference to the price of a contract in another venue. Nadex's foreign currency binary contracts are currently, and will continue, to be settled based on data from the relevant underlying markets upon which those contracts are based, which are in venues other than Nadex. 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".

Regulation 38.256 requires the 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 Nadex SMARTS 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 Intraday 5-Minute Binary 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 the 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 Intraday 5-Minute Binary Contracts will continue to be set forth in the Rulebook and likewise 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 Intraday 5-Minute Binary Contracts will not negatively impact Nadex's ability to comply with these Core Principles.

DCO Core Principles: Intraday 5-Minute Binary Contracts

Nadex has identified the following DCO Core Principles as potentially being impacted by these amendments: C Participant and Product Eligibility, E Settlement Procedures, L Public Information.

Core Principle C, implemented by Regulation 39.12, requires the DCO to determine the eligibility of contracts for clearing. Nadex has determined the Intraday 5-Minute Binary Contracts will be eligible for clearing as the contracts will continue to be listed based upon the same liquid underlying markets as the current GBP/USD, EUR/USD, AUD/USD, and USD/JPY contracts. Additionally, all trading in these contracts, like all Nadex contracts, is conducted on a fully-collateralized basis, thereby mitigating any credit risk of a particular member to Nadex or other market participant.

Core Principle E, implemented by Regulation 39.14, requires the DCO to effect a settlement with each member at least once each business day. Nadex's Intraday 5-Minute Binary Contracts will continue to settle in a timely manner shortly after the contract's 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 its Intraday 5-Minute Binary Contracts. Therefore, the amendments discussed herein will not negatively impact Nadex's ability to comply with this Core Principle.

Core Principle L, implemented by Regulation 39.21, requires the 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.

Pursuant to the 10-day filing period under Regulation 40.6(a) (3), amendments to the Nadex Intraday Contracts would become effective December 15, 2014.

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

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

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

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

Should you have any questions regarding the above, please do not hesitate to contact me by telephone at (312) 884-0953 or by email at Donald.horwitz@nadex.com.

Sincerely,

A handwritten signature in black ink that reads "Donald L. Horwitz". The signature is written in a cursive style with a large, stylized initial 'D'.

Donald L. Horwitz
General Counsel and Chief
Regulatory Officer

EXHIBIT A

Rule	Asset	Duration/ Close Time	Action	Effective Date
12.26	AUD/USD Variable Payout Contracts	All	Amend Expiration Value calculation process	12/15/2014
12.27	AUD/USD Binary Contracts	Expirations every 5 minutes from 6:05pm ET to 5:00pm ET trade dates Monday-Thursday, every 5 minutes from 6:05pm ET to 4:00pm ET trade date Friday. All contracts affected by change in Expiration Value calculation process.	Add 5-Minute Intraday Binary Contracts; amend Expiration Value calculation process	12/15/2014
12.28	EUR/USD Variable Payout Contracts	All	Amend Expiration Value calculation process	12/15/2014
12.29	EUR/USD Binary Contracts	Expirations every 5 minutes from 6:05pm ET to 5:00pm ET trade dates Monday-Thursday, every 5 minutes from 6:05pm ET to 4:00pm ET trade date Friday. All contracts affected by change in Expiration Value calculation process.	Add 5-Minute Intraday Binary Contracts; amend Expiration Value calculation process	12/15/2014
12.30	GBP/USD Variable Payout Contracts	All	Amend Expiration Value calculation process	12/15/2014

12.31	GBP/USD Binary Contracts	Expirations every 5 minutes from 6:05pm ET to 5:00pm ET trade dates Monday-Thursday, every 5 minutes from 6:05pm ET to 4:00pm ET trade date Friday. All contracts affected by change in Expiration Value calculation process.	Add 5-Minute Intraday Binary Contracts; amend Expiration Value calculation process	12/15/2014
12.32	USD/CAD Variable Payout Contracts	All	Amend Expiration Value calculation process	12/15/2014
12.33	USD/CAD Binary Contracts	All	Amend Expiration Value calculation process	12/15/2014
12.34	USD/CHF Variable Payout Contracts	All	Amend Expiration Value calculation process	12/15/2014
12.35	USD/CHF Binary Contracts	All	Amend Expiration Value calculation process	12/15/2014
12.36	USD/JPY Variable Payout Contracts	All	Amend Expiration Value calculation process	12/15/2014
12.37	USD/JPY Binary Contracts	Expirations every 5 minutes from 6:05pm ET to 5:00pm ET trade dates Monday-Thursday, every 5 minutes from 6:05pm ET to 4:00pm ET trade date Friday. All contracts affected by change in Expiration Value calculation process.	Add 5-Minute Intraday Binary Contracts; amend Expiration Value calculation process	12/15/2014

12.38	EUR/JPY Variable Payout Contracts	All	Amend Expiration Value calculation process	12/15/2014
12.39	EUR/JPY Binary Contracts	All	Amend Expiration Value calculation process	12/15/2014
12.40	GBP/JPY Variable Payout Contracts	All	Amend Expiration Value calculation process	12/15/2014
12.41	GBP/JPY Binary Contracts	All	Amend Expiration Value calculation process	12/15/2014
12.42	EUR/GBP Binary Contracts	All	Amend Expiration Value calculation process	12/15/2014
12.43	AUD/JPY Binary Contracts	All	Amend Expiration Value calculation process	12/15/2014

EXHIBIT B

Amendment of Rules 12.26 – 12.43

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

RULE 12.26 CURRENCY EXCHANGE AUD/USD VARIABLE PAYOUT CONTRACTS

- (a) **SCOPE** – These Rules shall apply to the Class of Contracts referred to as the Currency Exchange AUD/USD (“AUD/USD”) 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) **ISSUANCE** – For each planned release by the Source Agency of the Underlying, Nadex will issue various Contracts, each of a different Series. A new issuance of Contracts will commence no later than two (2) business days following the Expiration Date.
- (f) **PAYOUT CRITERION** – The Payout Criterion for each Contract will be set by Nadex at the time the Variable Payout Contracts are initially issued. For the AUD/USD Variable Payout Contract, the Payout Criteria for the Contracts will be set as follows;
- (i) **DAILY VARIABLE AUD/USD SPREAD CONTRACTS, 3:00 PM ET CLOSE**
- At the commencement of trading in a Daily Spread AUD/USD Variable Payout Contract, Nadex shall list one (1) Variable Payout Contract, referred to as a ‘Spread’, which conforms to one of the Payout Criteria listed below:

(1) DAILY VARIABLE AUD/USD SPREAD CONTRACT:

- (aa) **CAP** – The Cap 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) INTRADAY VARIABLE AUD/USD 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) Variable Payout Contracts with overlapping ranges, which conform to the Payout Criteria listed below:

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

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

(3) CONTRACT 3: The Cap shall be X + 0.0200; The Floor shall be X.

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

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

(iii) INTRADAY 2-HOUR VARIABLE AUD/USD 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) Variable Payout Contracts that open 2 hours prior to the stated closing time(s) above with overlapping ranges, which conform to the Payout Criteria listed below:

(1) CONTRACT 1: The Cap shall be X; The Floor shall be X- 0.0100.

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

(3) CONTRACT 3: The Cap 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.

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

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

(h) REPORTING LEVEL – The Reporting Level for the AUD/USD Variable Payout Contracts shall be 2,500 Contracts.

(i) POSITION LIMIT – There are currently no Position Limits for AUD/USD Variable Payout Contracts.

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

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

(l) 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.

(m) 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.

(n) EXPIRATION VALUE – The Expiration Value is the price or value of AUD/USD released by the Source Agency on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking the last ~~twenty five (25)~~ ten (10) Midpoints between the bid/ask spread (five pips wide or less) just prior to the close of trading of the AUD/USD Variable Payout Contract and removing the highest ~~five (5)~~ three (3) Midpoints and the lowest ~~(5)~~ three (3) Midpoints, using the remaining ~~fifteen (15)~~ four (4) AUD/USD Midpoints to calculate the Expiration Value. The calculation used is a simple average of all ~~fifteen (15)~~ four (4) AUD/USD Midpoints, rounded to one decimal point past the precision of the underlying market. A Midpoint is calculated by adding the bid price and the ask price together and then dividing that number by two (2). For example, if the bid price is 1.3400 and the ask price is 1.3402, the two numbers are added together (totaling 2.6802) and then divided by two (2), equaling a Midpoint of 1.3401. If the spread between a particular bid price and ask price is deemed too wide (greater than five (5) pips), those prices will not be used to calculate a Midpoint and will thus not be included within the ~~25~~ 10 initially captured values.

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

RULE 12.27 CURRENCY EXCHANGE AUD/USD BINARY CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the Currency Exchange AUD/USD (“AUD/USD”) Binary Contract issued by Nadex.

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

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

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

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

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

(i) WEEKLY AUD/USD BINARY CONTRACTS

- (1) EXPIRATION TIME – 3 PM ET CLOSE
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 0.0050.
- (3) NUMBER OF STRIKE LEVELS LISTED - Fourteen (14) strike levels will be listed for each Weekly AUD/USD Binary Contract Series.
- (4) STRIKE LEVELS GENERATED - Strike levels will be generated such that Binary Contract “ \underline{XW} ” is valued ‘at-the-money’ in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in either 0.0025 or 0.0075 as reported by the Source Agency. Six (6) strike levels will be generated above Binary Contract \underline{XW} at an interval of 0.0050, and seven (7) strike levels will be generated below Binary Contract \underline{XW} at an interval of 0.0050 (e.g. $\underline{XW} - 0.0050$; \underline{XW} ; $\underline{XW} + 0.0050$). The Contract will have a Payout Criterion of greater than the strike level value.

(ii) DAILY AUD/USD BINARY CONTRACTS

- (1) EXPIRATION TIME – 3 AM, 7 AM, 11 AM, 3 PM, 7 PM, 11 PM ET CLOSE
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 0.0020.
- (3) NUMBER OF STRIKE LEVELS LISTED – Twenty-one (21) strike levels will be listed for each Daily AUD/USD Binary Contract Series.

