



**Timothy G. McDermott**  
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December 14, 2012

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

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

**RE: Weekly Notification of Rule Amendments: Nadex Amends the Strike Width for its Intraday Currency Binary Contracts and Amends its Fee Schedule – Submission Pursuant to Commission Regulations §40.6(d)(2)(iv) and (v)**

Dear Mr. Stawick:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended (“Act”), and section §40.6(d)(2)(iv) of the regulations promulgated by the Commodity Futures Trading Commission (the “Commission”) under the Act (the “Regulations”), North American Derivatives Exchange, Inc. (“Nadex”, the “Exchange”) hereby submits to the Commission its intent to narrow the strike width on its Intraday Currency Binary Contracts, effective for trade date December 17, 2012.

Additionally, pursuant to Commission Regulation §40.6(d)(2)(v), Nadex is amending its Fee Schedule regarding API Connection to note that the \$500 connection fee is eligible to be rebated in full provided the Trading Member meets or exceeds the expected minimum volume by the end of the first full calendar month following the date of connection, regardless of the amount of transaction fees incurred by the Trading Member. Nadex is submitting this amendment as a weekly submission as the fee is a connection fee rather than a trading fee, and the connection fee amount has not changed.

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

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

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

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

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

Sincerely,



Timothy G. McDermott  
General Counsel and Chief Regulatory Officer

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

Yossi Beinart - Nadex

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**EXHIBIT A**

<b>Rule</b>	<b>Asset</b>	<b>Duration/ Close Time</b>	<b>Action</b>	<b>Effective Date</b>
12.27	AUD/USD Binary Contracts	Intraday Contracts: 10:00am, 11:00am, 12:00pm, 1:00pm, 2:00pm, 3:00pm ET Close Time	Amend strike width from 0.0020 to 0.0010.	12/17/2012
12.29	EUR/USD Binary Contracts	Intraday Contracts: 10:00am, 11:00am, 12:00pm, 1:00pm, 2:00pm, 3:00pm ET Close Time	Amend strike width from 0.0025 to 0.0010.	12/17/2012
12.31	GBP/USD Binary Contracts	Intraday Contracts: 10:00am, 11:00am, 12:00pm, 1:00pm, 2:00pm, 3:00pm ET Close Time	Amend strike width from 0.0025 to 0.0010.	12/17/2012
12.33	USD/CAD Binary Contracts	Intraday Contracts: 10:00am, 11:00am, 12:00pm, 1:00pm, 2:00pm, 3:00pm ET Close Time	Amend strike width from 0.0025 to 0.0010.	12/17/2012
12.35	USD/CHF Binary Contracts	Intraday Contracts: 10:00am, 11:00am, 12:00pm, 1:00pm, 2:00pm, 3:00pm ET Close Time	Amend strike width from 0.0020 to 0.0010.	12/17/2012
12.37	USD/YEN Binary Contracts	Intraday Contracts: 10:00am, 11:00am, 12:00pm, 1:00pm, 2:00pm, 3:00pm ET Close Time	Amend strike width from 0.15 to 0.05.	12/17/2012
12.39	EUR/JPY Binary Contracts	Intraday Contracts: 10:00am, 11:00am, 12:00pm, 1:00pm, 2:00pm, 3:00pm ET Close Time	Amend strike width from 0.20 to 0.10.	12/17/2012

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12.41	GBP/JPY Binary Contracts	Intraday Contracts: 10:00am, 11:00am, 12:00pm, 1:00pm, 2:00pm, 3:00pm ET Close Time	Amend strike width from 0.25 to 0.10.	12/17/2012
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## **EXHIBIT B**

### **Amendment of Rules 12.27, 12.29, 12.31, 12.33, 12.35, 12.37, 12.39, 12.41**

*(The following new Rule deletions are stricken out)*

RULE 1.1 – RULE 12.26 [UNCHANGED]

#### **RULE 12.27 CURRENCY EXCHANGE AUD/USD BINARY CONTRACTS**

(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:

#### (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.

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- (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  $X + 0.0200$ .

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(22) In each case, “X” equals the last AUD/USD price rounded to the nearest 0.0020 as reported by the Source Agency.

(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  $Y - 0.0250$ .
- (3) Binary Contract 3: One Contract will have a Payout Criterion of greater than  $Y - 0.0200$ .
- (4) Binary Contract 4: One Contract will have a Payout Criterion of greater than  $Y - 0.0150$ .
- (5) Binary Contract 5: One Contract will have a Payout Criterion of greater than  $Y - 0.0100$ .
- (6) Binary Contract 6: One Contract will have a Payout Criterion of greater than  $Y - 0.0050$ .
- (7) Binary Contract 7: One Contract will have a Payout Criterion of greater than  $Y$ .
- (8) Binary Contract 8: One Contract will have a Payout Criterion of greater than  $Y + 0.0050$ .
- (1) Binary Contract 9: One Contract will have a Payout Criterion of greater than  $Y + 0.0100$ .
- (2) Binary Contract 10: One Contract will have a Payout Criterion of greater than  $Y + 0.0150$ .
- (3) Binary Contract 11: One Contract will have a Payout Criterion of greater than  $Y + 0.0200$ .
- (4) Binary Contract 12: One Contract will have a Payout Criterion of greater than  $Y + 0.0250$ .
- (5) Binary Contract 13: One Contract will have a Payout Criterion of greater than  $Y + 0.0300$ .
- (6) Binary Contract 14: One Contract will have a Payout Criterion of greater than  $Y + 0.0350$ .

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

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

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(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than Z1 - 0.00400.0080.

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than Z1 - 0.00300.0060.

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than Z1 - 0.00200.0040.

(4) Binary Contract 4: One Contract will have a Payout Criterion of greater than Z1 - 0.00100.0020.

(5) Binary Contract 5: One Contract will have a Payout Criterion of greater than Z1.

(6) Binary Contract 6: One Contract will have a Payout Criterion of greater than Z1 + 0.00100.0020.

(7) Binary Contract 7: One Contract will have a Payout Criterion of greater than Z1 + 0.00200.0040.

(8) Binary Contract 8: One Contract will have a Payout Criterion of greater than Z1 + 0.00300.0060.

(9) Binary Contract 9: One Contract will have a Payout Criterion of greater than Z1 + 0.00400.0080.

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

(iv) INTRADAY AUD/USD 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 - 0.00400.0080.

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than Z2 - 0.00300.0060.

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than Z2 - 0.00200.0040.

(4) Binary Contract 4: One Contract will have a Payout Criterion of greater than Z2 - 0.00100.0020.

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

(6) Binary Contract 6: One Contract will have a Payout Criterion of greater than Z2 + 0.00100.0020.

(7) Binary Contract 7: One Contract will have a Payout Criterion of greater than Z2 + 0.00200.0040.

(8) Binary Contract 8: One Contract will have a Payout Criterion of greater than Z2 + 0.00300.0060.

(9) Binary Contract 9: One Contract will have a Payout Criterion of greater than Z2 + 0.00400.0080.

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

(v) INTRADAY AUD/USD 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 - 0.00400.0080.

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than Z3 - 0.00300.0060.

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than Z3 - 0.00200.0040.

(4) Binary Contract 4: One Contract will have a Payout Criterion of greater than Z3 - 0.00100.0020.

(5) Binary Contract 5: One Contract will have a Payout Criterion of greater than Z3.

(6) Binary Contract 6: One Contract will have a Payout Criterion of greater than Z3 + 0.00100.0020.

(7) Binary Contract 7: One Contract will have a Payout Criterion of greater than Z3 + 0.00200.0040.

(8) Binary Contract 8: One Contract will have a Payout Criterion of greater than Z3 + 0.00300.0060.

(9) Binary Contract 9: One Contract will have a Payout Criterion of greater than  $Z3 + 0.00400 - 0.0080$ .

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

(vi) INTRADAY AUD/USD 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  $Z4 - 0.00400 - 0.0080$ .

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than  $Z4 - 0.00300 - 0.0060$ .

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than  $Z4 - 0.00200 - 0.0040$ .

(4) Binary Contract 4: One Contract will have a Payout Criterion of greater than  $Z4 - 0.00100 - 0.0020$ .

(5) Binary Contract 5: One Contract will have a Payout Criterion of greater than  $Z4$ .

(6) Binary Contract 6: One Contract will have a Payout Criterion of greater than  $Z4 + 0.00100 - 0.0020$ .

(7) Binary Contract 7: One Contract will have a Payout Criterion of greater than  $Z4 + 0.00200 - 0.0040$ .

(8) Binary Contract 8: One Contract will have a Payout Criterion of greater than  $Z4 + 0.00300 - 0.0060$ .

(9) Binary Contract 9: One Contract will have a Payout Criterion of greater than  $Z4 + 0.00400 - 0.0080$ .

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

(vii) INTRADAY AUD/USD 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  $Z5 - 0.00400 - 0.0080$ .

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(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than Z5 - ~~0.00300-0060~~.

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than Z5 - ~~0.00200-0040~~.

(4) Binary Contract 4: One Contract will have a Payout Criterion of greater than Z5 - ~~0.00100-0020~~.

(5) Binary Contract 5: One Contract will have a Payout Criterion of greater than Z5.

(6) Binary Contract 6: One Contract will have a Payout Criterion of greater than Z5 + ~~0.00100-0020~~.

(7) Binary Contract 7: One Contract will have a Payout Criterion of greater than Z5 + ~~0.00200-0040~~.

(8) Binary Contract 8: One Contract will have a Payout Criterion of greater than Z5 + ~~0.00300-0060~~.

(9) Binary Contract 9: One Contract will have a Payout Criterion of greater than Z5 + ~~0.00400-0080~~.

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

(viii) INTRADAY AUD/USD 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 - ~~0.00400-0080~~.

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than Z6 - ~~0.00300-0060~~.

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than Z6 - ~~0.00200-0040~~.

(4) Binary Contract 4: One Contract will have a Payout Criterion of greater than Z6 - ~~0.00100-0020~~.

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

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(6) Binary Contract 6: One Contract will have a Payout Criterion of greater than  $Z6 + 0.00100$ ~~0.0020~~.

(7) Binary Contract 7: One Contract will have a Payout Criterion of greater than  $Z6 + 0.00200$ ~~0.0040~~.

(8) Binary Contract 8: One Contract will have a Payout Criterion of greater than  $Z6 + 0.00300$ ~~0.0060~~.

(9) Binary Contract 9: One Contract will have a Payout Criterion of greater than  $Z6 + 0.00400$ ~~0.0080~~.

