

**NORTH AMERICAN
DERIVATIVES EXCHANGE, INC.
NADEX**

TERMS AND CONDITIONS

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TERMS AND CONDITIONS

INTRODUCTION

THESE ARE THE NORTH AMERICAN DERIVATIVES EXCHANGE, INC. ("NADEX" OR "EXCHANGE") TERMS AND CONDITIONS. THESE TERMS AND CONDITIONS CONTAINS AGREEMENTS, POLICIES, AND DISCLOSURES GOVERNING MEMBERSHIP ON THE EXCHANGE.

THESE DOCUMENTS, ALONG WITH THE NADEX RULEBOOK, CONSTITUTE THE KEY CONTRACTUAL AND REGULATORY FRAMEWORK APPLICABLE TO NADEX MEMBERS AND USERS OF THE NADEX WEBSITE AND TRADING SYSTEM. THEY PROVIDE INFORMATION ABOUT HOW THE NADEX MARKET (THE "MARKET") OPERATES AND OF EACH MEMBER'S RIGHTS AND OBLIGATIONS.

NADEX OPERATES TWO BRANDS FOR ITS CFTC-REGULATED BUSINESS: AND OG.COM (OG OR OG PREDICTION MARKETS) AND CRYPTO.COM | DERIVATIVES NORTH AMERICA.

1. TERMS OF USE

THESE TERMS OF USE APPLY TO YOUR USE OF THE WEBSITE AND MOBILE APPLICATION OFFERED BY THE NORTH AMERICAN DERIVATIVES EXCHANGE, INC. ("NADEX").

BY USING THE NADEX WEB SITE, YOU ACCEPT AND AGREE TO COMPLY WITH THESE TERMS OF USE. IF YOU DO NOT AGREE, DO NOT USE THIS SITE. ACCESS TO SOME PORTIONS OF THIS SITE IS RESTRICTED TO MEMBERS OF THE NADEX EXCHANGE.

OWNERSHIP OF CONTENT

Except as otherwise noted, all text, graphics, user interfaces, visual interfaces, trademarks, logos, and computer code (collectively "Content"), including but not limited to the design, structure selection, coordination, expression, "look and feel" and arrangement of such Content, contained on the NADEX Website ("this Site") is owned by or licensed to NADEX, and is protected by state, federal and/or foreign trademark, trade dress, copyright, patent and trade secret and all other applicable laws and treaty provisions. ALL RIGHTS RESERVED. All other trademarks, service marks, registered trademarks, product and service names, and company names or logos (collectively "Third Party Content") not owned by NADEX that appear on the Site are the property of their respective owners ("Third Parties"). NADEX is not affiliated with such Third Parties and neither the Third Parties, nor their affiliates, sponsor or endorse NADEX in any way. NADEX does not sponsor or endorse Third Parties, nor their affiliates or Third-Party Content in any way.

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If you want to put a link to this Site's Home Page in another Web site, please notify us in advance of your intention to do so and request approval from [NADEX](#) by writing to compliance@nadex.com.

RESTRICTED ACTIVITIES AND COMPLIANCE WITH LAWS

Your information and your activities on the Site shall not: (a) be false, inaccurate or misleading; (b) be fraudulent or involve the sale of counterfeit or stolen items or items you do not have the right to sell; (c) infringe or misappropriate any third party's intellectual property rights (including copyrights, patents, trademarks, and trade secrets) or other proprietary rights or rights of publicity or privacy; (d) violate any law, statute, ordinance or regulation (including, but not limited to, those governing export control, consumer protection, unfair competition, antidiscrimination or false advertising); (e) be defamatory, trade libelous, unlawfully threatening or unlawfully harassing; (f) be obscene or contain pornography (g) contain any viruses, Trojan horses, worms, time bombs, cancelbots, easter eggs or other computer programming routines that may damage, detrimentally interfere with, surreptitiously intercept or expropriate any system, data or personal information; and (h) create liability for NADEX or cause NADEX to lose (in whole or in part) the services provided herein.

PRIVACY

NADEX recognizes that when you choose to provide us with certain information about yourself, you trust us to act in a responsible manner. That is why we have put in place a Privacy Policy to protect your personal information. You should review this document before providing any personal data on the Site. Please read our Privacy Policy.