- (4) STRIKE LEVELS GENERATED - Strike levels will be generated such that Binary Contract “ YX ” is valued ‘at-the-money’ in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in 0.0020 as reported by the Source Agency. Ten (10) strike levels will be generated above Binary Contract YX at an interval of 0.0020, and ten (10) strike levels will be generated below Binary Contract YX at an interval of 0.0020 (e.g. $\text{YX} - 0.0020$; YX ; $\text{YX} + 0.0020$). The Contract will have a Payout Criterion of greater than the strike level value.

(iii) INTRADAY 2-HOUR AUD/USD BINARY CONTRACTS

- (1) EXPIRATION TIME – 8 PM, 9 PM, 10 PM, 11 PM, 12 AM, 1 AM, 2 AM, 3 AM, 4 AM, 5 AM, 6 AM, 7 AM, 8 AM, 9 AM, 10 AM, 11 AM, 12 PM, 1 PM, 2 PM, 3 PM, 4 PM, 5 PM ET CLOSE
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 0.0005.
- (3) NUMBER OF STRIKE LEVELS LISTED – Nineteen (19) strike levels will be listed for each Intraday 2-Hour AUD/USD Binary Contract Series.
- (4) STRIKE LEVELS GENERATED - Strike levels will be generated such that Binary Contract “ ZY ” is valued ‘at-the-money’ in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in 0.0001 as reported by the Source Agency. Nine (9) strike levels will be generated above Binary Contract ZY at an interval of 0.0005, and nine (9) strike levels will be generated below Binary Contract ZY at an interval of 0.0005 (e.g. $\text{ZY} - 0.0005$; ZY ; $\text{ZY} + 0.0005$). The Contract will have a Payout Criterion of greater than the strike level value.

(iv) INTRADAY 5-MINUTE AUD/USD BINARY CONTRACTS

- (1) EXPIRATION TIME – 5-Minute Binary Contracts will expire every 5 minutes beginning Sunday at 6:05pm ET and ending Friday at 4:00pm ET.
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 0.001.
- (3) NUMBER OF STRIKE LEVELS LISTED – Three (3) strike levels will be listed for each Intraday 5-Minute AUD/USD Binary Contract Series.

(4) STRIKE LEVELS GENERATED - Strike levels will be generated such that Binary Contract “Z” is valued ‘at-the-money’ in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in 0.0005 as reported by the Source Agency. One (1) strike level will be generated above Binary Contract Z at an interval of 0.001, and one (1) strike level will be generated below Binary Contract Z at an interval of 0.001 (e.g. Z – 0.001; Z; Z + 0.001). The Contract will have a Payout Criterion of greater than the strike level value.

(5) Nadex may, in its discretion, temporarily halt the listing of any 5-Minute Binary Contract due to the unavailability of the underlying market upon which the Contract is based, or any other condition Nadex determines may be detrimental to the listing of the Contract.

~~(iv)~~(v) Nadex may list additional AUD/USD Binary Contracts with different ranges of Payout Criteria on a discretionary basis in accordance with the CEA and Commission Regulations.

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

(h) REPORTING LEVEL – The Reporting Level for the AUD/USD Binary Contracts shall be 12,500 Contracts.

(i) POSITION LIMIT – There are currently no Position Limits for AUD/USD Binary Contract.

(j) LAST TRADING DATE – The Last Trading Date in a Series is the same as the Expiration Date. No trading in the AUD/USD Binary Contracts shall occur after its Last Trading Date.

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

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

(m) SETTLEMENT VALUE – The Settlement Value is the amount paid to the holder of the in the money Contract on the Settlement Date. The Settlement Value of an in the money AUD/USD Binary Contract is \$100.

(n) EXPIRATION VALUE – The Expiration Value is the price or value of AUD/USD as released by the Source Agency on the Expiration Date. The Expiration Value is calculated by

the Source Agency by taking the last ~~twenty-five (25)~~ ten (10) Midpoints between the bid/ask spread (five pips wide or less) just prior to the close of trading of the AUD/USD Binary Contract and removing the highest ~~five (5)~~ three (3) Midpoints and the lowest ~~(5)~~ three (3) Midpoints, using the remaining ~~fifteen (15)~~ four (4) AUD/USD Midpoints to calculate the Expiration Value. The calculation used is a simple average of all ~~fifteen (15)~~ four (4) AUD/USD Midpoints, rounded to one decimal point past the precision of the underlying market. A Midpoint is calculated by adding the bid price and the ask price together and then dividing that number by two (2). For example, if the bid price is 1.3400 and the ask price is 1.3402, the two numbers are added together (totaling 2.6802) and then divided by two (2), equaling a Midpoint of 1.3401. If the spread between a particular bid price and ask price is deemed too wide (greater than five (5) pips), those prices will not be used to calculate a Midpoint and will thus not be included within the ~~25~~ 10 initially captured values.

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

RULE 12.28 CURRENCY EXCHANGE EUR/USD VARIABLE PAYOUT CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the Currency Exchange EUR/USD (“EUR/USD”) Variable Payout Contracts 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) ISSUANCE – For each planned release by the Source Agency of the Underlying, Nadex will issue various Contracts, each of a different Series. A new issuance of Contracts will commence no later than two (2) business days following the Expiration Date.

(f) PAYOUT CRITERION – The Payout Criterion for each Contract will be set by Nadex at the time the Variable Payout Contracts are initially issued. For the EUR/USD Variable Payout Contract, the Payout Criteria for the Contracts will be set as follows;

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

(1) DAILY VARIABLE EUR/USD SPREAD CONTRACT:

(aa) CAP – The Cap shall be $X + 0.0300$.

(bb) FLOOR – The Floor shall be $X - 0.0300$.

(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) INTRADAY VARIABLE EUR/USD 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) Variable Payout Contracts with overlapping ranges, which conform to the Payout Criteria listed below:

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

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

(3) CONTRACT 3: The Cap 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) INTRADAY 2-HOUR VARIABLE EUR/USD 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) Variable Payout Contracts that open 2 hours prior to the stated closing time(s) above with overlapping ranges, which conform to the Payout Criteria listed below:

(1) CONTRACT 1: The Cap shall be X; The Floor shall be $X - 0.0100$.

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

(3) CONTRACT 3: The Cap 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.

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

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

(h) REPORTING LEVEL – The Reporting Level for the EUR/USD Variable Payout Contracts shall be 2,083 Contracts.

(i) POSITION LIMIT – There are currently no Position Limits for EUR/USD Variable Payout Contracts.

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

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

(l) 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.

(m) 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.

(n) EXPIRATION VALUE – The Expiration Value is the price or value of EUR/USD released by the Source Agency on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking the last ~~twenty five (25)~~ten (10) Midpoints between the bid/ask spread (five pips wide or less) just prior to the close of trading of the EUR/USD Variable Payout Contract and removing the highest ~~five (5)~~three (3) Midpoints and the lowest ~~(5)~~three (3) Midpoints, using the remaining ~~fifteen (15)~~four (4) EUR/USD Midpoints to calculate the Expiration Value. The calculation used is a simple average of all ~~fifteen (15)~~four (4) EUR/USD Midpoints, rounded to one decimal point past the precision of the underlying market. A Midpoint is calculated by adding the bid price and the ask price together and then dividing that number by two (2). For example, if the bid price is 1.3400 and the ask price is 1.3402, the two numbers are added together (totaling 2.6802) and then divided by two (2), equaling a Midpoint of 1.3401. If the spread between a particular bid price and ask price is deemed too wide (greater than five (5) pips), those prices will not be used to calculate a Midpoint and will thus not be included within the ~~25~~10 initially captured values.

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

RULE 12.29 CURRENCY EXCHANGE EUR/USD BINARY CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the Currency Exchange EUR/USD (“EUR/USD”) Binary Contract issued by Nadex.

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

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

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

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

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

(i) WEEKLY EUR/USD BINARY CONTRACTS

(1) EXPIRATION TIME – 3 PM ET CLOSE

(2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 0.0050.

(3) NUMBER OF STRIKE LEVELS LISTED - Fourteen (14) strike levels will be listed for each Weekly EUR/USD Binary Contract Series.

(4) STRIKE LEVELS GENERATED - Strike levels will be generated such that Binary Contract “XW” is valued ‘at-the-money’ in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in 0.0025 or 0.0075 as reported by the Source Agency. Six (6) strike levels will be generated above Binary Contract XW at an interval of 0.0050, and seven (7) strike levels will be generated below Binary Contract XW at an interval of 0.0050 (e.g. XW – 0.0050; XW; XW + 0.0050). The Contract will have a Payout Criterion of greater than the strike level value.

(ii) DAILY EUR/USD BINARY CONTRACTS

- (1) EXPIRATION TIME – 3 AM, 7 AM, 11 AM, 3 PM, 7 PM, 11 PM ET CLOSE
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 0.0020.
- (3) NUMBER OF STRIKE LEVELS LISTED – Twenty-one (21) strike levels will be listed for each Daily EUR/USD Binary Contract Series.
- (4) STRIKE LEVELS GENERATED - Strike levels will be generated such that Binary Contract “ ¥X ” is valued ‘at-the-money’ in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in 0.0020 as reported by the Source Agency. Ten (10) strike levels will be generated above Binary Contract ¥X at an interval of 0.0020, and ten (10) strike levels will be generated below Binary Contract ¥X at an interval of 0.0020 (e.g. $\text{¥X} - 0.0020$; ¥X ; $\text{¥X} + 0.0020$). The Contract will have a Payout Criterion of greater than the strike level value.

(iii) INTRADAY 2-HOUR EUR/USD BINARY CONTRACTS

- (1) EXPIRATION TIME – 8 PM, 9 PM, 10 PM, 11 PM, 12 AM, 1 AM, 2 AM, 3 AM, 4 AM, 5 AM, 6 AM, 7 AM, 8 AM, 9 AM, 10 AM, 11 AM, 12 PM, 1 PM, 2 PM, 3 PM, 4 PM, 5 PM ET CLOSE
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 0.0004.
- (3) NUMBER OF STRIKE LEVELS LISTED – Nineteen (19) strike levels will be listed for each Intraday 2-Hour EUR/USD Binary Contract Series.
- (4) STRIKE LEVELS GENERATED - Strike levels will be generated such that Binary Contract “ ZY ” is valued ‘at-the-money’ in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in 0.0001 as reported by the Source Agency. Nine (9) strike levels will be generated above Binary Contract ZY at an interval of 0.0004, and nine (9) strike levels will be generated below Binary Contract ZY at an interval of 0.0004 (e.g. $\text{ZY} - 0.0004$; ZY ; $\text{ZY} + 0.0004$). The Contract will have a Payout Criterion of greater than the strike level value.