(10) 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 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 between the bid/ask spread (five pips wide

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or less) just prior to the close of trading of the AUD/USD Binary Contract and removing the highest five (5) Midpoints and the lowest (5) Midpoints, using the remaining fifteen (15) AUD/USD Midpoints to calculate the Expiration Value. The calculation used is a simple average of all fifteen (15) AUD/USD Midpoints, rounded to one decimal point past the precision of the underlying market. A Midpoint is calculated by adding the bid price and the ask price together and then dividing that number by two (2). For example, if the bid price is 1.3400 and the ask price is 1.3402, the two numbers are added together (totaling 2.6802) and then divided by two (2), equaling a Midpoint of 1.3401. If the spread between a particular bid price and ask price is deemed too wide (greater than five (5) pips), or if it is a consecutive duplicate bid/ask quote, those prices will not be used to calculate a Midpoint and will thus not be included within the 25 initially captured values.

(o) 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 12.28 [UNCHANGED]

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

(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  $X - 0.0180$ .

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- (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  $X + 0.0160$ .

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0.0180. (20) Binary Contract 20: One Contract will have a Payout Criterion of greater than  $X +$

0.0200 (21) Binary Contract 21: One Contract will have a Payout Criterion of greater than  $X +$

(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  $Y - 0.0250$ .

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

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

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

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

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

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

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

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

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

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

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

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

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

(iii) INTRADAY EUR/USD 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 - 0.00400-0100.

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than Z1 - 0.00300-0075.

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than Z1 - 0.00200-0050.

(4) Binary Contract 4: One Contract will have a Payout Criterion of greater than Z1 - 0.00100-0025.

(5) Binary Contract 5: One Contract will have a Payout Criterion of greater than Z1.

(6) Binary Contract 6: One Contract will have a Payout Criterion of greater than Z1 + 0.00100-0025.

(7) Binary Contract 7: One Contract will have a Payout Criterion of greater than Z1 + 0.00200-0050.

(8) Binary Contract 8: One Contract will have a Payout Criterion of greater than Z1 + 0.00300-0075.

(9) Binary Contract 9: One Contract will have a Payout Criterion of greater than Z1 + 0.00400-0100.

(10) 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 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 - 0.00400-0100.

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than Z2 - 0.00300-0075.

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(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than  $Z2 - 0.00200.0050$ .

(4) Binary Contract 4: One Contract will have a Payout Criterion of greater than  $Z2 - 0.00100.0025$ .

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

(6) Binary Contract 6: One Contract will have a Payout Criterion of greater than  $Z2 + 0.00100.0025$ .

(7) Binary Contract 7: One Contract will have a Payout Criterion of greater than  $Z2 + 0.00200.0050$ .

(8) Binary Contract 8: One Contract will have a Payout Criterion of greater than  $Z2 + 0.00300.0075$ .

(9) Binary Contract 9: One Contract will have a Payout Criterion of greater than  $Z2 + 0.00400.0100$ .

(10) 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 CONTRACTS, 10:00 AM to 12:00 PM ET  
CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than  $Z3 - 0.00400.0100$ .

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than  $Z3 - 0.00300.0075$ .

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than  $Z3 - 0.00200.0050$ .

(4) Binary Contract 4: One Contract will have a Payout Criterion of greater than  $Z3 - 0.00100.0025$ .

(5) Binary Contract 5: One Contract will have a Payout Criterion of greater than  $Z3$ .

(6) Binary Contract 6: One Contract will have a Payout Criterion of greater than  $Z3 + 0.00100.0025$ .

(7) Binary Contract 7: One Contract will have a Payout Criterion of greater than  $Z3 + \underline{0.00200-0050}$ .

(8) Binary Contract 8: One Contract will have a Payout Criterion of greater than  $Z3 + \underline{0.00300-0075}$ .

(9) Binary Contract 9: One Contract will have a Payout Criterion of greater than  $Z3 + \underline{0.00400-0100}$ .

(10) 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 CONTRACTS, 11:00 AM to 1:00 PM ET  
CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than  $Z4 - \underline{0.00400-0100}$ .

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than  $Z4 - \underline{0.00300-0075}$ .

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than  $Z4 - \underline{0.00200-0050}$ .

(4) Binary Contract 4: One Contract will have a Payout Criterion of greater than  $Z4 - \underline{0.00100-0025}$ .

(5) Binary Contract 5: One Contract will have a Payout Criterion of greater than  $Z4$ .

(6) Binary Contract 6: One Contract will have a Payout Criterion of greater than  $Z4 + \underline{0.00100-0025}$ .

(7) Binary Contract 7: One Contract will have a Payout Criterion of greater than  $Z4 + \underline{0.00200-0050}$ .

(8) Binary Contract 8: One Contract will have a Payout Criterion of greater than  $Z4 + \underline{0.00300-0075}$ .

(9) Binary Contract 9: One Contract will have a Payout Criterion of greater than  $Z4 + \underline{0.00400-0100}$ .

(10) 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 CONTRACTS, 12:00 PM to 2:00 PM ET  
CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than  $Z5 - \underline{0.00400-0100}$ .

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than  $Z5 - \underline{0.00300-0075}$ .

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than  $Z5 - \underline{0.00200-0050}$ .

(4) Binary Contract 4: One Contract will have a Payout Criterion of greater than  $Z5 - \underline{0.00100-0025}$ .

(5) Binary Contract 5: One Contract will have a Payout Criterion of greater than  $Z5$ .

(6) Binary Contract 6: One Contract will have a Payout Criterion of greater than  $Z5 + \underline{0.00100-0025}$ .

(7) Binary Contract 7: One Contract will have a Payout Criterion of greater than  $Z5 + \underline{0.00200-0050}$ .

(8) Binary Contract 8: One Contract will have a Payout Criterion of greater than  $Z5 + \underline{0.00300-0075}$ .

(9) Binary Contract 9: One Contract will have a Payout Criterion of greater than  $Z5 + \underline{0.00400-0100}$ .

(10) 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 CONTRACTS, 1:00 PM to 3:00 PM ET  
CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than  $Z6 - \underline{0.00400-0100}$ .

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than  $Z6 - \underline{0.00300-0075}$ .

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than  $Z6 - \underline{0.00200-0050}$ .

(4) Binary Contract 4: One Contract will have a Payout Criterion of greater than Z6 - ~~0.00100~~.0025.

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

(6) Binary Contract 6: One Contract will have a Payout Criterion of greater than Z6 + ~~0.00100~~.0025.

(7) Binary Contract 7: One Contract will have a Payout Criterion of greater than Z6 + ~~0.00200~~.0050.

(8) Binary Contract 8: One Contract will have a Payout Criterion of greater than Z6 + ~~0.00300~~.0075.

(9) Binary Contract 9: One Contract will have a Payout Criterion of greater than Z6 + ~~0.00400~~.0100.

(10) 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.

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(n) EXPIRATION VALUE – The Expiration Value is the price or value of EUR/USD as released by the Source Agency on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking the last twenty-five (25) Midpoints between the bid/ask spread (five pips wide or less) just prior to the close of trading of the EUR/USD Binary Contract and removing the highest five (5) Midpoints and the lowest (5) Midpoints, using the remaining fifteen (15) EUR/USD Midpoints to calculate the Expiration Value. The calculation used is a simple average of all fifteen (15) EUR/USD Midpoints, rounded to one decimal point past the precision of the underlying market. A Midpoint is calculated by adding the bid price and the ask price together and then dividing that number by two (2). For example, if the bid price is 1.3400 and the ask price is 1.3402, the two numbers are added together (totaling 2.6802) and then divided by two (2), equaling a Midpoint of 1.3401. If the spread between a particular bid price and ask price is deemed too wide (greater than five (5) pips), or if it is a consecutive duplicate bid/ask quote, those prices will not be used to calculate a Midpoint and will thus not be included within the 25 initially captured values.

(o) 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 12.30 [UNCHANGED]

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

(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

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- 0.0200. (1) Binary Contract 1: One Contract will have a Payout Criterion of greater than  $X -$
- 0.0180. (2) Binary Contract 2: One Contract will have a Payout Criterion of greater than  $X -$
- 0.0160. (3) Binary Contract 3: One Contract will have a Payout Criterion of greater than  $X -$
- 0.0140. (4) Binary Contract 4: One Contract will have a Payout Criterion of greater than  $X -$
- 0.0120. (5) Binary Contract 5: One Contract will have a Payout Criterion of greater than  $X -$
- 0.0100. (6) Binary Contract 6: One Contract will have a Payout Criterion of greater than  $X -$
- 0.0080. (7) Binary Contract 7: One Contract will have a Payout Criterion of greater than  $X -$
- 0.0060. (8) Binary Contract 8: One Contract will have a Payout Criterion of greater than  $X -$
- 0.0040. (9) Binary Contract 9: One Contract will have a Payout Criterion of greater than  $X -$
- 0.0020. (10) Binary Contract 10: One Contract will have a Payout Criterion of greater than  $X -$
- (11) Binary Contract 11: One Contract will have a Payout Criterion of greater than  $X$ .
- 0.0020. (12) Binary Contract 12: One Contract will have a Payout Criterion of greater than  $X +$
- 0.0040. (13) Binary Contract 13: One Contract will have a Payout Criterion of greater than  $X +$
- 0.0060. (14) Binary Contract 14: One Contract will have a Payout Criterion of greater than  $X +$
- 0.0080. (15) Binary Contract 15: One Contract will have a Payout Criterion of greater than  $X +$

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0.0100. (16) Binary Contract 16: One Contract will have a Payout Criterion of greater than  $X +$

0.0120. (17) Binary Contract 17: One Contract will have a Payout Criterion of greater than  $X +$

0.0140. (18) Binary Contract 18: One Contract will have a Payout Criterion of greater than  $X +$

0.0160. (19) Binary Contract 19: One Contract will have a Payout Criterion of greater than  $X +$

0.0180. (20) Binary Contract 20: One Contract will have a Payout Criterion of greater than  $X +$

0.0200. (21) Binary Contract 21: One Contract will have a Payout Criterion of greater than  $X +$

(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

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

0.0250. (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  $Y -$

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

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

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

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

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- 0.0050. (8) Binary Contract 8: One Contract will have a Payout Criterion of greater than  $Y +$
- 0.0100. (9) Binary Contract 9: One Contract will have a Payout Criterion of greater than  $Y +$
- 0.0150. (10) Binary Contract 10: One Contract will have a Payout Criterion of greater than  $Y +$
- 0.0200. (11) Binary Contract 11: One Contract will have a Payout Criterion of greater than  $Y +$
- 0.0250. (12) Binary Contract 12: One Contract will have a Payout Criterion of greater than  $Y +$
- 0.0300. (13) Binary Contract 13: One Contract will have a Payout Criterion of greater than  $Y +$
- 0.0350. (14) Binary Contract 14: One Contract will have a Payout Criterion of greater than  $Y +$

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

(iii) INTRADAY GBP/USD 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  $Z1 -$   
0.00400.0100.

