February 12, 2025

Via CFTC Portal Submissions

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

RE: Product Certification: Floki (FLOKI) Cryptocurrency Event Contract - Submission Pursuant to Commission Regulation 40.2(a)

Dear Mr. Kirkpatrick:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended (the "Act"), and §40.2(a) of the regulations promulgated by the Commodity Futures Trading Commission (the "Commission" or "CFTC") under the Act, North American Derivatives Exchange, Inc. d/b/a Crypto.com | Derivatives North America (the "Exchange" or "CDNA") hereby certifies a swap, which is an event contract on the Floki (FLOKI) cryptocurrency (the "FLOKI Crypto Event Contract"). The Exchange intends to list the FLOKI Crypto Event Contract for trading on or after February 14, 2025.

The Exchange has offered Event Contracts and Call Spread Contracts on Bitcoin since 2014.[1] In addition to the FLOKI Crypto Event Contract, between 2022 to 2024, the Exchange certified various cryptocurrency contracts (collectively referred to as the "Cryptocurrency Contracts"), including Touch Bracket Contracts on Bitcoin (BTC) and Ether (ETH) on October 28, 2022, Touch Bracket Contracts on Litecoin (LTC) and Dogecoin (DOGE) on June 21, 2023, Touch Bracket Contracts on Bitcoin Cash (BCH) on September 26, 2023, Touch Bracket Contracts on Shib Inu (SHIB) on October 31, 2023, Touch Bracket Contracts on Avalanche (AVAX), Polkadot (DOT) and Chainlink (LINK) on November 16, 2023, Touch Bracket Contracts on Stellar (XLM) on January 18, 2024, Touch Bracket Contracts and Event Contracts on Hedera Hashgraph (HBAR) on May 8, 2024, Touch Bracket Contracts on Cronos (CRO) on October 4, 2024, Touch Bracket Contracts on Bonk (BONK), Dogelon Mars (ELON), Floki (FLOKI), and Pepe (PEPE) on October 7, 2024, BTC and ETH Event Contracts on April 10, 2023, BCH Event Contracts on October 27, 2023, LTC Event Contracts on October 30, 2023, SHIB and DOGE Event Contracts on November 10, 2023, AVAX ,

[1] Unless otherwise defined herein, capitalized terms have the same definition as set forth in Rule 1.1 of the Exchange Rulebook.

DOT and LINK Event Contracts on November 16, 2023, and XLM Event Contracts on January 18, 2024. The combined trading volumes of these contracts since their launch exceed 39 million contracts. The Exchange continues to expand its cryptocurrency commodity derivatives product offerings to meet the public demand for these diverse and comprehensively regulated financial instruments.[2]

The FLOKI Crypto Event Contract set forth in Rule 13.41 is nearly identical in nature to the BTC Event Contract that was certified by the Exchange on April 10, 2023, and the ETH Event Contract that was also certified by the Exchange on April 10, 2023.[3] The FLOKI Crypto Event Contract will include Intraday Contracts and will be structured in the same way as the Exchange's currently listed event contracts for Forex. Nine strike levels will be generated for the FLOKI Crypto Event Contract. The Expiration Value for the FLOKI Crypto Event Contract will be the Index Value as specified in the Contract's product specifications. Like all of the Exchange's Event Contracts, the FLOKI Crypto Event Contract will have a settlement payout range from $10 to $100, or a payout of $0. The FLOKI Crypto Event Contract will be listed at 11:00 pm ET on the Start Date, or at the Expiration of the previously listed Event Contract (as described in the Specifications) and will cease trading upon expiration. The Exchange has at least one dedicated Market Maker who is committed to providing liquidity for the FLOKI Crypto Event Contract.

The Exchange will use its standard index calculation method (the "the Exchange Calculation Method"), as described below, to determine the Index Value for the FLOKI Crypto Event Contract. The Exchange will calculate and produce an Index Value for each cryptocurrency once each second throughout the life of a Cryptocurrency Contract. That is, each second the Exchange will calculate an Index Value for the respective cryptocurrency by taking all bids/ask midpoint prices in the relevant underlying markets, as reported in the Lukka, Inc. Data Feed ("LDF," as further described below), in the sixty (60) seconds leading up to the Calculation Time, provided at least twenty-five (25) bids/ask midpoint prices are captured during the sixty (60) second period, removing the highest twenty (20) percent of bids/ask midpoint prices and the lowest twenty

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[2] We use the terms "cryptocurrency" and "digital asset" interchangeably in this filing.