(iv) INTRADAY 5-MINUTE EUR/USD BINARY CONTRACTS

- (1) EXPIRATION TIME – 5-Minute Binary Contracts will expire every 5 minutes beginning Sunday at 6:05pm ET and ending Friday at 4:00pm ET.
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 0.0008.
- (3) NUMBER OF STRIKE LEVELS LISTED – Three (3) strike levels will be listed for each Intraday 5-Minute EUR/USD Binary Contract Series.
- (4) STRIKE LEVELS GENERATED - Strike levels will be generated such that Binary Contract “Z” is valued ‘at-the-money’ in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in 0.0005 as reported by the Source Agency. One (1) strike level will be generated above Binary Contract Z at an interval of 0.0008, and one (1) strike level will be generated below Binary Contract Z at an interval of 0.0008 (e.g. Z – 0.0008; Z; Z + 0.0008). The Contract will have a Payout Criterion of greater than the strike level value.
- (5) Nadex may, in its discretion, temporarily halt the listing of any 5-Minute Binary Contract due to the unavailability of the underlying market upon which the Contract is based, or any other condition Nadex determines may be detrimental to the listing of the Contract.

~~(iv)~~(v) Nadex may list additional EUR/USD Binary Contracts with different ranges of Payout Criteria on a discretionary basis in accordance with the CEA and Commission Regulations.

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

(h) REPORTING LEVEL – The Reporting Level for the EUR/USD Binary Contracts shall be 12,500 Contracts.

(i) POSITION LIMIT – There are currently no Position Limits for EUR/USD Binary Contract.

(j) LAST TRADING DATE – The Last Trading Date in a Series is the same as the Expiration Date. No trading in the EUR/USD Binary Contracts shall occur after its Last Trading Date.

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

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

(k) SETTLEMENT VALUE – The Settlement Value is the amount paid to the holder of the in the money Contract on the Settlement Date. The Settlement Value of an in the money EUR/USD Binary Contract is \$100.

(l) EXPIRATION VALUE – The Expiration Value is the price or value of EUR/USD as released by the Source Agency on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking the last ~~twenty five (25)~~ ten (10) Midpoints between the bid/ask spread (five pips wide or less) just prior to the close of trading of the EUR/USD Binary Contract and removing the highest ~~five (5)~~ three (3) Midpoints and the lowest ~~(5)~~ three (3) Midpoints, using the remaining ~~fifteen (15)~~ four (4) EUR/USD Midpoints to calculate the Expiration Value. The calculation used is a simple average of all ~~fifteen (15)~~ four (4) EUR/USD Midpoints, rounded to one decimal point past the precision of the underlying market. A Midpoint is calculated by adding the bid price and the ask price together and then dividing that number by two (2). For example, if the bid price is 1.3400 and the ask price is 1.3402, the two numbers are added together (totaling 2.6802) and then divided by two (2), equaling a Midpoint of 1.3401. If the spread between a particular bid price and ask price is deemed too wide (greater than five (5) pips), those prices will not be used to calculate a Midpoint and will thus not be included within the ~~25~~ 10 initially captured values.

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

RULE 12.30 CURRENCY EXCHANGE GBP/USD VARIABLE PAYOUT CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the Currency Exchange GBP/USD (“GBP/USD”) Variable Payout Contracts 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) ISSUANCE – For each planned release by the Source Agency of the Underlying, Nadex will issue various Contracts, each of a different Series. A new issuance of Contracts will commence no later than two (2) business days following the Expiration Date.

(f) PAYOUT CRITERION – The Payout Criterion for each Contract will be set by Nadex at the time the Variable Payout Contracts are initially issued. For the GBP/USD Variable Payout Contract, the Payout Criteria for the Contracts will be set as follows;

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

(1) DAILY VARIABLE GBP/USD SPREAD CONTRACT

(aa) CAP – The Cap shall be $X + 0.0400$.

(bb) FLOOR – The Floor shall be $X - 0.0400$.

(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) INTRADAY VARIABLE GBP/USD 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) Variable Payout Contracts with overlapping ranges, which conform to the Payout Criteria listed below:

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

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

(3) CONTRACT 3: The Cap 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.

(iii) INTRADAY 2-HOUR VARIABLE GBP/USD 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) Variable Payout

Contracts that open 2 hours prior to the stated closing time(s) above with overlapping ranges, which conform to the Payout Criteria listed below:

- (1) CONTRACT 1: The Cap shall be X; The Floor shall be X- 0.0150.
 - (2) CONTRACT 2: The Cap shall be X + 0.0075; The Floor shall be X – 0.0075.
 - (3) CONTRACT 3: The Cap 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.
- (iv) Nadex may list additional Variable Payout Contracts with different ranges of Payout Criteria on a discretionary basis in accordance with the CEA and Commission Regulations.
- (g) MINIMUM TICK – The Minimum Tick size for GBP/USD Variable Payout Contracts shall be 0.0001.
 - (h) REPORTING LEVEL – The Reporting Level for the GBP/USD Variable Payout Contracts shall be 1,562 Contracts.
 - (i) POSITION LIMIT – There are currently no Position Limits for GBP/USD Variable Payout Contracts.
 - (j) LAST TRADING DATE – The Last Trading Date in a Series shall be the same date as the Settlement Date.
 - (k) SETTLEMENT DATE – The Settlement Date of the Contract shall be the same date as the Expiration Date.
 - (l) 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.
 - (m) 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.
 - (n) EXPIRATION VALUE – The Expiration Value is the price or value of GBP/USD released by the Source Agency on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking the last ~~twenty five (25)~~ ten (10) Midpoints between the bid/ask spread (five pips wide or less) just prior to the close of trading of the GBP/USD Variable Payout

Contract and removing the ~~highest five (5)~~ three (3) Midpoints and the lowest ~~(5) three (3)~~ Midpoints, using the remaining ~~fifteen (15)~~ four (4) GBP/USD Midpoints to calculate the Expiration Value. The calculation used is a simple average of all ~~fifteen (15)~~ four (4) GBP/USD Midpoints, rounded to one decimal point past the precision of the underlying market. A Midpoint is calculated by adding the bid price and the ask price together and then dividing that number by two (2). For example, if the bid price is 1.9900 and the ask price is 1.9902, the two numbers are added together (totaling 3.9802) and then divided by two (2), equaling a Midpoint of 1.9901. If the spread between a particular bid price and ask price is deemed too wide (greater than five (5) pips), those prices will not be used to calculate a Midpoint and will thus not be included within the ~~25-10~~ initially captured values.

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

RULE 12.31 CURRENCY EXCHANGE GBP/USD BINARY CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the Currency Exchange GBP/USD (“GBP/USD”) Binary Contract issued by Nadex.

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

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

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

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

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

(i) WEEKLY GBP/USD BINARY CONTRACTS

(1) EXPIRATION TIME – 3 PM ET CLOSE

(2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 0.0050.

(3) NUMBER OF STRIKE LEVELS LISTED - Fourteen (14) strike levels will

be listed for each Weekly GBP/USD Binary Contract Series.

- (4) STRIKE LEVELS GENERATED - Strike levels will be generated such that Binary Contract "XW" is valued 'at-the-money' in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in 0.0025 or 0.0075 as reported by the Source Agency. Six (6) strike levels will be generated above Binary Contract XW at an interval of 0.0050, and seven (7) strike levels will be generated below Binary Contract XW at an interval of 0.0050 (e.g. $\underline{XW} - 0.0050$; \underline{XW} ; $\underline{XW} + 0.0050$). The Contract will have a Payout Criterion of greater than the strike level value.

(ii) DAILY GBP/USD BINARY CONTRACTS

- (1) EXPIRATION TIME – 3 AM, 7 AM, 11 AM, 3 PM, 7 PM, 11 PM ET CLOSE
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 0.0020.
- (3) NUMBER OF STRIKE LEVELS LISTED – Twenty-one (21) strike levels will be listed for each Daily GBP/USD Binary Contract Series.
- (4) STRIKE LEVELS GENERATED - Strike levels will be generated such that Binary Contract "YX" is valued 'at-the-money' in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in 0.0020 as reported by the Source Agency. Ten (10) strike levels will be generated above Binary Contract YX at an interval of 0.0020, and ten (10) strike levels will be generated below Binary Contract YX at an interval of 0.0020 (e.g. $\underline{YX} - 0.0020$; \underline{YX} ; $\underline{YX} + 0.0020$). The Contract will have a Payout Criterion of greater than the strike level value.

(iii) INTRADAY 2-HOUR GBP/USD BINARY CONTRACTS

- (1) EXPIRATION TIME – 8 PM, 9 PM, 10 PM, 11 PM, 12 AM, 1 AM, 2 AM, 3 AM, 4 AM, 5 AM, 6 AM, 7 AM, 8 AM, 9 AM, 10 AM, 11 AM, 12 PM, 1 PM, 2 PM, 3 PM, 4 PM, 5 PM ET CLOSE
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 0.0010.
- (3) NUMBER OF STRIKE LEVELS LISTED – Nine (9) strike levels

will be listed for each Intraday 2-Hour GBP/USD Binary Contract Series.

- (4) STRIKE LEVELS GENERATED - Strike levels will be generated such that Binary Contract “ZY” is valued ‘at-the-money’ in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in 0.0001 as reported by the Source Agency. Four (4) strike levels will be generated above Binary Contract ZY at an interval of 0.0010, and four (4) strike levels will be generated below Binary Contract ZY at an interval of 0.0010 (e.g. ZY – 0.0010; ZY; ZY + 0.0010). The Contract will have a Payout Criterion of greater than the strike level value.