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than  $Z1 -$   
0.00300.0075.

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than  $Z1 -$   
0.00200.0050.

(4) Binary Contract 4: One Contract will have a Payout Criterion of greater than  $Z1 -$   
0.00100.0025.

(5) Binary Contract 5: One Contract will have a Payout Criterion of greater than  $Z1$ .

(6) Binary Contract 6: One Contract will have a Payout Criterion of greater than  $Z1 +$   
0.00100.0025.

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(7) Binary Contract 7: One Contract will have a Payout Criterion of greater than  $Z1 + 0.00200-0050$ .

(8) Binary Contract 8: One Contract will have a Payout Criterion of greater than  $Z1 + 0.00300-0075$ .

(9) Binary Contract 9: One Contract will have a Payout Criterion of greater than  $Z1 + 0.00400-0100$ .

(10) 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 CONTRACTS, 9:00 AM to 11:00 AM ET

CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than  $Z2 - 0.00400-0100$ .

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than  $Z2 - 0.00300-0075$ .

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than  $Z2 - 0.00200-0050$ .

(4) Binary Contract 4: One Contract will have a Payout Criterion of greater than  $Z2 - 0.00100-0025$ .

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

(6) Binary Contract 6: One Contract will have a Payout Criterion of greater than  $Z2 + 0.00100-0025$ .

(7) Binary Contract 7: One Contract will have a Payout Criterion of greater than  $Z2 + 0.00200-0050$ .

(8) Binary Contract 8: One Contract will have a Payout Criterion of greater than  $Z2 + 0.00300-0075$ .

(9) Binary Contract 9: One Contract will have a Payout Criterion of greater than  $Z2 + 0.00400-0100$ .

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

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(v) INTRADAY GBP/USD 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  $Z3 - 0.00400 - 0.0100$ .
- (2) Binary Contract 2: One Contract will have a Payout Criterion of greater than  $Z3 - 0.00300 - 0.0075$ .
- (3) Binary Contract 3: One Contract will have a Payout Criterion of greater than  $Z3 - 0.00200 - 0.0050$ .
- (4) Binary Contract 4: One Contract will have a Payout Criterion of greater than  $Z3 - 0.00100 - 0.0025$ .
- (5) Binary Contract 5: One Contract will have a Payout Criterion of greater than  $Z3$ .
- (6) Binary Contract 6: One Contract will have a Payout Criterion of greater than  $Z3 + 0.00100 - 0.0025$ .
- (7) Binary Contract 7: One Contract will have a Payout Criterion of greater than  $Z3 + 0.00200 - 0.0050$ .
- (8) Binary Contract 8: One Contract will have a Payout Criterion of greater than  $Z3 + 0.00300 - 0.0075$ .
- (9) Binary Contract 9: One Contract will have a Payout Criterion of greater than  $Z3 + 0.00400 - 0.0100$ .
- (10) In each case above,  $Z3$  equals the strike level determined by the Source Agency immediately before the issuance of these contracts.

(vi) INTRADAY GBP/USD 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  $Z4 - 0.00400 - 0.0100$ .
- (2) Binary Contract 2: One Contract will have a Payout Criterion of greater than  $Z4 - 0.00300 - 0.0075$ .

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- (3) Binary Contract 3: One Contract will have a Payout Criterion of greater than  $Z4 - 0.00200-0.0050$ .
- (4) Binary Contract 4: One Contract will have a Payout Criterion of greater than  $Z4 - 0.00100-0.0025$ .
- (5) Binary Contract 5: One Contract will have a Payout Criterion of greater than  $Z4$ .
- (6) Binary Contract 6: One Contract will have a Payout Criterion of greater than  $Z4 + 0.00100-0.0025$ .
- (7) Binary Contract 7: One Contract will have a Payout Criterion of greater than  $Z4 + 0.00200-0.0050$ .
- (8) Binary Contract 8: One Contract will have a Payout Criterion of greater than  $Z4 + 0.00300-0.0075$ .
- (9) Binary Contract 9: One Contract will have a Payout Criterion of greater than  $Z4 + 0.00400-0.0100$ .

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

(vii) INTRADAY GBP/USD 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  $Z5 - 0.00400-0.0100$ .
- (2) Binary Contract 2: One Contract will have a Payout Criterion of greater than  $Z5 - 0.00300-0.0075$ .
- (3) Binary Contract 3: One Contract will have a Payout Criterion of greater than  $Z5 - 0.00200-0.0050$ .
- (4) Binary Contract 4: One Contract will have a Payout Criterion of greater than  $Z5 - 0.00100-0.0025$ .
- (5) Binary Contract 5: One Contract will have a Payout Criterion of greater than  $Z5$ .
- (6) Binary Contract 6: One Contract will have a Payout Criterion of greater than  $Z5 + 0.00100-0.0025$ .

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(7) Binary Contract 7: One Contract will have a Payout Criterion of greater than  $Z5 + \underline{0.00200.0050}$ .

(8) Binary Contract 8: One Contract will have a Payout Criterion of greater than  $Z5 + \underline{0.00300.0075}$ .

(9) Binary Contract 9: One Contract will have a Payout Criterion of greater than  $Z5 + \underline{0.00400.0100}$ .

(10) 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 CONTRACTS, 1:00 PM to 3:00 PM ET

CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than  $Z6 - \underline{0.00400.0100}$ .

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than  $Z6 - \underline{0.00300.0075}$ .

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than  $Z6 - \underline{0.00200.0050}$ .

(4) Binary Contract 4: One Contract will have a Payout Criterion of greater than  $Z6 - \underline{0.00100.0025}$ .

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

(6) Binary Contract 6: One Contract will have a Payout Criterion of greater than  $Z6 + \underline{0.00100.0025}$ .

(7) Binary Contract 7: One Contract will have a Payout Criterion of greater than  $Z6 + \underline{0.00200.0050}$ .

(8) Binary Contract 8: One Contract will have a Payout Criterion of greater than  $Z6 + \underline{0.00300.0075}$ .

(9) Binary Contract 9: One Contract will have a Payout Criterion of greater than  $Z6 + \underline{0.00400.0100}$ .

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

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(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 between the bid/ask spread (five pips wide or less) just prior to the close of trading of the GBP/USD Binary Contract and removing the highest five (5) Midpoints and the lowest (5) Midpoints, using the remaining fifteen (15) GBP/USD Midpoints to calculate the Expiration Value. The calculation used is a simple average of all fifteen (15) GBP/USD Midpoints, rounded to one decimal point past the precision of the underlying market. A Midpoint is calculated by adding the bid price and the ask price together and then dividing that number by two (2). For example, if the bid price is 1.9900 and the ask price is 1.9902, the two numbers are added together (totaling 3.9802) and then divided by two (2), equaling a Midpoint of 1.9901. If the spread between a particular bid price and ask price is deemed too wide (greater than five (5) pips), or if it is a consecutive duplicate bid/ask quote, those prices will not be used to calculate a Midpoint and will thus not be included within the 25 initially captured values.

(o) 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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RULE 12.32 [UNCHANGED]

RULE 12.33 CURRENCY EXCHANGE USD/CAD BINARY CONTRACTS

(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.

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- 0.0080. (7) Binary Contract 7: One Contract will have a Payout Criterion of greater than  $X -$
- 0.0060. (8) Binary Contract 8: One Contract will have a Payout Criterion of greater than  $X -$
- 0.0040. (9) Binary Contract 9: One Contract will have a Payout Criterion of greater than  $X -$
- 0.0020. (10) Binary Contract 10: One Contract will have a Payout Criterion of greater than  $X -$
- (11) Binary Contract 11: One Contract will have a Payout Criterion of greater than  $X$ .
- 0.0020. (12) Binary Contract 12: One Contract will have a Payout Criterion of greater than  $X +$
- 0.0040. (13) Binary Contract 13: One Contract will have a Payout Criterion of greater than  $X +$
- 0.0060. (14) Binary Contract 14: One Contract will have a Payout Criterion of greater than  $X +$
- 0.0080. (15) Binary Contract 15: One Contract will have a Payout Criterion of greater than  $X +$
- 0.0100. (16) Binary Contract 16: One Contract will have a Payout Criterion of greater than  $X +$
- 0.0120. (17) Binary Contract 17: One Contract will have a Payout Criterion of greater than  $X +$
- 0.0140. (18) Binary Contract 18: One Contract will have a Payout Criterion of greater than  $X +$
- 0.0160. (19) Binary Contract 19: One Contract will have a Payout Criterion of greater than  $X +$
- 0.0180. (20) Binary Contract 20: One Contract will have a Payout Criterion of greater than  $X +$
- 0.0200. (21) Binary Contract 21: One Contract will have a Payout Criterion of greater than  $X +$

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(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

- 0.0300. (1) Binary Contract 1: One Contract will have a Payout Criterion of greater than  $Y -$
- 0.0250. (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  $Y -$
- 0.0150. (4) Binary Contract 4: One Contract will have a Payout Criterion of greater than  $Y -$
- 0.0100. (5) Binary Contract 5: One Contract will have a Payout Criterion of greater than  $Y -$
- 0.0050. (6) Binary Contract 6: One Contract will have a Payout Criterion of greater than  $Y -$
- (7) Binary Contract 7: One Contract will have a Payout Criterion of greater than  $Y$ .
- 0.0050. (8) Binary Contract 8: One Contract will have a Payout Criterion of greater than  $Y +$
- 0.0100. (9) Binary Contract 9: One Contract will have a Payout Criterion of greater than  $Y +$
- 0.0150. (10) Binary Contract 10: One Contract will have a Payout Criterion of greater than  $Y +$
- 0.0200. (11) Binary Contract 11: One Contract will have a Payout Criterion of greater than  $Y +$
- 0.0250. (12) Binary Contract 12: One Contract will have a Payout Criterion of greater than  $Y +$
- 0.0300. (13) Binary Contract 13: One Contract will have a Payout Criterion of greater than  $Y +$

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

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

(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  $Z1 - \underline{0.00400.0100}$ .

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than  $Z1 - \underline{0.00300.0075}$ .

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than  $Z1 - \underline{0.00200.0050}$ .

(4) Binary Contract 4: One Contract will have a Payout Criterion of greater than  $Z1 - \underline{0.00100.0025}$ .

(5) Binary Contract 5: One Contract will have a Payout Criterion of greater than  $Z1$ .

(6) Binary Contract 6: One Contract will have a Payout Criterion of greater than  $Z1 + \underline{0.00100.0025}$ .

