

EXHIBIT A

Rule	Asset	Duration/ Close Time	Action	Effective Date
3.1	Trading Members	N/A	Amend entity account opening procedure language.	3/14/2011
12.2	EUR/USD Variable payout	All	Renumber as 12.28.	3/14/2011
12.3	GBP/USD Variable Payout	All	Renumber as 12.30.	3/14/2011
12.4	USD/YEN Variable Payout	All	Renumber as 12.36.	3/14/2011
12.5	USD/CHF Variable Payout	All	Renumber as 12.34.	3/14/2011
12.6	Gasoline Variable Payout	All	Delete rule.	3/14/2011
12.7	Gold Variable Payout	All	Renumber as 12.4.	3/14/2011
12.9	Silver Variable Payout	All	Renumber as 12.6.	3/14/2011
12.10	NAR Chicago Variable Payout	All	Delete rule.	3/14/2011
12.11	NAR Los Angeles Variable Payout	All	Delete rule.	3/14/2011
12.12	NAR Miami Variable	All	Delete rule.	3/14/2011

	Payout			
12.13	NAR New York Variable Payout	All	Delete rule.	3/14/2011
12.14	NAR San Diego Variable Payout	All	Delete rule.	3/14/2011
12.15	NAR San Francisco Variable Payout	All	Delete rule.	3/14/2011
12.16	Natural Gas Variable Payout	All	Renumber as 12.10.	3/14/2011
12.17	California Gasoline Variable Payout	All	Delete rule.	3/14/2011
12.18	Diesel Variable Payout	All	Delete rule.	3/14/2011
12.19	Consumer Price Index Binary	All	Delete rule.	3/14/2011
12.20	Crude Oil Binary	All	Renumber as 12.9.	3/14/2011
12.21	EUR/USD Binary	All	Renumber as 12.29.	3/14/2011
12.22	GBP/USD Variable Payout	All	Renumber as 12.31	3/14/2011
12.23	USD/YEN Binary	All	Renumber as 12.37.	3/14/2011
12.24	USD/CHF Binary	All	Renumber as 12.35.	3/14/2011

12.25	Fed Funds Binary	All	Renumber as 12.76	3/14/2011
12.26	Gasoline Binary	All	Delete rule.	3/14/2011
12.27	Gold Binary	All	Renumber as 12.5.	3/14/2011
12.28	Mortgage Rate (30 Year FRMS) Binary	All	Delete rule.	3/14/2011
12.29	Natural Gas Binary	All	Renumber as 12.11.	3/14/2011
12.30	Nonfarm Payrolls Binary	All	Renumber as 12.78.	3/14/2011
12.31	Silver Binary	All	Renumber as 12.7.	3/14/2011
12.32	NAR Chicago Binary	All	Delete rule.	3/14/2011
12.33	NAR Los Angeles Binary	All	Delete rule.	3/14/2011
12.34	NAR Miami Binary	All	Delete rule.	3/14/2011
12.35	NAR New York Binary	All	Delete rule.	3/14/2011
12.36	NAR San Diego Binary	All	Delete rule.	3/14/2011
12.37	NAR San Francisco Binary	All	Delete rule.	3/14/2011
12.38	Copper Binary	All	Renumber as 12.3.	3/14/2011

12.39	USD/CAD Binary	All	Renumber as 12.33.	3/14/2011
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12.41	Soybean Binary	All	Renumber as 12.15.	3/14/2011
12.42	Corn Binary	All	Renumber as 12.13.	3/14/2011
12.43	Heating Oil Binary	All	Delete rule.	3/14/2011
12.44	Wholesale Gasoline Variable Payout	All	Delete rule.	3/14/2011
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12.48	Core Consumer Price Index Binary	All	Delete rule.	3/14/2011
12.49	USD/CAD Variable Payout	All	Renumber as 12.32.	3/14/2011
12.50	NAR Las Vegas Binary	All	Delete rule.	3/14/2011
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EXHIBIT B

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

**NORTH AMERICAN DERIVATIVES
EXCHANGE, INC.**

RULES

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RULES OF NORTH AMERICAN DERIVATIVES EXCHANGE, INC.

INTRODUCTION

The Commodity Exchange Act (“CEA”) requires that North American Derivatives Exchange, Inc. (“Nadex”) and other contract markets and derivatives clearing organizations adopt rules governing the way they conduct their business. Those rules generally must be filed with the Commodity Futures Trading Commission (“Commission”) and generally cannot be amended without giving notice to the Commission, which can reject proposed rules and proposed amendments to existing rules. The following rules are the rules of Nadex (“Rules”) that inform Members and others of how the Nadex market (the “Market”) operates and of each Member’s rights and obligations. Please remember that these Rules may be amended in the future, and if they are amended, Members will be required to abide by the Rules as amended. Nadex will notify all Members any time there is an amendment to the Rules.

CHAPTER 1 DEFINITIONS

RULE 1.1 DEFINITIONS

When used in these Rules:

(a) **“Authorized Trader”** means an individual employed by a Member who is authorized by that Member to have direct access to Nadex, provided the Member maintain supervisory authority over such individual(s) trading activities.

(b) **“Binary Contract”** means the right to receive a fixed Settlement Value per contract, from Nadex on the Settlement Date dependent upon whether you are holding a long position or short position in a Binary Contract. If you are holding a long position in a Binary Contract, you have the right to receive a fixed Settlement Value from Nadex on the Settlement Date, if, and only if, the Binary Contract’s Payout Criteria encompasses the Expiration Value at Expiration. Conversely, if you are holding a short position in a Binary Contract, you have the right to receive a fixed Settlement Value if, and only if, the Binary Contract’s Payout Criteria does NOT encompass the Expiration Value at Expiration.

(c) **“Cap”** means the maximum rate, level, amount, measure or other value of the Underlying of a Variable Payout Contract that may be the Expiration Value or the Closing Trade Value. If the actual rate, level, amount, measure, or other value of the Underlying meets or exceeds the Cap at Expiration, the Cap will be the Expiration Value.

(d) **“Class”** means all Contracts of the same Type with the same Underlying.

(e) **“Closing Trade Value”** means the rate, level, amount, measure, or other value of the Underlying of a Variable Payout Contract at which the Contract is closed in a Member’s or Customer’s account.

(f) **“Commodity Futures Trading Commission” or “Commission”** means the Federal regulatory agency established by the Commodity Futures Trading act of 1974 to administer the Commodity Exchange Act.

(g) **“Contract”** means a Variable Payout Contract or a Binary Contract.

(h) **“Customer”** has the meaning set forth in Commission Regulation 1.3(k).

(i) **“Dollar Multiplier”** means the monetary amount by which the rate, level, amount, measure, or other value of an Underlying of a Variable Payout Contract is multiplied to determine the Settlement Value.

(j) **“Expiration”** means the time on the Expiration Date established by these Rules at which a Contract expires and the Expiration Value of that Contract is determined.

(k) **“Expiration Date”** means the date established by these Rules on which the Expiration Value of each Contract is determined.

(l) **“Expiration Value”** means the rate, level, amount, measure, or other value of the Underlying at Expiration as calculated and/or published by the Source Agency.

(m) **“FCM Member”** means any Member that is registered with the Commission as a Futures Commission Merchant and is authorized by Nadex to intermediate customer orders on the Market.

(n) **“Financial Institution”** means a financial institution as that term is defined in 31 CFR 103.11(n) that is required to comply with the regulations issued by the United States Department of Treasury under the Bank Secrecy Act including, but not limited to, the anti-money laundering program and customer identification program rules.

(o) **“Floor”** means the minimum rate, level, amount, measure, or other value of the Underlying of a Variable Payout Contract that may be the Expiration Value or the Closing Trade Value. If the actual rate, level, amount, measure or other value of the Underlying meets or falls below the Floor on the Expiration Date, the Floor will be the Expiration Value.

(p) **“Last Trading Day”** means, for a particular Contract, the last date on which that Contract may be traded on the Market.

(q) **“Long Variable Payout Contract”** means (i) the right to receive at the time the Contract is closed or on the Settlement Date any positive number resulting from subtracting the Opening Trade Value from (A) the Closing Trade Value, if the Variable Payout Contract was closed by an offsetting transaction before Expiration, or (B) the Expiration Value, if the Variable Payout Contract was held to Expiration, and then multiplying the resulting figure by the Dollar Multiplier and (ii) the obligation to pay at the time the contract is closed or on the Settlement Date any positive number resulting from subtracting from the Opening Trade Value (A) the Closing Trade Value, if the Variable Payout Contract was closed by an offsetting transaction before Expiration, or (B) the Expiration Value, if the Variable Payout

Contract was held to Expiration, and then multiplying the resulting figure by the Dollar Multiplier.

(r) “**Market Maker**” means a Member that is granted certain the privileges in exchange for assuming certain responsibilities as set forth in Chapter 4 of these Rules for the purpose of creating liquidity for certain Classes of Contracts.

(s) “**Member**” means a Person who is approved by Nadex to be a Trading Member or a FCM_Member and who is bound by these Rules as they may be amended from time to time.

(t) “**Opening Trade Value**” means the rate, level, amount, measure, or other value of the Underlying of a Variable Payout Contract at which the Contract is opened in a Member’s account.

(u) “**Payout Criterion**” of a Contract means the Expiration Value or range of Expiration Values that will cause that Contract to pay a Settlement Value to the holder of a long position or the holder of a short position in such Contract. The holder of a long or short position in a Contract that receives a Settlement Value is considered to be “in-the-money” while the holder of either a long or short position in a Contract that does NOT receive a Settlement Value is considered to be “out-of-the-money”.

(v) “**Person**” means an individual, sole proprietorship, corporation, limited liability company, partnership, trust, or any other entity.

(w) “**Regulatory Agency**” means any government body, including the Commission and Securities and Exchange Commission, and any organization, whether domestic or foreign, granted authority under statutory or regulatory provisions to regulate its own activities and the activities of its members, and includes Nadex, any other clearing organization or contract market, any national securities exchange or clearing agency, the National Futures Association (“NFA”) and the Financial Industry Regulatory Authority (“FINRA”).

(x) “**Series**” means all Contracts of the same Class having identical terms, including Payout Criterion and Expiration Date.

(y) “**Settlement Date**” means the date on which money is paid to the account of a Member who has the right to receive money pursuant to a Variable Payout Contract or Binary Contract held until Expiration, and on which money is paid from the account of a Member who is obligated to pay money pursuant to a Variable Payout Contract held until Expiration. Unless otherwise specified in these Rules, the Settlement Date is the same day as the Expiration Date.

(z) “**Settlement Value**” means the amount paid to the holders of in-the-money Contracts. The minimum Settlement Value of a Binary Contract is \$100. The Settlement Value of a Variable Payout Contract is determined as described in the definition for Long and Short Variable Payout Contracts.

(aa) **“Short Variable Payout Contract”** means (i) the right to receive at the time the Contract is closed or on the Settlement Date any positive number resulting from subtracting from the Opening Trade Value (A) the Closing Trade Value, if the Variable Payout Contract was closed by an offsetting transaction before Expiration, or (B) the Expiration Value, if the Variable Payout Contract was held to Expiration, and then multiplying the resulting figure by the Dollar Multiplier and (ii) the obligation to pay at the time the Contract is closed or on the Settlement Date any positive number resulting from subtracting the Opening Trade Value from (A) the Closing Trade Value, if the Variable Payout Contract was closed by an offsetting transaction before Expiration, or (B) the Expiration Value, if the Variable Payout Contract was held to Expiration, then multiplying the resulting figure by the Dollar Multiplier.

(bb) **“Source Agency”** means the agency that publishes the Underlying economic indicator and/or Expiration Value for any Contract.

(cc) **“Speculative Position Limits,” or “Position Limit”** means the maximum position, either net long or net short, in one Series or a combination of various Series of a particular Class that may be held or controlled by one Member as prescribed by Nadex and/or the Commission.

(dd) **“Trade Day”** means the regular trading session on any given calendar date and the evening session, if any, on the immediately preceding calendar date, as specified in Rule 5.11.

(ee) **“Trading Member”** means a Person who has been approved by Nadex to trade on the Market.

(ff) **“Type”** means the classification of a Contract as a Variable Payout Contract or a Binary Contract.

(gg) **“Underlying”** means the index, rate, risk, measure, instrument, differential, indicator, value, contingency, occurrence, or extent of an occurrence the Expiration Value of which determines whether (and, in the case of a Variable Payout Contract, to what extent) a Contract is in-the-money.

(hh) **“Variable Payout Contract”** means a Long Variable Payout Contract and/or a Short Variable Payout Contract (such Variable Payout Contracts are also referred to as “Spread(s)” or “Narrow Spread(s)”).

(ii) **“12PM” or “12:00 PM”** means 12:00 Noon

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CHAPTER 2 MARKET GOVERNANCE

RULE 2.1 POWERS OF NADEX'S BOARD OF DIRECTORS

The board of directors of Nadex has the power to manage and direct Nadex including but not limited to the power to define the standards for membership in the Exchange and who may access the secure portions of Nadex's website, the power to amend, adopt, or repeal these Rules, and the power to oversee the business conduct of Members and impose penalties for violation of these Rules.

RULE 2.2 RESTRICTIONS ON WHO MAY BE MEMBERS OF THE BOARD, MEMBERS OF DISCIPLINARY COMMITTEES, MEMBERS OF ARBITRATION OR OVERSIGHT PANELS, OR TEN PERCENT OR GREATER OWNERS

Commission Regulation 1.63 prohibits certain individuals who have been charged with, or have been found to have committed, disciplinary offenses (as defined in that section) within the past three years from serving. No individual subject to disqualification under Commission Regulation 1.63(b) may serve on the Nadex board of directors, any of its disciplinary committees (including serving as compliance officer or hearing officer), oversight panels, or arbitration panels. Additionally, Nadex will not permit any individual subject to disqualification under Commission Regulation 1.63(b) to own 10% or more of Nadex or to serve as a Nadex hearing officer.

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, 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 of Nadex will be responsible for all funds and stock of Nadex and in general perform all duties incident to the office of treasurer 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 treasurer is outsourced to a service provider, the 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 EMERGENCY RULES

(a) Nadex may adopt emergency Rules in response to the emergencies that are described in paragraph (c) of this Rule. In the event of one of those emergencies, the board of directors or at least two members of the Management Team may, without giving prior notice to, or securing prior approval from, the Commission, adopt a temporary emergency rule to address the emergency. Adoption of a temporary emergency rule by the board of directors requires the affirmative vote of two-thirds of the members of the board at a meeting of the board at which a quorum is present. Nadex may count a member of the board of directors who abstains from voting on a temporary emergency rule to determine whether a quorum exists. Adoption of a temporary emergency rule by the management team requires the written authorization and acknowledgement of two members of the management team, indicating the emergency action to be taken and the reasons for that action, before the action is taken.

(b) Any temporary emergency rule adopted under this Rule may authorize Nadex to act as the board of directors or management team deems necessary or appropriate to meet the emergency, and those actions may adversely affect the ability to trade on the Market. Therefore, the chance of an emergency is one of the risks that market participants should consider when deciding whether to trade on the Market.

(c) For the purposes of this Rule, an “emergency” is:

(i) any activity that manipulates or attempts to manipulate the Market;

(ii) any actual, attempted, or threatened corner, squeeze, or undue concentration of positions;

(iii) any circumstance that may materially affect the performance of the Contracts traded on, Nadex;

(iv) any action taken by the United States, any foreign government, any state or local governmental body, any other contract market or board of trade, or any other exchange, market, facility, or trade association (foreign or domestic) that may have a direct impact on trading on Nadex;

(v) any circumstances that may have a severe, adverse impact upon the physical functions of Nadex including, for example, natural disasters such as fire or flood, terrorist acts such as bomb threats, physical plant breakdowns such as plumbing, heating, or air conditioning problems, system breakdowns such as power, telephony, cable, trading systems, or computer systems failures or interruptions to communications, the network, or the Internet;

(vi) the imposition of any injunction or other restraint by any government agency, court, or arbitrator that may affect the ability of a Member to perform on Contracts;

(vii) any circumstance in which it appears that a Nadex Member or any other person is in such operational condition, or is conducting business in such a manner, that such person cannot be permitted to continue in business without jeopardizing the safety of Nadex Members or Nadex itself; and

(viii) any other unusual, unforeseeable, and adverse circumstance which, in the opinion of the governing board, requires immediate action and threatens or may threaten such things as the fair and orderly trading in, or the liquidation of or delivery pursuant to Contracts traded on Nadex.

(d) If deemed necessary to combat perceived market threats caused by an emergency, a Nadex official authorized to do so may suspend trading on the Market during the duration of the emergency or take any other action that the official thinks is necessary or appropriate. The official will order an end to the action taken in response to the emergency as soon as the official determines that the emergency has sufficiently abated to permit the Market to function properly.

(e) Nadex will make every effort practicable to notify the Director of the Division of Market Oversight, his delegates, and/or other persons designated by the Commission's Regulations that Nadex intends to implement, modify, or terminate a temporary emergency rule pursuant to Rule 2.4(a) or an action in response to an emergency pursuant to Rule 2.4(d) prior to the implementation, modification, or termination of the rule or action. If it is not possible to notify the Commission prior to the implementation, modification, or termination of the rule or action, Nadex will notify the Commission of the implementation, modification, or termination of the rule or action at the earliest possible time, and in no event more than 24 hours after implementation, modification, or termination.

(f) Any time that Nadex takes action in response to an emergency, either under Rule 2.4(a) or Rule 2.4(d), Nadex will document its decision-making process and reasons for taking emergency action.

RULE 2.5 COMMITTEES AND SUBCOMMITTEES

(a) The Nadex board of directors may create, appoint members of the board to serve on, and delegate powers to, committees and subcommittees.

(b) A majority of any committee or subcommittee will constitute a quorum, and a majority of a quorum is necessary for committee or subcommittee action. A committee or subcommittee may act by unanimous consent in writing, including by electronic mail, without a meeting.

(c) Nadex's board of directors shall appoint a Regulatory Oversight Committee comprised of board members who are "public directors" as defined in the Acceptable Practices under Core Principle 15 in Commission Regulation Part 38, Appendix B. The ROC shall oversee Nadex's regulatory program on behalf of the board. The board shall delegate sufficient authority, dedicate sufficient resources, and allow sufficient time for the ROC to fulfill its mandate. The ROC shall:

(i) Monitor Nadex's regulatory program for sufficiency, effectiveness, and independence;

(ii) Oversee all facets of the program, including trade practice and market surveillance; audits, examinations, and other regulatory responsibilities with respect to member firms (including ensuring compliance with financial integrity, financial reporting, sales practice, recordkeeping, and other requirements); and the conduct of investigations;

(iii) Review the size and allocation of the regulatory budget and resources; and the number, hiring and termination, and compensation of regulatory personnel;

(iv) Supervise Nadex's chief regulatory officer, who will report directly to the ROC;

(v) Prepare an annual report assessing Nadex's self-regulatory program for the board of directors and the Commission, which sets forth the regulatory program's expenses, describes its staffing and structure, catalogues disciplinary actions taken during the year, and reviews the performance of disciplinary committees and panels;

(vi) Recommend changes that would ensure fair, vigorous, and effective regulation; and

(vii) Review significant regulatory proposals and advise the board as to whether and how such changes may impact regulation.

RULE 2.6 VOTING BY INTERESTED BOARD MEMBERS

Core Principle 15 of Section 5(d) of the CEA requires that contract markets have adequate procedures to prevent conflicts of interest. In this regard, Nadex has adopted provisions of Commission Regulation 1.69 as a Rule of Nadex. Commission Regulation 1.69 prohibits a member of the Nadex board of directors or any disciplinary or oversight committee or subcommittee from taking part in any deliberations or voting on any matter in which the board, committee, or subcommittee member has an interest or has a relationship with a named party in interest. Regulation 1.69 also requires disclosure by board, committee, or subcommittee members of interests and relationships in certain circumstances. Nadex board, committee, and subcommittee members shall not deliberate or vote on any matter in which the board, committee, or subcommittee member has an interest or has a relationship with a named party in interest and shall disclose such interests in accordance with Regulation 1.69. See also Chapter 11 of these Rules.

RULE 2.7 INDEMNIFICATION OF DIRECTORS, OFFICERS, AND OTHERS

Nadex will indemnify to the full extent authorized by law any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative in nature, by reason of the fact that such person is or was a director, officer, employee, or agent of Nadex or is or was serving at the request of Nadex as a director, officer, employee, or agent of Nadex against expenses, including attorneys' fees, judgments, fines, and amounts paid in connection with such action, suit, or proceeding. Such indemnification shall not be deemed exclusive of any other rights to which a person may be entitled under any agreement or as a matter of law or otherwise. Nadex may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, or agent of Nadex against any liability asserted against such person and incurred by such person in any such capacity, or arising out of such person's status as such, whether or not Nadex would have the power to indemnify such person against such liability under the provisions of this Rule. However, no person shall be indemnified from liability for fraud, bad faith, willful misconduct, or gross negligence. Further, no person shall be indemnified against a civil penalty imposed by the Commission under Section 6b of the CEA.

RULE 2.8 PROHIBITION ON USE OF MATERIAL, NON-PUBLIC INFORMATION

(a) Commission Regulation 1.59 prohibits employees and members of the board of directors of Nadex from using or disclosing material, nonpublic information gained through their employment or board service in certain circumstances. This Rule prohibits the use and disclosure forbidden by Commission Regulation 1.59. In this regard, Nadex has adopted provisions of Regulation 1.59 as a Rule of Nadex in Chapter 11 of these Rules.

(b) No member of the board of directors or any committee established by the board of directors or these Rules will use or disclose material, nonpublic information obtained as a result of participation on the board of directors or such committee for any purpose other than the performance of official duties as a board or committee member.

(c) No employee, consultant, or member of the board of directors or any committee of Nadex will disclose to any other person material, nonpublic information obtained as a result of such person's employment for purposes inconsistent with such person's official duties.

(d) No employee, consultant, or member of the board of directors or any committee of Nadex will trade for such person's account, or for or on behalf of any other account, in any commodity interest on the basis of any material, non-public information obtained through special access related to the performance of such person's duties as an employee, consultant, or member of the board of directors or committee.

(e) No Member who inadvertently or otherwise comes into possession of any material, non-public information held by Nadex or any employee, consultant, or member of the board of directors or any committee of Nadex gained through their employment by or service to Nadex will disclose to anyone such material, non-public information or trade for such person's account, or for or on behalf of any other account, in any commodity interest on the basis of such material, nonpublic information.

(f) For purposes of this Rule, the terms "material information," "nonpublic information," "linked exchange", "commodity interest," and "related commodity interest" have the same meanings as they do in Commission Regulation 1.59.

(g) Any director, officer, or employee of Nadex who violates any provision of this Rule will be required to indemnify Nadex for any losses, damages, or costs caused by that violation.

RULE 2.9 LIMITATION ON TRADING BY AFFILIATES

Except for any duly authorized Market Maker, no affiliate of Nadex nor any employee thereof may trade on any Nadex Market for such affiliate's or employee's own account. This rule does not prohibit an affiliate of Nadex properly registered as a Futures Commission Merchant from becoming a FCM Member of the Exchange and acting as an intermediary for its customers on the Exchange.

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CHAPTER 3 MEMBERS

RULE 3.1 TRADING MEMBERS - APPLICATIONS, CLASSIFICATIONS, AND PRIVILEGES

(a) To be eligible to become a Trading Member:

(i) An applicant who is an individual, must:

- 1) reside in the United States;
- 2) provide Nadex with a valid Social Security Number;
- 3) have an account or accounts in the Trading Member's name with a Financial Institution that the Trading Member will use to fund its Nadex account at the Nadex settlement bank and to receive funds from its Nadex account; and

4) certify that

(i) the applicant is old enough to enter into a legally enforceable contract;

(ii) the applicant has read and understands the Nadex Risk Disclosure Statement and Membership Agreement;

(iii) the applicant agrees to be bound by these Rules; and

(iv) the applicant will trade only for itself and will not trade as an intermediary for any other person or entity.

(ii) An applicant that is an entity must

(1) be organized in the United States;

(2) provide Nadex with a valid Taxpayer Identification Number;

(3) have an account or accounts in the Trading Member's name with a Financial Institution that the Trading Member will use to fund its Nadex account at the Nadex settlement bank and to receive funds from its Nadex account;

(4) designate Authorized Trader(s) to trade its account and agree that such Authorized Trader(s) will trade only for it and will not trade for him/herself or as an intermediary for any other entity or person;

(5) designate at least one officer who is responsible for supervising all activities of its employees relating to transactions effected on Nadex or subject to Nadex Rules and provide any information Nadex may request regarding such officer(s);

(6) agree to be bound by these Rules; and

(7) certify that

(i) the applicant is validly organized, in good standing, in the United States;

(ii) the applicant is authorized by its governing body and, if relevant, documents of organization, to trade commodities, futures and options contracts, and

(iii) the applicant has read and understands the Nadex Risk Disclosure Statement and Membership Agreement.

(b) In order to become a Trading Member, an applicant who is an individual must complete and submit the Nadex on-line membership application, provide Nadex with any other information Nadex may request, and fund its Nadex account by transferring to the customer segregated funds account at Nadex's settlement bank an initial deposit of no less than \$100 in funds from its account at a Financial Institution. An applicant who is an entity must complete an Account Certification, Membership Agreement, and W-9, which collectively shall constitute the membership application, provide Nadex with any other information Nadex may request, and fund its Nadex account by transferring to the customer segregated funds account at Nadex's settlement bank an initial deposit of no less than \$100 in funds from its account at a Financial Institution.

(c) Submission of a membership application to Nadex constitutes the applicant's agreement to be bound by these Rules and other policies of Nadex.

(d) If an application is approved by Nadex and the Nadex settlement bank confirms to Nadex that the applicant has deposited with it the funds required in paragraph (b) of this Rule, the applicant will be a Trading Member of Nadex and will have the following privileges, which Nadex may revoke, amend, or expand in accordance with, or by amending, these Rules:

(i) to maintain a Nadex account;

(ii) to buy Contracts on the Market using the funds in its Nadex account;

(iii) to sell Contracts on the Market using the funds in its Nadex account;

(iv) to view "real-time" the same best bids to buy and offers to sell the Contracts traded on the Market as are available to all other Members;

(v) to receive access to the Market via the FIX Gateway at your request, provided the Trading member agrees to pay any and all trading and other fees or charges incurred for such access and must comply with any requirements or restrictions established by Nadex in connection with the amount of messaging traffic generated by such trading Member;

(vi) to view the current trading volume and open interest for the Contracts traded on the Market; and

(vii) to view all non-secure parts of the Nadex website, including these Rules, and descriptions of Contracts traded on the Market as well as all secure parts of the Nadex website outlined above in Rule 3.1(d)(i) – (vi).

(e) Nadex may in its sole discretion approve, deny, or condition any Member application as Nadex deems necessary or appropriate.

(f) A Trading Member that is an individual, may not maintain and/or trade more than one Nadex account. The Authorized Trader(s) of a Trading Member that is an entity, may not maintain a separate Nadex account and/or trade any Nadex account other than that entity's account.

RULE 3.2 FCM MEMBERS – APPLICATIONS, CLASSIFICATIONS, AND PRIVILEGES

(a) To be eligible to become a FCM Member, an applicant must:

(i) be validly organized, in good standing, in the United States;

(ii) be registered as a Futures Commission Merchant by the National Futures Association;

(iii) have adequate financial resources and credit as determined by Nadex;

(iv) have an account or accounts with a Financial Institution designation as a settlement bank by Nadex;

(v) designation at least one officer who is responsible for supervising all activities of its employees relating to transactions effected on the Nadex or subject to Nadex Rules and provide any information Nadex may request regarding such officer(s);

(vi) submit to Nadex a letter confirming that the applicant will maintain all Customer funds deposited with it in appropriately labeled customer segregated funds accounts separated from funds of Non-Customers, as required by Commission regulations;

(vii) agree to be bound by these Rules; and

(viii) meet any other criteria or complete any additional applications that Nadex may request.

(b) Prior to becoming a FCM Member, FCM Member applicants must submit to Nadex:

(i) a guarantee agreement on a form prescribed by Nadex defining the FCM Member's obligation to guarantee the applicant's transactions and those of the applicant's Customers, signed by the FCM Member; and

(ii) an agreement authorizing Nadex to unilaterally debit any accounts identified per Rule 3.2(a)(4) in accordance with Nadex's rules, policies and procedures and in amounts solely determined by Nadex.

(c) Nadex may in its sole discretion approve, deny, or condition any FCM Member application as Nadex deems necessary or appropriate.

(d) If an FCM Member application is approved by Nadex, the applicant will be a FCM Member of Nadex and will have the following privileges:

(i) to intermediate customer transactions on Nadex;

(ii) to distribute Nadex data to its Customers pursuant to any data distribution agreement with Nadex; and

(iii) to access Nadex's trading systems electronically via a FIX connection.

RULE 3.3 MEMBER OBLIGATIONS

(a) Each Member and any Authorized Trader(s) thereof, must comply with these Rules, applicable provisions of the Commodity Exchange Act, and relevant Commission regulations. Each Member and any Authorized Trader(s) thereof must also cooperate promptly and fully with Nadex, its agents, and/or the Commission in any investigation, call for information, inquiry, audit, examination, or proceeding. Additionally, each Member must update its e-mail address within 24 hours after any change and update all other information provided in its application for membership within five days after that information has changed. If any Member or Authorized Trader(s) thereof fail to satisfy these obligations, Nadex may revoke or suspend the Member's privileges in full or in part. Each Member may also be subject to civil or criminal prosecution.

(b) Each Member consents to allow Nadex to provide all information Nadex has about the Member, including the Member's trading activity, to the Commission or any other Regulatory Agency, law enforcement authority, or judicial tribunal, including (as may be required by information sharing agreements or other contractual, regulatory, or legal provisions) foreign regulatory or self-regulatory bodies, law enforcement authorities, or judicial tribunals.

(c) Each Member and each Member's Authorized Trader(s) are required to review the "Exchange Notices" section of the Nadex website to make itself aware of material changes to these Rules or other notices that may affect your rights and obligations as a Member of Nadex.

(d) Each Member must immediately notify Nadex in writing upon becoming aware:

(i) that the Member, any of the Member's officers or any of the Member's Authorized Traders has had trading privileges suspended, access to, or membership or clearing membership in, any Regulatory Agency denied;

(ii) that the Member, any of the Member's officers or any of the Member's Authorized Traders has been convicted of, pled guilty or no contest to, or entered a plea agreement to, any felony in any domestic, foreign or military court;

(iii) that the Member, any of the Member's officers or any of the Member's Authorized Traders has been convicted of, plead guilty or no contest to, or entered a plea agreement to a misdemeanor in any domestic, foreign or military court which involves:

(1) embezzlement, theft, extortion, fraud, fraudulent conversion, forgery, counterfeiting, false pretenses, bribery, gambling, racketeering, or misappropriation of funds, securities or properties; or

(2) any transaction in or advice concerning futures, options on futures, leveraged transactions or securities;

(iv) that the Member, any of the Member's officers or any of the Member's Authorized Traders has been subject to, or associated with a firm that was subject to regulatory proceedings before any Regulatory Agency;

(v) that the Member, any of the Member's officers or any of the Member's Authorized Traders is currently a party to any investigation or proceeding, the resolution of which could result in an event described in Rule 3.3(d)(i)-(iv);

(vi) of any other material change in any information contained in the Member's membership application;

(vii) of any failure to maintain segregated funds as required by the Commission when the Member is a FCM Member;

(viii) of becoming subject to early warning reporting under Commission Regulation 1.12; and

(ix) of becoming the subject of a bankruptcy proceeding or being unable to meet any financial obligation as it becomes due.

(e) Each Member must diligently supervise all activities of the Member's employees and/or agents, including all Authorized Traders, relating to transactions effected on Nadex. Any violation of these Rules by any employee of a Member shall constitute a violation of the Rules by such Member.

RULE 3.4 FCM MEMBER OBLIGATIONS

In addition to the obligations applicable to all Members, FCM Members shall have the following obligations:

(a) Each FCM Member must at all times maintain the financial resources at or in excess of the amount prescribed by Nadex from time to time as a FCM Member of Nadex.

(i) As futures commission merchants, all FCM Members must comply with the financial requirements set forth by the Commission and the National Futures Association.

(ii) Each FCM Member shall be required to make an initial deposit of at least \$100,000 of funds into its FCM Member segregated funds account for excess collateral with Nadex ("FCM Member's settlement account").

(iii) If the available balance of the FCM Member's settlement account falls below \$50,000, the FCM Member must promptly deposit additional funds into the account to increase the available balance to at least \$100,000.

(b) Each FCM Member must submit statements of financial condition at such times and in such manner as shall be prescribed from time to time.

(c) Each FCM Member must maintain a separately identifiable position account for each Customer and provide the identifier for such account with every order submitted to Nadex.

(d) Each FCM Member must use due diligence in receiving and handling orders from Customers, submitting such orders onto Nadex on behalf of such Customers, responding to inquiries from Customers about their orders and reporting back to Customers the execution of such orders.

(e) Each FCM Member must maintain policies and procedures acceptable to Nadex that:

(i) with respect to each FCM Customer who is an individual, restricts access to any system through which such individual Customer submits orders to the FCM Member for transmission to Nadex to that individual Customer; and

(ii) with respect to each FCM Customer who is not an individual:

(1) restricts access to any system through which the Customer's orders may be submitted to the FCM Member for transmission to Nadex to such individuals authorized to enter orders on behalf of such Customer;

(2) identifies each individual authorized to enter orders on behalf of such Customer by a distinct user identification code, which user identification code shall be provided to the FCM Member and Nadex with each order message submitted by such Person; and

(3) requires the customer to maintain and provide to the FCM Member or Nadex upon request by the FCM Member or Nadex information identifying any individual who has entered orders on behalf of such Customer's account, including but not limited to the individual's name, taxpayer or other identification number, affiliation to the Customer, address and contact information.

(f) No FCM Member may maintain a proprietary trading account for Nadex contracts and no Authorized Trader of any FCM Member may maintain a personal trading account for Nadex contracts. No FCM Member or Authorized Trader 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.

(g) Prior to accepting any orders from a Customer for submission, a FCM Member must first have provided such Customer with the Nadex Risk Disclosure Statement.

(h) Prior to accepting any orders from a Customer for submission, Nadex will require certification by each a FCM Member to Nadex that its system has the capacity to block customer funds in accordance with the requirements of Rule 5.5(b) and demonstrate that capacity to Nadex. In addition, on an annual basis or as otherwise required by Nadex, each FCM Member must represent to Nadex that the portion of the FCM Member's system that blocks customer funds has not been changed in any material respect or, if the system has been changed, the FCM Member must identify any such changes and recertify the system's capacity to block customer funds in accordance with the requirements of Rule 5.5(b). Finally, each FCM Member agrees to submit to any compliance review by Nadex of its systems in this regard.

(i) Each FCM Member must make and file reports in accordance with Commission Regulations in a manner and form and at such times as may be prescribed by the Commission.

(j) Each FCM Member must make and file reports with Nadex at such times, in such manner and form, and containing such information as Nadex may prescribe from time to time.

(k) Each FCM Member, upon a request of Nadex or any Regulatory Agency, must promptly respond to any requests for information.

(l) Each FCM Member may invest Customer Funds only in accordance with Commission Regulation 1.25.

(m) Each FCM Member must prepare, maintain and keep current those books and records required by the rules of Nadex, the CEA and/or the Commission's Regulations. Such books and records shall be open to inspection and promptly provided to Nadex, its

Designated Self Regulatory Organization (“DSRO”), the Commission and/or the U.S. Department of Justice, upon request.

RULE 3.5 AUTHORIZED TRADERS

(a) A Trading Member other than a natural person must register one or more individuals who will be Authorized Trader(s) for the Trading Member’s account, which Authorized Traders are subject to approval by Nadex. The Trading Member and the Authorized Trader must provide Nadex with any information it requests in connection with this registration process. Before an Authorized Trader may enter orders or execute trades on the Market, he/she must acknowledge having read and understood these Rules and agree to comply with these Rules. Only those individuals authorized by the Trading Member and approved by Nadex may enter and execute transactions on the Market for the Trading Member’s account.

(b) Nadex may withdraw or suspend the registration of any Authorized Trader if Nadex determines that;

(i)an Authorized Trader has caused the Trading Member to fail to comply with the Rules of Nadex;

(ii)an Authorized Trader is not properly performing the responsibilities of an authorized representative of a Trading Member;

(iii)an Authorized Trader has failed to comply with the conditions set forth in paragraph (a) of this Rule; or

(iv)it is the best interests of maintaining a fair and orderly market to do so.

(c) If the Trading Member withdraws or Nadex suspends the registration of any Authorized Trader, the Trading Member must ensure that such Authorized Trader does not submit any quotes or orders into the Nadex system.

(d) The registration of an Authorized Trader will be withdrawn upon the written request of the Trading Member for which an Authorized Trader is registered. Such written request shall be submitted in a manner prescribed by Nadex. Until such written request is received and processed by Nadex, or an Authorized Trader’s registration is suspended or withdrawn pursuant to paragraph (c) of this Rule, a Trading Member will be responsible for all activity of such Authorized Trader(s) related to Nadex.

RULE 3.6 REJECTION OF APPLICANT

(a) If Nadex denies the membership application of any Person, the applicant may appeal the decision by filing with the CEO of Nadex a petition for review of such membership denial. The petition should describe in detail the reasons why the membership application should be granted. The petition must be filed within thirty (30) calendar days from the date upon which the denial of membership was received by the applicant. The

decision of the CEO will be final. A Person that has been denied membership by the CEO will not be eligible for reapplication during the six months immediately following such denial.

RULE 3.7 COMMUNICATIONS BETWEEN NADEX AND MEMBERS

Each Member must provide Nadex with its current electronic mail address and immediately (and in any event within 24 hours) update that address whenever it changes. All communications between Nadex and its Members, including confirmation of all transactions executed in your account, may be transmitted by electronic mail and/or posted on the Nadex website. A Member is responsible for promptly reviewing and, if necessary, responding to all electronic communications from Nadex.

RULE 3.8 DUES, FEES, AND EXPENSES PAYABLE BY MEMBERS

- (a) Members are not required to pay dues.
- (b) Members may be charged fees in connection with the trading of Contracts in an amount to be reflected from time to time on Nadex's website.
- (c) Members may be charged fees for settlement of Contracts at Expiration in an amount to be reflected from time to time on Nadex's website.
- (d) Nadex or its settlement bank may also deduct from the Member's account fees or expenses incurred in connection with the Member's trading or account activity or Nadex's administration in connection with that activity, such as fees for wire transfers, check processing via electronic check. All such fees will be charged in an amount to be reflected from time to time on Nadex's website.
- (e) If Nadex determines in the future to impose dues or additional fees, Nadex will notify the Member of any dues or additional fees that will be imposed at least 30 days before they take effect.

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CHAPTER 4 MARKET MAKERS

RULE 4.1 REGISTRATION OF MARKET MAKERS

(a) Only Trading Members in good standing who are not individuals may become a Market Maker of Nadex. A Member shall file a written Market Maker Application with Nadex. Nadex shall consider such factors as business reputation, financial resources and trading activity in relevant futures, options or related cash markets in determining whether to approve a Market Maker Application.

(b) The designation of any Market Maker may be suspended or terminated by Nadex at any time and for any reason.

RULE 4.2 APPOINTMENT OF MARKET MAKERS

(a) Nadex shall appoint Market Makers to certain Classes of Contracts (“Designated Classes”) traded on Nadex. In making such appointments, Nadex shall consider (i) the financial resources available to the Market Maker, and (ii) the Market Maker’s experience in market making in futures, options and other derivative products.

(b) No appointment of a Market Maker to a Designated Class shall be made without the Market Maker’s consent to such appointment, provided that refusal to accept appointment to a Designated Class may be deemed sufficient cause for denial, suspension, or termination of registration as a Market Maker.

(c) Nadex may suspend or terminate any appointment of a Market Maker to a Designated Class and may appoint more than one Market Maker to the same Designated Class.

(d) Nadex may periodically conduct an evaluation of any Market Maker to determine whether it has fulfilled performance standards relating to, among other things, quality of the markets, competitive market making, observance of ethical standards, and administrative soundness. If the Market Maker fails to meet minimum performance standards, Nadex may, among other things, (i) suspend, terminate or restrict the Market Maker’s appointment to a particular Designated Class, (ii) restrict the Market Maker from appointments to additional Designated Class(es), or (iii) suspend, terminate or restrict the Market Maker’s registration as such.

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.

RULE 4.4 OBLIGATIONS OF MARKET MAKERS

(a) General – Transactions of Market Makers should constitute a course of dealings reasonably calculated to contribute to the maintenance of a fair and orderly market, and Market Makers shall not make bids or offers or enter into transactions that are inconsistent with such a course of dealings. Ordinarily, Market Makers shall be obligated to do the following:

(i) trade for the proprietary account of the Market Maker only;

(ii) maintain at least the minimum capital on deposit with Nadex in accordance with the terms of the applicable Market Maker Agreement;

(iii) comply with all other terms of the applicable Market Maker Agreement; and

(iv) maintain two-sided displayed quotes of a minimum designated quantity (“Size”) within a predefined spread (“Bid/Ask Spread”) for a Series of Contracts for a certain period of time throughout the trading day in accordance with the terms of the applicable Market Maker Agreement.

(1) In ordinary market conditions, quotes must be made within a maximum Bid/Ask Spread.

(2) In fast market conditions, Market Makers will be permitted to reduce their size or widen their Bid/Ask Spreads.

(3) Market Makers also will be permitted to reduce their size or widen their Bid/Ask Spreads:

(i) in any Binary Contract within a Designated Class that is so deep in-the-money as to be valued at \$100 offer or so deep out-of-the-money as to be valued at zero bid and

(ii) in any Variable Payout Contract within a Designated Class when the underlying for that Variable Payout Contract is outside the range of the Variable Payout Contract.

(b) A Market Maker has a continuous obligation to engage, to a reasonable degree under the existing circumstances, in dealings for the account of the Market Maker when there exists, or it is reasonably anticipated that there will exist, a lack of price continuity or a temporary disparity between the supply of and demand for quotations in a Series of a

Designated Class to which the Market Maker is appointed. Without limiting the foregoing, a Market Maker is expected to perform the following activities in the course of maintaining a fair and orderly market;

(i) To post bid and ask quotations in all Designated Classes to which the Market Maker is appointed that, absent changed market conditions, will be honored by the Market Maker.

(ii) To update quotations in response to changed market conditions in all Designated Classes to which the Market Maker is appointed.

(c) Like other Members of Nadex, a Market Maker may not place an order to buy or sell a Contract in a Designated Class for which it has not been appointed a Market Maker unless it has the excess funds in its Nadex account necessary to fulfill its obligations under that order.