(iv) INTRADAY 5-MINUTE GBP/USD BINARY CONTRACTS

- (1) EXPIRATION TIME – 5-Minute Binary Contracts will expire every 5 Minutes beginning Sunday at 6:05pm ET and ending Friday at 4:00pm ET.
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 0.0012.
- (3) NUMBER OF STRIKE LEVELS LISTED – Three (3) strike levels will be listed for each Intraday 5-Minute GBP/USD Binary Contract Series.
- (4) STRIKE LEVELS GENERATED - Strike levels will be generated such that Binary Contract “Z” is valued ‘at-the-money’ in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in 0.0005 as reported by the Source Agency. One (1) strike level will be generated above Binary Contract Z at an interval of 0.0012, and one (1) strike level will be generated below Binary Contract Z at an interval of 0.0012 (e.g. Z – 0.0012; Z; Z + 0.0012). The Contract will have a Payout Criterion of greater than the strike level value.
- (5) Nadex may, in its discretion, temporarily halt the listing of any 5-Minute Binary Contract due to the unavailability of the underlying market upon which the Contract is based, or any other condition Nadex determines may be detrimental to the listing of the Contract.

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

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

(h) REPORTING LEVEL – The Reporting Level for the GBP/USD Binary Contracts shall be 12,500 Contracts.

(i) POSITION LIMIT – There are currently no Position Limits for GBP/USD Binary Contract.

(j) LAST TRADING DATE – The Last Trading Date in a Series is the same date as the Expiration Date. No trading in the GBP/USD Binary Contracts shall occur after its Last Trading Date.

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

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

(m) SETTLEMENT VALUE – The Settlement Value is the amount paid to the holder of the in the money Contract on the Settlement Date. The Settlement Value of an in the money GBP/USD Binary Contract is \$100.

(n) EXPIRATION VALUE – The Expiration Value is the price or value of GBP/USD as released by the Source Agency on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking the last ~~twenty five (25)~~ten (10) Midpoints between the bid/ask spread (five pips wide or less) just prior to the close of trading of the GBP/USD Binary Contract and removing the highest ~~five (5)~~three (3) Midpoints and the lowest ~~(5) three (3)~~ Midpoints, using the remaining ~~fifteen (15)~~four (4) GBP/USD Midpoints to calculate the Expiration Value. The calculation used is a simple average of all ~~fifteen (15)~~four (4) GBP/USD Midpoints, rounded to one decimal point past the precision of the underlying market. A Midpoint is calculated by adding the bid price and the ask price together and then dividing that number by two (2). For example, if the bid price is 1.9900 and the ask price is 1.9902, the two numbers are added together (totaling 3.9802) and then divided by two (2), equaling a Midpoint of 1.9901. If the spread between a particular bid price and ask price is deemed too wide (greater than five (5) pips), those prices will not be used to calculate a Midpoint and will thus not be included within the ~~25~~10 initially captured values.

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

RULE 12.32 CURRENCY EXCHANGE USD/CAD VARIABLE PAYOUT CONTRACTS

(a) **SCOPE** – These Rules shall apply to the Class of Contracts referred to as the Currency Exchange USD/CAD (“USD/CAD”) 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) **ISSUANCE** – For each planned release by the Source Agency of the Underlying, Nadex will issue various Contracts, each of a different Series. A new issuance of Contracts will commence no later than two (2) business days following the Expiration Date.

(f) **PAYOUT CRITERION** – The Payout Criterion for each Contract will be set by Nadex at the time the Variable Payout Contracts are initially issued. For the USD/CAD Variable Payout Contract, the Payout Criteria for the Contracts will be set as follows;

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

(1) DAILY VARIABLE USD/CAD SPREAD CONTRACT

(aa) **CAP** – The Cap 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) **INTRADAY VARIABLE USD/CAD 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) Variable Payout Contracts with overlapping ranges, which conform to the Payout Criteria listed below:

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

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

(3) CONTRACT 3: The Cap 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.

(iii) INTRADAY 2-HOUR VARIABLE USD/CAD 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) Variable Payout Contracts that open 2 hours prior to the stated closing time(s) above with overlapping ranges, which conform to the Payout Criteria listed below:

(1) CONTRACT 1: The Cap shall be X ; The Floor shall be $X - 0.0100$.

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

(3) CONTRACT 3: The Cap 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.

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

(g) MINIMUM TICK – The Minimum Tick size for USD/CAD Variable Payout Contracts shall be 0.0001.

(h) REPORTING LEVEL – The Reporting Level for the USD/CAD Variable Payout Contracts shall be 2,500 Contracts.

(i) POSITION LIMIT – There are currently no Position Limits for USD/CAD Variable Payout Contracts.

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

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

(l) 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.

(m) 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.

(n) EXPIRATION VALUE – The Expiration Value is the price or value of USD/CAD released by the Source Agency on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking the last ~~twenty five (25)~~ten (10) Midpoints between the bid/ask spread (five pips wide or less) just prior to the close of trading of the USD/CAD Variable Payout Contract and removing the highest ~~five (5)~~three (3) Midpoints and the lowest ~~(5)three (3)~~ Midpoints, using the remaining ~~fifteen (15)~~four (4) USD/CAD Midpoints to calculate the Expiration Value. The calculation used is a simple average of all ~~fifteen (15)~~four (4) USD/CAD Midpoints, rounded to one decimal point past the precision of the underlying market. A Midpoint is calculated by adding the bid price and the ask price together and then dividing that number by two (2). For example, if the bid price is 1.0700 and the ask price is 1.0702, the two numbers are added together (totaling 2.1402) and then divided by two (2), equaling a Midpoint of 1.0701. If the spread between a particular bid price and ask price is deemed too wide (greater than five (5) pips), those prices will not be used to calculate a Midpoint and will thus not be included within the ~~25~~10 initially captured values.

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

RULE 12.33 CURRENCY EXCHANGE USD/CAD BINARY CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the Currency Exchange USD/CAD (“USD/CAD”) Binary Contract issued by Nadex.

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

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

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

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

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

(i) WEEKLY USD/CAD BINARY CONTRACTS

- (1) EXPIRATION TIME – 3 PM ET CLOSE
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 0.0050.
- (3) NUMBER OF STRIKE LEVELS LISTED - Fourteen (14) strike levels will be listed for each Weekly USD/CAD Binary Contract Series.
- (4) STRIKE LEVELS GENERATED - Strike levels will be generated such that Binary Contract “X” is valued ‘at-the-money’ in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in 0.0025 or 0.0075 as reported by the Source Agency. Six (6) strike levels will be generated above Binary Contract X at an interval of 0.0050, and seven (7) strike levels will be generated below Binary Contract X at an interval of 0.0050 (e.g. $X - 0.0050$; X ; $X + 0.0050$). The Contract will have a Payout Criterion of greater than the strike level value.

(ii) DAILY USD/CAD BINARY CONTRACTS

- (1) EXPIRATION TIME – 3 AM, 7 AM, 11 AM, 3 PM, 7 PM, 11 PM ET CLOSE
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 0.0020.
- (3) NUMBER OF STRIKE LEVELS LISTED – Twenty-one (21) strike levels will be listed for each Daily USD/CAD Binary Contract Series.
- (4) STRIKE LEVELS GENERATED - Strike levels will be generated such that Binary Contract “Y” is valued ‘at-the-money’ in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in 0.0020 as reported by the Source Agency. Ten (10) strike levels will be generated above Binary Contract Y at an interval of 0.0020, and ten (10) strike levels will be generated below Binary Contract Y at an interval of 0.0020 (e.g. $Y - 0.0020$; Y ; $Y + 0.0020$). The Contract will have a Payout Criterion of greater than the strike level value.

(iii) INTRADAY USD/CAD BINARY CONTRACTS

- (1) EXPIRATION TIME – 10 AM, 11 AM, 12 PM, 1 PM , 2 PM, 3 PM ET CLOSE
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 0.0010.
- (3) NUMBER OF STRIKE LEVELS LISTED – Nine (9) strike levels will be listed for each Intraday USD/CAD Binary Contract Series.
- (4) STRIKE LEVELS GENERATED - Strike levels will be generated such that Binary Contract “Z” is valued ‘at-the-money’ in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in 0.0001 as reported by the Source Agency. Four (4) strike levels will be generated above Binary Contract Z at an interval of 0.0010, and four (4) strike levels will be generated below Binary Contract Z at an interval of 0.0010 (e.g. Z – 0.0010; Z; Z + 0.0010). The Contract will have a Payout Criterion of greater than the strike level value.

(iv) Nadex may list additional USD/CAD Binary Contracts with different ranges of Payout Criteria on a discretionary basis in accordance with the CEA and Commission Regulations

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

(h) REPORTING LEVEL – The Reporting Level for the USD/CAD Binary Contracts shall be 12,500 Contracts.

(i) POSITION LIMIT – There are currently no Position Limits for USD/CAD Binary Contract.

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

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

(l) EXPIRATION DATE – The Expiration Date of the Contract will be the date on which the USD/CAD Settlement Price is released by the Source Agency.

(m) SETTLEMENT VALUE – The Settlement Value is the amount paid to the holder of the in the money Contract on the Settlement Date. The Settlement Value for an in the money USD/CAD Binary Contract is \$100.

(n) EXPIRATION VALUE – The Expiration Value is the Settlement Price of USD/CAD Currency as calculated by the Source Agency on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking the last ~~twenty five (25)~~ten (10) Midpoints between the bid/ask spread (five pips wide or less) just prior to the close of trading of the USD/CAD Binary Contract and removing the highest ~~five (5)~~three (3) Midpoints and the lowest ~~(5)~~three (3) Midpoints, using the remaining ~~fifteen (15)~~four (4) USD/CAD Midpoints to calculate the Expiration Value. The calculation used is a simple average of all ~~fifteen (15)~~four (4) USD/CAD Midpoints, rounded to one decimal point past the precision of the underlying market. A Midpoint is calculated by adding the bid price and the ask price together and then dividing that number by two (2). For example, if the bid price is 1.0700 and the ask price is 1.0702, the two numbers are added together (totaling 2.1402) and then divided by two (2), equaling a Midpoint of 1.0701. If the spread between a particular bid price and ask price is deemed too wide (greater than five (5) pips), those prices will not be used to calculate a Midpoint and will thus not be included within the ~~25~~10 initially captured values.