LIMITATION OF LIABILITY

YOU UNDERSTAND AND AGREE THAT NADEX AND ITS OFFICERS, DIRECTORS, AGENTS, SUBSIDIARIES, JOINT VENTURES AND EMPLOYEES (COLLECTIVELY "AFFILIATES") WILL NOT BE LIABLE TO YOU OR TO THIRD PARTIES, OR HAVE ANY RESPONSIBILITY WHATSOEVER, FOR: (A) ANY LOSSES ARISING OUT OF OR RELATING TO A CAUSE OVER WHICH NADEX OR ITS AFFILIATES DO NOT HAVE DIRECT CONTROL, INCLUDING THE FAILURE OF ELECTRONIC OR MECHANICAL EQUIPMENT OR COMMUNICATION LINES, TELEPHONE OR OTHER INTERCONNECT PROBLEMS, UNAUTHORIZED ACCESS, THEFT, OPERATOR ERRORS, GOVERNMENT RESTRICTIONS, FORCE MAJEURE (E.G., EARTHQUAKE, FLOOD, SEVERE OR EXTRAORDINARY WEATHER CONDITIONS, NATURAL DISASTERS OR OTHER ACT OF GOD, FIRE, ACTS OF WAR, TERRORIST ATTACKS, INSURRECTION, RIOT, STRIKES, LABOR DISPUTES OR SIMILAR PROBLEMS, ACCIDENT, ACTION OF GOVERNMENT, COMMUNICATIONS, SYSTEM OR POWER FAILURES AND EQUIPMENT OR SOFTWARE MALFUNCTION), EXCHANGE OR MARKET RULINGS OR SUSPENSION OF TRADING; OR (B) ANY SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL, PUNITIVE DAMAGES (INCLUDING LOST PROFITS OR TRADING LOSSES) THAT YOU MAY INCUR IN CONNECTION WITH YOUR USE OF THIS SITE PROVIDED BY NADEX UNDER THIS AGREEMENT, EVEN IF AFFILIATES HAVE BEEN ADVISED OF THE POSSIBILITY THEREOF.

NO WARRANTIES

NADEX PROVIDES THIS SITE "AS IS" AND WITHOUT ANY WARRANTY, TERM OR CONDITION, EXPRESS, IMPLIED OR STATUTORY. NADEX SPECIFICALLY DISCLAIMS ANY IMPLIED WARRANTIES OF TITLE, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND NON-INFRINGEMENT. ADDITIONALLY, NADEX MAKES NO REPRESENTATIONS OR WARRANTIES THAT THE SITE WILL BE ACCESSIBLE CONTINUOUSLY AND WITHOUT INTERRUPTION, OR ERROR-FREE.

ACCURACY OF INFORMATION

You acknowledge that NADEX neither assumes responsibility for nor guarantees the accuracy, currency, completeness or usefulness of any information, commentary, quotations, recommendations, advice, investment ideas or other materials that may be accessed by you through this Site. This includes bulletin boards, message boards, chat services or other online conference or telecast by third party providers through the Site. NADEX expressly disclaims any liability for such third-party statements under criminal or civil laws relating to defamation, intellectual property infringement, privacy, obscenity, or other areas of law. If you choose to rely on such information, you do so solely at your own risk. You understand that the research, analysis, news or other information made available through this Site is not personalized or in any way tailored to reflect your personal financial circumstances or investment objectives, and the instruments and investment strategies discussed may not be suitable for you.

LINKED WEBSITES

You acknowledge that when you access certain links on the Site you will leave the Site. NADEX does not review any of the Web sites linked to this Site and does not endorse or accept any responsibility for the content of such Web sites or the products, services or other items offered through such Web sites, and therefore advises you that your access by link to third party sites is at your own risk.

SUBMISSION OF IDEAS

It is a policy of NADEX not to accept the submission of ideas, suggestions, improvements, concepts, techniques (collectively "Submissions") from the general public, unless a Membership Agreement is signed prior to or in conjunction with such Submission. If you decide to send a Submission to NADEX prior to signing

a Membership Agreement, you do so at your own risk. ANY SUBMISSIONS THAT YOU SEND TO NADEX PRIOR TO SIGNING THE MEMBERSHIP AGREEMENT WILL BE DEEMED NON-CONFIDENTIAL AND IN THE PUBLIC DOMAIN. NADEX WILL DEEM ITSELF FREE TO USE THEM WITHOUT ACKNOWLEDGING OR COMPENSATING YOU IN ANY WAY.

NO ADVICE

You acknowledge that the Site does not provide you with any legal, tax, estate planning or accounting advice or advice regarding the suitability, profitability or appropriateness for you of any security, investment, financial product, investment strategy or other matter. You acknowledge that NADEX employees are not authorized to give any such advice, and you will neither solicit nor rely on any investment advice from any NADEX employee. Unless otherwise specified, any information provided through this Site will not be used or considered by you as a recommendation that you buy, sell or hold a particular financial instrument or pursue any particular investment strategy. This information is not an offer, or a solicitation of an offer, to buy or sell any particular financial instrument from NADEX.

ENTIRE AGREEMENT FOR NON-MEMBERS

For users who are not Members of the NADEX Exchange, these Terms of Use constitute the entire agreement between you and us relating to your access to and use of the Site and supersede any prior or contemporaneous representations or agreements, oral or written. Any rights not expressly granted by these Terms of Use are reserved by NADEX. These Terms of Use may not be modified except by use as set forth in the Amendments section below. In addition to this Terms of Use, Members of the NADEX Exchange are bound by additional Terms and Conditions including, but not limited to the Membership Agreement, Risk Disclosure Document and Privacy Policy.

AMENDMENTS

NADEX reserves the right, at its sole discretion, to change, modify, add or remove portions of these Terms of Use, at any time. It is your responsibility to check these Terms of Use periodically for changes. Your continued use of this Site following the posting of changes will mean that you accept and agree to the changes.

