



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

December 10, 2013

Via E-Mail: submissions@cftc.gov

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

RE: Rule Certification: Nadex Adjusts Settlement Calculation for AUD/JPY Contracts and Amends Market Maker FIX Connection Fee Language – Submission Pursuant to Commission Regulation §40.6(a)

Dear Ms. Jurgens:

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 amendments to the Nadex Rulebook which adjusts the settlement calculation for its AUD/JPY contracts in Rule 12.43 and amends language regarding the connection fee for FIX Gateway access for Market Makers.

Currently, Nadex determines the expiration value of its AUD/JPY contracts by taking the last 25 midpoints between the bid/ask spread, 5 pips wide or less, just prior to the close of trading in the contract, removes the highest 5 and lowest 5 midpoints, and averaging the remaining 15 midpoints. Nadex AUD/JPY contracts are based on the underlying Spot AUD/JPY rate. Due to a widening in the bid/ask spread in the underlying AUD/JPY market, Nadex intends to adjust the calculation process for these contracts such that a spread of 10 pips or less (rather than 5) between the bid and ask price may be included in the determination of the 25 midpoints data set. This adjustment will more accurately reflect the level of the underlying market at the relevant expiration.

Additionally, Nadex is amending the language in its Rule 4.3 (Benefits of Becoming a Market Maker) regarding the connection fee for FIX gateway access to reflect that this fee will

North American Derivatives Exchange, Inc., 311 South Wacker Drive, Suite 2675, Chicago, IL 60606

US Toll-Free +1 (877) 77 NADEX info@nadex.com www.nadex.com

not be determined on a case-by-case basis, rather the fee will remain the same for Members operating pursuant to a Market Maker Agreement.

Compliance with Core Principles: Adjustment to Settlement Calculation AUD/JPY

Nadex has identified the following Designated Contract Market (“DCM”) Core Principles as potentially being impacted by the adjustment of the settlement calculation for the AUD/JPY contracts: Core Principle 7 (38.400) Availability of General Information.

Core Principle 7 (38.400) requires the DCM to make available to the public accurate information regard the contract terms and conditions. Nadex makes available on its website the Exchange Rulebook, which sets forth the contract specifications for the AUD/JPY contracts, including the settlement calculation process, which will reflect that a 10 pip spread will be used to determine the midpoints included in the settlement calculation data set. Therefore, the adjustment of the settlement calculation for the AUD/JPY will not negatively impact Nadex’s ability to comply with this Core Principle.

Nadex has identified the following Derivatives Clearing Organization (“DCO”) Core Principles as potentially being impacted by the adjustment of the settlement calculation for the AUD/JPY contracts: 39.14 Settlement Procedures; 39.21 Public Information.

Core Principle 39.14 requires that the DCO shall effect a settlement with each clearing member at least once each business day. As settlement in the AUD/JPY contracts will continue to occur at the times set forth in the contract specifications, the adjustment of the settlement calculation for the AUD/JPY will not negatively impact Nadex’s ability to comply with this Core Principle.

Core Principle 39.21 requires the DCO to make information concerning the rules governing the clearing and settlement systems of the DCO available to market participants. As previously stated, the adjustment to the spread used to determine the midpoints used to calculate the expiration value are set forth in the Rulebook, which is available on the Nadex website. Therefore, the adjustment of the settlement calculation for the AUD/JPY will not negatively impact Nadex’s ability to comply with this Core Principle.

Compliance with Core Principles: Amendment to FIX Gateway Connection Fee

Nadex has identified the following Designated Contract Market (“DCM”) Core Principles as potentially being impacted by the language amendment pertaining to FIX Gateway connection fees for Market Makers: Core Principle 2 (38.151) Access Requirements.

Core Principle 2 requires that the DCM provide a comparable fee structure for its members. Nadex is therefore removing the language “case-by-case basis” from its Rule 4.3 regarding FIX Gateway access connection fees for Market Makers, as all Market Makers will be

North American Derivatives Exchange, Inc., 311 South Wacker Drive, Suite 2675, Chicago, IL 60606

charged the same. Therefore, the amendment to this language will not negatively impact Nadex's ability to comply with this Core Principle.