(7) Binary Contract 7: One Contract will have a Payout Criterion of greater than  $Z1 + \underline{0.00200.0050}$ .

(8) Binary Contract 8: One Contract will have a Payout Criterion of greater than  $Z1 + \underline{0.00300.0075}$ .

(9) Binary Contract 9: One Contract will have a Payout Criterion of greater than  $Z1 + \underline{0.00400.0100}$ .

(10) 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  $Z2 - \underline{0.00400.0100}$ .

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than  $Z2 - 0.00300.0075$ .

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than  $Z2 - 0.00200.0050$ .

(4) Binary Contract 4: One Contract will have a Payout Criterion of greater than  $Z2 - 0.00100.0025$ .

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

(6) Binary Contract 6: One Contract will have a Payout Criterion of greater than  $Z2 + 0.00100.0025$ .

(7) Binary Contract 7: One Contract will have a Payout Criterion of greater than  $Z2 + 0.00200.0050$ .

(8) Binary Contract 8: One Contract will have a Payout Criterion of greater than  $Z2 + 0.00300.0075$ .

(9) Binary Contract 9: One Contract will have a Payout Criterion of greater than  $Z2 + 0.00400.0100$ .

(10) 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  $Z3 - 0.00400.0100$ .

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than  $Z3 - 0.00300.0075$ .

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than  $Z3 - 0.00200.0050$ .

(4) Binary Contract 4: One Contract will have a Payout Criterion of greater than  $Z3 - 0.00100.0025$ .

(5) Binary Contract 5: One Contract will have a Payout Criterion of greater than  $Z3$ .

(6) Binary Contract 6: One Contract will have a Payout Criterion of greater than  $Z3 + 0.00100$ ~~.0025~~.

(7) Binary Contract 7: One Contract will have a Payout Criterion of greater than  $Z3 + 0.00200$ ~~.0050~~.

(8) Binary Contract 8: One Contract will have a Payout Criterion of greater than  $Z3 + 0.00300$ ~~.0075~~.

(9) Binary Contract 9: One Contract will have a Payout Criterion of greater than  $Z3 + 0.00400$ ~~.0100~~.

(10) 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  $Z4 - 0.00400$ ~~.0100~~.

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than  $Z4 - 0.00300$ ~~.0075~~.

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than  $Z4 - 0.00200$ ~~.0050~~.

(4) Binary Contract 4: One Contract will have a Payout Criterion of greater than  $Z4 - 0.00100$ ~~.0025~~.

(5) Binary Contract 5: One Contract will have a Payout Criterion of greater than  $Z4$ .

(6) Binary Contract 6: One Contract will have a Payout Criterion of greater than  $Z4 + 0.00100$ ~~.0025~~.

(7) Binary Contract 7: One Contract will have a Payout Criterion of greater than  $Z4 + 0.00200$ ~~.0050~~.

(8) Binary Contract 8: One Contract will have a Payout Criterion of greater than  $Z4 + 0.00300$ ~~.0075~~.

(9) Binary Contract 9: One Contract will have a Payout Criterion of greater than  $Z4 + 0.00400$ ~~.0100~~.

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(10) 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 - 0.00400.0100.

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than Z5 - 0.00300.0075.

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than Z5 - 0.00200.0050.

(4) Binary Contract 4: One Contract will have a Payout Criterion of greater than Z5 - 0.00100.0025.

(5) Binary Contract 5: One Contract will have a Payout Criterion of greater than Z5.

(6) Binary Contract 6: One Contract will have a Payout Criterion of greater than Z5 + 0.00100.0025.

(7) Binary Contract 7: One Contract will have a Payout Criterion of greater than Z5 + 0.00200.0050.

(8) Binary Contract 8: One Contract will have a Payout Criterion of greater than Z5 + 0.00300.0075.

(9) Binary Contract 9: One Contract will have a Payout Criterion of greater than Z5 + 0.00400.0100.

(10) 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 - 0.00400.0100.

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than Z6 - 0.00300.0075.

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(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than  $Z6 - 0.00200.0050$ .

(4) Binary Contract 4: One Contract will have a Payout Criterion of greater than  $Z6 - 0.00100.0025$ .

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

(6) Binary Contract 6: One Contract will have a Payout Criterion of greater than  $Z6 + 0.00100.0025$ .

(7) Binary Contract 7: One Contract will have a Payout Criterion of greater than  $Z6 + 0.00200.0050$ .

(8) Binary Contract 8: One Contract will have a Payout Criterion of greater than  $Z6 + 0.00300.0075$ .

(9) Binary Contract 9: One Contract will have a Payout Criterion of greater than  $Z6 + 0.00400.0100$ .

(10) 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.

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(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 between the bid/ask spread (five pips wide or less) just prior to the close of trading of the USD/CAD Binary Contract and removing the highest five (5) Midpoints and the lowest (5) Midpoints, using the remaining fifteen (15) USD/CAD Midpoints to calculate the Expiration Value. The calculation used is a simple average of all fifteen (15) USD/CAD Midpoints, rounded to one decimal point past the precision of the underlying market. A Midpoint is calculated by adding the bid price and the ask price together and then dividing that number by two (2). For example, if the bid price is 1.0700 and the ask price is 1.0702, the two numbers are added together (totaling 2.1402) and then divided by two (2), equaling a Midpoint of 1.0701. If the spread between a particular bid price and ask price is deemed too wide (greater than five (5) pips), or if it is a consecutive duplicate bid/ask quote, those prices will not be used to calculate a Midpoint and will thus not be included within the 25 initially captured values.

(o) **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 [UNCHANGED]

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

(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.

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(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.
- (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.

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0.0060. (14) Binary Contract 14: One Contract will have a Payout Criterion of greater than  $X +$

0.0080. (15) Binary Contract 15: One Contract will have a Payout Criterion of greater than  $X +$

0.0100. (16) Binary Contract 16: One Contract will have a Payout Criterion of greater than  $X +$

0.0120. (17) Binary Contract 17: One Contract will have a Payout Criterion of greater than  $X +$

0.0140. (18) Binary Contract 18: One Contract will have a Payout Criterion of greater than  $X +$

0.0160. (19) Binary Contract 19: One Contract will have a Payout Criterion of greater than  $X +$

0.0180. (20) Binary Contract 20: One Contract will have a Payout Criterion of greater than  $X +$

0.0200. (21) Binary Contract 21: One Contract will have a Payout Criterion of greater than  $X +$

(22) 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

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

0.0250. (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  $Y -$

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

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

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

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

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

0.0100. (1) Binary Contract 9: One Contract will have a Payout Criterion of greater than  $Y +$

0.0150. (2) Binary Contract 10: One Contract will have a Payout Criterion of greater than  $Y +$

0.0200. (3) Binary Contract 11: One Contract will have a Payout Criterion of greater than  $Y +$

0.0250. (4) Binary Contract 12: One Contract will have a Payout Criterion of greater than  $Y +$

0.0300. (5) Binary Contract 13: One Contract will have a Payout Criterion of greater than  $Y +$

0.0350. (6) Binary Contract 14: One Contract will have a Payout Criterion of greater than  $Y +$

(7) 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  $Z1 -$   
0.00400.0080.

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than  $Z1 -$   
0.00300.0060.

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than  $Z1 -$   
0.00200.0040.

(4) Binary Contract 4: One Contract will have a Payout Criterion of greater than  $Z1 -$   
0.00100.0020.

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(5) Binary Contract 5: One Contract will have a Payout Criterion of greater than Z1.

(6) Binary Contract 6: One Contract will have a Payout Criterion of greater than Z1 + 0.00100.0020.

(7) Binary Contract 7: One Contract will have a Payout Criterion of greater than Z1 + 0.00200.0040.

(8) Binary Contract 8: One Contract will have a Payout Criterion of greater than Z1 + 0.00300.0060.

(9) Binary Contract 9: One Contract will have a Payout Criterion of greater than Z1 + 0.00400.0080.

(10) 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 - 0.00400.0080.

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than Z2 - 0.00300.0060.

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than Z2 - 0.00200.0040.

(4) Binary Contract 4: One Contract will have a Payout Criterion of greater than Z2 - 0.00100.0020.

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

(6) Binary Contract 6: One Contract will have a Payout Criterion of greater than Z2 + 0.00100.0020.

(7) Binary Contract 7: One Contract will have a Payout Criterion of greater than Z2 + 0.00200.0040.

(8) Binary Contract 8: One Contract will have a Payout Criterion of greater than Z2 + 0.00300.0060.

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(9) Binary Contract 9: One Contract will have a Payout Criterion of greater than  $Z2 + 0.00400 - 0.0080$ .

(10) 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  $Z3 - 0.00400 - 0.0080$ .

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than  $Z3 - 0.00300 - 0.0060$ .

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than  $Z3 - 0.00200 - 0.0040$ .

(4) Binary Contract 4: One Contract will have a Payout Criterion of greater than  $Z3 - 0.00100 - 0.0020$ .

(5) Binary Contract 5: One Contract will have a Payout Criterion of greater than  $Z3$ .

(6) Binary Contract 6: One Contract will have a Payout Criterion of greater than  $Z3 + 0.00100 - 0.0020$ .

(7) Binary Contract 7: One Contract will have a Payout Criterion of greater than  $Z3 + 0.00200 - 0.0040$ .

(8) Binary Contract 8: One Contract will have a Payout Criterion of greater than  $Z3 + 0.00300 - 0.0060$ .

(9) Binary Contract 9: One Contract will have a Payout Criterion of greater than  $Z3 + 0.00400 - 0.0080$ .

(10) 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

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(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than Z4 - 0.00400-0080.

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than Z4 - 0.00300-0060.

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than Z4 - 0.00200-0040.

(4) Binary Contract 4: One Contract will have a Payout Criterion of greater than Z4 - 0.00100-0020.

(5) Binary Contract 5: One Contract will have a Payout Criterion of greater than Z4.

(6) Binary Contract 6: One Contract will have a Payout Criterion of greater than Z4 + 0.00100-0020.

(7) Binary Contract 7: One Contract will have a Payout Criterion of greater than Z4 + 0.00200-0040.

(8) Binary Contract 8: One Contract will have a Payout Criterion of greater than Z4 + 0.00300-0060.

(9) Binary Contract 9: One Contract will have a Payout Criterion of greater than Z4 + 0.00400-0080.

(10) In each case above, Z4 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 Z5 - 0.00400-0080.

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than Z5 - 0.00300-0060.

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than Z5 - 0.00200-0040.

(4) Binary Contract 4: One Contract will have a Payout Criterion of greater than Z5 - 0.00100-0020.

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(5) Binary Contract 5: One Contract will have a Payout Criterion of greater than Z5.

