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July 14, 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

**RE: Rule Certification: Nadex Amends its Metal, Energy, and Index Variable Payout Contracts (Excluding its Japan 225 and Korea 200 Contracts) to Add Additional Daily Spread Contracts, Amends the Explanation of its Settlement Calculation in its Commodity, Currency, and Index Variable Payout and Binary Contracts, Amends the Language of its Rules Pertaining to Officers of Nadex and FCM Member Obligations, and Amends its Fee Schedule - Submission Pursuant to Commission Regulation §40.6(a)**

Dear Mr. Stawick:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended ("Act"), and section 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 its intent to amend the following Rules to add additional Daily Spread Contracts:

RULE 12.2 COPPER VARIABLE PAYOUT CONTRACTS  
RULE 12.4 GOLD VARIABLE PAYOUT CONTRACTS  
RULE 12.6 SILVER VARIABLE PAYOUT CONTRACTS  
RULE 12.8 CRUDE OIL VARIABLE PAYOUT CONTRACTS  
RULE 12.10 NATURAL GAS VARIABLE PAYOUT CONTRACTS  
RULE 12.48 FTSE 100<sup>®</sup> FUTURE VARIABLE PAYOUT CONTRACTS  
RULE 12.50 GERMANY 30 VARIABLE PAYOUT CONTRACTS  
RULE 12.58 US 500 VARIABLE PAYOUT CONTRACTS  
RULE 12.60 US SMALLCAP 2000 VARIABLE PAYOUT CONTRACTS  
RULE 12.62 US TECH100 VARIABLE PAYOUT CONTRACTS  
RULE 12.64 WALL STREET 30 VARIABLE PAYOUT CONTRACTS

Additionally, Nadex amends its Commodity, Currency, and Index Variable Payout and Binary Contracts, reflected in Rules 12.2-12.15, 12.26-12.41, 12.48-12.51, 12.54-12.63, to indicate that the calculation for Expiration Values is rounded to one decimal point past the precision of the underlying market. The method of calculation for the Wall Street 30 Variable Payout and Binary contracts (Rules 12.64 and 12.65) remains unchanged, but the text of Rules 12.64 and 12.65 was amended to clarify that the calculation of Expiration Values for these products will continue to be rounded to the precision of the underlying market. The amendments further clarify that consecutive duplicate bid/ask quotes are discarded when determining midpoints used in calculating Currency Expiration Values. This certification also widens the maximum bid/ask spread width that is applied to determine acceptable quotes used in calculating Midpoints and Expiration Values for the GBP/JPY Variable Payout and Binary Contracts (Rules 12.40 and 12.41).

Nadex also amends the language in its Rule 2.3 (Officers of Nadex), replacing the term "Treasurer" with "Chief Financial Officer" and Rule 3.4 (FCM Member Obligations) replacing the term "Authorized Trader" with "employee or associated person."

Lastly, Nadex intends to amend its Fee Schedule for Direct and FCM Members, to assign specific trading fee amounts depending on order size as set forth in Exhibit "C". Nadex Rule 3.8(e) grants Nadex the authority to impose dues or additional fees. The fee amendments will affect all new Direct and FCM Members joining the Exchange after the effective date of this amended Fee Schedule. Existing Members will have the option to retain the current fee schedule, or may opt to be subject to the new fee schedule by notifying the Exchange. Although no existing Trading Member will be affected by the fee amendments except by choice, Nadex will provide 30-days' notice of the fee amendments (which would be required for a change to existing members' fees), and this portion of the filing will be effective on August 18, 2011.

Rule amendments have been outlined in Exhibit A, and the amendments and corrections are attached hereto in Exhibit B. The amended Fee Schedule is attached hereto in Exhibit C. Rule/Fee Schedule additions have been underlined and deletions stricken out.

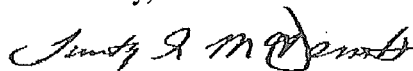
Nadex intends to implement these amendments for the start of business on trading day Monday, July 18, 2011, with the exception of the amended Fee Schedule which will be effective on August 18, 2011.

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

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>
2.3	Officers of Nadex	N/A	Delete references to "treasurer" and replace with "chief financial officer".	07/18/2011
3.4(f)	FCM Member Obligations	N/A	Delete references to "Authorized Trader" and replace with "employee or associated person".	07/18/2011
12.2-12.15	Copper, Gold, Silver, Crude Oil, Natural Gas, Corn, Soybean Binaries and Spreads	All intraday, daily, and weekly contracts	Added language to Expiration Value explaining settlement calculation.	07/18/2011
12.26-12.41	AUD/USD, EUR/USD, GBP/USD, USD/CAD, USD/CHF, USD/YEN, EUR/JPY, GBP/JPY Binaries and Spreads	All intraday, daily, and weekly contracts	Added language to Expiration Value explaining settlement calculation, indicated consecutive duplicate quotes are discarded, widened the spread width between bid/ask quotes used in collecting Midpoints to calculate the GBP/JPY Variable Payout and Binary Contracts (Rules 12.40 and 12.41).	07/18/2011
12.48-12.51, 12.54-12.65	FTSE 100 <sup>®</sup> , Germany 30, Japan 225, Korea 200, US 500, US Smallcap 2000, US Tech 100, Wall Street 30 Binaries and	All intraday, daily, and weekly contracts	Added language to Expiration Value explaining settlement calculation.	07/18/2011

	Spreads			
12.2	Copper Variable Payout Contracts	Daily/1pm ET	Add new daily spread contracts; amends the value "X" is rounded to for Intraday 8am-1pm ET Close Contracts	7/18/2011
12.4	Gold Variable Payout Contracts	Daily/1:30pm ET	Add new daily spread contracts; amends the value "X" is rounded to for Intraday 8am-1:30pm ET Close Contracts	7/18/2011
12.6	Silver Variable Payout Contracts	Daily/1:25pm ET	Add new daily spread contracts; amends the value "X" is rounded to for Intraday 8am-1:25pm ET Close Contracts	7/18/2011
12.8	Crude Oil Variable Payout Contracts	Daily/2:30pm ET	Add new daily spread contracts; amends the value "X" is rounded to for Intraday 8am-2:30pm ET Close Contracts	7/18/2011
12.10	Natural Gas Variable Payout Contracts	Daily/2:30pm ET	Add new daily spread contracts; amends the value "X" is rounded to for Intraday 2-hour Contracts	7/18/2011
12.48	FTSE 100 <sup>®</sup> Future Variable Payout Contracts	Daily/4:00pm ET	Add new daily spread contracts; amends the value "X" is rounded to for Intraday 8am-4:00pm ET Close Contracts	7/18/2011
12.50	Germany 30 Variable Payout Contracts	Daily/4:00pm ET	Add new daily spread contracts; amends the value "X" is rounded to for Intraday 8am-4:00pm ET Close Contracts	7/18/2011
12.58	US 500 Variable Payout Contracts	Daily/4:15pm ET	Add new daily spread contracts; amends the value "X" is rounded to for Intraday 8am-4:15pm ET Close Contracts	7/18/2011
12.60	US Smallcap 2000 Variable Payout Contracts	Daily/4:15pm ET	Add new daily spread contracts; amends the value "X" is rounded to for Intraday 2-hour Contracts	7/18/2011

12.62	US Tech 100 Variable Payout Contracts	Daily/4:15pm ET	Add new daily spread contracts; amends the value "X" is rounded to for daily wide spread 4:15pm Close Contract	7/18/2011
12.64	Wall Street 30 Variable Payout Contracts	Daily/4:15pm ET	Add new daily spread contracts; amends the value "X" is rounded to for Intraday 8am- 4:15pm Close and Intraday 2-hour Contracts	7/18/2011

EXHIBIT B

**Amendment of Rules 2.3, 3.4, 12.2-12.15, 12.26-12.41, 12.48-12.51, 12.54-12.65**

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

RULE 1.1 – 2.2 [Unchanged]

RULE 2.3 OFFICERS OF NADEX

(a) Nadex has a five-member board of directors elected by a majority vote of all shareholders of Nadex. Each director serves a one year term. Each director, including a director elected to fill a vacancy, shall hold office until his successor is elected and qualified or until his earlier resignation or removal.

(b) Nadex has a chief executive officer, chief operating officer, secretary, ~~treasurer~~chief financial officer, and chief regulatory officer (collectively, the “Management Team”). These officers are appointed and may be dismissed (with or without cause) by majority vote of the board of directors or the shareholders.

(c) The chief executive officer of Nadex must be a member of the board of directors. In the absence of the chairman, the chief executive officer will perform the chairman’s duties. In the event of a disagreement between the chief executive officer and the board or the chairman of the board as to an exchange matter, the chairman and/or board shall control.

(d) Subject to the direction of the board of directors, the chief executive officer will manage the overall business of the exchange. In the absence of the chief executive officer, the chief operating officer will perform the chief executive officer’s duties.

(e) The chief operating officer is responsible for managing the corporation's day-to-day activities related to operations, customer service, and information technology.

(f) The ~~treasurer~~chief financial officer of Nadex will be responsible for all funds and stock of Nadex and in general perform all duties incident to the office of ~~treasurer~~chief financial officer and such other duties as from time to time may be assigned by the chief executive officer or the board of directors. If the function of the office of the chief financial officer is outsourced to a service provider, the ~~treasurer~~chief executive officer shall be responsible for oversight of this function.

(g) The secretary of Nadex will keep the minutes of the meetings of the board and in general perform all duties incident to the office of secretary and such other duties as from time to time may be assigned by the chief executive officer or the board of directors.

(h) The chief regulatory officer of Nadex will be responsible for managing the day-to-day regulatory functions of the Exchange.

RULE 2.4 – 3.3 [Unchanged]

## RULE 3.4 FCM MEMBER OBLIGATIONS

(a) – (e) [Unchanged]

(f) No FCM Member may maintain a proprietary trading account for Nadex contracts and no ~~Authorized Trader~~employee or associated person of any FCM Member may maintain a personal trading account for Nadex contracts. No FCM Member or ~~Authorized Trader~~employee or associated person of any FCM Member may have an interest in any trading account for Nadex contracts. Notwithstanding the foregoing, an FCM Member or ~~Authorized Trader~~ may maintain an error account and/or test account.

