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Nadex, Inc.  
311 South Wacker Drive  
Suite 2675  
Chicago, IL 60606

OFFICE OF THE  
SECRETARIAT

Timothy G. McDermott  
+1 (312) 884-0171  
tim.mcdermott@nadex.com

March 24, 2011

Via E-Mail: [submissions@cftc.gov](mailto:submissions@cftc.gov)

Mr. David Stawick  
Secretary of the Commission  
Office of the Secretariat  
Commodity Futures Trading Commission  
3 Lafayette Centre  
1155 21<sup>st</sup> Street, N.W.  
Washington D.C. 20581

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**RE: Rule Certification: Nadex's Addition of Strikes and Amendment of Existing Strike Levels in its Weekly Currency Binary Contracts in Rules 12.27, 12.29, 12.31, 12.33, 12.35, and 12.37 and Addition of the New EUR/JPY Variable Payout and Binary Contracts, reflected in Rules 12.38 and 12.39, and GBP/JPY Variable Payout and Binary Contracts, reflected in Rules 12.40 and 12.41 – Submission Pursuant to Commission Regulation §§40.2 and 40.6(a)**

Dear Mr. Stawick:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended ("Act"), and sections 40.2 and 40.6(a) of the regulations promulgated by the Commodity Futures Trading Commission (the "Commission") under the Act (the "Regulations"), North American Derivatives Exchange, Inc. ("Nadex") hereby submits to the Commission additional strike levels and amendments to the existing strike levels in its Weekly Currency Binary Contracts, as set forth in rules 12.27, 12.29, 12.31, 12.33, 12.35, and 12.37. Additionally, Nadex intends to amend its rules to add its new EUR/JPY and GBP/JPY Variable Payout and Binary Contracts. Nadex hereby submits the terms and conditions of the new EUR/JPY and GBP/JPY Variable Payout and Binary Contracts as represented in the following new Rules:

RULE 12.38 CURRENCY EXCHANGE EUR/JPY VARIABLE PAYOUT  
CONTRACTS  
RULE 12.39 CURRENCY EXCHANGE EUR/JPY BINARY CONTRACTS  
RULE 12.40 CURRENCY EXCHANGE GBP/JPY VARIABLE PAYOUT  
CONTRACTS  
RULE 12.41 CURRENCY EXCHANGE GBP/JPY BINARY CONTRACTS

The EUR/JPY and GBP/JPY, which are cash-settled option contracts, will have Expiration Values that are calculated based on an average of the midpoints of the most recent bid and ask prices in the underlying Spot EUR/JPY and GBP/JPY rates, respectively, immediately prior to the Contract's expiration. Widely traded cash markets currently exist for the underlying Spot EUR/JPY and GBP/JPY rates upon which the Nadex EUR/JPY and GBP/JPY Contracts are based.

The EUR/JPY and GBP/JPY Variable Payout Contracts will be offered with one-day, 5-hour/8-hour, and 2-hour intraday durations and the Binary Contracts will be offered with one-week, one-day and 2-hour intraday durations.

Nadex, as the Source Agency, will calculate an Expiration Value for each Contract by taking the midpoint of the last twenty-five (25) Spot EUR/JPY and GBP/JPY bid and ask prices immediately prior to the expiration of the Nadex EUR/JPY and GBP/JPY Contracts, removing the highest five (5) and lowest five (5) Spot EUR/JPY and GBP/JPY midpoints, and using the remaining fifteen (15) Spot EUR/JPY and GBP/JPY midpoints to calculate the Expiration Value. The calculation is a simple average of all fifteen (15) remaining Spot EUR/JPY and GBP/JPY midpoints.

The calculation methodology for the Expiration Values mitigates the possibility of manipulation or any party trading with advance knowledge of the Expiration Value prior to expiration of the Contract. The underlying Spot EUR/JPY and GBP/JPY are traded in real-time; it is not possible for an "early" release of the Spot EUR/JPY or GBP/JPY trade prices or the relevant Expiration Value for the Contract to occur, as trading in the Contract on the Nadex exchange ceases concurrently with the fixing of the relevant prices that will be used in calculating the Expiration Value. On the Expiration Date, Nadex will publish on its website the Expiration Value for each listed Contract after the expiration of that Contract.