VOID WHERE PROHIBITED

NADEX administers and operates the www.nadex.com Site from its location in Chicago, Illinois, USA, and NADEX makes no representations regarding the legality of access to or use of the Site or the Content from other countries. Although the Site is accessible worldwide, not all features, products or services discussed, referenced, provided or offered through or on the Site are available to all persons or in all geographic locations, or appropriate or available for use outside the United States. NADEX reserves the right to limit, in its sole discretion, the provision and quantity of any feature, product or service to any person or geographic area. Any offer for any product or service made on the Site is void where prohibited. If you access the Site from outside the United States, you do so at your own risk and you are solely responsible for complying with applicable local country and US export laws.

GOVERNING LAW

These Terms of Use shall be construed in accordance with, and all disputes hereunder shall be governed by, the laws of the State of Illinois, as applied to contracts made and to be performed in Illinois, without applying conflict of law rules.

DISPUTE RESOLUTION

All disputes arising out of or relating to these Terms of Use or the Site shall be resolved by binding arbitration held in Cook County, Illinois, USA, pursuant to the Commercial Arbitration Rules of the American Arbitration Association, except that NADEX is not required to arbitrate any dispute regarding confidentiality; infringement, misappropriation, or misuse of any intellectual property right; or any other claim where interim relief from a court is sought to prevent serious and irreparable injury to NADEX or any other person or entity.

SEVERABILITY

If any provision of these Terms of Use is ruled invalid or otherwise unenforceable, it shall be deemed amended in order to achieve as closely as possible the same effect as originally drafted. Any invalid or unenforceable portion should be construed as narrowly as possible in order to give effect to as much of these Terms of Use as possible.

2. Direct Market Access Terms of Business

PLEASE CAREFULLY READ AND MAKE SURE YOU UNDERSTAND THESE TERMS OF BUSINESS, INCLUDING ALL DOCUMENTS INCORPORATED BY REFERENCE (THE “TERMS OF BUSINESS”), BEFORE SIGNING TO INDICATE YOUR AGREEMENT TO BE BOUND BY THESE TERMS OF BUSINESS

1. INTRODUCTION

Welcome to the North American Derivatives Exchange, Inc. (“NADEX”), which operates two brands for its CFTC-regulated business: Crypto.com | Derivatives North America (“CDNA”) and OG.com (“OG” or “OG Prediction Markets”). NADEX is the first fully electronic, retail-focused financial trading platform in the United States. By signing the NADEX Terms and Conditions, which include these Terms of Business, You have accepted and agreed to comply with these Terms of Business, which apply to all Members accessing the NADEX System (defined below) and may be updated and restated from time to time on the NADEX website. These Terms of Business constitute a “Member Agreement” for the purposes of the documents contained these NADEX Terms and Conditions.

These Direct Market Access Terms of Business (“Terms of Business”) set forth the terms and conditions under which NADEX will grant you, the Participant, access to NADEX’s contract market facilities, including either or both of the fully collateralized and margined products exchange and clearing environments (the “NADEX System”) via an interface(s) using the FIX protocol and/or other direct market access offered by an Intermediating Member of NADEX (collectively “Direct Market Access Connectivity”).

IN THESE TERMS OF BUSINESS, the terms “you” and “your” refer to the Participant seeking to access the NADEX System using the Direct Market Access Connectivity. For entities, each employee or associated person acting on behalf of said entity is also incorporated into the definition of both of these terms. Capitalized terms not defined within these Terms of Business have the meaning set forth in the NADEX Rulebook, available on the NADEX website (the “NADEX Rules”), as may be amended from time to time.

2. SCOPE OF TERMS OF BUSINESS

The NADEX System is the electronic platform that gives authorized Participants access to both of NADEX’s electronic markets for margined and fully collateralized derivative instruments (“Contracts”). The NADEX System includes the NADEX website, matching engine, market information, clearing and any other services (whether in production or test environments) offered by NADEX and its third-party service providers. Access to, and use of, the NADEX System are subject to your compliance with the terms and conditions set forth in these Terms of Business, any agreement between the Participant and its Intermediating Member and/or Clearing Member, the NADEX Rules, and the rules and regulations of the U.S. Commodity Futures Trading Commission.

3. PARTICIPANT ACKNOWLEDGEMENTS AND OBLIGATIONS

You understand that by accessing the NADEX System, you have agreed to the terms and conditions of these Terms of Business, the NADEX Rules, and are subject to any applicable law, rule or regulation, including, but not limited to the Commodity Exchange Act, as may be amended from time to time (the “Act”) and the rules and regulations of the Commodity Futures Trading Commission (“CFTC” or “Commission”) as may be amended from time to time (collectively, “Applicable Law”). You agree that no NADEX employee, director,

officer, agent, subsidiary or joint venture ("Affiliate") shall be liable to you for any commercially reasonable action such Affiliate takes in order to comply with the Rules or Applicable Law.

You agree to abide by all of the Rules and Applicable Laws with respect to the Direct Market Access Connectivity and to supervise the activities of your employees and agents to use reasonable diligence to ensure, among other things, that the use of the NADEX Trading System will be by you and not by any unauthorized person.