(6) Binary Contract 6: One Contract will have a Payout Criterion of greater than Z5 + ~~0.00100.0020~~.

(7) Binary Contract 7: One Contract will have a Payout Criterion of greater than Z5 + ~~0.00200.0040~~.

(8) Binary Contract 8: One Contract will have a Payout Criterion of greater than Z5 + ~~0.00300.0060~~.

(9) Binary Contract 9: One Contract will have a Payout Criterion of greater than Z5 + ~~0.00400.0080~~.

(10) In each case above, Z5 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 Z6 - ~~0.00400.0080~~.

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than Z6 - ~~0.00300.0060~~.

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than Z6 - ~~0.00200.0040~~.

(4) Binary Contract 4: One Contract will have a Payout Criterion of greater than Z6 - ~~0.00100.0020~~.

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

(6) Binary Contract 6: One Contract will have a Payout Criterion of greater than Z6 + ~~0.00100.0020~~.

(7) Binary Contract 7: One Contract will have a Payout Criterion of greater than Z6 + ~~0.00200.0040~~.

(8) Binary Contract 8: One Contract will have a Payout Criterion of greater than Z6 + ~~0.00300.0060~~.

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(9) Binary Contract 9: One Contract will have a Payout Criterion of greater than  $Z_6 + 0.00400-0080$ .

(10) 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 between the bid/ask spread (five pips wide or less) just prior to the close of trading of the USD/CHF Binary Contract and removing the highest five (5) Midpoints and the lowest (5) Midpoints, using the remaining fifteen (15) USD/CHF Midpoints to calculate the Expiration Value. The calculation used is a simple average of all fifteen (15) USD/CHF Midpoints, rounded to one decimal point past the precision of the underlying market. A Midpoint is calculated by adding the bid price and the ask price together and then dividing that number by two (2). For example, if the bid price is 1.2200 and the ask price is 1.2202, the two numbers are added together (totaling 2.4402) and then divided by two (2), equaling a Midpoint of 1.2201. If the spread between a particular bid price and ask price is deemed too wide (greater than five (5) pips), or if it is a consecutive duplicate bid/ask quote, those prices will not be used to calculate a Midpoint and will thus not be included within the 25 initially captured values.

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(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 12.36 [UNCHANGED]

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

(a) 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.

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- (9) Binary Contract 9: One Contract will have a Payout Criterion of greater than  $X - 0.40$ .
- 0.20. (10) Binary Contract 10: One Contract will have a Payout Criterion of greater than  $X -$
- (11) Binary Contract 11: One Contract will have a Payout Criterion of greater than  $X$ .
- 0.20. (12) Binary Contract 12: One Contract will have a Payout Criterion of greater than  $X +$
- 0.40. (13) Binary Contract 13: One Contract will have a Payout Criterion of greater than  $X +$
- 0.60. (14) Binary Contract 14: One Contract will have a Payout Criterion of greater than  $X +$
- 0.80. (15) Binary Contract 15: One Contract will have a Payout Criterion of greater than  $X +$
- 1.00. (16) Binary Contract 16: One Contract will have a Payout Criterion of greater than  $X +$
- 1.20. (17) Binary Contract 17: One Contract will have a Payout Criterion of greater than  $X +$
- 1.40. (18) Binary Contract 18: One Contract will have a Payout Criterion of greater than  $X +$
- 1.60. (19) Binary Contract 19: One Contract will have a Payout Criterion of greater than  $X +$
- 1.80. (20) Binary Contract 20: One Contract will have a Payout Criterion of greater than  $X +$
- 2.00. (21) Binary Contract 21: One Contract will have a Payout Criterion of greater than  $X +$

(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  $Y - 3.00$ .

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- (2) Binary Contract 2: One Contract will have a Payout Criterion of greater than  $Y - 2.50$ .
- (3) Binary Contract 3: One Contract will have a Payout Criterion of greater than  $Y - 2.00$ .
- (4) Binary Contract 4: One Contract will have a Payout Criterion of greater than  $Y - 1.50$ .
- (5) Binary Contract 5: One Contract will have a Payout Criterion of greater than  $Y - 1.00$ .
- (6) Binary Contract 6: One Contract will have a Payout Criterion of greater than  $Y - 0.50$ .
- (7) Binary Contract 7: One Contract will have a Payout Criterion of greater than  $Y$ .
- (8) Binary Contract 8: One Contract will have a Payout Criterion of greater than  $Y + 0.50$ .
- (9) Binary Contract 9: One Contract will have a Payout Criterion of greater than  $Y + 1.00$ .
- (10) Binary Contract 10: One Contract will have a Payout Criterion of greater than  $Y + 1.50$ .
- (11) Binary Contract 11: One Contract will have a Payout Criterion of greater than  $Y + 2.00$ .
- (12) Binary Contract 12: One Contract will have a Payout Criterion of greater than  $Y + 2.50$ .
- (13) Binary Contract 13: One Contract will have a Payout Criterion of greater than  $Y + 3.00$ .
- (14) Binary Contract 14: One Contract will have a Payout Criterion of greater than  $Y + 3.50$ .
- (15) In each case, "Y" equals the last USD/YEN price or value rounded to the nearest value ending in either 0.25 or 0.75 as reported by the Source Agency.

(iii) INTRADAY USD/YEN 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  $Z1 - 0.20060$ .
- (2) Binary Contract 2: One Contract will have a Payout Criterion of greater than  $Z1 - 0.15045$ .

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- ~~0.100.30.~~ (3) Binary Contract 3: One Contract will have a Payout Criterion of greater than Z1 -
- ~~0.050.15.~~ (4) Binary Contract 4: One Contract will have a Payout Criterion of greater than Z1 -
- (5) Binary Contract 5: One Contract will have a Payout Criterion of greater than Z1.
- ~~+0.050.15.~~ (6) Binary Contract 6: One Contract will have a Payout Criterion of greater than Z1
- ~~0.100.30.~~ (7) Binary Contract 7: One Contract will have a Payout Criterion of greater than Z1 +
- ~~0.150.45.~~ (8) Binary Contract 8: One Contract will have a Payout Criterion of greater than Z1 +
- ~~0.200.60.~~ (9) Binary Contract 9: One Contract will have a Payout Criterion of greater than Z1 +
- (10) In each case above, Z1 equals the strike level determined by the Source Agency immediately before the issuance of these contracts.

(iv) INTRADAY USD/YEN BINARY CONTRACTS, 9:00 AM to 11:00 AM  
ET CLOSE

- ~~0.200.60.~~ (1) Binary Contract 1: One Contract will have a Payout Criterion of greater than Z2 -
- ~~0.150.45.~~ (2) Binary Contract 2: One Contract will have a Payout Criterion of greater than Z2 -
- ~~0.100.30.~~ (3) Binary Contract 3: One Contract will have a Payout Criterion of greater than Z2 -
- ~~0.050.15.~~ (4) Binary Contract 4: One Contract will have a Payout Criterion of greater than Z2 -
- (5) Binary Contract 5: One Contract will have a Payout Criterion of greater than Z2.
- ~~0.050.15.~~ (6) Binary Contract 6: One Contract will have a Payout Criterion of greater than Z2 +

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~~0.100.30.~~ (7) Binary Contract 7: One Contract will have a Payout Criterion of greater than  $Z2 +$

~~0.150.45.~~ (8) Binary Contract 8: One Contract will have a Payout Criterion of greater than  $Z2 +$

~~0.200.60.~~ (9) Binary Contract 9: One Contract will have a Payout Criterion of greater than  $Z2 +$

(10) 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 CONTRACTS, 10:00 AM to 12:00 PM  
ET CLOSE

~~0.200.60.~~ (1) Binary Contract 1: One Contract will have a Payout Criterion of greater than  $Z3 -$

~~0.150.45.~~ (2) Binary Contract 2: One Contract will have a Payout Criterion of greater than  $Z3 -$

~~0.100.30.~~ (3) Binary Contract 3: One Contract will have a Payout Criterion of greater than  $Z3 -$

~~0.050.15.~~ (4) Binary Contract 4: One Contract will have a Payout Criterion of greater than  $Z3 -$

(5) Binary Contract 5: One Contract will have a Payout Criterion of greater than  $Z3$ .

~~0.050.15.~~ (6) Binary Contract 6: One Contract will have a Payout Criterion of greater than  $Z3 +$

~~0.100.30.~~ (7) Binary Contract 7: One Contract will have a Payout Criterion of greater than  $Z3 +$

~~0.150.45.~~ (8) Binary Contract 8: One Contract will have a Payout Criterion of greater than  $Z3 +$

~~0.200.60.~~ (9) Binary Contract 9: One Contract will have a Payout Criterion of greater than  $Z3 +$

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

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(vi) INTRADAY USD/YEN BINARY CONTRACTS, 11:00 AM to 1:00 PM ET

CLOSE

- 0.200.60. (1) Binary Contract 1: One Contract will have a Payout Criterion of greater than  $Z4 -$
- 0.150.45. (2) Binary Contract 2: One Contract will have a Payout Criterion of greater than  $Z4 -$
- 0.100.30. (3) Binary Contract 3: One Contract will have a Payout Criterion of greater than  $Z4 -$
- 0.050.15. (4) Binary Contract 4: One Contract will have a Payout Criterion of greater than  $Z4 -$
- (5) Binary Contract 5: One Contract will have a Payout Criterion of greater than  $Z4$ .
- 0.050.15. (6) Binary Contract 6: One Contract will have a Payout Criterion of greater than  $Z4 +$
- +0.100.30. (7) Binary Contract 7: One Contract will have a Payout Criterion of greater than  $Z4 +$
- 0.150.45. (8) Binary Contract 8: One Contract will have a Payout Criterion of greater than  $Z4 +$
- 0.200.60. (9) Binary Contract 9: One Contract will have a Payout Criterion of greater than  $Z4 +$
- (10) 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 CONTRACTS, 12:00 PM to 2:00 PM

ET CLOSE

- 0.200.60. (1) Binary Contract 1: One Contract will have a Payout Criterion of greater than  $Z5 -$
- 0.150.45. (2) Binary Contract 2: One Contract will have a Payout Criterion of greater than  $Z5 -$
- 0.100.30. (3) Binary Contract 3: One Contract will have a Payout Criterion of greater than  $Z5 -$

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~~0.050.15.~~ (4) Binary Contract 4: One Contract will have a Payout Criterion of greater than Z5 –

(5) Binary Contract 5: One Contract will have a Payout Criterion of greater than Z5.