These amendments and additions would be effective for the start of business on trading day Monday, March 28, 2011.

In Exhibit A, Nadex has outlined the amendments to the Rules. In Exhibit B, Nadex has set forth the text of its amended Rules 12.27, 12.29, 12.31, 12.33, 12.35, and 12.37 and new Rules 12.38 through 12.41 to reflect all of the terms and conditions of the new Contracts in accordance with Commission Regulations §§40.2 and 40.6(a).

No substantive opposing views were expressed to Nadex with respect to this addition.

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

Should you have any questions regarding the above, please do not hesitate to contact me by telephone at (312) 884-0171 or by email at [tim.mcdermott@nadex.com](mailto:tim.mcdermott@nadex.com).

Sincerely,



Timothy G. McDermott  
General Counsel and Chief Regulatory Officer

cc: [DMOSubmission@cftc.gov](mailto:DMOSubmission@cftc.gov)  
Jon Hultquist – CFTC (Acting Branch Chief, DMO, Chicago)  
Tom Leahy – CFTC  
Riva Adriance – CFTC  
Nancy Markowitz – CFTC

Yossi Beinart - Nadex

**EXHIBIT A**

<b>Rule</b>	<b>Asset</b>	<b>Duration/ Close Time</b>	<b>Action</b>	<b>Effective Date</b>
12.27	AUD/USD	Weekly 3pm ET Close	Amend existing weekly binary strike levels and add new strike levels	3/28/2011
12.29	EUR/USD	Weekly 3pm ET Close	Amend existing weekly binary strike levels and add new strike levels	3/28/2011
12.31	GBP/USD	Weekly 3pm ET Close	Amend existing weekly binary strike levels and add new strike levels	3/28/2011
12.33	USD/CAD	Weekly 3pm ET Close	Amend existing weekly binary strike levels and add new strike levels	3/28/2011
12.35	USD/CHF	Weekly 3pm ET Close	Amend existing weekly binary strike levels and add new strike levels	3/28/2011
12.37	USD/YEN	Weekly 3pm ET Close	Amend existing weekly binary strike levels and add new strike levels	3/28/2011
12.38	EUR/JPY	Daily 3pm ET Close; Intraday 5hr/8hr Contracts 11pm, 7am, 3pm ET Close; Intraday 2hr Contracts 8pm, 9pm, 10pm, 11pm, 12am, 1am, 2am, 3am, 4am, 5am, 6am, 7am, 8am, 9am, 10am, 11am, 12pm, 1pm, 2pm, 3pm ET Close	Add EUR/JPY Variable Payout Contracts	3/28/2011
12.39	EUR/JPY	Daily & Weekly 3pm ET Close; Intraday 10am, 11am, 12pm, 1pm, 2pm, 3pm ET Close	Add EUR/JPY Binary Contracts	03/28/2011
12.40	GBP/JPY	Daily 3pm ET Close; Intraday 5hr/8hr Contracts 11pm, 7am, 3pm ET Close; Intraday	Add GBP/JPY Variable Payout Contracts	03/28/2011

		2hr Contracts 8pm, 9pm, 10pm, 11pm, 12am, 1am, 2am, 3am, 4am, 5am, 6am, 7am, 8am, 9am, 10am, 11am, 12pm, 1pm, 2pm, 3pm ET Close		
12.41	GBP/JPY	Daily & Weekly 3pm ET Close; Intraday 10am, 11am, 12pm, 1pm, 2pm, 3pm ET Close	Add GBP/JPY Binary Contracts	03/28/2011

**EXHIBIT B**

**Amendment of Rules 12.27, 12.29, 12.31, 12.33, 12.35 and 12.37 and Addition of New Rules 12.38 through 12.41**

*(The following new Rule additions are underlined and deletions are stricken out)*

RULE 1.1 -12.26 [Unchanged]

RULE 12.27 CURRENCY EXCHANGE AUD/USD BINARY CONTRACT

(a) - (f)(i) [Unchanged]

(ii) WEEKLY AUD/USD BINARY CONTRACTS, 3 PM ET  
CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than  
 $Y - 0.0300$ .