(d) Alternative Position Limits for Certain Binary Contracts

(i) Approved market makers who are engaged in bona fide market-making activity shall be exempt from the position limits for those Binary Contracts defined in Rules 12.89 (Wall Street 30), 12.90 (US Tech 100), 12.91 (US 500) and 12.99 (US SmallCap 2000) of these Rules. Instead, such market makers shall be subject to Alternative Position Limits of twice the limit identified for such Binary Contract in Chapter 12. In addition, such Alternative Position Limits shall apply not to the entire class of Binary Contracts, but to each Binary Contract in that Class (i.e., per strike).

(ii) A market maker taking advantage of this exemption and an Alternative Position Limit must, within 1 business day following a request by Nadex's Compliance Department, provide the Nadex Compliance Department with a trade register detailing all futures trading activity in any account owned or controlled by the market maker in the futures contract underlying a Binary Contract during the 15 minutes immediately before and after any expiration time identified by Nadex's Compliance Department in the request.

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CHAPTER 5 METHOD FOR MEMBERS TO TRADE CONTRACTS

RULE 5.1 PRIOR REVIEW OF RISK DISCLOSURE STATEMENT AND THESE RULES AND ACCEPTANCE OF TERMS OF MEMBERSHIP AGREEMENT IS REQUIRED

(a) Trading Member Applicants: No Person may become a Trading Member of Nadex or trade any Contracts on the Market unless such Person has received, read, understood, and accepted the Nadex Risk Disclosure Statement, these Rules, and the Nadex membership agreement for Trading Members, and has certified having done so.

(b) FCM Member Applicants: No entity may become a FCM Member of Nadex or intermediate the trading of any Contracts on the Market unless such entity has received, read, understood, and accepted these Rules and the Nadex membership agreement for FCM Members, and has certified having done so.

(c) Customers of FCM Members: No Person may be permitted by a FCM Member to enter orders or otherwise engage in any Nadex trading activity as a customer of that FCM Member unless such FCM Member has obtained certification from the customer that the customer has received, read, understood, and accepted these Rules.

RULE 5.2 TRADING MEMBER ACCESS TO NADEX

(a) During the Nadex membership application process, an applicant to become a Trading Member will be required to choose a user identification ("ID") and password. The applicant will be required to enter the ID and password to log onto and access secure portions of the Nadex website. Each time the applicant submits its unique user ID and password to Nadex in order to log onto Nadex, the applicant affirms that it understands and agrees to be bound by these Rules and other policies of Nadex, as amended.

(b) After an applicant's membership application has been approved by Nadex and the applicant has deposited the requisite amount of funds into its account as specified under Rule 3.1(b), the applicant becomes a Trading Member. As a Trading Member, such Person will be able to access the Market, execute trades, and otherwise access information regarding, or perform functions in, such Person's account using its ID and unique password.

(c) For account security and audit trail purposes, each Trading Member agrees that Nadex may maintain logs of its IP address when it is logged into the Nadex website.

(d) Each Trading Member will be responsible for protecting its ID and password, and with respect to an entity Trading Member, the ID(s) and password(s) of its Authorized Trader(s), from improper disclosure. In addition, a Trading Member may not knowingly or negligently permit any Person not authorized by Nadex and by the Trading Member to use the ID and password to access the secure portion of the Nadex website. Each Trading

Member is required to immediately notify Nadex if it knows, or has reason to believe, that its ID or the ID and/or password of any Authorized Trader have been disclosed to any Person not authorized by Nadex and the Trading Member to use such ID and/or password. Under any circumstances, the Trading Member will be deemed to know that such ID and/or password have been disclosed to an unauthorized person 12 hours after any order is entered by that unauthorized person in your account

(e) Each Trading Member will be liable for all costs and any losses that it may incur from transactions executed on Nadex by any person, authorized or not, using its ID and password or the ID and/or password of any Authorized Trader. Nadex will not be responsible in any way for unauthorized transactions in a Trading Member's account.

(f) Each Trading Member is responsible for contracting with an Internet service provider through which it will access the Nadex website and for having a backup service provider if the Trading Member thinks it is necessary. Each Trading Member is also responsible for maintaining an Internet connection speed adequate for its needs. Nadex will not be responsible in any way for any orders delayed or trades missed or not executed in a timely fashion because of failure of the Trading Member's Internet service provider or slowness of its Internet connection speed. No communication from a Trading Member will be deemed to have been received by Nadex until that communication is logged by the Nadex server.

RULE 5.3 TRADING CONTRACTS – TRADING MEMBERS

(a) Trading Members will be able to trade (1) Variable Payout Contracts by entering bids or offers at prices based on the values or levels of the Underlying at which they are willing to open a Long Variable Payout Contract or a Short Variable Payout Contract and (2) Binary Contracts by entering bids to purchase or offers to sell those Contracts at which Trading Members are willing to open or close a long position in a Binary Contract or open or close a short position in a Binary Contract. After logging into the secure portion of the Nadex website, the Trading Member will input its orders into the Nadex trading system.

(b) When a Trading Member's order is matched by an order from another Member(s);

(i) If the Trading Member's order is to enter into one or more Variable Payout Contracts for which that Trading Member does not have an offsetting position in its account, Nadex will check its account to ensure it has enough funds to cover its maximum loss under the Variable Payout Contract(s) it is attempting to enter into. If the Trading Member does not have the necessary funds in its account, Nadex will cancel its order prior to trade execution. If the Trading member does have the necessary funds in its account, Nadex will execute the trade. Upon trade execution, Nadex will: (1) debit the funds from the Trading Member's account in an amount necessary to cover the maximum loss, (2) credit that amount to the Nadex settlement account, and (3) place the Variable Payout Contracts that were the subject of the executed trade into the Trading Member's account and (4) notify the Trading Member by

electronic mail that the trade has been executed. The maximum amount that the Trading Member can lose under a Long Variable Payout Contract (and, therefore, the amount that will be debited from its account and then paid into the Nadex settlement account) is determined by subtracting the Floor from the Opening Trade Value and then multiplying the resulting figure by the Dollar Multiplier. The maximum amount that a Trading Member can lose under a Short Variable Payout Contract is determined by subtracting the Opening Trade Value from the Cap and then multiplying the resulting figure by the Dollar Multiplier.

(ii) If the transaction involves entering into one or more Variable Payout Contracts for which the Trading Member has an offsetting position in its account (for example, entering into a Short Variable Payout Contract of a Series when the Trading Member has a Long Variable Payout Contract of that same Series in its account), upon execution of the trade Nadex will: (1) close the offsetting position in the Trading Member's account; (2) debit the Nadex settlement account in the amount of (A) any gains realized by the offsetting transaction; and (B) any funds that were debited from the Trading Member's account at the time the Variable Payout Contract(s) that is being closed was entered into and that were not also used to pay any losses on such Contract(s); (3) credit those amounts to the Trading Member's account; and (4) notify the Trading Member by electronic mail that the trade has been executed.

(iii) If the Trading Member's order is to enter into one or more Binary Contracts for which it does not have an offsetting position in its account, Nadex will check the Trading Member's account to ensure it has enough funds to cover its maximum loss under the Binary Contract(s) it is attempting to enter into. If the Trading Member does not have the necessary funds in its account, Nadex will cancel its order prior to trade execution. If the Trading Member does have the necessary funds in its account, Nadex will execute the trade. Upon trade execution, Nadex will: (1) debit the funds from the Trading Member's account in an amount necessary to cover the maximum loss, (2) credit those funds to the Nadex settlement account, and (3) place the Binary Contracts that were the subject of the order into the Trading Member's account and (4) notify the Trading Member by electronic mail that the trade has been executed. The maximum amount that a Trading Member can lose under a long position in a Binary Contract (and, therefore, the amount that will be debited from the Trading Member's account and then paid into the Nadex settlement account) is determined by the price at which the Trading Member entered into the long Binary Contract. The maximum amount that the Trading Member can lose under a short position in a Binary Contract is determined by subtracting the price at which it sold the position short from the Binary Contract's Settlement Value. For example, if a Trading Member enters into a short position in a Binary Contract with a \$100 settlement Value at a trade price of \$40, the Trading Member's maximum loss on that position would be \$60 ($\$100 - \$40 = \60).

(iv) If the transaction involves entering into one or more Binary Contracts for which a Trading Member has an offsetting position in its account (for example, selling a position in a Binary Contract of a Series when the Trading Member is long a Binary Contract of that same Series in its account), upon execution of the trade Nadex will: (1) close the offsetting position in the Trading Member's account; (2) debit the Nadex settlement account in the amount of (A) any gains realized by the offsetting transaction; and (B) any funds that were debited from the Trading Member's account at the time the Binary Contract(s) that is being closed was entered into and that were not also used to pay any losses on such Contract(s); (3) credit those amounts to the Trading Member's account; and (4) notify the Trading Member by electronic mail that the trade has been executed.

(c) If a Trading Member's order is placed on the market and not immediately matched by an order from another Member, it will rest on the market until it is matched and executed in accordance with the procedures outlined above in this Rule, until the Member cancels it, or until it is cancelled by Nadex upon the Expiration of the Series or otherwise in accordance with these Rules.

RULE 5.4 TRADING CONTRACTS – CUSTOMERS OF FCM MEMBERS

(a) Nonmembers of Nadex will be able to trade Nadex Contracts only as Customers of an FCM Member and all Customer orders must be transmitted to Nadex from each Customer's FCM Member. Each FCM Member shall maintain a secure connection to Nadex and comply with all technical and other requirements established by Nadex for this purpose.

(b) Each FCM Member shall maintain a separate Nadex Position Account for the positions of each of its Customers and will indicate, when submitting any orders to Nadex, the Customer Position Account for which the order is submitted, as well as any other information required by Nadex.

(c) FCM Members will be able to submit orders for their customers ("FCM Customer Orders") to trade (1) Variable Payout Contracts by submitting bids or offers at prices at which the Customer is willing to open a Long Variable Payout Contract or a Short Variable Payout Contract and (2) Binary Contracts by entering bids to purchase or offers to sell those Contracts at which the Customer is willing to open or close a long position in a Binary Contract or open or close a short position in a Binary Contract.

(d) When a FCM Customer Order is matched by an order from another Member(s):

(i) If the FCM Customer Order is to enter into one or more Variable Payout Contracts for which that Customer does not have an offsetting position in its FCM Customer Position Account, Nadex will check the FCM settlement account to ensure it has enough funds to cover the maximum loss under the Variable Payout Contract(s) that the FCM Customer is attempting to enter into. If the FCM settlement account does not have the necessary funds for that trade, Nadex will cancel the FCM Customer Order prior to trade execution. If the FCM settlement

account does have the necessary funds, Nadex will execute the trade. Upon trade execution, Nadex will: (1) debit the funds from the FCM settlement account in an amount necessary to cover the maximum loss, (2) credit that amount to the Nadex settlement account, (3) place the Variable Payout Contracts that were the subject of the executed trade into the FCM Customer Position Account, and (4) notify the FCM Member by FIX message that the trade has been executed. The maximum amount that the FCM Customer can lose under a Long Variable Payout Contract (and, therefore, the amount that will be debited from the FCM settlement account and then paid into the Nadex settlement account) is determined by subtracting the Floor from the Opening Trade Value and then multiplying the resulting figure by the Dollar Multiplier. The maximum amount that the FCM Customer can lose under a Short Variable Payout Contract is determined by subtracting the Opening Trade Value from the Cap and then multiplying the resulting figure by the Dollar Multiplier.

(ii) If the transaction involves entering into one or more Variable Payout Contracts for which the FCM Customer has an offsetting position in its FCM Customer Position Account (for example, entering into a Short Variable Payout Contract of a Series when the FCM Customer has a Long Variable Payout Contract of that same Series in its FCM Customer Position Account), upon execution of the trade Nadex will: (1) close the offsetting position in the FCM Customer Position Account; (2) debit the Nadex settlement account in the amount of (A) any gains realized by the offsetting transaction; and (B) any funds that were debited from the FCM settlement account at the time the Variable Payout Contract(s) that is being closed was entered into and that were not also used to pay any losses on such Contract(s); (3) credit those amounts to the FCM settlement account; and (4) notify the FCM Member by FIX message that the trade has been executed.

(iii) If the FCM Customer Order is to enter into one or more Binary Contracts for which that Customer does not have an offsetting position in its FCM Customer Position Account, Nadex will check the FCM settlement account to ensure it has enough funds to cover its maximum loss under the Binary Contract(s) it is attempting to enter into. If the FCM settlement account does not have the necessary funds for that trade, Nadex will cancel the FCM Customer Order prior to trade execution. If the FCM settlement account does have the necessary funds, Nadex will execute the trade. Upon trade execution, Nadex will: (1) debit the funds from the FCM settlement account in an amount necessary to cover the maximum loss, (2) credit those funds to the Nadex settlement account, (3) place the Binary Contracts that were the subject of the order into the FCM Customer Position Account and (4) notify the FCM Member by FIX message that the trade has been executed. The maximum amount that the FCM Customer can lose under a long position in a Binary Contract (and, therefore, the amount that will be debited from the FCM settlement account and then paid into the Nadex settlement account) is determined by the price at which the FCM Customer entered into the long Binary Contract. The maximum amount that the FCM Customer can lose under a short position in a Binary Contract is determined by subtracting the price at which it sold

the position short from the Binary Contract's Settlement Value. For example, if a FCM Customer enters into a short position in a Binary Contract with a \$100 Settlement Value at a trade price of \$40, the FCM Customer's maximum loss on that position would be \$60 ($\$100 - \$40 = \60).

(iv) If the transaction involves entering into one or more Binary Contracts for which that Customer has an offsetting position in its FCM Customer Position Account (for example, selling a position in a Binary Contract of a Series when the Customer is long a Binary Contract of that same Series in its FCM Customer Position Account), upon execution of the trade Nadex will: (1) close the offsetting position in the FCM Customer Position Account; (2) debit the Nadex settlement account in the amount of (A) any gains realized by the offsetting transaction; and (B) any funds that were debited from the FCM settlement account at the time the Binary Contract(s) that is being closed was entered into and that were not also used to pay any losses on such Contract(s); (3) credit those amounts to the FCM settlement account; and (4) notify the FCM Member by FIX Message that the trade has been executed.

(e) If a FCM Customer Order is placed on the market and not immediately matched by an order from another Member, it will rest on the market until it is matched and executed in accordance with the procedures outlined above in this Rule, until the FCM Customer cancels it, or until it is cancelled by Nadex upon the Expiration of the Series or otherwise in accordance with these Rules.

RULE 5.5 ORDER ENTRY

(a) Trading Member Orders

(i) A Trading Member will enter orders to trade Contracts by electronic transmission over the Internet. A Trading Member may elect to enter into a FIX Connection agreement with Nadex, which will provide for specific FIX Connection fees, and certain approved Entity Trading Members, such as market makers, may submit orders over a FIX Connection in accordance with Nadex's applicable policies and procedures.

(ii) A Trading Member will enter an order to trade one or more Contracts by indicating to Nadex in the manner required by Nadex: (i) order type (i.e., buy or sell); (ii) the Series of Contract; (iii) the price at which the Trading Member wants to buy or sell the Contract; and (iv) the number of Contracts the Trading Member want to buy or sell.

(iii) In order to enter an order to trade one or more Contracts, a Trading Member will be required to submit the order to Nadex. Once the order is accepted by Nadex, Nadex will assign to the order an order confirmation number. This confirmation number will appear next to the associated order on the Trading Member's Order Ticket and Order History account pages. The Trading Member

will be responsible for any and all order entries confirmed for its account and accepted by Nadex

(b) FCM Customer Orders

(i) A FCM Customer may not submit orders directly to the Exchange and all such order must be submitted by that Customer's FCM Member.

(ii) FCM Members may submit FCM Customer Orders by electronic transmission over a FIX Connection, in accordance with Nadex's applicable policies and procedures.

(iii) FCM Members will submit a FCM Customer Orders to trade one or more Contracts by indicating to Nadex in the manner required by Nadex: (i) order type (i.e., buy or sell); (ii) the Series of Contract; (iii) the limit price at which the FCM Customer wants to buy or sell the Contract; (iv) the number of Contracts the FCM Customer wants to buy or sell; (v) the FCM Customer Position Account identifier; and (vi) the User Identifier for the person who directed the submission of the order to the Exchange.

(iv) Upon receipt of a FCM Customer Order to trade one or more Contracts, a FCM Member will be required to ensure that the FCM Customer has on deposit with the FCM Member enough funds to cover the FCM Customer's maximum loss under the Contract(s) it is attempting to enter into before the order is submitted to Nadex. When the order has been submitted to and accepted by Nadex, Nadex will assign to the order an order confirmation number. This confirmation number will appear next to the associated order on the FCM Member's Order and Order History account pages. The FCM Member will be responsible for any and all order entries confirmed for its FCM Customer Position Accounts and its settlement account and accepted by Nadex.

(c) Nadex's trading system will keep an electronic record of all orders to trade Contracts, and all executed Contract trades. The records kept by Nadex will include all of the terms identified in paragraphs (a)(ii) – (iii) and (b)(iii) – (iv) of this Rule as well as the date and time that the transaction was completed to the nearest tenth of a second, for all executed Contract trades and to the nearest second for all orders to trade Contracts.

RULE 5.6 RECORDKEEPING OF FCM CUSTOMER ORDERS

(a) FCM Members shall maintain an electronic record of all FCM Customer Orders to trade Contracts received by the FCM Member, and all order, trade and expiration confirmations received by the FCM Member regarding its customer's accounts.

(b) Other than the electronic record required in subpart (a) of this rule, no FCM Member is required to create or maintain any separate record for FCM Customer Orders received by a Member or Authorized Trader which are immediately entered onto the Nadex system, unless otherwise required by these Rules. However, if a FCM Member receives a Customer order that cannot be immediately entered into the Nadex system, such Member or

Authorized Trader must prepare a written record of the order and include the account designation, date and time of receipt and order instructions, including price, quantity and order type information. The written record of the order shall be time-stamped when received and appropriately indicate when (i) the order was submitted, (ii) confirmation of execution or cancellation after expiration and/or (iii) the order was cancelled in whole or in part.

(c) All time-stamps required under Rule 5.6(b) must show the time to the nearest minute.

(d) All written orders and any other original records pertaining to orders entered through the Nadex system must be retained by the FCM Member for no less than five years. For orders that were entered immediately upon receipt into the Nadex system, the electronic records required in subpart (a) of this rule shall be deemed the original records of the transaction.

RULE 5.7 HANDLING CUSTOMER ORDERS

(a) **Withholding Orders Prohibited.** No FCM Member may withhold or withdraw from the market any order or any part of an order for the benefit of any Person other than the Person placing the order.

(b) **Disclosing Orders Prohibited**

(i) It is a violation of this Rule 5.7 for any Person to disclose another Person's order to buy or sell any Contracts except as may be requested by Nadex or the Commission.

(ii) It is a violation of this Rule 5.7 for any Person to take action or direct another Person to take action based on non-public order information, however acquired.

(c) **Trading Against Customer Orders Is Prohibited**

(i) No FCM Member or Associated Person thereof in possession of a FCM Customer Order may knowingly enter into a transaction opposite such FCM Customer Order directly or indirectly for him/herself or any other Person with whom such FCM Member or Associated Person has a direct or indirect financial interest.

RULE 5.8 TRANSFER TRADES

(a) A FCM Member may transfer a trade in any Contracts on the Exchange from one FCM Customer account to another account i) within the same FCM Member or ii) to another FCM Member, provided that the transfer would not result in a change in beneficial ownership in any Contract, unless the transfer is made in order to:

(i) correct an error in a previously executed transaction, in which case the FCM Member must be able to provide evidence of such error in a form prescribed by Nadex;

(ii) reflect a change in ownership occurring by operation of law due to the death or bankruptcy of a Person having an ownership interest in such Contract; or

(iii) facilitate a merger, consolidation, disposition of a line of business, reorganization, or similar event affecting such Person.

(b) A Member that transfers a Contract trade shall notify Nadex of the transfer in a manner and form as prescribed by Nadex.

(c) Transfers of FCM Customer trades shall be made at the historic price at which such transactions were executed.

RULE 5.9 DISPUTED ORDERS

(a) If a Member or a FCM Customer believes that an order to trade one or more Contracts was incorrectly executed or rejected by Nadex that Member or FCM Customer may request review of the order by providing the confirmation number for the order and stating the grounds for its disagreement with the handling of the order.

(b) Upon receipt of a request for review of an order and the accompanying confirmation number, Nadex will review its electronic audit trail to determine if the Nadex trading system correctly interpreted and executed the order.

(c) If the review described in paragraph (b) of this Rule reveals that the Nadex trading system made a mistake, the order will be cancelled and the accounts of all Members, including any FCM Customer Position Accounts, that were party to the order will be returned to their state before the trade was executed.

(d) If the review described in paragraph (b) of this Rule reveals that the Nadex trading system did not make a mistake, Nadex will inform the Person who requested the review of its determination that the order was properly handled, the evidence supporting that determination, and that an adjustment will not be made.

(e) A Trading Member or an FCM Member on behalf of a Customer may appeal a determination under paragraph (d) of this Rule to a Nadex compliance officer through the electronic mail address provided on the Nadex website. The Member making the appeal will be required to provide a response to the evidence described in paragraph (d) of this Rule that the order was properly handled, and the Member may provide any other information it wishes to disclose. If the Member's appeal does not contain a response to the evidence described in paragraph (d), it will be rejected. The compliance officer will decide the appeal no later than 10 days after its receipt, and that decision will be final.

(f) Nadex will document in writing all requests for review of orders received by Nadex, the time and manner in which Nadex reviewed its electronic audit trail in response to the request, the outcome of that review, and the action or actions taken by Nadex in response to that review, including the results of any appeal filed under paragraph (e) of this Rule and the review conducted by the compliance officer in deciding that appeal.

RULE 5.10 ACCEPTABLE ORDERS

(a) A Member may enter only limit orders to trade Contracts on the Market.

(b) For the purpose of this Rule, a “limit order” is an order to buy or sell the number of Contracts specified at the price specified, or a better price if a better price is available

RULE 5.11 PRIORITY OF ORDERS

The Market’s trading algorithms execute all trades by matching orders according first by price and then time priority. This means that orders entered at different prices will be executed in order of price, from best to worst, regardless of what time they were placed on the Market, and orders placed on the Market at the same price will be executed in order of time, from oldest to most recent.

RULE 5.12 FILLING ORDERS TO TRADE CONTRACTS

The Nadex trading system will fill all orders to trade Contracts on an “or better” basis. This means that if a Member places an order to buy a Contract or Contracts at a price higher than the price of the best sell offer on the market, the system will fill that order to buy at the better sell offer price(s) until all available sell offers under or equal to that buy order’s limit price are filled or until that buy order is completely filled. Likewise, if a Member enters a sell order at a price lower than the price of the best bid, the system will fill that sell order at the better bid price(s) until all available bids over that sell_order’s limit price are filled or that sell order is completely filled. If an order is only partially filled, the unfilled portion of that order will remain in the order book as a resting order at the limit price specified. Should an opposite order at the same price or better than the original order subsequently be placed in the system, the unfilled portion of the original order will be executed opposite that new order at the original_order’s limit price.

RULE 5.13 MODIFICATION AND CANCELLATION OF ORDERS

(a) A Member can submit instructions to either cancel or modify an order which that Member has placed on the Market if that order has not yet been executed. Upon submission of instructions to either cancel or modify an order that has not been executed, the Nadex system will withdraw the order from the order book and confirm the cancellation of the order. If a Member seeks to amend an order, Nadex will provide the Member with the details of the existing order and the Member will be allowed to change any part of the order except the Underlying. Nadex will then provide a new order confirmation number and inform the Member that the system will treat the modified order as a new order, causing the amended order to lose its original time priority.

(b) Nadex will attempt to modify or cancel an existing order as soon as possible after a Member enters a modification or cancellation instructions. However, the order may be executed before Nadex is able to cancel or modify it. If an order has been filled in whole or in part, a Member may modify or cancel only that portion of the order (if any) that has not been executed.

RULE 5.14 TRADE CANCELLATIONS

(a) Nadex, in its discretion and in accordance with these Rules, may cancel a trade in a Spread Contract that has been executed on the market at a price that is inconsistent with prevailing market conditions due to improper or erroneous orders or quotes being matched on the Market ("Erroneous Trade").

(b) Nadex may review a Spread Contract trade based on its own analysis of the Market or pursuant to a request for review by a Member or other third party. A request for a review by a Member or other third party must be received by Nadex no later than fifteen (15) minutes after the trade has been executed on the Market and before the expiration of the contract. Nadex will promptly determine whether the trade will be subject to review and then promptly post notice indicating that the trade is under review.

(c) During the review, Nadex will calculate a Fair Value for the underlying at the time of the questioned trade by utilizing the last value or price of the Underlying at the time of the trade and/or any other relevant market information obtained or presented to Nadex.

(d) Once a Fair Value has been calculated, 5 percent of the maximum contract value will be added above such Fair Value and below such Fair Value to determine the "No Bust Range". In the event that the Fair Value is less than 5 percent above the Floor or below the Cap, the No Bust Range shall be a 10 percent range above the Floor or below the Cap. During fast market conditions, upon the release of significant news, or in other circumstances in which Nadex determines it is appropriate, Nadex may, without prior notice, temporarily double the No Bust Range.

(e) If Nadex determines that a trade has been executed within the No Bust Range, the executed trade will stand. If Nadex determines that a trade has NOT been executed within the No Bust Range, Nadex will promptly cancel the trade by busting the Erroneous Trade off the market. Once the Erroneous Trade has been cancelled, Nadex shall:

(i) notify the Members that were parties to the Erroneous Trade(s) that Nadex has cancelled the Erroneous Trade(s). Nadex will notify such Members within thirty (30) minutes from receiving notice of the Erroneous Trade unless impractical to do so within the notice period.

(ii) publish all necessary price corrections in a notification on the Nadex website.

(f) The decisions of Nadex regarding Fair Value of the underlying, the No Bust Range, the doubling of the No Bust Range, the cancellation of an Erroneous Trade, or any other determination hereunder shall be final and not subject to appeal.

RULE 5.15 INVALIDATION OF ORDERS UPON SUSPENSION OR REVOCATION OF FCM MEMBER STATUS

(a) Upon suspension or revocation of a FCM Member by Nadex, any open order on the Market for such FCM Member's Customer shall be cancelled by Nadex.

RULE 5.16 INVALIDATION OF TRADES UPON SUSPENSION OR REVOCATION OF FCM MEMBER STATUS

(a) Upon suspension or revocation of a FCM Member by Nadex, any trade subsequently executed on the Market for such FCM Member's Customer shall be invalid. Nadex shall cancel any transaction pursuant to this Rule by entering a counter transaction onto the Market at the price at which the cancelled transaction was effected.

RULE 5.17 VIEWING THE MARKET AND EXECUTED ORDERS

Nadex will allow its Members to view the current best bid and offer on the Market, as well as the depth of the order book up to the fifth level of prices.

RULE 5.18 HOURS FOR TRADING CONTRACTS

The Market will be open for execution of your orders during specified hours in a regular trading session from 6:00 p.m. (T-1) to 5:00 p.m. Eastern Time Sunday through Thursday, and during a regular trading session from 6:00 p.m. (T-1) to 4:15 p.m. Eastern Time on Friday, with the following exceptions:

a) Corn and Soybean Binary and Variable Payout Spread Contracts will be available for trading between the hours of 10:30 a.m. and 2:15 p.m. Eastern Time Monday through Friday.

b) Korea 200 Binary and Variable Payout Contracts will be available for trading between the hours of 7:00 p.m. and 1:05 a.m. Eastern Time¹ Sunday through Friday.

c) Japan 225 Binary and Variable Payout Contracts will be available for trading between the hours of 6:45 p.m. and 1:25 a.m. Eastern Time² Sunday through Friday.

d) India 50 Binary and Variable Payout Contracts will be available for trading between the hours of 11:30 p.m. and 5:00 a.m. Eastern Time³ Sunday through Friday.

¹ During the period when the US observes daylight savings time, all Korea 200 contracts will open and close 1 hour later than their regular defined times.

² During the period when the US observes daylight savings time, all Japan 225 contracts will open and close 1 hour later than their regular defined times.

³ During the period when the US observes daylight savings time, all India 50 contracts will open and close 1 hour later than their regular defined times.

Please note that Nadex trading hours, including the trading hours and trading hours for individual contracts, are subject to change due to holiday, availability of underlying products, emergency, or other event necessitating a halting or closure of trading. Any changes to Nadex trading hours due to a US or foreign holiday will follow the Product Schedule Guidelines for Holidays posted on the Nadex website. Any other changes in trading hours or product availability will be posted on the Nadex website.

Members may access account information when the Market is closed. Members generally may cancel open orders when the market is closed between the hours of 5:00 p.m. and 6:00 p.m. Eastern Time Monday through Thursday, except that Members will be able to cancel Japan 225, India 50, Korea 200, Corn and Soybean Binary and Variable Payout Spread orders only when those contracts are available for trading.

RULE 5.19 PROHIBITED TRANSACTIONS AND ACTIVITIES

(a) Members are prohibited from entering orders on the Market if there are insufficient funds or Contracts in the Member's settlement account to satisfy such orders if they are executed. Subject to the conditions set forth in Rule 9.2(f) and Rule 9.6, if you violate this Rule, the following penalties may apply:

Number of Per Incident Violations Within a Calendar Year	Penalty
1.	\$10 fee deducted from the Member's settlement account.
2.	\$10 fee deducted from the Member's settlement account, and the Member will be required to re-certify that it has read and agree to be bound by this Rule 5.13(a).
3.	\$15 fee deducted from the Member's settlement account, and the Member will be required to give a satisfactory explanation as to why the Rule violation occurred, or (in the case of Trading Members) trading privileges may be suspended for 30 days.
4.	\$20 fee deducted from the Member's settlement account and (in the case of Trading Members) suspension of trading privileges for 30 days (regardless of explanation).
5.	\$25 fee deducted from the Member's settlement account and (in the case of Trading Members) suspension of trading privileges for 6 months (regardless of explanation).
6.	\$30 fee and revocation of trading privileges (regardless of explanation).

Nadex may, in its discretion, take such other action against a Member or market participant if the circumstances warrant, subject to Rule 9.2(f) and Rule 9.6.

(b) No Person shall enter into or attempt to enter into any trade on the Market that has been directly or indirectly prearranged. In other words, a Member may not agree with another Member that one of the Members will enter a trade and the other will attempt to trade against that order by timing the submission of orders or otherwise.

(c) No Person shall enter into or attempt to enter into any trade on the Market that does not result in a change in beneficial ownership, that is designed to unnaturally inflate trading volume, that in any way attempts to circumvent the Market's order processing, trade ordering, and trade execution systems, or otherwise to circumvent exposure of the order to open and competitive bidding on the Market, or that has some other illegitimate purpose.

(d) No Person shall enter into any trade designed or used to cause any price for a Contract other than a true and bona fide price to be reported, registered, or recorded by the Market.

(e) No Person shall trade in, transfer, assign, or otherwise dispose of Contracts other than as provided for in these Rules.

(f) No Person shall enter into or agree to transfer or transfer the benefit of any position in any Contract to another person other than through a transaction executed through the Market.

(g) No individual Trading Member shall trade for a person or entity other than itself and no Authorized Trader of an entity Trading Member shall trade for a person or entity other than the entity Trading Member for whom that Person is an Authorized Trader.

(h) No Person shall engage in any activity that presents a risk of harm to Nadex, its Members, or the public.

(i) No Person shall engage in any activity that adversely affects the integrity of the Market or its underlying systems.

(j) No Person subject to arbitration under these rules shall fail to abide by an arbitration decision or award handed down under Chapter 10 of these Rules.

(k) No Person shall intentionally provide erroneous or fraudulent information to Nadex on a membership application or otherwise.

(l) No Person shall engage in any activity that is intended to, or has the effect of, manipulating the market in violation of Sections 6(c) and 9(a)(2) of the CEA and no Person shall engage in any other activity that would violate the CEA or the Commission's Regulations.

(m) No FCM Member shall enter any bids, offers or transactions on the Market if it knows or should know that it is subject to early warning reporting requirements under Commission Regulation 1.12, is subject to a proceeding in bankruptcy or is otherwise unable to pay its obligations as they become due, without the prior written approval of Nadex.

(n) No FCM Member shall knowingly carry an account, enter an order or effecting any transactions for any employee of Nadex without the prior written consent of the employer.

(o) No Member shall engage in conduct or practices inconsistent with just and equitable principles of trade or conduct or practices detrimental to the best interests of the Exchange, its Members and/or FCM Customers.

(p) No FCM Member that receives an order to buy or sell a Contract for execution on Nadex shall directly or indirectly guarantee the execution of the order or any of its terms, including quantity or price. A Clearing Member may only report to a FCM Customer a trade that has been executed or reported on the Nadex Market.

(q) If a Member is an Insider of any public company that has access to material non-public information that is the subject of an Underlying of any Contract, that Member is prohibited from attempting to enter into any trade or entering into any trade, either directly or indirectly, on the market in such Contracts. An "Insider" means any person who has access to or is in a position to have access to material non-public information before such information is made publicly available. Without limiting the generality of the foregoing restriction, an Insider includes any officer or director of a public company, any employee who works in the company's financial or accounting department, and any employee of the company's accounting firm who performs services for the public company.

RULE 5.20 SPECULATIVE POSITION LIMITS

(a) Nadex has imposed Speculative Position Limits on certain Classes of Contracts as defined in Chapter 12 of these Rules, subject to the exemption and Alternative Position Limits for certain Market Makers defined in Rule 4.4(d). Any Trading Member or FCM Customer who exceeds a Speculative Position Limit or, if applicable, an Alternative Position Limit shall be deemed in violation of this Rule 5.20. In addition, any Trading Member (except for approved Market Makers) or FCM Customer entering bids or offers, if accepted, which would cause that Trading Member or FCM Customer to exceed the applicable Speculative Position Limit shall be in violation of this Rule. In the case of any violation of this Rule by a FCM Customer, that Customer's FCM Member shall be held directly responsible for such violation.

(b) If a Member fails to reduce any position in a manner and time as directed by Nadex, Nadex shall have the authority to liquidate the applicable position to a level below the defined Speculative Position Limit stipulated under the relevant Class of Contracts in Chapter 12 of these Rules or, if applicable, the Alternative Position Limit pursuant to Rule 4.4(d).

(c) In addition to the restrictions and requirements imposed in Section 5.20(a) and (b), the first violation of a Speculative Position Limit or Alternative Position Limit by a Member or FCM Customer shall result in a letter of warning to be issued by the Nadex Compliance Department to the Trading Member or FCM Customer and its FCM Member.

(d) In addition to the restrictions and requirements placed in Section 5.20(c), any subsequent violation of a Speculative Position Limit or Alternative Position Limit within the preceding 12 months by a Trading Member or FCM Customer shall result in the issuance of a second letter of

warning to the Trading Member or FCM Customer and its FCM Member and the suspension or revocation of membership privileges in accordance with Chapter 9 of these Rules.

(e) Position limits shall apply to i) all positions in accounts for which any Person by power of attorney or otherwise, directly or indirectly holds positions or controls trading, and ii) positions held by two or more Persons acting pursuant to an express or implied agreement or understanding the same as if the positions were held by, or the trading of the position were done by, a single individual.

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CHAPTER 6 SETTLING CONTRACT TRADES, CONTRACTS AT EXPIRATION, AND MEMBER WITHDRAWAL REQUESTS

RULE 6.1 SETTLING CONTRACT TRADES

(a) Nadex will maintain, on its system, a record of each Member's account balances and Contracts and (b) each FCM Member's settlement account balance and, by subaccount, the positions of each of its FCM Customers. Nadex will also maintain a "Nadex settlement account," which will reflect funds used by Members to buy and sell Contracts. Nadex will also maintain a "Nadex proprietary account," which will be credited with all fees debited from Member accounts due to trades and expiration settlements. All settlements among these accounts on the Nadex system will be instantaneous.

(b) All funds in Member accounts and in the Nadex settlement account will be maintained in an account at the Nadex settlement bank that is designated as a customer segregated funds account under the CEA and the Commission's Regulations. Because those funds will be commingled at the settlement bank, transfers among Member accounts and transfers between Member accounts and the Nadex settlement account will not be transmitted to the settlement bank. Such records will only be maintained on the Nadex system. However, once every settlement bank business day, Nadex will send to its settlement bank by batch mode electronic transmission instructions for the settlement bank to transfer fees credited by Nadex to the Nadex proprietary account on its system from the customer segregated funds account at the settlement bank to the Nadex proprietary account at the settlement bank.

(c) The settlement bank will complete the transfer in the settlement instructions described in paragraph (b) of this Rule and notify Nadex of its completion.

RULE 6.2 SETTLING CONTRACTS AT EXPIRATION

(a) When a Series of Variable Payout Contracts expires, those Contracts will settle in an amount (if any) determined by the calculations set forth in the definitions for Long and Short Variable Payout Contracts set forth in Chapter 1 of these Rules. When a Series of Binary Contracts expires and has a Payout Criterion that encompasses the Expiration Value of the Underlying, such Binary Contract will pay the Settlement Value for such Binary Contracts (e.g. \$100) to the holders of long positions in such Binary Contracts. Conversely, when a Series of Binary Contracts expires and has a Payout Criterion that does NOT encompass the Expiration Value of the Underlying, such Binary Contract will pay the Settlement Value for such Binary Contracts (e.g \$100) to the holders of a short positions in such Binary Contracts.

(b) On the Settlement Date;

(i) Nadex will notify all Members which Contract is going to pay a Settlement Value and which Contract will not pay a Settlement Value.

(ii)Nadex will immediately settle the Variable Payout Contracts by (A) debiting Nadex's settlement account in an amount equal to (1) any gains realized by Members (including customers of FCM Members) plus (2) any blocked funds that were debited from Members' accounts at the time the Variable Payout Contracts that are expiring were entered into that are not used to pay any losses on such Contract(s) and (B) crediting those amounts, respectively, to the accounts of (1) Members who realized such gains, in each case in the amount of such gains realized by each Member (including Customers of FCM Members), and (2) Members from whose accounts such blocked funds were taken, in each case in the amount of such blocked funds that was not required to pay losses experienced by such accounts on such Contracts.

(iii)Nadex will immediately settle the Binary Contracts by debiting the Nadex's settlement account in an amount no less than the Settlement Value for such Contracts multiplied by the total number of outstanding in-the-money Binary Contract positions and credit those funds to the settlement accounts of the Members holding the in-the-money Binary Contract positions (or, in the case of Customers of FCM Members holding the in-the-money Binary Contract positions, to the settlement account of the FCM Member).

(iv)Nadex will delete all Contracts of the expiring Series from Trading Members' accounts and FCM Customer Position Accounts, as applicable.

(c) Any Person who believes there has been an error in settlement, you must report that error to Nadex immediately. Such report must state the basis for the belief that there has been an error in settlement. If Nadex receives notice of a settlement error before the end of the fifth Trading Day following settlement, Nadex will review that report and will correct any error that Nadex determines has been made. If Nadex does not receive notice of an error of settlement before the end of the fifth Trading Day following settlement, then (i) settlement will be final and (ii) all Members agree that Nadex shall not be responsible to you in any fashion for an uncorrected error in settlement.

RULE 6.3 SETTLING MEMBER WITHDRAWAL REQUESTS

Within one settlement bank business day of when a Member requests to withdraw funds from its Nadex account, Nadex will transmit such request to its settlement bank in electronic batch mode transmission. The settlement bank will process that request and send those funds to the account at the Financial Institution registered with Nadex by the Member (unless the Member and, in the case of FCM Members, any FCM Customer of that FCM Member has unsatisfied outstanding obligations on Nadex, in which case Nadex may retain such balances as necessary to satisfy such obligations or until the Member otherwise satisfies such obligations). The Member should refer to Nadex's website under the Fee Schedule for all fees and costs associated with withdrawal of funds from the Member's Nadex account.

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CHAPTER 7 ADJUSTMENTS NECESSITATED BY MATERIAL CHANGES IN THE UNDERLYING

RULE 7.1 ADJUSTMENTS

In the event that, prior to or during the term of a Series, changes beyond the control of Nadex occur in the availability of the Underlying, the way the Underlying is calculated or an Expiration Value for the Underlying is unavailable or undefined in light of intervening events, Nadex may delay listing Series or adjust the terms of outstanding Series as it deems appropriate in its discretion to achieve fairness to holders of Contracts of the affected Series. In addition, if the outcome of the underlying event is unclear, Nadex may, at its sole discretion, delay settlement of the Series until the outcome is clear to Nadex as determined by reasonable means. While it is impossible to provide in advance for all possible events that could require an adjustment to be made, Nadex will abide by any guidelines that may be established in this Chapter for making Contract adjustments.

RULE 7.2 GOVERNMENT ACTIONS

Any change in instructions, order, ruling, directive, or law issued or enacted by any court or agency of the Federal Government of the United States that conflicts with the Rules contained in this Chapter shall take precedence, immediately become a part of these Rules, and be effective for all currently traded and newly listed Series.

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CHAPTER 8 INVESTMENT OF MEMBER ACCOUNT FUNDS

Member funds on deposit with Nadex and funds in the Nadex settlement account (i.e., the account containing the funds paid by Members to purchase Contracts and which are to be used to pay Members holding in-the-money Contracts at expiration) will be segregated as customer funds in accordance with the Commission's Regulations. Nadex may invest such funds subject to the limitations and conditions set forth in Commission Regulation 1.25. Nadex will pay interest to Members' accounts at a floating rate to be determined by Nadex on funds in Members' Nadex accounts in excess of an amount to be determined by Nadex. Nadex will retain all profit from investment of Member funds not paid to Members in accordance with the preceding sentence.

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CHAPTER 9 RULE ENFORCEMENT

RULE 9.1 MONITORING THE MARKET

Nadex's trading system will record and store for a period of not less than 5 years in a searchable, read-only database a record of all data entered into the Nadex trading system, including the Member's identity and the information in Rule 5.5. Such records shall be maintained in a readily available manner during the first two years. Nadex shall conduct market surveillance and trade practice surveillance using this data with programs designed to alert Nadex when potentially unusual trading activity takes place. Nadex will initiate review and, where appropriate, investigate such unusual trading activity. Nadex will also investigate any time it has other reason to believe that inappropriate activity of any sort is taking place on the Market or its website.

RULE 9.2 INVESTIGATIONS, HEARINGS, AND APPEALS

(a) Nadex has a compliance department consisting of one or more compliance staff. The Chief Regulatory Officer is responsible for overseeing the compliance department. The Compliance Department shall investigate unusual trading activity or other activity that the Compliance Department has reasonable cause to believe could constitute a violation of these Rules. Nadex retains hearing officers, who adjudicate findings by the Compliance Department that are disputed by Members. Hearing officers and the Compliance Department may not communicate regarding the merits of a matter brought before the hearing officer without informing the Member who is the subject of the communication of its substance and allowing the Member an opportunity to respond. The Compliance Department and hearing officers may compel testimony, subpoena documents, and require statements under oath from any Member or its authorized representative. Hearing officers, Compliance Department staff and other employees or agents of Nadex working under their supervision, may not be a Member or an authorized representative of a Member or trade, directly or indirectly, in any commodity interest traded on or subject to the rules of any registered contract market.