The adjustment to the settlement calculation for the AUD/JPY contracts and amendment to the FIX Gateway access connection fee for Market Makers would be effective for the start of business on trading day Friday, December 27, 2013.

Nadex has outlined the new Rules in Exhibit A. In Exhibit B, Nadex has set forth the amendments of Rules 4.3 and 12.43. Additions have been underlined and deletions stricken out.

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

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

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

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

Sincerely,



Timothy G. McDermott
General Counsel and Chief Regulatory Officer

cc: DMOSubmission@cftc.gov

Tom Leahy – CFTC
Riva Adriance – CFTC
Nancy Markowitz – CFTC
Eileen Donovan - CFTC

Yossi Beinart - Nadex

North American Derivatives Exchange, Inc., 311 South Wacker Drive, Suite 2675, Chicago, IL 60606

US Toll-Free +1 (877) 77 NADEX info@nadex.com www.nadex.com

EXHIBIT A

Rule	Asset	Duration/ Close Time	Action	Effective Date
4.3	Benefits of Becoming a Market Maker	N/A	Amend FIX Gateway connection fee language.	12/27/2013
12.43	AUD/JPY Binary Contracts	Daily: 7pm, 11pm, 3am, 7am, 11am, 3pm close time Weekly: 3pm close time Intraday: 10am, 11am, 12pm, 1pm, 2pm, 3pm close time	Widen midpoint bid/ask spread to 10 pips.	12/27/2013

North American Derivatives Exchange, Inc., 311 South Wacker Drive, Suite 2675, Chicago, IL 60606

US Toll-Free +1 (877) 77 NADEX info@nadex.com www.nadex.com

EXHIBIT B

Addition of Rules 4.3, 12.43

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

RULES 1.1 – 4.2 [UNCHANGED]

RULE 4.3 BENEFITS OF BECOMING A MARKET MAKER

(a) Market Makers will have access to Nadex via the FIX gateway for an additional fee to be determined by Nadex ~~on a case-by-case basis~~. Nadex will provide a guaranteed throughput per day with a specified peak amount of orders that may be entered per second to all Market Makers.

(b) Market Makers may receive reduced trading fees as an incentive for fulfilling the obligations of a market maker. For example, trading fees for Market Maker transactions via the FIX gateway may be less than other Trading Member fees via the FIX gateway.

(c) Market Makers shall have access to a designated group of operational and technical specialists at Nadex who handle issues relating to Market Makers.

RULES 4.4 – 12.42 [UNCHANGED]

RULE 12.43 CURRENCY EXCHANGE AUD/JPY BINARY CONTRACTS

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

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

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

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

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

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

North American Derivatives Exchange, Inc., 311 South Wacker Drive, Suite 2675, Chicago, IL 60606

US Toll-Free +1 (877) 77 NADEX info@nadex.com www.nadex.com

(i) DAILY AUD/JPY BINARY CONTRACTS, 11 PM ET CLOSE

- X1 - 2.00. (1) Binary Contract 1: One Contract will have a Payout Criterion of greater than
- X1 - 1.80. (2) Binary Contract 2: One Contract will have a Payout Criterion of greater than
- X1 - 1.60. (3) Binary Contract 3: One Contract will have a Payout Criterion of greater than
- X1 - 1.40. (4) Binary Contract 4: One Contract will have a Payout Criterion of greater than
- X1 - 1.20. (5) Binary Contract 5: One Contract will have a Payout Criterion of greater than
- X1 - 1.00. (6) Binary Contract 6: One Contract will have a Payout Criterion of greater than
- X1 - 0.80. (7) Binary Contract 7: One Contract will have a Payout Criterion of greater than
- X1 - 0.60. (8) Binary Contract 8: One Contract will have a Payout Criterion of greater than
- X1 - 0.40. (9) Binary Contract 9: One Contract will have a Payout Criterion of greater than
- X1 - 0.20. (10) Binary Contract 10: One Contract will have a Payout Criterion of greater than
- X1. (11) Binary Contract 11: One Contract will have a Payout Criterion of greater than
- X1 + 0.20. (12) Binary Contract 12: One Contract will have a Payout Criterion of greater than
- X1 + 0.40. (13) Binary Contract 13: One Contract will have a Payout Criterion of greater than
- X1 + 0.60. (14) Binary Contract 14: One Contract will have a Payout Criterion of greater than
- X1 + 0.80. (15) Binary Contract 15: One Contract will have a Payout Criterion of greater than