You understand and agree that you may not access the NADEX System to:

- Post or transmit any messages or content that violate any applicable local, state, national, international or foreign law, rule or regulation, including the rules and regulations promulgated by any Regulatory Agency;
- Engage in any conduct or practice inconsistent with the NADEX Rules; or
- Engage in any conduct or practice inconsistent with just and equitable principles of trade or conduct or practices detrimental to the best interests of the Market and/or its Participants.

You agree that all communications with NADEX, including keystrokes or messages submitted by you on the NADEX System and any telephone calls between you and NADEX may be recorded without further notice, and such recordings may be provided to any Regulatory Agency (in conformance with applicable laws and regulations) and used as evidence in the event of any dispute. Such recordings will be and remain the sole property of NADEX and will, in the absence of manifest error, be accepted by you as evidence of the communications so recorded. The period of retention of such recordings shall be at the sole discretion of NADEX, which will act in conformity with applicable laws and regulations.

4. AUTHORIZED ACCESS TO NADEX SYSTEM

NADEX is making available to you and/or to your Intermediating Member, as applicable, an interface(s) through which you may access the NADEX System using the Direct Market Access Connectivity. This access is being made available for the activities and/or information related to certain Contracts under the terms and conditions stated in these Terms of Business and in the NADEX Rules. The number and type of interfaces being made available to you are described in the attached Schedule A.

You will be provided with a Username in order to gain access to the NADEX System. You are responsible for ensuring that only authorized users will access the NADEX System.

As a condition of granting you access to the NADEX System, you agree to:

- Authorize NADEX to rely upon any instruction received through use of your access to the NADEX System or through any written notice, request, direction or other document reasonably believed to be genuine and to have been signed or presented by you or on your behalf by your authorized representative without further inquiry, and NADEX shall not be liable to you even if such instructions were not authorized by you; and
- Immediately notify NADEX if you become aware of any deliberate or inadvertent unauthorized use of the NADEX System and you agree to cooperate with NADEX in investigating any unauthorized use.

You understand that NADEX in its sole discretion may suspend, condition or revoke your access to the NADEX System, including, without limitation, your access to the NADEX System using the Direct Market Access Connectivity, for any reason.

5. THE NADEX ELECTRONIC TRADING SYSTEM

NADEX is permitting you to access the NADEX System for activities and/or information related to certain Contracts under the terms and conditions stated in these Terms of Business, any agreement between the Participant and its Intermediating Member, and in the NADEX Rules. You understand that the NADEX System may be accessed only through the Internet or through a dedicated private circuit, and there are separate environments for fully collateralized and margined Contracts. In accordance with the NADEX Rules, access to the NADEX System via dedicated private circuit is limited to NADEX-approved Market Makers acting in their capacity as Market Makers. In this regard, NADEX agrees to permit you and/or your Intermediating Member to build one or more interfaces to connect your computer network to the NADEX System using the Direct Market Access Connectivity.

Security. You are responsible for keeping your systems that are connected to NADEX, including all the servers, hardware, and software applications, secure at all times from unauthorized access or use and you will be responsible for any damage to the NADEX System caused by you or any unauthorized party accessing your system.

API Development, Installation, Maintenance, Modifications and Upgrades. You will be responsible for the provision of all equipment and network services necessary for connecting to the NADEX System.

In order to connect to the NADEX System via an API between your system and the NADEX System, you will be required to complete all conformance tests and procedures required by NADEX and to receive written confirmation from NADEX of such satisfactory completion of conformance testing before any use of the NADEX System in a live production environment. You acknowledge you will be both responsible and liable for any errors or failure in your implementation of the API.

You will be responsible for all maintenance and support services required in order for you to gain access to the NADEX System.

You will, from time to time, run such tests and provide such information to us as we reasonably consider necessary to establish the functionality of access to the NADEX System.

NADEX reserves the right to make such modifications, improvements or additions to the NADEX System or any part of parts thereof in NADEX's sole discretion. NADEX will provide you with reasonable notice of any such modifications, improvements or additions.

Transmission of Data. You agree that you are responsible for building and testing the interface to the NADEX System and that you are responsible for the accuracy and completeness of all information, data, instructions, orders, trades or communication of whatever means that you transmit through the interface to the NADEX System.

Any electronic transmissions of orders, confirmations or other trade related information between us will be in conformity with NADEX specifications and interpreted by and subject to the NADEX Rules, as amended from time to time.