[3] Virtual currencies have been broadly identified by the Commission as "commodities" in various filings. *See, e.g.*, *CFTC v. Changpeng Zhao, Binance Holdings Limited, Binance Holdings (IE) Limited, Binance (Services) Holdings Limited, and Samuel Lim* (filed Mar. 27, 2023) (N.D. Ill.) at 24 (stating "Certain digital assets, including BTC, ETH, DOGE, and at least two fiat-backed stablecoins, tether ('USDT') and the Binance USD ('BUSD'), as well as other virtual currencies as alleged herein, are 'commodities,' as defined under Section 1a(9) of the Act, 7 U.S.C. § 1a(9)"). *See Also, In re Tether Holdings Ltd., et al.*, CFTC Docket No. 22-04 (Oct. 15, 2021) (stating "Digital assets such as bitcoin, ether, litecoin, and tether tokens are commodities.") and *CFTC v HDR Global Trading Ltd., et al. (d/b/a BitMEX)*, 20-cv-8132, (filed October 01, 2020) (S.D.N.Y) at 23 (*stating* "Bitcoin, ether, Litecoin, and other virtual currencies are distinct from 'real' or 'fiat' currencies, which are the coin and paper money of the United States or another country that are designated as legal tender, circulate, and are customarily used and accepted as a medium of exchange in the country of issuance. Digital assets, such as bitcoin, ether, and litecoin are 'commodities' as defined under Section 1a(9) of the Act, 7 U.S.C. § 1a(9) (2018)") (emph. added). FLOKI operates as a digital asset or virtual currency because, among other reasons, (1) it is used as a transfer of value and (2) because it is used for payments. FLOKI is captured under the authority of the CFTC, as well as the broad definition of commodity in Section 1a(9) of the Act. Moreover, FLOKI, in and of itself, has never been categorized as anything other than a commodity and no law or regulatory authority in the United States has indicated anything to the contrary.

(20) percent of bids/ask midpoint prices from the data set[4], and using the remaining bids/ask midpoint prices to calculate the relevant cryptocurrency Index Value for that second. The calculation used is a simple average of the remaining bids/ask midpoint prices in the data set, rounded to one decimal point past the precision of the market. In the event the time it takes to collect at least twenty-five (25) bids/ask midpoint prices exceeds the sixty (60) second period, the Index Value will be calculated by taking the last twenty-five (25) bids/ask midpoint prices just prior to the Calculation Time, removing the highest five (5) bids/ask midpoint prices and the lowest five (5) bids/ask midpoint prices, and using the remaining fifteen (15) bids/ask midpoint prices to calculate the relevant Index Value. The calculation used is a simple average of all fifteen (15) bids/ask midpoint prices, rounded to one decimal point past the precision of the market. The Exchange uses this calculation method as a means of preventing manipulation in the underlying market to influence an Expiration Value. The FLOKI Crypto Event Contract will settle to the Index Value determined using the Exchange Calculation Method upon expiration.

The LDF is distributed and maintained by Lukka, Inc. ("Lukka"), using the principles set forth in the IOSCO Principles for Financial Benchmarks. The LDF is disseminated to major market data vendors on a one-second frequency. Lukka was founded in 2014 and is a global company headquartered in the U.S. that provides transactional data to traditional and cryptocurrency exchanges and trading desks, accounting firms, fund and financial auditors, fund administrators, miners, cryptocurrency core development teams, individuals, and other businesses interacting with cryptocurrencies. The constituent exchanges that contribute transactional data to the LDF maintain fair and transparent market conditions to impede illegal, unfair or manipulative trading practices, and comply with applicable law and regulation including, capital markets regulations, money transmission regulations, and client money custody requirements. Additionally, Lukka ensures that constituent exchanges deliver transparent and consistent trade data via an API with sufficient reliability, detail, and timeliness. The constituent exchanges must agree to cooperate with inquiries and investigations of the administrator and execute data sharing agreements with the Exchange.