~~0.050.15.~~ (6) Binary Contract 6: One Contract will have a Payout Criterion of greater than Z5 +

~~0.100.30.~~ (7) Binary Contract 7: One Contract will have a Payout Criterion of greater than Z5 +

~~0.150.45.~~ (8) Binary Contract 8: One Contract will have a Payout Criterion of greater than Z5 +

~~0.200.60.~~ (9) Binary Contract 9: One Contract will have a Payout Criterion of greater than Z5 +

(10) 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

~~0.200.60.~~ (1) Binary Contract 1: One Contract will have a Payout Criterion of greater than Z6 –

~~0.150.45.~~ (2) Binary Contract 2: One Contract will have a Payout Criterion of greater than Z6 –

~~0.100.30.~~ (3) Binary Contract 3: One Contract will have a Payout Criterion of greater than Z6 -

~~0.050.15.~~ (4) Binary Contract 4: One Contract will have a Payout Criterion of greater than Z6 –

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

~~0.050.15.~~ (6) Binary Contract 6: One Contract will have a Payout Criterion of greater than Z6 +

~~0.100.30.~~ (7) Binary Contract 7: One Contract will have a Payout Criterion of greater than Z6 +

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(8) Binary Contract 8: One Contract will have a Payout Criterion of greater than Z6 + ~~0.150-45~~.

(9) Binary Contract 9: One Contract will have a Payout Criterion of greater than Z6 + ~~0.200-60~~.

(10) 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 between the bid/ask spread (five pips wide or less) just prior to the close of trading of the USD/YEN Binary Contract and removing the highest five (5) Midpoints and the lowest (5) Midpoints, using the remaining fifteen (15) USD/YEN Midpoints to calculate the Expiration Value. The calculation used is a simple average of all fifteen (15) USD/YEN Midpoints, rounded to one decimal point past the precision of the underlying market. A Midpoint is calculated by adding the bid price and the ask price together and then dividing that number by two (2). For example, if the bid price is 121.00 and the ask price is 121.02, the two numbers are added together (totaling 242.02) and then divided by two (2), equaling a Midpoint of 121.01. If the spread between a particular bid price and ask price is deemed too wide (greater than five (5) pips), or if it is a consecutive

duplicate bid/ask quote, those prices will not be used to calculate a Midpoint and will thus not be included within the 25 initially captured values.

(o) 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 12.38 [UNCHANGED]

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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- (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  $X - 0.40$ .
- 0.20.
- (10) Binary Contract 10: One Contract will have a Payout Criterion of greater than  $X -$
- (11) Binary Contract 11: One Contract will have a Payout Criterion of greater than  $X$ .
- (12) Binary Contract 12: One Contract will have a Payout Criterion of greater than  $X +$
- 0.20.
- (13) Binary Contract 13: One Contract will have a Payout Criterion of greater than  $X +$
- 0.40.
- (14) Binary Contract 14: One Contract will have a Payout Criterion of greater than  $X +$
- 0.60.
- (15) Binary Contract 15: One Contract will have a Payout Criterion of greater than  $X +$
- 0.80.
- (16) Binary Contract 16: One Contract will have a Payout Criterion of greater than  $X +$
- 1.00.
- (17) Binary Contract 17: One Contract will have a Payout Criterion of greater than  $X +$
- 1.20.
- (18) Binary Contract 18: One Contract will have a Payout Criterion of greater than  $X +$
- 1.40.
- (19) Binary Contract 19: One Contract will have a Payout Criterion of greater than  $X +$
- 1.60.
- (20) Binary Contract 20: One Contract will have a Payout Criterion of greater than  $X +$
- 1.80.
- (21) Binary Contract 21: One Contract will have a Payout Criterion of greater than  $X +$
- 2.00.

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



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

- (1) Binary Contract 1: One Contract will have a Payout Criterion of greater than  $Y - 3.00$ .
- (2) Binary Contract 2: One Contract will have a Payout Criterion of greater than  $Y - 2.50$ .
- (3) Binary Contract 3: One Contract will have a Payout Criterion of greater than  $Y - 2.00$ .
- (4) Binary Contract 4: One Contract will have a Payout Criterion of greater than  $Y - 1.50$ .
- (5) Binary Contract 5: One Contract will have a Payout Criterion of greater than  $Y - 1.00$ .
- (6) Binary Contract 6: One Contract will have a Payout Criterion of greater than  $Y - 0.50$ .
- (7) Binary Contract 7: One Contract will have a Payout Criterion of greater than  $Y$ .
- (8) Binary Contract 7: One Contract will have a Payout Criterion of greater than  $Y + 0.50$ .
- (9) Binary Contract 7: One Contract will have a Payout Criterion of greater than  $Y + 1.00$ .
- (10) Binary Contract 7: One Contract will have a Payout Criterion of greater than  $Y + 1.50$ .
- (11) Binary Contract 7: One Contract will have a Payout Criterion of greater than  $Y + 2.00$ .
- (12) Binary Contract 7: One Contract will have a Payout Criterion of greater than  $Y + 2.50$ .
- (13) Binary Contract 7: One Contract will have a Payout Criterion of greater than  $Y + 3.00$ .
- (14) Binary Contract 7: One Contract will have a Payout Criterion of greater than  $Y + 3.50$ .
- (15) In each case, "Y" equals the last EUR/JPY price or value rounded to the nearest value ending in either 0.25 or 0.75 as reported by the Source Agency.

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

- (1) Binary Contract 1: One Contract will have a Payout Criterion of greater than  $Z1 - 0.400.80$ .

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~~0.300-60.~~ (2) Binary Contract 2: One Contract will have a Payout Criterion of greater than Z1 –

~~0.200-40.~~ (3) Binary Contract 3: One Contract will have a Payout Criterion of greater than Z1 -

~~0.100-20.~~ (4) Binary Contract 4: One Contract will have a Payout Criterion of greater than Z1 –

(5) Binary Contract 5: One Contract will have a Payout Criterion of greater than Z1.

~~0.100-20.~~ (6) Binary Contract 6: One Contract will have a Payout Criterion of greater than Z1 +

~~0.200-40.~~ (7) Binary Contract 7: One Contract will have a Payout Criterion of greater than Z1 +

~~0.300-60.~~ (8) Binary Contract 8: One Contract will have a Payout Criterion of greater than Z1 +

~~0.400-80.~~ (9) Binary Contract 9: One Contract will have a Payout Criterion of greater than Z1 +

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

(iii) INTRADAY EUR/JPY BINARY CONTRACTS, 9:00 AM to 11:00 AM ET

CLOSE

~~0.400-80.~~ (1) Binary Contract 1: One Contract will have a Payout Criterion of greater than Z2 –

~~0.300-60.~~ (2) Binary Contract 2: One Contract will have a Payout Criterion of greater than Z2 –

~~0.200-40.~~ (3) Binary Contract 3: One Contract will have a Payout Criterion of greater than Z2 -

~~0.100-20.~~ (4) Binary Contract 4: One Contract will have a Payout Criterion of greater than Z2 –

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

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~~0.100-20.~~ (6) Binary Contract 6: One Contract will have a Payout Criterion of greater than  $Z2 +$

~~0.200-40.~~ (7) Binary Contract 7: One Contract will have a Payout Criterion of greater than  $Z2 +$

~~0.300-60.~~ (8) Binary Contract 8: One Contract will have a Payout Criterion of greater than  $Z2 +$

~~0.400-80.~~ (9) Binary Contract 9: One Contract will have a Payout Criterion of greater than  $Z2 +$

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

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

~~0.400-80.~~ (1) Binary Contract 1: One Contract will have a Payout Criterion of greater than  $Z3 -$

~~0.300-60.~~ (2) Binary Contract 2: One Contract will have a Payout Criterion of greater than  $Z3 -$

~~0.200-40.~~ (3) Binary Contract 3: One Contract will have a Payout Criterion of greater than  $Z3 -$

~~0.100-20.~~ (4) Binary Contract 4: One Contract will have a Payout Criterion of greater than  $Z3 -$

(5) Binary Contract 5: One Contract will have a Payout Criterion of greater than  $Z3$ .

~~0.100-20.~~ (6) Binary Contract 6: One Contract will have a Payout Criterion of greater than  $Z3 +$

~~0.200-40.~~ (7) Binary Contract 7: One Contract will have a Payout Criterion of greater than  $Z3 +$

~~0.300-60.~~ (8) Binary Contract 8: One Contract will have a Payout Criterion of greater than  $Z3 +$

~~0.400-80.~~ (9) Binary Contract 9: One Contract will have a Payout Criterion of greater than  $Z3 +$

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

(v) INTRADAY EUR/JPY BINARY CONTRACTS, 11:00 AM to 1:00 PM ET

CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than Z4 –  
0.400.80.

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than Z4 –  
0.300.60.

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than Z4 –  
0.200.40.

(4) Binary Contract 4: One Contract will have a Payout Criterion of greater than Z4 –  
0.100.20.

(5) Binary Contract 5: One Contract will have a Payout Criterion of greater than Z4.

(6) Binary Contract 6: One Contract will have a Payout Criterion of greater than Z4 +  
0.100.20.

(7) Binary Contract 7: One Contract will have a Payout Criterion of greater than Z4 +  
0.200.40.

(8) Binary Contract 8: One Contract will have a Payout Criterion of greater than Z4 +  
0.300.60.

(9) Binary Contract 9: One Contract will have a Payout Criterion of greater than Z4 +  
0.400.80.

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

(vi) INTRADAY EUR/JPY BINARY CONTRACTS, 12:00 PM to 2:00 PM ET

CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than Z5 –  
0.400.80.

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than Z5 –  
0.300.60.

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~~0.200-40.~~ (3) Binary Contract 3: One Contract will have a Payout Criterion of greater than Z5 -

~~0.100-20.~~ (4) Binary Contract 4: One Contract will have a Payout Criterion of greater than Z5 -

(5) Binary Contract 5: One Contract will have a Payout Criterion of greater than Z5.

~~0.100-20.~~ (6) Binary Contract 6: One Contract will have a Payout Criterion of greater than Z5 +

~~0.200-40.~~ (7) Binary Contract 7: One Contract will have a Payout Criterion of greater than Z5 +

~~0.300-60.~~ (8) Binary Contract 8: One Contract will have a Payout Criterion of greater than Z5 +

~~0.400-80.~~ (9) Binary Contract 9: One Contract will have a Payout Criterion of greater than Z5 +

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

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

CLOSE

~~0.400-80.~~ (1) Binary Contract 1: One Contract will have a Payout Criterion of greater than Z6 -

~~0.300-60.~~ (2) Binary Contract 2: One Contract will have a Payout Criterion of greater than Z6 -

~~0.200-40.~~ (3) Binary Contract 3: One Contract will have a Payout Criterion of greater than Z6 -

~~0.100-20.~~ (4) Binary Contract 4: One Contract will have a Payout Criterion of greater than Z6 -

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

~~0.100-20.~~ (6) Binary Contract 6: One Contract will have a Payout Criterion of greater than Z6 +

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(7) Binary Contract 7: One Contract will have a Payout Criterion of greater than  $Z6 + 0.200-40$ .