(g) – (m) [Unchanged]

## RULE 3.5 – 12.1 [Unchanged]

## RULE 12.2 COPPER VARIABLE PAYOUT CONTRACTS

(a) - (e) [Unchanged]

(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 Copper Variable Payout Contract, the Payout Criteria for the Contracts will be set as follows:

### (i) DAILY COPPER VARIABLE PAYOUT SPREAD

**CONTRACTS, 1:00 PM ET CLOSE** - At the commencement of trading in a Daily Spread Copper 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 COPPER VARIABLE PAYOUT ‘SPREAD’ CONTRACT

(aa) **CAP** – The Cap shall be  $X + 30$ .

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

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

(2) In each case, “X” equals the last Copper price, as reported by the Source Agency, rounded to the nearest 10.

### (ii) DAILY COPPER VARIABLE PAYOUT SPREAD

CONTRACTS, 1:00 PM ET CLOSE - Nadex shall list a set of three (3) Variable Payout Contracts with overlapping ranges, which conform to the Payout Criteria listed below:

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

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

(3) CONTRACT 3: The Cap shall be X + 30; The Floor shall be X.



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

(5) In each case, “X” equals the last Copper price, as reported by the Source Agency, rounded to the nearest 10.

(iii) INTRADAY COPPER VARIABLE PAYOUT SPREAD CONTRACTS, 8AM ET to 1:00 PM ET CLOSE - Nadex shall list a set of three (3) Variable Payout Contracts with overlapping ranges, which conform to the Payout Criteria listed below:

(1) CONTRACT 1: The Cap shall be X; The Floor shall be X – 25.

(2) CONTRACT 2: The Cap shall be X + 12.5; The Floor shall be X – 12.5.

(3) CONTRACT 3: The Cap shall be X + 25; The Floor shall be X.

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

(5) In each case, “X” equals the last Copper price, as reported by the Source Agency, rounded to the nearest ~~10~~ 2.5.

(iv) INTRADAY 2-HOUR COPPER VARIABLE PAYOUT SPREAD CONTRACTS, 10:00AM, 11:00AM, 12:00PM, and 1:00PM 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 – 8.

(2) CONTRACT 2: The Cap shall be X + 4; The Floor shall be X – 4.

(3) CONTRACT 3: The Cap shall be X + 8; The Floor shall be X.

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

(5) In each case, “X” equals the last Copper price, as reported by the Source Agency, rounded to the nearest 2.

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

(g) - (m) [Unchanged]

(n) EXPIRATION VALUE – The Expiration Value is the price or value of Copper 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) CPFC trade prices just prior to the close of trading of the Copper Variable Contract and removing the highest five (5) CPFC trade prices and the lowest five (5) CPFC trade prices, using the remaining fifteen

(15) CPFC trade prices to calculate the Expiration Value. The calculation used is a simple average of all fifteen (15) CPFC trade prices, rounded to one decimal point past the precision of the underlying market.

(o) [Unchanged]

#### RULE 12.3 COPPER BINARY CONTRACTS

(a) - (m) [Unchanged]

(n) EXPIRATION VALUE – The Expiration Value is the price or value of Copper 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) CPFC trade prices just prior to the close of trading of the Copper Variable Contract and removing the highest five (5) CPFC trade prices and the lowest five (5) CPFC trade prices, using the remaining fifteen (15) CPFC trade prices to calculate the Expiration Value. The calculation used is a simple average of all fifteen (15) CPFC trade prices, rounded to one decimal point past the precision of the underlying market.

(o) [Unchanged]

#### RULE 12.4 GOLD VARIABLE PAYOUT CONTRACTS

(a) - (e) [Unchanged]

(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 Gold Variable Payout Contract, the Payout Criteria for the Contracts will be set as follows:

(i) DAILY GOLD VARIABLE PAYOUT SPREAD CONTRACTS, 1:30 PM ET CLOSE - At the commencement of trading in a Daily Spread Gold 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 GOLD VARIABLE PAYOUT 'SPREAD' CONTRACT

(aa) CAP – The Cap shall be  $X + 50.00$ .

(bb) FLOOR – The Floor shall be  $X - 50.00$ .

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

(2) In each case, "X" equals the last Gold price, as reported by the Source Agency, rounded to the nearest 50.

(ii) DAILY GOLD VARIABLE PAYOUT SPREAD CONTRACTS, 1:30 PM ET CLOSE - Nadex shall list a set of three (3) Variable Payout Contracts with overlapping ranges, which conform to the Payout Criteria listed below:

- (1) CONTRACT 1: The Cap shall be X; The Floor shall be X – 50.
- (2) CONTRACT 2: The Cap shall be X + 25; The Floor shall be X – 25.
- (3) CONTRACT 3: The Cap shall be X + 50; The Floor shall be X.
- (4) DOLLAR MULTIPLIER – The Dollar Multiplier shall be 10.

(5) In each case, “X” equals the last Gold price, as reported by the Source Agency, rounded to the nearest 50.

(iii) INTRADAY GOLD VARIABLE PAYOUT SPREAD

CONTRACTS, 8AM ET to 1:30 PM ET CLOSE - Nadex shall list a set of three (3) Variable Payout Contracts with overlapping ranges, which conform to the Payout Criteria listed below:

- (1) CONTRACT 1: The Cap shall be X; The Floor shall be X – 40.
- (2) CONTRACT 2: The Cap shall be X + 20; The Floor shall be X – 20.
- (3) CONTRACT 3: The Cap shall be X + 40; The Floor shall be X.
- (4) DOLLAR MULTIPLIER – The Dollar Multiplier shall be 10.

(5) In each case, “X” equals the last Gold price, as reported by the Source Agency, rounded to the nearest ~~50~~ 10.

(iv) INTRADAY 2-HOUR GOLD VARIABLE PAYOUT SPREAD

CONTRACTS, 10:00AM, 11:00AM, 12:00PM, and 1:00PM 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 – 15.
- (2) CONTRACT 2: The Cap shall be X + 7.5; The Floor shall be X – 7.5.
- (3) CONTRACT 3: The Cap shall be X + 15; The Floor shall be X.
- (4) DOLLAR MULTIPLIER – The Dollar Multiplier shall be 10.

(5) In each case, “X” equals the last Gold price, as reported by the Source Agency, rounded to the nearest 10.

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

(g) – (m) [Unchanged]

(n) EXPIRATION VALUE – The Expiration Value is the price or value of Gold 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) GFC trade prices just prior to the close of trading of the Gold Variable Contract and removing the highest five (5) GFC trade prices and the lowest five (5) GFC trade prices, using the remaining fifteen (15) GFC trade prices to calculate the Expiration Value. The calculation used is a simple average of all fifteen (15) GFC trade prices, rounded to one decimal point past the precision of the underlying market.

(o) [Unchanged]

#### RULE 12.5 GOLD BINARY CONTRACTS

(a) - (m) [Unchanged]

(n) EXPIRATION VALUE – The Expiration Value is the price or value of Gold 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) GFC trade prices just prior to the close of trading of the Gold Binary Contract and removing the highest five (5) GFC trade prices and the lowest five (5) GFC trade prices, using the remaining fifteen (15) GFC trade prices to calculate the Expiration Value. The calculation used is a simple average of all fifteen (15) GFC trade prices, rounded to one decimal point past the precision of the underlying market.

(o) [Unchanged]

#### RULE 12.6 SILVER VARIABLE PAYOUT CONTRACTS

(a) - (e) [Unchanged]

(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 Silver Variable Payout Contract, the Payout Criteria for the Contracts will be set as follows;

(i) DAILY SILVER VARIABLE PAYOUT SPREAD CONTRACTS, 1:25 PM ET CLOSE - At the commencement of trading in a Daily Spread Silver 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 SILVER VARIABLE PAYOUT 'SPREAD' CONTRACT

(aa) CAP – The Cap shall be  $X + 200$ .

(bb) FLOOR – The Floor shall be  $X - 200$ .

(cc) DOLLAR MULTIPLIER – The Dollar Multiplier shall be 1.

(2) In each case, "X" equals the last Silver price, as reported by the Source Agency, rounded to the nearest 50.

(ii) DAILY SILVER VARIABLE PAYOUT SPREAD

CONTRACTS, 1:25 PM ET CLOSE - Nadex shall list a set of three (3) Variable Payout Contracts with overlapping ranges, which conform to the Payout Criteria listed below:

(1) CONTRACT 1: The Cap shall be X; The Floor shall be X - 200.

(2) CONTRACT 2: The Cap shall be X + 100; The Floor shall be X - 100.

(3) CONTRACT 3: The Cap shall be X + 200; The Floor shall be X.

(4) DOLLAR MULTIPLIER - The Dollar Multiplier shall be 1.

(5) In each case, "X" equals the last Silver price, as reported by the Source Agency, rounded to the nearest 50.

(iii) INTRADAY SILVER VARIABLE PAYOUT SPREAD

CONTRACTS, 8AM ET to 1:25 PM ET CLOSE - Nadex shall list a set of three (3) Variable Payout Contracts with overlapping ranges, which conform to the Payout Criteria listed below:

(1) CONTRACT 1: The Cap shall be X; The Floor shall be X - 150.

(2) CONTRACT 2: The Cap shall be X + 75; The Floor shall be X - 75.

(3) CONTRACT 3: The Cap shall be X + 150; The Floor shall be X.

(4) DOLLAR MULTIPLIER - The Dollar Multiplier shall be 1.

(5) In each case, "X" equals the last Silver price, as reported by the Source Agency, rounded to the nearest 50.

(iv) INTRADAY 2-HOUR SILVER VARIABLE PAYOUT

SPREAD CONTRACTS, 10:00AM, 11:00AM, 12:00PM, and 1:00PM 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 - 50.

(2) CONTRACT 2: The Cap shall be X + 25; The Floor shall be X - 25.

(3) CONTRACT 3: The Cap shall be X + 50; The Floor shall be X.

(4) DOLLAR MULTIPLIER - The Dollar Multiplier shall be 1.

(5) In each case, "X" equals the last Silver price, as reported by the Source Agency, rounded to the nearest 25.

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

(g) - (m) [Unchanged]

(n) EXPIRATION VALUE – The Expiration Value is the price or value of Silver released by the Source Agency on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking the last twenty-five (25) SFC trade prices just prior to the close of trading of the Silver Variable Contract and removing the highest five (5) SFC trade prices and the lowest five (5) SFC trade prices, using the remaining fifteen (15) SFC trade prices to calculate the Expiration Value. The calculation used is a simple average of all fifteen (15) SFC trade prices, rounded to one decimal point past the precision of the underlying market.