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

RULE 12.34 CURRENCY EXCHANGE USD/CHF VARIABLE PAYOUT CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the Currency Exchange USD/CHF (“USD/CHF”) Variable Payout Contracts 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) ISSUANCE – For each planned release by the Source Agency of the Underlying, Nadex will issue various Contracts, each of a different Series. A new issuance of Contracts will commence no later than two (2) business days following the Expiration Date.

(f) PAYOUT CRITERION – The Payout Criterion for each Contract will be set by Nadex at the time the Variable Payout Contracts are initially issued. For the USD/CHF Variable Payout Contract, the Payout Criteria for the Contracts will be set as follows;

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

(1) DAILY VARIABLE USD/CHF SPREAD CONTRACT

(aa) CAP – The Cap 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) INTRADAY VARIABLE USD/CHF 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) Variable Payout Contracts with overlapping ranges, which conform to the Payout Criteria listed below:

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

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

(3) CONTRACT 3: The Cap 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.

(iii) INTRADAY 2-HOUR VARIABLE USD/CHF 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) Variable Payout Contracts that open 2 hours prior to the stated closing time(s) above with overlapping ranges, which conform to the Payout Criteria listed below:

(1) CONTRACT 1: The Cap shall be X; The Floor shall be $X - 0.0100$.

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

(3) CONTRACT 3: The Cap 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.

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

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

(h) REPORTING LEVEL – The Reporting Level for the USD/CHF Variable Payout Contracts shall be 2,500 Contracts.

(i) POSITION LIMIT – There are currently no Position Limits for USD/CHF Variable Payout Contracts.

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

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

(l) 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.

(m) 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.

(n) EXPIRATION VALUE – The Expiration Value is the price or value of USD/CHF released by the Source Agency on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking the last ~~twenty five (25)~~ten (10) Midpoints between the bid/ask spread (five pips wide or less) just prior to the close of trading of the USD/CHF Variable Payout Contract and removing the highest ~~five (5)~~three (3) Midpoints and the lowest ~~(5)three (3)~~ Midpoints, using the remaining ~~fifteen (15)~~four (4) USD/CHF Midpoints to calculate the Expiration Value. The calculation used is a simple average of all ~~fifteen (15)~~four (4) USD/CHF Midpoints, rounded to one decimal point past the precision of the underlying market. A Midpoint is calculated by adding the bid price and the ask price together and then dividing that number by two (2). For example, if the bid price is 1.2200 and the ask price is 1.2202, the two numbers are added together (totaling 2.4402) and then divided by two (2), equaling a Midpoint of 1.2201. If the spread between a particular bid price and ask price is deemed too wide (greater

than five (5) pips), those prices will not be used to calculate a Midpoint and will thus not be included within the 2510 initially captured values.

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

RULE 12.35 CURRENCY EXCHANGE USD/CHF BINARY CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the Currency Exchange USD/CHF (“USD/CHF”) Binary Contract issued by Nadex.

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

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

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

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

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

(i) WEEKLY USD/CHF BINARY CONTRACTS

(1) EXPIRATION TIME – 3 PM ET CLOSE

(2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 0.0050.

(3) NUMBER OF STRIKE LEVELS LISTED - Fourteen (14) strike levels will be listed for each Weekly USD/CHF Binary Contract Series.

(4) STRIKE LEVELS GENERATED - Strike levels will be generated such that Binary Contract “X” is valued ‘at-the-money’ in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in 0.0025 or 0.0075 as reported by the Source Agency. Six (6) strike levels will be generated above Binary Contract X at an interval of

0.0050, and seven (7) strike levels will be generated below Binary Contract X at an interval of 0.0050 (e.g. $X - 0.0050$; X ; $X + 0.0050$). The Contract will have a Payout Criterion of greater than the strike level value.

(ii) DAILY USD/CHF BINARY CONTRACTS

- (1) EXPIRATION TIME – 3 AM, 7 AM, 11 AM, 3 PM, 7 PM, 11 PM ET
CLOSE
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 0.0020.
- (3) NUMBER OF STRIKE LEVELS LISTED – Twenty-one (21) strike levels will be listed for each Daily USD/CAD Binary Contract Series.
- (4) STRIKE LEVELS GENERATED - Strike levels will be generated such that Binary Contract “Y” is valued ‘at-the-money’ in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in 0.0020 as reported by the Source Agency. Ten (10) strike levels will be generated above Binary Contract Y at an interval of 0.0020, and ten (10) strike levels will be generated below Binary Contract Y at an interval of 0.0020 (e.g. $Y - 0.0020$; Y ; $Y + 0.0020$). The Contract will have a Payout Criterion of greater than the strike level value.

(iii) INTRADAY USD/CHF BINARY CONTRACTS

- (1) EXPIRATION TIME – 10 AM, 11 AM, 12 PM, 1 PM, 2 PM, 3 PM ET
CLOSE
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 0.0004.
- (3) NUMBER OF STRIKE LEVELS LISTED – Fifteen (15) strike levels will be listed for each Intraday USD/CHF Binary Contract Series.
- (4) STRIKE LEVELS GENERATED - Strike levels will be generated such that Binary Contract “Z” is valued ‘at-the-money’ in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in 0.0001 as reported by the Source Agency. Seven (7) strike levels will be generated above Binary Contract Z at an interval of 0.0004, and seven (7) strike levels will be generated below Binary Contract Z at an

interval of 0.0004 (e.g. $Z - 0.0004$; Z ; $Z + 0.0004$). The Contract will have a Payout Criterion of greater than the strike level value.

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

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

(h) REPORTING LEVEL - The Reporting Level for the USD/CHF Binary Contracts shall be 12,500 Contracts.

(i) POSITION LIMIT – There are currently no Position Limits for USD/CHF Binary Contract.

(j) LAST TRADING DATE – The Last Trading Date in a Series is the same date as the Expiration Date. No trading in the USD/CHF Binary Contracts shall occur after its Last Trading Date.

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

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

(m) SETTLEMENT VALUE – The Settlement Value is the amount paid to the holder of the in the money Contract on Settlement Date. The Settlement Value of an in the money USD/CHF Binary Contract is \$100.

(n) EXPIRATION VALUE – The Expiration Value is the price or value of USD/CHF as released by the Source Agency on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking the last ~~twenty five (25)~~ten (10) Midpoints between the bid/ask spread (five pips wide or less) just prior to the close of trading of the USD/CHF Binary Contract and removing the highest ~~five (5)~~three (3) Midpoints and the lowest ~~(5)~~three (3) Midpoints, using the remaining ~~fifteen (15)~~four (4) USD/CHF Midpoints to calculate the Expiration Value. The calculation used is a simple average of all ~~fifteen (15)~~four (4) USD/CHF Midpoints, rounded to one decimal point past the precision of the underlying market. A Midpoint is calculated by adding the bid price and the ask price together and then dividing that number by two (2). For example, if the bid price is 1.2200 and the ask price is 1.2202, the two numbers are added together (totaling 2.4402) and then divided by two (2), equaling a Midpoint of 1.2201. If the spread between a particular bid price and ask price is deemed too wide (greater than five (5) pips), those prices will not be used to calculate a Midpoint and will thus not be included within the ~~25~~10 initially captured values.

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

RULE 12.36 CURRENCY EXCHANGE USD/JPY VARIABLE PAYOUT CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the Currency Exchange USD/JPY (“USD/JPY”) Variable Payout Contracts 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) ISSUANCE – For each planned release by the Source Agency of the Underlying, Nadex will issue various Contracts, each of a different Series. A new issuance of Contracts will commence no later than two (2) business days following the Expiration Date.

(f) PAYOUT CRITERION – The Payout Criterion for each Contract will be set by Nadex at the time the Variable Payout Contracts are initially issued. For the USD/JPY Variable Payout Contract, the Payout Criteria for the Contracts will be set as follows;

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

(1) DAILY VARIABLE USD/JPY SPREAD CONTRACT

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

(ii) INTRADAY VARIABLE USD/JPY 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) Variable Payout Contracts with overlapping ranges, which conform to the Payout Criteria listed below:

- (1) CONTRACT 1: The Cap shall be X; The Floor shall be X- 1.50.
- (2) CONTRACT 2: The Cap shall be X + 0.75; The Floor shall be X – 0.75.
- (3) CONTRACT 3: The Cap 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.

(iii) INTRADAY 2-HOUR VARIABLE USD/JPY 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) Variable Payout Contracts that open 2 hours prior to the stated closing time(s) above with overlapping ranges, which conform to the Payout Criteria listed below:

- (1) CONTRACT 1: The Cap shall be X; The Floor shall be X- 1.00.
- (2) CONTRACT 2: The Cap shall be X + 0.50; The Floor shall be X – 0.50.
- (3) CONTRACT 3: The Cap 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.

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

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

(h) REPORTING LEVEL – The Reporting Level for the USD/JPY Variable Payout Contracts shall be 3,125 Contracts.

(i) POSITION LIMIT – There are currently no Position Limits for USD/JPY Variable Payout Contracts.

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

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

(l) 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.

(m) 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.

(n) EXPIRATION VALUE – The Expiration Value shall be the price or value of USD/JPY released by the Source Agency on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking the last ~~twenty-five (25)~~ten (10) Midpoints between the bid/ask spread (five pips wide or less) just prior to the close of trading of the USD/JPY Variable Payout Contract and removing the highest ~~five (5)~~three (3) Midpoints and the lowest ~~(5)three (3)~~ Midpoints, using the remaining ~~fifteen (15)~~four (4) USD/JPY Midpoints to calculate the Expiration Value. The calculation used is a simple average of all ~~fifteen (15)~~four (4) USD/JPY Midpoints, rounded to one decimal point past the precision of the underlying market. A Midpoint is calculated by adding the bid price and the ask price together and then dividing that number by two (2). For example, if the bid price is 121.00 and the ask price is 121.02, the two numbers are added together (totaling 242.02) and then divided by two (2), equaling a Midpoint of 121.01. If the spread between a particular bid price and ask price is deemed too wide (greater than five (5) pips), those prices will not be used to calculate a Midpoint and will thus not be included within the ~~25~~10 initially captured values.