(8) Binary Contract 8: One Contract will have a Payout Criterion of greater than  $Z6 + 0.300-60$ .

(9) Binary Contract 9: One Contract will have a Payout Criterion of greater than  $Z6 + 0.400-80$ .

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

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

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

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

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

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

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

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

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

(n) EXPIRATION VALUE – The Expiration Value is the price or value of EUR/JPY as released by the Source Agency on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking the last twenty-five (25) Midpoints between the bid/ask spread (five pips wide or less) just prior to the close of trading of the EUR/JPY Binary Contract and removing the highest five (5) Midpoints and the lowest (5) Midpoints, using the remaining fifteen (15) EUR/JPY Midpoints to calculate the Expiration Value. The calculation used is a simple average of all fifteen (15) EUR/JPY Midpoints, rounded to one decimal point past the precision of the underlying market. A Midpoint is calculated by adding the bid price and the ask price together and then dividing that number by two (2).

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For example, if the bid price is 121.00 and the ask price is 121.02, the two numbers are added together (totaling 242.02) and then divided by two (2), equaling a Midpoint of 121.01. If the spread between a particular bid price and ask price is deemed too wide (greater than five (5) pips), or if it is a consecutive duplicate bid/ask quote, those prices will not be used to calculate a Midpoint and will thus not be included within the 25 initially captured values.

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

#### RULE 12.40 [UNCHANGED]

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

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

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

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

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

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

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

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

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

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

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

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

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

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- (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  $X - 0.40$ .
- 0.20. (10) Binary Contract 10: One Contract will have a Payout Criterion of greater than  $X -$
- (11) Binary Contract 11: One Contract will have a Payout Criterion of greater than  $X$ .
- 0.20. (12) Binary Contract 12: One Contract will have a Payout Criterion of greater than  $X +$
- 0.40. (13) Binary Contract 13: One Contract will have a Payout Criterion of greater than  $X +$
- 0.60. (14) Binary Contract 14: One Contract will have a Payout Criterion of greater than  $X +$
- 0.80. (15) Binary Contract 15: One Contract will have a Payout Criterion of greater than  $X +$
- 1.00. (16) Binary Contract 16: One Contract will have a Payout Criterion of greater than  $X +$
- 1.20. (17) Binary Contract 17: One Contract will have a Payout Criterion of greater than  $X +$
- 1.40. (18) Binary Contract 18: One Contract will have a Payout Criterion of greater than  $X +$
- 1.60. (19) Binary Contract 19: One Contract will have a Payout Criterion of greater than  $X +$
- 1.80. (20) Binary Contract 20: One Contract will have a Payout Criterion of greater than  $X +$
- 2.00. (21) Binary Contract 21: One Contract will have a Payout Criterion of greater than  $X +$

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

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

- (1) Binary Contract 1: One Contract will have a Payout Criterion of greater than  $Y - 3.00$ .
- (2) Binary Contract 2: One Contract will have a Payout Criterion of greater than  $Y - 2.50$ .
- (3) Binary Contract 3: One Contract will have a Payout Criterion of greater than  $Y - 2.00$ .
- (4) Binary Contract 4: One Contract will have a Payout Criterion of greater than  $Y - 1.50$ .
- (5) Binary Contract 5: One Contract will have a Payout Criterion of greater than  $Y - 1.00$ .
- (6) Binary Contract 6: One Contract will have a Payout Criterion of greater than  $Y - 0.50$ .
- (7) Binary Contract 7: One Contract will have a Payout Criterion of greater than  $Y$ .
- (8) Binary Contract 7: One Contract will have a Payout Criterion of greater than  $Y + 0.50$ .
- (9) Binary Contract 7: One Contract will have a Payout Criterion of greater than  $Y + 1.00$ .
- (10) Binary Contract 7: One Contract will have a Payout Criterion of greater than  $Y + 1.50$ .
- (11) Binary Contract 7: One Contract will have a Payout Criterion of greater than  $Y + 2.00$ .
- (12) Binary Contract 7: One Contract will have a Payout Criterion of greater than  $Y + 2.50$ .
- (13) Binary Contract 7: One Contract will have a Payout Criterion of greater than  $Y + 3.00$ .
- (14) Binary Contract 7: One Contract will have a Payout Criterion of greater than  $Y + 3.50$ .
- (15) In each case, “Y” equals the last GBP/JPY price or value rounded to the nearest value ending in either 0.25 or 0.75 as reported by the Source Agency.

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

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- ~~0.401.00.~~ (1) Binary Contract 1: One Contract will have a Payout Criterion of greater than Z1 –
- ~~0.300.75.~~ (2) Binary Contract 2: One Contract will have a Payout Criterion of greater than Z1 –
- ~~0.200.50.~~ (3) Binary Contract 3: One Contract will have a Payout Criterion of greater than Z1 -
- ~~0.100.25.~~ (4) Binary Contract 4: One Contract will have a Payout Criterion of greater than Z1 –
- (5) Binary Contract 5: One Contract will have a Payout Criterion of greater than Z1.
- ~~0.100.25.~~ (6) Binary Contract 6: One Contract will have a Payout Criterion of greater than Z1 +
- ~~0.200.50.~~ (7) Binary Contract 7: One Contract will have a Payout Criterion of greater than Z1 +
- ~~0.300.75.~~ (8) Binary Contract 8: One Contract will have a Payout Criterion of greater than Z1 +
- ~~0.401.00.~~ (9) Binary Contract 9: One Contract will have a Payout Criterion of greater than Z1 +
- (10) In each case above, Z1 equals the strike level determined by the Source Agency immediately before the issuance of these contracts.

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

CLOSE

- ~~0.401.00.~~ (1) Binary Contract 1: One Contract will have a Payout Criterion of greater than Z2 –
- ~~0.300.75.~~ (2) Binary Contract 2: One Contract will have a Payout Criterion of greater than Z2 –
- ~~0.200.50.~~ (3) Binary Contract 3: One Contract will have a Payout Criterion of greater than Z2 -
- ~~0.100.25.~~ (4) Binary Contract 4: One Contract will have a Payout Criterion of greater than Z2 –

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

(6) Binary Contract 6: One Contract will have a Payout Criterion of greater than Z2 +  
0.100.25.

(7) Binary Contract 7: One Contract will have a Payout Criterion of greater than Z2 +  
0.200.50.

(8) Binary Contract 8: One Contract will have a Payout Criterion of greater than Z2 +  
0.300.75.

(9) Binary Contract 9: One Contract will have a Payout Criterion of greater than Z2 +  
0.401.00.

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

(v) INTRADAY GBP/JPY BINARY 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 –  
0.401.00.

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than Z3 –  
0.300.75.

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than Z3 -  
0.200.50.

(4) Binary Contract 4: One Contract will have a Payout Criterion of greater than Z3 –  
0.100.25.

(5) Binary Contract 5: One Contract will have a Payout Criterion of greater than Z3.

(6) Binary Contract 6: One Contract will have a Payout Criterion of greater than Z3 +  
0.100.25.

(7) Binary Contract 7: One Contract will have a Payout Criterion of greater than Z3 +  
0.200.50.

(8) Binary Contract 8: One Contract will have a Payout Criterion of greater than Z3 +  
0.300.75.

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(9) Binary Contract 9: One Contract will have a Payout Criterion of greater than  $Z3 + 0.401-00$ .

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

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

CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than  $Z4 - 0.401-00$ .

(2) Binary Contract 2: One Contract will have a Payout Criterion of greater than  $Z4 - 0.300-75$ .

(3) Binary Contract 3: One Contract will have a Payout Criterion of greater than  $Z4 - 0.200-50$ .

(4) Binary Contract 4: One Contract will have a Payout Criterion of greater than  $Z4 - 0.100-25$ .

(5) Binary Contract 5: One Contract will have a Payout Criterion of greater than  $Z4$ .

(6) Binary Contract 6: One Contract will have a Payout Criterion of greater than  $Z4 + 0.100-25$ .

(7) Binary Contract 7: One Contract will have a Payout Criterion of greater than  $Z4 + 0.200-50$ .

(8) Binary Contract 8: One Contract will have a Payout Criterion of greater than  $Z4 + 0.300-50$ .

(9) Binary Contract 9: One Contract will have a Payout Criterion of greater than  $Z4 + 0.401-00$ .

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

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

CLOSE

(1) Binary Contract 1: One Contract will have a Payout Criterion of greater than  $Z5 - 0.401-00$ .

~~0.300.75.~~ (2) Binary Contract 2: One Contract will have a Payout Criterion of greater than Z5 –

~~0.200.50.~~ (3) Binary Contract 3: One Contract will have a Payout Criterion of greater than Z5 -

~~0.100.25.~~ (4) Binary Contract 4: One Contract will have a Payout Criterion of greater than Z5 –

(5) Binary Contract 5: One Contract will have a Payout Criterion of greater than Z5.

~~0.100.25.~~ (6) Binary Contract 6: One Contract will have a Payout Criterion of greater than Z5 +

~~0.200.50.~~ (7) Binary Contract 7: One Contract will have a Payout Criterion of greater than Z5 +

~~0.300.75.~~ (8) Binary Contract 8: One Contract will have a Payout Criterion of greater than Z5 +

~~0.401.00.~~ (9) Binary Contract 9: One Contract will have a Payout Criterion of greater than Z5 +

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

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

CLOSE

~~0.401.00.~~ (1) Binary Contract 1: One Contract will have a Payout Criterion of greater than Z6 –

~~0.300.75.~~ (2) Binary Contract 2: One Contract will have a Payout Criterion of greater than Z6 –

~~0.200.50.~~ (3) Binary Contract 3: One Contract will have a Payout Criterion of greater than Z6 -

~~0.100.25.~~ (4) Binary Contract 4: One Contract will have a Payout Criterion of greater than Z6 –

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

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(6) Binary Contract 6: One Contract will have a Payout Criterion of greater than Z6 + ~~0.100~~.25.

(7) Binary Contract 7: One Contract will have a Payout Criterion of greater than Z6 + ~~0.200~~.50.

(8) Binary Contract 8: One Contract will have a Payout Criterion of greater than Z6 + ~~0.300~~.75.

(9) Binary Contract 9: One Contract will have a Payout Criterion of greater than Z6 + ~~0.401~~.00.