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than  
 $Y - \underline{0.0250} - 0.0200$ .

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than  
 $Y - \underline{0.0200} - 0.0100$ .

(4) Binary Contract 4: One Contract will have a Payout Criterion of greater than  
 $Y - \underline{0.0150}$ .

(5) Binary Contract 5: One Contract will have a Payout Criterion of greater than  
 $Y + 0.0100 - \underline{0.0100}$ .

(6) Binary Contract 6: One Contract will have a Payout Criterion of greater than  
 $Y + 0.0200 - \underline{0.0050}$ .

(7) Binary Contract 7: One Contract will have a Payout Criterion of greater than  
 $Y. + 0.0300$ .

(8) Binary Contract 8: One Contract will have a Payout Criterion of greater than  
 $Y + 0.0050$ .

(9) Binary Contract 9: One Contract will have a Payout Criterion of greater than  
 $Y + 0.0100$ .

(10) Binary Contract 10: One Contract will have a Payout Criterion of greater  
than  $Y + 0.0150$ .

(11) Binary Contract 11: One Contract will have a Payout Criterion of greater  
than  $Y + 0.0200$ .

(12) Binary Contract 12: One Contract will have a Payout Criterion of greater than  $Y + 0.0250$ .

(13) Binary Contract 13: One Contract will have a Payout Criterion of greater than  $Y + 0.0300$ .

(14) Binary Contract 14: One Contract will have a Payout Criterion of greater than  $Y + 0.0350$ .

(15) In each case, "Y" equals the last AUD/USD price rounded to the nearest value ending in either 0.0025 or 0.0075 as reported by the Source Agency.

(f)(iii) – (o) [Unchanged]

RULE 12.28 [Unchanged]

RULE 12.29 CURRENCY EXCHANGE EUR/USD BINARY CONTRACT

(a) - (f)(i) [Unchanged]

(ii) WEEKLY EUR/USD BINARY CONTRACTS, 3 PM ET CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than  $Y - 0.0300$ .

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than  $Y - \underline{0.0250} - 0.0200$ .

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than  $Y - \underline{0.0200} - 0.0100$ .

(4) Binary Contract 4: One Contract will have a Payout Criterion of greater than  $Y - \underline{0.0150}$ .

(5) Binary Contract 5: One Contract will have a Payout Criterion of greater than  $Y + \underline{0.0100} - 0.0100$ .

(6) Binary Contract 6: One Contract will have a Payout Criterion of greater than  $Y + \underline{0.0200} - 0.0050$ .

(7) Binary Contract 7: One Contract will have a Payout Criterion of greater than  $Y. +0.0300$ .

(8) Binary Contract 8: One Contract will have a Payout Criterion of greater than  $Y + 0.0050$ .

(9) Binary Contract 9: One Contract will have a Payout Criterion of greater than  $Y + 0.0100$ .

(10) Binary Contract 10: One Contract will have a Payout Criterion of greater than  $Y + 0.0150$ .

(11) Binary Contract 11: One Contract will have a Payout Criterion of greater than  $Y + 0.0200$ .

(12) Binary Contract 12: One Contract will have a Payout Criterion of greater than  $Y + 0.0250$ .

(13) Binary Contract 13: One Contract will have a Payout Criterion of greater than  $Y + 0.0300$ .

(14) Binary Contract 14: One Contract will have a Payout Criterion of greater than  $Y + 0.0350$ .

(15) In each case, "Y" equals the last EUR/USD price rounded to the nearest value ending in either 0.0025 or 0.0075 as reported by the Source Agency.