(b) The Compliance Department will endeavor to complete any investigation within four months, unless there exists significant reason to extend it beyond such period. Upon the conclusion of any investigation, the Compliance Department will draft a document detailing the facts that led to the opening of the investigation, the facts that were found during the investigation, and the Compliance Department's analysis and conclusion. If the Compliance Department concludes that there is reasonable cause to believe a Member has violated Nadex's Rules or other applicable statutes or regulations, the Compliance Department will submit by electronic mail to the Member whose activity is the subject of the investigation a report that will include:

- (i) the reason the investigation was begun;
- (ii) the charges or a summary of the charges;

- (iii) the response, if any, or a summary of the response;
- (iv) a summary of the investigation conducted;
- (v) findings and conclusions as to each charge, including which of these Rules the Member or its authorized representative violated, if any; and
- (vi) the penalty, if any, proposed by the Compliance Department.

(c) If the Compliance Department institutes an investigation in which any affiliate of Nadex is a subject, Nadex's Chief Regulatory Officer shall notify the Commission's Division of Market Oversight of that fact. At the conclusion of any such investigation, the Chief Regulatory Officer shall provide the Commission's Division of Market Oversight with a copy of the documentation specified in subparagraph (b) of this Rule.

(d) The Member whose activity is the subject of the investigation may contest the Compliance Department's findings by forwarding a response to those findings by electronic mail to the Compliance Department within 15 days. The Member has a right to examine the evidence relied upon by the Compliance Department. The Member's response must contain a detailed response to the findings and conclusions as to each charge and any other information the Member thinks is relevant.

(e) If the findings of the Compliance Department are not contested by the Member, Nadex will deem those findings admitted by the Member and impose the penalty (if any) proposed by the Compliance Department. The Member will be notified of the imposition of any penalty by electronic mail.

(f) If the findings of the Compliance Department are contested, the Compliance Department's report and the Member's response will be submitted to a Nadex hearing officer. The hearing officer will conduct a telephonic hearing with the Compliance Department and the Member within 20 days of receipt of the Member's response contesting the compliance officer's finding and/or proposed sanction and, within 20 days after that hearing, issue findings, which will be delivered to the Member by electronic mail. Prior to the hearing, the parties may (but need not) submit proposed findings, briefs, and exhibits (including affidavits), and during the hearing the parties may present witnesses. The telephonic hearing will be recorded, and all information submitted by the parties (including the Compliance Department's report and the Member's response) as well as the recording of the hearing, will be preserved by the Compliance Department, along with the hearing officer's findings, as the record of the proceedings (the "hearing record"). The findings of the hearing officer will contain the following information:

- (i) a brief description of the allegations;
- (ii) a brief summary of the evidence received;
- (iii) findings and conclusions;

(iv) a declaration of any penalty to be imposed on the Member as the result of the findings and conclusions;

(v) the effective date and duration of that penalty; and

(vi) a statement that the Member has the right to appeal any adverse decision by the hearing officer to the Nadex board of directors, but must do so within 15 days.

(g) Either the Member or the Compliance Department may appeal the decision of the hearing officer within 15 days by filing an appeal by electronic mail with the Nadex board of directors and forwarding a copy to the other parties to the appeal. Any penalties will be stayed pending appeal unless the hearing officer determines that a stay pending appeal would likely be detrimental to the exchange, other Members, or the public. The board of directors will review the hearing record and any information submitted by the Compliance Department and the Member on appeal and issue its decision, which shall be final. The member shall be notified of the decision by electronic mail. The hearing record, any information submitted on appeal, and the board's decisions shall be preserved as the record on appeal. The decision will contain the information listed in paragraph (f) of this Rule, except for (f)(vi), and will also contain:

(i) a statement that any person aggrieved by the action may have a right to appeal the action pursuant to Part 9 of the Commission's Regulations, within 30 days of service; and

(ii) a statement that any person aggrieved by the action may petition the Commission for a stay pursuant to Part 9 of the Commission's Regulations, within 10 days of service.

RULE 9.3 SETTLEMENT OF INVESTIGATIONS

(a) Nadex may enter into settlements with any Member or its authorized representative who is the subject of an investigation. The Member, or its authorized representative may initiate a settlement offer. Any settlement offer shall be forwarded to a Nadex hearing officer with a recommendation by the Compliance Department that the proposed settlement be accepted, rejected, or modified. A settlement offer may be withdrawn at any time before it is accepted by the hearing officer.

(b) The hearing officer may accept or reject a proposed settlement, and the decision of the hearing officer will be final. In addition, the hearing officer may propose a modification to the proposed settlement for consideration by the Member or its authorized representative and the Compliance Department.

(c) Any settlement under this Rule will be written and will state:

(i) the charges or a summary of the charges;

(ii) the response, if any, or a summary of the response;

(iii) a summary of the investigation conducted;

(iv) findings and conclusions as to each charge, including each act the person charged was found to have committed or omitted, be committing or omitting, or be about to commit or omit, and each of these Rules that such act or practice violated, is violating, or is about to violate; and

(v) any penalty imposed and the penalty's effective date.

(d) Failed settlement negotiations, or withdrawn settlement offers, will not prejudice a Member or otherwise affect subsequent procedures in the rule enforcement process.

RULE 9.4 NOTICE AND PUBLICATION OF DECISION

(a) Nadex will provide to the person charged and to the Commission a copy of an adverse investigation report, appeal determination, or settlement within 30 days after it becomes final in accordance with the provisions of Commission Regulation 9.11.

(b) Within 30 days after a decision becomes final, notice of any decision providing that a Member is suspended, expelled, disciplined or denied access to the Exchange shall be provided to the National Futures Association for inclusion in its internet accessible database of disciplinary matters. Additionally, Nadex will promptly report such decisions on its website.

RULE 9.5 PENALTIES

As a result of a disciplinary proceeding or as part of a settlement, Nadex may impose one or more of the following penalties:

(a) a letter of warning, censure, or reprimand;

(b) a fine or penalty fee;

(c) suspension of membership status or privileges for a specified period, including partial suspension of such privileges (for example, suspension of trading privileges in particular types of Contracts or of placement of certain types of orders); and

(d) revocation of membership status or privileges, including partial revocation of such privileges (for example, revocation of trading privileges in particular types of Contracts or of placement of certain types of orders).

RULE 9.6 SUMMARY SUSPENSION

(a) Nadex may summarily suspend or restrict a Member (or any of its Authorized Traders or, in the case of FCM Members, its customers) privileges if the Chief Regulatory Officer believes suspension or restriction is necessary to protect the commodity futures markets, Nadex, the public, or other Members.

(b) Whenever practicable Nadex will notify the Member whose privileges are to be summarily suspended by electronic mail before the action is taken. If prior notice is not practicable, the Member shall be served with notice by electronic mail at the earliest opportunity. This notice shall:

- (i) state the action taken or to be taken;
- (ii) briefly state the reasons for the action;
- (iii) state the time and date when the action became or becomes effective and its duration; and
- (iv) state that any person aggrieved by the action may petition the Commission for a stay of the effective date of the action pending a hearing pursuant to Part 9 of the Commission's Regulations, within 10 days of service.

(c) The Member (or Authorized Trader or customer of an FCM Member) whose privileges are to be summarily suspended shall be given an opportunity for appeal under the procedures outlined in Rule 9.2(f) of these Rules. The decision affirming, modifying, or reversing the summary suspension shall be furnished by electronic mail to the suspended Member or Authorized Trader or, with respect to a FCM Customer, to the FCM Member, and the Commission no later than one business day after it is issued. The decision shall contain:

- (i) a description of the action taken and the reasons for the action;
- (ii) a brief summary of the evidence received during the appeal process;
- (iii) findings and conclusions;
- (iv) a determination as to whether the summary action that was taken should be affirmed, modified, or reversed;
- (v) a declaration of any action to be taken against the suspended Member as the result of that determination;
- (vi) the effective date and duration of that action;
- (vii) a determination of the appropriate relief based on the findings and conclusions;
- (viii) a statement that any person aggrieved by the action may have a right to appeal the action pursuant to Part 9 of the Commission's Regulations, within 30 days of service; and
- (ix) a statement that any person aggrieved by the action may petition the Commission for a stay pursuant to Part 9 of the Commission's Regulations, within 10 days of service.

RULE 9.7 REPRESENTATION BY COUNSEL

A Member, Authorized Trader or FCM Customer who is a subject of any proceedings under this Chapter has the right to retain and be represented by counsel during such proceedings.

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CHAPTER 10 LIMITATION OF LIABILITY; TIME PERIOD IN WHICH TO BRING ACTIONS; GOVERNING LAW; ARBITRATION

RULE 10.1 LIMITATION OF LIABILITY

(a) EACH MEMBER OF NADEX AGREES THAT NEITHER NADEX NOR ITS OFFICERS, DIRECTORS, AGENTS, EMPLOYEES, AND/OR SOFTWARE, HARDWARE, AND SERVICE PROVIDERS (COLLECTIVELY REFERRED TO AS “NADEX PARTIES”) SHALL HAVE ANY RESPONSIBILITY FOR COMPLIANCE BY MEMBER WITH ANY LAW OR REGULATION GOVERNING MEMBER’S CONDUCT. MOREOVER, EACH MEMBER OF NADEX ALSO AGREES THAT NO NADEX PARTY SHALL BE LIABLE IN ANY MANNER WHATSOEVER FOR ANY LOSS OR DAMAGE SUSTAINED BY MEMBER, INCLUDING ANY CONSEQUENTIAL LOSS, LOSS OF PROFIT OR LOSS OF TRADING OPPORTUNITY, AS A RESULT OF ANY ACTUAL OR PROPOSED TRANSACTIONS OR AS A DIRECT OR INDIRECT RESULT OF ANY SERVICES PROVIDED BY NADEX PARTIES (INCLUDING, WITHOUT LIMITATION, ANY FAILURE IN NADEX’S SYSTEMS OR ANY INACCURATE INFORMATION PROVIDED BY A NADEX PARTY), UNLESS THE RELEVANT NADEX PARTY IS DETERMINED BY FINAL RULING OF AN ARBITRATION PROCEEDING TO HAVE ACTED OR FAILED TO ACT IN A MANNER THAT IS GROSSLY NEGLIGENT, RECKLESS, OR FRAUDULENT. FOR THE AVOIDANCE OF DOUBT, NOTHING IN THIS RULE IS INTENDED TO LIMIT THE LIABILITY OF ANY PERSON AS MAY BE PROVIDED IN THE CEA, THE REGULATIONS OF THE COMMISSION, OR BY ACTS OF WILLFUL OR WANTON MISCONDUCT OR FRAUD.

(b) EACH MEMBER OF NADEX AGREES THAT IT MAY NOT BRING ANY ACTION AGAINST A NADEX PARTY UNLESS IT BRINGS SUCH ACTION WITHIN 2 YEARS OF THE FIRST OCCURRENCE OR LACK OF OCCURRENCE OF THE ACT OR OMISSION COMPLAINED OF.

(c) EACH MEMBER OF NADEX AGREES THAT ANY ACTION IT BRINGS AGAINST A NADEX PARTY WILL BE GOVERNED BY ILLINOIS LAW, WITHOUT REGARD TO STATUTES, PRECEDENT, LEGAL DOCTRINE, OR CONTRACTUAL PROVISIONS THAT WOULD REQUIRE THE APPLICATION OF THE LAWS OF A DIFFERENT JURISDICTION.

(d) EACH MEMBER OF NADEX AGREES THAT ANY ACTION IT BRINGS AGAINST A NADEX PARTY OR AGAINST ANOTHER NADEX MEMBER WILL BE RESOLVED BY BINDING ARBITRATION, IN ACCORDANCE WITH THE RULES OF THIS CHAPTER AND OTHER RULES OF NADEX, IF APPLICABLE.

RULE 10.2 ARBITRATION OF MEMBER-MEMBER DISPUTES

Any dispute, controversy, or claim between or among Members arising out of or relating to transactions on Nadex shall be submitted to binding arbitration in Cook County, Illinois before, and according to the Member arbitration rules of, National Futures Association. The decision of the arbitrator or arbitrators will be final, and judgment upon that decision may be entered in any court of competent jurisdiction. Unless the arbitrator or arbitrators find that one of the parties has acted in bad faith, each party will pay its own expenses.

RULE 10.3 ARBITRATION OF NADEX-MEMBER DISPUTES

Any dispute, controversy, or claim brought against Nadex by any Member shall be submitted to binding arbitration in Cook County, Illinois before, and according to the arbitration rules of, National Futures Association. The decision of the arbitrator or arbitrators will be final, and judgment upon that decision may be entered in any court of competent jurisdiction. Unless the arbitrator or arbitrators find that one of the parties has acted in bad faith, each party will pay its own expenses. Upon request of either party the arbitrator or arbitrators will make a finding as to whether Nadex has acted in a manner that is grossly negligent, reckless, or fraudulent.

RULE 10.4 ARBITRATION OF FCM MEMBER-CUSTOMER DISPUTES

Any dispute, controversy, or claim brought against any FCM Member by a customer may be submitted to binding arbitration in Cook County, Illinois before, and according to the customer arbitration rules of, National Futures Association. The decision of the arbitrator or arbitrators will be final, and judgment upon that decision may be entered in any court of competent jurisdiction. Unless the arbitrator or arbitrators find that one of the parties has acted in bad faith, each party will pay its own expenses.

RULE 10.5 FAILURE TO ABIDE BY ARBITRATION DECISION

It will be a violation of the Nadex Rules for a Member to fail to pay an award or otherwise satisfy or abide by a judgment in arbitration, and Nadex may take disciplinary action against any such Member, including suspension or revocation of Membership.

RULE 10.6 CHANGE IN ARBITRATION PROCEDURE

Nadex will file all changes to its arbitration procedure with the Commission.

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CHAPTER 11 COMMISSION REGULATIONS THAT HAVE BEEN ADAPTED TO BE PART OF THE RULES

The following Rules are adaptations of regulations adopted by the Commission. They must be followed by Members and Nadex itself, and any violation of these regulations will be a punishable violation of the Rules.

RULE 11.1 ACTIVITIES OF SELF-REGULATORY ORGANIZATION EMPLOYEES AND GOVERNING MEMBERS WHO POSSESS MATERIAL, NON-PUBLIC INFORMATION (ADAPTED FROM COMMISSION REGULATION 1.59)

(a) Definitions. For purposes of this Rule:

(1) Self-regulatory organization means “self-regulatory organization,” as defined in Commission regulation 1.3(ee), and includes the term “clearing organization,” as defined in Commission regulation 1.3(d).

(2) Governing board member means a member, or functional equivalent thereof, of the board of governors of a self-regulatory organization.

(3) Committee member means a member, or functional equivalent thereof, of any committee of a self-regulatory organization.

(4) Employee means any person hired or otherwise employed on a salaried or contract basis by a self-regulatory organization, but does not include:

(i) Any governing board member compensated by a self-regulatory organization solely for governing board activities; or

(ii) Any committee member compensated by a self-regulatory organization solely for committee activities; or

(iii) Any consultant hired by a self-regulatory organization.

(5) Material information means information which, if such information were publicly known, would be considered important by a reasonable person in deciding whether to trade a particular commodity interest on a contract market. As used in this Rule, “material information” includes, but is not limited to, information relating to present or anticipated cash, futures, or option positions, trading strategies, the financial condition of members of self-regulatory organizations or members of linked exchanges or their customers or option customers, or the regulatory actions or proposed regulatory actions of a self-regulatory organization or a linked exchange.

(6) Non-public information means information which has not been disseminated in a manner which makes it generally available to the trading public.

(7) Linked exchange means:

(i) any board of trade, exchange or market outside the United States, its territories or possessions, which has an agreement with a contract market in the United States that permits positions in a commodity interest which have been established on one of the two markets to be liquidated on the other market;

(ii) any board of trade, exchange or market outside the United States, its territories or possessions, the products of which are listed on a United States contract market or a trading facility thereof; or

(iii) any securities exchange, the products of which are held as margin in a commodity account or cleared by a securities clearing organization pursuant to a cross-margining arrangement with a futures clearing organization which clears the products of any of the foregoing markets.

(8) Commodity interest means any commodity futures or commodity option contract traded on or subject to the rules of a contract market or linked exchange, or cash commodities traded on or subject to the rules of a board of trade which has been designated as a contract market.

(9) Related commodity interest means any commodity interest which is traded on or subject to the rules of a contract market, linked exchange, or other board of trade, exchange or market, other than the self-regulatory organization by which a person is employed, and with respect to which:

(i) Such employing self-regulatory organization has recognized or established intermarket spread margins or other special margin treatment between that other commodity interest and a commodity interest which is traded on or subject to the rules of the employing self-regulatory organization; or

(ii) Such other self-regulatory organization has recognized or established intermarket spread margins or other special margin treatment with another commodity interest as to which the person has access to material, nonpublic information.

(10) Pooled investment vehicle means a trading vehicle organized and operated as a commodity pool within Commission Regulation 4.10(d), and whose units of participation have been registered under the Securities Act of 1933, or a trading vehicle for which Commission Regulation 4.5 makes available relief from regulation as a commodity pool operator, i.e., registered investment companies, insurance company separate accounts, bank trust funds, and certain pension plans.

(b) Employees of self-regulatory organizations; Self-regulatory organization rules.

(1) Nadex must maintain in effect Rules which have been submitted to the Commission pursuant to Section 5c(c) of the Act and Commission Regulations 38.4(a) or 39.4(a) and 40.5 that, at a minimum, prohibit:

(i) Employees of Nadex from trading, directly or indirectly, in any commodity interest traded on or cleared by Nadex or in any related commodity interest;

(ii) Employees of Nadex from trading directly or indirectly in any commodity interest traded on or cleared by contract markets or clearing organizations other than Nadex and in any commodity interest traded on or cleared by a linked exchange if the employee has access to material non-public information concerning such commodity interest.

(c) Members of Nadex's governing boards and committees and Nadex consultants; Nadex's Rules. Nadex must maintain in effect Rules which have been submitted to the Commission pursuant to Section 5c(c) of the Act and Commission Regulations 38.4(a) or 39.4(a) and 40.5 which provide that no member of Nadex's governing board or of a committee of Nadex and no Nadex consultant shall use or disclose, for any purpose other than the performance of such person's official duties as a governing board or committee member or consultant, material, non-public information obtained as a result of such person's participation on any committee or governing board of Nadex or as a consultant of Nadex.

(d) Prohibited conduct.

(1) No person who is an employee of, a member of the governing board of, or a member of any committee of, or a consultant of Nadex shall:

(i) Trade for such person's own account, or for or on behalf of any other account, in any commodity interest on the basis of any material, non-public information obtained through special access related to the performance of such person's official duties as an employee, board or committee member, or consultant; or

(ii) Disclose for any purpose inconsistent with the performance of such person's official duties as an employee, board or committee member, or consultant, any material, non-public information obtained through special access related to the performance of such duties.

(2) No person shall trade for such person's own account, or for or on behalf of any account, in any commodity interest, on the basis of any material, non-public information that such person knows was obtained in violation of paragraph (d)(1) from an employee of, a member of the governing board of, a member of any committee, or a consultant of a self-regulatory organization.

RULE 11.2 SERVICE ON SELF-REGULATORY ORGANIZATION GOVERNING BOARDS OR COMMITTEES BY PERSONS WITH DISCIPLINARY HISTORIES (ADAPTED FROM COMMISSION REGULATION 1.63)

(a) Definitions. For purposes of this section:

(1) Self-regulatory organization means a "self-regulatory organization" as defined in Commission Regulation 1.3(ee), and includes a "clearing organization" as defined in Commission Regulation 1.3(d), except as defined in paragraph (b)(6) of this Rule.

(2) Disciplinary committee means any person or committee of persons, or any subcommittee thereof, that is authorized by a self-regulatory organization to issue

disciplinary charges, to conduct disciplinary proceedings, to settle disciplinary charges, to impose disciplinary sanctions or to hear appeals thereof.

(3) Arbitration panel means any person or panel empowered by a self-regulatory organization to arbitrate disputes involving such organization's members or their customers.

(4) Oversight panel means any panel authorized by a self-regulatory organization to review, recommend or establish policies or procedures with respect to the self-regulatory organization's surveillance, compliance, rule enforcement or disciplinary responsibilities.

(5) Final decision means:

(i) A decision of a self-regulatory organization which cannot be further appealed within the self-regulatory organization, is not subject to the stay of the Commission or a court of competent jurisdiction, and has not been reversed by the Commission or any court of competent jurisdiction; or,

(ii) Any decision by an administrative law judge, a court of competent jurisdiction or the Commission which has not been stayed or reversed.

(6) Disciplinary offense means:

(i) Any violation of the rules of a self-regulatory organization except those rules related to;

(A) Decorum or attire,

(B) Financial requirements, or

(C) Reporting or recordkeeping unless resulting in fines aggregating more than \$5,000 within any calendar year;

(ii) Any rule violation described in subparagraphs (a)(6)(i) (A) through (C) of this Rule which involves fraud, deceit or conversion or results in a suspension or expulsion;

(iii) Any violation of the Act or the regulations promulgated thereunder;

(iv) Any failure to exercise supervisory responsibility with respect to acts described in paragraphs (a)(6)(i) through (iii) of this Rule when such failure is itself a violation of either the rules of a self-regulatory organization, the Act or the regulations promulgated thereunder; or

(v) A disciplinary offense must arise out of a proceeding or action which is brought by a self-regulatory organization, the Commission, any federal or state agency, or other governmental body.

(7) Settlement agreement means any agreement consenting to the imposition of sanctions by a self-regulatory organization, a court of competent jurisdiction or the Commission.

(b) Nadex must maintain in effect Rules which have been submitted to the Commission pursuant to Section 5c(c) of the Act and Commission Regulations 38.4(a) or 39.4(a) and 40.5 that render a person ineligible to serve on its disciplinary committees, arbitration panels, oversight panels or governing board who:

(1) Was found within the prior three years by a final decision of a self-regulatory organization, an administrative law judge, a court of competent jurisdiction or the Commission to have committed a disciplinary offense;

(2) Entered into a settlement agreement within the prior three years in which any of the findings or, in the absence of such findings, any of the acts charged included a disciplinary offense;

(3) Currently is suspended from trading on any contract market, is suspended or expelled from membership with any self-regulatory organization, is serving any sentence of probation or owes any portion of a fine imposed pursuant to either:

(i) A finding by a final decision of a self-regulatory organization, an administrative law judge, a court of competent jurisdiction or the Commission that such person committed a disciplinary offense; or,

(ii) A settlement agreement in which any of the findings or, in the absence of such findings, any of the acts charged included a disciplinary offense.

(4) Currently is subject to an agreement with the Commission or any self-regulatory organization not to apply for registration with the Commission or membership in any self-regulatory organization;

(5) Currently is subject to or has had imposed on him within the prior three years a Commission registration revocation or suspension in any capacity for any reason, or has been convicted within the prior three years of any of the felonies listed in section 8a(2)(D) (ii) through (iv) of the Act; or

(6) Currently is subject to a denial, suspension or disqualification from serving on the disciplinary committee, arbitration panel or governing board of any self-regulatory organization as that term is defined in section 3(a)(26) of the Securities Exchange Act of 1934.

(c) No person may serve on a disciplinary committee, arbitration panel, oversight panel or governing board of Nadex if such person is subject to any of the conditions listed in paragraphs (b) (1) through (6) of this Rule.

(d) Nadex shall submit to the Commission a schedule listing all those rule violations which constitute disciplinary offenses as defined in paragraph (a)(6)(i) of this Rule and to the extent necessary to reflect revisions shall submit an amended schedule within thirty days of the end of each calendar year. Nadex must maintain and keep current the schedule required by this section, post the schedule in a public place designed to provide notice to members and otherwise ensure its availability to the general public.

(e) Nadex shall submit to the Commission within thirty days of the end of each calendar year a certified list of any persons who have been removed from its disciplinary committees, arbitration panels, oversight panels or governing board pursuant to the requirements of this regulation during the prior year.

(f) Whenever Nadex finds by final decision that a person has committed a disciplinary offense and such finding makes such person ineligible to serve on that self-regulatory organization's disciplinary committees, arbitration panels, oversight panels or governing board, Nadex shall inform the Commission of that finding and the length of the ineligibility in any notice it is required to provide to the Commission pursuant to either section 17(h)(1) of the Act or Commission Regulation 9.11.

**RULE 11.3 VOTING BY INTERESTED MEMBERS OF SELF-REGULATORY
ORGANIZATION GOVERNING BOARDS AND VARIOUS COMMITTEES
(ADAPTED FROM COMMISSION REGULATION 1.69)**

(a) Definitions. For purposes of this section:

(1) Disciplinary committee means any person or committee of persons, or any subcommittee thereof, that is authorized by Nadex to issue disciplinary charges, to conduct disciplinary proceedings, to settle disciplinary charges, to impose disciplinary sanctions, or to hear appeals thereof in cases involving any violation of the Rules of Nadex except those cases where the person or committee is authorized summarily to impose minor penalties for violating Rules regarding decorum, attire, the timely submission of accurate records for clearing or verifying each day's transactions or other similar activities.

(2) Family relationship of a person means the person's spouse, former spouse, parent, stepparent, child, stepchild, sibling, stepbrother, stepsister, grandparent, grandchild, uncle, aunt, nephew, niece or in-law.

(3) Governing board means Nadex's board of directors, board of governors, board of managers, or similar body, or any subcommittee thereof, duly authorized, pursuant to a rule of Nadex that has been approved by the Commission or has become effective pursuant to Section 5c(c) of the Act and Commission Regulations 38.4(a) or 39.4(a) and 40.5 to take action or to recommend the taking of action on behalf of Nadex.

(4) Oversight panel means any panel, or any subcommittee thereof, authorized by Nadex to recommend or establish policies or procedures with respect to Nadex's surveillance, compliance, rule enforcement, or disciplinary responsibilities.

(5) Member's affiliated firm is a firm in which the member is a "principal," as defined in Commission Regulation 3.1(a), or an employee.

(6) Named party in interest means a person or entity that is identified by name as a subject of any matter being considered by a governing board, disciplinary committee, or oversight panel.

(7) Self-regulatory organization means a "self-regulatory organization" as defined in Commission Regulation 1.3(ee) and includes a "clearing organization" as defined in Commission Regulation 1.3(d), but excludes registered futures associations for the purposes of paragraph (b)(2) of this section.

(8) Significant action includes any of the following types of Nadex actions or rule changes that can be implemented without the Commission's prior approval:

(i) Any actions or rule changes which address an "emergency" as defined in Commission Regulation 40.1; and,

(ii) Any changes in margin levels that are designed to respond to extraordinary market conditions such as an actual or attempted corner, squeeze, congestion or undue concentration of positions, or that otherwise are likely to have a substantial effect on prices in any contract traded or cleared at Nadex; but does not include any rule not submitted for prior Commission approval because such rule is unrelated to the terms and conditions of any contract traded at Nadex.

(b) Nadex Rules. Nadex shall maintain in effect Rules that have been submitted to the Commission pursuant to Section 5c(c) of the Act and Commission Regulations 38.4(a) or 39.4(a) and 40.5 to address the avoidance of conflicts of interest in the execution of its self-regulatory functions. Such Rules must provide for the following:

(1) Relationship with named party in interest—

(i) Nature of relationship. A member of Nadex's governing board, disciplinary committee or oversight panel must abstain from such body's deliberations and voting on any matter involving a named party in interest where such member:

(A) Is a named party in interest;

(B) Is an employer, employee, or fellow employee of a named party in interest;

(C) Is associated with a named party in interest through a "broker association" as defined in Commission Regulation 156.1;

(D) Has any other significant, ongoing business relationship with a named party in interest, not including relationships limited to executing futures or option transactions opposite of each other or to clearing futures or option transactions through the same clearing member; or

(E) Has a family relationship with a named party in interest.

(ii) Disclosure of relationship. Prior to the consideration of any matter involving a named party in interest, each member of a Nadex governing board, disciplinary committee or oversight panel must disclose to the appropriate Nadex staff whether he or she has one of the relationships listed in paragraph (b)(1)(i) of this Rule with a named party in interest.

(iii) Procedure for determination. Nadex must establish procedures for determining whether any member of its governing board, disciplinary committees or oversight committees is subject to a conflicts restriction in any matter involving a named party in interest. Taking into consideration the exigency of the committee action, such determinations should be based upon:

(A) Information provided by the member pursuant to paragraph (b)(1)(ii) of this Rule; and

(B) Any other source of information that is held by and reasonably available to Nadex.

(2) Financial interest in a significant action—

(i) Nature of interest. A member of a Nadex governing board, disciplinary committee or oversight panel must abstain from such body's deliberations and voting on any significant action if the member knowingly has a direct and substantial financial interest in the result of the vote based upon either exchange or non-exchange positions that could reasonably be expected to be affected by the action.

(ii) Disclosure of interest. Prior to the consideration of any significant action, each member of a Nadex governing board, disciplinary committee or oversight panel must disclose to the appropriate Nadex staff the position information referred to in paragraph (b)(2)(iii) of this Rule that is known to him or her. This requirement does not apply to members who choose to abstain from deliberations and voting on the subject significant action.

(iii) Procedure for determination. Nadex must establish procedures for determining whether any member of its governing board, disciplinary committees or oversight committees is subject to a conflicts restriction under this section in any significant action. Such determination must include a review of:

(A) Gross positions held at Nadex in the member's personal accounts or "controlled accounts," as defined in Commission Regulation 1.3(j);

(B) Gross positions held at Nadex in proprietary accounts, as defined in Commission Regulation 1.17(b)(3), at the member's affiliated firm;

(C) Gross positions held at Nadex in accounts in which the member is a principal, as defined in Commission Regulation 3.1(a);

(D) Net positions held at Nadex in "customer" accounts, as defined in Commission Regulation 1.17(b)(2), at the member's affiliated firm; and

(E) Any other types of positions, whether maintained at Nadex or elsewhere, held in the member's personal accounts or the proprietary accounts of the member's affiliated firm that the self-regulatory organization reasonably expects could be affected by the significant action.

(iv) Bases for determination. Taking into consideration the exigency of the significant action, such determinations should be based upon:

(A) The most recent large trader reports and clearing records available to Nadex;

(B) Information provided by the member with respect to positions pursuant to paragraph (b)(2)(ii) of this Rule; and

(C) Any other source of information that is held by and reasonably available to Nadex.

(3) Participation in deliberations.

(i) Under the Rules required by this section, a Nadex governing board, disciplinary committee or oversight panel may permit a member to participate in deliberations prior to a vote on a significant action for which he or she otherwise would be required to abstain, pursuant to paragraph (b)(2) of this Rule, if such participation would be consistent with the public interest and the member recuses himself or herself from voting on such action.

(ii) In making a determination as to whether to permit a member to participate in deliberations on a significant action for which he or she otherwise would be required to abstain, the deliberating body shall consider the following factors:

(A) Whether the member's participation in deliberations is necessary for the deliberating body to achieve a quorum in the matter; and

(B) Whether the member has unique or special expertise, knowledge or experience in the matter under consideration.

(iii) Prior to any determination pursuant to paragraph (b)(3)(i) of this Rule, the deliberating body must fully consider the position information which is the basis

for the member's direct and substantial financial interest in the result of a vote on a significant action pursuant to paragraph (b)(2) of this Rule.

(4) Documentation of determination. Nadex's governing boards, disciplinary committees, and oversight panels must reflect in their minutes or otherwise document that the conflicts determination procedures required by this section have been followed. Such records also must include:

(i) The names of all members who attended the meeting in person or who otherwise were present by electronic means;

(ii) The name of any member who voluntarily recused himself or herself or was required to abstain from deliberations and/or voting on a matter and the reason for the recusal or abstention, if stated; and

(iii) Information on the position information that was reviewed for each member.

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CHAPTER 12 TERMS OF CONTRACTS TRADED ON NADEX

The following Rules set forth the terms of the Contracts traded on Nadex. You should not trade any Contract unless you are certain that you completely understand its terms. Additional information with respect to each Contract can be found on the home page for the specific Contract.

RULE 12.1 TERMS THAT ARE UNIFORM ACROSS CONTRACTS

There are certain terms that are uniform across Contracts.

- (a) The minimum unit of trading for each Contract is one Contract.
- (b) All Contract prices are quoted in U.S. dollars and cents per Contract.
- (c) The minimum quote increment for each Contract is \$.01 per Contract.
- (d) All Expiration Values will be posted on Nadex's website no later than the close of business of the Expiration Date of a Contract Series.
- (e) At the time Nadex sets the Payout Criterion for any Binary Contract, Nadex will review its then-existing Binary Contracts in the same Class having the same Expiration time. No new Binary Contract in that same Class and having the same Expiration time will be offered with the same Payout Criterion. Instead, in instances where a duplicate Payout Criterion would be generated under the applicable product rule, the Payout Criterion for that Contract will be adjusted by pre-determined levels which shall be published on the Nadex website.
- (f) DAILY CONTRACTS means a Series of Contracts that have an Expiration Date within 24 hours after they are issued.
- (g) MONTHLY CONTRACTS mean a Series of Contracts that have a Payout Criterion based on the last reported level of the Underlying by the Source Agency. Monthly Contracts have an Expiration Date that is no less than twenty one calendar days and no greater than thirty five calendar days from the date on which the last reported level of the Underlying is released by the Source Agency. Unless otherwise specified in these rules, this Series shall have an Expiration Date that is equal to the Last Trading Date of the current month.
- (h) WEEKLY CONTRACTS mean a Series of Contracts that have an Expiration Date that is no less than four calendar days and no greater than seven calendar days from the date on which the contracts are issued. Unless otherwise specified in these rules, this Series shall have an Expiration Date that is equal to the Last Trading Date of the current week.

(i) **QUARTERLY CONTRACTS** mean a Series of Contracts that have a Payout Criterion based on the last reported level of the Underlying during the previous quarter as released by the Source Agency. Unless otherwise specified in these rules, this Series shall have an Expiration Date that is equal to the Last Trading Date of the current quarter as defined by the Source Agency.

(j) **BI-ANNUAL CONTRACTS** mean a Series of Contracts that have a Payout Criterion based on the last reported level of the Underlying from two quarters back as released by the Source Agency. Unless otherwise specified in these rules, this Series shall have an Expiration Date that is equal to the Last Trading Date of the current quarter as defined by the Source Agency. For example, if the Source Agency reports a level for the Underlying every February, May, August and November, a Bi-Annual Contract will have a Payout Criterion based on the level reported in May with the Expiration Value based on the level of the Underlying scheduled to be released in November.

(k) **YEAR-END CONTRACTS** mean a Series of Contracts that have a Payout Criterion based on the last reported level of the Underlying by the Source Agency prior to the issuance date of the Contract. Unless otherwise specified in these rules, this Series of Contracts shall have an Expiration Date that is equal to the Last Trading Date of the current year.

(l) **TWO MONTH CONTRACTS** mean a Series of Contracts that have a Payout Criterion based on the last reported level of the Underlying from two months back as released by the Source Agency. Unless otherwise specified in these rules, this Series shall have an Expiration Date that is equal to the Last Trading Date of the current month as defined by the Source Agency.

(m) **CYCLICAL CONTRACTS** mean a Series of Contracts that have a Payout Criterion based on the last reported level of the Underlying by the Source Agency. Unless otherwise specified in these Rules, this Series shall have an Expiration Date that is equal to the Last Trading Date of the current reporting cycle of the Source Agency.

(n) **4TH MEETING CONTRACTS** mean a Series of Contracts that have a Payout Criterion based on the last reported level of the Underlying at the time the Contract is listed from four (4) meetings back as released by the Source Agency. Unless otherwise specified in these rules, this Series shall have an Expiration Date that is the last of the FOMC meeting scheduled as defined by the Source Agency. For example, if the Source Agency reports a level for the Underlying on March 21st, a 4th Meeting Contract will have a Payout Criterion based on the level reported on March 21st and will have an Expiration Value based on the level of the Underlying scheduled to be released four (4) scheduled meetings from that date, on September 18th.

(o) **DAMAGE CONTRACTS** mean a Series of Contracts that have a Payout Criterion based upon the amount of damage estimates calculated and released by the Source Agency.

(p) BI-WEEKLY CONTRACTS mean a Series of Contracts that have a Payout Criterion based on the last reported level of the Underlying from two weeks back as released by the Source Agency. Unless otherwise specified in these rules, this Series shall have an Expiration Date that is equal to the Last Trading Date.

(q) HALTED MARKETS - In the event that any market irregularities are declared by the President of the Exchange, a market may be halted for trading, and an explanation will be posted on the Nadex Notices section of the website within a reasonable amount of time but no later than 24 hours after the initiation of the halt.

(r) CONTRACT MODIFICATIONS - Specifications shall be fixed as of the first day of trading of a contract. If any U.S. governmental agency or body issues an order, ruling, directive or law that conflicts with the requirements of these rules, such order, ruling, directive or law shall be construed to take precedence and become part of these rules, and all open and new contracts shall be subject to such government orders.

(s) INTRADAY CONTRACTS means a series of contracts that expire on the same trade date as, and within four hours or less, of issuance.

RULE ~~12.2~~ 12.28 CURRENCY EXCHANGE EUR/USD VARIABLE PAYOUT CONTRACTS

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

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

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

(d) TYPE – The Type of Contract is a Variable Payout Contract.

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

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

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

(1) DAILY VARIABLE EUR/USD SPREAD CONTRACT:

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

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

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

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

(ii) INTRADAY VARIABLE EUR/USD SPREAD CONTRACTS, 6:00PM to 11:00PM, 11:00PM to 7:00AM, and 7:00AM to 3:00PM ET CLOSE - Nadex shall list a set of three (3) Variable Payout Contracts with overlapping ranges, which conform to the Payout Criteria listed below:

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

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

(3) CONTRACT 3: The Cap shall be $X + 0.0250$; The Floor shall be X.

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

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

(iii) INTRADAY 2-HOUR VARIABLE EUR/USD SPREAD CONTRACTS, 8:00PM, 9:00PM, 10:00PM, 11:00PM, 12:00AM, 1:00AM, 2:00AM, 3:00AM, 4:00AM, 5:00AM, 6:00AM, 7:00AM, 8:00AM, 9:00AM, 10:00AM, 11:00AM, 12:00PM, 1:00PM, 2:00PM, and 3:00PM ET CLOSE - Nadex shall list a set of three (3) Variable Payout Contracts that open 2 hours prior to the stated closing time(s) above with overlapping ranges, which conform to the Payout Criteria listed below:

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

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

(3) CONTRACT 3: The Cap shall be $X + 0.0100$; The Floor shall be X.

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

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

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

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

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

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

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

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

(l) EXPIRATION DATE – The Expiration Date of the Contract shall be the date on which the EUR/USD Expiration Value is released by the Source Agency.

(m) SETTLEMENT VALUE – The Settlement Value is the amount paid to the holder of either a Short or Long Variable Payout Contract on Settlement Date. The Settlement Value of a Variable Payout Contract is determined as described in the definition for Long and Short Variable Payout Contracts.

(n) EXPIRATION VALUE – The Expiration Value is the price or value of EUR/USD released by the Source Agency on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking the last twenty-five (25) Midpoints 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. A simple average of the remaining fifteen (15) EUR/USD Midpoints is used to calculate the Expiration Value. A Midpoint is calculated by adding the bid price and the ask price together and then dividing that number by two (2). For example, if the bid price is 1.3400 and the ask price is 1.3402, the two numbers are added together (totaling 2.6802) and then divided by two (2), equaling a Midpoint of 1.3401. If the spread between a particular bid price and ask price is deemed too wide (greater than five (5) pips), those prices will not be used to calculate a Midpoint and will thus not be included within the 25 initially captured values.

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

~~RULE 12.3~~ 12.30 CURRENCY EXCHANGE GBP/USD VARIABLE PAYOUT CONTRACTS

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

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

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

(d) TYPE – The Type of Contract is a Variable Payout Contract.

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

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

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

(1) DAILY VARIABLE GBP/USD SPREAD CONTRACT

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

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

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

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

(ii) INTRADAY VARIABLE GBP/USD SPREAD CONTRACTS, 6:00PM to 11:00PM, 11:00PM to 7:00AM, and 7:00AM to 3:00PM ET CLOSE - Nadex shall list a set of three (3) Variable Payout Contracts with overlapping ranges, which conform to the Payout Criteria listed below:

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

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

(3) CONTRACT 3: The Cap shall be $X + 0.0300$; The Floor shall be X.

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

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

(iii) INTRADAY 2-HOUR VARIABLE GBP/USD SPREAD CONTRACTS, 8:00PM, 9:00PM, 10:00PM, 11:00PM, 12:00AM, 1:00AM, 2:00AM, 3:00AM, 4:00AM, 5:00AM, 6:00AM, 7:00AM, 8:00AM, 9:00AM, 10:00AM, 11:00AM, 12:00PM, 1:00PM, 2:00PM, and 3:00PM ET CLOSE - Nadex shall list a set of three (3) Variable Payout Contracts that open 2 hours prior to the stated closing time(s) above with overlapping ranges, which conform to the Payout Criteria listed below:

(1) CONTRACT 1: The Cap shall be X; The Floor shall be X- 0.0150.

(2) CONTRACT 2: The Cap shall be X + 0.0075; The Floor shall be X – 0.0075.

(3) CONTRACT 3: The Cap shall be X + 0.0150; The Floor shall be X.

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

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

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

(h) REPORTING LEVEL – The Reporting Level for the GBP/USD Variable Payout Contracts shall be 1,562 Contracts.

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

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

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

(l) EXPIRATION DATE – The Expiration Date of the Contract shall be the date on which the GBP/USD Expiration Value is released by the Source Agency.

(m) SETTLEMENT VALUE – The Settlement Value is the amount paid to the holder of either a Short or Long Variable Payout Contract on Settlement Date. The Settlement Value of a Variable Payout Contract is determined as described in the definition for Long and Short Variable Payout Contracts.

(n) EXPIRATION VALUE – The Expiration Value is the price or value of GBP/USD released by the Source Agency on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking the last twenty-five (25) Midpoints 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. A simple average of the remaining fifteen (15) GBP/USD Midpoints is used to calculate the Expiration Value. A Midpoint is calculated by adding the bid price and the ask price together and then dividing that number by two (2). For example, if the bid price is 1.9900 and the ask price is 1.9902, the two numbers are added together (totaling 3.9802) and then divided by two (2), equaling a Midpoint of 1.9901. If the spread between a particular bid price and ask price is deemed too wide (greater than five (5) pips), those prices will not be used to calculate a Midpoint and will thus not be included within the 25 initially captured values.

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

RULE ~~12.4~~ 12.36 CURRENCY EXCHANGE USD/YEN VARIABLE PAYOUT CONTRACTS

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

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

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

(d) TYPE – The Type of Contract is a Variable Payout Contract.

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

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

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

(1) DAILY VARIABLE USD/YEN SPREAD CONTRACT

(aa) CAP – The Cap shall be $X + 2.00$.