The Exchange can customize the LDF data it uses by filtering the data feed to provide data only from certain specific constituent exchanges. Of the contributing venues, the Exchange has selected specific venues from which LDF will provide data to be used in the calculation of the Index Value for the FLOKI Crypto Event Contract (the "Underlying Trading Venues"), and ultimately the FLOKI Crypto Event Contract's Expiration Value.

The Exchange made its selection of venues based on several factors, including CoinGecko's Trust Score rating, the Underlying Trading Venues' daily spot volume ranking, AML and KYC policies implementation, regulatory requirements, and the venue's location in order to provide

[4] If 20% of the data set would result in a non-integer number of bid/ask midpoint prices, the number of bid/ask midpoint prices to be removed from the set will be rounded down. For example, if the number of bid/ask midpoint prices collected during the last 10 seconds prior to the close of trading was 31, 20% of the data set would be 6.2 bid/ask midpoint prices. As 6.2 is a non-integer number, the value will be rounded down, and the 6 highest and 6 lowest bid/ask midpoint prices will be removed from the data set.

global coverage.[5] The Exchange will monitor CoinGecko's Trust Score ratings and may add to or remove venues from its data consumption based on these scores. CoinGecko's rating of the constituent exchanges the Exchange has selected are located here. LDF includes a number of data points to aid in the monitoring of the relevant crypto markets such as price discovery, historic data and full-depth market by price and venue, and a 24-hour market overview. The Exchange will periodically review the Underlying Trading Venues it has selected to determine the venues' continued appropriateness for inclusion in the Index Value and may add or remove trading venues as appropriate.

The FLOKI Crypto Event Contract benefits the public interest both as a hedging tool and a trading instrument where market participants can take a market view on the price of the underlying commodity. Like all other Exchange contracts, the FLOKI Crypto Event Contract will be fully collateralized at the time the transaction is entered. Thus, the trader is aware of the maximum risk to enter the transaction, which is limited by pre-determined Strike Levels.

The underlying FLOKI market is traded 24 hours per day, 7 days per week. The Exchange has selected the specific Underlying Trading Venues from which to obtain prices to include in the calculation of the Index Value that operate from different regions globally, in order to mitigate against the possibility of less activity in the underlying markets at any given time due to the time of day. As noted above, the Exchange will have at least one dedicated Market Maker who will quote a two-sided market pursuant to the terms of its Market Maker Agreement and subject to the rules of the Exchange. Non-Market Maker Trading Members will have a Position Limit of 25,000 Contracts. In order to provide sufficient liquidity, Market Makers will be subject to Alternative Position Limits two times the standard 25,000 lot position limit, which will apply only on a per strike basis. Market Makers will also be relieved of their quoting obligations once they have acquired a position of 500 Contracts, but will be required to resume their obligations once their position has fallen below 500 Contracts.

DCM Core Principles

The Exchange has identified the following Designated Contract Market ("DCM") Core Principles as potentially being impacted by the launch of the FLOKI Crypto Event Contract.

[5] CoinGecko has been in operation since 2014 and is a website and mobile app that provides live crypto prices, crypto education, and aggregates information regarding the performance of various cryptocurrencies for analysis purposes. CoinGecko launched its Trust Score rating in May 2019 in order to combat fake trading volume among cryptocurrency exchanges. In determining a rating, CoinGecko considers the crypto exchange's liquidity/web traffic quality, scale of operations, API technical coverage, cybersecurity, team presence (transparency into management team), and past negative incidents (such as regulatory issues, hack incidents, account disputes, etc.). Further explanation as to CoinGecko's Trust Score rating methodology can be found here. CoinGecko indicates that it is constantly revising, improving and upgrading factors for consideration in its ratings determination, and plans to include trade history analysis, API quality analysis, hot and cold wallet analysis, social media analysis, exchange support turnover time, user reviews, and licensing and regulations analysis in the future.