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

RULE 12.37 CURRENCY EXCHANGE USD/JPY BINARY CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the Currency Exchange USD/JPY (“USD/JPY”) Binary Contract issued by Nadex.

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

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

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

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

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

(i) WEEKLY USD/JPY BINARY CONTRACTS

- (1) EXPIRATION TIME – 3 PM ET CLOSE
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 0.50.
- (3) NUMBER OF STRIKE LEVELS LISTED - Fourteen (14) strike levels will be listed for each Weekly USD/JPY Binary Contract Series.
- (4) STRIKE LEVELS GENERATED - Strike levels will be generated such that Binary Contract “ \underline{XW} ” is valued ‘at-the-money’ in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in 0.25 or 0.75 as reported by the Source Agency. Six (6) strike levels will be generated above Binary Contract \underline{XW} at an interval of 0.50, and seven (7) strike levels will be generated below Binary Contract \underline{XW} at an interval of 0.50 (e.g. $\underline{XW} - 0.50$; \underline{XW} ; $\underline{XW} + 0.50$). The Contract will have a

Payout

Criterion of greater than the strike level value.

(ii) DAILY USD/JPY BINARY CONTRACTS

- (1) EXPIRATION TIME – 3 AM, 7 AM, 11 AM, 3 PM, 7 PM, 11 PM ET CLOSE
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 0.20.
- (3) NUMBER OF STRIKE LEVELS LISTED – Twenty-one (21) strike levels will be listed for each Daily USD/JPY Binary Contract Series.
- (4) STRIKE LEVELS GENERATED - Strike levels will be generated such that Binary Contract “ \underline{YX} ” is valued ‘at-the-money’ in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest

(10)
0.20
of

value ending in 0.20 as reported by the Source Agency. Ten (10) strike levels will be generated above Binary Contract ¥X at an interval of 0.20, and ten strike levels will be generated below Binary Contract ¥X at an interval of (e.g. $\text{¥X} - 0.20$; ¥X ; $\text{¥X} + 0.20$). The Contract will have a Payout Criterion greater than the strike level value.

(iii) INTRADAY 2-HOUR USD/JPY BINARY CONTRACTS

- (1) EXPIRATION TIME – 8 PM, 9 PM, 10 PM, 11 PM, 12 AM, 1 AM, 2 AM, 3 AM, 4 AM, 5 AM, 6 AM, 7 AM, 8 AM, 9 AM, 10 AM, 11 AM, 12 PM, 1 PM , 2 PM, 3 PM, 4 PM, 5 PM ET CLOSE
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 0.04.
- (3) NUMBER OF STRIKE LEVELS LISTED – Nineteen (19) strike levels will be listed for each Intraday 2-Hour USD/JPY Binary Contract Series.
- (4) STRIKE LEVELS GENERATED - Strike levels will be generated such that Binary Contract “ ZY ” is valued ‘at-the-money’ in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in 0.01 as reported by the Source Agency. Nine (9) strike levels will be generated above Binary Contract ZY at an interval of 0.04, and nine strike levels will be generated below Binary Contract ZY at an interval of (e.g. $\text{ZY} - 0.04$; ZY ; $\text{ZY} + 0.04$). The Contract will have a Payout Criterion greater than the strike level value.

(9)
0.04
of

(iv) INTRADAY 5-MINUTE USD/JPY BINARY CONTRACTS

- (1) EXPIRATION TIME – 5-Minute Binary Contracts will expire every 5 minutes beginning Sunday at 6:05pm ET and ending Friday at 4:00pm ET.
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 0.08.

(3) NUMBER OF STRIKE LEVELS LISTED – Three (3) strike levels will be listed for each Intraday 5-Minute USD/JPY Binary Contract Series.

(4) STRIKE LEVELS GENERATED - Strike levels will be generated such that Binary Contract “Z” is valued ‘at-the-money’ in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in 0.05 as reported by the Source Agency. One (1) strike level will be generated above Binary Contract Z at an interval of 0.08, and one (1) strike level will be generated below Binary Contract Z at an interval of 0.08 (e.g. Z – 0.08; Z; Z + 0.08). The Contract will have a Payout Criterion of greater than the strike level value.

(5) Nadex may, in its discretion, temporarily halt the listing of any 5-Minute Binary Contract due to the unavailability of the underlying market upon which the Contract is based, or any other condition Nadex determines may be detrimental to the listing of the Contract.

~~(iv)~~(v) Nadex may list additional USD/JPY Binary Contracts with different ranges of Payout Criteria on a discretionary basis in accordance with the CEA and Commission Regulations.

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

(h) REPORTING LEVEL – The Reporting Level for the USD/JPY Binary Contracts shall be 12,500 Contracts.

(i) POSITION LIMIT – There are currently no Position Limits for USD/JPY Binary Contract.

(j) LAST TRADING DATE – The Last Trading Date in a Series is the same date as the Expiration Date. No trading in the USD/JPY Binary Contracts shall occur after its Last Trading Date.

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

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

(m) SETTLEMENT VALUE – The Settlement Value is the amount paid to the holder of the in the money Contract on Settlement Date. The Settlement Value of an in the money USD/JPY Binary Contract is \$100.

(n) EXPIRATION VALUE – The Expiration Value is the price or value of USD/JPY as released by the Source Agency on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking the last ~~twenty-five (25)~~ten (10) Midpoints between the bid/ask spread (five pips wide or less) just prior to the close of trading of the USD/JPY Binary Contract and removing the highest ~~five (5)~~three (3) Midpoints and the lowest ~~(5)~~three (3) Midpoints, using the remaining ~~fifteen (15)~~four (4) USD/JPY Midpoints to calculate the Expiration Value. The calculation used is a simple average of all ~~fifteen (15)~~four (4) USD/JPY Midpoints, rounded to one decimal point past the precision of the underlying market. A Midpoint is calculated by adding the bid price and the ask price together and then dividing that number by two (2). For example, if the bid price is 121.00 and the ask price is 121.02, the two numbers are added together (totaling 242.02) and then divided by two (2), equaling a Midpoint of 121.01. If the spread between a particular bid price and ask price is deemed too wide (greater than five (5) pips), those prices will not be used to calculate a Midpoint and will thus not be included within the ~~25~~10 initially captured values.

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

RULE 12.38 CURRENCY EXCHANGE EUR/JPY VARIABLE PAYOUT CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the Currency Exchange EUR/JPY (“EUR/JPY”) 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) ISSUANCE – For each planned release by the Source Agency of the Underlying, Nadex will issue various Contracts, each of a different Series. A new issuance of Contracts will commence no later than two (2) business days following the Expiration Date.

(f) PAYOUT CRITERION – The Payout Criterion for each Contract will be set by Nadex at the time the Variable Payout Contracts are initially issued. For the EUR/JPY Variable Payout Contract, the Payout Criteria for the Contracts will be set as follows;

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

(1) DAILY VARIABLE EUR/JPY SPREAD CONTRACT

(aa) CAP – The Cap shall be $X + 2.50$.

(bb) FLOOR – The Floor shall be $X - 2.50$.

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

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

(ii) INTRADAY VARIABLE EUR/JPY 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) Variable Payout Contracts with overlapping ranges, which conform to the Payout Criteria listed below:

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

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

(3) CONTRACT 3: The Cap 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.

(iii) INTRADAY 2-HOUR VARIABLE EUR/JPY 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) Variable Payout Contracts that open 2 hours prior to the stated closing time(s) above with overlapping ranges, which conform to the Payout Criteria listed below:

(1) CONTRACT 1: The Cap shall be X; The Floor shall be $X - 1.00$.

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

(3) CONTRACT 3: The Cap 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.

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

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

(h) REPORTING LEVEL – The Reporting Level for the EUR/JPY Variable Payout Contracts shall be 2,500 Contracts.

(i) POSITION LIMIT – There are currently no Position Limits for EUR/JPY Variable Payout Contracts.

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

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

(l) 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.

(m) 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.

(n) EXPIRATION VALUE – The Expiration Value shall be 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 the last ~~twenty five (25)~~ ten (10) Midpoints between the bid/ask spread (five pips wide or less) just prior to the close of trading of the EUR/JPY Variable Payout Contract and removing the highest ~~five (5)~~ three (3) Midpoints and the lowest ~~(5)three (3)~~ Midpoints, using the remaining ~~fifteen (15)~~ four (4) EUR/JPY Midpoints to calculate the Expiration Value. The calculation used is a simple average of all ~~fifteen (15)~~ four (4) EUR/JPY Midpoints, rounded to one decimal point past the precision of the underlying market. A Midpoint is calculated by adding the bid price and the ask price together and then dividing that number by two (2). For example, if the bid price is 121.00 and the ask price is 121.02, the two numbers are added together (totaling 242.02) and then divided by two (2), equaling a Midpoint of 121.01. If the spread between a particular bid price and ask price is deemed too wide (greater

than five (5) pips), those prices will not be used to calculate a Midpoint and will thus not be included within the 2510 initially captured values.

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

RULE 12.39 CURRENCY EXCHANGE EUR/JPY BINARY CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the Currency Exchange EUR/JPY (“EUR/JPY”) Binary Contract issued by Nadex.

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

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

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

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

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

(i) WEEKLY EUR/JPY BINARY CONTRACTS

(1) EXPIRATION TIME – 3 PM ET CLOSE

(2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 0.50.

(3) NUMBER OF STRIKE LEVELS LISTED - Fourteen (14) strike levels will be listed for each Weekly EUR/JPY Binary Contract Series.

(4) STRIKE LEVELS GENERATED - Strike levels will be generated such that Binary Contract “X” is valued ‘at-the-money’ in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in 0.25 or 0.75 as reported by the Source Agency. Six (6) strike levels will be generated above Binary Contract X at an interval of 0.50, and

seven (7) strike levels will be generated below Binary Contract X at an interval of 0.50 (e.g. $X - 0.50$; X ; $X + 0.50$). The Contract will have a Payout Criterion of greater than the strike level value.