North American Derivatives Exchange, Inc., 311 South Wacker Drive, Suite 2675, Chicago, IL 60606

US Toll-Free +1 (877) 77 NADEX info@nadex.com www.nadex.com

(16) Binary Contract 16: One Contract will have a Payout Criterion of greater than $X1 + 1.00$.

(17) Binary Contract 17: One Contract will have a Payout Criterion of greater than $X1 + 1.20$.

(18) Binary Contract 18: One Contract will have a Payout Criterion of greater than $X1 + 1.40$.

(19) Binary Contract 19: One Contract will have a Payout Criterion of greater than $X1 + 1.60$.

(20) Binary Contract 20: One Contract will have a Payout Criterion of greater than $X1 + 1.80$.

(21) Binary Contract 21: One Contract will have a Payout Criterion of greater than $X1 + 2.00$.

(22) In each case, "X1" equals the last AUD/JPY price rounded to the nearest 0.20 as reported by the Source Agency.

(ii) DAILY AUD/JPY BINARY CONTRACTS, 3 AM ET CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $X2 - 2.00$.

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than $X2 - 1.80$.

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $X2 - 1.60$.

(4) Binary Contract 4: One Contract will have a Payout Criterion of greater than $X2 - 1.40$.

(5) Binary Contract 5: One Contract will have a Payout Criterion of greater than $X2 - 1.20$.

(6) Binary Contract 6: One Contract will have a Payout Criterion of greater than $X2 - 1.00$.

(7) Binary Contract 7: One Contract will have a Payout Criterion of greater than $X2 - 0.80$.

(8) Binary Contract 8: One Contract will have a Payout Criterion of greater than $X2 - 0.60$.

North American Derivatives Exchange, Inc., 311 South Wacker Drive, Suite 2675, Chicago, IL 60606

US Toll-Free +1 (877) 77 NADEX info@nadex.com www.nadex.com

(9) Binary Contract 9: One Contract will have a Payout Criterion of greater than $X2 - 0.40$.

(10) Binary Contract 10: One Contract will have a Payout Criterion of greater than $X2 - 0.20$.

(11) Binary Contract 11: One Contract will have a Payout Criterion of greater than $X2$.

(12) Binary Contract 12: One Contract will have a Payout Criterion of greater than $X2 + 0.20$.

(13) Binary Contract 13: One Contract will have a Payout Criterion of greater than $X2 + 0.40$.

(14) Binary Contract 14: One Contract will have a Payout Criterion of greater than $X2 + 0.60$.

(15) Binary Contract 15: One Contract will have a Payout Criterion of greater than $X2 + 0.80$.

(16) Binary Contract 16: One Contract will have a Payout Criterion of greater than $X2 + 1.00$.

(17) Binary Contract 17: One Contract will have a Payout Criterion of greater than $X2 + 1.20$.

(18) Binary Contract 18: One Contract will have a Payout Criterion of greater than $X2 + 1.40$.

(19) Binary Contract 19: One Contract will have a Payout Criterion of greater than $X2 + 1.60$.

(20) Binary Contract 20: One Contract will have a Payout Criterion of greater than $X2 + 1.80$.

(21) Binary Contract 21: One Contract will have a Payout Criterion of greater than $X2 + 2.00$.