(o) [Unchanged]

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#### RULE 12.7 SILVER BINARY CONTRACTS

(a) - (m) [Unchanged]

(n) EXPIRATION VALUE – The Expiration Value is the price or value of Silver on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking the last twenty-five (25) SFC trade prices just prior to the close of trading of the Silver Binary Contract and removing the highest five (5) SFC trade prices and the lowest five (5) SFC trade prices, using the remaining fifteen (15) SFC trade prices to calculate the Expiration Value. The calculation used is a simple average of all fifteen (15) SFC trade prices, rounded to one decimal point past the precision of the underlying market.

(o) [Unchanged]

#### RULE 12.8 CRUDE OIL VARIABLE PAYOUT CONTRACTS

(a) - (e) [Unchanged]

(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 Crude Oil Variable Payout Contract, the Payout Criteria for the Contracts will be set as follows;

(i) DAILY CRUDE OIL VARIABLE PAYOUT SPREAD CONTRACTS, 2:30 PM ET CLOSE - At the commencement of trading in a Daily Spread Crude Oil 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 CRUDE OIL VARIABLE PAYOUT 'SPREAD' CONTRACT

(aa) CAP – The Cap shall be  $X + 5$ .

(bb) FLOOR – The Floor shall be  $X - 5$ .

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

(2) In each case, "X" equals the last Crude Oil price, as reported by the Source Agency, rounded to the nearest  $\$ 1$ .

(ii) DAILY CRUDE OIL VARIABLE PAYOUT SPREAD CONTRACTS, 2:30 PM ET CLOSE - Nadex shall list a set of three (3) Variable Payout Contracts with overlapping ranges, which conform to the Payout Criteria listed below:

(1) CONTRACT 1: The Cap shall be X; The Floor shall be  $X - 5$ .

(2) CONTRACT 2: The Cap shall be  $X + 2.50$ ; The Floor shall be  $X - 2.50$ .

(3) CONTRACT 3: The Cap shall be  $X + 5$ ; The Floor shall be X.

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

(5) In each case, "X" equals the last Crude Oil price, as reported by the Source Agency, rounded to the nearest 1.

(iii) INTRADAY CRUDE OIL VARIABLE PAYOUT SPREAD CONTRACTS, 8AM ET to 2:30 PM ET CLOSE - Nadex shall list a set of three (3) Variable Payout Contracts with overlapping ranges, which conform to the Payout Criteria listed below:

(1) CONTRACT 1: The Cap shall be X; The Floor shall be  $X - 3$ .

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

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

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

(5) In each case, "X" equals the last Crude Oil price, as reported by the Source Agency, rounded to the nearest  $\pm 0.50$ .

(iv) INTRADAY 2-HOUR CRUDE OIL VARIABLE PAYOUT SPREAD CONTRACTS, 10:00AM, 11:00AM, 12:00PM, 1:00PM and 2:00PM 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  $X - 1.50$ .

(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 Crude Oil price, as reported by the Source Agency, rounded to the nearest 0.25.

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

(g) - (m) [Unchanged]

(n) EXPIRATION VALUE – The Expiration Value is the price or value of Crude Oil 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) CFC trade prices just prior to the close of trading of the Crude Oil Variable Contract and removing the highest five (5) CFC trade prices and the lowest five (5) CFC trade prices, using the remaining fifteen (15) CFC trade prices to calculate the Expiration Value. The calculation used is a simple average of all fifteen (15) CFC trade prices, rounded to one decimal point past the precision of the underlying market.

(o) [Unchanged]

#### RULE 12.9 CRUDE OIL BINARY CONTRACTS

(a) – (m) [Unchanged]

(n) EXPIRATION VALUE – The Expiration Value is the price or level of Crude Oil on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking the last twenty-five (25) CFC trade prices just prior to the close of trading of the Crude Oil Binary Contract and removing the highest five (5) CFC trade prices and the lowest five (5) CFC trade prices, using the remaining fifteen (15) CFC trade prices to calculate the Expiration Value. The calculation used is a simple average of all fifteen (15) CFC trade prices, rounded to one decimal point past the precision of the underlying market.

(o) [Unchanged]

#### RULE 12.10 NATURAL GAS VARIABLE PAYOUT CONTRACTS

(a) – (e) [Unchanged]

(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 Natural Gas Variable Payout Contract, the Payout Criteria for the Contracts will be set as follows;



(i) DAILY NATURAL GAS VARIABLE PAYOUT SPREAD CONTRACTS, 2:30 PM ET CLOSE - At the commencement of trading in a Daily Spread Natural Gas 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 NATURAL GAS VARIABLE PAYOUT 'SPREAD' CONTRACT

(aa) CAP – The Cap shall be  $X + 0.5$ .

(bb) FLOOR – The Floor shall be  $X - 0.5$ .

(cc) DOLLAR MULTIPLIER – The Dollar Multiplier shall be 1000.

(2) In each case, "X" equals the last Natural Gas price, as reported by the Source Agency, rounded to the nearest 0.1.

(ii) DAILY NATURAL GAS VARIABLE PAYOUT SPREAD CONTRACTS, 2:30 PM ET CLOSE - Nadex shall list a set of three (3) Variable Payout Contracts with overlapping ranges, which conform to the Payout Criteria listed below:

(1) CONTRACT 1: The Cap shall be X; The Floor shall be  $X - 0.5$ .

(2) CONTRACT 2: The Cap shall be  $X + 0.25$ ; The Floor shall be  $X - 0.25$ .

(3) CONTRACT 3: The Cap shall be  $X + 0.5$ ; The Floor shall be X.

(4) DOLLAR MULTIPLIER – The Dollar Multiplier shall be 1000.

(5) In each case, "X" equals the last Natural Gas price, as reported by the Source Agency, rounded to the nearest 0.1.

(iii) INTRADAY NATURAL GAS VARIABLE PAYOUT SPREAD CONTRACTS, 8AM ET to 2:30 PM ET CLOSE - Nadex shall list a set of three (3) Variable Payout Contracts with overlapping ranges, which conform to the Payout Criteria listed below:

(1) CONTRACT 1: The Cap shall be X; The Floor shall be  $X - 0.4$ .

(2) CONTRACT 2: The Cap shall be  $X + 0.2$ ; The Floor shall be  $X - 0.2$ .

(3) CONTRACT 3: The Cap shall be  $X + 0.4$ ; The Floor shall be X.

(4) DOLLAR MULTIPLIER – The Dollar Multiplier shall be 1000.

(5) In each case, "X" equals the last Natural Gas price, as reported by the Source Agency, rounded to the nearest 0.1.

(iv) INTRADAY 2-HOUR NATURAL GAS VARIABLE PAYOUT SPREAD CONTRACTS, 10:00AM, 11:00AM, 12:00PM, 1:00PM and 2:00PM 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 – 0.2.

(2) CONTRACT 2: The Cap shall be X + 0.1; The Floor shall be X – 0.1.

(3) CONTRACT 3: The Cap shall be X + 0.2; The Floor shall be X.

(4) DOLLAR MULTIPLIER – The Dollar Multiplier shall be 1000.

(5) In each case, “X” equals the last Natural Gas price, as reported by the Source Agency, rounded to the nearest ~~0.1~~ 0.05.

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

(g) - (m) [Unchanged]

(n) EXPIRATION VALUE – The Expiration Value shall be the price or value of Natural Gas 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) NFC trade prices just prior to the close of trading of the Natural Gas Variable Contract and removing the highest five (5) NFC trade prices and the lowest five (5) NFC trade prices, using the remaining fifteen (15) NFC trade prices to calculate the Expiration Value. The calculation used is a simple average of all fifteen (15) NFC trade prices, rounded to one decimal point past the precision of the underlying market.

(o) [Unchanged]

#### RULE 12.11 NATURAL GAS BINARY CONTRACTS

(a) - (m) [Unchanged]

(n) EXPIRATION VALUE – The Expiration Value is the price or value of Natural Gas 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) NFC trade prices just prior to the close of trading of the Natural Gas Binary Contract and removing the highest five (5) NFC trade prices and the lowest five (5) NFC trade prices, using the remaining fifteen (15) NFC trade prices to calculate the Expiration Value. The calculation used is a simple average of all fifteen (15) NFC trade prices, rounded to one decimal point past the precision of the underlying market.

(o) [Unchanged]

#### RULE 12.12 CORN VARIABLE PAYOUT CONTRACTS

(a) - (m) [Unchanged]

(n) EXPIRATION VALUE – The Expiration Value is the level of Corn 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) CNFC trade prices just prior to the close of trading of the Corn Variable Contract and removing the highest five (5) CNFC trade prices and the lowest five (5) CNFC trade prices, using the remaining fifteen (15) CNFC trade prices to calculate the Expiration Value. The Calculation used is a simple average of all fifteen (15) CNFC trade prices, rounded to one decimal point past the precision of the underlying market.

(o) [Unchanged]

#### RULE 12.13 CORN BINARY CONTRACTS

(a) - (m) [Unchanged]

(n) EXPIRATION VALUE - The Expiration Value is the level of Corn 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) CNFC trade prices just prior to the close of trading of the Corn Binary Contract and removing the highest five (5) CNFC trade prices and the lowest five (5) CNFC trade prices, using the remaining fifteen (15) CNFC trade prices to calculate the Expiration Value. The calculation used is a simple average of all fifteen (15) CNFC trade Prices, rounded to one decimal point past the precision of the underlying market.

(o) [Unchanged]

#### RULE 12.14 SOYBEANS VARIABLE PAYOUT CONTRACTS

(a) - (m) [Unchanged]

(n) EXPIRATION VALUE – The Expiration Value is the level of Soybeans 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) SBFC trade prices just prior to the close of trading of the Soybeans Variable Contract and removing the highest five (5) SBFC trade prices and the lowest five (5) SBFC trade prices, using the remaining fifteen (15) SBFC trade prices to calculate the Expiration Value. The Calculation used is a simple average of all fifteen (15) SBFC trade prices, rounded to one decimal point past the precision of the underlying market.