(bb) FLOOR – The Floor shall be $X - 2.00$.

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

(2) In each case, “X” equals the last USD/YEN price, as reported by the Source Agency, rounded to the nearest 0.10.

(ii) INTRADAY VARIABLE USD/YEN SPREAD CONTRACTS, 6:00PM to 11:00PM, 11:00PM to 7:00AM, and 7:00AM to 3:00PM ET CLOSE - Nadex shall list a set of three (3) Variable Payout Contracts with overlapping ranges, which conform to the Payout Criteria listed below:

(1) CONTRACT 1: The Cap shall be X; The Floor shall be $X - 1.50$.

(2) CONTRACT 2: The Cap shall be $X + 0.75$; The Floor shall be $X - 0.75$.

(3) CONTRACT 3: The Cap shall be $X + 1.50$; The Floor shall be X.

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

(5) In each case, “X” equals the last USD/YEN price, as reported by the Source Agency, rounded to the nearest 0.10.

(iii) INTRADAY 2-HOUR VARIABLE USD/YEN SPREAD CONTRACTS, 8:00PM, 9:00PM, 10:00PM, 11:00PM, 12:00AM, 1:00AM, 2:00AM, 3:00AM, 4:00AM, 5:00AM, 6:00AM, 7:00AM, 8:00AM, 9:00AM, 10:00AM, 11:00AM, 12:00PM, 1:00PM, 2:00PM, and 3:00PM ET CLOSE - Nadex shall list a set of three (3) Variable Payout Contracts that open 2 hours prior to the stated closing time(s) above with overlapping ranges, which conform to the Payout Criteria listed below:

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

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

(3) CONTRACT 3: The Cap shall be $X + 1.00$; The Floor shall be X.

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

(5) In each case, “X” equals the last USD/YEN price, as reported by the Source Agency, rounded to the nearest 0.10.

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

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

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

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

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

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

(l) EXPIRATION DATE – The Expiration Date of the Contract shall be the date on which the USD/YEN Expiration Value is released by the Source Agency.

(m) SETTLEMENT VALUE – The Settlement Value shall be the amount paid to the holder of either a Short or Long Variable Payout Contract on Settlement Date. The Settlement Value of a Variable Payout Contract is determined as described in the definition for Long and Short Variable Payout Contracts.

(n) EXPIRATION VALUE – The Expiration Value shall be the price or value of USD/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 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. A simple average of the remaining fifteen (15) USD/YEN Midpoints is used to calculate the Expiration Value. A Midpoint is calculated by adding the bid price and the ask price together and then dividing that number by two (2). For example, if the bid price is 121.00 and the ask price is 121.02, the two numbers are added together (totaling 242.02) and then divided by two (2), equaling a Midpoint of 121.01. If the spread between a particular bid price and ask price is deemed too wide (greater than five (5) pips), those prices will not be used to calculate a Midpoint and will thus not be included within the 25 initially captured values.

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

RULE 12.34 CURRENCY EXCHANGE USD/CHF VARIABLE PAYOUT CONTRACTS

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

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

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

(d) TYPE – The Type of Contract is a Variable Payout Contract.

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

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

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

(1) DAILY VARIABLE USD/CHF SPREAD CONTRACT

(aa) CAP – The Cap shall be $X + 0.0250$.

(bb) FLOOR – The Floor shall be $X - 0.0250$.

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

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

(ii) INTRADAY VARIABLE USD/CHF SPREAD CONTRACTS, 6:00PM to 11:00PM, 11:00PM to 7:00AM, 7:00AM to 3:00PM ET CLOSE - Nadex shall list a set of three (3) Variable Payout Contracts with overlapping ranges, which conform to the Payout Criteria listed below:

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

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

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

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

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

(iii) INTRADAY 2-HOUR VARIABLE USD/CHF SPREAD CONTRACTS, 8:00PM, 9:00PM, 10:00PM, 11:00PM, 12:00AM, 1:00AM, 2:00AM, 3:00AM, 4:00AM, 5:00AM, 6:00AM, 7:00AM, 8:00AM, 9:00AM, 10:00AM, 11:00AM, 12:00PM, 1:00PM, 2:00PM, and 3:00PM ET CLOSE - Nadex shall list a set of three (3) Variable Payout Contracts that open 2 hours prior to the stated closing time(s) above with overlapping ranges, which conform to the Payout Criteria listed below:

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

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

(3) CONTRACT 3: The Cap shall be X + 0.0100; The Floor shall be X.

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

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

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

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

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

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

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

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

(l) EXPIRATION DATE – The Expiration Date of the Contract shall be the date on which the USD/CHF Expiration Value is released by the Source Agency.

(m) SETTLEMENT VALUE – The Settlement Value is the amount paid to the holder of either a Short or Long Variable Payout Contract on Settlement Date. The Settlement Value of a Variable Payout Contract is determined as described in the definition for Long and Short Variable Payout Contracts.

(n) EXPIRATION VALUE – The Expiration Value is the price or value of USD/CHF released by the Source Agency on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking the last twenty-five (25) Midpoints 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. A simple average of the remaining fifteen (15) USD/CHF Midpoints is used to calculate the Expiration Value. A Midpoint is calculated by adding the bid price and the ask price together and then dividing that number by two (2). For example, if the bid price is 1.2200 and the ask price is 1.2202, the two numbers are added together (totaling 2.4402) and then divided by two (2), equaling a Midpoint of 1.2201. If the spread between a particular bid price and ask price is deemed too wide (greater than five (5) pips), those prices will not be used to calculate a Midpoint and will thus not be included within the 25 initially captured values.

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

RULE ~~12.~~ 12.4 GOLD VARIABLE PAYOUT CONTRACTS

(a) SCOPE –These Rules shall apply to the Class of Contracts referred to as the Gold Variable Payout Contracts issued by Nadex.

(b) UNDERLYING – The Underlying for this Class of Contracts is the price, per troy ounce (in US dollars), of the Gold Futures Contracts (“GFC”) traded on the COMEX® Division of the New York Mercantile Exchange (“NYMEX”®)⁴. The GFC trade prices that will be used for the Underlying will be taken from the February, April, June, August, or December GFC delivery months (each a “GFC Delivery Month”). The specific GFC Delivery Month that will be used for the Underlying will be based on the GFC represented in the following schedule of dates for 2011:

Start Date	End Date	GFC Delivery Month Used for the Underlying and to Calculate the Expiration Value	Futures Expiration Date
7/31/2010	11/26/2010	Comex Gold December 2010 Futures	12/29/2010
11/27/2010	1/28/2011	Comex Gold February 2011 Futures	2/24/2011
1/29/2011	3/25/2011	Comex Gold April 2011 Futures	4/27/2011
3/26/2011	5/27/2011	Comex Gold June 2011 Futures	6/28/2011
5/28/2011	7/29/2011	Comex Gold August 2011 Futures	8/29/2011
7/30/2011	11/25/2011	Comex Gold December 2011 Futures	12/28/2011
11/26/2011	1/27/2012	Comex Gold February 2012 Futures	2/27/2012

⁴ NYMEX® is a registered service mark of the New York Mercantile Exchange, Inc. COMEX® is a registered service mark of the Commodity Exchange, Inc. Nadex, Inc. is not affiliated with the New York Mercantile Exchange, Inc. or the Commodity Exchange, Inc. and neither the New York Mercantile Exchange, the Commodity Exchange, Inc., nor their affiliates, sponsor or endorse Nadex, Inc. or any of its products in any way.

On the date listed in the 'Start Date' column above, the GFC trade prices to be used for the Underlying and to calculate the Expiration Value will be done with the corresponding GFC Delivery Month listed. For instance, beginning on January 29, 2011, Nadex will use the Gold April 2011 prices to calculate the Expiration Value on the Expiration Date for the relevant Gold 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.

(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 VARIABLE GOLD CONTRACTS, 1:30 PM ET CLOSE SPREAD - 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 VARIABLE PAYOUT CONTRACT 'SPREAD'

(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 VARIABLE GOLD CONTRACTS, 1:30 PM ET CLOSE NARROW SPREAD - At the commencement of trading in a Daily Narrow Spread Gold Variable Payout Contract, Nadex shall list a set of three (3) Variable Payout Contracts with overlapping ranges, referred to as 'Narrow Spreads', which conform to the Payout Criteria listed below:

(1) DAILY VARIABLE PAYOUT CONTRACT 'NARROW SPREAD'

(aa) CONTRACT 1: The Cap shall be X; The Floor shall be $X - 50$.

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

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

(dd) 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.

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

(g) MINIMUM TICK – The Minimum Tick size for Gold Variable Payout Contracts shall be 0.10.

(h) REPORTING LEVEL – The Reporting Level for the Gold Variable Payout Contracts shall be 1,250 Contracts.

(i) POSITION LIMIT – The Position Limits for Gold Variable Payout Contracts shall be 60,000 Contracts.

(j) LAST TRADING DATE – The Last Trading Date of the Contract is the same date as the Settlement Date.

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

(l) EXPIRATION DATE – The Expiration Date of the Contract shall be the date on which the Gold Expiration Value is released by the Source Agency.

(m) SETTLEMENT VALUE – The Settlement Value is the amount paid to the holder of either a Short or Long Variable Payout Contract on Settlement Date. The Settlement Value of a Variable Payout Contract is determined as described in the definition for Long and Short Variable Payout Contracts.

(n) EXPIRATION VALUE – The Expiration Value is the price or value of 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.

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

RULE 12.8 CRUDE OIL VARIABLE PAYOUT CONTRACTS

(a) **SCOPE** –These Rules shall apply to the Class of Contracts referred to as the Crude Oil Variable Payout Contracts issued by Nadex.

(b) **UNDERLYING** – The Underlying for this Class of Contracts is WTI Light, Sweet Crude Oil price per barrel (in US dollars), obtained from the WTI Light, Sweet Crude Oil Futures contracts (“CFC”) traded on the New York Mercantile Exchange (“NYMEX”⁵). The CFC trade prices that will be used for the Underlying will be taken from all twelve CFC delivery months: January, February, March, April, May, June, July, August, September, October, November, or December (each a “CFC Delivery Month”). The specific CFC Delivery Month that will be used for the Underlying will be based on the CFC represented in the following schedule of dates for 2011:

Start Date	End Date	CFC Delivery Month Used for the Underlying and to Calculate the Expiration Value	Futures Expiration Date
10/16/2010	11/12/2010	Nymex Crude Oil December 2010 Futures	11/19/2010
11/13/2010	12/10/2010	Nymex Crude Oil January 2011 Futures	12/20/2010
12/11/2010	1/14/2011	Nymex Crude Oil February 2011 Futures	1/20/2011
1/15/2011	2/18/2011	Nymex Crude Oil March 2011 Futures	2/22/2011
2/19/2011	3/18/2011	Nymex Crude Oil April 2011 Futures	3/22/2011
3/19/2011	4/15/2011	Nymex Crude Oil May 2011 Futures	4/19/2011
4/16/2011	5/13/2011	Nymex Crude Oil June 2011 Futures	5/20/2011
5/14/2011	6/17/2011	Nymex Crude Oil July 2011 Futures	6/21/2011
6/18/2011	7/15/2011	Nymex Crude Oil August 2011 Futures	7/20/2011
7/16/2011	8/12/2011	Nymex Crude Oil September 2011 Futures	8/22/2011
8/13/2011	9/16/2011	Nymex Crude Oil October 2011 Futures	9/20/2011
9/17/2011	10/14/2011	Nymex Crude Oil November 2011 Futures	10/20/2011
10/15/2011	11/11/2011	Nymex Crude Oil December 2011 Futures	11/18/2011
11/12/2011	12/16/2011	Nymex Crude Oil January 2012 Futures	12/20/2011

On the date listed in the ‘Start Date’ column above, the CFC trade prices to be used for the Underlying and the calculate the Expiration Value will be done with the corresponding CFC Delivery Month listed. For instance, beginning on January 15, 2011, Nadex will use the Crude Oil March 2011 futures prices as the Underlying as well as use such CFC prices to calculate the Expiration Value on the Expiration Date for the relevant Crude Oil Variable Payout Contract.

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

(d) **TYPE** – The Type of Contract is a Variable Payout Contract.

⁵ *Supra*, at fn 4.

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

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

(i) DAILY VARIABLE CRUDE OIL CONTRACTS, 2:30 PM ET CLOSE SPREAD - 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 VARIABLE PAYOUT CONTRACT 'SPREAD'

(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 5.

(ii) DAILY VARIABLE CRUDE OIL CONTRACTS, 2:30 PM ET CLOSE NARROW SPREAD - At the commencement of trading in a Daily Narrow Spread Crude Oil Variable Payout Contract, Nadex shall list a set of three (3) Variable Payout Contracts with overlapping ranges, referred to as 'Narrow Spreads', which conform to the Payout Criteria listed below:

(1) DAILY VARIABLE PAYOUT CONTRACT 'NARROW SPREAD'

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

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

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

(dd) 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 5.

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

(g) **MINIMUM TICK** – The Minimum Tick size for Crude Oil Variable Payout Contracts shall be 0.01.

(h) **REPORTING LEVEL** – The Reporting Level for the Crude Oil Variable Payout Contracts shall be 1,250 Contracts.

(i) **POSITION LIMIT** – The Position Limits for Crude Oil Variable Payout Contracts shall be 25,000 Contracts.

(j) **LAST TRADING DATE** – The Last Trading Date of the Contract is the same date as the Settlement Date.

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

(l) **EXPIRATION DATE** – The Expiration Date of the Contract will be the date on which the Crude Oil Expiration Value is released by the Source Agency.

(m) **SETTLEMENT VALUE** – The Settlement Value is the amount paid to the holder of either a Short or Long Variable Payout Contract on Settlement Date. The Settlement Value of a Variable Payout Contract is determined as described in the definition for Long and Short Variable Payout Contracts.

(n) **EXPIRATION VALUE** – The Expiration Value is the price or value of 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.

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

RULE ~~12~~ 12.6 SILVER VARIABLE PAYOUT CONTRACTS

(a) **SCOPE** – These Rules shall apply to the Class of Contracts referred to as the Silver Variable Payout Contracts issued by Nadex.

(b) **UNDERLYING** – The Underlying for this Class of Contracts is the price, cents per troy ounce (in US Currency), of Silver obtained from the Silver Futures Contracts (“SFC”) traded on the COMEX Division of the New York Mercantile Exchange (“NYMEX”⁶). The SFC trade prices that will be used to for the Underlying will be taken from the March, May, July, September, or December SFC delivery months (each a “SFC

⁶ *Supra*, at fn 4.

Delivery Month”). The specific SFC Delivery Month that will be used for the Underlying will be based on the SFC represented in the following schedule of dates for 2011:

Start Date	End Date	SFC Delivery Month Used for the Underlying and to Calculate the Expiration Value	Futures Expiration Date
8/28/2010	11/26/2010	Comex Silver December 2010 Futures	12/29/2010
11/27/2010	2/25/2011	Comex Silver March 2011 Futures	3/29/2011
2/26/2011	4/29/2011	Comex Silver May 2011 Futures	5/26/2011
4/30/2011	6/24/2011	Comex Silver July 2011 Futures	7/27/2011
6/25/2011	8/26/2011	Comex Silver September 2011 Futures	9/28/2011
8/27/2011	11/25/2011	Comex Silver December 2011 Futures	12/28/2011
11/26/2011	2/24/2012	Comex Silver March 2012 Futures	3/28/2012

On the date listed in the ‘Start Date’ column above, the SFC trade prices to be used in for the Underlying and the calculate the Expiration Value will be done with the corresponding SFC Delivery Month listed. For instance, beginning on February 26, 2011, Nadex will use the Silver May 2011 futures prices as the Underlying as well as use such SFC prices to calculate the Expiration Value on the Expiration Date for the relevant Silver 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.

(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 VARIABLE SILVER CONTRACTS, 1:25 PM ET CLOSE SPREAD** - 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 VARIABLE PAYOUT CONTRACT ‘SPREAD’**

(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 Silver price, as reported by the Source Agency, rounded to the nearest 50.

(ii) DAILY VARIABLE SILVER CONTRACTS, 1:25 PM ET CLOSE NARROW SPREAD - At the commencement of trading in a Daily Narrow Spread Silver Variable Payout Contract, Nadex shall list a set of three (3) Variable Payout Contracts with overlapping ranges, referred to as 'Narrow Spreads', which conform to the Payout Criteria listed below:

(1) DAILY VARIABLE PAYOUT CONTRACT 'NARROW SPREAD'

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

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

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

(dd) 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.

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

(g) MINIMUM TICK – The Minimum Tick size for Silver Variable Contracts shall be 1.

(h) REPORTING LEVEL – The Reporting Level for the Silver Variable Payout Contracts shall be 6,250 Contracts.

(i) POSITION LIMIT – The Position Limits for Silver Variable Payout Contracts shall be 200,000 Contracts.

(j) LAST TRADING DATE – The Last Trading Date of the Contract is the same date as the Settlement Date.

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

(l) EXPIRATION DATE – The Expiration Date of the Contract shall be the date on which the Silver Expiration Value is released by the Source Agency.

(m) SETTLEMENT VALUE – The Settlement Value is the amount paid to the holder of either a Short or Long Variable Payout Contract on Settlement Date. The Settlement Value of a Variable Payout Contract is determined as described in the definition for Long and Short Variable Payout Contracts.

(n) **EXPIRATION VALUE** – The Expiration Value is the price or value of 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.

(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. If there are less than 250 SFC trade prices available during a single trading day prior to the issuance of a new Silver Contract Nadex may switch to the next available SFC Delivery Month that provides at least 250 SFC trade prices.

RULE 12.10 NATURAL GAS VARIABLE PAYOUT CONTRACTS

(a) **SCOPE** – These Rules shall apply to the Class of Contracts referred to as the Natural Gas Variable Payout Contracts issued by Nadex.

(b) **UNDERLYING** – The Underlying for this Class of Contracts is the Natural Gas price per mmBtu (millions British thermal units, in US dollars), obtained from the Natural Gas Futures contracts (“NFC”) traded on the New York Mercantile Exchange (“NYMEX”®).⁷ The NFC trade prices that will be used for the Underlying will be taken from all twelve NFC delivery months: January, February, March, April, May, June, July, August, September, October, November, or December (each an “NFC Delivery Month”). The specific NFC Delivery Month that will be used as the Underlying will be based on the NFC represented in the following schedule of dates for 2011:

Start Date	End Date	NFC Delivery Month Used for the Underlying and to Calculate the Expiration Value	Futures Expiration Date
10/23/2010	11/19/2010	Nymex Natural Gas December 2010 Futures	11/24/2010
11/20/2010	12/24/2010	Nymex Natural Gas January 2011 Futures	12/28/2010
12/25/2010	1/21/2011	Nymex Natural Gas February 2011 Futures	1/27/2011
1/22/2011	2/18/2011	Nymex Natural Gas March 2011 Futures	2/24/2011
2/19/2011	3/25/2011	Nymex Natural Gas April 2011 Futures	3/29/2011
3/26/2011	4/22/2011	Nymex Natural Gas May 2011 Futures	4/27/2011
4/23/2011	5/20/2011	Nymex Natural Gas June 2011 Futures	5/26/2011
5/21/2011	6/24/2011	Nymex Natural Gas July 2011 Futures	6/28/2011
6/25/2011	7/22/2011	Nymex Natural Gas August 2011 Futures	7/27/2011
7/23/2011	8/26/2011	Nymex Natural Gas September 2011 Futures	8/29/2011
8/27/2011	9/23/2011	Nymex Natural Gas October 2011 Futures	9/28/2011
9/24/2011	10/21/2011	Nymex Natural Gas November 2011 Futures	10/27/2011

⁷ *Supra*, at fn 4.

10/22/2011	11/18/2011	Nymex Natural Gas December 2011 Futures	11/28/2011
11/19/2011	12/23/2011	Nymex Natural Gas January 2012 Futures	12/28/2011

On the date listed in the 'Start Date' column above, the NFC trade prices to be used for the Underlying and to calculate the Expiration Value will be done with the corresponding NFC Delivery Month listed. For instance, beginning on March 26, 2011, Nadex will use the Natural Gas May 2011 futures prices as the Underlying as well as use such prices to calculate the Expiration Value on the Expiration Date for the relevant Natural Gas 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.

(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 VARIABLE NATURAL GAS CONTRACTS, 2:30 PM ET CLOSE SPREAD - 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 VARIABLE PAYOUT CONTRACT 'SPREAD'

(aa) CAP – The Cap shall be $X + 0.8$.

(bb) FLOOR – The Floor shall be $X - 0.8$.

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

(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 VARIABLE NATURAL GAS CONTRACTS, 2:30 PM ET CLOSE NARROW SPREAD - At the commencement of trading in a Daily Narrow Spread Natural Gas Variable Payout Contract, Nadex shall list a set of three (3) Variable Payout Contracts with overlapping ranges, referred to as 'Narrow Spreads', which conform to the Payout Criteria listed below:

(1) DAILY VARIABLE PAYOUT CONTRACT 'NARROW SPREAD'

(aa) CONTRACT 1: The Cap shall be X; The Floor shall be $X - 0.8$.

(bb) CONTRACT 2: The Cap shall be $X + 0.4$; The Floor shall be $X - 0.4$.

(cc) CONTRACT 3: The Cap shall be $X + 0.8$; The Floor shall be X.

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

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

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

(g) MINIMUM TICK – The Minimum Tick size for Natural Gas Contracts shall be 0.01.

(h) REPORTING LEVEL – The Reporting Level for the Natural Gas Variable Payout Contracts shall be 7,812 Contracts.

(i) POSITION LIMIT – The Position Limits for Natural Gas Variable Payout Contracts shall be 156,250 Contracts.

(j) LAST TRADING DATE – The Last Trading Date for this Contract is the same date as the Settlement Date.

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

(l) EXPIRATION DATE – The Expiration Date of the Contract shall be the date on which the Natural Gas Expiration Value is released by the Source Agency.

(m) SETTLEMENT VALUE – The Settlement Value is the amount paid to the holder of either a Short or Long Variable Payout Contract on Settlement Date. The Settlement Value of a Variable Payout Contract is determined as described in the definition for Long and Short Variable Payout Contracts.

(n) EXPIRATION VALUE – The Expiration Value 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.

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

RULE ~~12~~. 12.9 CRUDE OIL BINARY CONTRACT

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the Crude Oil Binary Contract issued by Nadex.

(b) UNDERLYING – The Underlying for this Class of Contracts is WTI Light, Sweet Crude Oil price per barrel (in US dollars), obtained from the WTI Light, Sweet Crude Oil Futures contracts (“CFC”) traded on the New York Mercantile Exchange (“NYMEX®”⁸). The CFC trade prices that will be used for the Underlying will be taken from all twelve CFC delivery months: January, February, March, April, May, June, July, August, September, October, November, or December (each a “CFC Delivery Month”). The specific CFC Delivery Month that will be used as the Underlying will be based on the CFC represented in the following schedule of dates for 2011:

Start Date	End Date	CFC Delivery Month Used for the Underlying and to Calculate the Expiration Value	Futures Expiration Date
10/16/2010	11/12/2010	Nymex Crude Oil December 2010 Futures	11/19/2010
11/13/2010	12/10/2010	Nymex Crude Oil January 2011 Futures	12/20/2010
12/11/2010	1/14/2011	Nymex Crude Oil February 2011 Futures	1/20/2011
1/15/2011	2/18/2011	Nymex Crude Oil March 2011 Futures	2/22/2011
2/19/2011	3/18/2011	Nymex Crude Oil April 2011 Futures	3/22/2011
3/19/2011	4/15/2011	Nymex Crude Oil May 2011 Futures	4/19/2011
4/16/2011	5/13/2011	Nymex Crude Oil June 2011 Futures	5/20/2011
5/14/2011	6/17/2011	Nymex Crude Oil July 2011 Futures	6/21/2011
6/18/2011	7/15/2011	Nymex Crude Oil August 2011 Futures	7/20/2011
7/16/2011	8/12/2011	Nymex Crude Oil September 2011 Futures	8/22/2011
8/13/2011	9/16/2011	Nymex Crude Oil October 2011 Futures	9/20/2011
9/17/2011	10/14/2011	Nymex Crude Oil November 2011 Futures	10/20/2011
10/15/2011	11/11/2011	Nymex Crude Oil December 2011 Futures	11/18/2011
11/12/2011	12/16/2011	Nymex Crude Oil January 2012 Futures	12/20/2011

On the date listed in the ‘Start Date’ column above, the CFC trade prices to be used for the Underlying and to calculate the Expiration Value will be done with the corresponding CFC

⁸ *Supra*, at fn 4.

Delivery Month listed. For instance, beginning on January 15, 2011, Nadex will use the Crude Oil March 2011 futures prices as the Underlying as well as use such prices to calculate the Expiration Value on the Expiration Date for the relevant Crude Oil Binary Contract.

(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 Crude Oil Binary Contract, the Payout Criteria for the Contracts will be set as follows:

(i) DAILY CRUDE OIL BINARY CONTRACT, 2:30 PM ET CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than X - \$5.50.

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than X - \$5.00.

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than X - \$4.50.

(4) Binary Contract 4: One Contract will have a Payout Criterion of greater than X - \$4.00.

(5) Binary Contract 5: One Contract will have a Payout Criterion of greater than X - \$3.50.

(6) Binary Contract 6: One Contract will have a Payout Criterion of greater than X - \$3.00.

(7) Binary Contract 7: One Contract will have a Payout Criterion of greater than X - \$2.50.

(8) Binary Contract 8: One Contract will have a Payout Criterion of greater than X - \$2.00.

(9) Binary Contract 9: One Contract will have a Payout Criterion of greater than X - \$1.50.

(10) Binary Contract 10: One Contract will have a Payout Criterion of greater than X - \$1.00.

(11) Binary Contract 11: One Contract will have a Payout Criterion of greater than $X - \$0.50$.

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

(13) Binary Contract 13: One Contract will have a Payout Criterion of greater than $X + \$0.50$.

(14) Binary Contract 14: One Contract will have a Payout Criterion of greater than $X + \$1.00$.

(15) Binary Contract 15: One Contract will have a Payout Criterion of greater than $X + \$1.50$.

(16) Binary Contract 16: One Contract will have a Payout Criterion of greater than $X + \$2.00$.

(17) Binary Contract 17: One Contract will have a Payout Criterion of greater than $X + \$2.50$.

(18) Binary Contract 18: One Contract will have a Payout Criterion of greater than $X + \$3.00$.

(19) Binary Contract 19: One Contract will have a Payout Criterion of greater than $X + \$3.50$.

(20) Binary Contract 20: One Contract will have a Payout Criterion of greater than $X + \$4.00$.

(21) Binary Contract 21: One Contract will have a Payout Criterion of greater than $X + \$4.50$.

(22) Binary Contract 22: One Contract will have a Payout Criterion of greater than $X + \$5.00$.

(23) Binary Contract 23: One Contract will have a Payout Criterion of greater than $X + \$5.50$.

(24) In each case above, "X" equals the last Crude Oil Price rounded to the nearest fifty cents (\$0.50) as reported by the Source Agency.

(ii) WEEKLY CRUDE OIL BINARY CONTRACT, 2:30 PM ET
CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest value ending in either twenty-five cents (\$0.25) or seventy-five cents (\$0.75)) - \$6.00.

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest value ending in either twenty-five cents (\$0.25) or seventy-five cents (\$0.75)) - \$4.00.

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest value ending in either twenty-five cents (\$0.25) or seventy-five cents (\$0.75)) - \$2.00.

(4) Binary Contract 4: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest value ending in either twenty-five cents (\$0.25) or seventy-five cents (\$0.75)).

(5) Binary Contract 5: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest value ending in either twenty-five cents (\$0.25) or seventy-five cents (\$0.75)) + \$2.00.

(6) Binary Contract 6: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest value ending in either twenty-five cents (\$0.25) or seventy-five cents (\$0.75)) + \$4.00.

(7) Binary Contract 7: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest value ending in either twenty-five cents (\$0.25) or seventy-five cents (\$0.75)) + \$6.00.

(8) In each case above, "Y" equals the last Crude Oil Price rounded to the nearest value ending in either twenty-five cents (\$0.25) or seventy-five cents (\$0.75) as reported by the Source Agency.

(iii) INTRADAY CRUDE OIL BINARY CONTRACT, 8:00 AM to 10:00 AM ET CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than Z1 - \$1.00.

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

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than Z1 + \$1.00.

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

(iv) INTRADAY CRUDE OIL BINARY CONTRACT, 9:00 AM to 11:00 AM ET CLOSE

(5) Binary Contract 1: One Contract will have a Payout Criterion of greater than Z2 - \$1.00.

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

(7) Binary Contract 3: One Contract will have a Payout Criterion of greater than $Z2 + \$1.00$.

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

(v) INTRADAY CRUDE OIL BINARY CONTRACT, 10:00 AM to 12:00 PM ET CLOSE

(9) Binary Contract 1: One Contract will have a Payout Criterion of greater than $Z3 - \$1.00$.

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

(11) Binary Contract 3: One Contract will have a Payout Criterion of greater than $Z3 + \$1.00$.

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

(vi) INTRADAY CRUDE OIL BINARY CONTRACT, 11:00 AM to 1:00 PM ET CLOSE

(13) Binary Contract 1: One Contract will have a Payout Criterion of greater than $Z4 - \$1.00$.

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

(15) Binary Contract 3: One Contract will have a Payout Criterion of greater than $Z4 + \$1.00$.

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

(vii) INTRADAY CRUDE OIL BINARY CONTRACT, 12:00 PM to 2:00 PM ET CLOSE

(17) Binary Contract 1: One Contract will have a Payout Criterion of greater than $Z5 - \$1.00$.

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

(19) Binary Contract 3: One Contract will have a Payout Criterion of greater than $Z5 + \$1.00$.

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

(viii) Nadex may list additional Crude Oil Binary Contract with different ranges of Payout Criteria on a discretionary basis in accordance with the CEA and Commission Regulations.

(g) MINIMUM TICK – The Minimum Tick size for the Crude Oil Binary Contract shall be \$0.25.

(h) REPORTING LEVEL – The Reporting Level for the \$100 Crude Oil Binary Contracts shall be 1,750 Contracts.

(i) POSITION LIMIT – The Position Limits for the \$100 Crude Oil Binary Contracts shall be 2,500 Contracts.

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

(k) SETTLEMENT DATE – The Settlement Date will be the date on which the Crude Oil Binary Contract as reported by the Source Agency.

(l) EXPIRATION DATE – The Expiration Date of the Contract will be the date on which the Crude Oil price or level is released by the Source Agency.

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

(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.

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

~~RULE 12.29~~ 12.29 CURRENCY EXCHANGE EUR/USD BINARY CONTRACT

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

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

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

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

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

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

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

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $X - 0.0200$.

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than $X - 0.0180$.

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $X - 0.0160$.

(4) Binary Contract 4: One Contract will have a Payout Criterion of greater than $X - 0.0140$.

(5) Binary Contract 5: One Contract will have a Payout Criterion of greater than $X - 0.0120$.

(6) Binary Contract 6: One Contract will have a Payout Criterion of greater than $X - 0.0100$.

(7) Binary Contract 7: One Contract will have a Payout Criterion of greater than $X - 0.0080$.

(8) Binary Contract 8: One Contract will have a Payout Criterion of greater than $X - 0.0060$.

(9) Binary Contract 9: One Contract will have a Payout Criterion of greater than $X - 0.0040$.

(10) Binary Contract 10: One Contract will have a Payout Criterion of greater than $X - 0.0020$.

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

(12) Binary Contract 12: One Contract will have a Payout Criterion of greater than $X + 0.0020$.

(13) Binary Contract 13: One Contract will have a Payout Criterion of greater than $X + 0.0040$.

(14) Binary Contract 14: One Contract will have a Payout Criterion of greater than $X + 0.0060$.

(15) Binary Contract 15: One Contract will have a Payout Criterion of greater than $X + 0.0080$.

(16) Binary Contract 16: One Contract will have a Payout Criterion of greater than $X + 0.0100$.

(17) Binary Contract 17: One Contract will have a Payout Criterion of greater than $X + 0.0120$.

(18) Binary Contract 18: One Contract will have a Payout Criterion of greater than $X + 0.0140$.

(19) Binary Contract 19: One Contract will have a Payout Criterion of greater than $X + 0.0160$.

(20) Binary Contract 20: One Contract will have a Payout Criterion of greater than $X + 0.0180$.

(21) Binary Contract 21: One Contract will have a Payout Criterion of greater than $X + 0.0200$.

(22) In each case, "X" equals the last EUR/USD price rounded to the nearest 0.0020 as reported by the Source Agency.

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

CLOSE

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

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

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

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

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

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

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

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

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

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $Z1 - 0.0050$.

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

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $Z1 + 0.0050$.

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

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

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $Z2 - 0.0050$.

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

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $Z2 + 0.0050$.

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

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

(1) Binary Contract 1: One contract will have will have a Payout Criterion of greater than $Z3 - 0.0050$.

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

(3) Binary Contract 1: One contract will have will have a Payout Criterion of greater than $Z3 + 0.0050$.

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

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

(1) Binary Contract 1: One contract will have will have a Payout Criterion of greater than $Z4 - 0.0050$.

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

(3) Binary Contract 1: One contract will have will have a Payout Criterion of greater than $Z4 + 0.0050$.

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

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

(1) Binary Contract 1: One contract will have will have a Payout Criterion of greater than $Z5 - 0.0050$.

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

(3) Binary Contract 3: One contract will have will have a Payout Criterion of greater than $Z5 + 0.0050$.

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

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

(1) Binary Contract 1: One contract will have will have a Payout Criterion of greater than $Z6 - 0.0050$.

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

(3) Binary Contract 3: One contract will have will have a Payout Criterion of greater than $Z6 + 0.0050$.

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

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

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

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

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

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

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

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

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

(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 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. A simple average of the remaining fifteen (15) EUR/USD Midpoints is used to calculate the Expiration Value. A Midpoint is calculated by adding the bid price and the ask price together and then dividing that number by two (2). For example, if the bid price is 1.3400 and the ask price is 1.3402, the two numbers are added together (totaling 2.6802) and then divided by two (2), equaling a Midpoint of 1.3401. If the

spread between a particular bid price and ask price is deemed too wide (greater than five (5) pips), those prices will not be used to calculate a Midpoint and will thus not be included within the 25 initially captured values.

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

~~RULE 12.~~ 12.31 CURRENCY EXCHANGE GBP/USD BINARY CONTRACT

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

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

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

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

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

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

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

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $X - 0.0200$.

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than $X - 0.0180$.

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $X - 0.0160$.

(4) Binary Contract 4: One Contract will have a Payout Criterion of greater than $X - 0.0140$.

(5) Binary Contract 5: One Contract will have a Payout Criterion of greater than $X - 0.0120$.

(6) Binary Contract 6: One Contract will have a Payout Criterion of greater than $X - 0.0100$.

(7) Binary Contract 7: One Contract will have a Payout Criterion of greater than $X - 0.0080$.

(8) Binary Contract 8: One Contract will have a Payout Criterion of greater than $X - 0.0060$.

(9) Binary Contract 9: One Contract will have a Payout Criterion of greater than $X - 0.0040$.

(10) Binary Contract 10: One Contract will have a Payout Criterion of greater than $X - 0.0020$.

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

(12) Binary Contract 12: One Contract will have a Payout Criterion of greater than $X + 0.0020$.

(13) Binary Contract 13: One Contract will have a Payout Criterion of greater than $X + 0.0040$.

(14) Binary Contract 14: One Contract will have a Payout Criterion of greater than $X + 0.0060$.

(15) Binary Contract 15: One Contract will have a Payout Criterion of greater than $X + 0.0080$.

(16) Binary Contract 16: One Contract will have a Payout Criterion of greater than $X + 0.0100$.

(17) Binary Contract 17: One Contract will have a Payout Criterion of greater than $X + 0.0120$.

(18) Binary Contract 18: One Contract will have a Payout Criterion of greater than $X + 0.0140$.

(19) Binary Contract 19: One Contract will have a Payout Criterion of greater than $X + 0.0160$.

(20) Binary Contract 20: One Contract will have a Payout Criterion of greater than $X + 0.0180$.

(21) Binary Contract 21: One Contract will have a Payout Criterion of greater than $X + 0.0200$.

(22) In each case, “X” equals the last GBP/USD price rounded to the nearest 0.0020 as reported by the Source Agency.

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

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

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

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

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

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

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

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

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

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

(1) Binary Contract 1: One contract will have will have a Payout Criterion of greater than $Z1 - 0.0050$.

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

(3) Binary Contract 3: One contract will have will have a Payout Criterion of greater than $Z1 + 0.0050$.

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

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

(1) Binary Contract 1: One contract will have will have a Payout Criterion of greater than $Z2 - 0.0050$.

(2) Binary Contract 2: One contract will have will have a Payout Criterion of greater than Z_2 .

(3) Binary Contract 3: One contract will have will have a Payout Criterion of greater than $Z_2 + 0.0050$.

(4) In each case above, Z_2 equals the strike level determined by the Source Agency immediately before the issuance of these contracts

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

(1) Binary Contract 1: One contract will have will have a Payout Criterion of greater than $Z_3 - 0.0050$.

(2) Binary Contract 2: One contract will have will have a Payout Criterion of greater than Z_3 .

(3) Binary Contract 3: One contract will have will have a Payout Criterion of greater than $Z_3 + 0.0050$.

(4) In each case above, Z_3 equals the strike level determined by the Source Agency immediately before the issuance of these contracts.

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

(1) Binary Contract 1: One contract will have will have a Payout Criterion of greater than $Z_4 - 0.0050$.

(2) Binary Contract 2: One contract will have will have a Payout Criterion of greater than Z_4 .

(3) Binary Contract 3: One contract will have will have a Payout Criterion of greater than $Z_4 + 0.0050$.

(4) In each case above, Z_4 equals the strike level determined by the Source Agency immediately before the issuance of these contracts.

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

(1) Binary Contract 1: One contract will have will have a Payout Criterion of greater than $Z_5 - 0.0050$.

(2) Binary Contract 2: One contract will have will have a Payout Criterion of greater than Z_5 .

(3) Binary Contract 3: One contract will have will have a Payout Criterion of greater than $Z5 + 0.0050$.

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

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

(1) Binary Contract 1: One contract will have will have a Payout Criterion of greater than $Z6 - 0.0050$.

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

(3) Binary Contract 3: One contract will have will have a Payout Criterion of greater than $Z6 + 0.0050$.

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

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

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

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

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

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

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

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

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

(n) EXPIRATION VALUE – The Expiration Value is the price or value of GBP/USD as released by the Source Agency on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking the last twenty-five (25) Midpoints 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. A simple average of the remaining fifteen (15) GBP/USD Midpoints is used to calculate the Expiration Value. A Midpoint is calculated by adding the bid price and the ask price together and then dividing that number by two (2). For example, if the bid price is 1.9900 and the ask price is 1.9902, the two numbers are added together (totaling 3.9802) and then divided by two (2), equaling a Midpoint of 1.9901. If the spread between a particular bid price and ask price is deemed too wide (greater than five (5) pips), those prices will not be used to calculate a Midpoint and will thus not be included within the 25 initially captured values.

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

~~RULE 42.~~ 12.37 CURRENCY EXCHANGE USD/YEN BINARY CONTRACT

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

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

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

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

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

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

(i) DAILY USD/YEN BINARY CONTRACTS, 3 PM ET CLOSE

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than $Y - 2.00$.

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $Y - 1.00$.

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

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

(6) Binary Contract 6: One Contract will have a Payout Criterion of greater than $Y + 2.00$.

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

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

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

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $Z1 - 0.30$.

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

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $Z1 + 0.30$.

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

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

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $Z2 - 0.30$.

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

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $Z2 + 0.30$.

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

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

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $Z3 - 0.30$.

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

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $Z3 + 0.30$.

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

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

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $Z4 - 0.30$.

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

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $Z4 + 0.30$.

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

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

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $Z5 - 0.30$.

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

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $Z5 + 0.30$.

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

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

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $Z6 - 0.30$.

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

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $Z6 + 0.30$.

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

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

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

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

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

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

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

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

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

(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 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. A simple average of the remaining fifteen (15) USD/YEN Midpoints is used to calculate the Expiration Value. A Midpoint is calculated by adding the bid price and the ask price together and then dividing that number by two (2). For example, if the bid price is 121.00 and the ask price is 121.02, the two numbers are added together (totaling 242.02) and then divided by two (2), equaling a Midpoint of 121.01. If the spread between a particular bid price and ask price is deemed too wide (greater than five (5) pips), those prices will not be used to calculate a Midpoint and will thus not be included within the 25 initially captured values.

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

RULE ~~12.2~~ 12.35 CURRENCY EXCHANGE USD/CHF BINARY CONTRACT

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

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

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

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

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

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

(i) DAILY USD/CHF BINARY CONTRACTS, 3 PM ET CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $X - 0.0200$.

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than $X - 0.0180$.

(1) Binary Contract 3: One Contract will have a Payout Criterion of greater than $X - 0.0160$.

(2) Binary Contract 4: One Contract will have a Payout Criterion of greater than $X - 0.0140$.

(3) Binary Contract 5: One Contract will have a Payout Criterion of greater than $X - 0.0120$.

(4) Binary Contract 6: One Contract will have a Payout Criterion of greater than $X - 0.0100$.

(5) Binary Contract 7: One Contract will have a Payout Criterion of greater than $X - 0.0080$.

(6) Binary Contract 8: One Contract will have a Payout Criterion of greater than $X - 0.0060$.

(7) Binary Contract 9: One Contract will have a Payout Criterion of greater than $X - 0.0040$.

(8) Binary Contract 10: One Contract will have a Payout Criterion of greater than $X - 0.0020$.

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

(10) Binary Contract 12: One Contract will have a Payout Criterion of greater than $X + 0.0020$.

(11) Binary Contract 13: One Contract will have a Payout Criterion of greater than $X + 0.0040$.

(12) Binary Contract 14: One Contract will have a Payout Criterion of greater than $X + 0.0060$.

(13) Binary Contract 15: One Contract will have a Payout Criterion of greater than $X + 0.0080$.

(14) Binary Contract 16: One Contract will have a Payout Criterion of greater than $X + 0.0100$.

(15) Binary Contract 17: One Contract will have a Payout Criterion of greater than $X + 0.0120$.

(16) Binary Contract 18: One Contract will have a Payout Criterion of greater than $X + 0.0140$.

(17) Binary Contract 19: One Contract will have a Payout Criterion of greater than $X + 0.0160$.

(18) Binary Contract 20: One Contract will have a Payout Criterion of greater than $X + 0.0180$.

(19) Binary Contract 21: One Contract will have a Payout Criterion of greater than $X + 0.0200$.

(20) In each case, "X" equals the last USD/CHF price rounded to the nearest 0.0020 as reported by the Source Agency.

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

CLOSE

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

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

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

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

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

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

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

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

(iii) INTRADAY USD/CHF 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 $Z1 - 0.0040$.

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

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $Z1 + 0.0040$.