(22) In each case, "X2" equals the last AUD/JPY price rounded to the nearest 0.20 as reported by the Source Agency.

(iii) DAILY AUD/JPY BINARY CONTRACTS, 7 AM ET CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $X3 - 2.00$.

North American Derivatives Exchange, Inc., 311 South Wacker Drive, Suite 2675, Chicago, IL 60606

US Toll-Free +1 (877) 77 NADEX info@nadex.com www.nadex.com

- (2) Binary Contract 2: One Contract will have a Payout Criterion of greater than
X3 – 1.80.
- (3) Binary Contract 3: One Contract will have a Payout Criterion of greater than
X3 – 1.60.
- (4) Binary Contract 4: One Contract will have a Payout Criterion of greater than
X3 – 1.40.
- (5) Binary Contract 5: One Contract will have a Payout Criterion of greater than
X3 – 1.20.
- (6) Binary Contract 6: One Contract will have a Payout Criterion of greater than
X3 – 1.00.
- (7) Binary Contract 7: One Contract will have a Payout Criterion of greater than
X3 – 0.80.
- (8) Binary Contract 8: One Contract will have a Payout Criterion of greater than
X3 – 0.60.
- (9) Binary Contract 9: One Contract will have a Payout Criterion of greater than
X3 – 0.40.
- (10) Binary Contract 10: One Contract will have a Payout Criterion of greater than
X3 – 0.20.
- (11) Binary Contract 11: One Contract will have a Payout Criterion of greater than
X3.
- (12) Binary Contract 12: One Contract will have a Payout Criterion of greater than
X3 + 0.20.
- (13) Binary Contract 13: One Contract will have a Payout Criterion of greater than
X3 + 0.40.
- (14) Binary Contract 14: One Contract will have a Payout Criterion of greater than
X3 + 0.60.
- (15) Binary Contract 15: One Contract will have a Payout Criterion of greater than
X3 + 0.80.
- (16) Binary Contract 16: One Contract will have a Payout Criterion of greater than
X3 + 1.00.
- (17) Binary Contract 17: One Contract will have a Payout Criterion of greater than
X3 + 1.20.

North American Derivatives Exchange, Inc., 311 South Wacker Drive, Suite 2675, Chicago, IL 60606

US Toll-Free +1 (877) 77 NADEX info@nadex.com www.nadex.com

(18) Binary Contract 18: One Contract will have a Payout Criterion of greater than
X3 + 1.40.

(19) Binary Contract 19: One Contract will have a Payout Criterion of greater than
X3 + 1.60.

(20) Binary Contract 20: One Contract will have a Payout Criterion of greater than
X3 + 1.80.

(21) Binary Contract 21: One Contract will have a Payout Criterion of greater than
X3 + 2.00.

(22) In each case, "X3" equals the last AUD/JPY price rounded to the nearest 0.20
as reported by the Source Agency.

(iv) DAILY AUD/JPY BINARY CONTRACTS, 11 AM ET CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than
X4 - 2.00.

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than
X4 - 1.80.

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than
X4 - 1.60.

(4) Binary Contract 4: One Contract will have a Payout Criterion of greater than
X4 - 1.40.

(5) Binary Contract 5: One Contract will have a Payout Criterion of greater than
X4 - 1.20.

(6) Binary Contract 6: One Contract will have a Payout Criterion of greater than
X4 - 1.00.

(7) Binary Contract 7: One Contract will have a Payout Criterion of greater than
X4 - 0.80.

(8) Binary Contract 8: One Contract will have a Payout Criterion of greater than
X4 - 0.60.

(9) Binary Contract 9: One Contract will have a Payout Criterion of greater than
X4 - 0.40.

(10) Binary Contract 10: One Contract will have a Payout Criterion of greater than
X4 - 0.20.

North American Derivatives Exchange, Inc., 311 South Wacker Drive, Suite 2675, Chicago, IL 60606

US Toll-Free +1 (877) 77 NADEX info@nadex.com www.nadex.com

(11) Binary Contract 11: One Contract will have a Payout Criterion of greater than X4.