(f)(iii) – (o) [Unchanged]

RULE 12.30 [Unchanged]

RULE 12.31 CURRENCY EXCHANGE GBP/USD BINARY CONTRACT

(a) - (f)(i) [Unchanged]

(ii) WEEKLY GBP/USD BINARY CONTRACTS, 3 PM ET CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than  $Y - 0.0300$ .

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than  $Y - 0.0200$  0.0250.

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than  $Y - 0.0100$  0.0200.

(4) Binary Contract 4: One Contract will have a Payout Criterion of greater than  $Y - 0.0150$ .

(5) Binary Contract 5: One Contract will have a Payout Criterion of greater than  $Y + 0.0100$  - 0.0100.

(6) Binary Contract 6: One Contract will have a Payout Criterion of greater than  $Y + 0.0200$  - 0.0050.

(7) Binary Contract 7: One Contract will have a Payout Criterion of greater than  $Y. + 0.0300$ .



(8) Binary Contract 8: One Contract will have a Payout Criterion of greater than  $Y + 0.0050$ .

(9) Binary Contract 9: One Contract will have a Payout Criterion of greater than  $Y + 0.0100$ .

(10) Binary Contract 10: One Contract will have a Payout Criterion of greater than  $Y + 0.0150$ .

(11) Binary Contract 11: One Contract will have a Payout Criterion of greater than  $Y + 0.0200$ .

(12) Binary Contract 12: One Contract will have a Payout Criterion of greater than  $Y + 0.0250$ .

(13) Binary Contract 13: One Contract will have a Payout Criterion of greater than  $Y + 0.0300$ .

(14) Binary Contract 14: One Contract will have a Payout Criterion of greater than  $Y + 0.0350$ .

(15) In each case, "Y" equals the last GBP/USD price rounded to the nearest value ending in either 0.0025 or 0.0075 as reported by the Source Agency.

(f)(iii) – (o) [Unchanged]

RULE 12.32 [Unchanged]

RULE 12.33 CURRENCY EXCHANGE USD/CAD BINARY CONTRACT

(a) - (f)(i) [Unchanged]

(ii) WEEKLY USD/CAD BINARY CONTRACTS, 3:00PM ET  
CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than  $Y - 0.0300$ .

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than  $Y - 0.0250$  ~~0.0200~~.

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than  $Y - 0.0200$  ~~0.0100~~.

(4) Binary Contract 4: One Contract will have a Payout Criterion of greater than  $Y - 0.0150$ .

(5) Binary Contract 5: One Contract will have a Payout Criterion of greater than  $Y - 0.0100$  ~~+0.0100~~.

(6) Binary Contract 6: One Contract will have a Payout Criterion of greater than Y - 0.0050 + 0.0200.

(7) Binary Contract 7: One Contract will have a Payout Criterion of greater than Y. + 0.0300.

(8) Binary Contract 8: One Contract will have a Payout Criterion of greater than Y + 0.0050.

(9) Binary Contract 9: One Contract will have a Payout Criterion of greater than Y + 0.0100.

(10) Binary Contract 10: One Contract will have a Payout Criterion of greater than Y + 0.0150.

(11) Binary Contract 11: One Contract will have a Payout Criterion of greater than Y + 0.0200.

(12) Binary Contract 12: One Contract will have a Payout Criterion of greater than Y + 0.0250.

(13) Binary Contract 13: One Contract will have a Payout Criterion of greater than Y + 0.0300.

(14) Binary Contract 14: One Contract will have a Payout Criterion of greater than Y + 0.0350.

(15) In each case, "Y" equals the last USD/CAD price rounded to the nearest value ending in either 0.0025 or 0.0075 as reported by the Source Agency.

(f)(iii) - (o) [Unchanged]

RULE 12.34 [Unchanged]

RULE 12.35 CURRENCY EXCHANGE USD/CHF BINARY CONTRACT

(a) - (f)(i) [Unchanged]

(ii) WEEKLY USD/CHF BINARY CONTRACTS, 3:00PM ET  
CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than Y - 0.0300.

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than Y - 0.0250 0.0200.

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than Y - 0.0200 0.0100.