No Liability. You understand that while the Internet and dedicated private circuits are generally dependable, technical problems or other conditions may delay or prevent you from entering or canceling an order or orders on the NADEX System, or may delay or prevent an order or orders transmitted to the NADEX System from being executed. YOU ALSO AGREE THAT NEITHER NADEX NOR ANY NADEX AFFILIATE SHALL BE LIABLE IN ANY MANNER WHATSOEVER FOR ANY LOSS OR DAMAGE SUSTAINED BY A MEMBER, INCLUDING ANY CONSEQUENTIAL LOSS, LOSS OF PROFIT OR LOSS OF TRADING OPPORTUNITY, AS A RESULT OF ANY ACTUAL OR PROPOSED TRANSACTIONS OR AS A DIRECT OR INDIRECT RESULT OF ANY SERVICES PROVIDED BY NADEX AFFILIATES (INCLUDING, WITHOUT LIMITATION, ANY FAILURE IN NADEX'S SYSTEMS OR ANY INACCURATE

INFORMATION PROVIDED BY NADEX OR ANY NADEX AFFILIATE), UNLESS THE RELEVANT NADEX PARTY IS DETERMINED BY FINAL RULING OF AN ARBITRATION PROCEEDING TO HAVE ACTED OR FAILED TO ACT IN A MANNER THAT IS GROSSLY NEGLIGENT, RECKLESS, OR FRAUDULENT. FOR THE AVOIDANCE OF DOUBT, NOTHING HEREIN IS INTENDED TO LIMIT THE LIABILITY OF ANY PERSON AS MAY BE PROVIDED IN THE CEA, THE REGULATIONS OF THE COMMISSION, OR BY ACTS OF WILLFUL OR WANTON MISCONDUCT OR FRAUD.

You acknowledge that the information concerning trading and account activity, quotes, and other information that may be provided to you by NADEX from time to time, (collectively referred to as the "Information,") is the property of NADEX and may be protected by applicable laws. You agree not to reproduce, retransmit, disseminate, sell or distribute the Information in any manner without the express written consent of NADEX and not to use the Information for any unlawful purpose.

You shall be responsible for providing and maintaining the means by which you will access the NADEX System as permitted by the NADEX Rules, which may include a dedicated private circuit, modem, virtual private network or other access line, and may be through an independent software vendor. You are responsible for all access and service fees necessary for you to connect to the NADEX System and you are responsible for all charges incurred by you in accessing the NADEX System.

6. FEES

You shall pay to NADEX the fees set forth in the fee schedule upon acceptance of the NADEX Terms and Conditions, which must be submitted to NADEX via wire transfer. You acknowledge that your Customers and/or your Intermediating Member, as applicable, will be charged fees, as set forth in the fee schedule published by NADEX from time to time, subject to any rebates set forth in the applicable agreement.

7. NOTICE

You consent to receive all communications, including but not limited to, confirmations, amendments to these Terms of Business, amendments to the NADEX Rules and policies, notices and any correspondence relating to the Direct Market Access Connectivity and these Terms of Business from NADEX, or any other written communication by, (i) electronic mail ("email") to the email address(es) provided by you to NADEX, (ii) mail through the U.S. post office to the address provided by you to NADEX, or (iii) posted on the NADEX website under the NADEX Notices section of the website. It is your responsibility to check the "NADEX Notices" section of the website on a regular basis. Confirmations of transactions sent to you shall be conclusive and final unless you notify NADEX of an error within five (5) days of NADEX sending the confirmation.

All communication from you to NADEX shall be sent by either (i) certified mail or a recognized overnight courier, upon receipt as indicated by the date on the signed receipt to the physical address posted on its website or (ii) or email to the contact addresses on its website.

8. TERMINATION

Your right to Direct Market Access Connectivity may be terminated by you or NADEX at any time by giving written notice to the other party. Upon the termination of Direct Market Access Connectivity and otherwise at the request of NADEX, you agree that you shall remain subject to the jurisdiction of NADEX with respect to any investigation or proceeding; provided that the investigation, proceeding or arbitration is commenced not more than one year after the effective date of your termination. You may remain subject to the jurisdiction of the CFTC.

The termination of your Direct Market Access Connectivity will not prejudice any accrued rights or obligations relating to any transaction effected prior to termination, or any right or remedy available to NADEX. The

obligations of confidentiality, the warranty exclusions, limitations of liability, the mandatory arbitration provision, and choice of law provision stated in these Terms of Business will survive termination as well as the suspension or restriction of your access to the NADEX System.

NADEX reserves the right to terminate or block access to the NADEX System for any reason allowable under applicable law.

9. NO WARRANTY

YOU UNDERSTAND THAT NADEX, ITS AFFILIATES, AND SUPPLIERS PROVIDE THE NADEX SYSTEM “AS IS” AND WITHOUT ANY WARRANTY OR CONDITION, EXPRESS, IMPLIED OR STATUTORY. NADEX, ITS AFFILIATES AND SUPPLIERS SPECIFICALLY DISCLAIM ANY IMPLIED WARRANTY OF TITLE, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AND NON-INFRINGEMENT.

10. ELECTRONIC TRADING RISK DISCLOSURE

There are numerous risks associated with the Contracts traded through NADEX and with the trading system itself. Notwithstanding said risks, you assume the financial and other known risks involved in intermediating the trading of these Contracts.

The risk of loss in trading Contracts on NADEX can be substantial and is a highly speculative activity involving high leverage and volatile markets. Trading through the Internet or other dedicated lines of communication involves many interrelated systems, including hardware, software, telephony, cable, and power generation, all of which are subject to failure or malfunction that may adversely affect the ability to trade. During any time that NADEX is inaccessible for whatever reason, orders may not be entered, cancelled, or modified.