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

(iv) INTRADAY USD/CHF BINARY CONTRACTS, 9:00 AM to 11:00 AM ET CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $Z2 - 0.0040$.

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

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $Z2 + 0.0040$.

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

(v) INTRADAY USD/CHF 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 $Z3 - 0.0040$.

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

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $Z3 + 0.0040$.

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

(vi) INTRADAY USD/CHF 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 $Z4 - 0.0040$.

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than Z_4 .

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $Z_4 + 0.0040$.

(4) In each case above, Z_4 equals the strike level determined by the Source Agency immediately before the issuance of these contracts.

(vii) INTRADAY USD/CHF 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 $Z_5 - 0.0040$.

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than Z_5 .

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $Z_5 + 0.0040$.

(4) In each case above, Z_5 equals the strike level determined by the Source Agency immediately before the issuance of these contracts.

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

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $Z_6 - 0.0040$.

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than Z_6 .

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $Z_6 + 0.0040$.

(4) In each case above, Z_6 equals the strike level determined by the Source Agency immediately before the issuance of these contracts.

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

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

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

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

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

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

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

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

(n) EXPIRATION VALUE – The Expiration Value is the price or value of USD/CHF as released by the Source Agency on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking the last twenty-five (25) Midpoints 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. A simple average of the remaining fifteen (15) USD/CHF Midpoints is used to calculate the Expiration Value. A Midpoint is calculated by adding the bid price and the ask price together and then dividing that number by two (2). For example, if the bid price is 1.2200 and the ask price is 1.2202, the two numbers are added together (totaling 2.4402) and then divided by two (2), equaling a Midpoint of 1.2201. If the spread between a particular bid price and ask price is deemed too wide (greater than five (5) pips), those prices will not be used to calculate a Midpoint and will thus not be included within the 25 initially captured values.

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

RULE ~~42~~ 12.76 FEDERAL FUNDS BINARY CONTRACT

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the Federal Funds Binary Contract issued by Nadex.

(b) UNDERLYING – The Underlying for this Class of Contracts is the Target Federal Funds Rate last reported by the Source Agency.

(c) SOURCE AGENCY – The Source Agency is the Federal Open Market Committee of the Federal Reserve (the “FOMC”).

(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 sooner than 10 business days prior to the first day of the next scheduled FOMC meeting.

(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 Federal Funds Binary Contract, the Payout Criteria for the Contracts will be set as follows:

(i) **CYCLICAL FEDERAL FUNDS BINARY CONTRACTS**

(1) At the commencement of trading in a Federal Funds Binary Contract, Nadex shall list all eligible Payout Criteria in a range of three (3) consecutive increments of .25% with the maximum value of the Payout Criteria not to exceed 10% and the minimum value of the Payout Criteria not to fall below zero (0). For example, Nadex may list the following range of Payout Criteria: 0.25%, 0.50%, and 0.75%. For the following release, Nadex may list the following range of Payout Criteria: 1.00%, 1.25%, and 1.50%. The payout criteria will be as follows:

(2) Binary Contract 1: One Contract will have a Payout Criterion less than or equal to X1.

(3) Binary Contract 2: One Contract will have a Payout Criterion of equal to X2.

(4) Binary Contract 3: One Contract will have a Payout Criterion of greater than or equal to X3.

(5) In each case above, “X1” equals the first Payout Criteria listed, “X2” equals the second Payout Criteria listed, and “X3” equals the third Payout Criteria listed. In the first example above, X1 is 0.25%, X2 is 0.50%, and X3 is 0.75%.

(ii) Nadex may list additional Federal Funds Rate 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 Federal Funds Rate Binary Contracts shall be \$0.25.

(h) **REPORTING LEVEL** - The Reporting Level for Federal Funds Rate Binary Contracts shall be 12,500 Contracts.

(i) **POSITION LIMIT** – There are currently no Position Limits for the Federal Funds Rate Binary Contracts.

(j) **LAST TRADING DATE** – The Last Trading Date in a Series is the business date prior to the first day of the scheduled FOMC meeting at the time the contract is listed. The Federal Funds Contracts will stop trading on the Last Trading Date at 5:00PM ET. No trading in a Federal Funds Rate Binary Contract may occur after its Last Trading Date.

(k) **SETTLEMENT DATE** – The Settlement Date for each Series will be the last business day of the scheduled FOMC meeting and the Target Federal Funds Rate data release by the Source Agency.

(l) **EXPIRATION DATE** – The Expiration Date of the Contract will be the date on which the FOMC meeting is scheduled to release the FOMC number (whether such number is actually released or not).

(m) **SETTLEMENT VALUE** – The Settlement Value is the amount paid to the holder of the in-the-money Contract on the Settlement Date. The Settlement Value for Federal Funds Rate Binary Contracts is \$100.

(n) **EXPIRATION VALUE** – The Expiration Value is the last announced level of the Target Federal Funds Rate by the Source Agency on the Expiration Date. If the level is announced as a range between X and Y %, Nadex will use the upper value of the range, Y%, as the expiration value. For example, if the Target Federal Funds Rate is announced as “0% to 0.25%”, the expiration value used by Nadex will be 0.25%.

(o) **CONTINGENCIES** – If no level is actually announced by the Source Agency on the Expiration Date (because the FOMC meeting is unexpectedly delayed, postponed, or otherwise) the previously announced level (which is the last announced level on the Expiration Date) will be used. Expiration and settlement will not be delayed if the level scheduled to be announced is not actually announced.

RULE ~~42~~ 12.5 GOLD BINARY CONTRACTS

(a) **SCOPE** – These Rules shall apply to the Class of Contracts referred to as the Gold Binary Contract issued by Nadex.

(b) **UNDERLYING** – The Underlying for this Class of Contracts is the price, per troy ounce (in US dollars), of Gold obtained from the Gold Futures Contracts (“GFC”) traded on the COMEX Division of the New York Mercantile Exchange (“NYMEX®”⁹). The GFC trade prices that will be used for the Underlying will be taken from the February, April, June, August, or December GFC delivery months (each a “GFC Delivery Month”). The specific GFC Delivery Month that will be used will be based on the GFC represented in the following schedule of dates for 2011:

Start Date	End Date	GFC Delivery Month Used for the Underlying and to Calculate the Expiration Value	Futures Expiration Date
7/31/2010	11/26/2010	Comex Gold December 2010 Futures	12/29/2010
11/27/2010	1/28/2011	Comex Gold February 2011 Futures	2/24/2011
1/29/2011	3/25/2011	Comex Gold April 2011 Futures	4/27/2011
3/26/2011	5/27/2011	Comex Gold June 2011 Futures	6/28/2011

⁹ *Supra*, at fn 4.

5/28/2011	7/29/2011	Comex Gold August 2011 Futures	8/29/2011
7/30/2011	11/25/2011	Comex Gold December 2011 Futures	12/28/2011
11/26/2011	1/27/2012	Comex Gold February 2012 Futures	2/27/2012

On the date listed in the 'Start Date' column above, the GFC trade prices to be used for the Underlying and to calculate the Expiration Value will be done with the corresponding GFC Delivery Month listed. For instance, beginning on January 29, 2011, Nadex will use the Gold April 2011 futures prices as the Underlying as well as use such GFC prices to calculate the Expiration Value on the Expiration Date for the relevant Gold Binary Contract.

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

(i) DAILY GOLD BINARY CONTRACTS, 1:30 PM ET CLOSE

- (1) Binary Contract 1: One Contract will have a Payout Criterion of greater than
X - \$33.
- (2) Binary Contract 2: One Contract will have a Payout Criterion of greater than
X - \$30.
- (3) Binary Contract 3: One Contract will have a Payout Criterion of greater than
X - \$27.
- (4) Binary Contract 4: One Contract will have a Payout Criterion of greater than
X - \$24.
- (5) Binary Contract 5: One Contract will have a Payout Criterion of greater than
X - \$21.
- (6) Binary Contract 6: One Contract will have a Payout Criterion of greater than
X - \$18.
- (7) Binary Contract 7: One Contract will have a Payout Criterion of greater than
X - \$15.
- (8) Binary Contract 8: One Contract will have a Payout Criterion of greater than
X - \$12.

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

(10) Binary Contract 10: One Contract will have a Payout Criterion of greater than $X - \$6$.

(11) Binary Contract 11: One Contract will have a Payout Criterion of greater than $X - \$3$.

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

(13) Binary Contract 13: One Contract will have a Payout Criterion of greater than $X + \$3$.

(14) Binary Contract 14: One Contract will have a Payout Criterion of greater than $X + \$6$.

(15) Binary Contract 15: One Contract will have a Payout Criterion of greater than $X + \$9$.

(16) Binary Contract 16: One Contract will have a Payout Criterion of greater than $X + \$12$.

(17) Binary Contract 17: One Contract will have a Payout Criterion of greater than $X + \$15$.

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

(19) Binary Contract 19: One Contract will have a Payout Criterion of greater than $X + \$21$.

(20) Binary Contract 20: One Contract will have a Payout Criterion of greater than $X + \$24$.

(21) Binary Contract 21: One Contract will have a Payout Criterion of greater than $X + \$27$.

(22) Binary Contract 22: One Contract will have a Payout Criterion of greater than $X + \$30$.

(23) Binary Contract 23: One Contract will have a Payout Criterion of greater than $X + \$33$.

(24) In each case, “X” equals the last Gold price rounded to the nearest one dollar (\$1), as reported by the Source Agency.

(ii) WEEKLY GOLD BINARY CONTRACTS, 1:30PM ET

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $Y - \$30.00$.

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than $Y - \$20.00$.

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $Y - \$10.00$.

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

(5) Binary Contract 5: One Contract will have a Payout Criterion of greater than $Y + \$10.00$.

(6) Binary Contract 6: One Contract will have a Payout Criterion of greater than $Y + \$20.00$.

(7) Binary Contract 7: One Contract will have a Payout Criterion of greater than $Y + \$30.00$.

(8) In each case, “Y” equals the last Gold price rounded to the nearest value ending in 0.5 , as reported by the Source Agency.

(iii) INTRADAY GOLD BINARY CONTRACT, 8:00 AM to 10:00 AM ET CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $Z1 - \$5.00$.

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

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $Z1 + \$5.00$.

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

(iv) INTRADAY GOLD BINARY CONTRACT, 9:00 AM to 11:00 AM ET CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $Z2 - \$5.00$.

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

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $Z2 + \$5.00$.

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

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

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $Z3 - \$5.00$.

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

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $Z3 + \$5.00$.

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

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

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $Z4 - \$5.00$.

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

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $Z4 + \$5.00$.

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

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

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

(h) REPORTING LEVEL – The Reporting Level for the \$100 Gold Binary Contracts shall be 1,750 contracts.

(i) POSITION LIMIT – The Position Limits for the \$100 Gold Binary Contracts shall be 2,500 Contracts.

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

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

(l) EXPIRATION DATE – The Expiration Date of the Contract will be the date on which the Gold 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 Gold Binary Contract is \$100.

(n) EXPIRATION VALUE – The Expiration Value is the level of the Gold release number 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.

(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. If there are less than 250 GFC trade prices available during a single trading day prior to the issuance of a new Gold Contract Nadex may switch to the next available GFC Delivery Month that provides at least 250 GFC trade prices.

RULE ~~42~~. 12.11 NATURAL GAS BINARY CONTRACT

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the Natural Gas Binary Contract issued by Nadex.

(b) UNDERLYING – The Underlying for this Class of Contracts is the Natural Gas price per mmBtu (millions British thermal units, in US dollars), obtained from the Physical Natural Gas Futures contracts (“NFC”) traded on the New York Mercantile Exchange (“NYMEX”¹⁰). The NFC trade prices that will be used for the Underlying will be taken from all twelve NFC delivery months: January, February, March, April, May, June, July, August, September, October, November, or December (each an “NFC Delivery Month”). The specific NFC Delivery Month that will be used as the Underlying will be based on the NFC represented in the following schedule of dates for 2011:

¹⁰ *Supra*, at fn 4.

Start Date	End Date	NFC Delivery Month Used for the Underlying and to Calculate the Expiration Value	Futures Expiration Date
10/23/2010	11/19/2010	Nymex Natural Gas December 2010 Futures	11/24/2010
11/20/2010	12/24/2010	Nymex Natural Gas January 2011 Futures	12/28/2010
12/25/2010	1/21/2011	Nymex Natural Gas February 2011 Futures	1/27/2011
1/22/2011	2/18/2011	Nymex Natural Gas March 2011 Futures	2/24/2011
2/19/2011	3/25/2011	Nymex Natural Gas April 2011 Futures	3/29/2011
3/26/2011	4/22/2011	Nymex Natural Gas May 2011 Futures	4/27/2011
4/23/2011	5/20/2011	Nymex Natural Gas June 2011 Futures	5/26/2011
5/21/2011	6/24/2011	Nymex Natural Gas July 2011 Futures	6/28/2011
6/25/2011	7/22/2011	Nymex Natural Gas August 2011 Futures	7/27/2011
7/23/2011	8/26/2011	Nymex Natural Gas September 2011 Futures	8/29/2011
8/27/2011	9/23/2011	Nymex Natural Gas October 2011 Futures	9/28/2011
9/24/2011	10/21/2011	Nymex Natural Gas November 2011 Futures	10/27/2011
10/22/2011	11/18/2011	Nymex Natural Gas December 2011 Futures	11/28/2011
11/19/2011	12/23/2011	Nymex Natural Gas January 2012 Futures	12/28/2011

On the date listed in the 'Start Date' column above, the NFC trade prices to be used for the Underlying and to calculate the Expiration Value will be done with the corresponding NFC Delivery Month listed. For instance, beginning on March 26, 2011, Nadex will use the Natural Gas May 2011 futures prices as the Underlying as well as use such prices to calculate the Expiration Value on the Expiration Date for the relevant Natural Gas Binary Contract.

(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 Natural Gas Binary Contract, the Payout Criteria for the Contracts will be set as follows:

(i) DAILY NATURAL GAS BINARY CONTRACT, 2:30 PM ET

CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than X - \$0.42.

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than X - \$0.36.

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $X - \$0.30$.

(4) Binary Contract 4: One Contract will have a Payout Criterion of greater than $X - \$0.24$.

(5) Binary Contract 5: One Contract will have a Payout Criterion of greater than $X - \$0.18$.

(6) Binary Contract 6: One Contract will have a Payout Criterion of greater than $X - \$0.12$.

(7) Binary Contract 7: One Contract will have a Payout Criterion of greater than $X - \$0.06$.

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

(9) Binary Contract 9: One Contract will have a Payout Criterion of greater than $X + \$0.06$.

(10) Binary Contract 10: One Contract will have a Payout Criterion of greater than $X + \$0.12$.

(11) Binary Contract 11: One Contract will have a Payout Criterion of greater than $X + \$0.18$.

(12) Binary Contract 12: One Contract will have a Payout Criterion of greater than $X + \$0.24$.

(13) Binary Contract 13: One Contract will have a Payout Criterion of greater than $X + \$0.30$.

(14) Binary Contract 14: One Contract will have a Payout Criterion of greater than $X + \$0.36$.

(15) Binary Contract 15: One Contract will have a Payout Criterion of greater than $X + \$0.42$.

(16) In each case, "X" equals the last Expiration Value of Natural Gas rounded to the nearest ten cents (\$0.10), as reported by the Source Agency.

(ii) WEEKLY NATURAL GAS BINARY CONTRACT, 2:30 PM ET
CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $Y - \$0.75$.

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than $Y - \$0.50$.

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $Y - \$0.25$.

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

(5) Binary Contract 5: One Contract will have a Payout Criterion of greater than $Y + \$0.25$.

(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 $Y + \$0.75$.

(8) In each case, "Y" equals the last Expiration Value of Natural Gas rounded to the nearest \$0.25 or \$0.75, as reported by the Source Agency.

(iii) INTRADAY NATURAL GAS BINARY CONTRACT, 8:00 AM to 10:00 AM ET CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $Z1 - \$0.20$.

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

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $Z1 + \$0.20$.

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

(iv) INTRADAY NATURAL GAS BINARY CONTRACT, 9:00 AM to 11:00 AM ET CLOSE

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

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

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $Z2 + \$0.20$.

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

(v) INTRADAY NATURAL GAS BINARY CONTRACT, 10:00 AM to 12:00 PM ET CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than Z3 - \$0.20.

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

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than Z3 + \$0.20.

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

(vi) INTRADAY NATURAL GAS BINARY CONTRACT, 11:00 AM to 1:00 PM ET CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than Z4 - \$0.20.

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

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than Z4 + \$0.20.

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

(vii) INTRADAY NATURAL GAS BINARY CONTRACT, 12:00 PM to 2:00 PM ET CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than Z5 - \$0.20.

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

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than Z5 + \$0.20.

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

(viii) Nadex may list additional Natural Gas Binary Contract with different ranges of Payout Criteria on a discretionary basis in accordance with the CEA and Commission Regulations.

(g) MINIMUM TICK – The Minimum Tick size for Natural Gas Binary Contracts shall be \$0.25.

(h) REPORTING LEVEL – The Reporting Level for the Natural Gas Binary Contracts shall be 1,750 contracts.

(i) POSITION LIMIT – The Position Limits for Natural Gas Binary Contracts shall be 2,500 Contracts.

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

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

(l) EXPIRATION DATE – The Expiration Date of the Contract will be the date on which the Natural Gas Expiration Value is released by the Source Agency.

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

(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.

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

RULE ~~42~~ 12.78 NONFARM PAYROLLS BINARY CONTRACT

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the Nonfarm Payrolls Binary Contract issued by Nadex.

(b) UNDERLYING – The Underlying for this Class of Contracts is the seasonally adjusted monthly change in the Nonfarm Payrolls release last reported by the Source Agency.

(c) SOURCE AGENCY – The Source Agency is the United States Department of Labor, Bureau of Labor Statistics.

(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 four (4) business days prior to 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 Nonfarm Payrolls Binary Contract, the Payout Criteria for the Contracts will be set as follows:

(i) MONTHLY NONFARM PAYROLLS BINARY CONTRACTS

(1) At the commencement of trading in a Monthly Nonfarm Payrolls Binary Contract, Nadex shall list all eligible Payout Criteria in a range of five (5) consecutive increments of either 25,000, 50,000, 75,000, 100,000, or 150,000, as determined by Nadex, with the maximum value of the Payout Criteria not to exceed 1,000,000 and the minimum value of the Payout Criteria not to fall below -1,000,000, and the contract payout criteria of greater than or equal to (\geq). For example, Nadex may list the following range of Payout Criteria (using the 75,000 increment): -748,000, -673,000, -598,000, -523,000, and -448,000. For the next issuance, Nadex may list the following range of Payout Criteria (using a 50,000 increment): 200,000, 250,000, 300,000, 350,000, and 400,000.

(2) In each case above, “X” equals the first Payout Criteria listed. In the first example above, this is -748,000; in the second example above, this is 200,000.

(ii) CYCLICAL NONFARM PAYROLLS BINARY CONTRACT

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than 10,000.

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than 30,000.

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than 50,000.

(4) Binary Contract 4: One Contract will have a Payout Criterion of greater than 70,000.

(5) Binary Contract 5: One Contract will have a Payout Criterion of greater than 90,000.

(6) Binary Contract 6: One Contract will have a Payout Criterion of greater than 110,000.

(7) Binary Contract 7: One Contract will have a Payout Criterion of greater than 130,000.

(8) Binary Contract 8: One Contract will have a Payout Criterion of greater than 150,000.

(9) Binary Contract 9: One Contract will have a Payout Criterion of greater than 170,000.

(10) Binary Contract 10: One Contract will have a Payout Criterion of greater than 190,000.

(11) Binary Contract 11: One Contract will have a Payout Criterion of greater than 210,000.

(12) Binary Contract 12: One Contract will have a Payout Criterion of greater than 230,000.

(13) Binary Contract 13: One Contract will have a Payout Criterion of greater than 250,000.

(iii) Nadex may list additional Nonfarm Payrolls Binary Contract with different ranges of Payout Criteria on a discretionary basis in accordance with the CEA and Commission Regulations.

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

(h) REPORTING LEVEL – The Reporting Level for the \$100 Nonfarm Payrolls Binary Contracts shall be 12,500 contracts.

(i) POSITION LIMIT – There are currently no Position Limits for the \$100 Nonfarm Payrolls Binary Contract.

(j) LAST TRADING DATE – The Last Trading Date in a Series is the same day as the Expiration Date. The Nonfarm Payrolls Contracts will stop trading on the Last Trading Date at 8:25 AM ET.

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

(l) EXPIRATION DATE – The Expiration Date of the Contract will be the date on which the Nonfarm Payrolls 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 Nonfarm Payrolls Binary Contract is \$100.

(n) **EXPIRATION VALUE** – The Expiration Value is the level of the Nonfarm Payrolls release number on the Expiration Date. The Expiration Value is released by the Source Agency at 8:30 AM ET on the Expiration Date.

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

RULE ~~12.7~~ 12.7 SILVER BINARY CONTRACT

(a) **SCOPE** –These Rules shall apply to the Class of Contracts referred to as the Silver Binary Contract issued by Nadex.

(b) **UNDERLYING** – The Underlying for this Class of Contracts is the price, cents per troy ounce (in US Currency), of Silver obtained from the Silver Futures Contracts (“SFC”) traded on the COMEX Division of the New York Mercantile Exchange (“NYMEX®”¹¹). The SFC trade prices that will be used to for the Underlying will be taken from the March, May, July, September, or December SFC delivery months (each an “SFC Delivery Month”). The specific SFC Delivery Month that will be used for the Underlying will be based on the SFC represented in the following schedule of dates for 2011:

Start Date	End Date	SFC Delivery Month Used for the Underlying and to Calculate the Expiration Value	Futures Expiration Date
8/28/2010	11/26/2010	Comex Silver December 2010 Futures	12/29/2010
11/27/2010	2/25/2011	Comex Silver March 2011 Futures	3/29/2011
2/26/2011	4/29/2011	Comex Silver May 2011 Futures	5/26/2011
4/30/2011	6/24/2011	Comex Silver July 2011 Futures	7/27/2011
6/25/2011	8/26/2011	Comex Silver September 2011 Futures	9/28/2011
8/27/2011	11/25/2011	Comex Silver December 2011 Futures	12/28/2011
11/26/2011	2/24/2012	Comex Silver March 2012 Futures	3/28/2012

On the date listed in the ‘Start Date’ column above, the SFC trade prices to be used for the Underlying and to calculate the Expiration Value will be done with the corresponding SFC Delivery Month listed. For instance, beginning on February 26, 2011, Nadex will use the Silver May 2011 futures prices as the Underlying as well as use such prices to calculate the Expiration Value on the Expiration Date from the relevant Silver Binary Contract.

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

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

¹¹ *Supra*, at fn 4.

(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 Silver Binary Contract, the Payout Criteria for the Contracts will be set as follows:

(i) DAILY SILVER BINARY CONTRACT, 1:25 PM ET CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $X - 70$ cents.

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than $X - 60$ cents.

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $X - 50$ cents.

(4) Binary Contract 4: One Contract will have a Payout Criterion of greater than $X - 40$ cents.

(5) Binary Contract 5: One Contract will have a Payout Criterion of greater than $X - 30$ cents.

(6) Binary Contract 6: One Contract will have a Payout Criterion of greater than $X - 20$ cents.

(7) Binary Contract 7: One Contract will have a Payout Criterion of greater than $X - 10$ cents.

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

(9) Binary Contract 9: One Contract will have a Payout Criterion of greater than $X + 10$ cents.

(10) Binary Contract 10: One Contract will have a Payout Criterion of greater than $X + 20$ cents.

(11) Binary Contract 11: One Contract will have a Payout Criterion of greater than $X + 30$ cents.

(12) Binary Contract 12: One Contract will have a Payout Criterion of greater than $X + 40$ cents.

(13) Binary Contract 13: One Contract will have a Payout Criterion of greater than $X + 50$ cents.

(14) Binary Contract 14: One Contract will have a Payout Criterion of greater than $X + 60$ cents.

(15) Binary Contract 15: One Contract will have a Payout Criterion of greater than $X + 70$ cents.

(16) In each case, "X" equals the last Silver Price rounded to the nearest ten cents (10), as reported by the Source Agency.

(ii) WEEKLY SILVER BINARY CONTRACT, 1:25PM ET CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $Y - 150$ cents.

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than $Y - 100$ cents.

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $Y - 50$ cents.

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

(5) Binary Contract 5: One Contract will have a Payout Criterion of greater than $Y + 50$ cents.

(6) Binary Contract 6: One Contract will have a Payout Criterion of greater than $Y + 100$ cents.

(7) Binary Contract 7: One Contract will have a Payout Criterion of greater than $Y + 150$ cents.

(8) In each case, "X" equals the last Silver Price rounded to the nearest value ending in either twenty-five cents (25) or seventy-five cents (75), as reported by the Source Agency.

(iii) INTRADAY SILVER BINARY CONTRACT, 8:00 AM to 10:00 AM ET CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $Z1 - 10$ -cents.

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

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $Z1 + 10$ -cents.

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

(iv) INTRADAY SILVER BINARY CONTRACT, 9:00 AM to 11:00 AM ET CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $Z2 - 10\text{-cents}$.

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

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $Z2 + 10\text{-cents}$.

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

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

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $Z3 - 10\text{-cents}$.

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

(3) Binary Contract 1: One Contract will have a Payout Criterion of greater than $Z3 + 10\text{-cents}$.

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

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

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $Z4 - 10\text{-cents}$.

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

(3) Binary Contract 1: One Contract will have a Payout Criterion of greater than $Z4 + 10\text{-cents}$.

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

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

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

(h) REPORTING LEVEL – The Reporting Level for the Silver Binary Contract shall be 1,400 contracts.

(i) POSITION LIMIT – The Position Limits for Silver Binary Contracts shall be 2,000 Contracts.

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

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

(l) EXPIRATION DATE – The Expiration Date of the Contract will be the date on which the Silver price is released by the Source Agency.

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

(n) EXPIRATION VALUE – The Expiration Value is the price 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.

(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. If there are less than 250 SFC trade prices available during a single trading day prior to the issuance of a new Silver Contract Nadex may switch to the next available SFC Delivery Month that provides at least 250 SFC trade prices.

RULE 12.3 COPPER BINARY CONTRACT

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the Copper Binary Contract issued by Nadex.

(b) UNDERLYING – Underlying for this Class of Contracts is the Copper price per pound (in U.S. cents), obtained from the specified Copper Futures Contracts (“CPFC”)

trading in the COMEX® Division on the New York Mercantile Exchange (“NYMEX”®)¹². The CPFC prices that will be used to calculate the Underlying will be taken from the March, May, July, September, or December CPFC delivery months (each a “CPFC Delivery Month”). The specific delivery month that will be used as the Underlying will be based on the CPFC represented in the following schedule of dates for 2011:

Start Date	End Date	CPFC Delivery Month Used for the Underlying and to Calculate the Expiration Value	Futures Expiration Date
8/28/2010	11/26/2010	Comex Copper December 2009 Futures	12/29/2010
11/27/2010	2/25/2011	Comex Copper March 2011 Futures	3/29/2011
2/26/2011	4/29/2011	Comex Copper May 2011 Futures	5/26/2011
4/30/2011	6/24/2011	Comex Copper July 2011 Futures	7/27/2011
6/25/2011	8/26/2011	Comex Copper September 2011 Futures	9/28/2011
8/27/2011	11/25/2011	Comex Copper December 2011 Futures	12/28/2011
11/26/2011	2/24/2012	Comex Copper March 2012 Futures	3/28/2012

On the date listed in the ‘Start Date’ column above, the CPFC trade prices to be used for the Underlying and to calculate the Expiration Value will be done with the corresponding CPFC Delivery Month listed. For instance, beginning on February 26, 2011, Nadex will use the Copper May 2011 futures prices as the Underlying as well as use such prices to calculate the Expiration Value on the Expiration Date for the relevant Copper Binary Contract.

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

(i) DAILY COPPER BINARY CONTRACTS, 1:00 PM ET CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than X - 14.

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than X - 12.

¹² *Supra*, at fn 4.

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $X - 10$.

(4) Binary Contract 4: One Contract will have a Payout Criterion of greater than $X - 8$.

(5) Binary Contract 5: One Contract will have a Payout Criterion of greater than $X - 6$.

(6) Binary Contract 6: One Contract will have a Payout Criterion of greater than $X - 4$.

(7) Binary Contract 7: One Contract will have a Payout Criterion of greater than $X - 2$.

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

(9) Binary Contract 9: One Contract will have a Payout Criterion of greater than $X + 2$.

(10) Binary Contract 10: One Contract will have a Payout Criterion of greater than $X + 4$.

(11) Binary Contract 11: One Contract will have a Payout Criterion of greater than $X + 6$.

(12) Binary Contract 12: One Contract will have a Payout Criterion of greater than $X + 8$.

(13) Binary Contract 13: One Contract will have a Payout Criterion of greater than $X + 10$.

(14) Binary Contract 14: One Contract will have a Payout Criterion of greater than $X + 12$.

(15) Binary Contract 15: One Contract will have a Payout Criterion of greater than $X + 14$.

(16) In each case above, "X" is measured in U.S. cents and equals the last Copper value rounded to the nearest one cent (1), as reported by the Source Agency.

(ii) WEEKLY COPPER BINARY CONTRACTS, 1:00 PM ET
CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $Y - 30$.

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than $Y - 20$.

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $Y - 10$.

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

(5) Binary Contract 5: One Contract will have a Payout Criterion of greater than $Y + 10$.

(6) Binary Contract 6: One Contract will have a Payout Criterion of greater than $Y + 20$.

(7) Binary Contract 7: One Contract will have a Payout Criterion of greater than $Y + 30$.

(8) In each case above, "Y" equals the last Copper value rounded to the nearest 0.5 cents as reported by the Source Agency.

(iii) INTRADAY COPPER BINARY CONTRACT, 8:00 AM to 10:00 AM ET CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $Z1 - 7.5$.

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

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $Z1 + 7.5$.

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

(iv) INTRADAY COPPER BINARY CONTRACT, 9:00 AM to 11:00 AM ET CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $Z2 - 7.5$.

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

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $Z2 + 7.5$.

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

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

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $Z3 - 7.5$.

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

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $Z3 + 7.5$.

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

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

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $Z4 - 7.5$.

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

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $Z4 + 7.5$.

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

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

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

(h) REPORTING LEVEL – The Reporting Level for the Copper Binary Contracts shall be 1,750 Contracts.

(i) POSITION LIMIT – The Position Limits for the Copper Binary Contract shall be 2,500 Contracts.

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

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

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

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

(n) EXPIRATION VALUE – The Expiration Value is the price of Copper as calculated by the Source Agency on the Expiration Date.

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

~~RULE 12.~~ 12.33 CURRENCY EXCHANGE USD/CAD BINARY CONTRACT

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

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

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

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

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

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

(i) DAILY USD/CAD BINARY CONTRACTS, 3PM ET CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $X - 0.0200$.

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than $X - 0.0180$.

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $X - 0.0160$.

(4) Binary Contract 4: One Contract will have a Payout Criterion of greater than $X - 0.0140$.

(5) Binary Contract 5: One Contract will have a Payout Criterion of greater than $X - 0.0120$.

(6) Binary Contract 6: One Contract will have a Payout Criterion of greater than $X - 0.0100$.

(7) Binary Contract 7: One Contract will have a Payout Criterion of greater than $X - 0.0080$.

(8) Binary Contract 8: One Contract will have a Payout Criterion of greater than $X - 0.0060$.

(9) Binary Contract 9: One Contract will have a Payout Criterion of greater than $X - 0.0040$.

(10) Binary Contract 10: One Contract will have a Payout Criterion of greater than $X - 0.0020$.

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

(12) Binary Contract 12: One Contract will have a Payout Criterion of greater than $X + 0.0020$.

(13) Binary Contract 13: One Contract will have a Payout Criterion of greater than $X + 0.0040$.

(14) Binary Contract 14: One Contract will have a Payout Criterion of greater than $X + 0.0060$.

(15) Binary Contract 15: One Contract will have a Payout Criterion of greater than $X + 0.0080$.

(16) Binary Contract 16: One Contract will have a Payout Criterion of greater than $X + 0.0100$.

(17) Binary Contract 17: One Contract will have a Payout Criterion of greater than $X + 0.0120$.

(18) Binary Contract 18: One Contract will have a Payout Criterion of greater than $X + 0.0140$.

(19) Binary Contract 19: One Contract will have a Payout Criterion of greater than $X + 0.0160$.

(20) Binary Contract 20: One Contract will have a Payout Criterion of greater than $X + 0.0180$.

(21) Binary Contract 21: One Contract will have a Payout Criterion of greater than $X + 0.0200$.

(22) In each case, "X" equals the last USD/CAD price rounded to the nearest 0.0020 as reported by the Source Agency.

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

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

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

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

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

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

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

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

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

(iii)INTRADAY USD/CAD 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 $Z1 - 0.0050$.

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

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $Z1 + 0.0050$.

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

(iv) INTRADAY USD/CAD BINARY CONTRACTS, 9:00 AM to 11:00 AM ET CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $Z2 - 0.0050$.

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

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $Z2 + 0.0050$.

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

(v) INTRADAY USD/CAD 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 $Z3 - 0.0050$.

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

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $Z3 + 0.0050$.

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

(vi) INTRADAY USD/CAD 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 $Z4 - 0.0050$.

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

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $Z4 + 0.0050$.

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

(vii) INTRADAY USD/CAD 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 $Z5 - 0.0050$.

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

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $Z5 + 0.0050$.

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

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

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $Z6 - 0.0050$.

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

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $Z6 + 0.0050$.

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

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

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

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

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

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

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

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

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

(n) EXPIRATION VALUE – The Expiration Value is the Settlement Price of USD/CAD Currency as calculated by the Source Agency on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking the last twenty-five (25) Midpoints 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. A simple average of the remaining fifteen (15) USD/CAD Midpoints is used to calculate the Expiration Value. A Midpoint is calculated by adding the bid price and the ask price together and then dividing that number by two (2). For example, if the bid price is 1.0700 and the ask price is 1.0702, the two numbers are added together (totaling 2.1402) and then divided by two (2), equaling a Midpoint of 1.0701. If the spread between a particular bid price and ask price is deemed too wide (greater than five (5) pips), those prices will not be used to calculate a Midpoint and will thus not be included within the 25 initially captured values.

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

RULE ~~12~~ 12.15 SOYBEAN BINARY CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the Soybean Binary Contracts issued by Nadex.

(b) UNDERLYING – The Underlying for this Class of Contracts is the Soybean price per bushel (in U.S. cents), herein after referred to as “Soybean” or “Soybeans”, as calculated by Nadex using a proprietary algorithm which takes a sampling of prices¹³ obtained from the specified Soybean Futures contracts (“SBFC”) currently trading in the Chicago Board of Trade (CBOT®)¹⁴ The SBFC prices that will be used to calculate the Underlying will be taken from the January, March, May, July, August, September, or November SBFC delivery months (each a “SBFC Delivery Month”). The specific SBFC delivery month that will be used will be based on the SBFC represented in the following schedule of dates for 2011:

¹³ The term “Prices” does not include any settlement prices calculated or issued by CBOT. Nadex only uses the prices reported on the CBOT in order to formulate its own Expiration Value.

¹⁴ CBOT® is a registered service mark of the Chicago Board of Trade. Nadex, Inc. is not affiliated with the Chicago Board of Trade and neither the Chicago Board of Trade, nor its affiliates, sponsor or endorse Nadex, Inc. in any way.

Start Date	End Date	SBFC Delivery Month Used for the Underlying and to Calculate the Expiration Value	Futures Expiration Date
10/30/2010	12/31/2010	CBOT Soybeans January 2011 Future	1/14/2011
1/1/2011	2/25/2011	CBOT Soybeans March 2011 Future	3/14/2011
2/26/2011	4/29/2011	CBOT Soybeans May 2011 Future	5/13/2011
4/30/2011	6/24/2011	CBOT Soybeans July 2011 Future	7/14/2011
6/25/2011	7/29/2011	CBOT Soybeans August 2011 Future	8/12/2011
7/30/2011	8/26/2011	CBOT Soybeans September 2011 Future	9/14/2011
8/27/2011	10/28/2011	CBOT Soybeans November 2011 Future	11/14/2011
10/29/2011	12/30/2011	CBOT Soybeans January 2012 Future	1/13/2012

On the date listed in the 'Start Date' column above, the SBFC trade prices to be used for the Underlying and to calculate the Expiration Value will be done with the corresponding SBFC Delivery Month listed. For instance, beginning on June 25, 2011, Nadex will use the Soybeans August 2011 futures prices as the Underlying as well as use such SBFC prices to calculate the Expiration Value on the Expiration Date for the relevant Soybeans Binary Contract.

(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 Soybean Binary Contract, the Payout Criteria for the Contracts will be set as follows:

(i) **DAILY SOYBEANS BINARY CONTRACTS, 2:15 PM ET**

CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than X - 21.

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than X - 18.

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than X - 15.

(4) Binary Contract 4: One Contract will have a Payout Criterion of greater than X - 12.

X - 9. (5) Binary Contract 5: One Contract will have a Payout Criterion of greater than

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

X - 3. (7) Binary Contract 7: One Contract will have a Payout Criterion of greater than

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

X + 3. (9) Binary Contract 9: One Contract will have a Payout Criterion of greater than

than X + 6. (10) Binary Contract 10: One Contract will have a Payout Criterion of greater

than X + 9. (11) Binary Contract 11: One Contract will have a Payout Criterion of greater

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

than X + 15. (13) Binary Contract 13: One Contract will have a Payout Criterion of greater

than X + 18. (14) Binary Contract 14: One Contract will have a Payout Criterion of greater

than X + 21. (15) Binary Contract 15: One Contract will have a Payout Criterion of greater

(16) In each case, "X" equals the last Soybean price rounded to the nearest one (1), as reported by the Source Agency.

(ii) WEEKLY SOYBEANS BINARY CONTRACTS, 2:15 PM ET
CLOSE

X - 30. (1) Binary Contract 1: One Contract will have a Payout Criterion of greater than

X - 20. (2) Binary Contract 2: One Contract will have a Payout Criterion of greater than

X - 10. (3) Binary Contract 3: One Contract will have a Payout Criterion of greater than

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

X + 10. (5) Binary Contract 5: One Contract will have a Payout Criterion of greater than

X + 20. (6) Binary Contract 6: One Contract will have a Payout Criterion of greater than

X + 30. (7) Binary Contract 7: One Contract will have a Payout Criterion of greater than

(8) In each case, "X" equals the last Soybean price rounded to the nearest 0.5, as reported by the Source Agency.

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

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

(h) REPORTING LEVEL - The Reporting Level for the Soybean Binary Contract shall be 1750 Contracts.

(i) POSITION LIMIT - The Position Limit for Soybean Binary Contract shall be 2500 Contracts.

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

(k) SETTLEMENT DATE - The Settlement Date will be the same date as the Expiration Date.

(l) EXPIRATION DATE - The Expiration Date of the Contract will be the date on which the Expiration Value is released by the Source Agency.

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

(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.

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

RULE ~~12.12~~ 12.13 CORN BINARY CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the Corn Binary Contract issued by Nadex.

(b) UNDERLYING – The Underlying for this Class of Contracts is the Corn price per bushel (in U.S. cents), herein after referred to as “Corn”, as calculated by Nadex using a proprietary algorithm which takes a sampling of prices¹⁵ obtained from the specified Corn Futures Contracts (“CNFC”) currently trading on the Chicago Board of Trade (CBOT®)¹⁶. The CNFC prices that will be used to calculate the Underlying will be taken from the March, May, July, September, or December CNFC delivery months (each a “CNFC Delivery Month”). The specific CNFC delivery month that will be used for the Underlying will be based on the CNFC represented in the following schedule of dates for 2011:

Start Date	End Date	CNFC Delivery Month Used for the Underlying and to Calculate the Expiration Value	Futures Expiration Date
8/28/2010	11/26/2010	CBOT Corn December 2010 Future	12/14/2010
11/27/2010	2/25/2011	CBOT Corn March 2011 Future	3/14/2011
2/26/2011	4/29/2011	CBOT Corn May 2011 Future	5/13/2011
4/30/2011	6/24/2011	CBOT Corn July 2011 Future	7/14/2011
6/25/2011	8/26/2011	CBOT Corn September 2011 Future	9/14/2011
8/27/2011	11/25/2011	CBOT Corn December 2011 Future	12/14/2011
11/26/2011	2/24/2012	CBOT Corn March 2012 Future	3/14/2012

On the date listed in the ‘Start Date’ column above, the CNFC trade prices to be used for the Underlying and to calculate the Expiration Value will be done with the corresponding CNFC Delivery Month listed. For instance, beginning on June 25, 2011, Nadex will use the Corn September 2011 futures prices as the Underlying as well as use such CNFC prices to calculate the Expiration Value on the Expiration Date for the relevant Corn Binary Contract.

(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.

¹⁵ *Supra*, at fn 12.

¹⁶ *Supra*, at fn 13.

(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 Corn Binary Contract, the Payout Criteria for the Contracts will be set as follows:

(i) DAILY CORN BINARY CONTACTS, 2:15 PM ET CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $X - 14$.

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than $X - 12$.

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $X - 10$.

(4) Binary Contract 4: One Contract will have a Payout Criterion of greater than $X - 8$.

(5) Binary Contract 5: One Contract will have a Payout Criterion of greater than $X - 6$.

(6) Binary Contract 6: One Contract will have a Payout Criterion of greater than $X - 4$.

(7) Binary Contract 7: One Contract will have a Payout Criterion of greater than $X - 2$.

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

(9) Binary Contract 9: One Contract will have a Payout Criterion of greater than $X + 2$.

(10) Binary Contract 10: One Contract will have a Payout Criterion of greater than $X + 4$.

(11) Binary Contract 11: One Contract will have a Payout Criterion of greater than $X + 6$.

(12) Binary Contract 12: One Contract will have a Payout Criterion of greater than $X + 8$.

(13) Binary Contract 13: One Contract will have a Payout Criterion of greater than $X + 10$.

(14) Binary Contract 14: One Contract will have a Payout Criterion of greater than $X + 12$.

(15) Binary Contract 15: One Contract will have a Payout Criterion of greater than $X + 14$.

(16) In each case, "X" equals the last Corn price rounded to the nearest one (1), as reported by the Source Agency.

(ii) WEEKLY CORN BINARY CONTRACTS, 2:15 PM ET CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $X - 15$.

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than $X - 10$.

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $X - 5$.

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

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

(6) Binary Contract 6: One Contract will have a Payout Criterion of greater than $X + 10$.

(7) Binary Contract 7: One Contract will have a Payout Criterion of greater than $X + 15$.

(8) In each case, "X" equals the last Corn price rounded to the nearest 0.5, as reported by the Source Agency.

(iii) Nadex may list additional Corn 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 Corn Binary Contracts shall be \$0.25.

(h) REPORTING LEVEL - The Reporting Level for the Corn Binary Contracts shall be 1,750 Contracts.