Core Principle 2 Compliance with Rules

Core Principle 2 requires the DCM to have the capacity to detect, investigate, and apply appropriate sanctions to any person that violates any rule of the contract market. The Exchange has a dedicated Compliance/Regulatory staff that monitors the markets, investigates potential rule violations, and imposes sanctions against individuals who have been determined to have violated the Rules. The Exchange has an automated trade surveillance system, Scila, which is capable of detecting potential trade practice violations, and also conducts real-time market monitoring of all trading activity in all Contracts, at all hours the Exchange is open. The Exchange is able to set the parameters by which the system detects potential issues. Chapter 9 of the Exchange Rulebook sets forth the Exchange's authority to investigate and sanction Members for activity that violates the Exchange Rules. Exchange Rule 2.10 grants the Exchange jurisdiction over any Person initiating or executing a transaction on or subject to the Rules of the Exchange, either directly or through an intermediary, and any Person for whose benefit such transaction has been initiated or executed. The Exchange's jurisdiction continues notwithstanding the termination of the Person's Exchange Membership. Exchange Rule 3.3 requires all Trading Members and Authorized Traders to comply with the Exchange Rules and to cooperate with the Exchange promptly and fully in any investigation, call for information, inquiry, audit, examination or proceeding. Such cooperation may involve a request for the Member's or Authorized Trader's activity in the relevant Underlying market.

In addition, the Exchange is a member of the Intermarket Surveillance Group ("ISG"). The ISG is an international group of exchanges, market centers, and market regulators that perform market surveillance in their respective jurisdictions. The ISG provides a framework for the sharing of information and the coordination of regulatory efforts among exchanges trading securities and related products to address potential intermarket manipulations and trading abuses. The ISG was developed specifically to detect, prevent, and, when necessary, support enforcement proceedings related to potential fraud and manipulation across members' markets. To that end, each member of the ISG has agreed to the exchange of information, upon request from another ISG member, relating to transactions in any financial instruments, that relate to possible fraud and manipulation. ISG membership also requires ISG member , including other CFTC-regulated entities, to provide any requested documents that they could obtain for their own reviews for fraud or manipulation, including any documentation from spot cryptocurrency markets obtainable by other ISG members in the ordinary course of business. Thus, the Exchange's ISG membership gives it access to a broad swath of data from underlying spot cryptocurrency markets through other ISG members who have the direct ability to request such data from spot markets for the limited purpose of detecting and preventing fraud and manipulation. The Exchange has also obtained information sharing agreements with the Underlying Trading Venues.

Core Principle 3 Contracts Not Readily Susceptible to Manipulation and Core Principle 4 Prevention of Market Disruption

Core Principles 3 and 4 (Contracts Not Readily Subject to Manipulation and Prevention of Market Disruption), implemented by Commission Regulations 38.200 and 38.250, require a DCM to list only contracts that are not readily susceptible to manipulation and to prevent market disruption. At least one existing Market Maker has committed to providing liquidity to facilitate trading, which should limit opportunities for engaging in manipulative trading practices. As previously stated, the Exchange also uses the Scila surveillance system to assist with market monitoring and has a staff dedicated to market surveillance to detect potential market manipulation.

The Exchange selects the relevant Underlying Trading Venues based on factors that include their level of activity in terms of volume and liquidity, and their popularity among consumers, institutional investors, and other financial professionals to mitigate against the potential for attempted manipulative conduct. This approach helps further mitigate the risk of potential manipulative conduct. Moreover, the Exchange Calculation Method significantly reduces the potential for manipulation by removing a percentage of the upper and lower prices from the data set of LDF data leading up to Expiration , with the remaining prices averaged. LDF consists of numerous data points from numerous trading venues, which can be customized by the Exchange. Accordingly, a market participant would not have knowledge of the specific trading venues from which the final set of LDF data will be used to calculate the Expiration Value, further preventing the potential for manipulation of the settlement price by trading in the Underlying Trading Venues.