Additionally, although NADEX and its systems provider(s) have taken precautions, such as redundant systems, to prevent such an occurrence, if the NADEX System suffers a catastrophic failure, your orders and their priority in the order queue could be lost. NADEX is not responsible or liable for any effect on the ability to trade caused by any malfunction of the Internet, computing systems, or their related components. You understand that at various times trading of a particular Contract on NADEX may cease due to a lack of bids or offers for that Contract and, on certain specific trading dates, a Contract will expire pursuant to its terms even if the NADEX System is not accessible. You freely assume these risks and hold NADEX, its affiliates and their respective directors, officers, employees, agents harmless against any such losses resulting from these risks.

11. MANDATORY ARBITRATION

Any controversy or claim arising out of or in connection with these Terms of Business or the performance or breach hereof, including any claim against NADEX, or any other NADEX Member, shall be settled by arbitration as set forth in the NADEX Rules.

12. CHOICE OF LAW

THESE TERMS OF BUSINESS SHALL BE CONSTRUED IN ACCORDANCE WITH, AND ALL DISPUTES HEREUNDER SHALL BE GOVERNED BY, THE LAWS OF THE STATE OF ILLINOIS AS APPLIED TO CONTRACTS MADE AND TO BE PERFORMED IN ILLINOIS, WITHOUT APPLYING CONFLICT OF LAW RULES.

3. Privacy Policy

WHY IS A PRIVACY POLICY IMPORTANT TO ME?

As part of our day-to-day business we need to collect personal information from our members and prospective members to ensure that we can meet their needs and provide them with information about our services. Your privacy is important to us and it is our policy to respect the confidentiality of information and the privacy of individuals. We are firmly committed to protecting your personal information and maintain high standards to safeguard and protect information in a fair and lawful manner. This Privacy Policy outlines how we manage your personal information supplied to us by you or a third party in connection with our provision of services to you, or which we collect from your use of our services and/or our application process, app(s) or website. This Privacy Policy also details your rights in respect to our processing of your personal information. Any personal information we hold will be governed by our most current Privacy Policy. Note that any external third-party websites to which our website or apps may provide a link are not covered by this Privacy Policy and those sites are not subject to our privacy standards and procedures. Please check with each third party as to their privacy practices and procedures. If you do not agree with the provisions set forth herein, you should not use the services provided by NADEX. Residents of the European Union/European Economic Area should read this Privacy Policy in conjunction with the [GDPR Informational Guide](#) and [Cookie Policy](#) located on the North American Derivatives Exchange, Inc. d/b/a NADEX and OG Predictions ("NADEX") at www.nadex.com.

WHAT PERSONAL INFORMATION DO WE COLLECT?

When you visit the NADEX website at www.nadex.com, communicate with us, apply for a demo account, apply for membership, access your account or transact as a member of the North American Derivatives Exchange, Inc. NADEX either on the mobile or desktop platforms, we collect and maintain certain personal non-public information as well as non-identifying information about you.

We may collect the following categories of information about you:

- **Identifiers:** name, alias, address, date of birth, unique personal identifier, online identifier, Internet Protocol (IP) address, email address, account name, social security number/national identification number, driver's license number, passport number, or other similar identifiers;
- **Customer Records Information:** name, salutation, signature, social security number, address, phone number, passport number, driver's license or state identification card number, employment, employment history, bank account number, debit card number, other financial information;
- **Commercial Information:** products or services purchased, obtained, or considered for purchase from NADEX, trading performance;
- **Internet or Other Electronic Network Activity Information:** browser types, browsing history, search history, device identifier, ISPs, operating systems, page visits, login data, timestamp, usage, data from cookies, pixel tags, and web beacons, and information regarding your interaction with the NADEX website, trading platform, application, or advertisements;
- **Geolocation Data;**
- **Audio, Electronic, Visual, or Similar Communication Information;**
- **Professional or Employment-Related Information;**
- **Inferences and Information Relating to Investigations;**
- **Inferences drawn from other personal information:** profile information reflecting a person's preferences, characteristics, predispositions, and abilities;
- **Identification Verification Documentation:** Copies of identification documents including but not limited to your Driver's License, State Identification Card, Passport, Social Security Card, Utility Bills, Bank Account Statements/Transaction History or other proof of residential address, corporate documents (if applicable); and

- Any other similar information.

We obtain the personal information listed above from the following categories of sources: from you, directly and indirectly, and from our service providers, business partners, affiliates, consumer reporting agencies, social media networks, and advertising networks. We obtain this information in a number of ways through your use of our services or other dealings with us including through our website, apps, membership application process, demo account applications, webinar sign up forms, subscriptions for news updates, any other forms, contact customer service or use other customer support tools, post comments to an online community(ies), provide information to our vendors, visit any page online that displays our ads or content, and from information provided in the course of ongoing customer service and compliance correspondence, and from observing your actions on our website and/or mobile app. We may also collect this information about you from third parties or publicly available sources.

We collect and maintain information you enter into the online application prior to submission of the application, to enable you to complete the application at a later time, and to contact you with news, marketing, and other relevant information.