(12) Binary Contract 12: One Contract will have a Payout Criterion of greater than X4 + 0.20.

(13) Binary Contract 13: One Contract will have a Payout Criterion of greater than X4 + 0.40.

(14) Binary Contract 14: One Contract will have a Payout Criterion of greater than X4 + 0.60.

(15) Binary Contract 15: One Contract will have a Payout Criterion of greater than X4 + 0.80.

(16) Binary Contract 16: One Contract will have a Payout Criterion of greater than X4 + 1.00.

(17) Binary Contract 17: One Contract will have a Payout Criterion of greater than X4 + 1.20.

(18) Binary Contract 18: One Contract will have a Payout Criterion of greater than X4 + 1.40.

(19) Binary Contract 19: One Contract will have a Payout Criterion of greater than X4 + 1.60.

(20) Binary Contract 20: One Contract will have a Payout Criterion of greater than X4 + 1.80.

(21) Binary Contract 21: One Contract will have a Payout Criterion of greater than X4 + 2.00.

(22) In each case, "X4" equals the last AUD/JPY price rounded to the nearest 0.20 as reported by the Source Agency.

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

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than X5 – 2.00.

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than X5 – 1.80.

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than X5 – 1.60.

North American Derivatives Exchange, Inc., 311 South Wacker Drive, Suite 2675, Chicago, IL 60606

US Toll-Free +1 (877) 77 NADEX info@nadex.com www.nadex.com

- (4) Binary Contract 4: One Contract will have a Payout Criterion of greater than
X5 – 1.40.
- (5) Binary Contract 5: One Contract will have a Payout Criterion of greater than
X5 – 1.20.
- (6) Binary Contract 6: One Contract will have a Payout Criterion of greater than
X5 – 1.00.
- (7) Binary Contract 7: One Contract will have a Payout Criterion of greater than
X5 – 0.80.
- (8) Binary Contract 8: One Contract will have a Payout Criterion of greater than
X5 – 0.60.
- (9) Binary Contract 9: One Contract will have a Payout Criterion of greater than
X5 – 0.40.
- (10) Binary Contract 10: One Contract will have a Payout Criterion of greater than
X5 – 0.20.
- (11) Binary Contract 11: One Contract will have a Payout Criterion of greater than
X5.
- (12) Binary Contract 12: One Contract will have a Payout Criterion of greater than
X5 + 0.20.
- (13) Binary Contract 13: One Contract will have a Payout Criterion of greater than
X5 + 0.40.
- (14) Binary Contract 14: One Contract will have a Payout Criterion of greater than
X5 + 0.60.
- (15) Binary Contract 15: One Contract will have a Payout Criterion of greater than
X5 + 0.80.
- (16) Binary Contract 16: One Contract will have a Payout Criterion of greater than
X5 + 1.00.
- (17) Binary Contract 17: One Contract will have a Payout Criterion of greater than
X5 + 1.20.
- (18) Binary Contract 18: One Contract will have a Payout Criterion of greater than
X5 + 1.40.
- (19) Binary Contract 19: One Contract will have a Payout Criterion of greater than
X5 + 1.60.

North American Derivatives Exchange, Inc., 311 South Wacker Drive, Suite 2675, Chicago, IL 60606

US Toll-Free +1 (877) 77 NADEX info@nadex.com www.nadex.com

(20) Binary Contract 20: One Contract will have a Payout Criterion of greater than $X5 + 1.80$.

(21) Binary Contract 21: One Contract will have a Payout Criterion of greater than $X5 + 2.00$.

(22) In each case, "X5" equals the last AUD/JPY price rounded to the nearest 0.20 as reported by the Source Agency.

(vi) DAILY AUD/JPY BINARY CONTRACTS, 7 PM ET CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $X6 - 2.00$.

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than $X6 - 1.80$.

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $X6 - 1.60$.