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

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

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

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

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

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

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

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

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

(n) EXPIRATION VALUE – The Expiration Value is the price or value of GBP/JPY as released by the Source Agency on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking the last twenty-five (25) Midpoints between the bid/ask spread (ten pips wide or less) just prior to the close of trading of the GBP/JPY Binary Contract and removing the highest five (5) Midpoints and the lowest (5) Midpoints, using the remaining fifteen (15) GBP/JPY Midpoints to

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calculate the Expiration Value. The calculation used is a simple average of all fifteen (15) GBP/JPY Midpoints, rounded to one decimal point past the precision of the underlying market. A Midpoint is calculated by adding the bid price and the ask price together and then dividing that number by two (2). For example, if the bid price is 121.00 and the ask price is 121.02, the two numbers are added together (totaling 242.02) and then divided by two (2), equaling a Midpoint of 121.01. If the spread between a particular bid price and ask price is deemed too wide (greater than ten (10) pips), or if it is a consecutive duplicate bid/ask quote, those prices will not be used to calculate a Midpoint and will thus not be included within the 25 initially captured values.

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

RULE 12.42 – 12.78 [UNCHANGED]

*End of Rulebook.*

*The remainder of this page is intended to be left blank.*

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## **EXHIBIT C**

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**NADEX**

# Nadex Fee Schedule

## NADEX FEE SCHEDULE

### DIRECT TRADING MEMBERS

#### Membership Fee:

Nadex does not charge a Membership fee to join the Exchange.

#### Initial Deposit:

Direct Trading Members are required to make an initial deposit of at least \$100; no minimum balance is required thereafter.

#### Transaction Fees:

Nadex charges no fee for orders placed, cancelled or amended.

Direct Trading Members REGISTERED ON OR AFTER AUGUST 18, 2011\* incur an Exchange trading fee per contract per side for each contract executed based on order size according to the following schedule:

- \$0.90 for each lot traded from 1 up to and including 10 lots,
- An additional \$0.00 for each lot over 10 lots.

Direct Trading Members REGISTERED ON OR BEFORE AUGUST 17, 2011\* incur an Exchange trading fee of \$1.00 per contract per side for each trade executed on Nadex; on orders of 7 contracts or more, trading fees in connection with the execution of that order are capped at \$7.00.

#### Settlement Fees:

Nadex charges no fee for contracts that settle out-of-the-money.

Direct Trading Members REGISTERED ON OR AFTER AUGUST 18, 2011\* incur an Exchange settlement fee per contract per side for each contract that settles in-the-money based on the position size at expiration according to the following schedule:

- \$0.90 for each lot settled in-the-money from 1 up to and including 10 lots,
- an additional \$0.00 for each lot settled in-the-money over 10 lots.

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

Direct Trading Members REGISTERED ON OR BEFORE AUGUST 17, 2011\* incur an Exchange settlement fee of \$1.00 per contract per side for each contract that settles in-the-money (note that positions that settle with a payout of less than \$1.00 are not charged a settlement fee).

#### API Connection:

Direct Trading Members connecting via API incur a FIX connection fee of \$500. This connection fee is due prior to connection to the User Acceptance Testing ("UAT") environment.

If the API connection of a Direct Trading Member is terminated and that Direct Trading Member seeks to reconnect via API, the member will be required to pay a recertification fee of \$500 and recertify the connection.

The \$500 FIX connection fee (or recertification fee) is eligible to be rebated, in the amount of Transaction Fees incurred by the Direct Trading Member connecting via API (after any volume-based rebates) provided the Direct Trading Member meets or exceeds the minimum volume expectation of 200 contracts, from the date of connection (or reconnection) to the Nadex production environment through the first full calendar month following such connection (or reconnection). This rebate shall not exceed the amount of the relevant FIX connection fee (or recertification fee).

Automated Trading via API Connection:

Automated trading by Trading Members via API connection incurs a Exchange trading fee of \$1.50 per contract per side for each trade executed.

Settlements in connection with automated trading by Trading Members via API connection incur an Exchange settlement fee of \$1.00 per contract per side for each contract that settles in-the-money. If the per-contract payout is greater than \$0, but the total fee to be charged for the net position exceeds the total settlement payout for that position, Nadex will reduce its fee to the amount of the total settlement payout for that position (that is, Nadex will not charge a settlement fee that exceeds a settlement payout).

Settlements in connection with automated trading by Trading Members via API connection incur no fee for contracts that settle out-of-the-money.

The placement, cancellation or amendment of orders in connection with automated trading by Trading Members via API connection incurs no fee.

Nadex provides a volume-based rebate of transaction fees to Direct Trading Members connecting via API based on the number of Bull Spread Contracts traded during any one-month period (first trading day of a calendar month through the last trading day of that month) according to the following schedule:

- 5,000 or fewer Bull Spread lots traded in a one-month period = no rebate for that month;
- 5,001 to 10,000 Bull Spread lots traded in a one-month period = 33% rebate on the Direct Trading Member's total fees (trade fees plus settlement fees) for Bull Spreads traded during that month;
- More than 10,000 Bull Spread lots traded in a one-month period = 50% rebate on the Direct Trading Member's total fees (trade fees plus settlement fees) for Bull Spreads traded during that month.

Nadex does not provide a volume-based rebate of transaction fees to Direct Trading Members connecting via API for Binary Contracts traded.

### FCM MEMBERS

#### Membership Fee:

Nadex does not charge a FCM Membership fee to join the Exchange.

#### Minimum Balance:

FCM Members are required to make an initial deposit of at least \$100,000 and to maintain a minimum balance of uncommitted funds of \$50,000.

#### Transaction Fees:

Nadex charges no fee for orders placed, cancelled or amended.

FCM Members incur an Exchange trading fee per contract per side for each contract executed based on order size according to the following schedule:

- \$0.35 for each lot traded from 1 up to and including 30 lots
- an additional \$0.30 for each lot traded from 31 up to and including 50 lots, and
- an additional \$0.25 for each lot traded over 50 lots.

#### Settlement Fees:

FCM Members incur an Exchange settlement fee per contract per side for each contract that settles in-the-money based on the position size at expiration according to the following schedule:

- \$0.35 for each lot settled in-the-money from 1 up to and including 30 lots
- an additional \$0.30 for each lot settled in-the-money from 31 up to and including 50 lots, and
- an additional \$0.25 for each lot settled in-the-money over 50 lots.

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

Nadex charges no fee for contracts that settle out-of-the-money.

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

## MARKET MAKERS

### Membership Fee:

Nadex does not charge Market Makers a membership fee.

### Minimum Balance:

Market Makers are required to make an initial deposit of at least \$500,000 and to maintain a minimum balance of uncommitted funds of \$250,000 to collateralize the trades executed on Nadex.

### Transaction Fees:

Nadex charges no fee for Market Maker orders placed, cancelled or amended.

Nadex charges its non-intermediated Market Makers an Exchange trading fee of \$0.50 per contract per side for each trade executed on Nadex.

### Settlement Fees:

Nadex charges its non-intermediated Market Makers an Exchange settlement fee of \$0.50 per contract per side for each contract that settles in-the-money. Note that for Market Makers registered on or before August 17, 2011\* positions that settle with a payout of less than \$0.50 are not charged a settlement fee and that for Market Makers registered on or after August 18, 2011\*, if the per-contract settlement payout is greater than \$0, but the total fee to be charged for the position exceeds the total settlement payout for that position, Nadex will reduce its fee to the amount of the total settlement payout for that position (that is, Nadex will not charge a settlement fee that exceeds a settlement payout).

Nadex charges no fee for contracts that settle out-of-the-money.

## SYSTEM PROVIDERS

Nadex is interested in discussing partnership opportunities with systems providers.

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

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

NADEX FEE SCHEDULE CHART 1: DIRECT MEMBERS AND FCM MEMBERS REGISTERED ON OR BEFORE AUGUST 17, 2011

TRADING FEES

Direct Member Exchange Trading Fees

Lots Traded	Fees Per Side
Lots 1-7	\$1.00
Lots 7 and above	\$0.00 (i.e., \$7.00 capped)

FCM Member Exchange Trading Fees

Lots Traded	Fees Per Side
All lots traded	\$0.35

Direct Trading Member Connecting via API Trading Fees

Lots Traded	Fees Per Side
All lots traded	\$1.50

SETTLEMENT FEES

Direct Member Settlement Fees\*

Lots Settled in-the-money	Fees Per Side
All lots settled in-the-money	\$1.00

FCM Member Settlement Fees\*

Lots Settled in-the-money	Fees Per Side
All lots settled in-the-money	\$0.35

Direct Trading Member Connecting via API Settlement Fees\*

Lots Settled in-the-money	Fees Per Side
All lots settled in-the-money	\$1.00

REBATES

Direct Trading Member Connecting via API Rebates\*\*

Bull Spread Lots Traded per Calendar Month (first trading day of the month through last trading day of the month)	Rebate on total fees (trading fees plus settlement fees) for that month
Less than 5,000 Bull Spreads lots traded	0%
5,001 < Bull Spread Lots traded < 10,000	33%
More than 10,000 Bull Spread lots traded	50%

\* Note that positions that settle with a payout of less than \$1.00 for Direct Trading Members, and less than \$0.35 for FCM Members, are not charged a settlement fee.

\*\*There are no rebates to Direct Trading Members connecting via API for Binary Contracts traded.

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NADEX FEE SCHEDULE CHART 2: DIRECT MEMBERS AND FCM MEMBERS REGISTERED ON OR AFTER AUGUST 18, 2011\*

TRADING FEES

Direct Member Exchange Trading Fees

Lots Traded	Fees Per Side
Lots 1-10	\$0.90
Lots 11 and above	\$0.00 (i.e., \$9.00 capped)

FCM Member Exchange Trading Fees

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

Direct Trading Member Connecting via API Trading Fees

Lots Traded	Fees Per Side
All lots traded	\$1.50

SETTLEMENT FEES

Direct Member Settlement Fees\*\*

Lots Settled in-the-money	Fees Per Side
Lots 1-10	\$0.90
Lots 11 and above	\$0.00 (i.e., \$9.00 capped)

FCM Member Settlement Fees\*\*

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

Direct Trading Member Connecting via API Settlement Fees\*\*

Lots Settled in-the-money	Fees Per Side
All lots settled in-the-money	\$1.00

REBATES

Direct Trading Member Connecting via API Rebates\*\*\*

Bull Spread Lots Traded per Calendar Month (first trading day of the month through last trading day of the month)	Rebate on total fees (trading fees plus settlement fees) for that month
Less than 5,000 Bull Spreads lots traded	0%
5,001 < Bull Spread Lots traded < 10,000	33%
More than 10,000 Bull Spread lots traded	50%

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

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

\*\*\*There are no rebates to Direct Trading Members connecting via API for Binary Contracts traded.