We also collect and maintain information about your transactions with us, such as your account balance, trading activity and deposit and withdrawal history of your account. This information helps us administer your account and provide you with better service.

We collect and maintain information about you from consumer reporting agencies and other organizations in order to verify your identity and source of funds. We also collect and maintain your personal information in accordance with regulatory requirements and other state and federal requirements based on our status as a Designated Contract Market and Derivatives Clearing Organization doing business in the United States.

We may collect and maintain information about you through your use of our website, apps or through the use of cookies on our website or apps. We also use various Google and Adobe tools such as Google Analytics, Google Ad Manager, Google Search Console, Adobe Analytics, and Adobe Audience Manager to collect and analyze information about how the NADEX website is used. Cookies are small pieces of text that may be placed on your computer's hard drive through your web browser when you access a website. Your browser stores cookies in a manner associated with each website you visit. We use cookies to assist us in securing your trading activities, for analytics purposes, and to enhance the performance of our website. For additional information on the types of cookies NADEX uses and how they are used, please see the [Cookie Policy](#) on the NADEX website.

When you use or connect to a NADEX website or download a mobile app by or through a third party platform, such as Facebook or other social networking site, you allow us to access and/or collect certain information from your third party platform profile/account (such as your Facebook account) or via any cookies placed on your device by such third party platform as permitted by the terms of the agreement and your privacy settings with the third party platform. We will share such information with the third-party platform for their use as permitted by the terms of the agreement and your privacy setting with the third-party platform.

Additionally, we may record any communications, electronic, by telephone, in person or otherwise, that we have with you in relation to the services we provide to you and our relationship with you. These recordings will be our sole property and will constitute evidence of the communications between us. Such communications may be recorded without the use of a warning tone or any other further notice.

By using any part of the NADEX System, as that term is defined in the NADEX Membership Agreement, or by entering your personal information in the membership application, you hereby consent to the transfer of your personal information to the United States of America for the purpose(s) described in this Privacy Policy, and to the processing of your information, which may take place inside or outside of the United States, for the purposes described in this Privacy Policy. You may withdraw your consent by submitting a request to

compliance@nadex.com. In the event you withdraw consent, your personal information will be retained in accordance with applicable United States laws and regulations and/or group-wide recordkeeping policies. If you choose to withdraw consent, or to not provide the information we need to fulfill your request for a specific product or service, we may not be able to provide you with the requested product or service.

HOW DOES NADEXUSE MY PERSONAL INFORMATION?

NADEX has a number of legitimate interests which support the processing and use of your personal information. Additional information regarding NADEX's legitimate interests can be found on the GDPR Informational Guide located on the NADEX website. NADEX may use your personal information for the following non-exclusive purposes:

- To verify your identity and establish and manage your account;
- To provide you with advertisements, communications, and offers for or information about products and services from NADEX or NADEX's Affiliates, and to review your ongoing needs;
- To help us improve our products and services, including customer services, and develop and market new products and services;
- To evaluate your eligibility for certain types of offers, products or services that may be of interest to you, and analyze advertising effectiveness;
- To answer your questions and respond to your requests;
- To market, perform analytics, data analysis, send you surveys, and conduct consumer research;
- To send you reminders, technical notices, updates, security alerts, support and administrative messages, service bulletins, marketing messages, and requested information, including on behalf of NADEX's Affiliates;
- To form a profile about you;
- To investigate or settle inquiries or disputes, or to investigate member compliance with Exchanges rules;
- To comply with applicable law, court order, other judicial process, or the requirements of any applicable regulatory authorities;
- Internal business purposes and record keeping;
- Corporate restructuring; and
- Security.

OUR BUSINESS PURPOSES FOR COLLECTING PERSONAL INFORMATION

We may use or disclose the personal information we collect for one or more of the following business purposes:

- To fulfill or meet the reason you provided the information.
- To fulfill our regulatory obligations as an exchange and clearinghouse.
- To provide, support, personalize, and develop our website or mobile app, products, and services.
- To create, maintain, customize, and secure your account with us.
- To process your requests, transactions, and payments and prevent transactional fraud
- To provide you with support and to respond to your inquiries, including to investigate and address your concerns and monitor and improve our responses.
- To personalize your website or app experience and to deliver content and product and service offerings relevant to your interests, including targeted offers through our website or mobile app, third-party sites, and via email or text message (with your consent, where required by law).
- To help maintain the safety, security, and integrity of our website or mobile app, products and services, databases and other technology assets, and business.
- For testing, research, analysis, and product development, including to develop and improve our

websites, app, products and services.

- To respond to law enforcement requests and as required by applicable law, court order, or governmental regulations.
- As described to you when collecting your personal information or as otherwise set forth in the CCPA.
- To evaluate or conduct a merger, divestiture, restructuring, reorganization, dissolution, or other sale or transfer of some or all of NADEX's assets, whether as a going concern or as part of bankruptcy, liquidation, or similar proceeding, in which personal information held by NADEX about our website or mobile app users is among the assets transferred.

TO WHOM MAY WE DISCLOSE PERSONAL INFORMATION?