The Exchange has dedicated staff to surveil the market and uses the Scila surveillance system to assist with market monitoring at all times. Additionally, the Exchange will monitor the LDF feed for anomalies and disproportionate moves in the prices making up the Expiration Value. The Exchange will be able to obtain information from the LDF to assist in the Exchange's market surveillance, such as, the relevant cryptocurrency trade price, bid and ask prices, activity date and time, venue at which the trade occurred, size, volume, daily high and low, and a number of other data points. Lukka has agreed that upon the Exchange's request arising as the result of a regulatory investigation or related market data inquiry, it will share with the Exchange additional information to the extent that it is reasonably practicable, and does not violate applicable laws, regulations and/or any of Lukka's contractual obligations.

The Exchange's trading system has a cap-check feature that ensures a trader has sufficient funds in the account to fully collateralize an order if executed before the order is accepted by the Exchange. The Exchange also has the ability to block new orders and/or cancel working orders if necessary to prevent market disruption.

Additionally, Regulation 38.256 requires a DCM to have the ability to comprehensively and accurately reconstruct all trading on its trading facility. The Exchange is currently able to reconstruct trading in its markets based on the data stored in the database, the Scila surveillance system, as well as the Exchange log files. Trade data will continue to be stored in this same manner

Core Principle 5 Position Limits

Core Principle 5 requires the DCM to set position limits or position accountability to reduce the potential threat of market manipulation or congestion. The Exchange has set the initial position limit for Trading Members at 25,000 Contracts, thereby reducing the motivation for an individual to manipulate the underlying market in order to affect the Exchange settlement, explained in detail above. Market Makers will not be subject to the 25,000 Contract position limit in order to provide sufficient liquidity to the market. Market Makers will instead be subject to an Alternative Position Limit of two times per strike level for non-Market Maker Trading Members. Additionally, such Alternative Position Limits do not apply to the entire Class of Contracts, but to each Contract in a Class of Contracts (i.e., per strike). A Market Maker subject to the Alternative Position Limits must, within one business day following a request by the Exchange's Compliance Department, provide a trade register detailing all trading activity in any account owned or controlled by the Market Maker in the relevant underlying market during the 15 minutes immediately before and after any Expiration time identified by the Exchange's Compliance Department in the request.

Core Principle 7 Availability of General Information and Core Principle 8 Daily Publication of Information

Core Principles 7 and 8, implemented by Regulations 38.400, 38.401, 38.450, and 38.451, require a DCM to make available to the public accurate information regarding the contract terms and conditions, as well as daily information on contracts such as settlement price, volume, open interest, and opening and closing ranges. The Exchange makes the Exchange Rulebook available on its website, as well as the Daily Bulletin which contains the preceding required information. The Results page on the website also publishes the Expiration Value and Settlement Value for all the Exchange contracts settled during that week. Contract specifications for all contracts are set forth in the Rulebook and on the Exchange website. Settlement prices, volume, open interest, and opening and closing ranges are included on the Daily Bulletin and posted on the Exchange website. Core Principle 9 Execution of Transactions

Core Principle 9 requires the DCM to provide a competitive, open, and efficient market and mechanism for executing transactions that protects the price discovery process. The Exchange has at least one dedicated Market Maker that has committed to pricing a two-sided market. Market participants are able to view the orderbook up to five layers deep (depending on the market activity at any particular time) on the platform. The Exchange displays the Time and Sales of all Contracts traded on the Exchange website which is updated every 15 minutes.

Core Principle 10 Trade Information

Core Principle 10 requires the DCM to maintain rules and procedures to provide for the recording and safe storage of all identifying trade information in a manger that enables the contract market to use the information to assist in the prevention of customer and market abuses and to evidence any violations of the Exchange Rules. The Exchange maintains an electronic audit trail as required by the Commission Regulations which enables the Exchange to review all activity on the Exchange.

Core Principle 11 Financial Integrity of Transactions

Core Principle 11 requires the DCM to establish and enforce rules and procedures for ensuring the financial integrity of transactions entered on the contract market. All Exchange contracts are fully collateralized and Members entering a transaction will have knowledge of their maximum risk prior to executing a transaction. All transactions will be cleared by the Exchange's derivatives clearing organization.