(o) [Unchanged]

## RULE 12.15 SOYBEAN BINARY CONTRACTS

(a) - (m) [Unchanged]

(n) EXPIRATION VALUE - The Expiration Value is the level of Soybeans 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) SBFC trade prices just prior to the close of trading of the Soybean Binary Contract and removing the highest five (5) SBFC trade prices and the lowest five (5) SBFC trade prices, using the remaining fifteen (15) SBFC trade prices to calculate the Expiration Value. The calculation used is a simple average of all fifteen (15) SBFC trade prices, rounded to one decimal point past the precision of the underlying market.

(o) [Unchanged]

## RULE 12.16 – 12.25 [Unchanged]

## RULE 12.26 CURRENCY EXCHANGE AUD/USD VARIABLE PAYOUT CONTRACTS

(a) - (m) [Unchanged]

(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) 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) Midpoints and the lowest (5) Midpoints, using the remaining fifteen (15) AUD/USD Midpoints to calculate the Expiration Value. A simple average of the remaining fifteen (15) AUD/USD Midpoints is used to calculate the Expiration Value. The calculation used is a simple average of all fifteen (15) 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), or if it is a consecutive duplicate bid/ask quote, those prices will not be used to calculate a Midpoint and will thus not be included within the 25 initially captured values.

(o) [Unchanged]

## RULE 12.27 CURRENCY EXCHANGE AUD/USD BINARY CONTRACTS

(a) - (m) [Unchanged]

(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) 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) Midpoints and the lowest (5) Midpoints, using the remaining fifteen (15) AUD/USD Midpoints to calculate the Expiration Value. A simple average of the remaining fifteen (15) AUD/USD Midpoints is used to calculate the Expiration Value. The calculation used is a simple average of all fifteen (15) 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), or if it is a consecutive duplicate bid/ask quote, those prices will not be used to calculate a Midpoint and will thus not be included within the 25 initially captured values.

(o) [Unchanged]

#### RULE 12.28 CURRENCY EXCHANGE EUR/USD VARIABLE PAYOUT CONTRACTS

(a) - (m) [Unchanged]

(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) 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) Midpoints and the lowest (5) Midpoints, using the remaining fifteen (15) EUR/USD Midpoints to calculate the Expiration Value. A simple average of the remaining fifteen (15) EUR/USD Midpoints is used to calculate the Expiration Value. The calculation used is a simple average of all fifteen (15) 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), or if it is a consecutive duplicate bid/ask quote, those prices will not be used to calculate a Midpoint and will thus not be included within the 25 initially captured values.

(o) [Unchanged]

#### RULE 12.29 CURRENCY EXCHANGE EUR/USD BINARY CONTRACTS

(a) - (m) [Unchanged]

(n) 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) 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) Midpoints and the lowest (5) Midpoints, using the remaining fifteen (15) EUR/USD Midpoints to calculate the Expiration Value. A simple average of the remaining fifteen (15) EUR/USD Midpoints is used to calculate the Expiration Value. The calculation used is a simple average of all fifteen (15) 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), or if it is a consecutive duplicate bid/ask quote, those prices will not be used to calculate a Midpoint and will thus not be included within the 25 initially captured values.

(o) [Unchanged]

#### RULE 12.30 CURRENCY EXCHANGE GBP/USD VARIABLE PAYOUT CONTRACTS

(a) - (m) [Unchanged]

(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) 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) Midpoints and the lowest (5) Midpoints, using the remaining fifteen (15) GBP/USD Midpoints to calculate the Expiration Value. A simple average of the remaining fifteen (15) GBP/USD Midpoints is used to calculate the Expiration Value. The calculation used is a simple average of all fifteen (15) 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), or if it is a consecutive duplicate bid/ask quote, those prices will not be used to calculate a Midpoint and will thus not be included within the 25 initially captured values.

(o) [Unchanged]

#### RULE 12.31 CURRENCY EXCHANGE GBP/USD BINARY CONTRACTS

(a) - (m) [Unchanged]

(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) 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) Midpoints and the lowest (5) Midpoints, using the remaining fifteen (15) GBP/USD Midpoints to calculate the Expiration Value. A

~~simple average of the remaining fifteen (15) GBP/USD Midpoints is used to calculate the Expiration Value. The calculation used is a simple average of all fifteen (15) 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), or if it is a consecutive duplicate bid/ask quote, those prices will not be used to calculate a Midpoint and will thus not be included within the 25 initially captured values.~~

(o) [Unchanged]

#### RULE 12.32 CURRENCY EXCHANGE USD/CAD VARIABLE PAYOUT CONTRACTS

(a) – (m) [Unchanged]

(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) 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) Midpoints and the lowest (5) Midpoints, using the remaining fifteen (15) USD/CAD Midpoints to calculate the Expiration Value. A simple average of the remaining fifteen (15) USD/CAD Midpoints is used to calculate the Expiration Value. The calculation used is a simple average of all fifteen (15) 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), or if it is a consecutive duplicate bid/ask quote, those prices will not be used to calculate a Midpoint and will thus not be included within the 25 initially captured values.

(o) [Unchanged]

#### RULE 12.33 CURRENCY EXCHANGE USD/CAD BINARY CONTRACTS

(a) - (m) [Unchanged]

(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) 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) Midpoints and the lowest (5) Midpoints, using the remaining fifteen (15) USD/CAD Midpoints to calculate the Expiration Value. A simple average of the remaining fifteen (15) USD/CAD Midpoints is used to calculate the Expiration Value. The calculation used is a simple average of all fifteen

(15) 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), or if it is a consecutive duplicate bid/ask quote, those prices will not be used to calculate a Midpoint and will thus not be included within the 25 initially captured values.

(o) [Unchanged]

#### RULE 12.34 CURRENCY EXCHANGE USD/CHF VARIABLE PAYOUT CONTRACTS

(a) - (m) [Unchanged]

(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) 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) Midpoints and the lowest (5) Midpoints, using the remaining fifteen (15) USD/CHF Midpoints to calculate the Expiration Value. ~~A simple average of the remaining fifteen (15) USD/CHF Midpoints is used to calculate the Expiration Value.~~ The calculation used is a simple average of all fifteen (15) 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), or if it is a consecutive duplicate bid/ask quote, those prices will not be used to calculate a Midpoint and will thus not be included within the 25 initially captured values.

(o) [Unchanged]

#### RULE 12.35 CURRENCY EXCHANGE USD/CHF BINARY CONTRACTS

(a) - (m) [Unchanged]

(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) 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) Midpoints and the lowest (5) Midpoints, using the remaining fifteen (15) USD/CHF Midpoints to calculate the Expiration Value. ~~A simple average of the remaining fifteen (15) USD/CHF Midpoints is used to calculate the Expiration Value.~~ The calculation used is a simple average of all fifteen (15) 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), or if it is a consecutive duplicate bid/ask quote, those prices will not be used to calculate a Midpoint and will thus not be included within the 25 initially captured values.

(o) [Unchanged]

#### RULE 12.36 CURRENCY EXCHANGE USD/YEN VARIABLE PAYOUT CONTRACTS

(a) - (m) [Unchanged]

(n) EXPIRATION VALUE – The Expiration Value shall be the price or value of USD/YEN 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 between the bid/ask spread (five pips wide or less) just prior to the close of trading of the USD/YEN Variable Payout Contract and removing the highest five (5) Midpoints and the lowest (5) Midpoints, using the remaining fifteen (15) USD/YEN Midpoints to calculate the Expiration Value. A simple average of the remaining fifteen (15) USD/YEN Midpoints is used to calculate the Expiration Value. The calculation used is a simple average of all fifteen (15) USD/YEN 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), or if it is a consecutive duplicate bid/ask quote, those prices will not be used to calculate a Midpoint and will thus not be included within the 25 initially captured values.

(o) [Unchanged]

#### RULE 12.37 CURRENCY EXCHANGE USD/YEN BINARY CONTRACTS

(a) - (m) [Unchanged]

(n) EXPIRATION VALUE – The Expiration Value is the price or value of USD/YEN 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 between the bid/ask spread (five pips wide or less) just prior to the close of trading of the USD/YEN Binary Contract and removing the highest five (5) Midpoints and the lowest (5) Midpoints, using the remaining fifteen (15) USD/YEN Midpoints to calculate the Expiration Value. A simple average of the remaining fifteen (15) USD/YEN Midpoints is used to calculate the Expiration Value. The calculation used is a simple average of all fifteen (15) USD/YEN 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), or if it is a consecutive duplicate bid/ask quote, those prices will not be used to calculate a Midpoint and will thus not be included within the 25 initially captured values.

(o) [Unchanged]

#### RULE 12.38 CURRENCY EXCHANGE EUR/JPY VARIABLE PAYOUT CONTRACTS

(a) - (m) [Unchanged]

(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 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) Midpoints and the lowest (5) Midpoints, using the remaining fifteen (15) EUR/JPY Midpoints to calculate the Expiration Value. A simple average of the remaining fifteen (15) EUR/JPY Midpoints is used to calculate the Expiration Value. The calculation used is a simple average of all fifteen (15) 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), or if it is a consecutive duplicate bid/ask quote, those prices will not be used to calculate a Midpoint and will thus not be included within the 25 initially captured values.

(o) [Unchanged]

#### RULE 12.39 CURRENCY EXCHANGE EUR/JPY BINARY CONTRACTS

(a) - (m) [Unchanged]

(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 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) Midpoints and the lowest (5) Midpoints, using the remaining fifteen (15) EUR/JPY Midpoints to calculate the Expiration Value. A simple average of the remaining fifteen (15) EUR/JPY Midpoints is used to calculate the Expiration Value. The calculation used is a simple average of all fifteen (15) 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), or if it is a consecutive duplicate bid/ask quote, those prices

will not be used to calculate a Midpoint and will thus not be included within the 25 initially captured values.

(o) [Unchanged]

#### RULE 12.40 CURRENCY EXCHANGE GBP/JPY VARIABLE PAYOUT CONTRACTS

(a) - (m) [Unchanged]

(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 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) Midpoints and the lowest (5) Midpoints, using the remaining fifteen (15) GBP/JPY Midpoints to calculate the Expiration Value. ~~A simple average of the remaining fifteen (15) GBP/JPY Midpoints is used to calculate the Expiration Value.~~ The calculation used is a simple average of all fifteen (15) 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 ~~five~~ten (10) pips), or if it is a consecutive duplicate bid/ask quote, those prices will not be used to calculate a Midpoint and will thus not be included within the 25 initially captured values.