(4) Binary Contract 4: One Contract will have a Payout Criterion of greater than  $Y - 0.0150$ .

(5) Binary Contract 5: One Contract will have a Payout Criterion of greater than  $Y - +0.0100$ .

(6) Binary Contract 6: One Contract will have a Payout Criterion of greater than  $Y - 0.0050 +0.0200$ .

(7) Binary Contract 7: One Contract will have a Payout Criterion of greater than  $Y. +0.0300$ .

(8) Binary Contract 8: One Contract will have a Payout Criterion of greater than  $Y + 0.0050$ .

(9) Binary Contract 9: One Contract will have a Payout Criterion of greater than  $Y + 0.0100$ .

(10) Binary Contract 10: One Contract will have a Payout Criterion of greater than  $Y + 0.0150$ .

(11) Binary Contract 11: One Contract will have a Payout Criterion of greater than  $Y + 0.0200$ .

(12) Binary Contract 12: One Contract will have a Payout Criterion of greater than  $Y + 0.0250$ .

(13) Binary Contract 13: One Contract will have a Payout Criterion of greater than  $Y + 0.0300$ .

(14) Binary Contract 14: One Contract will have a Payout Criterion of greater than  $Y + 0.0350$ .

(15) In each case, "Y" equals the last USD/CHF price rounded to the nearest value ending in either 0.0025 or 0.0075 as reported by the Source Agency.

(f)(iii) – (o) [Unchanged]

RULE 12.36 [Unchanged]

RULE 12.37 CURRENCY EXCHANGE USD/YEN BINARY CONTRACT

(a) - (f)(i) [Unchanged]

(ii) WEEKLY USD/YEN BINARY CONTRACTS, 3PM ET CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than  $Y - 3.00$ .

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than  $Y - \underline{2.50}$  ~~2.00~~.

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than  $Y - \underline{2.00}$  ~~1.00~~.

(4) Binary Contract 4: One Contract will have a Payout Criterion of greater than  $Y - \underline{1.50}$ .

(5) Binary Contract 5: One Contract will have a Payout Criterion of greater than  $Y \neq -1.00$ .

(6) Binary Contract 6: One Contract will have a Payout Criterion of greater than  $Y - \underline{0.50}$  ~~+2.00~~.

(7) Binary Contract 7: One Contract will have a Payout Criterion of greater than  $Y. +3.00$ .

(8) Binary Contract 8: One Contract will have a Payout Criterion of greater than  $Y + 0.50$ .

(9) Binary Contract 9: One Contract will have a Payout Criterion of greater than  $Y + 1.00$ .

(10) Binary Contract 10: One Contract will have a Payout Criterion of greater than  $Y + 1.50$ .

(11) Binary Contract 11: One Contract will have a Payout Criterion of greater than  $Y + 2.00$ .

(12) Binary Contract 12: One Contract will have a Payout Criterion of greater than  $Y + 2.50$ .

(13) Binary Contract 13: One Contract will have a Payout Criterion of greater than  $Y + 3.00$ .

(14) Binary Contract 14: One Contract will have a Payout Criterion of greater than  $Y + 3.50$ .

(15) In each case, "Y" equals the last USD/YEN price or value rounded to the nearest value ending in either 0.25 or 0.75 as reported by the Source Agency.

(f)(iii) – (o) [Unchanged]

#### 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) Midpoints just prior to

the close of trading of the EUR/JPY Variable Payout Contract and removing the highest five (5) Midpoints and the lowest (5) Midpoints. A simple average of the remaining fifteen (15) EUR/JPY Midpoints is used to calculate the Expiration Value. 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 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 CONTRACT

(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) DAILY EUR/JPY BINARY CONTRACTS, 3 PM ET CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than X – 2.00.

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than X – 1.80.

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than X – 1.60.

(4) Binary Contract 4: One Contract will have a Payout Criterion of greater than  $X - 1.40$ .

(5) Binary Contract 5: One Contract will have a Payout Criterion of greater than  $X - 1.20$ .