(ii) DAILY EUR/JPY BINARY CONTRACTS

- (1) EXPIRATION TIME – 3 AM, 7 AM, 11 AM, 3 PM, 7 PM, 11 PM ET CLOSE
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 0.20.
- (3) NUMBER OF STRIKE LEVELS LISTED – Twenty-one (21) strike levels will be listed for each Daily EUR/JPY Binary Contract Series.
- (4) STRIKE LEVELS GENERATED - Strike levels will be generated such that Binary Contract “Y” is valued ‘at-the-money’ in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in 0.20 as reported by the Source Agency. Ten (10) strike levels will be generated above Binary Contract Y at an interval of 0.20, and ten (10) strike levels will be generated below Binary Contract Y at an interval of 0.20 (e.g. $Y - 0.20$; Y ; $Y + 0.20$). The Contract will have a Payout Criterion of greater than the strike level value.

(iii) INTRADAY EUR/JPY BINARY CONTRACTS

- (1) EXPIRATION TIME – 8 PM, 9 PM, 10 PM, 11 PM, 12 AM, 1 AM, 2 AM, 3 AM, 4 AM, 5 AM, 6 AM, 7 AM, 8 AM, 9 AM, 10 AM, 11 AM, 12 PM, 1 PM, 2 PM, 3 PM, 4 PM, 5 PM ET CLOSE
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 0.10.
- (3) NUMBER OF STRIKE LEVELS LISTED – Nine (9) strike levels will be listed for each Intraday EUR/JPY Binary Contract Series.
- (4) STRIKE LEVELS GENERATED - Strike levels will be generated such that Binary Contract “Z” is valued ‘at-the-money’ in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in 0.01 as reported by the Source Agency. Four (4) strike levels will be generated above Binary Contract Z at an interval of 0.10, and four (4)

strike levels will be generated below Binary Contract Z at an interval of 0.10 (e.g. $Z - 0.10$; Z ; $Z + 0.10$). The Contract will have a Payout Criterion of greater than the strike level value.

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

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

(h) REPORTING LEVEL – The Reporting Level for the EUR/JPY Binary Contracts shall be 12,500 Contracts.

(i) POSITION LIMIT – There are currently no Position Limits for EUR/JPY Binary Contract.

(j) LAST TRADING DATE – The Last Trading Date in a Series is the same date as the Expiration Date. No trading in the EUR/JPY Binary Contracts shall occur after its Last Trading Date.

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

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

(m) SETTLEMENT VALUE – The Settlement Value is the amount paid to the holder of the in the money Contract on Settlement Date. The Settlement Value of an in the money EUR/JPY Binary Contract is \$100.

(n) EXPIRATION VALUE – The Expiration Value is the price or value of EUR/JPY as released by the Source Agency on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking the last ~~twenty-five (25)~~ten (10) Midpoints between the bid/ask spread (five pips wide or less) just prior to the close of trading of the EUR/JPY Binary Contract and removing the highest ~~five (5)~~three (3) Midpoints and the lowest ~~(5)~~three (3) Midpoints, using the remaining ~~fifteen (15)~~four (4) EUR/JPY Midpoints to calculate the Expiration Value. The calculation used is a simple average of all ~~fifteen (15)~~four (4) EUR/JPY Midpoints, rounded to one decimal point past the precision of the underlying market. A Midpoint is calculated by adding the bid price and the ask price together and then dividing that number by two (2). For example, if the bid price is 121.00 and the ask price is 121.02, the two numbers are added together (totaling 242.02) and then divided by two (2), equaling a Midpoint of 121.01. If the spread between a particular bid price and ask price is deemed too wide (greater than five (5)

piPs), those prices will not be used to calculate a Midpoint and will thus not be included within the ~~25-10~~ initially captured values.

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

RULE 12.40 CURRENCY EXCHANGE GBP/JPY VARIABLE PAYOUT CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the Currency Exchange GBP/JPY (“GBP/JPY”) 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) ISSUANCE – For each planned release by the Source Agency of the Underlying, Nadex will issue various Contracts, each of a different Series. A new issuance of Contracts will commence no later than two (2) business days following the Expiration Date.

(f) PAYOUT CRITERION – The Payout Criterion for each Contract will be set by Nadex at the time the Variable Payout Contracts are initially issued. For the GBP/JPY Variable Payout Contract, the Payout Criteria for the Contracts will be set as follows;

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

(1) DAILY VARIABLE GBP/JPY SPREAD CONTRACT

(aa) CAP – The Cap shall be $X + 3.00$.

(bb) FLOOR – The Floor shall be $X - 3.00$.

(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) INTRADAY VARIABLE GBP/JPY 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) Variable Payout Contracts with overlapping ranges, which conform to the Payout Criteria listed below:

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

(2) CONTRACT 2: The Cap shall be X + 1.25; The Floor shall be X – 1.25.

(3) CONTRACT 3: The Cap 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) INTRADAY 2-HOUR VARIABLE GBP/JPY 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) Variable Payout Contracts that open 2 hours prior to the stated closing time(s) above with overlapping ranges, which conform to the Payout Criteria listed below:

(1) CONTRACT 1: The Cap shall be X; The Floor shall be X- 1.00.

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

(3) CONTRACT 3: The Cap 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.

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

(g) MINIMUM TICK – The Minimum Tick size for GBP/JPY Variable Payout Contracts shall be 0.01.

(h) REPORTING LEVEL – The Reporting Level for the GBP/JPY Variable Payout Contracts shall be 2,083 Contracts.

(i) POSITION LIMIT – There are currently no Position Limits for GBP/JPY Variable Payout Contracts.

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

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

(l) 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.

(m) 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.

(n) EXPIRATION VALUE – The Expiration Value shall be 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 the last ~~twenty five (25)~~ ten (10) Midpoints between the bid/ask spread (ten pips wide or less) just prior to the close of trading of the GBP/JPY Variable Payout Contract and removing the highest ~~five (5)~~ three (3) Midpoints and the lowest ~~(5)three (3)~~ Midpoints, using the remaining ~~fifteen (15)~~ four (4) GBP/JPY Midpoints to calculate the Expiration Value. The calculation used is a simple average of all ~~fifteen (15)~~ four (4) GBP/JPY Midpoints, rounded to one decimal point past the precision of the underlying market. A Midpoint is calculated by adding the bid price and the ask price together and then dividing that number by two (2). For example, if the bid price is 121.00 and the ask price is 121.02, the two numbers are added together (totaling 242.02) and then divided by two (2), equaling a Midpoint of 121.01. If the spread between a particular bid price and ask price is deemed too wide (greater than ten (10) pips), those prices will not be used to calculate a Midpoint and will thus not be included within the ~~25~~ 10 initially captured values.

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

RULE 12.41 CURRENCY EXCHANGE GBP/JPY BINARY CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the Currency Exchange GBP/JPY (“GBP/JPY”) Binary Contract issued by Nadex.

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

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

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

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

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

(i) WEEKLY GBP/JPY BINARY CONTRACTS

- (1) EXPIRATION TIME – 3 PM ET CLOSE
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 0.50.
- (3) NUMBER OF STRIKE LEVELS LISTED - Fourteen (14) strike levels will be listed for each Weekly GBP/JPY Binary Contract Series.
- (4) STRIKE LEVELS GENERATED - Strike levels will be generated such that Binary Contract “X” is valued ‘at-the-money’ in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in 0.25 or 0.75 as reported by the Source Agency. Six (6) strike levels will be generated above Binary Contract X at an interval of 0.50, and seven (7) strike levels will be generated below Binary Contract X at an interval of 0.50 (e.g. $X - 0.50$; X ; $X + 0.50$). The Contract will have a Payout Criterion of greater than the strike level value.

(ii) DAILY GBP/JPY BINARY CONTRACTS

- (1) EXPIRATION TIME – 3 AM, 7 AM, 11 AM, 3 PM, 7 PM, 11 PM ET CLOSE
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 0.20.
- (3) NUMBER OF STRIKE LEVELS LISTED – Twenty-one (21) strike levels will be listed for each Daily GBP/JPY Binary Contract Series.
- (4) STRIKE LEVELS GENERATED - Strike levels will be generated such that

Binary Contract “Y” is valued ‘at-the-money’ in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in 0.20 as reported by the Source Agency. Ten (10) strike levels will be generated above Binary Contract Y at an interval of 0.20, and ten (10) strike levels will be generated below Binary Contract Y at an interval of 0.20 (e.g. $Y - 0.20$; Y ; $Y + 0.20$). The Contract will have a Payout Criterion of greater than the strike level value.

(iii) INTRADAY GBP/JPY BINARY CONTRACTS

- (1) EXPIRATION TIME – 10 AM, 11 AM, 12 PM, 1 PM, 2 PM, 3 PM ET CLOSE
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 0.10.
- (3) NUMBER OF STRIKE LEVELS LISTED – Nine (9) strike levels will be listed for each Intraday GBP/JPY Binary Contract Series.
- (4) STRIKE LEVELS GENERATED - Strike levels will be generated such that Binary Contract “Z” is valued ‘at-the-money’ in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in 0.01 as reported by the Source Agency. Four (4) strike levels will be generated above Binary Contract Z at an interval of 0.10, and four (4) strike levels will be generated below Binary Contract Z at an interval of 0.10 (e.g. $Z - 0.10$; Z ; $Z + 0.10$). The Contract will have a Payout Criterion of greater than the strike level value.

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

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

(h) REPORTING LEVEL – The Reporting Level for the GBP/JPY Binary Contracts shall be 12,500 Contracts.

(i) POSITION LIMIT – There are currently no Position Limits for GBP/JPY Binary Contract.

(j) LAST TRADING DATE – The Last Trading Date in a Series is the same date as the Expiration Date. No trading in the GBP/JPY Binary Contracts shall occur after its Last Trading Date.

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

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

(m) SETTLEMENT VALUE – The Settlement Value is the amount paid to the holder of the in the money Contract on Settlement Date. The Settlement Value of an in the money GBP/JPY Binary Contract is \$100.