Core Principle 12 Protection of Markets and Market Participants

Core Principle 12 requires a DCM to protect markets and market participants from abusive practices committed by any party and to promote fair and equitable trading on the contract market. Chapter 5 of the Exchange Rulebook establishes Rules to protect the market and market participants from abusive, disruptive, fraudulent, noncompetitive, and unfair conduct and trade practices. The Rules apply to all market participants and transactions on the Exchange.

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In accordance with §40.2(a)(2) of the Commission's Regulations, the Exchange intends to list the FLOKI Crypto Event Contract for trading on or after the trade date February 14, 2025.

A complete index of the DCM Core Principles that indicates whether the Core Principle is applicable and addressed in the text of this submission is attached in Exhibit A. The contract specifications as they will appear in the Rulebook are set forth in Exhibit B.

The Exchange hereby certifies that the additions contained herein comply with the Act, as amended, and the Commission Regulations adopted thereunder. No substantive opposing views were expressed to the Exchange with respect to any of these actions. The Exchange hereby certifies that a copy of these additions was posted on its website at the time of this filing.

Should you have any questions regarding the above, please do not hesitate to contact me by telephone at (312) 884-0161 or by email at Kevin.Dan@nadex.com.

Sincerely,

/s/

Kevin Dan
Chief Compliance Officer

EXHIBIT A

DCM Core Principles

Core Principle Number	Core Principle Name	Addressed in or Not Applicable to Certification
1	Designation as Contract Market	Not applicable (designation granted)
2	Compliance with Rules	Addressed
3	Contracts Not Readily Subject to Manipulation	Addressed
4	Prevention of Market Disruption	Addressed
5	Position Limitations or Accountability	Addressed
6	Emergency Authority	Not applicable (the Exchange Rulebook, 2.4 Emergency Rules)
7	Availability of General Information	Addressed
8	Daily Publication of Trading Information	Addressed
9	Execution of Transactions	Addressed
10	Trade Information	Addressed

11	Financial Integrity of Transactions	Addressed
12	Protection of Markets and Market Participants	Addressed
13	Disciplinary Procedures	Not applicable (the Exchange Rulebook, Chapter 9 Rule Enforcement)
14	Dispute Resolution	Not applicable (the Exchange Rulebook, 10.2 – 10.4 Arbitration)
15	Governance Fitness Standards	Not applicable (the Exchange Rulebook, 2.2 Service Restrictions, 11.2 Service and Disciplinary History)
16	Conflicts of Interest	Not applicable (the Exchange Rulebook, 2.6 Voting, 2.9 Trading Limitations, 11.1 Non-Public Information, 11.3 Voting)
17	Composition of Governing Boards of Contract Markets	Not applicable (internal review and appointment of directors)
18	Recordkeeping	General rules apply
19	Antitrust Considerations	Not applicable

20	System Safeguards	Not applicable (internal controls and policies in place)
21	Financial Resources	Not applicable (capital requirements and quarterly reporting compliant)
22	Diversity of Boards of Directors	Not applicable (not public company, internal review and appointment of directors)
23	Securities and Exchange Commission	Not applicable

<u>**EXHIBIT B**</u>

<u>The Contract Specifications set forth below will appear in the Rulebook as 13.41.</u>

<u>13.41 FLOKI (FLOKI) CRYPTOCURRENCY EVENT CONTRACTS</u>

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the Floki Cryptocurrency ("FLOKI") Event Contracts, referred to as an "Event Contract", made available for trading by the Exchange.

(b) UNDERLYING – The Underlying for this Class of Contracts is the spot FLOKI cryptocurrency commodity bid/ask midpoint prices reported by Lukka, Inc. herein referred to as "U-FLOKI", quoted in US dollars.

(c) SOURCE AGENCY – The Source Agency is the Exchange.

(d) TYPE – The Type of Contract is an Event Contract, which is a Swap.

(e) PAYOUT CRITERION – The Payout Criterion for each Contract will be set by the Exchange at the time the Event Contracts are initially issued. For the FLOKI Event Contracts, the Payout Criteria for the Contracts will be set as forth below or as updated on the Exchange's Trading System:

i) INTRADAY FLOKI EVENT CONTRACTS

(1) EXPIRATION TIME – Every 2 Hours and every 20 minutes with the first expiration occurring at 1:00 am ET Saturday, and 11:20 pm ET Friday, respectively, and the final expiration occurring the following Friday at the 4:00 pm ET CLOSE.