(6) Binary Contract 6: One Contract will have a Payout Criterion of greater than  $X - 1.00$ .

(7) Binary Contract 7: One Contract will have a Payout Criterion of greater than  $X - 0.80$ .

(8) Binary Contract 8: One Contract will have a Payout Criterion of greater than  $X - 0.60$ .

(9) Binary Contract 9: One Contract will have a Payout Criterion of greater than  $X - 0.40$ .

(10) Binary Contract 10: One Contract will have a Payout Criterion of greater than  $X - 0.20$ .

(11) Binary Contract 11: One Contract will have a Payout Criterion of greater than  $X$ .

(12) Binary Contract 12: One Contract will have a Payout Criterion of greater than  $X + 0.20$ .

(13) Binary Contract 13: One Contract will have a Payout Criterion of greater than  $X + 0.40$ .

(14) Binary Contract 14: One Contract will have a Payout Criterion of greater than  $X + 0.60$ .

(15) Binary Contract 15: One Contract will have a Payout Criterion of greater than  $X + 0.80$ .

(16) Binary Contract 16: One Contract will have a Payout Criterion of greater than  $X + 1.00$ .

(17) Binary Contract 17: One Contract will have a Payout Criterion of greater than  $X + 1.20$ .

(18) Binary Contract 18: One Contract will have a Payout Criterion of greater than  $X + 1.40$ .

(19) Binary Contract 19: One Contract will have a Payout Criterion of greater than  $X + 1.60$ .



(20) Binary Contract 20: One Contract will have a Payout Criterion of greater than  $X + 1.80$ .

(21) Binary Contract 21: One Contract will have a Payout Criterion of greater than  $X + 2.00$ .

(22) In each case, "X" equals the last EUR/JPY price rounded to the nearest 0.20 as reported by the Source Agency.

(ii) WEEKLY EUR/JPY BINARY CONTRACTS, 3PM ET CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than  $Y - 3.00$ .

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than  $Y - 2.50$ .

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than  $Y - 2.00$ .

(4) Binary Contract 4: One Contract will have a Payout Criterion of greater than  $Y - 1.50$ .

(5) Binary Contract 5: One Contract will have a Payout Criterion of greater than  $Y - 1.00$ .

(6) Binary Contract 6: One Contract will have a Payout Criterion of greater than  $Y - 0.50$ .

(7) Binary Contract 7: One Contract will have a Payout Criterion of greater than  $Y$ .

(8) Binary Contract 7: One Contract will have a Payout Criterion of greater than  $Y + 0.50$ .

(9) Binary Contract 7: One Contract will have a Payout Criterion of greater than  $Y + 1.00$ .

(10) Binary Contract 7: One Contract will have a Payout Criterion of greater than  $Y + 1.50$ .

(11) Binary Contract 7: One Contract will have a Payout Criterion of greater than  $Y + 2.00$ .

(12) Binary Contract 7: One Contract will have a Payout Criterion of greater than  $Y + 2.50$ .

(13) Binary Contract 7: One Contract will have a Payout Criterion of greater than  $Y + 3.00$ .

(14) Binary Contract 7: One Contract will have a Payout Criterion of greater than  $Y + 3.50$ .

(15) In each case, "Y" equals the last EUR/JPY price or value rounded to the nearest value ending in either 0.25 or 0.75 as reported by the Source Agency.

(iii) INTRADAY EUR/JPY BINARY CONTRACT, 8:00 AM to 10:00 AM ET CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than  $Z1 - 0.40$ .

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than  $Z1$ .

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than  $Z1 + 0.40$ .

(4) In each case above,  $Z1$  equals the strike level determined by the Source Agency immediately before the issuance of these contracts.

(iv) INTRADAY EUR/JPY BINARY CONTRACT, 9:00 AM to 11:00 AM ET CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than  $Z2 - 0.40$ .

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than  $Z2$ .

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than  $Z2 + 0.40$ .

(4) In each case above,  $Z2$  equals the strike level determined by the Source Agency immediately before the issuance of these contracts.