(i) POSITION LIMIT - The Position Limit for Corn Binary Contracts shall be 2,500 Contracts.

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

(k) **SETTLEMENT DATE** - The Settlement Date will be the same date as the Expiration Date.

(l) **EXPIRATION DATE** - The Expiration Date of the Contract will be the date on which the Corn Expiration Value is released by the Source Agency.

(m) **SETTLEMENT VALUE** - The Settlement Value is the amount paid to the holder of the in the money Contract on the Settlement Date. The Settlement Value of an in the money Corn Binary Contract is \$100.

(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.

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

~~RULE 12.~~ 12.32 CURRENCY EXCHANGE USD/CAD VARIABLE PAYOUT CONTRACTS

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

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

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

(d) **TYPE** – The Type of Contract is a Variable Payout Contract.

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

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

(i) **DAILY VARIABLE USD/CAD CONTRACTS, 3:00 PM ET**
CLOSE SPREAD - At the commencement of trading in a Daily Spread USD/CAD Variable

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

(1) DAILY VARIABLE USD/CAD SPREAD CONTRACT

(aa) CAP – The Cap shall be $X + 0.0250$.

(bb) FLOOR – The Floor shall be $X - 0.0250$.

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

(2) In each case, "X" equals the last USD/CAD price, as reported by the Source Agency, rounded to the nearest 0.0010.

(ii) INTRADAY VARIABLE USD/CAD SPREAD CONTRACTS, 6:00PM to 11:00PM, 11:00PM to 7:00AM, 7:00AM to 3:00PM ET CLOSE - Nadex shall list a set of three (3) Variable Payout Contracts with overlapping ranges, which conform to the Payout Criteria listed below:

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

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

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

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

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

(iii) INTRADAY 2-HOUR VARIABLE USD/CAD SPREAD CONTRACTS, 8:00PM, 9:00PM, 10:00PM, 11:00PM, 12:00AM, 1:00AM, 2:00AM, 3:00AM, 4:00AM, 5:00AM, 6:00AM, 7:00AM, 8:00AM, 9:00AM, 10:00AM, 11:00AM, 12:00PM, 1:00PM, 2:00PM, and 3:00PM ET CLOSE - Nadex shall list a set of three (3) Variable Payout Contracts that open 2 hours prior to the stated closing time(s) above with overlapping ranges, which conform to the Payout Criteria listed below:

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

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

(3) CONTRACT 3: The Cap shall be $X + 0.0100$; The Floor shall be X.

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

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

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

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

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

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

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

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

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

(m) SETTLEMENT VALUE – The Settlement Value is the amount paid to the holder of either a Short or Long Variable Payout Contract on Settlement Date. The Settlement Value of a Variable Payout Contract is determined as described in the definition for Long and Short Variable Payout Contracts.

(n) EXPIRATION VALUE – The Expiration Value is the price or value of USD/CAD released by the Source Agency on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking the last twenty-five (25) Midpoints 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. A simple average of the remaining fifteen (15) USD/CAD Midpoints is used to calculate the Expiration Value. A Midpoint is calculated by adding the bid price and the ask price together and then dividing that number by two (2). For example, if the bid price is 1.0700 and the ask price is 1.0702, the two numbers are added together (totaling 2.1402) and then divided by two (2), equaling a Midpoint of 1.0701. If the spread between a particular bid price and ask price is deemed too wide (greater than five (5) pips), those prices will not be used to calculate a Midpoint and will thus not be included within the 25 initially captured values.

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

~~RULE 12.~~ 12.77 INITIAL JOBLESS CLAIMS BINARY CONTRACT

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the Initial Jobless Claims Binary Contract issued by Nadex.

(b) UNDERLYING – The Underlying for this Class of Contracts is the number of claims submitted for unemployment insurance benefits (seasonally adjusted and hereinafter referred to as “Initial Jobless Claims” or “Initial Claims”) last reported by the U.S. Department of Labor, Employment and Training Administration (“ETA”) Division.

(c) SOURCE AGENCY – The Source Agency is the U.S. Department of Labor, Employment and Training Administration (“ETA”) Division.

(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 three (3) 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 Initial Jobless Claims Binary Contract, the Payout Criteria for the Contracts will be set as follows:

(i) WEEKLY INITIAL JOBLESS CLAIMS BINARY CONTRACTS

(1) At the commencement of trading in a Weekly Initial Jobless Claims Binary Contract, Nadex shall list all eligible Payout Criteria in a range of five (5) consecutive increments of either 2,000, 5,000, 10,000 or 20,000, as determined by Nadex, with the maximum value of the Payout Criteria not to exceed 1,000,000 and the minimum value of the Payout Criteria not to fall below zero (0), and the contract payout criteria of greater than or equal to (\geq). For example, Nadex may list the following range of Payout Criteria (using a 10,000 increment): 607,000, 617,000, 627,000, 637,000, and 647,000. The following week, Nadex may list the following range of Payout Criteria (using a 5,000 increment): 610,000, 615,000, 620,000, 625,000, and 630,000.

(2) In each case above, “X” equals the first Payout Criteria listed. In the first example above, this is 607,000; in the second example above, this is 610,000.

(ii) Nadex may list additional Initial Jobless Claims Binary Contract with different ranges of Payout Criteria on a discretionary basis in accordance with the CEA and Commission Regulations.

(g) MINIMUM TICK – The Minimum Tick size for the Initial Jobless Claims Binary Contracts shall be \$0.25.

(h) REPORTING LEVEL – The Reporting Level for the Initial Jobless Claims Binary Contracts shall be 12,500 contracts.

(i) **POSITION LIMIT** – There are currently no Position Limits for the Initial Jobless Claims Binary Contract.

(j) **LAST TRADING DATE** – The Last Trading Date in a Series is the same day as the Expiration Date. The Initial Claims Contracts will stop trading on the Last Trading Date at 8:25 AM ET.

(k) **SETTLEMENT DATE** – The Settlement Date of the Contract shall be the same date that the Initial Jobless Claims number is released by the Source Agency.

(l) **EXPIRATION DATE** – The Expiration Date of the Contract shall be the date on which the Initial Jobless Claims number is scheduled to be released by the Source Agency.

(m) **SETTLEMENT VALUE** – The Settlement Value is the amount paid to the holder of the in the money Contract on Settlement Date. The Settlement Value of an in the money Initial Jobless Claims Binary Contract is \$100.

(n) **EXPIRATION VALUE** – The Expiration Value is the Initial Jobless Claims number released by the Source Agency on the Expiration Date. The Expiration Value is released by the Source Agency at 8:30 AM ET on the Expiration Date.

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

RULE 42- 12.51 NADEX GERMANY 30 BINARY CONTRACTS

(a) **SCOPE** – These Rules shall apply to the Class of Contracts referred to as the Germany 30 Binary Contracts issued by Nadex.

(b) **UNDERLYING** – The Underlying for this Class of Binary Contracts is the price (in Euro Currency) of the DAX[®] Futures contracts (“DFC”) traded on the Eurex[®] exchange (Eurex).¹⁷ The DFC trade prices that will be used for the Underlying will be taken from four (4) DFC delivery months: March, June, September, or December (each a “DFC Delivery Month”). The specific DFC Delivery Month that will be used as the Underlying will be based on the DFC represented in the following schedule of dates for 2011:

Start Date	End Date	DFC Delivery Month Used for the Underlying and to Calculate the Expiration Value	Futures Expiration Date
9/14/2010	12/13/2010	Eurex DAX December 2010 Future	12/17/2010

¹⁷ Eurex[®] and DAX[®] are registered marks of Deutsche Börse AG. Nadex, Inc. is not affiliated with the Eurex or Deutsche Börse AG, and neither Eurex nor its affiliates sponsor or endorse Nadex, Inc. or its products in any way. In particular, the Nadex Germany 30 Binary Option Contracts are not sponsored, endorsed, sold or promoted by Eurex or Deutsche Börse AG.

12/14/2010	3/14/2011	Eurex DAX March 2011 Future	3/18/2011
3/15/2011	6/13/2011	Eurex DAX June 2011 Future	6/17/2011
6/14/2011	9/12/2011	Eurex DAX September 2011 Future	9/16/2011
9/13/2011	12/12/2011	Eurex DAX December 2011 Future	12/16/2011

On the date listed in the 'Start Date' column above, the DFC trade prices to be used for the Underlying and to calculate the Expiration Value will be the DFC trade prices for the corresponding DFC Delivery Month listed. For instance, beginning on March 15, 2011, Nadex will use the Eurex DAX June 2011 future prices as the Underlying and will use trade prices for the June 2011 DAX futures contract to calculate the Expiration Value on the Expiration Date for the relevant Germany 30 Binary Contract.

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

(i) DAILY GERMANY 30 BINARY CONTRACTS, 4:00 PM (ET)
CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than X - 200.

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than X - 180.

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than X - 160.

(4) Binary Contract 4: One Contract will have a Payout Criterion of greater than X - 140.

(5) Binary Contract 5: One Contract will have a Payout Criterion of greater than X - 120.

(6) Binary Contract 6: One Contract will have a Payout Criterion of greater than X - 100.

(7) Binary Contract 7: One Contract will have a Payout Criterion of greater than $X - 80$.

(8) Binary Contract 8: One Contract will have a Payout Criterion of greater than $X - 60$.

(9) Binary Contract 9: One Contract will have a Payout Criterion of greater than $X - 40$.

(10) Binary Contract 10: One Contract will have a Payout Criterion of greater than $X - 20$.

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

(12) Binary Contract 12: One Contract will have a Payout Criterion of greater than $X + 20$.

(13) Binary Contract 13: One Contract will have a Payout Criterion of greater than $X + 40$.

(14) Binary Contract 14: One Contract will have a Payout Criterion of greater than $X + 60$.

(15) Binary Contract 15: One Contract will have a Payout Criterion of greater than $X + 80$.

(16) Binary Contract 16: One Contract will have a Payout Criterion of greater than $X + 100$.

(17) Binary Contract 17: One Contract will have a Payout Criterion of greater than $X + 120$.

(18) Binary Contract 18: One Contract will have a Payout Criterion of greater than $X + 140$.

(19) Binary Contract 19: One Contract will have a Payout Criterion of greater than $X + 160$.

(20) Binary Contract 20: One Contract will have a Payout Criterion of greater than $X + 180$.

(21) Binary Contract 21: One Contract will have a Payout Criterion of greater than $X + 200$.

(22) In each case above, "X" equals the Germany 30 reference price, as calculated by the Source Agency, rounded to the nearest twenty (20).

(ii) WEEKLY GERMANY 30 BINARY CONTRACT, 4:00 PM (ET)
CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $X - 300$.

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than $X - 200$.

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $X - 100$.

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

(5) Binary Contract 5: One Contract will have a Payout Criterion of greater than $X + 100$.

(6) Binary Contract 6: One Contract will have a Payout Criterion of greater than $X + 200$.

(7) Binary Contract 7: One Contract will have a Payout Criterion of greater than $X + 300$.

(8) In each case above, "X" equals the Germany 30 reference price, as calculated by the Source Agency, rounded to the nearest value ending in either twenty-five (25) or seventy-five (75).

(iii) INTRADAY GERMANY 30 BINARY CONTRACT, 8:00
AM to 10:00 AM ET CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $Z1 - 40$.

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

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $Z1 + 40$.

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

(iv) INTRADAY GERMANY 30 BINARY CONTRACT, 9:00
AM to 11:00 AM ET CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $Z2 - 40$.

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

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $Z2 + 40$.

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

(v) INTRADAY GERMANY 30 BINARY CONTRACT, 10:00 AM to 12:00 PM ET CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $Z3 - 40$.

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

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $Z3 + 40$.

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

(vi) INTRADAY GERMANY 30 BINARY CONTRACT, 11:00 AM to 1:00 PM ET CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $Z4 - 40$.

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

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $Z4 + 40$.

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

(vii) INTRADAY GERMANY 30 BINARY CONTRACT, 12:00 PM to 2:00 PM ET CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $Z5 - 40$.

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

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $Z5 + 40$.

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

(viii) INTRADAY GERMANY 30 BINARY CONTRACT, 1:00 PM to 3:00 PM ET CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $Z6 - 40$.

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

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $Z6 + 40$.

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

(ix) INTRADAY GERMANY 30 BINARY CONTRACT, 2:00 PM to 4:00 PM ET CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $Z7 - 40$.

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than $Z7$.

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $Z7 + 40$.

(4) In each case above, $Z7$ equals the strike level determined by the Source Agency immediately before the issuance of these contracts.

(x) Nadex may list additional Germany 30 Binary Contract with different ranges of Payout Criteria on a discretionary basis in accordance with the CEA and Commission Regulations.

(g) MINIMUM TICK – The Minimum Tick size for the Germany 30 Binary Contract shall be \$0.25.

(h) REPORTING LEVEL – The Reporting Level for the Germany 30 Binary Contracts shall be 1,750 Contracts.

(i) POSITION LIMIT – The Position Limits for the Germany 30 Binary Contracts shall be 2,500 Contracts.

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

(k) **SETTLEMENT DATE** – The Settlement Date in a Series is the same date as the Expiration Date.

(l) **EXPIRATION DATE** – The Expiration Date of the Contract will be the date for which the relevant DFC daily settlement price is released by the Source Agency.

(m) **SETTLEMENT VALUE** – The Settlement Value is the amount paid to the holder of the in-the-money Contract on the Settlement Date. The Settlement Value of an in-the-money Germany 30 Binary Contract is \$100.

(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.

(o) **CONTINGENCIES** – If no daily settlement price of the relevant DFC is announced by the Source Agency, the Settlement Date will be delayed until such daily settlement price for that Series is released and publicly available.

RULE ~~42~~ 12.49 FTSE 100[®] FUTURE BINARY CONTRACT

(a) **SCOPE** – These Rules shall apply to the Class of Contracts referred to as the FTSE 100 Future Binary Contract issued by Nadex.

(b) **UNDERLYING** – The Underlying for this Class of Binary Contracts is the price (in British Pounds) of the FTSE 100 Futures contracts (“FFC”) traded on the Liffe[®] exchange (Liffe).¹⁸ The FFC trade prices that will be used for the Underlying will be taken from four

¹⁸ FTSE[®] and FTSE 100[®] are trade marks of the London Stock Exchange plc (“LSE”) and the Financial Times Limited (“FT”) and is used by FTSE International Limited (“FTSE”) under license. The prices relating to any index are not in any way sponsored, endorsed or promoted by FTSE or by the LSE or by FT and neither FTSE nor LSE nor FT makes any warranty or representation whatsoever, expressly or impliedly, either as to the results to be obtained from the use of such prices and/or the figure at which any index stands at any particular time on any particular day or otherwise. Neither FTSE nor LSE nor FT shall be liable (whether in negligence or otherwise) to any person for any error in any index and neither FTSE nor LSE nor FT shall be under any obligation to advise any person of any error therein. The FTSE Future Binary Option Contracts are not sponsored, endorsed, sold or promoted by FTSE, LSE or FT. FTSE, LSE and FT do not accept any liability in connection with the trading of these products.

(4) FFC delivery months: March, June, September, or December (each a “FFC Delivery Month”). The specific FFC Delivery Month that will be used as the Underlying will be based on the FFC represented in the following schedule of dates for 2011:

Start Date	End Date	FFC Delivery Month Used for the Underlying and to Calculate the Expiration Value	Futures Expiration Date
9/14/2010	12/13/2010	Liffe FTSE 100 December 2010 Future	12/17/2010
12/14/2010	3/14/2011	Liffe FTSE 100 March 2011 Future	3/18/2011
3/15/2011	6/13/2011	Liffe FTSE 100 June 2011 Future	6/17/2011
6/14/2011	9/12/2011	Liffe FTSE 100 September 2011 Future	9/16/2011
9/13/2011	12/12/2011	Liffe FTSE 100 December 2011 Future	12/16/2011

On the date listed in the ‘Start Date’ column above, the FFC trade prices to be used for the Underlying and to calculate the Expiration Value will be the FFC trade prices for the corresponding FFC Delivery Month listed. For instance, beginning on March 15, 2011, Nadex will use the Liffe FTSE 100 June 2011 future prices as the Underlying and will use trade prices for the June 2011 FTSE 100 futures contract to calculate the Expiration Value on the Expiration Date for the relevant FTSE 100 Future Binary Contract.

(c) SOURCE AGENCY – The Source Agency is the 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 FTSE 100 Future Binary Contract, the Payout Criteria for the Contracts will be set as follows:

(i) DAILY FTSE 100 FUTURE BINARY CONTRACT, 4:00 PM (ET) CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than X - 200.

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than X - 180.

Liffe[®] is a registered mark of LIFFE Administration and Management Corporation (“Liffe”). Nadex, Inc. is not affiliated with Liffe and the FTSE 100 Future Binary Option Contracts are not sponsored, endorsed, sold or promoted by Liffe in any way.

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $X - 160$.

(4) Binary Contract 4: One Contract will have a Payout Criterion of greater than $X - 140$.

(5) Binary Contract 5: One Contract will have a Payout Criterion of greater than $X - 120$.

(6) Binary Contract 6: One Contract will have a Payout Criterion of greater than $X - 100$.

(7) Binary Contract 7: One Contract will have a Payout Criterion of greater than $X - 80$.

(8) Binary Contract 8: One Contract will have a Payout Criterion of greater than $X - 60$.

(9) Binary Contract 9: One Contract will have a Payout Criterion of greater than $X - 40$.

(10) Binary Contract 10: One Contract will have a Payout Criterion of greater than $X - 20$.

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

(12) Binary Contract 12: One Contract will have a Payout Criterion of greater than $X + 20$.

(13) Binary Contract 13: One Contract will have a Payout Criterion of greater than $X + 40$.

(14) Binary Contract 14: One Contract will have a Payout Criterion of greater than $X + 60$.

(15) Binary Contract 15: One Contract will have a Payout Criterion of greater than $X + 80$.

(16) Binary Contract 16: One Contract will have a Payout Criterion of greater than $X + 100$.

(17) Binary Contract 17: One Contract will have a Payout Criterion of greater than $X + 120$.

(18) Binary Contract 18: One Contract will have a Payout Criterion of greater than $X + 140$.

(19) Binary Contract 19: One Contract will have a Payout Criterion of greater than $X + 160$.

(20) Binary Contract 20: One Contract will have a Payout Criterion of greater than $X + 180$.

(21) Binary Contract 21: One Contract will have a Payout Criterion of greater than $X + 200$.

(22) In each case above, "X" equals the last FFC trade price, as reported by the Source Agency, rounded to the nearest twenty (20).

(ii) WEEKLY FTSE 100 FUTURE BINARY CONTRACT, 4:00 PM
(ET) CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $X - 300$.

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than $X - 200$.

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $X - 100$.

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

(5) Binary Contract 5: One Contract will have a Payout Criterion of greater than $X + 100$.

(6) Binary Contract 6: One Contract will have a Payout Criterion of greater than $X + 200$.

(7) Binary Contract 7: One Contract will have a Payout Criterion of greater than $X + 300$.

(8) In each case above, "X" equals the last FFC trade price, as reported by the Source Agency, rounded to the nearest value ending in either twenty-five (25) or seventy-five (75).

(iii) INTRADAY FTSE 100 BINARY CONTRACT, 8:00 AM to
10:00 AM ET CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $Z1 - 30$.

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

(3) Binary Contract 2: One Contract will have a Payout Criterion of greater than $Z1 + 30$.

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

(iv) INTRADAY FTSE 100 BINARY CONTRACT, 9:00 AM to 11:00 AM ET CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $Z2 - 30$.

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

(3) Binary Contract 2: One Contract will have a Payout Criterion of greater than $Z2 + 30$.

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

(v) INTRADAY FTSE 100 BINARY CONTRACT, 10:00 AM to 12:00 PM ET CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $Z3 - 30$.

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

(3) Binary Contract 2: One Contract will have a Payout Criterion of greater than $Z3 + 30$.

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

(vi) INTRADAY FTSE 100 BINARY CONTRACT, 11:00 AM to 1:00 PM ET CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $Z4 - 30$.

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

(3) Binary Contract 2: One Contract will have a Payout Criterion of greater than $Z4 + 30$.

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

(vii) INTRADAY FTSE 100 BINARY CONTRACT, 12:00 PM to 2:00 PM ET CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than Z5 - 30.

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

(3) Binary Contract 2: One Contract will have a Payout Criterion of greater than Z5 + 30.

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

(viii) INTRADAY FTSE 100 BINARY CONTRACT, 1:00 PM to 3:00 PM ET CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than Z6 - 30.

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

(3) Binary Contract 2: One Contract will have a Payout Criterion of greater than Z6 + 30.

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

(ix) INTRADAY FTSE 100 BINARY CONTRACT, 2:00 PM to 4:00 PM ET CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than Z7 - 30.

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than Z7.

(3) Binary Contract 2: One Contract will have a Payout Criterion of greater than Z7 + 30.

(4) In each case above, Z7 equals the strike level determined by the Source Agency immediately before the issuance of these contracts.

(x) Nadex may list additional FTSE 100 Future Binary Contract with different ranges of Payout Criteria on a discretionary basis in accordance with the CEA and Commission Regulations.

(g) MINIMUM TICK – The Minimum Tick size for the FTSE 100 Future Binary Contract shall be \$0.25.

(h) REPORTING LEVEL – The Reporting Level for the FTSE 100 Future Binary Contracts shall be 1,750 Contracts.

(i) POSITION LIMIT – The Position Limits for the FTSE 100 Future Binary Contracts shall be 2,500 Contracts.

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

(k) SETTLEMENT DATE – The Settlement Date in a Series is the same date as the Expiration Date.

(l) EXPIRATION DATE – The Expiration Date of the Contract will be the date for which the relevant FFC daily settlement price is released by the Source Agency.

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

(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.

(o) CONTINGENCIES – If no daily settlement price of the relevant FFC is announced by the Source Agency, the Settlement Date will be delayed until such daily settlement price for that Series is released and publicly available.

RULE ~~42~~. 12.48 FTSE 100[®] FUTURE VARIABLE PAYOUT CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the FTSE 100 Future Variable Payout Contracts issued by Nadex.

(b) UNDERLYING – The Underlying for this Class of Contracts is the price (in British Pounds) of the FTSE 100 Futures contracts (“FFC”) traded on the Liffe[®] exchange

(Liffe).¹⁹ The FFC trade prices that will be used for the Underlying will be taken from four (4) FFC delivery months: March, June, September, or December (each a “FFC Delivery Month”). The specific FFC Delivery Month that will be used as the Underlying will be based on the FFC represented in the following schedule of dates for 2011:

Start Date	End Date	FFC Delivery Month Used for the Underlying and to Calculate the Expiration Value	Futures Expiration Date
9/14/2010	12/13/2010	Liffe FTSE 100 December 2010 Future	12/17/2010
12/14/2010	3/14/2011	Liffe FTSE 100 March 2011 Future	3/18/2011
3/15/2011	6/13/2011	Liffe FTSE 100 June 2011 Future	6/17/2011
6/14/2011	9/12/2011	Liffe FTSE 100 September 2011 Future	9/16/2011
9/13/2011	12/12/2011	Liffe FTSE 100 December 2011 Future	12/16/2011

On the date listed in the ‘Start Date’ column above, the FFC trade prices to be used for the Underlying and to calculate the Expiration Value will be the FFC trade prices for the corresponding FFC Delivery Month listed. For instance, beginning on March 15, 2011, Nadex will use the Liffe FTSE 100 June 2011 future prices as the Underlying and will use trade prices for the June 2011 FTSE 100 futures contract to calculate the Expiration Value on the Expiration Date for the relevant FTSE 100 Future 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.

¹⁹ FTSE® and FTSE 100® are trade marks of the London Stock Exchange plc (“LSE”) and the Financial Times Limited (“FT”) and is used by FTSE International Limited (“FTSE”) under license. The prices relating to any index are not in any way sponsored, endorsed or promoted by FTSE or by the LSE or by FT and neither FTSE nor LSE nor FT makes any warranty or representation whatsoever, expressly or impliedly, either as to the results to be obtained from the use of such prices and/or the figure at which any index stands at any particular time on any particular day or otherwise. Neither FTSE nor LSE nor FT shall be liable (whether in negligence or otherwise) to any person for any error in any index and neither FTSE nor LSE nor FT shall be under any obligation to advise any person of any error therein. The FTSE Future Variable Payout Contracts are not sponsored, endorsed, sold or promoted by FTSE, LSE or FT. FTSE, LSE and FT do not accept any liability in connection with the trading of these products.

Liffe® is a registered mark of LIFFE Administration and Management Corporation (“Liffe”). The FTSE Future Variable Payout Contracts are not sponsored, endorsed, sold or promoted by Liffe.

(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 VARIABLE FTSE 100 FUTURE CONTRACTS, 4:00 PM ET CLOSE SPREAD - 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 VARIABLE PAYOUT CONTRACT 'SPREAD'

(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 VARIABLE FTSE 100 FUTURE CONTRACTS, 4:00 PM ET CLOSE NARROW SPREAD - At the commencement of trading in a Daily Narrow Spread FTSE 100 Future Variable Payout Contract, Nadex shall list a set of three (3) Variable Payout Contracts with overlapping ranges, referred to as 'Narrow Spreads', which conform to the Payout Criteria listed below:

(1) DAILY VARIABLE PAYOUT CONTRACT 'NARROW SPREAD'

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

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

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

(dd) 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.

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

(g) MINIMUM TICK – The Minimum Tick size for FTSE 100 Future Variable Payout Contracts shall be 1.

(h) REPORTING LEVEL – The Reporting Level for the FTSE 100 Future Variable Payout Contracts shall be 3,125 Contracts.

(i) **POSITION LIMIT** – The Position Limits for FTSE 100 Future Variable Payout Contracts shall be 62,500 Contracts.

(j) **LAST TRADING DATE** – The Last Trading Date of the Contract is the same date as the Settlement Date.

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

(l) **EXPIRATION DATE** – The Expiration Date of the Contract shall be the date on which the FTSE 100 Future Expiration Value is released by the Source Agency.

(m) **SETTLEMENT VALUE** – The Settlement Value is the amount paid to the holder of either a Short or Long Variable Payout Contract on Settlement Date. The Settlement Value of a Variable Payout Contract is determined as described in the definition for Long and Short Variable Payout Contracts.

(n) **EXPIRATION VALUE** – The Expiration Value is the price or value of 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.

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

RULE ~~12.50~~ 12.50 GERMANY 30 VARIABLE PAYOUT CONTRACTS

(a) **SCOPE** – These Rules shall apply to the Class of Contracts referred to as the Germany 30 Variable Payout Contracts issued by Nadex.

(b) **UNDERLYING** – The Underlying for this Class of Contracts is the price (in Euro Currency) of the DAX[®] Futures contracts (“DFC”) traded on the Eurex[®] exchange (Eurex).²⁰ The DFC trade prices that will be used for the Underlying will be taken from four (4) DFC delivery months: March, June, September, or December (each a “DFC Delivery Month”). The specific DFC Delivery Month that will be used as the Underlying will be based on the DFC represented in the following schedule of dates for 2011:

²⁰ Eurex[®] and DAX[®] are registered marks of Deutsche Börse AG. Nadex, Inc. is not affiliated with the Eurex or Deutsche Börse AG, and neither Eurex nor its affiliates sponsor or endorse Nadex, Inc. or its products in any way. In particular, the Nadex Germany 30 Variable Payout Contracts are not sponsored, endorsed, sold or promoted by Eurex or Deutsche Börse AG.

Start Date	End Date	DFC Delivery Month Used for the Underlying and to Calculate the Expiration Value	Futures Expiration Date
9/14/2010	12/13/2010	Eurex DAX December 2010 Future	12/17/2010
12/14/2010	3/14/2011	Eurex DAX March 2011 Future	3/18/2011
3/15/2011	6/13/2011	Eurex DAX June 2011 Future	6/17/2011
6/14/2011	9/12/2011	Eurex DAX September 2011 Future	9/16/2011
9/13/2011	12/12/2011	Eurex DAX December 2011 Future	12/16/2011

On the date listed in the 'Start Date' column above, the DFC trade prices to be used for the Underlying and to calculate the Expiration Value will be the DFC trade prices for the corresponding DFC Delivery Month listed. For instance, beginning on March 15, 2011, Nadex will use the Eurex DAX June 2011 future prices as the Underlying and will use trade prices for the June 2011 DAX futures contract to calculate the Expiration Value on the Expiration Date for the relevant Germany 30 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.

(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 VARIABLE GERMANY 30 CONTRACTS, 4:00 PM ET CLOSE SPREAD** - 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 VARIABLE PAYOUT CONTRACT 'SPREAD'**

(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 VARIABLE GERMANY 30 CONTRACTS, 4:00 PM ET CLOSE NARROW SPREAD** - At the commencement of trading in a Daily Narrow Spread

Germany 30 Variable Payout Contract, Nadex shall list a set of three (3) Variable Payout Contracts with overlapping ranges, referred to as 'Narrow Spreads', which conform to the Payout Criteria listed below:

(1) DAILY VARIABLE PAYOUT CONTRACT 'NARROW SPREAD'

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

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

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

(dd) 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.

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

(g) MINIMUM TICK – The Minimum Tick size for Germany 30 Variable Payout Contracts shall be 1.

(h) REPORTING LEVEL – The Reporting Level for the Germany 30 Variable Payout Contracts shall be 3,125 Contracts.

(i) POSITION LIMIT – The Position Limits for Germany 30 Variable Payout Contracts shall be 62,500 Contracts.

(j) LAST TRADING DATE – The Last Trading Date of the Contract is the same date as the Settlement Date.

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

(l) EXPIRATION DATE – The Expiration Date of the Contract shall be the date on which the Germany 30 Expiration Value is released by the Source Agency.

(m) SETTLEMENT VALUE – The Settlement Value is the amount paid to the holder of either a Short or Long Variable Payout Contract on Settlement Date. The Settlement Value of a Variable Payout Contract is determined as described in the definition for Long and Short Variable Payout Contracts.

(n) EXPIRATION VALUE – The Expiration Value is the price or value of 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.

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

RULE 42.12.2 COPPER VARIABLE PAYOUT CONTRACTS

(a) SCOPE –These Rules shall apply to the Class of Contracts referred to as the Copper Variable Payout Contracts issued by Nadex.

(b) UNDERLYING – The Underlying for this Class of Contracts is the Copper price per pound (in U.S. cents), obtained from the specified Copper Futures Contracts (“CPFC”) trading in the COMEX Division on the New York Mercantile Exchange (“NYMEX”®)²¹. The CPFC prices that will be used to calculate the Underlying will be taken from the March, May, July, September, or December CPFC delivery months (each a “CPFC Delivery Month”). The specific delivery month that will be used as the Underlying will be based on the CPFC represented in the following schedule of dates for 2011:

Start Date	End Date	CPFC Delivery Month Used for the Underlying and to Calculate the Expiration Value	Futures Expiration Date
8/28/2010	11/26/2010	Comex Copper December 2009 Futures	12/29/2010
11/27/2010	2/25/2011	Comex Copper March 2011 Futures	3/29/2011
2/26/2011	4/29/2011	Comex Copper May 2011 Futures	5/26/2011
4/30/2011	6/24/2011	Comex Copper July 2011 Futures	7/27/2011
6/25/2011	8/26/2011	Comex Copper September 2011 Futures	9/28/2011
8/27/2011	11/25/2011	Comex Copper December 2011 Futures	12/28/2011
11/26/2011	2/24/2012	Comex Copper March 2012 Futures	3/28/2012

On the date listed in the ‘Start Date’ column above, the CPFC trade prices to be used for the Underlying and to calculate the Expiration Value will be done with the corresponding CPFC Delivery Month listed. For instance, beginning on February 26, 2011, Nadex will use the Copper May 2011 futures prices as the Underlying as well as use such prices to calculate the Expiration Value on the Expiration Date for the relevant Copper Variable Payout Contract.

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

(d) TYPE – The Type of Contract is a Variable Payout Contract.

²¹ *Supra*, at fn 4.

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

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

(i) DAILY VARIABLE COPPER CONTRACTS, 1:00 PM ET
CLOSE SPREAD - 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 VARIABLE PAYOUT CONTRACT 'SPREAD'

(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 VARIABLE COPPER CONTRACTS, 1:00 PM ET
CLOSE NARROW SPREAD - At the commencement of trading in a Daily Narrow Spread Copper Variable Payout Contract, Nadex shall list a set of three (3) Variable Payout Contracts with overlapping ranges, referred to as 'Narrow Spreads', which conform to the Payout Criteria listed below:

(1) DAILY VARIABLE PAYOUT CONTRACT 'NARROW SPREAD'

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

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

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

(dd) 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.

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

(g) MINIMUM TICK – The Minimum Tick size for Copper Variable Payout Contracts shall be 0.10.

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

(i) POSITION LIMIT – The Position Limits for Copper Variable Payout Contracts shall be 20,833 Contracts.

(j) LAST TRADING DATE – The Last Trading Date of the Contract is the same date as the Settlement Date.

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

(l) EXPIRATION DATE – The Expiration Date of the Contract shall be the date on which the Copper Expiration Value is released by the Source Agency.

(m) SETTLEMENT VALUE – The Settlement Value is the amount paid to the holder of either a Short or Long Variable Payout Contract on Settlement Date. The Settlement Value of a Variable Payout Contract is determined as described in the definition for Long and Short Variable Payout Contracts.

(n) EXPIRATION VALUE – The Expiration Value is the price or value of 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.

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

RULE ~~42~~: 12.75 EUROPEAN (ECB) RATE BINARY CONTRACT

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the European Interest Rate (or “European (ECB) Rate”) Binary Contract issued by Nadex.

(b) UNDERLYING – The Underlying for this Class of Contracts is the Interest Rate on the Main Refinancing Operations of the Eurosystem last reported by the Source Agency.

(c) SOURCE AGENCY – The Source Agency is the Governing Council of the European Central Bank (the “ECB”).

(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 eight (8) business days prior to the next planned release of the Underlying.

(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 European (ECB) Rate Binary Contract, the Payout Criteria for the Contracts will be set as follows:

(i) **MONTHLY EUROPEAN (ECB) RATE BINARY CONTRACT**

(1) At the commencement of trading in a European (ECB) Rate Binary Contract, Nadex shall list all eligible Payout Criteria in a range of three (3) consecutive increments of .25% with the maximum value of the Payout Criteria not to exceed 10% and the minimum value of the Payout Criteria not to fall below zero (0). For example, Nadex may list the following range of Payout Criteria: 1.25%, 1.50%, and 1.75%. For the following release, Nadex may list the following range of Payout Criteria: 1.00%, 1.25%, and 1.50%. The payout criteria will be as follows:

(2) Binary Contract 1: One Contract will have a Payout Criterion less than or equal to X1.

(3) Binary Contract 2: One Contract will have a Payout Criterion of equal to X2.

(4) Binary Contract 3: One Contract will have a Payout Criterion of greater than or equal to X3.

(5) In each case above, “X1” equals the first Payout Criteria listed, “X2” equals the second Payout Criteria listed, and “X3” equals the third Payout Criteria listed. In the first example above, X1 is 1.25%, X2 is 1.50%, and X3 is 1.75%.

(ii) Nadex may list additional European (ECB) Rate Binary Contract with different ranges of Payout Criteria on a discretionary basis in accordance with the CEA and Commission Regulations.

(g) **MINIMUM TICK** - The Minimum Tick size for European (ECB) Rate Binary Contracts shall be \$0.25.

(h) **REPORTING LEVEL** - The Reporting Level for European (ECB) Rate Binary Contracts shall be 12,500 Contracts.

(i) **POSITION LIMIT** – There are currently no Position Limits for the European (ECB) Rate Binary Contracts.

(j) **LAST TRADING DATE** – The Last Trading Date in a Series is the business date prior to the scheduled ECB meeting at the time the contract is listed. The European (ECB) Rate Contracts will stop trading on the Last Trading Date at 5:00PM ET. No trading in a European (ECB) Rate Binary Contract may occur after its Last Trading Date.

(k) **SETTLEMENT DATE** – The Settlement Date for each Series will be the business date of the scheduled ECB meeting at which the Interest Rate on the Main Refinancing Operations of the Eurosystem data is to be released by the Source Agency.

(l) **EXPIRATION DATE** – The Expiration Date of the Contract will be the date on which the ECB meeting is scheduled to release the Interest Rate on the Main Refinancing Operations of the Eurosystem number (whether such number is actually released or not).

(m) **SETTLEMENT VALUE** – The Settlement Value is the amount paid to the holder of the in-the-money Contract on the Settlement Date. The Settlement Value for European (ECB) Rate Binary Contract is \$100.

(n) **EXPIRATION VALUE** – The Expiration Value is the last announced level of the Interest Rate on the Main Refinancing Operations of the Eurosystem by the Source Agency on the Expiration Date.

(o) **CONTINGENCIES** – If no level is actually announced by the Source Agency on the Expiration Date (because the ECB meeting is unexpectedly delayed, postponed, or otherwise) the previously announced level (which is the last announced level on the Expiration Date) will be used. Expiration and settlement will not be delayed if the level scheduled to be announced is not actually announced.

RULE ~~12~~ 12.57 NADEX KOREA 200 BINARY CONTRACT

(a) **SCOPE** – These Rules shall apply to the Class of Contracts referred to as the Korea 200 Binary Contract issued by Nadex.

(b) **UNDERLYING** – The Underlying for this Class of Binary Contracts is the price (in Korean Wan Currency) of the Kospi[®] 200 Index Futures contracts (“KFC”) traded on the Korea Exchange^{®22}. The KFC trade prices that will be used for the Underlying will be taken from four (4) KFC delivery months: March, June, September, or December (each a “KFC Delivery Month”). The specific KFC Delivery Month that will be used as the Underlying will be based on the KFC represented in the following schedule of dates for 2011:

Start Date	End Date	KFC Delivery Month Used for the Underlying and to Calculate the Expiration Value	Futures Expiration Date
9/4/2010	12/3/2010	Korea Exchange Kospi 200 December 2010 Future	12/9/2010
12/4/2010	3/4/2011	Korea Exchange Kospi 200 March 2011 Future	3/11/2011
3/5/2011	6/3/2011	Korea Exchange Kospi 200 June 2011 Future	6/10/2011
6/4/2011	9/2/2011	Korea Exchange Kospi 200 September 2011 Future	9/9/2011
9/3/2011	12/2/2011	Korea Exchange Kospi 200 December 2011 Future	12/9/2011

²² The Korea Exchange[®] and Kospi[®] are registered marks of the Korea Exchange. Nadex, Inc. is not affiliated with the Korea Exchange, and neither the Korea Exchange nor its affiliates sponsor or endorse Nadex, Inc. or its products in any way. In particular, the Nadex Korea 200 Contracts are not sponsored, endorsed, sold or promoted by the Korea Exchange.

On the date listed in the 'Start Date' column above, the KFC trade prices to be used for the Underlying and to calculate the Expiration Value will be the KFC trade prices for the corresponding KFC Delivery Month listed. For instance, beginning on June 4, 2011, Nadex will use the Korea Exchange Kospi 200 Index September 2011 future prices as the Underlying and will use trade prices for the September 2011 Kospi 200 Index futures contract to calculate the Expiration Value on the Expiration Date for the relevant Korea 200 Binary Contract.

(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 Korea 200 Binary Contract, the Payout Criteria for the Contracts will be set as follows:

(i) DAILY KOREA 200 BINARY CONTRACT, 1:05 AM (ET)²³
CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $X - 3.5$.

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than $X - 3$.

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $X - 2.50$.

(4) Binary Contract 4: One Contract will have a Payout Criterion of greater than $X - 2$.

(5) Binary Contract 5: One Contract will have a Payout Criterion of greater than $X - 1.50$.

(6) Binary Contract 6: One Contract will have a Payout Criterion of greater than $X - 1$.

(7) Binary Contract 7: One Contract will have a Payout Criterion of greater than $X - 0.50$.

²³ During the period when the US observes daylight savings time, all Korea 200 contracts will open and close 1 hour later than their regular defined times.

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

(9) Binary Contract 9: One Contract will have a Payout Criterion of greater than $X + 0.50$.

(10) Binary Contract 10: One Contract will have a Payout Criterion of greater than $X + 1$.

(11) Binary Contract 11: One Contract will have a Payout Criterion of greater than $X + 1.5$.

(12) Binary Contract 12: One Contract will have a Payout Criterion of greater than $X + 2$.

(13) Binary Contract 13: One Contract will have a Payout Criterion of greater than $X + 2.50$.

(14) Binary Contract 14: One Contract will have a Payout Criterion of greater than $X + 3$.

(15) Binary Contract 15: One Contract will have a Payout Criterion of greater than $X + 3.5$.

(16) In each case above, “ X ” equals the Korea 200 reference price, as calculated by the Source Agency, rounded to the nearest 0.50.

(ii) WEEKLY KOREA 200 BINARY CONTRACT, 1:05 AM (ET)²⁴
CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $X - 9$.

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than $X - 6$.

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

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

(5) Binary Contract 5: One Contract will have a Payout Criterion of greater than $X + 3$.

²⁴ During the period when the US observes daylight savings time, all Binary Korea 200 contracts will open and close 1 hour later than their regular defined times.

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

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

(8) In each case above, "X" equals the Korea 200 reference price, as calculated by the Source Agency, rounded to the nearest value ending in either 0.25 or 0.75.

(iii) Nadex may list additional Korea 200 Binary Contracts with different ranges of Payout Criteria on a discretionary basis in accordance with the CEA and Commission Regulations.

(g) MINIMUM TICK – The Minimum Tick size for the Korea 200 Binary Contracts shall be \$0.25.

(h) REPORTING LEVEL – The Reporting Level for the Korea 200 Binary Contracts shall be 1,750 Contracts.

(i) POSITION LIMIT – The Position Limits for the Korea 200 Binary Contracts shall be 2,500 Contracts.

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

(k) SETTLEMENT DATE – The Settlement Date in a Series is the same date as the Expiration Date.

(l) EXPIRATION DATE – The Expiration Date of the Contract will be the date for which the relevant KFC daily settlement price is released by the Source Agency.

(m) SETTLEMENT VALUE – The Settlement Value is the amount paid to the holder of the in-the-money Contract on the Settlement Date. The Settlement Value of an in-the-money Korea 200 Binary Contract is \$100.

(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.

(o) CONTINGENCIES – If no daily settlement price of the relevant KFC is announced by the Source Agency, the Settlement Date will be delayed until such daily settlement price for that Series is released and publicly available.

RULE ~~12~~ 12.56 KOREA 200 VARIABLE PAYOUT CONTRACTS

(a) **SCOPE** –These Rules shall apply to the Class of Contracts referred to as the Korea 200 Variable Payout Contracts issued by Nadex.