(o) [Unchanged]

#### RULE 12.41 CURRENCY EXCHANGE GBP/JPY BINARY CONTRACTS

(a) - (m) [Unchanged]

(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 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) Midpoints and the lowest (5) Midpoints, using the remaining fifteen (15) GBP/JPY Midpoints to calculate the Expiration Value. ~~A simple average of the remaining fifteen (15) GBP/JPY Midpoints is used to calculate the Expiration Value.~~ The calculation used is a simple average of all fifteen (15) 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 ~~five~~ten (10) pips), or if it is a consecutive duplicate bid/ask quote, those prices will not be used to calculate a Midpoint and will thus not be included within the 25 initially captured values.

(o) [Unchanged]

RULE 12.42 – 12.47 [Unchanged]

RULE 12.48 FTSE 100<sup>®</sup> FUTURE VARIABLE PAYOUT CONTRACTS

(a) - (e) [Unchanged]

(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 FTSE 100 Future Variable Payout Contract, the Payout Criteria for the Contracts will be set as follows:

(i) DAILY FTSE 100<sup>®</sup> VARIABLE PAYOUT SPREAD FUTURE CONTRACTS, 4:00 PM ET CLOSE - At the commencement of trading in a Daily Spread FTSE 100 Future 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 FTSE 100<sup>®</sup> VARIABLE PAYOUT 'SPREAD' CONTRACT

(aa) CAP – The Cap shall be  $X + 200$ .

(bb) FLOOR – The Floor shall be  $X - 200$ .

(cc) DOLLAR MULTIPLIER – The Dollar Multiplier shall be 1.

(2) In each case, "X" equals the last FTSE 100 Future price, as reported by the Source Agency, rounded to the nearest 100.

(ii) DAILY FTSE 100<sup>®</sup> FUTURE VARIABLE PAYOUT SPREAD CONTRACTS, 4:00 PM ET CLOSE - Nadex shall list a set of three (3) Variable Payout Contracts with overlapping ranges, which conform to the Payout Criteria listed below:

(1) CONTRACT 1: The Cap shall be X; The Floor shall be  $X - 200$ .

(2) CONTRACT 2: The Cap shall be  $X + 100$ ; The Floor shall be  $X - 100$ .

(3) CONTRACT 3: The Cap shall be  $X + 200$ ; The Floor shall be X.

(4) DOLLAR MULTIPLIER – The Dollar Multiplier shall be 1.

(5) In each case, "X" equals the last FTSE 100 Future price, as reported by the Source Agency, rounded to the nearest 100.

(iii) INTRADAY FTSE 100<sup>®</sup> FUTURE VARIABLE PAYOUT SPREAD CONTRACTS, 8AM ET to 4:00 PM ET CLOSE - Nadex shall list a set of three (3) Variable Payout Contracts with overlapping ranges, which conform to the Payout Criteria listed below:

(1) CONTRACT 1: The Cap shall be X; The Floor shall be  $X - 150$ .

(2) CONTRACT 2: The Cap shall be  $X + 75$ ; The Floor shall be  $X - 75$ .

(3) CONTRACT 3: The Cap shall be  $X + 150$ ; The Floor shall be  $X$ .

(4) DOLLAR MULTIPLIER – The Dollar Multiplier shall be 1.

(5) In each case, “X” equals the last FTSE 100 Future price, as reported by the Source Agency, rounded to the nearest ~~100~~ 25.

(iv) INTRADAY 2-HOUR FTSE 100<sup>®</sup> FUTURE VARIABLE PAYOUT SPREAD CONTRACTS, 10:00AM, 11:00AM, 12:00PM, 1:00PM, 2:00PM, 3:00PM and 4:00PM ET CLOSE - Nadex shall list a set of 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  $X - 50$ .

(2) CONTRACT 2: The Cap shall be  $X + 25$ ; The Floor shall be  $X - 25$ .

(3) CONTRACT 3: The Cap shall be  $X + 50$ ; The Floor shall be  $X$ .

(4) DOLLAR MULTIPLIER – The Dollar Multiplier shall be 1.

(5) In each case, “X” equals the last FTSE 100 Future price, as reported by the Source Agency, rounded to the nearest 25.

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

(g) - (m) [Unchanged]

(n) EXPIRATION VALUE – The Expiration Value is the price or value of FTSE 100 Future 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) FFC trade prices just prior to the close of trading of the FTSE 100 Future Variable Contract and removing the highest five (5) FFC trade prices and the lowest five (5) FFC trade prices, using the remaining fifteen (15) FFC trade prices to calculate the Expiration Value. The calculation used is a simple average of all fifteen (15) FFC trade prices, rounded to one decimal point past the precision of the underlying market.

(o) [Unchanged]

#### RULE 12.49 FTSE 100<sup>®</sup> FUTURE BINARY CONTRACTS

(a) – (m) [Unchanged]

(n) EXPIRATION VALUE – The Expiration Value is the level of FFC release number on the Expiration Date. The Expiration Value is calculated by the Source Agency by

taking the last twenty-five (25) FFC trade prices just prior to the close of trading of the FTSE 100 Future Binary Contract and removing the highest five (5) FFC trade prices and the lowest five (5) FFC trade prices, using the remaining fifteen (15) FFC trade prices to calculate the Expiration Value. The calculation used is a simple average of all fifteen (15) remaining FFC trade prices, rounded to one decimal point past the precision of the underlying market.

(o) [Unchanged]

#### RULE 12.50 GERMANY 30 VARIABLE PAYOUT CONTRACTS

(a) - (e) [Unchanged]

(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 Germany 30 Variable Payout Contract, the Payout Criteria for the Contracts will be set as follows:

(i) DAILY GERMANY 30 VARIABLE PAYOUT SPREAD CONTRACTS, 4:00 PM ET CLOSE - At the commencement of trading in a Daily Spread Germany 30 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 GERMANY 30 VARIABLE PAYOUT 'SPREAD' CONTRACT

(aa) CAP – The Cap shall be  $X + 200$ .

(bb) FLOOR – The Floor shall be  $X - 200$ .

(cc) DOLLAR MULTIPLIER – The Dollar Multiplier shall be 1.

(2) In each case, "X" equals the last DFC trade price, as reported by the Source Agency, rounded to the nearest 100.

(ii) DAILY GERMANY 30 VARIABLE PAYOUT SPREAD CONTRACTS, 4:00 PM ET CLOSE - Nadex shall list a set of three (3) Variable Payout Contracts with overlapping ranges, which conform to the Payout Criteria listed below:

(1) CONTRACT 1: The Cap shall be X; The Floor shall be X – 200.

(2) CONTRACT 2: The Cap shall be X + 100; The Floor shall be X – 100.

(3) CONTRACT 3: The Cap shall be X + 200; The Floor shall be X.

(4) DOLLAR MULTIPLIER – The Dollar Multiplier shall be 1.

(5) In each case, "X" equals the last DFC price, as reported by the Source Agency, rounded to the nearest 100.

(iii) INTRADAY GERMANY 30 VARIABLE PAYOUT SPREAD CONTRACTS, 8AM ET to 4:00 PM ET CLOSE - Nadex shall list a set of three (3) Variable Payout Contracts with overlapping ranges, which conform to the Payout Criteria listed below:

(1) CONTRACT 1: The Cap shall be X; The Floor shall be X – 150.

(2) CONTRACT 2: The Cap shall be X + 75; The Floor shall be X – 75.

(3) CONTRACT 3: The Cap shall be X + 150; The Floor shall be X.

(4) DOLLAR MULTIPLIER – The Dollar Multiplier shall be 1.

(5) In each case, “X” equals the last DFC price, as reported by the Source Agency, rounded to the nearest ~~100~~ 25.

(iv) INTRADAY 2-HOUR GERMANY 30 VARIABLE PAYOUT SPREAD CONTRACTS, 10:00AM, 11:00AM, 12:00PM, 1:00PM, 2:00PM, 3:00PM and 4:00PM ET CLOSE - Nadex shall list a set of 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 – 50.

(2) CONTRACT 2: The Cap shall be X + 25; The Floor shall be X – 25.

(3) CONTRACT 3: The Cap shall be X + 50; The Floor shall be X.

(4) DOLLAR MULTIPLIER – The Dollar Multiplier shall be 1.

(5) In each case, “X” equals the last DFC price, as reported by the Source Agency, rounded to the nearest 25.

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

(g) - (m) [Unchanged]

(n) EXPIRATION VALUE – The Expiration Value is the price or value of Germany 30 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) DFC trade prices just prior to the close of trading of the Germany 30 Variable Contract and removing the highest five (5) DFC trade prices and the lowest five (5) DFC trade prices, using the remaining fifteen (15) DFC trade prices to calculate the Expiration Value. The calculation used is a simple average of all fifteen (15) DFC trade prices, rounded to one decimal point past the precision of the underlying market.

(o) [Unchanged]

#### RULE 12.51 NADEX GERMANY 30 BINARY CONTRACTS

(a) - (m) [Unchanged]

(n) EXPIRATION VALUE – The Expiration Value is the level of the Germany 30 release number on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking the last twenty-five (25) DFC trade prices just prior to the close of trading of the Germany 30 Binary Contract and removing the highest five (5) DFC trade prices and the lowest five (5) DFC trade prices, using the remaining fifteen (15) DFC trade prices to calculate the Expiration Value. The calculation used is a simple average of all fifteen (15) remaining DFC trade prices, rounded to one decimal point past the precision of the underlying market.

(o) [Unchanged]

#### RULE 12.52 - 12.53 [Unchanged]

#### RULE 12.54 JAPAN 225 VARIABLE-PAYOUT CONTRACTS

(a) - (m) [Unchanged]

(n) EXPIRATION VALUE – The Expiration Value is the price or value of Japan 225 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) NKFC trade prices just prior to the close of trading of the Japan 225 Variable Contract and removing the highest five (5) NKFC trade prices and the lowest five (5) NKFC trade prices, using the remaining fifteen (15) NKFC trade prices to calculate the Expiration Value. The Calculation used is a simple average of all fifteen (15) NKFC trade prices, rounded to one decimal point past the precision of the underlying market.

(o) [Unchanged]

#### RULE 12.55 NADEX JAPAN 225 BINARY CONTRACTS

(a) - (m) [Unchanged]

(n) EXPIRATION VALUE – The Expiration Value is the price or value of Japan 225 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) NKFC trade prices just prior to the close of trading of the Japan 225 Binary Contract and removing the highest five (5) NKFC trade prices and the lowest five (5) NKFC trade prices, using the remaining fifteen (15) NKFC trade prices to calculate the Expiration Value. The calculation used is a simple average of all fifteen (15) remaining NKFC trade prices, rounded to one decimal point past the precision of the underlying market.