(v) INTRADAY EUR/JPY BINARY CONTRACT, 10:00 AM to 12:00 PM ET CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than  $Z3 - 0.40$ .

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than  $Z3$ .

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than  $Z3 + 0.40$ .

(4) In each case above, Z3 equals the strike level determined by the Source Agency immediately before the issuance of these contracts.

(vi) INTRADAY EUR/JPY BINARY CONTRACT, 11:00 AM to 1:00 PM ET CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than Z4 - 0.40.

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than Z4.

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than Z4 + 0.40.

(4) In each case above, Z4 equals the strike level determined by the Source Agency immediately before the issuance of these contracts.

(vii) INTRADAY EUR/JPY BINARY CONTRACT, 12:00 PM to 2:00 PM ET CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than Z5 - 0.40.

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than Z5.

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than Z5 + 0.40.

(4) In each case above, Z5 equals the strike level determined by the Source Agency immediately before the issuance of these contracts.

(viii) INTRADAY EUR/JPY BINARY CONTRACTS, 1:00PM to 3:00 PM ET CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than Z6 - 0.40.

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than Z6.

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than Z6 + 0.40.

(4) In each case above, Z6 equals the strike level determined by the Source Agency immediately before the issuance of these contracts.

(ix) Nadex may list additional EUR/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 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) Midpoints just prior to the close of trading of the EUR/JPY Binary Contract and removing the highest five (5) Midpoints and the lowest (5) Midpoints. A simple average of the remaining fifteen (15) EUR/JPY Midpoints is used to calculate the Expiration Value. 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 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) Midpoints just prior to the close of trading of the GBP/JPY Variable Payout Contract and removing the highest five (5) Midpoints and the lowest (5) Midpoints. A simple average of the remaining fifteen (15) GBP/JPY Midpoints is used to calculate the Expiration Value. 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 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 CONTRACT

(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) DAILY GBP/JPY BINARY CONTRACTS, 3 PM ET CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than X – 2.00.

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than X – 1.80.

- (3) Binary Contract 3: One Contract will have a Payout Criterion of greater than  $X - 1.60$ .
- (4) Binary Contract 4: One Contract will have a Payout Criterion of greater than  $X - 1.40$ .
- (5) Binary Contract 5: One Contract will have a Payout Criterion of greater than  $X - 1.20$ .
- (6) Binary Contract 6: One Contract will have a Payout Criterion of greater than  $X - 1.00$ .
- (7) Binary Contract 7: One Contract will have a Payout Criterion of greater than  $X - 0.80$ .
- (8) Binary Contract 8: One Contract will have a Payout Criterion of greater than  $X - 0.60$ .
- (9) Binary Contract 9: One Contract will have a Payout Criterion of greater than  $X - 0.40$ .
- (10) Binary Contract 10: One Contract will have a Payout Criterion of greater than  $X - 0.20$ .
- (11) Binary Contract 11: One Contract will have a Payout Criterion of greater than  $X$ .
- (12) Binary Contract 12: One Contract will have a Payout Criterion of greater than  $X + 0.20$ .
- (13) Binary Contract 13: One Contract will have a Payout Criterion of greater than  $X + 0.40$ .
- (14) Binary Contract 14: One Contract will have a Payout Criterion of greater than  $X + 0.60$ .
- (15) Binary Contract 15: One Contract will have a Payout Criterion of greater than  $X + 0.80$ .
- (16) Binary Contract 16: One Contract will have a Payout Criterion of greater than  $X + 1.00$ .
- (17) Binary Contract 17: One Contract will have a Payout Criterion of greater than  $X + 1.20$ .
- (18) Binary Contract 18: One Contract will have a Payout Criterion of greater than  $X + 1.40$ .



(19) Binary Contract 19: One Contract will have a Payout Criterion of greater than  $X + 1.60$ .

(20) Binary Contract 20: One Contract will have a Payout Criterion of greater than  $X + 1.80$ .

(21) Binary Contract 21: One Contract will have a Payout Criterion of greater than  $X + 2.00$ .