(n) EXPIRATION VALUE – The Expiration Value is the price or value of GBP/JPY as released by the Source Agency on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking the last ~~twenty-five (25)~~ten (10) Midpoints between the bid/ask spread (ten pips wide or less) just prior to the close of trading of the GBP/JPY Binary Contract and removing the highest ~~five (5)~~three (3) Midpoints and the lowest ~~(5)~~three (3) Midpoints, using the remaining ~~fifteen (15)~~four (4) GBP/JPY Midpoints to calculate the Expiration Value. The calculation used is a simple average of all ~~fifteen (15)~~four (4) GBP/JPY Midpoints, rounded to one decimal point past the precision of the underlying market. A Midpoint is calculated by adding the bid price and the ask price together and then dividing that number by two (2). For example, if the bid price is 121.00 and the ask price is 121.02, the two numbers are added together (totaling 242.02) and then divided by two (2), equaling a Midpoint of 121.01. If the spread between a particular bid price and ask price is deemed too wide (greater than ten (10) pips), those prices will not be used to calculate a Midpoint and will thus not be included within the ~~25-10~~10 initially captured values.

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

RULE 12.42 CURRENCY EXCHANGE EUR/GBP BINARY CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the Currency Exchange EUR/GBP (“EUR/GBP”) Binary Contract issued by Nadex.

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

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

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

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

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

(i) WEEKLY EUR/GBP BINARY CONTRACTS

- (1) EXPIRATION TIME – 3 PM ET CLOSE
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 0.0050.
- (3) NUMBER OF STRIKE LEVELS LISTED - Fourteen (14) strike levels will be listed for each Weekly EUR/GBP Binary Contract Series.
- (4) STRIKE LEVELS GENERATED - Strike levels will be generated such that Binary Contract “X” is valued ‘at-the-money’ in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in 0.0025 or 0.0075 as reported by the Source Agency. Six (6) strike levels will be generated above Binary Contract X at an interval of 0.0050, and seven (7) strike levels will be generated below Binary Contract X at an interval of 0.0050 (e.g. $X - 0.0050$; X ; $X + 0.0050$). The Contract will have a Payout Criterion of greater than the strike level value.

(ii) DAILY EUR/GBP BINARY CONTRACTS

- (1) EXPIRATION TIME – 3 AM, 7 AM, 11 AM, 3 PM, 7 PM, 11 PM ET CLOSE
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 0.0020.
- (3) NUMBER OF STRIKE LEVELS LISTED – Twenty-one (21) strike levels will be listed for each Daily EUR/GBP Binary Contract Series.
- (4) STRIKE LEVELS GENERATED - Strike levels will be generated such that Binary Contract “Y” is valued ‘at-the-money’ in relation to the Underlying market as determined by the Source Agency, immediately before the issuance

of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in 0.0020 as reported by the Source Agency. Ten (10) strike levels will be generated above Binary Contract Y at an interval of 0.0020, and ten (10) strike levels will be generated below Binary Contract Y at an interval of 0.0020 (e.g. $Y - 0.0020$; Y ; $Y + 0.0020$). The Contract will have a Payout Criterion of greater than the strike level value.

(iii) INTRADAY EUR/GBP BINARY CONTRACTS

- (1) EXPIRATION TIME – 10 AM, 11 AM, 12 PM, 1 PM, 2 PM, 3 PM ET CLOSE
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 0.0010.
- (3) NUMBER OF STRIKE LEVELS LISTED – Nine (9) strike levels will be listed for each Intraday EUR/GBP Binary Contract Series.
- (4) STRIKE LEVELS GENERATED - Strike levels will be generated such that Binary Contract “Z” is valued ‘at-the-money’ in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in 0.0001 as reported by the Source Agency. Four (4) strike levels will be generated above Binary Contract Z at an interval of 0.0010, and four (4) strike levels will be generated below Binary Contract Z at an interval of 0.0010 (e.g. $Z - 0.0010$; Z ; $Z + 0.0010$). The Contract will have a Payout Criterion of greater than the strike level value.

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

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

(h) REPORTING LEVEL – The Reporting Level for the EUR/GBP Binary Contracts shall be 12,500 Contracts.

(i) POSITION LIMIT – There are currently no Position Limits for EUR/GBP Binary Contract.

(j) LAST TRADING DATE – The Last Trading Date in a Series is the same as the Expiration Date. No trading in the EUR/GBP Binary Contracts shall occur after its Last Trading Date.

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

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

(m) SETTLEMENT VALUE – The Settlement Value is the amount paid to the holder of the in the money Contract on the Settlement Date. The Settlement Value of an in the money EUR/GBP Binary Contract is \$100.

(n) EXPIRATION VALUE – The Expiration Value is the price or value of EUR/GBP as released by the Source Agency on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking the last ~~twenty five (25)~~ ten (10) Midpoints between the bid/ask spread (five pips wide or less) just prior to the close of trading of the EUR/GBP Binary Contract and removing the highest ~~five (5)~~ three (3) Midpoints and the lowest ~~(5)~~ three (3) Midpoints, using the remaining ~~fifteen (15)~~ four (4) EUR/GBP Midpoints to calculate the Expiration Value. The calculation used is a simple average of all ~~fifteen (15)~~ four (4) EUR/GBP Midpoints, rounded to one decimal point past the precision of the underlying market. A Midpoint is calculated by adding the bid price and the ask price together and then dividing that number by two (2). For example, if the bid price is 1.3400 and the ask price is 1.3402, the two numbers are added together (totaling 2.6802) and then divided by two (2), equaling a Midpoint of 1.3401. If the spread between a particular bid price and ask price is deemed too wide (greater than five (5) pips), those prices will not be used to calculate a Midpoint and will thus not be included within the ~~25~~ 10 initially captured values.

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

RULE 12.43 CURRENCY EXCHANGE AUD/JPY BINARY CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the Currency Exchange AUD/JPY (“AUD/JPY”) Binary Contract issued by Nadex.

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

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

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

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

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

(i) **WEEKLY AUD/JPY BINARY CONTRACTS**

- (1) **EXPIRATION TIME** – 3 PM ET CLOSE
- (2) **STRIKE INTERVAL WIDTH** – The interval width between each strike level shall be 0.50.
- (3) **NUMBER OF STRIKE LEVELS LISTED** - Fourteen (14) strike levels will be listed for each Weekly AUD/JPY Binary Contract Series.
- (4) **STRIKE LEVELS GENERATED** - Strike levels will be generated such that Binary Contract “X” is valued ‘at-the-money’ in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in 0.25 or 0.75 as reported by the Source Agency. Six (6) strike levels will be generated above Binary Contract X at an interval of 0.50, and seven (7) strike levels will be generated below Binary Contract X at an interval of 0.50 (e.g. $X - 0.50$; X ; $X + 0.50$). The Contract will have a Payout Criterion of greater than the strike level value.

(ii) **DAILY AUD/JPY BINARY CONTRACTS**

- (1) **EXPIRATION TIME** – 3 AM, 7 AM, 11 AM, 3 PM, 7 PM, 11 PM ET CLOSE
- (2) **STRIKE INTERVAL WIDTH** – The interval width between each strike level shall be 0.20.
- (3) **NUMBER OF STRIKE LEVELS LISTED** – Twenty-one (21) strike levels will be listed for each Daily AUD/JPY Binary Contract Series.
- (4) **STRIKE LEVELS GENERATED** - Strike levels will be generated such that Binary Contract “Y” is valued ‘at-the-money’ in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in 0.20 as reported by the Source Agency. Ten (10) strike levels

will be generated above Binary Contract Y at an interval of 0.20, and ten (10) strike levels will be generated below Binary Contract Y at an interval of 0.20 (e.g. $Y - 0.20$; Y ; $Y + 0.20$). The Contract will have a Payout Criterion of greater than the strike level value.

(iii) INTRADAY AUD/JPY BINARY CONTRACTS

- (1) EXPIRATION TIME – 10 AM, 11 AM, 12 PM, 1 PM, 2 PM, 3 PM ET CLOSE
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 0.05.
- (3) NUMBER OF STRIKE LEVELS LISTED – Nine (9) strike levels will be listed for each Intraday AUD/JPY Binary Contract Series.
- (4) STRIKE LEVELS GENERATED - Strike levels will be generated such that Binary Contract “Z” is valued ‘at-the-money’ in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in 0.01 as reported by the Source Agency. Four (4) strike levels will be generated above Binary Contract Z at an interval of 0.05, and four (4) strike levels will be generated below Binary Contract Z at an interval of 0.05 (e.g. $Z - 0.05$; Z ; $Z + 0.05$). The Contract will have a Payout Criterion of greater than the strike level value.

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

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

(h) REPORTING LEVEL – The Reporting Level for the AUD/JPY Binary Contracts shall be 12,500 Contracts.

(i) POSITION LIMIT – There are currently no Position Limits for AUD/JPY Binary Contract.

(j) LAST TRADING DATE – The Last Trading Date in a Series is the same date as the Expiration Date. No trading in the AUD/JPY Binary Contracts shall occur after its Last Trading Date.

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

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

(m) SETTLEMENT VALUE – The Settlement Value is the amount paid to the holder of the in the money Contract on Settlement Date. The Settlement Value of an in the money AUD/JPY Binary Contract is \$100.

(n) EXPIRATION VALUE – The Expiration Value is the price or value of AUD/JPY as released by the Source Agency on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking the last ~~twenty five (25)~~ ten (10) Midpoints between the bid/ask spread (ten pips wide or less) just prior to the close of trading of the AUD/JPY Binary Contract and removing the highest ~~five (5)~~ three (3) Midpoints and the lowest ~~(5)~~ three (3) Midpoints, using the remaining ~~fifteen (15)~~ four (4) AUD/JPY Midpoints to calculate the Expiration Value. The calculation used is a simple average of all ~~fifteen (15)~~ four (4) AUD/JPY Midpoints, rounded to one decimal point past the precision of the underlying market. A Midpoint is calculated by adding the bid price and the ask price together and then dividing that number by two (2). For example, if the bid price is 121.00 and the ask price is 121.02, the two numbers are added together (totaling 242.02) and then divided by two (2), equaling a Midpoint of 121.01. If the spread between a particular bid price and ask price is deemed too wide (greater than ten (10) pips), those prices will not be used to calculate a Midpoint and will thus not be included within the ~~25~~ 10 initially captured values.

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

End of Rulebook.

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