(4) Binary Contract 4: One Contract will have a Payout Criterion of greater than $X6 - 1.40$.

(5) Binary Contract 5: One Contract will have a Payout Criterion of greater than $X6 - 1.20$.

(6) Binary Contract 6: One Contract will have a Payout Criterion of greater than $X6 - 1.00$.

(7) Binary Contract 7: One Contract will have a Payout Criterion of greater than $X6 - 0.80$.

(8) Binary Contract 8: One Contract will have a Payout Criterion of greater than $X6 - 0.60$.

(9) Binary Contract 9: One Contract will have a Payout Criterion of greater than $X6 - 0.40$.

(10) Binary Contract 10: One Contract will have a Payout Criterion of greater than $X6 - 0.20$.

(11) Binary Contract 11: One Contract will have a Payout Criterion of greater than $X6$.

(12) Binary Contract 12: One Contract will have a Payout Criterion of greater than $X6 + 0.20$.

North American Derivatives Exchange, Inc., 311 South Wacker Drive, Suite 2675, Chicago, IL 60606

US Toll-Free +1 (877) 77 NADEX info@nadex.com www.nadex.com

(13) Binary Contract 13: One Contract will have a Payout Criterion of greater than $X6 + 0.40$.

(14) Binary Contract 14: One Contract will have a Payout Criterion of greater than $X6 + 0.60$.

(15) Binary Contract 15: One Contract will have a Payout Criterion of greater than $X6 + 0.80$.

(16) Binary Contract 16: One Contract will have a Payout Criterion of greater than $X6 + 1.00$.

(17) Binary Contract 17: One Contract will have a Payout Criterion of greater than $X6 + 1.20$.

(18) Binary Contract 18: One Contract will have a Payout Criterion of greater than $X6 + 1.40$.

(19) Binary Contract 19: One Contract will have a Payout Criterion of greater than $X6 + 1.60$.

(20) Binary Contract 20: One Contract will have a Payout Criterion of greater than $X6 + 1.80$.

(21) Binary Contract 21: One Contract will have a Payout Criterion of greater than $X6 + 2.00$.

(22) In each case, "X6" equals the last AUD/JPY price rounded to the nearest 0.20 as reported by the Source Agency.

(vii) WEEKLY AUD/JPY BINARY CONTRACTS, 3PM ET CLOSE

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

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

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

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

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

North American Derivatives Exchange, Inc., 311 South Wacker Drive, Suite 2675, Chicago, IL 60606

US Toll-Free +1 (877) 77 NADEX info@nadex.com www.nadex.com

- (6) Binary Contract 6: One Contract will have a Payout Criterion of greater than Y
- 0.50.
- (7) Binary Contract 7: One Contract will have a Payout Criterion of greater than Y.
- (8) Binary Contract 8: One Contract will have a Payout Criterion of greater than Y
+ 0.50.
- (9) Binary Contract 9: One Contract will have a Payout Criterion of greater than Y
+ 1.00.
- (10) Binary Contract 10: One Contract will have a Payout Criterion of greater than
Y + 1.50.
- (11) Binary Contract 11: One Contract will have a Payout Criterion of greater than
Y + 2.00.
- (12) Binary Contract 12: One Contract will have a Payout Criterion of greater than
Y + 2.50.
- (13) Binary Contract 13: One Contract will have a Payout Criterion of greater than
Y + 3.00.
- (14) Binary Contract 14: One Contract will have a Payout Criterion of greater than
Y + 3.50.
- (15) In each case, “Y” equals the last AUD/JPY price or value rounded to the
nearest value ending in either 0.25 or 0.75 as reported by the Source Agency.

(viii) INTRADAY AUD/JPY BINARY CONTRACTS, 8:00 AM to
10:00 AM ET CLOSE

- (1) Binary Contract 1: One Contract will have a Payout Criterion of greater than Z1
- 0.20.
- (2) Binary Contract 2: One Contract will have a Payout Criterion of greater than Z1
- 0.15.
- (3) Binary Contract 3: One Contract will have a Payout Criterion of greater than Z1
- 0.10.
- (4) Binary Contract 4: One Contract will have a Payout Criterion of greater than Z1
- 0.05.
- (5) Binary Contract 5: One Contract will have a Payout Criterion of greater than
Z1.