(22) In each case, "X" equals the last GBP/JPY price rounded to the nearest 0.20 as reported by the Source Agency.

(ii) WEEKLY GBP/JPY BINARY CONTRACTS, 3PM ET CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than  $Y - 3.00$ .

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than  $Y - 2.50$ .

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than  $Y - 2.00$ .

(4) Binary Contract 4: One Contract will have a Payout Criterion of greater than  $Y - 1.50$ .

(5) Binary Contract 5: One Contract will have a Payout Criterion of greater than  $Y - 1.00$ .

(6) Binary Contract 6: One Contract will have a Payout Criterion of greater than  $Y - 0.50$ .

(7) Binary Contract 7: One Contract will have a Payout Criterion of greater than  $Y$ .

(8) Binary Contract 7: One Contract will have a Payout Criterion of greater than  $Y + 0.50$ .

(9) Binary Contract 7: One Contract will have a Payout Criterion of greater than  $Y + 1.00$ .

(10) Binary Contract 7: One Contract will have a Payout Criterion of greater than  $Y + 1.50$ .

(11) Binary Contract 7: One Contract will have a Payout Criterion of greater than  $Y + 2.00$ .

(12) Binary Contract 7: One Contract will have a Payout Criterion of greater than  $Y + 2.50$ .

(13) Binary Contract 7: One Contract will have a Payout Criterion of greater than  $Y + 3.00$ .

(14) Binary Contract 7: One Contract will have a Payout Criterion of greater than  $Y + 3.50$

(15) In each case, "Y" equals the last GBP/JPY price or value rounded to the nearest value ending in either 0.25 or 0.75 as reported by the Source Agency.

(iii) INTRADAY GBP/JPY BINARY CONTRACT, 8:00 AM to 10:00 AM ET CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than  $Z1 - 0.50$ .

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than  $Z1$ .

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than  $Z1 + 0.50$ .

(4) In each case above,  $Z1$  equals the strike level determined by the Source Agency immediately before the issuance of these contracts.

(iv) INTRADAY GBP/JPY BINARY CONTRACT, 9:00 AM to 11:00 AM ET CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than  $Z2 - 0.50$ .

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than  $Z2$ .

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than  $Z2 + 0.50$ .

(4) In each case above,  $Z2$  equals the strike level determined by the Source Agency immediately before the issuance of these contracts.

(v) INTRADAY GBP/JPY BINARY CONTRACT, 10:00 AM to 12:00 PM ET CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than  $Z3 - 0.50$ .

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than  $Z3$ .

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than  $Z3 + 0.50$ .

(4) In each case above,  $Z3$  equals the strike level determined by the Source Agency immediately before the issuance of these contracts.

(vi) INTRADAY GBP/JPY BINARY CONTRACT, 11:00 AM to 1:00 PM ET CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than  $Z4 - 0.50$ .

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than  $Z4$ .

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than  $Z4 + 0.50$ .

(4) In each case above,  $Z4$  equals the strike level determined by the Source Agency immediately before the issuance of these contracts.

(vii) INTRADAY GBP/JPY BINARY CONTRACT, 12:00 PM to 2:00 PM ET CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than  $Z5 - 0.50$ .

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than  $Z5$ .

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than  $Z5 + 0.50$ .

(4) In each case above,  $Z5$  equals the strike level determined by the Source Agency immediately before the issuance of these contracts.

(viii) INTRADAY GBP/JPY BINARY CONTRACTS, 1:00PM to 3:00 PM ET CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than  $Z6 - 0.50$ .

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than  $Z6$ .

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than  $Z6 + 0.50$ .

(4) In each case above, Z6 equals the strike level determined by the Source Agency immediately before the issuance of these contracts.

(ix) 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) Midpoints just prior to the close of trading of the GBP/JPY Binary Contract and removing the highest five (5) Midpoints and the lowest (5) Midpoints. A simple average of the remaining fifteen (15) GBP/JPY Midpoints is used to calculate the Expiration Value. 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 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 -12.78 [Unchanged]

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