(b) **UNDERLYING** – The Underlying for this Class of Contracts is the price (in Korean Wan Currency) of the Kospi[®] 200 Index Futures contracts (“KFC”) traded on the Korea Exchange[®].²⁵ The KFC trade prices that will be used for the Underlying will be taken from four (4) KFC delivery months: March, June, September, or December (each a “KFC Delivery Month”). The specific KFC Delivery Month that will be used as the Underlying will be based on the KFC represented in the following schedule of dates for 2011:

Start Date	End Date	KFC Delivery Month Used for the Underlying and to Calculate the Expiration Value	Futures Expiration Date
9/4/2010	12/3/2010	Korea Exchange Kospi 200 December 2010 Future	12/9/2010
12/4/2010	3/4/2011	Korea Exchange Kospi 200 March 2011 Future	3/11/2011
3/5/2011	6/3/2011	Korea Exchange Kospi 200 June 2011 Future	6/10/2011
6/4/2011	9/2/2011	Korea Exchange Kospi 200 September 2011 Future	9/9/2011
9/3/2011	12/2/2011	Korea Exchange Kospi 200 December 2011 Future	12/9/2011

On the date listed in the ‘Start Date’ column above, the KFC trade prices to be used for the Underlying and to calculate the Expiration Value will be the KFC trade prices for the corresponding KFC Delivery Month listed. For instance, beginning on June 4, 2011, Nadex will use the Korea Exchange Kospi 200 Index September 2011 future prices as the Underlying and will use trade prices for the September 2011 Kospi 200 Index futures contract to calculate the Expiration Value on the Expiration Date for the relevant Korea 200 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.

(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 Korea 200 Variable Payout Contract, the Payout Criteria for the Contracts will be set as follows:

²⁵ The Korea Exchange[®] and Kospi[®] are registered marks of the Korea Exchange. Nadex, Inc. is not affiliated with the Korea Exchange, and neither the Korea Exchange nor its affiliates sponsor or endorse Nadex, Inc. or its products in any way. In particular, the Nadex Korea 200 Contracts are not sponsored, endorsed, sold or promoted by the Korea Exchange.

(i) DAILY VARIABLE KOREA 200 CONTRACTS, 1:05 AM ET²⁶
CLOSE SPREAD - At the commencement of trading in a Daily Spread Korea 200 Variable Payout Contract, Nadex shall list one (1) Variable Payout Contract, referred to as a 'Spread', which conforms to the Payout Criteria listed below:

(1) DAILY VARIABLE PAYOUT CONTRACT 'SPREAD'

(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 KFC trade price, as reported by the Source Agency, rounded to the nearest 5.

(ii) DAILY VARIABLE KOREA 200 CONTRACTS, 1:05 AM ET²⁷
CLOSE NARROW SPREAD - At the commencement of trading in a Daily Narrow Spread Korea 200 Variable Payout Contract, Nadex shall list a set of three (3) Variable Payout Contracts with overlapping ranges, referred to as 'Narrow Spreads', which conform to the Payout Criteria listed below:

(1) DAILY VARIABLE PAYOUT CONTRACT 'NARROW SPREAD'

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

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

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

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

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

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

(g) MINIMUM TICK – The Minimum Tick size for Korea 200 Variable Payout Contracts shall be 0.01.

²⁶ During the period when the US observes daylight savings time, all Variable Payout Korea 200 contracts will open and close 1 hour later than their regular defined times.

²⁷ During the period when the US observes daylight savings time, all Binary Korea 200 contracts will open and close 1 hour later than their regular defined times.

(h) REPORTING LEVEL – The Reporting Level for the Korea 200 Variable Payout Contracts shall be 1,250 Contracts.

(i) POSITION LIMIT – The Position Limits for Korea 200 Variable Payout Contracts shall be 25,000 Contracts.

(j) LAST TRADING DATE – The Last Trading Date of the Contract is the same date as the Settlement Date.

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

(l) EXPIRATION DATE – The Expiration Date of the Contract shall be the date on which the Korea 200 Expiration Value is released by the Source Agency.

(m) SETTLEMENT VALUE – The Settlement Value is the amount paid to the holder of either a Short or Long Variable Payout Contract on Settlement Date. The Settlement Value of a Variable Payout Contract is determined as described in the definition for Long and Short Variable Payout Contracts.

(n) EXPIRATION VALUE – The Expiration Value is the price or value of 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.

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

RULE ~~42~~ 12.14 SOYBEANS VARIABLE PAYOUT CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the Soybeans Variable Payout Contracts issued by Nadex.

(b) UNDERLYING – The Underlying for this Class of Contracts is the Soybean price per bushel (in U.S. cents), herein after referred to as “Soybean” or “Soybeans”, as calculated by Nadex using a proprietary algorithm which takes a sampling of prices²⁸ obtained from the specified Soybean Futures contracts (“SBFC”) currently trading on the Chicago Board of Trade (CBOT®)²⁹. The SBFC prices that will be used to calculate the

²⁸ The term “Prices” does not include any settlement prices calculated or issued by CBOT. Nadex only uses the prices reported on the CBOT in order to formulate its own Expiration Value.

²⁹ CBOT® is a registered service mark of the Board of Trade of the City of Chicago. Nadex, Inc. is not affiliated with the Board of Trade of the City of Chicago and neither the Board of Trade of the City of Chicago, nor its affiliates, sponsor or endorse Nadex, Inc. or its products in any way.

Underlying will be taken from the January, March, May, July, August, September, or November SBFC delivery months (each a “SBFC Delivery Month”). The specific SBFC delivery month that will be used will be based on the SBFC represented in the following schedule of dates for 2011.

Start Date	End Date	SBFC Delivery Month Used for the Underlying and to Calculate the Expiration Value	Futures Expiration Date
10/30/2010	12/31/2010	CBOT Soybeans January 2011 Future	1/14/2011
1/1/2011	2/25/2011	CBOT Soybeans March 2011 Future	3/14/2011
2/26/2011	4/29/2011	CBOT Soybeans May 2011 Future	5/13/2011
4/30/2011	6/24/2011	CBOT Soybeans July 2011 Future	7/14/2011
6/25/2011	7/29/2011	CBOT Soybeans August 2011 Future	8/12/2011
7/30/2011	8/26/2011	CBOT Soybeans September 2011 Future	9/14/2011
8/27/2011	10/28/2011	CBOT Soybeans November 2011 Future	11/14/2011
10/29/2011	12/30/2011	CBOT Soybeans January 2012 Future	1/13/2012

On the dates listed in the ‘Start Date’ column above, the SBFC trade prices to be used for the Underlying and to calculate the Expiration Value will be done with the corresponding SBFC Delivery Month listed. For instance, beginning on June 25, 2011, Nadex will use the Soybeans August 2011 futures prices as the Underlying as well as use such SBFC prices to calculate the Expiration Value on the Expiration Date for the relevant Soybeans 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.

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

(i) **DAILY VARIABLE SOYBEANS CONTRACTS, 2:15 PM ET CLOSE SPREAD** - At the commencement of trading in a Daily Spread Soybeans Variable Payout Contract, Nadex shall list one (1) Variable Payout Contract, referred to as a ‘Spread’, which conforms to the Payout Criteria listed below:

(1) **DAILY VARIABLE PAYOUT CONTRACT ‘SPREAD’**

(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 Soybeans price, as reported by the Source Agency, rounded to the nearest 10.

(ii) DAILY VARIABLE SOYBEANS CONTRACTS, 2:15 PM ET CLOSE NARROW SPREAD – At the commencement of trading in a Daily Narrow Spread Soybeans Variable Payout Contract, Nadex shall list a set of three (3) Variable Payout Contracts with overlapping ranges referred to as ‘Narrow Spreads’, which conform to the Payout Criteria listed below:

(1) DAILY VARIABLE PAYOUT CONTRACT ‘NARROW SPREAD’

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

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

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

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

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

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

(g) MINIMUM TICK – The Minimum Tick size for Soybeans Variable Payout Contracts shall be 0.10.

(h) REPORTING LEVEL – The Reporting Level for the Soybeans Variable Payout Contracts shall be 1,562 Contracts.

(i) POSITION LIMIT – The Position Limits for Soybeans Variable Payout Contracts shall be 31,250 Contracts.

(j) LAST TRADING DATE – The Last Trading Date of the Contract is the same date as the Settlement Date.

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

(l) EXPIRATION DATE – The Expiration Date of the Contract shall be the date on which the Soybeans Expiration Value is released by the Source Agency.

(m) SETTLEMENT VALUE – The Settlement Value is the amount paid to the holder of either a Short or Long Variable Payout Contract on Settlement Date. The Settlement Value of a Variable Payout Contract is determined as described in the definition for Long and Short Variable Payout Contracts.

(n) EXPIRATION VALUE – The Expiration Value is the 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.

(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 the Series.

RULE ~~42~~ 12.12 CORN VARIABLE PAYOUT CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the Corn Variable Payout Contracts issued by Nadex.

(b) UNDERLYING – The Underlying for this Class of Contracts is the Corn price per bushel (in U.S. cents), as calculated by Nadex using a proprietary algorithm which takes a sampling of prices³⁰ obtained from the specified Corn Futures contracts (“CNFC”) currently trading on the Chicago Board of Trade (CBOT®)³¹. The CNFC prices that will be used to calculate the Underlying will be taken from the March, May, July, September, or December CNFC delivery months (each a “CNFC Delivery Month”). The specific CNFC delivery month that will be used will be based on the CNFC represented in the following schedule of dates for 2011.

Start Date	End Date	CNFC Delivery Month Used for the Underlying and to Calculate the Expiration Value	Futures Expiration Date
8/28/2010	11/26/2010	CBOT Corn December 2010 Future	12/14/2010
11/27/2010	2/25/2011	CBOT Corn March 2011 Future	3/14/2011
2/26/2011	4/29/2011	CBOT Corn May 2011 Future	5/13/2011

³⁰ The term “Prices” does not include any settlement prices calculated or issued by CBOT. Nadex only uses the prices reported on the CBOT in order to formulate its own settlement price.

³¹ CBOT® is a registered service mark of the Board of Trade of the City of Chicago. Nadex, Inc. is not affiliated with the Board of Trade of the City of Chicago and neither the Board of Trade of the City of Chicago, nor its affiliates, sponsor or endorse Nadex, Inc. or its products in any way.

4/30/2011	6/24/2011	CBOT Corn July 2011 Future	7/14/2011
6/25/2011	8/26/2011	CBOT Corn September 2011 Future	9/14/2011
8/27/2011	11/25/2011	CBOT Corn December 2011 Future	12/14/2011
11/26/2011	2/24/2012	CBOT Corn March 2012 Future	3/14/2012

On the dates listed in the 'Start Date' column above, the CNFC trade prices to be used for the Underlying and to calculate the Expiration Value will be done with the corresponding CNFC Delivery Month listed. For instance, beginning on June 25, 2011, Nadex will use the Corn September 2011 futures prices as the Underlying as well as use such CNFC prices to calculate the Expiration Value on the Expiration Date for the relevant Corn 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.

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

(i) DAILY VARIABLE CORN CONTRACTS, 2:15 PM ET CLOSE SPREAD - At the commencement of trading in a Daily Spread Corn Variable Payout Contract, Nadex shall list one (1) Variable Payout Contract, referred to as a 'Spread', which conforms to the Payout Criteria listed below:

(1) DAILY VARIABLE PAYOUT CONTRACT 'SPREAD'

(aa) CAP – The Cap shall be $X + 20$.

(bb) FLOOR – The Floor shall be $X - 20$.

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

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

(ii) DAILY VARIABLE CORN CONTRACTS, 2:15 PM ET CLOSE NARROW SPREAD – At the commencement of trading in a Daily Narrow Spread Corn Variable Payout Contract, Nadex shall list a set of three (3) Variable Payout Contracts with overlapping ranges referred to as 'Narrow Spreads', which conform to the Payout Criteria listed below:

(1) DAILY VARIABLE PAYOUT CONTRACT 'NARROW SPREAD'

(aa) CONTRACT 1: The Cap shall be X; The Floor shall be $X - 20$.

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

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

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

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

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

(g) MINIMUM TICK – The Minimum Tick size for Corn Variable Payout Contracts shall be 0.10.

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

(i) POSITION LIMIT – The Position Limits for Corn Variable Payout Contracts shall be 62,500 Contracts.

(j) LAST TRADING DATE – The Last Trading Date of the Contract is the same date as the Settlement Date.

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

(l) EXPIRATION DATE – The Expiration Date of the Contract shall be the date on which the Corn Expiration Value is released by the Source Agency.

(m) SETTLEMENT VALUE – The Settlement Value is the amount paid to the holder of either a Short or Long Variable Payout Contract on Settlement Date. The Settlement Value of a Variable Payout Contract is determined as described in the definition for Long and Short Variable Payout Contracts.

(n) EXPIRATION VALUE – The Expiration Value is the 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.

(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 the Series.

RULE ~~42~~. 12.63 WALL STREET 30 VARIABLE PAYOUT CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the Wall Street 30 Variable Payout Contracts issued by Nadex.

(b) UNDERLYING – The Underlying for this Class of Contracts is the price of the E-mini Dow® Futures contracts (“DJFC”) traded on the Chicago Board of Trade (CBOT®)³². The DJFC trade prices that will be used to calculate the Underlying will be taken from four (4) DJFC delivery months: March, June, September, or December (each a “DJFC Delivery Month”). The specific DJFC Delivery Month that will be used as the Underlying will be based on the DJFC represented in the following schedule of dates for 2011.

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

On the dated listed in the ‘Start Date’ column above, the DJFC trade prices to be used for the Underlying and to calculate the Expiration Value will be the DJFC trade prices for the corresponding DJFC Delivery Month listed. For instance, beginning on June 11, 2011, Nadex will use the CBOT E-mini Dow September 2011 future prices as the Underlying and will use trade prices for the September 2011 E-mini Dow futures contract to calculate the Expiration Value on the Expiration Date for the relevant Wall Street 30 Variable Payout Contract.

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

(d) TYPE – The Type of Contract is a Variable Payout Contract.

³² CBOT® is a registered service mark of the Board of Trade of the City of Chicago, “Dow Jones,” “DJIA,” and “The Dow” are registered trademarks of Dow Jones & Company, Inc. Nadex, Inc. is not affiliated with the Board of Trade of the City of Chicago or Dow Jones and neither the Board of Trade of the City of Chicago, Dow Jones, nor its affiliates, sponsor or endorse Nadex, Inc. or its products in any way. In particular, the Nadex Wall Street 30 Contracts are not sponsored, endorsed, sold or promoted by CBOT or Dow Jones.

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

(f) PAYOUT CRITERION – The Payout Criterion for each Contract will be set by Nadex at the time the Variable Payout Contracts are initially issued. For the Wall Street 30 Variable Payout Contract, the Payout Criteria for the Contracts will be set as follows:

(i) DAILY VARIABLE WALL STREET 30 CONTRACTS, 4:15 PM ET CLOSE SPREAD - 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 VARIABLE PAYOUT CONTRACT ‘SPREAD’

(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 VARIABLE WALL STREET 30 CONTRACTS, 4:15 PM ET CLOSE NARROW SPREAD – At the commencement of trading in a Daily Narrow Spread Wall Street 30 Variable Payout Contract, Nadex shall list a set of three (3) Variable Payout Contracts with overlapping ranges referred to as ‘Narrow Spreads’, which conform to the Payout Criteria listed below:

(1) DAILY VARIABLE PAYOUT CONTRACT ‘NARROW SPREAD’

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

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

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

(dd) 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.

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

(g) **MINIMUM TICK** – The Minimum Tick size for Wall Street 30 Variable Payout Contracts shall be 1.

(h) **REPORTING LEVEL** – The Reporting Level for the Wall Street 30 Variable Payout Contracts shall be 1,562 Contracts.

(i) **POSITION LIMIT** – The Position Limits for Wall Street 30 Variable Payout Contracts shall be 31,250 Contracts.

(j) **LAST TRADING DATE** – The Last Trading Date of the Contract is the same date as the Settlement Date.

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

(l) **EXPIRATION DATE** – The Expiration Date of the Contract shall be the date on which the Wall Street 30 Expiration Value is released by the Source Agency.

(m) **SETTLEMENT VALUE** – The Settlement Value is the amount paid to the holder of either a Short or Long Variable Payout Contract on Settlement Date. The Settlement Value of a Variable Payout Contract is determined as described in the definition for Long and Short Variable Payout Contracts.

(n) **EXPIRATION VALUE** – The Expiration Value is the price or value of 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.

(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 the Series.

RULE ~~42~~ 12.62 US TECH100 VARIABLE PAYOUT CONTRACTS

(a) **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®)³³. The NQFC trade prices that will be used to calculate the Underlying

³³ 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

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.

(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 VARIABLE US TECH 100 CONTRACTS, 4:15 PM ET CLOSE SPREAD** - 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 VARIABLE PAYOUT CONTRACT ‘SPREAD’**

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

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.

(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.

(ii) DAILY VARIABLE US TECH 100 CONTRACTS, 4:15 PM ET CLOSE NARROW SPREAD – At the commencement of trading in a Daily Narrow Spread US Tech 100 Variable Payout Contract, Nadex shall list a set of three (3) Variable Payout Contracts with overlapping ranges referred to as ‘Narrow Spreads’, which conform to the Payout Criteria listed below:

(1) DAILY VARIABLE PAYOUT CONTRACT ‘NARROW SPREAD’

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

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

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

(dd) 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.

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

(g) MINIMUM TICK – The Minimum Tick size for US Tech 100 Variable Payout Contracts shall be 1.

(h) REPORTING LEVEL – The Reporting Level for the US Tech 100 Variable Payout Contracts shall be 6,250 Contracts.

(i) POSITION LIMIT – The Position Limits for US Tech 100 Variable Payout Contracts shall be 125,000 Contracts.

(j) LAST TRADING DATE – The Last Trading Date of the Contract is the same date as the Settlement Date.

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

(l) EXPIRATION DATE – The Expiration Date of the Contract shall be the date on which the US Tech 100 Expiration Value is released by the Source Agency.

(m) **SETTLEMENT VALUE** – The Settlement Value is the amount paid to the holder of either a Short or Long Variable Payout Contract on Settlement Date. The Settlement Value of a Variable Payout Contract is determined as described in the definition for Long and Short Variable Payout Contracts.

(n) **EXPIRATION VALUE** – The Expiration Value is the price or value of 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.

(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 the Series.

RULE ~~42~~ 12.58 US 500 VARIABLE PAYOUT CONTRACTS

(a) **SCOPE** – These Rules shall apply to the Class of Contracts referred to as the US 500 Variable Payout Contracts issued by Nadex.

(b) **UNDERLYING** – The Underlying for this Class of Contracts is the price of the E-mini S&P 500® Futures contracts (“SPFC”) traded on the Chicago Mercantile Exchange® (CME®)³⁴. The SPFC trade prices that will be used for the Underlying will be taken from four (4) SPFC delivery months: March, June, September, or December (each a “SPFC Delivery Month”). The specific SPFC Delivery Month that will be used as the Underlying will be based on the SPFC represented in the following schedule of dates for 2011:

Start Date	End Date	SPFC Delivery Month Used for the Underlying and to Calculate the Expiration Value	Futures Expiration Date
9/11/2010	12/10/2010	CME e-mini S&P 500 December 2010 Future	12/17/2010
12/11/2010	3/11/2011	CME e-mini S&P 500 March 2011 Future	3/18/2011
3/12/2011	6/10/2011	CME e-mini S&P 500 June 2011 Future	6/17/2011
6/11/2011	9/9/2011	CME e-mini S&P 500 September 2011 Future	9/16/2011
9/10/2011	12/9/2011	CME e-mini S&P 500 December 2011 Future	12/16/2011

³⁴ CME® is a registered mark of the Chicago Mercantile Exchange. S&P 500 is a registered mark of the McGraw-Hill Companies, Inc. Nadex, Inc. is not affiliated with the Chicago Mercantile Exchange or the McGraw-Hill Companies and neither the Chicago Mercantile Exchange, the McGraw-Hill Companies, nor its affiliates, sponsor or endorse Nadex, Inc. or its products in any way. In particular, the Nadex US 500 Contracts are not sponsored, endorsed, sold or promoted by CME or the McGraw-Hill Companies.

On the dated listed in the 'Start Date' column above, the SPFC trade prices to be used for the Underlying and to calculate the Expiration Value will be the SPFC trade prices for the corresponding SPFC Delivery Month listed. For instance, beginning on June 11, 2011, Nadex will use the CME E-mini S&P 500 September 2011 future prices as the Underlying and will use trade prices for the September 2011 E-mini S&P 500 futures contract to calculate the Expiration Value on the Expiration Date for the relevant US 500 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.

(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 VARIABLE US 500 CONTRACTS, 4:15 PM ET CLOSE SPREAD - 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 VARIABLE PAYOUT CONTRACT 'SPREAD'

(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 VARIABLE US 500 CONTRACTS, 4:15 PM ET CLOSE NARROW SPREAD – At the commencement of trading in a Daily Narrow Spread US 500 Variable Payout Contract, Nadex shall list a set of three (3) Variable Payout Contracts with overlapping ranges referred to as 'Narrow Spreads', which conform to the Payout Criteria listed below:

(1) DAILY VARIABLE PAYOUT CONTRACT 'NARROW SPREAD'

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

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

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

(dd) 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.

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

(g) MINIMUM TICK – The Minimum Tick size for US 500 Variable Payout Contracts shall be 0.1.

(h) REPORTING LEVEL – The Reporting Level for the US 500 Variable Payout Contracts shall be 1,562 Contracts.

(i) POSITION LIMIT – The Position Limits for US 500 Variable Payout Contracts shall be 31,250 Contracts.

(j) LAST TRADING DATE – The Last Trading Date of the Contract is the same date as the Settlement Date.

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

(l) EXPIRATION DATE – The Expiration Date of the Contract shall be the date on which the US 500 Expiration Value is released by the Source Agency.

(m) SETTLEMENT VALUE – The Settlement Value is the amount paid to the holder of either a Short or Long Variable Payout Contract on Settlement Date. The Settlement Value of a Variable Payout Contract is determined as described in the definition for Long and Short Variable Payout Contracts.

(n) EXPIRATION VALUE – The Expiration Value is the 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.

(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 the Series.

RULE ~~12.64~~ 12.64 NADEX WALL STREET 30 BINARY CONTRACTS

(a) **SCOPE** – These Rules shall apply to the Class of Contracts referred to as the Wall Street 30 Binary Contracts issued by Nadex.

(b) **UNDERLYING** – The Underlying for this Class of Contracts is the price of the E-mini Dow® Futures contracts (“DJFC”) traded on the Chicago Board of Trade (CBOT®)³⁵. The DJFC trade prices that will be used to calculate the Underlying will be taken from four (4) DJFC delivery months: March, June, September, or December (each a “DJFC Delivery Month”). The specific DJFC Delivery Month that will be used as the Underlying will be based on the DJFC represented in the following schedule of dates for 2011:

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

On the dated listed in the ‘Start Date’ column above, the DJFC trade prices to be used for the Underlying and to calculate the Expiration Value will be the DJFC trade prices for the corresponding DJFC Delivery Month listed. For instance, beginning on June 11, 2011, Nadex will use the CBOT E-mini Dow September 2011 future prices as the Underlying and will use trade prices for the September 2011 E-mini Dow futures contract to calculate the Expiration Value on the Expiration Date for the relevant Wall Street 30 Binary Contract.

(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.

³⁵ CBOT® is a registered service mark of the Board of Trade of the City of Chicago, “Dow Jones,” “DJIA,” and “The Dow” are registered trademarks of Dow Jones & Company, Inc. Nadex, Inc. is not affiliated with the Board of Trade of the City of Chicago or Dow Jones and neither the Board of Trade of the City of Chicago, Dow Jones, nor its affiliates, sponsor or endorse Nadex, Inc. or its products in any way. In particular, the Nadex Wall Street 30 Contracts are not sponsored, endorsed, sold or promoted by CBOT or Dow Jones.

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

(i) DAILY WALL STREET 30 BINARY CONTRACTS, 4:15 PM ET CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $X - 200$.

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than $X - 180$.

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $X - 160$.

(4) Binary Contract 4: One Contract will have a Payout Criterion of greater than $X - 140$.

(5) Binary Contract 5: One Contract will have a Payout Criterion of greater than $X - 120$.

(6) Binary Contract 6: One Contract will have a Payout Criterion of greater than $X - 100$.

(7) Binary Contract 7: One Contract will have a Payout Criterion of greater than $X - 80$.

(8) Binary Contract 8: One Contract will have a Payout Criterion of greater than $X - 60$.

(9) Binary Contract 9: One Contract will have a Payout Criterion of greater than $X - 40$.

(10) Binary Contract 10: One Contract will have a Payout Criterion of greater than $X - 20$.

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

(12) Binary Contract 12: One Contract will have a Payout Criterion of greater than $X + 20$.

(13) Binary Contract 13: One Contract will have a Payout Criterion of greater than $X + 40$.

(14) Binary Contract 14: One Contract will have a Payout Criterion of greater than $X + 60$.

(15) Binary Contract 15: One Contract will have a Payout Criterion of greater than $X + 80$.

(16) Binary Contract 16: One Contract will have a Payout Criterion of greater than $X + 100$.

(17) Binary Contract 17: One Contract will have a Payout Criterion of greater than $X + 120$.

(18) Binary Contract 18: One Contract will have a Payout Criterion of greater than $X + 140$.

(19) Binary Contract 19: One Contract will have a Payout Criterion of greater than $X + 160$.

(20) Binary Contract 20: One Contract will have a Payout Criterion of greater than $X + 180$.

(21) Binary Contract 21: One Contract will have a Payout Criterion of greater than $X + 200$.

(22) In each case above, "X" equals the Wall Street 30 reference price, as calculated by the Source Agency, rounded to the nearest ten (10).

(ii) WEEKLY WALL STREET 30 BINARY CONTRACTS, 4:15 PM ET CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $X - 600$.

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than $X - 400$.

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $X - 200$.

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

(5) Binary Contract 5: One Contract will have a Payout Criterion of greater than $X + 200$.

(6) Binary Contract 6: One Contract will have a Payout Criterion of greater than $X + 400$.

(7) Binary Contract 7: One Contract will have a Payout Criterion of greater than $X + 600$.

(8) In each case above, "X" equals the Wall Street 30 reference price, as calculated by the Source Agency, rounded to the nearest value ending in either twenty-five (25) or seventy-five (75).

(iii) INTRADAY WALL STREET 30 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 $Z1 - 40$.

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

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $Z1 + 40$.

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

(iv) INTRADAY WALL STREET 30 BINARY CONTRACTS, 9:00 AM to 11:00 AM ET CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $Z2 - 40$.

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

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $Z2 + 40$.

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

(v) INTRADAY WALL STREET 30 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 $Z3 - 40$.

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

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $Z3 + 40$.

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

(vi) INTRADAY WALL STREET 30 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 $Z4 - 40$.

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

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $Z4 + 40$.

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

(vii) INTRADAY WALL STREET 30 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 $Z5 - 40$.

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

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $Z5 + 40$.

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

(viii) INTRADAY WALL STREET 30 BINARY CONTRACTS,
1:00 PM to 3:00 PM ET CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $Z6 - 40$.

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

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $Z6 + 40$.

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

(ix) INTRADAY WALL STREET 30 BINARY CONTRACTS, 2:00
PM to 4:00 PM ET CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $Z7 - 40$.

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than $Z7$.

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $Z7 + 40$.

(4) In each case above, $Z7$ equals the strike level determined by the Source Agency immediately before the issuance of these contracts.

x) Nadex may list additional Wall Street 30 Binary Contracts with different ranges of Payout Criteria on a discretionary basis in accordance with the CEA and Commission Regulations.

(g) MINIMUM TICK – The Minimum Tick size for the Wall Street 30 Binary Contracts shall be \$0.25.

(h) REPORTING LEVEL – The Reporting Level for the Wall Street 30 Binary Contracts shall be 1,750 Contracts.

(i) POSITION LIMIT – The Position Limits for the Wall Street 30 Binary Contracts shall be 2,500 Contracts.

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

(k) SETTLEMENT DATE – The Settlement Date in a Series is the same date as the Expiration Date.

(l) EXPIRATION DATE – The Expiration Date of the Contract will be the date on which the Wall Street 30 Expiration Value is released by the Source Agency.

(m) SETTLEMENT VALUE – The Settlement Value is the amount paid to the holder of the in-the-money Contract on the Settlement Date. The Settlement Value of an in-the-money Wall Street 30 Binary Contract is \$100.

(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.

(o) CONTINGENCIES – If no daily settlement price of the relevant DJFC is announced by the Source Agency, the Settlement Date will be delayed until such daily settlement price for that Series is released and publicly available.

RULE ~~12.2~~ 12.63 NADEX US TECH 100 BINARY CONTRACTS

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

(b) UNDERLYING – The Underlying for this Class of Binary Contracts is the price of the E-mini NASDAQ 100® Futures contracts (“NQFC”) traded on the Chicago Mercantile Exchange® (CME®)³⁶. 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 September 2011 future prices as the Underlying and will use trade prices for the September 2011 E-mini NASDAQ futures contract to calculate the Expiration Value on the Expiration Date for the relevant US Tech 100 Binary Contract.

(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.

³⁶ 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 Binary Contracts are initially issued. For the US Tech 100 Binary Contract, the Payout Criteria for the Contracts will be set as follows:

(i) DAILY US TECH 100 BINARY CONTRACTS, 4:15 PM ET
CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $X - 40$.

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than $X - 36$.

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $X - 32$.

(4) Binary Contract 4: One Contract will have a Payout Criterion of greater than $X - 28$.

(5) Binary Contract 5: One Contract will have a Payout Criterion of greater than $X - 24$.

(6) Binary Contract 6: One Contract will have a Payout Criterion of greater than $X - 20$.

(7) Binary Contract 7: One Contract will have a Payout Criterion of greater than $X - 16$.

(8) Binary Contract 8: One Contract will have a Payout Criterion of greater than $X - 12$.

(9) Binary Contract 9: One Contract will have a Payout Criterion of greater than $X - 8$.

(10) Binary Contract 10: One Contract will have a Payout Criterion of greater than $X - 4$.

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

(12) Binary Contract 12: One Contract will have a Payout Criterion of greater than $X + 4$.

(13) Binary Contract 13: One Contract will have a Payout Criterion of greater than $X + 8$.

(14) Binary Contract 14: One Contract will have a Payout Criterion of greater than $X + 12$.

(15) Binary Contract 15: One Contract will have a Payout Criterion of greater than $X + 16$.

(16) Binary Contract 16: One Contract will have a Payout Criterion of greater than $X + 20$.

(17) Binary Contract 17: One Contract will have a Payout Criterion of greater than $X + 24$.

(18) Binary Contract 18: One Contract will have a Payout Criterion of greater than $X + 28$.

(19) Binary Contract 19: One Contract will have a Payout Criterion of greater than $X + 32$.

(20) Binary Contract 20: One Contract will have a Payout Criterion of greater than $X + 36$.

(21) Binary Contract 21: One Contract will have a Payout Criterion of greater than $X + 40$.

(22) In each case above, "X" equals the US Tech 100 reference price, as calculated by the Source Agency, rounded to the nearest four (4).

(ii) WEEKLY US TECH 100 BINARY CONTRACTS, 4:15 PM ET
CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $X - 72$.

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than $X - 48$.

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $X - 24$.

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

(5) Binary Contract 5: One Contract will have a Payout Criterion of greater than $X + 24$.

(6) Binary Contract 6: One Contract will have a Payout Criterion of greater than $X + 48$.

(7) Binary Contract 7: One Contract will have a Payout Criterion of greater than $X + 72$.

(8) In each case above, "X" equals the US Tech 100 reference price, as calculated by the Source Agency, rounded to the nearest 10.

(iii) INTRADAY US TECH 100 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 $Z1 - 10$.

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

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $Z1 + 10$.

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

(iv) INTRADAY US TECH 100 BINARY CONTRACTS, 9:00 AM to 11:00 AM ET CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $Z2 - 10$.

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

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $Z2 + 10$.

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

(v) INTRADAY US TECH 100 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 $Z3 - 10$.

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

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $Z3 + 10$.

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

(vi) INTRADAY US TECH 100 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 $Z4 - 10$.

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

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $Z4 + 10$.

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

(vii) INTRADAY US TECH 100 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 $Z5 - 10$.

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

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $Z5 + 10$.

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

(viii) INTRADAY US TECH 100 BINARY CONTRACTS, 1:00 PM to 3:00 PM ET CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $Z6 - 10$.

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

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $Z6 + 10$.

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

(ix) INTRADAY US TECH 100 BINARY CONTRACTS, 2:00 PM to 4:00 PM ET CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $Z7 - 10$.

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than $Z7$.

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $Z7 + 10$.

(4) In each case above, $Z7$ equals the strike level determined by the Source Agency immediately before the issuance of these contracts.

(x) Nadex may list additional US Tech 100 Binary Contracts with different ranges of Payout Criteria on a discretionary basis in accordance with the CEA and Commission Regulations.

(g) MINIMUM TICK – The Minimum Tick size for the US Tech 100 Binary Contracts shall be \$0.25.

(h) REPORTING LEVEL – The Reporting Level for the US Tech 100 Binary Contracts shall be 1,750 Contracts.

(i) POSITION LIMIT – The Position Limits for the US Tech 100 Binary Contracts shall be 2,500 Contracts.

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

(k) SETTLEMENT DATE – The Settlement Date in a Series is the same date as the Expiration Date.

(l) EXPIRATION DATE – The Expiration Date of the Contract will be the date on which the US Tech 100 Expiration Value is released by the Source Agency.

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

(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.

(o) CONTINGENCIES – If no daily settlement price of the relevant NQFC is announced by the Source Agency, the Settlement Date will be delayed until such daily settlement price for that Series is released and publicly available.

RULE ~~12.59~~ 12.59 NADEX US 500 BINARY CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the US 500 Binary Contracts issued by Nadex.

(b) UNDERLYING – The Underlying for this Class of Binary Contracts is the price of the E-mini S&P 500® Futures contracts (“SPFC”) traded on the Chicago Mercantile Exchange® (CME®)³⁷. The SPFC trade prices that will be used to calculate the Underlying will be taken from four (4) SPFC delivery months: March, June, September, or December (each a “SPFC Delivery Month”). The specific SPFC Delivery Month that will be used as the Underlying will be based on the SPFC represented in the following schedule of dates for 2011:

Start Date	End Date	SPFC Delivery Month Used for the Underlying and to Calculate the Expiration Value	Futures Expiration Date
9/11/2010	12/10/2010	CME e-mini S&P 500 December 2010 Future	12/17/2010
12/11/2010	3/11/2011	CME e-mini S&P 500 March 2011 Future	3/18/2011
3/12/2011	6/10/2011	CME e-mini S&P 500 June 2011 Future	6/17/2011
6/11/2011	9/9/2011	CME e-mini S&P 500 September 2011 Future	9/16/2011
9/10/2011	12/9/2011	CME e-mini S&P 500 December 2011 Future	12/16/2011

On the dated listed in the ‘Start Date’ column above, the SPFC trade prices to be used for the Underlying and to calculate the Expiration Value will be the SPFC trade prices for the corresponding SPFC Delivery Month listed. For instance, beginning on June 11, 2011, Nadex will use the CME E-mini S&P 500 September 2011 future prices as the Underlying and will use trade prices for the September 2011 E-mini S&P 500 futures contract to calculate the Expiration Value on the Expiration Date for the relevant US 500 Binary Contract.

(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.

³⁷ CME® is a registered mark of the Chicago Mercantile Exchange. S&P 500 is a registered mark of the McGraw-Hill Companies, Inc. Nadex, Inc. is not affiliated with the Chicago Mercantile Exchange or the McGraw-Hill Companies and neither the Chicago Mercantile Exchange, the McGraw-Hill Companies, nor its affiliates, sponsor or endorse Nadex, Inc. or its products in any way. In particular, the Nadex US 500 Contracts are not sponsored, endorsed, sold or promoted by CME or the McGraw-Hill Companies.

(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 US 500 Binary Contract, the Payout Criteria for the Contracts will be set as follows:

(i) DAILY US 500 BINARY CONTRACTS, 4:15 PM ET CLOSE

- (1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $X - 30$.
- (2) Binary Contract 2: One Contract will have a Payout Criterion of greater than $X - 27$.
- (3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $X - 24$.
- (4) Binary Contract 4: One Contract will have a Payout Criterion of greater than $X - 21$.
- (5) Binary Contract 5: One Contract will have a Payout Criterion of greater than $X - 18$.
- (6) Binary Contract 6: One Contract will have a Payout Criterion of greater than $X - 15$.
- (7) Binary Contract 7: One Contract will have a Payout Criterion of greater than $X - 12$.
- (8) Binary Contract 8: One Contract will have a Payout Criterion of greater than $X - 9$.
- (9) Binary Contract 9: One Contract will have a Payout Criterion of greater than $X - 6$.
- (10) Binary Contract 10: One Contract will have a Payout Criterion of greater than $X - 3$.
- (11) Binary Contract 11: One Contract will have a Payout Criterion of greater than X .
- (12) Binary Contract 12: One Contract will have a Payout Criterion of greater than $X + 3$.
- (13) Binary Contract 13: One Contract will have a Payout Criterion of greater than $X + 6$.
- (14) Binary Contract 14: One Contract will have a Payout Criterion of greater than $X + 9$.

(15) Binary Contract 15: One Contract will have a Payout Criterion of greater than $X + 12$.

(16) Binary Contract 16: One Contract will have a Payout Criterion of greater than $X + 15$.

(17) Binary Contract 17: One Contract will have a Payout Criterion of greater than $X + 18$.

(18) Binary Contract 18: One Contract will have a Payout Criterion of greater than $X + 21$.

(19) Binary Contract 19: One Contract will have a Payout Criterion of greater than $X + 24$.

(20) Binary Contract 20: One Contract will have a Payout Criterion of greater than $X + 27$.

(21) Binary Contract 21: One Contract will have a Payout Criterion of greater than $X + 30$.

(22) In each case above, "X" equals the US 500 reference price, as calculated by the Source Agency, rounded to the nearest one (1).

(ii) WEEKLY US 500 BINARY CONTRACTS, 4:15 PM ET CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $X - 63$.

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than $X - 42$.

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $X - 21$.

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

(5) Binary Contract 5: One Contract will have a Payout Criterion of greater than $X + 21$.

(6) Binary Contract 6: One Contract will have a Payout Criterion of greater than $X + 42$.

(7) Binary Contract 7: One Contract will have a Payout Criterion of greater than $X + 63$.

(448) In each case above, "X" equals the US 500 reference price, as calculated by the Source Agency, rounded to the nearest value ending in 0.50.

(iii) INTRADAY US 500 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 $Z1 - 4$.

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

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $Z1 + 4$.

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

(iv) INTRADAY US 500 BINARY CONTRACTS, 9:00 AM to 11:00 AM ET CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $Z2 - 4$.

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

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $Z2 + 4$.

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

(v) INTRADAY US 500 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 $Z3 - 4$.

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

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $Z3 + 4$.

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

(vi) INTRADAY US 500 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 $Z4 - 4$.

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

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $Z4 + 4$.

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

(vii) INTRADAY US 500 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 $Z5 - 4$.

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

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $Z5 + 4$.

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

(viii) INTRADAY US 500 BINARY CONTRACTS, 1:00 PM to 3:00 PM ET CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $Z6 - 4$.

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

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $Z6 + 4$.

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

(ix) INTRADAY US 500 BINARY CONTRACTS, 2:00 PM to 4:00 PM ET CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $Z7 - 4$.

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than Z7.

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $Z7 + 4$.

(4) In each case above, Z7 equals the strike level determined by the Source Agency immediately before the issuance of these contracts.

(x) Nadex may list additional US 500 Binary Contracts with different ranges of Payout Criteria on a discretionary basis in accordance with the CEA and Commission Regulations.

(g) MINIMUM TICK – The Minimum Tick size for the US 500 Binary Contracts shall be \$0.25.

(h) REPORTING LEVEL – The Reporting Level for the US 500 Binary Contracts shall be 1,750 Contracts.

(i) POSITION LIMIT – The Position Limits for the US 500 Binary Contracts shall be 2,500 Contracts.

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

(k) SETTLEMENT DATE – The Settlement Date in a Series is the same date as the Expiration Date.

(l) EXPIRATION DATE – The Expiration Date of the Contract will be the date on which the 500 Expiration Value is released by the Source Agency.

(m) SETTLEMENT VALUE – The Settlement Value is the amount paid to the holder of the in-the-money Contract on the Settlement Date. The Settlement Value of an in-the-money US 500 Binary Contract is \$100.

(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.

(o) CONTINGENCIES – If no daily settlement price of the relevant SPFC is announced by the Source Agency, the Settlement Date will be delayed until such daily settlement price for that Series is released and publicly available.

~~RULE 42.~~ 12.54 JAPAN 225 VARIABLE PAYOUT CONTRACTS

(a) **SCOPE** – These Rules shall apply to the Class of Contracts referred to as the Japan 225 Variable Payout Contracts issued by Nadex.

(b) **UNDERLYING** – The Underlying for this Class of Contracts is the price of the SGX[®] Nikkei 225 Index Futures contracts (“NKFC”) traded on the Singapore Exchange (SGX)³⁸. The NKFC trade prices that will be used to calculate the Underlying will be taken from four (4) NKFC delivery months: March, June, September, or December (each a “NKFC Delivery Month”). The specific NKFC Delivery Month that will be used as the Underlying will be based on the NKFC represented in the following schedule of dates for 2011.

Start Date	End Date	NKFC Delivery Month Used for the Underlying and to Calculate the Expiration Value	Futures Expiration Date
9/4/2010	12/3/2010	SGX Nikkei 225 December 2010 Future	12/10/2010
12/4/2010	3/4/2011	SGX Nikkei 225 March 2011 Future	3/11/2011
3/5/2011	6/3/2011	SGX Nikkei 225 June 2011 Future	6/10/2011
6/4/2011	9/2/2011	SGX Nikkei 225 September 2011 Future	9/9/2011
9/3/2011	12/2/2011	SGX Nikkei 225 December 2011 Future	12/9/2011

On the dated listed in the ‘Start Date’ column above, the NKFC trade prices to be used for the Underlying and to calculate the Expiration Value will be the NKFC trade prices for the corresponding NKFC Delivery Month listed. For instance, beginning on December 4, 2010, Nadex will use the SGX Nikkei 225 March 2011 future prices as the Underlying and will use trade prices for the March 2011 Nikkei 225 futures contract to calculate the Expiration Value on the Expiration Date for the relevant Japan 225 Variable Payout Contract.

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

(d) **TYPE** – The Type of Contract is a Variable Payout Contract.