(o) [Unchanged]

#### RULE 12.56 KOREA 200 VARIABLE PAYOUT CONTRACTS

(a) - (m) [Unchanged]

(n) EXPIRATION VALUE – The Expiration Value is the price or value of Korea 200 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) KFC trade prices just prior to the close of trading of the Korea 200 Variable Contract and removing the highest five (5) KFC trade prices and the lowest five (5) KFC trade prices, using the remaining fifteen (15) KFC trade prices to calculate the Expiration Value. The calculation used is a simple average of all fifteen (15) KFC trade prices, rounded to one decimal point past the precision of the underlying market.

(o) [Unchanged]

#### RULE 12.57 NADEX KOREA 200 BINARY CONTRACTS

(a) - (m) [Unchanged]

(n) EXPIRATION VALUE – The Expiration Value is the level of the Korea 200 release number on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking the last twenty-five (25) KFC trade prices just prior to the close of trading of the Korea 200 Binary Contract and removing the highest five (5) KFC trade prices and the lowest five (5) KFC trade prices, using the remaining fifteen (15) KFC trade prices to calculate the Expiration Value. The calculation used is a simple average of all fifteen (15) remaining KFC trade prices, rounded to one decimal point past the precision of the underlying market.

(o) [Unchanged]

#### RULE 12.58 US 500 VARIABLE PAYOUT CONTRACTS

(a) - (e) [Unchanged]

(f) PAYOUT CRITERION – The Payout Criterion for each Contract will be set by Nadex at the time the Variable Payout Contracts are initially issued. For the US 500 Variable Payout Contract, the Payout Criteria for the Contracts will be set as follows:

(i) DAILY US 500 VARIABLE PAYOUT SPREAD CONTRACTS, 4:15 PM ET CLOSE - At the commencement of trading in a Daily Spread US 500 Variable Payout Contract, Nadex shall list one (1) Variable Payout Contract, referred to as a 'Spread', which conforms to the Payout Criteria listed below:

##### (1) DAILY US 500 VARIABLE PAYOUT 'SPREAD' CONTRACT

(aa) CAP – The Cap shall be  $X + 40$ .

(bb) FLOOR – The Floor shall be  $X - 40$ .

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

(2) In each case, “X” equals the last SPFC price, as reported by the Source Agency, rounded to the nearest 10.

(ii) DAILY US 500 VARIABLE PAYOUT SPREAD CONTRACTS, 4:15 PM ET CLOSE - Nadex shall list a set of three (3) Variable Payout Contracts with overlapping ranges, which conform to the Payout Criteria listed below:

(1) CONTRACT 1: The Cap shall be X; The Floor shall be  $X - 40$ .

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

(3) CONTRACT 3: The Cap shall be  $X + 40$ ; The Floor shall be X.

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

(5) In each case, “X” equals the last SPFC price, as reported by the Source Agency, rounded to the nearest 10.

(iii) INTRADAY US 500 VARIABLE PAYOUT SPREAD CONTRACTS, 8AM ET to 4:15 PM ET CLOSE - Nadex shall list a set of three (3) Variable Payout Contracts with overlapping ranges, which conform to the Payout Criteria listed below:

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

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

(3) CONTRACT 3: The Cap shall be  $X + 30$ ; The Floor shall be X.

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

(5) In each case, “X” equals the last SPFC price, as reported by the Source Agency, rounded to the nearest ~~10~~ 5.

(iv) INTRADAY 2-HOUR US 500 VARIABLE PAYOUT SPREAD CONTRACTS, 10:00AM, 11:00AM, 12:00PM, 1:00PM, 2:00PM, 3:00PM and 4:00PM ET CLOSE - Nadex shall list a set of 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  $X - 10$ .

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

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

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

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

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

(g) - (m) [Unchanged]

(n) EXPIRATION VALUE – The Expiration Value is the level of US 500 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) SPFC trade prices just prior to the close of trading of the US 500 Variable Contract and removing the highest five (5) SPFC trade prices and the lowest five (5) SPFC trade prices, using the remaining fifteen (15) SPFC trade prices to calculate the Expiration Value. The Calculation used is a simple average of all fifteen (15) SPFC trade prices, rounded to one decimal point past the precision of the underlying market.

(o) [Unchanged]

#### RULE 12.59 NADEX US 500 BINARY CONTRACTS

(a) - (m) [Unchanged]

(n) EXPIRATION VALUE – The Expiration Value is the price or value of US 500 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) SPFC trade prices just prior to the close of trading of the US 500 Binary Contract and removing the highest five (5) SPFC trade prices and the lowest five (5) SPFC trade prices, using the remaining fifteen (15) SPFC trade prices to calculate the Expiration Value. The calculation used is a simple average of all fifteen (15) remaining SPFC trade prices, rounded to one decimal point past the precision of the underlying market.

(o) [Unchanged]

#### RULE 12.60 US SMALLCAP 2000 VARIABLE PAYOUT CONTRACTS

(a) - (e) [Unchanged]

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

(i) DAILY US SMALLCAP 2000 VARIABLE PAYOUT SPREAD CONTRACTS, 4:15 PM ET CLOSE - At the commencement of trading in a Daily Spread

US SmallCap 2000 Variable Payout Contract, Nadex shall list one (1) Variable Payout Contract, referred to as a 'Spread', which conforms to the Payout Criteria listed below:

(1) DAILY US SMALLCAP 2000 VARIABLE PAYOUT 'SPREAD' CONTRACT

(aa) CAP – The Cap shall be  $X + 25$ .

(bb) FLOOR – The Floor shall be  $X - 25$ .

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

(2) In each case, "X" equals the last RUFC price, as reported by the Source Agency, rounded to the nearest 5.

(ii) DAILY US SMALLCAP 2000 VARIABLE PAYOUT SPREAD CONTRACTS, 4:15 PM ET CLOSE - Nadex shall list a set of three (3) Variable Payout Contracts with overlapping ranges, which conform to the Payout Criteria listed below:

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

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

(3) CONTRACT 3: The Cap shall be  $X + 30$ ; The Floor shall be X.

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

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

(iii) INTRADAY US SMALLCAP 2000 VARIABLE PAYOUT SPREAD CONTRACTS, 8AM ET to 4:15 PM ET CLOSE - Nadex shall list a set of 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  $X - 20$ .

(2) CONTRACT 2: The Cap shall be  $X + 10$ ; The Floor shall be  $X - 10$ .

(3) CONTRACT 3: The Cap shall be  $X + 20$ ; The Floor shall be X.

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

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

(iv) INTRADAY 2-HOUR US SMALLCAP 2000 VARIABLE PAYOUT SPREAD CONTRACTS, 10:00AM, 11:00AM, 12:00PM, 1:00PM, 2:00PM,

3:00PM and 4:00PM ET CLOSE - Nadex shall list a set of 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 – 7.

(2) CONTRACT 2: The Cap shall be X + 3.5; The Floor shall be X – 3.5.

(3) CONTRACT 3: The Cap shall be X + 7; The Floor shall be X.

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

(5) In each case, “X” equals the last RUFC price, as reported by the Source Agency, rounded to the nearest  $\$ \perp$ .

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

~~(g) - (m) [Unchanged]~~

(n) EXPIRATION VALUE – The Expiration Value is the level of US SmallCap 2000 as calculated by the Source Agency on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking the last twenty-five (25) RUFC trade prices just prior to the close of trading of the US SmallCap 2000 Variable Contract and removing the highest five (5) RUFC trade prices and the lowest five (5) RUFC trade prices, using the remaining fifteen (15) RUFC trade prices to calculate the Expiration Value. The Calculation used is a simple average of all fifteen (15) RUFC trade prices, rounded to one decimal point past the precision of the underlying market.

(o) [Unchanged]

#### RULE 12.61 NADEX US SMALLCAP 2000 BINARY CONTRACTS

(a) - (m) [Unchanged]

(n) EXPIRATION VALUE – The Expiration Value is the price or value of US SmallCap 2000 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) RUFC trade prices just prior to the close of trading of the US SmallCap 2000 Binary Contract and removing the highest five (5) RUFC trade prices and the lowest five (5) RUFC trade prices, using the remaining fifteen (15) RUFC trade prices to calculate the Expiration Value. The calculation used is a simple average of all fifteen (15) remaining RUFC trade prices, rounded to one decimal point past the precision of the underlying market.

(o) [Unchanged]

**RULE 12.62 US TECH100 VARIABLE PAYOUT CONTRACTS**

(a) - (e) [Unchanged]

(f) SCOPE – These Rules shall apply to the Class of Contracts referred to as the US Tech 100 Variable Payout Contracts issued by Nadex.

(b) UNDERLYING – The Underlying for this Class of Contracts is the price of the E-mini NASDAQ 100® Futures contracts (“NQFC”) traded on the Chicago Mercantile Exchange (CME®)<sup>1</sup>. The NQFC trade prices that will be used to calculate the Underlying will be taken from four (4) NQFC delivery months: March, June, September, or December (each a “NQFC Delivery Month”). The specific NQFC Delivery Month that will be used as the Underlying will be based on the NQFC represented in the following schedule of dates for 2011:

Start Date	End Date	NQFC Delivery Month Used for the Underlying and to Calculate the Expiration Value	Futures Expiration Date
9/11/2010	12/10/2010	CME e-mini NASDAQ 100 December 2010 Future	12/17/2010
12/11/2010	3/11/2011	CME e-mini NASDAQ 100 March 2011 Future	3/18/2011
3/12/2011	6/10/2011	CME e-mini NASDAQ 100 June 2011 Future	6/17/2011
6/11/2011	9/9/2011	CME e-mini NASDAQ 100 September 2011 Future	9/16/2011
9/10/2011	12/9/2011	CME e-mini NASDAQ 100 December 2011 Future	12/16/2011

On the dated listed in the ‘Start Date’ column above, the NQFC trade prices to be used for the Underlying and to calculate the Expiration Value will be the NQFC trade prices for the corresponding NQFC Delivery Month listed. For instance, beginning on June 11, 2011, Nadex will use the CME E-mini NASDAQ 100 September 2011 future prices as the Underlying and will use trade prices for the September 2011 E-mini NASDAQ 100 futures contract to calculate the Expiration Value on the Expiration Date for the relevant US Tech 100 Variable Payout Contract.