North American Derivatives Exchange, Inc., 311 South Wacker Drive, Suite 2675, Chicago, IL 60606

US Toll-Free +1 (877) 77 NADEX info@nadex.com www.nadex.com

+ 0.05. (6) Binary Contract 6: One Contract will have a Payout Criterion of greater than Z1

+ 0.10. (7) Binary Contract 7: One Contract will have a Payout Criterion of greater than Z1

+ 0.15. (8) Binary Contract 8: One Contract will have a Payout Criterion of greater than Z1

+ 0.20. (9) Binary Contract 9: One Contract will have a Payout Criterion of greater than Z1

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

(ix) INTRADAY AUD/JPY BINARY CONTRACTS, 9:00 AM to 11:00 AM ET CLOSE

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

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

- 0.10. (3) Binary Contract 3: One Contract will have a Payout Criterion of greater than Z2

- 0.05. (4) Binary Contract 4: One Contract will have a Payout Criterion of greater than Z2

(5) Binary Contract 5: One Contract will have a Payout Criterion of greater than Z2.

+ 0.05. (6) Binary Contract 6: One Contract will have a Payout Criterion of greater than Z2

+ 0.10. (7) Binary Contract 7: One Contract will have a Payout Criterion of greater than Z2

+ 0.15. (8) Binary Contract 8: One Contract will have a Payout Criterion of greater than Z2

+ 0.20. (9) Binary Contract 9: One Contract will have a Payout Criterion of greater than Z2

North American Derivatives Exchange, Inc., 311 South Wacker Drive, Suite 2675, Chicago, IL 60606

US Toll-Free +1 (877) 77 NADEX info@nadex.com www.nadex.com

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

(x) INTRADAY AUD/JPY BINARY CONTRACTS, 10:00 AM to 12:00 PM ET CLOSE

- (1) Binary Contract 1: One Contract will have a Payout Criterion of greater than Z3
- 0.20.
- (2) Binary Contract 2: One Contract will have a Payout Criterion of greater than Z3
- 0.15.
- (3) Binary Contract 3: One Contract will have a Payout Criterion of greater than Z3
- 0.10.
- (4) Binary Contract 4: One Contract will have a Payout Criterion of greater than Z3
- 0.05.
- (5) Binary Contract 5: One Contract will have a Payout Criterion of greater than Z3.
- (6) Binary Contract 6: One Contract will have a Payout Criterion of greater than Z3
+ 0.05.
- (7) Binary Contract 7: One Contract will have a Payout Criterion of greater than Z3
+ 0.10.
- (8) Binary Contract 8: One Contract will have a Payout Criterion of greater than Z3
+ 0.15.
- (9) Binary Contract 9: One Contract will have a Payout Criterion of greater than Z3
+ 0.20.

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

(xi) INTRADAY AUD/JPY BINARY CONTRACTS, 11:00 AM to 1:00 PM ET CLOSE

- (1) Binary Contract 1: One Contract will have a Payout Criterion of greater than Z4
- 0.20.
- (2) Binary Contract 2: One Contract will have a Payout Criterion of greater than Z4
- 0.15.
- (3) Binary Contract 3: One Contract will have a Payout Criterion of greater than Z4
- 0.10.

North American Derivatives Exchange, Inc., 311 South Wacker Drive, Suite 2675, Chicago, IL 60606

US Toll-Free +1 (877) 77 NADEX info@nadex.com www.nadex.com

- (4) Binary Contract 4: One Contract will have a Payout Criterion of greater than Z4
- 0.05.
- (5) Binary Contract 5: One Contract will have a Payout Criterion of greater than
Z4.
- (6) Binary Contract 6: One Contract will have a Payout Criterion of greater than Z4
+ 0.05.
- (7) Binary Contract 7: One Contract will have a Payout Criterion of greater than Z4
+ 0.10.
- (8) Binary Contract 8: One Contract will have a Payout Criterion of greater than Z4
+ 0.15.
- (9) Binary Contract 9: One Contract will have a Payout Criterion of greater than Z4
+ 0.20.
- (10) In each case above, Z4 equals the strike level determined by the Source Agency immediately before the issuance of these contracts.