³⁸ SGX[®] is a registered service mark of the Singapore Exchange Limited (“SGX”). Nikkei is a registered mark of Nikkei, Inc. All rights in the Trademarks and Futures Trading Data of SGX vest in Singapore Exchange Limited (“SGX”). The Japan 225 Variable Payout Contract is not sponsored, endorsed, sold or promoted by SGX. SGX makes no representation or warranty, express or implied to the investors in the Japan 225 Variable Payout Contract or any member of the public in any manner whatsoever regarding the advisability of investing in any financial product generally or in particularly the Japan 225 Variable Payout Contract. The relationship of SGX towards Nadex is in respect of licensing the use of the SGX Nikkei 225 Index Futures Trading Data. SGX has no obligation to take the needs of the investors of the Japan 225 Variable Payout Contract into consideration in determining, composing or calculating the SGX Nikkei 225 Index Futures Trading Data. SGX is neither responsible for nor has participated in the structure of the Japan 225 Variable Payout Contract. SGX has no obligation or liability in connection with the administration, marketing or trading of the Japan 225 Variable Payout Contract. You are strongly advised to independently verify the accuracy, timeliness and reliability of the Japan 225 Variable Payout Contract and to consult with your investment advisor before investing. Nadex, Inc. is not affiliated with Nikkei, Inc. and neither Nikkei, Inc., nor its affiliates, sponsor or endorse Nadex, Inc. or its products in any way. In particular, the Nadex Japan 225 Contracts are not sponsored, endorsed, sold or promoted by Nikkei, Inc.

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

(f) PAYOUT CRITERION – The Payout Criterion for each Contract will be set by Nadex at the time the Variable Payout Contracts are initially issued. For the Japan 225 Variable Payout Contract, the Payout Criteria for the Contracts will be set as follows:

(i) DAILY VARIABLE JAPAN 225 CONTRACTS, 1:25 AM ET³⁹
CLOSE SPREAD - At the commencement of trading in a Daily Spread Japan 225 Variable Payout Contract, Nadex shall list one (1) Variable Payout Contract, referred to as a ‘Spread’, which conforms to the Payout Criteria listed below:

(1) DAILY VARIABLE PAYOUT CONTRACT ‘SPREAD’

(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 NKFC price, as reported by the Source Agency, rounded to the nearest 100.

(ii) DAILY VARIABLE JAPAN 225 CONTRACTS, 1:25 AM ET⁴⁰
CLOSE NARROW SPREAD – At the commencement of trading in a Daily Narrow Spread Japan 225 Variable Payout Contract, Nadex shall list a set of three (3) Variable Payout Contracts with overlapping ranges referred to as ‘Narrow Spreads’, which conform to the Payout Criteria listed below:

(1) DAILY VARIABLE PAYOUT CONTRACT ‘NARROW SPREAD’

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

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

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

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

³⁹ During the period when the US observes daylight savings time, all Variable payout Japan 225 contracts will open and close 1 hour later than their regular defined times.

⁴⁰ During the period when the US observes daylight savings time, all Variable payout Japan 225 contracts will open and close 1 hour later than their regular defined times.

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

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

(g) MINIMUM TICK – The Minimum Tick size for Japan 225 Variable Payout Contracts shall be 1.

(h) REPORTING LEVEL – The Reporting Level for the Japan 225 Variable Payout Contracts shall be 1,562 Contracts.

(i) POSITION LIMIT – The Position Limits for Japan 225 Variable Payout Contracts shall be 31,250 Contracts.

(j) LAST TRADING DATE – The Last Trading Date of the Contract is the same date as the Settlement Date.

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

(l) EXPIRATION DATE – The Expiration Date of the Contract shall be the date on which the Japan 225 Expiration Value is released by the Source Agency.

(m) SETTLEMENT VALUE – The Settlement Value is the amount paid to the holder of either a Short or Long Variable Payout Contract on Settlement Date. The Settlement Value of a Variable Payout Contract is determined as described in the definition for Long and Short Variable Payout Contracts.

(n) EXPIRATION VALUE – The Expiration Value is the price or value of 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.

(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 the Series.

RULE ~~12.55~~ 12.55 NADEX JAPAN 225 BINARY CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the Japan 225 Binary Contracts issued by Nadex.

(b) **UNDERLYING** – The Underlying for this Class of Contracts is the price of the SGX[®] Nikkei 225 Futures contracts (“NKFC”) traded on the Singapore Exchange (SGX)⁴¹. The NKFC trade prices that will be used to calculate the Underlying will be taken from four (4) NKFC delivery months: March, June, September, or December (each a “NKFC Delivery Month”). The specific NKFC Delivery Month that will be used as the Underlying will be based on the NKFC represented in the following schedule of dates for 2011.

Start Date	End Date	NKFC Delivery Month Used for the Underlying and to Calculate the Expiration Value	Futures Expiration Date
9/4/2010	12/3/2010	SGX Nikkei 225 December 2010 Future	12/10/2010
12/4/2010	3/4/2011	SGX Nikkei 225 March 2011 Future	3/11/2011
3/5/2011	6/3/2011	SGX Nikkei 225 June 2011 Future	6/10/2011
6/4/2011	9/2/2011	SGX Nikkei 225 September 2011 Future	9/9/2011
9/3/2011	12/2/2011	SGX Nikkei 225 December 2011 Future	12/9/2011

On the dated listed in the ‘Start Date’ column above, the NKFC trade prices to be used for the Underlying and to calculate the Expiration Value will be the NKFC trade prices for the corresponding NKFC Delivery Month listed. For instance, beginning on December 4, 2010, Nadex will use the SGX Nikkei 225 March 2011 future prices as the Underlying and will use trade prices for the March 2011 Nikkei 225 futures contract to calculate the Expiration Value on the Expiration Date for the relevant Japan 225 Binary Contract.

(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.

⁴¹ SGX[®] is a registered service mark of the Singapore Exchange Limited (“SGX”). Nikkei is a registered mark of Nikkei, Inc. All rights in the Trademarks and Futures Trading Data of SGX vest in Singapore Exchange Limited (“SGX”). The Japan 225 Binary Contract is not sponsored, endorsed, sold or promoted by SGX. SGX makes no representation or warranty, express or implied to the investors in the Japan 225 Binary Contract or any member of the public in any manner whatsoever regarding the advisability of investing in any financial product generally or in particularly the Japan 225 Binary Contract. The relationship of SGX towards Nadex is in respect of licensing the use of the SGX Nikkei 225 Index Futures Trading Data. SGX has no obligation to take the needs of the investors of the Japan 225 Binary Contract into consideration in determining, composing or calculating the SGX Nikkei 225 Index Futures Trading Data. SGX is neither responsible for nor has participated in the structure of the the Japan 225 Binary Contract. SGX has no obligation or liability in connection with the administration, marketing or trading of the Japan 225 Binary Contract. You are strongly advised to independently verify the accuracy, timeliness and reliability of the Japan 225 Binary Contract and to consult with your investment advisor before investing. Nadex, Inc. is not affiliated with Nikkei, Inc. and neither Nikkei, Inc., nor its affiliates, sponsor or endorse Nadex, Inc. or its products in any way. In particular, the Nadex Japan 225 Contracts are not sponsored, endorsed, sold or promoted by Nikkei, Inc.

(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 Japan 225 Binary Contract, the Payout Criteria for the Contracts will be set as follows:

(i) DAILY JAPAN 225 BINARY CONTRACTS, 1:25 AM ET⁴²
CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $X - 280$.

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than $X - 240$.

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $X - 200$.

(4) Binary Contract 4: One Contract will have a Payout Criterion of greater than $X - 160$.

(5) Binary Contract 5: One Contract will have a Payout Criterion of greater than $X - 120$.

(6) Binary Contract 6: One Contract will have a Payout Criterion of greater than $X - 80$.

(7) Binary Contract 7: One Contract will have a Payout Criterion of greater than $X - 40$.

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

(9) Binary Contract 9: One Contract will have a Payout Criterion of greater than $X + 40$.

(10) Binary Contract 10: One Contract will have a Payout Criterion of greater than $X + 80$.

(11) Binary Contract 11: One Contract will have a Payout Criterion of greater than $X + 120$.

(12) Binary Contract 12: One Contract will have a Payout Criterion of greater than $X + 160$.

(13) Binary Contract 13: One Contract will have a Payout Criterion of greater than $X + 200$.

⁴² During the period when the US observes daylight savings time, all Binary Japan 225 contracts will open and close 1 hour later than their regular defined times.

(14) Binary Contract 14: One Contract will have a Payout Criterion of greater than $X + 240$.

(15) Binary Contract 15: One Contract will have a Payout Criterion of greater than $X + 280$.

(16) In each case above, “X” equals the Japan 225 reference price, as calculated by the Source Agency, rounded to the nearest ten (10).

(ii) WEEKLY JAPAN 225 BINARY CONTRACTS, 1:25 AM ET⁴³
CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $X - 450$.

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than $X - 300$.

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $X - 150$.

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

(5) Binary Contract 5: One Contract will have a Payout Criterion of greater than $X + 150$.

(6) Binary Contract 6: One Contract will have a Payout Criterion of greater than $X + 300$.

(7) Binary Contract 7: One Contract will have a Payout Criterion of greater than $X + 450$.

(8) In each case above, “X” equals the Japan 225 reference price, as calculated by the Source Agency, rounded to the nearest value ending in either twenty-five (25) or seventy-five (75).

(iii) Nadex may list additional Japan 225 Binary Contracts with different ranges of Payout Criteria on a discretionary basis in accordance with the CEA and Commission Regulations.

(g) MINIMUM TICK – The Minimum Tick size for the Japan 225 Binary Contracts shall be \$0.25.

⁴³ During the period when the US observes daylight savings time, all Binary Japan 225 contracts will open and close 1 hour later than their regular defined times.

(h) **REPORTING LEVEL** – The Reporting Level for the Japan 225 Binary Contracts shall be 1,750 Contracts.

(i) **POSITION LIMIT** – The Position Limits for the Japan 225 Binary Contracts shall be 2,500 Contracts.

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

(k) **SETTLEMENT DATE** – The Settlement Date in a Series is the same date as the Expiration Date.

(l) **EXPIRATION DATE** – The Expiration Date of the Contract will be the date on which the Japan 225 Expiration Value is released by the Source Agency.

(m) **SETTLEMENT VALUE** – The Settlement Value is the amount paid to the holder of the in-the-money Contract on the Settlement Date. The Settlement Value of an in-the-money Japan 225 Binary Contract is \$100.

(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.

(o) **CONTINGENCIES** – If no daily settlement price of the relevant NKFC is announced by the Source Agency, the Settlement Date will be delayed until such daily settlement price for that Series is released and publicly available.

RULE ~~12.52~~ 12.52 INDIA 50 VARIABLE PAYOUT CONTRACTS

(a) **SCOPE** – These Rules shall apply to the Class of Contracts referred to as the India 50 Variable Payout Contracts issued by Nadex.

(b) **UNDERLYING** – The Underlying for this Class of Contracts is the price of the SGX[®] CNX Nifty Index Futures contracts (“NFFC”) traded on the Singapore Exchange (SGX)⁴⁴. The NFFC trade prices that will be used to calculate the Underlying will be taken

⁴⁴ SGX[®] is a registered service mark of the Singapore Exchange Limited (“SGX”). All rights in the Trademarks and Futures Trading Data of SGX vest in Singapore Exchange Limited (“SGX”). The India 50 Variable Payout Contract is not sponsored, endorsed, sold or promoted by SGX. SGX makes no representation or warranty, express or implied to the investors in the India 50 Variable Payout Contract or any member of the public in any manner whatsoever regarding the advisability of investing in any financial product generally or in particularly the India 50 Variable Payout Contract. The relationship of SGX towards Nadex is in respect of licensing the use of the SGX CNX Nifty Index Futures Trading Data. SGX has no obligation to take the needs of the investors of the India 50 Variable Payout Contract into consideration in determining, composing or calculating the SGX CNX Nifty Index Futures Trading Data. SGX is neither responsible for nor has participated in the structure of

from all twelve NFFC delivery months: January, February, March, April, May, June, July, August, September, October, November, or December (each a “NFFC Delivery Month”). The specific NFFC Delivery Month that will be used as the Underlying will be based on the NFFC represented in the following schedule of dates for 2011.

Start Date	End Date	NFFC Delivery Month Used for the Underlying and to Calculate the Expiration Value	Futures Expiration Date
10/26/2010	11/22/2010	SGX CNX Nifty Index November 2010 Future	11/25/2010
11/23/2010	12/27/2010	SGX CNX Nifty Index December 2010 Future	12/30/2010
12/28/2010	1/24/2011	SGX CNX Nifty Index January 2011 Future	1/27/2011
1/25/2011	2/21/2011	SGX CNX Nifty Index February 2011 Future	2/24/2011
2/22/2011	3/28/2011	SGX CNX Nifty Index March 2011 Future	3/31/2011
3/29/2011	4/25/2011	SGX CNX Nifty Index April 2011 Future	4/28/2011
4/26/2011	5/30/2011	SGX CNX Nifty Index May 2011 Future	5/26/2011
5/31/2011	6/27/2011	SGX CNX Nifty Index June 2011 Future	6/30/2011
6/28/2011	7/25/2011	SGX CNX Nifty Index July 2011 Future	7/28/2011
7/26/2011	8/29/2011	SGX CNX Nifty Index August 2011 Future	8/25/2011
8/30/2011	9/26/2011	SGX CNX Nifty Index September 2011 Future	9/29/2011
9/27/2011	10/24/2011	SGX CNX Nifty Index October 2011 Future	10/27/2011
10/25/2011	11/28/2011	SGX CNX Nifty Index November 2011 Future	11/24/2011
11/29/2011	12/26/2011	SGX CNX Nifty Index December 2011 Future	12/29/2011
12/27/2011	1/23/2012	SGX CNX Nifty Index January 2012 Future	1/5/2012

On the dated listed in the ‘Start Date’ column above, the NFFC trade prices to be used for the Underlying and to calculate the Expiration Value will be the NFFC trade prices for the corresponding NFFC Delivery Month listed. For instance, beginning on January 25, 2011, Nadex will use the SGX CNX Nifty February 2011 future prices as the Underlying and will use trade prices for the February 2011 CNX Nifty futures contract to calculate the Expiration Value on the Expiration Date for the relevant India 50 Variable Payout Contract.

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

(d) TYPE – The Type of Contract is a Variable Payout Contract.

the India 50 Variable Payout Contract. SGX has no obligation or liability in connection with the administration, marketing or trading of the India 50 Variable Payout Contract. You are strongly advised to independently verify the accuracy, timeliness and reliability of the India 50 Variable Payout Contract and to consult with your investment advisor before investing. Nadex is not affiliated with the publisher of the CNX Nifty Index and neither the publisher of the CNX Nifty Index, nor its affiliates, sponsor or endorse Nadex or its products in any way. In particular, the Nadex India 50 Contracts are not sponsored, endorsed, sold or promoted by the publisher of the CNX Nifty Index.

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

(f) PAYOUT CRITERION – The Payout Criterion for each Contract will be set by Nadex at the time the Variable Payout Contracts are initially issued. For the India 50 Variable Payout Contract, the Payout Criteria for the Contracts will be set as follows:

(i) DAILY VARIABLE INDIA 50 CONTRACTS, 5:00 AM ET⁴⁵
CLOSE SPREAD - At the commencement of trading in a Daily Spread India 50 Variable Payout Contract, Nadex shall list one (1) Variable Payout Contract, referred to as a ‘Spread’, which conforms to the Payout Criteria listed below:

(1) DAILY VARIABLE PAYOUT CONTRACT ‘SPREAD’

(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 NFFC price, as reported by the Source Agency, rounded to the nearest 100.

(ii) DAILY VARIABLE INDIA 50 CONTRACTS, 5:00 AM ET⁴⁶
CLOSE NARROW SPREAD – At the commencement of trading in a Daily Narrow Spread India 50 Variable Payout Contract, Nadex shall list a set of three (3) Variable Payout Contracts with overlapping ranges referred to as ‘Narrow Spreads’, which conform to the Payout Criteria listed below:

(1) DAILY VARIABLE PAYOUT CONTRACT ‘NARROW SPREAD’

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

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

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

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

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

⁴⁵ During the period when the US observes daylight savings time, all Variable payout India 50 contracts will open and close 1 hour later than their regular defined times.

⁴⁶ During the period when the US observes daylight savings time, all Variable payout India 50 contracts will open and close 1 hour later than their regular defined times.

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

(g) MINIMUM TICK – The Minimum Tick size for India 50 Variable Payout Contracts shall be 1.

(h) REPORTING LEVEL – The Reporting Level for the India 50 Variable Payout Contracts shall be 3,125 Contracts.

(i) POSITION LIMIT – The Position Limits for India 50 Variable Payout Contracts shall be 62,500 Contracts.

(j) LAST TRADING DATE – The Last Trading Date of the Contract is the same date as the Settlement Date.

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

(l) EXPIRATION DATE – The Expiration Date of the Contract shall be the date on which the India 50 Expiration Value is released by the Source Agency.

(m) SETTLEMENT VALUE – The Settlement Value is the amount paid to the holder of either a Short or Long Variable Payout Contract on Settlement Date. The Settlement Value of a Variable Payout Contract is determined as described in the definition for Long and Short Variable Payout Contracts.

(n) EXPIRATION VALUE – The Expiration Value is the price or value of India 50 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) NFFC trade prices just prior to the close of trading of the India 50 Variable Contract and removing the highest five (5) NFFC trade prices and the lowest five (5) NFFC trade prices, using the remaining fifteen (15) NFFC trade prices to calculate the Expiration Value. The Calculation used is a simple average of all fifteen (15) NFFC trade prices.

(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 the Series.

RULE ~~42~~ 12.53 NADEX INDIA 50 BINARY CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the India 50 Binary Contracts issued by Nadex.

(b) **UNDERLYING** – The Underlying for this Class of Contracts is the price of the SGX[®] CNX Nifty Futures contracts (“NFFC”) traded on the Singapore Exchange (SGX)⁴⁷. The NFFC trade prices that will be used to calculate the Underlying will be taken from all twelve NFFC delivery months: January, February, March, April, May, June, July, August, September, October, November, or December (each a “NFFC Delivery Month”). The specific NFFC Delivery Month that will be used as the Underlying will be based on the NFFC represented in the following schedule of dates for 2011.

Start Date	End Date	NFFC Delivery Month Used for the Underlying and to Calculate the Expiration Value	Futures Expiration Date
10/26/2010	11/22/2010	SGX CNX Nifty Index November 2010 Future	11/25/2010
11/23/2010	12/27/2010	SGX CNX Nifty Index December 2010 Future	12/30/2010
12/28/2010	1/24/2011	SGX CNX Nifty Index January 2011 Future	1/27/2011
1/25/2011	2/21/2011	SGX CNX Nifty Index February 2011 Future	2/24/2011
2/22/2011	3/28/2011	SGX CNX Nifty Index March 2011 Future	3/31/2011
3/29/2011	4/25/2011	SGX CNX Nifty Index April 2011 Future	4/28/2011
4/26/2011	5/30/2011	SGX CNX Nifty Index May 2011 Future	5/26/2011
5/31/2011	6/27/2011	SGX CNX Nifty Index June 2011 Future	6/30/2011
6/28/2011	7/25/2011	SGX CNX Nifty Index July 2011 Future	7/28/2011
7/26/2011	8/29/2011	SGX CNX Nifty Index August 2011 Future	8/25/2011
8/30/2011	9/26/2011	SGX CNX Nifty Index September 2011 Future	9/29/2011
9/27/2011	10/24/2011	SGX CNX Nifty Index October 2011 Future	10/27/2011
10/25/2011	11/28/2011	SGX CNX Nifty Index November 2011 Future	11/24/2011
11/29/2011	12/26/2011	SGX CNX Nifty Index December 2011 Future	12/29/2011
12/27/2011	1/23/2012	SGX CNX Nifty Index January 2012 Future	1/5/2012

On the dated listed in the ‘Start Date’ column above, the NFFC trade prices to be used for the Underlying and to calculate the Expiration Value will be the NFFC trade prices for the corresponding NFFC Delivery Month listed. For instance, beginning on January 25, 2011, Nadex will use the SGX CNX Nifty February 2011 future prices as the Underlying and will

⁴⁷ SGX[®] is a registered service mark of the Singapore Exchange Limited (“SGX”). All rights in the Trademarks and Futures Trading Data of SGX vest in Singapore Exchange Limited (“SGX”). The India 50 Binary Contract is not sponsored, endorsed, sold or promoted by SGX. SGX makes no representation or warranty, express or implied to the investors in the India 50 Binary Contract or any member of the public in any manner whatsoever regarding the advisability of investing in any financial product generally or in particularly the India 50 Binary Contract. The relationship of SGX towards Nadex is in respect of licensing the use of the SGX CNX Nifty Index Futures Trading Data. SGX has no obligation to take the needs of the investors of the India 50 Binary Contract into consideration in determining, composing or calculating the SGX CNX Nifty Index Futures Trading Data. SGX is neither responsible for nor has participated in the structure of the India 50 Binary Contract. SGX has no obligation or liability in connection with the administration, marketing or trading of the India 50 Binary Contract. You are strongly advised to independently verify the accuracy, timeliness and reliability of the India 50 Binary Contract and to consult with your investment advisor before investing. Nadex is not affiliated with the publisher of the CNX Nifty Index and neither the publisher of the CNX Nifty Index, nor its affiliates, sponsor or endorse Nadex or its products in any way. In particular, the Nadex India 50 Contracts are not sponsored, endorsed, sold or promoted by the publisher of the CNX Nifty Index.

use trade prices for the February 2011 CNX Nifty futures contract to calculate the Expiration Value on the Expiration Date for the relevant India 50 Binary Contract.

(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 India 50 Binary Contract, the Payout Criteria for the Contracts will be set as follows:

(i) DAILY INDIA 50 BINARY CONTRACTS, 5:00 AM ET⁴⁸

CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $X - 70$.

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than $X - 60$.

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $X - 50$.

(4) Binary Contract 4: One Contract will have a Payout Criterion of greater than $X - 40$.

(5) Binary Contract 5: One Contract will have a Payout Criterion of greater than $X - 30$.

(6) Binary Contract 6: One Contract will have a Payout Criterion of greater than $X - 20$.

(7) Binary Contract 7: One Contract will have a Payout Criterion of greater than $X - 10$.

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

(9) Binary Contract 9: One Contract will have a Payout Criterion of greater than $X + 10$.

⁴⁸ During the period when the US observes daylight savings time, all Binary India 50 contracts will open and close 1 hour later than their regular defined times.

(10) Binary Contract 10: One Contract will have a Payout Criterion of greater than $X + 20$.

(11) Binary Contract 11: One Contract will have a Payout Criterion of greater than $X + 30$.

(12) Binary Contract 12: One Contract will have a Payout Criterion of greater than $X + 40$.

(13) Binary Contract 13: One Contract will have a Payout Criterion of greater than $X + 50$.

(14) Binary Contract 14: One Contract will have a Payout Criterion of greater than $X + 60$.

(15) Binary Contract 15: One Contract will have a Payout Criterion of greater than $X + 70$.

(16) In each case above, "X" equals the India 50 reference price, as calculated by the Source Agency, rounded to the nearest ten (10).

(ii) WEEKLY INDIA 50 BINARY CONTRACTS, 5:00 AM ET⁴⁹

CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $X - 150$.

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than $X - 100$.

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $X - 50$.

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

(5) Binary Contract 5: One Contract will have a Payout Criterion of greater than $X + 50$.

(6) Binary Contract 6: One Contract will have a Payout Criterion of greater than $X + 100$.

(7) Binary Contract 7: One Contract will have a Payout Criterion of greater than $X + 150$.

⁴⁹ During the period when the US observes daylight savings time, all Binary India 50 contracts will open and close 1 hour later than their regular defined times.

(8) In each case above, “X” equals the India 50 reference price, as calculated by the Source Agency, rounded to the nearest value ending in 25 or 75.

iii) Nadex may list additional India 50 Binary Contracts with different ranges of Payout Criteria on a discretionary basis in accordance with the CEA and Commission Regulations.

(g) MINIMUM TICK – The Minimum Tick size for the India 50 Binary Contracts shall be \$0.25.

(h) REPORTING LEVEL – The Reporting Level for the India 50 Binary Contracts shall be 1,750 Contracts.

(i) POSITION LIMIT – The Position Limits for the India 50 Binary Contracts shall be 2,500 Contracts.

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

(k) SETTLEMENT DATE – The Settlement Date in a Series is the same date as the Expiration Date.

(l) EXPIRATION DATE – The Expiration Date of the Contract will be the date on which the India 50 Expiration Value is released by the Source Agency.

(m) SETTLEMENT VALUE – The Settlement Value is the amount paid to the holder of the in-the-money Contract on the Settlement Date. The Settlement Value of an in-the-money India 50 Binary Contract is \$100.

(n) EXPIRATION VALUE – The Expiration Value is the price or value of India 50 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) NFFC trade prices just prior to the close of trading of the India 50 Binary Contract and removing the highest five (5) NFFC trade prices and the lowest five (5) NFFC trade prices, using the remaining fifteen (15) NFFC trade prices to calculate the Expiration Value. The calculation used is a simple average of all fifteen (15) remaining NFFC trade prices.

(o) CONTINGENCIES – If no daily settlement price of the relevant NFFC is announced by the Source Agency, the Settlement Date will be delayed until such daily settlement price for that Series is released and publicly available.

RULE ~~42~~ 12.26 CURRENCY EXCHANGE AUD/USD VARIABLE PAYOUT CONTRACTS

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

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

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

(d) TYPE – The Type of Contract is a Variable Payout Contract.

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

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

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

(1) DAILY VARIABLE AUD/USD SPREAD CONTRACT:

(aa) CAP – The Cap shall be $X + 0.0250$.

(bb) FLOOR – The Floor shall be $X - 0.0250$.

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

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

(ii) INTRADAY VARIABLE AUD/USD SPREAD CONTRACTS, 6:00PM to 11:00PM, 11:00PM to 7:00AM, and 7:00AM to 3:00PM ET CLOSE - Nadex shall list a set of three (3) Variable Payout Contracts with overlapping ranges, which conform to the Payout Criteria listed below:

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

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

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

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

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

(iii) INTRADAY 2-HOUR VARIABLE AUD/USD SPREAD CONTRACTS, 8:00PM, 9:00PM, 10:00PM, 11:00PM, 12:00AM, 1:00AM, 2:00AM, 3:00AM, 4:00AM, 5:00AM, 6:00AM, 7:00AM, 8:00AM, 9:00AM, 10:00AM, 11:00AM, 12:00PM, 1:00PM, 2:00PM, and 3:00PM ET CLOSE - Nadex shall list a set of three (3) Variable Payout Contracts that open 2 hours prior to the stated closing time(s) above with overlapping ranges, which conform to the Payout Criteria listed below:

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

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

(3) CONTRACT 3: The Cap shall be X + 0.0100; The Floor shall be X.

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

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

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

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

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

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

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

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

(l) EXPIRATION DATE – The Expiration Date of the Contract shall be the date on which the AUD/USD Expiration Value is released by the Source Agency.

(m) SETTLEMENT VALUE – The Settlement Value is the amount paid to the holder of either a Short or Long Variable Payout Contract on Settlement Date. The Settlement Value of a Variable Payout Contract is determined as described in the definition for Long and Short Variable Payout Contracts.

(n) EXPIRATION VALUE – The Expiration Value is the price or value of AUD/USD released by the Source Agency on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking the last twenty-five (25) Midpoints 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. A simple average of the remaining fifteen (15) AUD/USD Midpoints is used to calculate the Expiration Value. A Midpoint is calculated by adding the bid price and the ask price together and then dividing that number by two (2). For example, if the bid price is 1.3400 and the ask price is 1.3402, the two numbers are added together (totaling 2.6802) and then divided by two (2), equaling a Midpoint of 1.3401. If the spread between a particular bid price and ask price is deemed too wide (greater than five (5) pips), those prices will not be used to calculate a Midpoint and will thus not be included within the 25 initially captured values.

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

~~RULE 12.27~~ 12.27 CURRENCY EXCHANGE AUD/USD BINARY CONTRACT

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

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

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

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

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

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

~~(x)(i)~~ (i) DAILY AUD/USD BINARY CONTRACTS, 3 PM ET CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $X - 0.0200$.

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than $X - 0.0180$.

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $X - 0.0160$.

- (4) Binary Contract 4: One Contract will have a Payout Criterion of greater than $X - 0.0140$.
- (5) Binary Contract 5: One Contract will have a Payout Criterion of greater than $X - 0.0120$.
- (6) Binary Contract 6: One Contract will have a Payout Criterion of greater than $X - 0.0100$.
- (7) Binary Contract 7: One Contract will have a Payout Criterion of greater than $X - 0.0080$.
- (8) Binary Contract 8: One Contract will have a Payout Criterion of greater than $X - 0.0060$.
- (9) Binary Contract 9: One Contract will have a Payout Criterion of greater than $X - 0.0040$.
- (10) Binary Contract 10: One Contract will have a Payout Criterion of greater than $X - 0.0020$.
- (11) Binary Contract 11: One Contract will have a Payout Criterion of greater than X .
- (12) Binary Contract 12: One Contract will have a Payout Criterion of greater than $X + 0.0020$.
- (13) Binary Contract 13: One Contract will have a Payout Criterion of greater than $X + 0.0040$.
- (14) Binary Contract 14: One Contract will have a Payout Criterion of greater than $X + 0.0060$.
- (15) Binary Contract 15: One Contract will have a Payout Criterion of greater than $X + 0.0080$.
- (16) Binary Contract 16: One Contract will have a Payout Criterion of greater than $X + 0.0100$.
- (17) Binary Contract 17: One Contract will have a Payout Criterion of greater than $X + 0.0120$.
- (18) Binary Contract 18: One Contract will have a Payout Criterion of greater than $X + 0.0140$.
- (19) Binary Contract 19: One Contract will have a Payout Criterion of greater than $X + 0.0160$.

(20) Binary Contract 20: One Contract will have a Payout Criterion of greater than $X + 0.0180$.

(21) Binary Contract 21: One Contract will have a Payout Criterion of greater than $X + 0.0200$

(22) In each case, "X" equals the last AUD/USD price rounded to the nearest 0.0020 as reported by the Source Agency.

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

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

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

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

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

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

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

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

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

~~(xiii)~~(iii) INTRADAY AUD/USD BINARY CONTRACT, 8:00 AM
to 10:00 AM ET CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $Z1 - 0.0040$.

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

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $Z1 + 0.0040$.

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

~~(xiv)~~(iv) INTRADAY AUD/USD BINARY CONTRACT, 9:00 AM to 11:00 AM ET CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $Z2 - 0.0040$.

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

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $Z2 + 0.0040$.

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

~~(xv)~~(v) INTRADAY AUD/USD BINARY CONTRACT, 10:00 AM to 12:00 PM ET CLOSE

(1) Binary Contract 1: One contract will have will have a Payout Criterion of greater than $Z3 - 0.0040$.

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

(3) Binary Contract 1: One contract will have will have a Payout Criterion of greater than $Z3 + 0.0040$.

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

~~(xvi)~~(vi) INTRADAY AUD/USD BINARY CONTRACT, 11:00 AM to 1:00 PM ET CLOSE

(1) Binary Contract 1: One contract will have will have a Payout Criterion of greater than $Z4 - 0.0040$.

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

(3) Binary Contract 1: One contract will have will have a Payout Criterion of greater than $Z4 + 0.0040$.

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

~~(xvii)~~(vii) INTRADAY AUD/USD BINARY CONTRACT, 12:00 PM to 2:00 PM ET CLOSE

(1) Binary Contract 1: One contract will have will have a Payout Criterion of greater than $Z5 - 0.0040$.

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

(3) Binary Contract 3: One contract will have will have a Payout Criterion of greater than $Z5 + 0.0040$.

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

~~(xviii)~~(viii) INTRADAY AUD/USD BINARY CONTRACT, 1:00 PM to 3:00 PM ET CLOSE

(1) Binary Contract 1: One contract will have will have a Payout Criterion of greater than $Z6 - 0.0040$.

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

(3) Binary Contract 3: One contract will have will have a Payout Criterion of greater than $Z6 + 0.0040$.

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

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

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

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

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

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

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

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

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

(n) **EXPIRATION VALUE** – The Expiration Value is the price or value of AUD/USD as released by the Source Agency on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking the last twenty-five (25) Midpoints 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. A simple average of the remaining fifteen (15) AUD/USD Midpoints is used to calculate the Expiration Value. A Midpoint is calculated by adding the bid price and the ask price together and then dividing that number by two (2). For example, if the bid price is 1.3400 and the ask price is 1.3402, the two numbers are added together (totaling 2.6802) and then divided by two (2), equaling a Midpoint of 1.3401. If the spread between a particular bid price and ask price is deemed too wide (greater than five (5) pips), those prices will not be used to calculate a Midpoint and will thus not be included within the 25 initially captured values.

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

RULE ~~12.97~~ 12.60 US SMALLCAP 2000 VARIABLE PAYOUT CONTRACTS

(a) **SCOPE** – These Rules shall apply to the Class of Contracts referred to as the US SmallCap 2000 Variable Payout Contracts issued by Nadex.

(b) **UNDERLYING** – The Underlying for this Class of Contracts is the price of the Russell 2000[®] Mini Futures contracts (“RUFC”) traded on the ICE Futures US[®] (ICE Futures)⁵⁰. The RUFC trade prices that will be used for the Underlying will be taken from four (4) RUFC delivery months: March, June, September, or December (each a “RUFC Delivery Month”). The specific RUFC Delivery Month that will be used as the Underlying will be based on the RUFC represented in the following schedule of dates for 2011:

Start Date	End Date	RUFC Delivery Month Used for the Underlying and to Calculate the Expiration Value	Futures Expiration Date

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9/11/2010	12/10/2010	ICE Russell 2000 Mini December 2010 Future	12/17/2010
12/11/2010	3/11/2011	ICE Russell 2000 Mini March 2011 Future	3/18/2011
3/12/2011	6/10/2011	ICE Russell 2000 Mini June 2011 Future	6/17/2011
6/11/2011	9/9/2011	ICE Russell 2000 Mini September 2011 Future	9/16/2011
9/10/2011	12/9/2011	ICE Russell 2000 Mini December 2011 Future	12/16/2011

On the dated listed in the ‘Start Date’ column above, the RUFC trade prices to be used for the Underlying and to calculate the Expiration Value will be the RUFC trade prices for the corresponding RUFC Delivery Month listed. For instance, beginning on June 11, 2011, Nadex will use the ICE Russell 2000 Mini September 2011 future prices as the Underlying and will use trade prices for the September 2011 Russell 2000 Mini futures contract to calculate the Expiration Value on the Expiration Date for the relevant US SmallCap 2000 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.

(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 VARIABLE US SMALLCAP 2000 CONTRACTS, 4:15 PM ET CLOSE SPREAD - 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 VARIABLE PAYOUT CONTRACT ‘SPREAD’

(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.

~~(i)~~ (ii) DAILY VARIABLE US SMALLCAP 2000 CONTRACTS, 4:15 PM ET CLOSE NARROW SPREAD – At the commencement of trading in a Daily Narrow Spread US SmallCap 2000 Variable Payout Contract, Nadex shall list a set of three (3)

Variable Payout Contracts with overlapping ranges referred to as ‘Narrow Spreads’, which conform to the Payout Criteria listed below:

(1) DAILY VARIABLE PAYOUT CONTRACT ‘NARROW SPREAD’

(aa) CONTRACT 1: The Cap shall be X; The Floor shall be $X - 25$.

(bb) CONTRACT 2; The Cap shall be $X + 12.5$; The Floor shall be $X - 12.5$.

(cc) CONTRACT 3: The CAP shall be $X + 25$; The Floor shall be X.

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

(g) MINIMUM TICK – The Minimum Tick size for US SmallCap 2000 Variable Payout Contracts shall be 0.1.

(h) REPORTING LEVEL – The Reporting Level for the US SmallCap 2000 Variable Payout Contracts shall be 2,500 Contracts.

(i) POSITION LIMIT – The Position Limits for US SmallCap 2000 Variable Payout Contracts shall be 50,000 Contracts.

(j) LAST TRADING DATE – The Last Trading Date of the Contract is the same date as the Settlement Date.

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

(l) EXPIRATION DATE – The Expiration Date of the Contract shall be the date on which the US SmallCap 2000 Expiration Value is released by the Source Agency.

(m) SETTLEMENT VALUE – The Settlement Value is the amount paid to the holder of either a Short or Long Variable Payout Contract on Settlement Date. The Settlement Value of a Variable Payout Contract is determined as described in the definition for Long and Short Variable Payout Contracts.

(n) EXPIRATION VALUE – The Expiration Value is the 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.

(o) CONTINGENCIES – If no daily settlement price of the relevant RUFC is announced by the Source Agency, the Settlement Date will be delayed until such daily settlement price for that Series is released and publicly available.

RULE ~~42~~ 12.61 NADEX US SMALLCAP 2000 BINARY CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the US SmallCap 2000 Binary Contracts issued by Nadex.

(b) UNDERLYING – The Underlying for this Class of Binary Contracts is the price of the Russell 2000[®] Mini Futures contracts (“RUFC”) traded on ICE Futures US[®] (ICE Futures)⁵¹. The RUFC trade prices that will be used to calculate the Underlying will be taken from four (4) RUFC delivery months: March, June, September, or December (each a “RUFC Delivery Month”). The specific RUFC Delivery Month that will be used as the Underlying will be based on the RUFC represented in the following schedule of dates for 2011:

Start Date	End Date	RUFC Delivery Month Used for the Underlying and to Calculate the Expiration Value	Futures Expiration Date
9/11/2010	12/10/2010	ICE Russell 2000 Mini December 2010 Future	12/17/2010
12/11/2010	3/11/2011	ICE Russell 2000 Mini March 2011 Future	3/18/2011
3/12/2011	6/10/2011	ICE Russell 2000 Mini June 2011 Future	6/17/2011
6/11/2011	9/9/2011	ICE Russell 2000 Mini September 2011 Future	9/16/2011
9/10/2011	12/9/2011	ICE Russell 2000 Mini December 2011 Future	12/16/2011

On the dated listed in the ‘Start Date’ column above, the RUFC trade prices to be used for the Underlying and to calculate the Expiration Value will be the RUFC trade prices for the corresponding RUFC Delivery Month listed. For instance, beginning on June 11, 2011, Nadex will use the ICE Russell 2000 Mini September 2011 future prices as the Underlying and will use trade prices for the September 2011 Russell 2000 Mini futures contract to calculate the Expiration Value on the Expiration Date for the relevant US SmallCap 2000 Binary Contract.

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

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

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(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 US SmallCap 2000 Binary Contract, the Payout Criteria for the Contracts will be set as follows:

(i) DAILY US SMALLCAP 2000 BINARY CONTRACTS, 4:15 PM
ET CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $X - 20$.

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than $X - 18$.

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $X - 16$.

(4) Binary Contract 4: One Contract will have a Payout Criterion of greater than $X - 14$.

(5) Binary Contract 5: One Contract will have a Payout Criterion of greater than $X - 12$.

(6) Binary Contract 6: One Contract will have a Payout Criterion of greater than $X - 10$.

(7) Binary Contract 7: One Contract will have a Payout Criterion of greater than $X - 8$.

(8) Binary Contract 8: One Contract will have a Payout Criterion of greater than $X - 6$.

(9) Binary Contract 9: One Contract will have a Payout Criterion of greater than $X - 4$.

(10) Binary Contract 10: One Contract will have a Payout Criterion of greater than $X - 2$.

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

(12) Binary Contract 12: One Contract will have a Payout Criterion of greater than $X + 2$.

(13) Binary Contract 13: One Contract will have a Payout Criterion of greater than $X + 4$.

(14) Binary Contract 14: One Contract will have a Payout Criterion of greater than $X + 6$.

(15) Binary Contract 15: One Contract will have a Payout Criterion of greater than $X + 8$.

(16) Binary Contract 16: One Contract will have a Payout Criterion of greater than $X + 10$.

(17) Binary Contract 17: One Contract will have a Payout Criterion of greater than $X + 12$.

(18) Binary Contract 18: One Contract will have a Payout Criterion of greater than $X + 14$.

(19) Binary Contract 19: One Contract will have a Payout Criterion of greater than $X + 16$.

(20) Binary Contract 20: One Contract will have a Payout Criterion of greater than $X + 18$.

(21) Binary Contract 21: One Contract will have a Payout Criterion of greater than $X + 20$.

(22) In each case above, "X" equals the US SmallCap 2000 reference price, as calculated by the Source Agency, rounded to the nearest one (1).

(ii) WEEKLY US SMALLCAP 2000 BINARY CONTRACTS, 4:15 PM ET CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $X - 36$.

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than $X - 24$.

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $X - 12$.

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

(5) Binary Contract 5: One Contract will have a Payout Criterion of greater than $X + 12$.

(6) Binary Contract 6: One Contract will have a Payout Criterion of greater than $X + 24$.

(7) Binary Contract 7: One Contract will have a Payout Criterion of greater than $X + 36$.

(14) In each case above, "X" equals the US SmallCap 2000 reference price, as calculated by the Source Agency, rounded to the nearest two (2).

(iii) INTRADAY US SMALLCAP 2000 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 $Z1 - 2$.

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

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $Z1 + 2$.

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

(iv) INTRADAY US SMALLCAP 2000 BINARY CONTRACTS,
9:00 AM to 11:00 AM ET CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $Z2 - 2$.

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

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $Z2 + 2$.

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

(v) INTRADAY US SMALLCAP 2000 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 $Z3 - 2$.

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

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $Z3 + 2$.

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

(vi) INTRADAY US SMALLCAP 2000 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 $Z4 - 2$.

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

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $Z4 + 2$.

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

(vii) INTRADAY US SMALLCAP 2000 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 $Z5 - 2$.

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

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $Z5 + 2$.

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

(viii) INTRADAY US SMALLCAP 2000 BINARY CONTRACTS,
1:00 PM to 3:00 PM ET CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $Z6 - 2$.

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

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $Z6 + 2$.

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

(ix) INTRADAY US SMALLCAP 2000 BINARY CONTRACTS, 2:00 PM to 4:00 PM ET CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than $Z7 - 2$.

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than $Z7$.

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than $Z7 + 2$.

(4) In each case above, Z7 equals the strike level determined by the Source Agency immediately before the issuance of these contracts.

(x) Nadex may list additional US SmallCap 2000 Binary Contracts with different ranges of Payout Criteria on a discretionary basis in accordance with the CEA and Commission Regulations.

(g) MINIMUM TICK – The Minimum Tick size for the US SmallCap 2000 Binary Contracts shall be \$0.25.

(h) REPORTING LEVEL – The Reporting Level for the US SmallCap 2000 Binary Contracts shall be 1,750 Contracts.

(i) POSITION LIMIT – The Position Limits for the US SmallCap 2000 Binary Contracts shall be 2,500 Contracts.

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

(k) SETTLEMENT DATE – The Settlement Date in a Series is the same date as the Expiration Date.

(l) EXPIRATION DATE – The Expiration Date of the Contract will be the date on which the 500 Expiration Value is released by the Source Agency.

(m) SETTLEMENT VALUE – The Settlement Value is the amount paid to the holder of the in-the-money Contract on the Settlement Date. The Settlement Value of an in-the-money US SmallCap 2000 Binary Contract is \$100.

(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.

(o) CONTINGENCIES – If no daily settlement price of the relevant RUFC is announced by the Source Agency, the Settlement Date will be delayed until such daily settlement price for that Series is released and publicly available.

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