(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.

<sup>1</sup> CME® is a registered mark of the Chicago Mercantile Exchange. NASDAQ-100 are registered marks of the Nasdaq Stock Market, Inc. Nadex, Inc. is not affiliated with the Chicago Mercantile Exchange or Nasdaq Stock Market and neither the Chicago Mercantile Exchange, the Nasdaq Market, nor its affiliates, sponsor or endorse Nadex, Inc. or its products in any way. In particular, the Nadex US Tech 100 Contracts are not sponsored, endorsed, sold or promoted by CME or the Nasdaq Stock Market.

(f) PAYOUT CRITERION – The Payout Criterion for each Contract will be set by Nadex at the time the Variable Payout Contracts are initially issued. For the US Tech 100 Variable Payout Contract, the Payout Criteria for the Contracts will be set as follows:

(i) DAILY US TECH 100 VARIABLE PAYOUT SPREAD CONTRACTS, 4:15 PM ET CLOSE - At the commencement of trading in a Daily Spread US Tech 100 Variable Payout Contract, Nadex shall list one (1) Variable Payout Contract, referred to as a 'Spread', which conforms to the Payout Criteria listed below:

(1) DAILY US TECH 100 VARIABLE PAYOUT 'SPREAD' CONTRACT

(aa) CAP – The Cap shall be  $X + 100$ .

(bb) FLOOR – The Floor shall be  $X - 100$ .

(cc) DOLLAR MULTIPLIER – The Dollar Multiplier shall be 1.

(2) In each case, "X" equals the last NQFC price, as reported by the Source Agency, rounded to the nearest  $50 \frac{10}{100}$ .

(ii) DAILY US TECH 100 VARIABLE PAYOUT SPREAD CONTRACTS, 4:15 PM ET CLOSE - Nadex shall list a set of three (3) Variable Payout Contracts with overlapping ranges, which conform to the Payout Criteria listed below:

(1) CONTRACT 1: The Cap shall be X; The Floor shall be  $X - 100$ .

(2) CONTRACT 2: The Cap shall be  $X + 50$ ; The Floor shall be  $X - 50$ .

(3) CONTRACT 3: The Cap shall be  $X + 100$ ; The Floor shall be X.

(4) DOLLAR MULTIPLIER – The Dollar Multiplier shall be 1.

(5) In each case, "X" equals the last NQFC price, as reported by the Source Agency, rounded to the nearest 10.

(iii) INTRADAY US TECH 100 VARIABLE PAYOUT SPREAD CONTRACTS, 8AM ET to 4:15 PM ET CLOSE - Nadex shall list a set of three (3) Variable Payout Contracts with overlapping ranges, which conform to the Payout Criteria listed below:

(1) CONTRACT 1: The Cap shall be X; The Floor shall be  $X - 80$ .

(2) CONTRACT 2: The Cap shall be  $X + 40$ ; The Floor shall be  $X - 40$ .

(3) CONTRACT 3: The Cap shall be  $X + 80$ ; The Floor shall be X.

(4) DOLLAR MULTIPLIER – The Dollar Multiplier shall be 1.

(5) In each case, "X" equals the last NQFC price, as reported by the Source Agency, rounded to the nearest 10.

(iv) INTRADAY 2-HOUR US TECH 100 VARIABLE PAYOUT SPREAD CONTRACTS, 10:00AM, 11:00AM, 12:00PM, 1:00PM, 2:00PM, 3:00PM and 4:00PM ET CLOSE - Nadex shall list a set of 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 - 30.

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

(3) CONTRACT 3: The Cap shall be X + 30; The Floor shall be X.

(4) DOLLAR MULTIPLIER - The Dollar Multiplier shall be 1.

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

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

(g) - (m) [Unchanged]

(n) EXPIRATION VALUE - The Expiration Value is the price or value of US Tech 100 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) NQFC trade prices just prior to the close of trading of the US Tech 100 Variable Contract and removing the highest five (5) NQFC trade prices and the lowest five (5) NQFC trade prices, using the remaining fifteen (15) NQFC trade prices to calculate the Expiration Value. The Calculation used is a simple average of all fifteen (15) NQFC trade prices, rounded to one decimal point past the precision of the underlying market.

(o) [Unchanged]

#### RULE 12.63 NADEX US TECH 100 BINARY CONTRACTS

(a) - (m) [Unchanged]

(n) EXPIRATION VALUE - The Expiration Value is the price or value of US Tech 100 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) NQFC trade prices just prior to the close of trading of the US Tech 100 Binary Contract and removing the highest five (5) NQFC trade prices and the lowest five (5) NQFC trade prices, using the remaining fifteen (15) NQFC trade prices to calculate the Expiration Value. The calculation used is a



simple average of all fifteen (15) remaining NQFC trade prices, rounded to one decimal point past the precision of the underlying market.

(o) [Unchanged]

#### RULE 12.64 WALL STREET 30 VARIABLE PAYOUT CONTRACTS

(a) - (e) [Unchanged]

(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 Wall Street 30 Variable Payout Contract, the Payout Criteria for the Contracts will be set as follows:

(i) DAILY WALL STREET 30 VARIABLE PAYOUT SPREAD CONTRACTS, 4:15 PM ET CLOSE - At the commencement of trading in a Daily Spread Wall Street 30 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 WALL STREET 30 VARIABLE PAYOUT 'SPREAD' CONTRACT

(aa) CAP – The Cap shall be  $X + 400$ .

(bb) FLOOR – The Floor shall be  $X - 400$ .

(cc) DOLLAR MULTIPLIER – The Dollar Multiplier shall be 1.

(2) In each case, "X" equals the last DJFC price, as reported by the Source Agency, rounded to the nearest 100.

(ii) DAILY WALL STREET 30 VARIABLE PAYOUT SPREAD CONTRACTS, 4:15 PM ET CLOSE - Nadex shall list a set of three (3) Variable Payout Contracts with overlapping ranges, which conform to the Payout Criteria listed below:

(1) CONTRACT 1: The Cap shall be X; The Floor shall be  $X - 400$ .

(2) CONTRACT 2: The Cap shall be  $X + 200$ ; The Floor shall be  $X - 200$ .

(3) CONTRACT 3: The Cap shall be  $X + 400$ ; The Floor shall be X.

(4) DOLLAR MULTIPLIER – The Dollar Multiplier shall be 1.

(5) In each case, "X" equals the last DJFC price, as reported by the Source Agency, rounded to the nearest 100.

(iii) INTRADAY WALL STREET 30 VARIABLE PAYOUT SPREAD CONTRACTS, 8AM ET to 4:15 PM ET CLOSE - Nadex shall list a set of three

(3) Variable Payout Contracts with overlapping ranges, which conform to the Payout Criteria listed below:

(1) CONTRACT 1: The Cap shall be X; The Floor shall be X – 300.

(2) CONTRACT 2: The Cap shall be X + 150; The Floor shall be X – 150.

(3) CONTRACT 3: The Cap shall be X + 300; The Floor shall be X.

(4) DOLLAR MULTIPLIER – The Dollar Multiplier shall be 1.

(5) In each case, “X” equals the last DJFC price, as reported by the Source Agency, rounded to the nearest ~~100~~ 50.

(iv) INTRADAY 2-HOUR WALL STREET 30 VARIABLE PAYOUT SPREAD CONTRACTS, 10:00AM, 11:00AM, 12:00PM, 1:00PM, 2:00PM, 3:00PM and 4:00PM ET CLOSE - Nadex shall list a set of 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 – 100.

(2) CONTRACT 2: The Cap shall be X + 50; The Floor shall be X – 50.

(3) CONTRACT 3: The Cap shall be X + 100; The Floor shall be X.

(4) DOLLAR MULTIPLIER – The Dollar Multiplier shall be 1.

(5) In each case, “X” equals the last DJFC price, as reported by the Source Agency, rounded to the nearest ~~50~~ 25.

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

(g) - (m) [Unchanged]

(n) EXPIRATION VALUE – The Expiration Value is the price or value of Wall Street 30 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) DJFC trade prices just prior to the close of trading of the Wall Street 30 Variable Contract and removing the highest five (5) DJFC trade prices and the lowest five (5) DJFC trade prices, using the remaining fifteen (15) DJFC trade prices to calculate the Expiration Value. The Calculation used is a simple average of all fifteen (15) DJFC trade prices, rounded to the precision of the underlying market.

(o) [Unchanged]

RULE 12.65 NADEX WALL STREET 30 BINARY CONTRACTS

(a) - (m) [Unchanged]

(n) EXPIRATION VALUE – The Expiration Value is the price or value of Wall Street 30 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) DJFC trade prices just prior to the close of trading of the Wall Street 30 Binary Contract and removing the highest five (5) DJFC trade prices and the lowest five (5) DJFC trade prices, using the remaining fifteen (15) DJFC trade prices to calculate the Expiration Value. The calculation used is a simple average of all fifteen (15) remaining DJFC trade prices, rounded to the precision of the underlying market.

(o) [Unchanged]

RULE 12.66 – 12.78 [Unchanged]

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*[End Rulebook]*

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## EXHIBIT C

### Nadex Partners Fee Schedule Registered On or Before August 17, 2011

#### **Direct Trading Members**

- Membership Fee:
  - Nadex does not charge a Membership fee to join the Exchange.
- Initial Deposit:
  - Direct Trading Members are required to make an initial deposit of at least \$100; no minimum balance is required thereafter.
- Transaction Fees:
  - Direct Trading Members incur an Exchange trading fee of \$1.00 per contract per side for each trade executed on Nadex; on orders of 7 contracts or more, trading fees in connection with the execution of that order are capped at \$7.00.
  - Direct Trading Members incur an Exchange settlement fee of \$1.00 per contract per side for each contract that settles in-the-money (note that positions that settle with a payout of less than \$1.00 are not charged a settlement fee).
  - Nadex charges no fee for contracts that settle out-of-the-money.
  - Nadex charges no fee for orders placed, cancelled or amended.
- API Connection:
  - Direct Trading Members connecting via API incur an Exchange trading fee of \$1.50 per contract per side for each trade executed on Nadex.
  - Direct Trading Members connecting via API incur an Exchange settlement fee of \$1.00 per contract per side for each contract that settles in-the-money (note that positions that settle with a payout of less than \$1.00 are not charged a settlement fee).
  - Nadex charges Direct Trading Members connecting via API no fee for contracts that settle out-of-the-money.
  - Nadex charges Direct Trading Members connecting via API no fee for orders placed, cancelled or amended.

