

**EXHIBIT A**

<b>Rule</b>	<b>Asset</b>	<b>Duration/ Close Time</b>	<b>Action</b>	<b>Effective Date</b>
1.1	Definitions	N/A	Add definitions for Foreign Bank and Correspondent Account; remove subsection indexing	9/11/2014
3.1	Trading Members – Applications, Classifications, and Privileges	N/A	Amend requirements for individual Membership	9/11/2014

## **EXHIBIT B**

### Amendment of Rules 1.1, and 3.1

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

#### RULE 1.1 DEFINITIONS

When used in these Rules:

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

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

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

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

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

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

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

~~(h)~~—“**Correspondent Account**” means an account as that term is defined in 31 CFR 1010.605(c).

~~(i)~~—“**Customer**” means a Commodity Customer, a Cleared Swap Customer, a FCM Member or a Trading member of Nadex, as the context requires. In this regard,

(i) “Commodity Customer” has the meaning set forth in Commission Regulation 1.3(k);

(ii) “Cleared Swap Customer” has the meaning set forth in Commission regulation 22.1;

(iii) “DCO Customer” has the same meaning as the definition “customer” set forth in Commission Regulation 190.01(l) and section 761(9) of the Bankruptcy Code and includes FCM Members and Trading Members of Nadex.

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

~~(k)~~ “**End Date**” means the last day on which a delivery month will be used as the Underlying for Nadex contracts.

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

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

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

~~(o)~~ “**FCM Member**” means any Member that is registered with the Commission as a Futures Commission Merchant and as a swap firm and is authorized by Nadex to intermediate orders of Commodity Customers or Cleared Swap Customers on the Market.

~~(p)~~ “**Financial Institution**” means a financial institution as that term is defined in 31 CFR 1010.100(t) that is required to comply with the regulations issued by the United States Department of Treasury under the Bank Secrecy Act including, but not limited to, the anti-money laundering program and customer identification program rules.

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

“**Foreign Bank**” means a bank as that term is defined in 31 CFR 1010.100(u).

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

~~(s)~~ “**Long Variable Payout Contract**” means (i) the right to receive at the time the Contract is closed or on the Settlement Date any positive number resulting from subtracting the Opening Trade Value from (A) the Closing Trade Value, if the Variable Payout Contract was

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

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

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

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

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

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

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

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

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

(aa) **“Settlement Value”** means the amount paid to the holders of in-the-money Contracts. The minimum Settlement Value of a Binary Contract is \$100. The Settlement Value

of a Variable Payout Contract is determined as described in the definition for Long and Short Variable Payout Contracts.

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

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

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

~~(ee)~~ **“Start Date”** means the date on which a new delivery month will be used as the Underlying for Nadex contracts.

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

~~(gg)~~ **“Trading Member”** means a Person who has been approved by Nadex to trade directly and not through a FCM Member on the Market, and does not include any FCM Member.

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

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

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

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

RULES 2.1 – 2.10 [UNCHANGED]

RULE 3.1 TRADING MEMBERS - APPLICATIONS, CLASSIFICATIONS, AND PRIVILEGES

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

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

~~1) — reside in the United States;~~<sup>1)</sup> provide Nadex with any information or documentation Nadex deems necessary in order to verify the applicant's identity, perform a criminal background check, or otherwise review information provided on an Application for Membership or by a third party provider<sup>1</sup>;

~~2) — provide Nadex with a valid Social Security Number;~~

~~3)~~<sup>2)</sup> have an account or accounts in the Trading Member's name with a Financial Institution that the Trading Member will use to fund its Nadex account at the Nadex settlement bank, and to receive funds from its Nadex account, or, if the Trading Member is a non-United States resident, have an account or accounts in the Trading Member's name with either a US Financial Institution or a Foreign Bank that the Trading Member will use to fund its Nadex account at the Nadex settlement bank, and to receive funds from its Nadex account, through a Correspondent Account, via one of the acceptable methods as stated on the Nadex website<sup>2</sup>; and

~~4)~~<sup>3)</sup> certify that

(A) the applicant is old enough to enter into a legally enforceable contract and has reached the required age as stated on the Membership Agreement;

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

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

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

(ii) An applicant that is an entity must

(1) be organized in the United States;

---

<sup>1</sup> Required documentation may vary depending on the applicant's residential location. Specific residential locations from which Nadex may accept applications for Membership will be identified on the Nadex Membership application.

<sup>2</sup> All funds deposited into the Trading Member's Nadex account at the Nadex settlement bank shall be in U.S dollars. All withdrawal payments from the Trading Member's Nadex account will also be made in U.S. dollars.

- (2) provide Nadex with a valid Taxpayer Identification Number;
- (3) provide Nadex with a valid Legal entity Identifier as described in Commission Regulation §45.6;

(4) have an account or accounts in the Trading Member's name with a Financial Institution that the Trading Member will use to fund its Nadex account at the Nadex settlement bank, and to receive funds from its Nadex account, via one of the acceptable methods as stated on the Nadex website; and

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

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

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

(8) certify that

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

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

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

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

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

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

(iii) to maintain a Nadex account;

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

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

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

(vii) to receive access to the Market via the FIX Gateway, provided the Trading Member executes a Nadex FIX Connection Agreement, agrees to pay any and all trading and other fees or charges incurred for such access and complies with any requirements or restrictions established by Nadex in connection with such access;

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

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

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

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

RULES 3.2 – 12.78 [UNCHANGED]

*Remainder of page left blank*