(xii) INTRADAY AUD/JPY BINARY CONTRACTS, 12:00 PM to
2:00 PM ET CLOSE

- (1) Binary Contract 1: One Contract will have a Payout Criterion of greater than Z5
- 0.20.
- (2) Binary Contract 2: One Contract will have a Payout Criterion of greater than Z5
- 0.15.
- (3) Binary Contract 3: One Contract will have a Payout Criterion of greater than Z5
- 0.10.
- (4) Binary Contract 4: One Contract will have a Payout Criterion of greater than Z5
- 0.05.
- (5) Binary Contract 5: One Contract will have a Payout Criterion of greater than
Z5.
- (6) Binary Contract 6: One Contract will have a Payout Criterion of greater than Z5
+ 0.05.
- (7) Binary Contract 7: One Contract will have a Payout Criterion of greater than Z5
+ 0.10.
- (8) Binary Contract 8: One Contract will have a Payout Criterion of greater than Z5
+ 0.15.

North American Derivatives Exchange, Inc., 311 South Wacker Drive, Suite 2675, Chicago, IL 60606

US Toll-Free +1 (877) 77 NADEX info@nadex.com www.nadex.com

(9) Binary Contract 9: One Contract will have a Payout Criterion of greater than Z5
+ 0.20.

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

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

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than Z6
- 0.20.

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than Z6
- 0.15.

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than Z6
- 0.10.

(4) Binary Contract 4: One Contract will have a Payout Criterion of greater than Z6
- 0.05.

(5) Binary Contract 5: One Contract will have a Payout Criterion of greater than Z6.

(6) Binary Contract 6: One Contract will have a Payout Criterion of greater than Z6
+ 0.05.

(7) Binary Contract 7: One Contract will have a Payout Criterion of greater than Z6
+ 0.10.

(8) Binary Contract 8: One Contract will have a Payout Criterion of greater than Z6
+ 0.15.

(9) Binary Contract 9: One Contract will have a Payout Criterion of greater than Z6
+ 0.20.

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

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

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

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

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

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

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

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

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

(n) EXPIRATION VALUE – The Expiration Value is the price or value of AUD/JPY as released by the Source Agency on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking the last twenty-five (25) Midpoints between the bid/ask spread (~~five ten~~ pips wide or less) just prior to the close of trading of the AUD/JPY Binary Contract and removing the highest five (5) Midpoints and the lowest (5) Midpoints, using the remaining fifteen (15) AUD/JPY Midpoints to calculate the Expiration Value. The calculation used is a simple average of all fifteen (15) AUD/JPY Midpoints, rounded to one decimal point past the precision of the underlying market. A Midpoint is calculated by adding the bid price and the ask price together and then dividing that number by two (2). For example, if the bid price is 121.00 and the ask price is 121.02, the two numbers are added together (totaling 242.02) and then divided by two (2), equaling a Midpoint of 121.01. If the spread between a particular bid price and ask price is deemed too wide (greater than ~~five ten~~ (510) 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) CONTINGENCIES – If no level is actually announced on the Expiration Date due to a delay, postponement or otherwise in such release announcement by the Source Agency, the Settlement Date will be delayed until the Underlying number is released for that Series.

RULES 12.44 – 12.78 [UNCHANGED]

[End Rulebook]

[the remainder of this page is intended to be blank]

North American Derivatives Exchange, Inc., 311 South Wacker Drive, Suite 2675, Chicago, IL 60606

US Toll-Free +1 (877) 77 NADEX info@nadex.com www.nadex.com