#### **FCM Members**

- Membership Fee:
  - Nadex does not charge a FCM Membership fee to join the Exchange.
- Minimum Balance:
  - FCM Members are required to make an initial deposit of at least \$100,000 and to maintain a minimum balance of uncommitted funds of \$50,000.
- Transaction Fees:
  - Nadex charges FCM Members an Exchange trading fee of \$0.35 per contract per side for each trade executed on Nadex.
  - Nadex charges its FCM Members an Exchange settlement fee of \$0.35 per contract per side for each contract that settles in-the-money (note that positions that settle with a payout of less than \$0.35 are not charged a settlement fee).

- Nadex charges no fee for contracts that settle out-of-the-money.
- Nadex charges no fee for orders placed, cancelled or amended

### **Market Makers**

- Membership Fee:
  - Nadex does not charge Market Makers a membership fee.
- Minimum Balance:
  - Market Makers are required to make an initial deposit of at least \$500,000 and to maintain a minimum balance of uncommitted funds of \$250,000 to collateralize the trades executed on Nadex.
- Transaction Fees:
  - Nadex charges its non-intermediated Market Makers an Exchange trading fee of \$0.50 per contract per side for each trade executed on Nadex.
  - Nadex charges its non-intermediated Market Makers an Exchange settlement fee of \$0.50 per contract per side for each contract that settles in-the-money (note that positions that settle with a payout of less than \$0.50 are not charged a settlement fee).
  - Nadex charges no fee for contracts that settle out-of-the-money.
  - Nadex charges no fee for orders placed, cancelled or amended.

### **System Providers**

- Nadex is interested in discussing partnership opportunities with systems providers.

Anyone interested in becoming a Nadex FCM Member or market maker or pursuing a partnership as a systems provider should contact us.

April 4, 2011 July 18, 2011

**Nadex Fee Schedule**  
**Registered On or After August 18, 2011\***

**Direct Trading Members**

- Membership Fee:
  - Nadex does not charge a Membership fee to join the Exchange.
- Initial Deposit:
  - Direct Trading Members are required to make an initial deposit of at least \$100; no minimum balance is required thereafter.
- Transaction Fees:
  - Direct Trading Members incur an Exchange trading fee per contract per side for each contract executed based on order size according to the following schedule:
    - \$0.90 for each lot traded from 1 up to and including 10 lots,
    - an additional \$0.60 for each lot traded from 11 up to and including 20 lots,
    - an additional \$0.40 for each lot traded from 21 up to and including 50 lots,  
and
    - an additional \$0.25 for each lot traded over 50 lots.
  - Direct Trading Members incur an Exchange settlement fee per contract per side for each contract that settles in-the-money based on the position size at expiration according to the following schedule:
    - \$0.90 for each lot settled in-the-money from 1 up to and including 10 lots,
    - an additional \$0.60 for each lot settled in-the-money from 11 up to and including 20 lots,
    - an additional \$0.40 for each lot settled in-the-money from 21 up to and including 50 lots, and
    - an additional \$0.25 for each lot settled in-the-money over 50 lots.
  - If the per-contract settlement payout is greater than \$0, but the total fee to be charged for the position exceeds the total settlement payout for that position, Nadex will reduce its fee to the amount of the total settlement payout for that position (that is, Nadex will not charge a settlement fee that exceeds a settlement payout).
  - Nadex charges no fee for contracts that settle out-of-the-money.
  - Nadex charges no fee for orders placed, cancelled or amended.
- Automated Trading via API Connection:
  - Automated trading by Trading Members via API connection incurs an Exchange trading fee of \$1.50 per contract per side for each trade executed.
  - Settlements in connection with automated trading by Trading Members via API connection incur an Exchange settlement fee of \$1.00 per contract per side for each contract that settles in-the-money. If the per-contract payout is greater than \$0, but the total fee to be charged for the net position exceeds the total settlement payout for that position, Nadex will reduce its fee to the

amount of the total settlement payout for that position (that is, Nadex will not charge a settlement fee that exceeds a settlement payout).

- Settlements in connection with automated trading by Trading Members via API connection incur no fee for contracts that settle out-of-the-money.
- The placement, cancellation or amendment of orders in connection with automated trading by Trading Members via API connection incurs no fee.

### FCM Members

- Membership Fee:
  - Nadex does not charge a FCM Membership fee to join the Exchange.
- Minimum Balance:
  - FCM Members are required to make an initial deposit of at least \$100,000 and to maintain a minimum balance of uncommitted funds of \$50,000.
- Transaction Fees:
  - FCM Members incur an Exchange trading fee per contract per side for each contract executed based on order size according to the following schedule:
    - \$0.35 for each lot traded from 1 up to and including 30 lots,
    - an additional \$0.30 for each lot traded from 31 up to and including 50 lots,  
and
    - an additional \$0.25 for each lot traded over 50 lots.
  - Nadex charges its FCM Members an Exchange settlement fee of \$0.35 per contract per side for each contract that settles in-the-money (positions that settle with a payout of less than \$0.35 are not charged a settlement fee).
  - FCM Members incur an Exchange settlement fee per contract per side for each contract that settles in-the-money based on the position size at expiration according to the following schedule:
    - \$0.35 for each lot settled in-the-money from 1 up to and including 30 lots,
    - an additional \$0.30 for each lot settled in-the-money from 31 up to and including 50 lots,
    - an additional \$0.25 for each lot settled in-the-money over 50 lots.
  - If the per-contract settlement payout is greater than \$0, but the total fee to be charged for the position exceeds the total settlement payout for that position, Nadex will reduce its fee to the amount of the total settlement payout for that position (that is, Nadex will not charge a settlement fee that exceeds a settlement payout).
  - Nadex charges no fee for contracts that settle out-of-the-money.
  - Nadex charges no fee for orders placed, cancelled or amended.

### Market Makers

- Membership Fee:
  - Nadex does not charge Market Makers a membership fee.
- Minimum Balance:
  - Market Makers are required to make an initial deposit of at least \$500,000 and to maintain a minimum balance of uncommitted funds of \$250,000 to collateralize the trades executed on Nadex.
- Transaction Fees:

- Nadex charges its non-intermediated Market Makers an Exchange trading fee of \$0.50 per contract per side for each trade executed on Nadex.
- Nadex charges its non-intermediated Market Makers an Exchange settlement fee of \$0.50 per contract per side for each contract that settles in-the-money. If the per-contract settlement payout is greater than \$0, but the total fee to be charged for the position exceeds the total settlement payout for that position, Nadex will reduce its fee to the amount of the total settlement payout for that position (that is, Nadex will not charge a settlement fee that exceeds a settlement payout).
- Nadex charges no fee for contracts that settle out-of-the-money.
- Nadex charges no fee for orders placed, cancelled or amended.

**System Providers**

- Nadex is interested in discussing relationships with systems providers.

Anyone interested in becoming a Nadex FCM Member or market maker or pursuing a relationship as a systems provider should contact us.

August 18, 2011

\*Members who have registered on or before August 17, 2011 may opt for the new fee schedule by contacting the Exchange.



**Nadex Fee Schedule Chart 1:  
Direct Members and FCM Members  
Registered On or Before August 17, 2011**

**Direct Member Exchange Trading Fees**

<u>Lots Traded</u>	<u>Fees Per Side</u>
<u>Lots 1-7</u>	<u>\$1.00</u>
<u>Lots 7 and above</u>	<u>\$7.00 capped</u>

**FCM Member Exchange Trading Fees**

<u>Lots Traded</u>	<u>Fees Per Side</u>
<u>All lots traded</u>	<u>\$0.35</u>

**Direct Member Settlement Fees\***

<u>Lots Settled in-the-money</u>	<u>Fees Per Side</u>
<u>All lots settled in-the-money</u>	<u>\$1.00</u>

**FCM Member Settlement Fees\***

<u>Lots Settled in-the-money</u>	<u>Fees Per Side</u>
<u>All lots settled in-the-money</u>	<u>\$0.35</u>

\* Note that positions that settle with a payout of less than \$1.00 are not charged a settlement fee.

**Nadex Fee Schedule Chart 2:  
Direct Members and FCM Members  
Registered On or After August 18, 2011\***

**Direct Member Exchange Trading Fees**

<u>Lots Traded</u>	<u>Fees Per Side</u>
<u>Lots 1-10</u>	<u>\$0.90</u>
<u>Lots 11-20 (i.e. the next 10 contracts)</u>	<u>\$0.60</u>
<u>Lots 21-50 (i.e. the next 30 contracts)</u>	<u>\$0.40</u>
<u>Lots 51 and above</u>	<u>\$0.25</u>

**FCM Member Exchange Trading Fees**

<u>Lots Traded</u>	<u>Fees Per Side</u>
<u>Lots 1-30</u>	<u>\$0.35</u>
<u>Lots 31-50 (i.e. the next 20 contracts)</u>	<u>\$0.30</u>
<u>Lots 51 and above</u>	<u>\$0.25</u>

**Direct Member Settlement Fees\*\***

<u>Lots Settled in-the-money</u>	<u>Fees Per Side</u>
<u>Lots 1-10</u>	<u>\$0.90</u>
<u>Lots 11-20 (i.e. the next 10 contracts)</u>	<u>\$0.60</u>
<u>Lots 21-50 (i.e. the next 30 contracts)</u>	<u>\$0.40</u>
<u>Lots 51 and above</u>	<u>\$0.25</u>

**FCM Member Settlement Fees\*\***

<u>Lots Settled in-the-money</u>	<u>Fees Per Side</u>
<u>Lots 1-30</u>	<u>\$0.35</u>
<u>Lots 31-50 (i.e. the next 20 contracts)</u>	<u>\$0.30</u>
<u>Lots 51 and above</u>	<u>\$0.25</u>

\*Members who have registered on or before August 17, 2011 may opt for the new fee schedule by contacting the Exchange.

\*\* If the per-contract settlement payout is greater than \$0, but the total fee to be charged for the position exceeds the total settlement payout for that position, Nadex will reduce its fee to the amount of the total settlement payout for that position (that is, Nadex will not charge a settlement fee that exceeds a settlement payout).