(2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 0.000001 for 2-Hour FLOKI Event Contracts, and 0.00000043 for 20-minutes FLOKI Event Contracts.

(3) NUMBER OF STRIKE LEVELS LISTED – Nine (9) strike levels will be listed for each Intraday 2-Hour and 20-minutes FLOKI Event Contract Series.

(4) STRIKE LEVELS GENERATED - Strike levels will be generated such that Event Contract "Y" is valued 'at-the-money' in relation to the Underlying market as determined by the Source Agency,

immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the tick size of the underlying as reported by the Source Agency. Four (4) strike levels will be generated above Event Contract X at an interval of Y and four (4) strike levels will be generated below Event Contract X at an interval of Y(e.g. Y – X; Y; Y + X). The Contract will have a Payout Criterion of greater than the strike level value.

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

(f) MINIMUM TICK – The Minimum Tick size for FLOKI Event Contracts shall be $0.1.

(g) POSITION LIMIT – The Position Limits for FLOKI Event Contracts shall be 25,000 Contracts per Class, or as updated on the Exchange's website or Trading System.

(h) MARKET MAKER ALTERNATIVE POSITION LIMIT – The Position Limit for the FLOKI Event Contracts for contracted Market Makers shall be from 5,000 to 50,000 per strike level, or as updated on the Exchange's website or Trading System.

(i) LAST TRADING DATE – The Last Trading Date in a Series is the same as the Expiration Date. No trading in the FLOKI Event Contracts shall occur after its Last Trading Date.

(j) SETTLEMENT DATE – The Settlement Date will be the date on which the FLOKI price as reported by the Source Agency.

(k) EXPIRATION DATE – The Expiration Date of the Contract will be the date on which the FLOKI price is released.

(l) 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 FLOKI Event Contract is from $10 to $100.

(m) EXPIRATION VALUE – The Expiration Value is the FLOKI Index Value calculated and produced by the Source Agency on the Expiration Date. The Source Agency shall calculate and produce an FLOKI Index Value once each second throughout the life of the FLOKI Touch Bracket Contracts. That is, each second the Source Agency will calculate a FLOKI Index Value by taking all U-FLOKI bid/ask midpoint prices occurring in the sixty (60) seconds leading up to the Calculation Time, provided at least twenty-five (25) bid/ask midpoint prices are captured during the sixty (60) second period, removing the highest twenty (20) percent of U-FLOKI bid/ask midpoint prices and the lowest twenty (20) percent of U-FLOKI bid/ask midpoint prices from the data set[6], and using the remaining U-FLOKI bid/ask midpoint prices to calculate the FLOKI Index Value for that second. The calculation used is a simple average of the remaining U-FLOKI bid/ask midpoint prices in the data set, rounded to one decimal point past the precision of the Underlying market. In the event the time it takes to collect at least twenty-five (25) U-FLOKI bid/ask midpoint prices exceeds the sixty (60) second period, the FLOKI Index Value will be calculated by the Source Agency by taking the last twenty-five (25) U-FLOKI bid/ask midpoint prices just prior to the Calculation Time, removing the highest five (5) U-FLOKI bid/ask midpoint prices and the lowest five (5) U-FLOKI bid/ask midpoint prices, and using the remaining fifteen (15) U-FLOKI bid/ask midpoint prices to calculate the FLOKI Index Value. The calculation used is a simple average of all fifteen (15) U-FLOKI bid/ask midpoint prices, rounded to one decimal point past the precision of the Underlying market.

(n) 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.

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[6] If 20% of the data set would result in a non-integer number of bid/ask midpoint prices, the number of bid/ask midpoint prices to be removed from the set will be rounded down. For example, if the number of bid/ask midpoint prices collected during the last 10 seconds prior to the close of trading was 31, 20% of the data set would be 6.2 bid/ask midpoint prices. As 6.2 is a non-integer number, the value will be rounded down, and the 6 highest and 6 lowest bid/ask midpoint prices will be removed from the data set.