Unless you are informed otherwise, the personal information we hold is used for establishing and managing your account, executing transactions that you initiate, regulatory or compliance purposes, reviewing your ongoing needs, enhancing our customer service and products, and giving you ongoing information or opportunities that we believe may be relevant to you. We may also use your personal information for business planning purposes including product development and internal research. NADEX may disclose your personal information to certain affiliated and non-affiliated third parties, which include both financial services providers and non-financial companies, who perform valuable services for us or on behalf of us, in order to provide you with the best possible trading experience, or with whom we have marketing agreements.

When we share personal information with companies working on behalf of NADEX, we generally enter into a contractual agreement with the third party requiring it to maintain the confidentiality of your personal information and prohibiting it from using or disclosing your information, except for the limited purpose and to the persons for whom disclosure was intended and as otherwise permitted by law. NADEX shares personal information with third parties in the following non-exclusive circumstances:

- We may disclose information to companies that assist us in processing all of the transactions that occur within your account and on NADEX, and/or that provide other services including, but not limited to, identification verification, bank account verification, and for security purposes.
- Affiliate companies, including NADEX's parent, Foris Dax Markets, Inc. which is part of the broader corporate group and its subsidiary entities, who provide financial and other services that may be of interest to you.
- Information may be disclosed to third parties if disclosure is necessary to comply with legal or regulatory requirements or processes, or to protect the rights, property, or personal safety of NADEX, its Members or the public, or with third parties who have entered into an information sharing agreement with NADEX in accordance with, or as directed by regulatory statute.
- We will share some of the information we collect from you upon submission of and/or completion of any field in the NADEX Membership Application, and/or installation of the mobile app, with vendors and other service providers who are engaged by or working with us in connection with the operation of services we provide to you and/or for analytics purposes which may require the reproduction and display of such information in an aggregated and anonymized manner such that it will not in any way identify you.
- We may share information with third-party payment verification and processing services, including but not limited to Plaid Technologies, Inc. ("Plaid") which verifies your bank account and confirms your bank account balance prior to approving a transaction. We only share your information with Plaid in accordance with this Privacy Policy. Information shared with Plaid is treated by Plaid in accordance with its Privacy Policy, available at <https://plaid.com/legal/>.
- Information may be disclosed about you to the Commodity Futures Trading Commission ("Commission") in order to comply with our reporting obligations under the Commission Regulations.
- Information may also be disclosed about you to your employer if you are employed by or affiliated with another exchange, regulatory body, FINRA or NFA member. Such entities may be required to monitor your trading activity as defined under applicable securities and commodities laws.

- Information may be disclosed with your consent.
- NADEX may also disclose non-identifiable information for the same reasons we might share personal information, with Affiliates for their own analysis and research, to facilitate targeted content and ads, and to analyze the effectiveness of those ads.

DISCLOSURES OF PERSONAL INFORMATION FOR A BUSINESS PURPOSE:

In the preceding twelve (12) months, NADEX has disclosed the following categories of personal information for a business purpose to the following categories of affiliates and non-affiliated third parties:

- Identifiers
- Customer Records Information
- Commercial Information
- Internet or Other Electronic Network Activity Information
- Geolocation Data
- Audio, Electronic, Visual, or Similar Communication Information
- Professional or Employment-Related Information
- Inferences and Information Relating to Investigations
- Identification Verification Documentation

CALIFORNIA RESIDENTS RIGHTS REGARDING PERSONAL INFORMATION

If you are a California resident, you have certain rights with regard to your personal information:

- You have the right to request, up to two times every 12 months, (i) the categories of personal information NADEX has collected about you; (ii) the categories of sources from which NADEX has collected personal information about you; (iii) the business or commercial purpose for collecting or selling your personal information; (iv) the categories of third-parties with whom NADEX shares personal information; (v) the specific pieces of personal information NADEX has collected about you; (vi) the categories of personal information that NADEX has sold about you and the categories of third-parties to whom the personal information was sold; (vii) the categories of personal information that NADEX disclosed about you for a business purpose and the categories of third-parties to whom the personal information was disclosed for a business purpose;
- You have the right to request that NADEX delete your personal information that we collected from you and retained, subject to certain exceptions allowed under applicable law;
- You have the right to opt-out of the sale of your personal information to third parties by sending an email request to opt-out@nadex.com.
- You have the right not to be discriminated against for exercising your rights under the California Consumer Privacy Act.

To submit a consumer request, please contact compliance@nadex.com or call (877) 776-2339 toll-free. Only you, or a person registered with the California Secretary of State that you authorize to act on your behalf (an “**Authorized Representative**”), may make a consumer request related to your personal information. You may also make a consumer request on behalf of your minor child. We cannot respond to your request or provide you with personal information if we cannot verify your identity or authority to make the request and confirm the personal information relates to you. The verifiable consumer request must:

- Provide sufficient information that allows us to reasonably verify you are the person about whom we collected personal information or an Authorized Representative. Before completing your request to exercise the below, we will verify that the request came from you by asking you one or more knowledge-based questions about you.
- Describe your request with sufficient detail that allows us to properly understand, evaluate, and

respond to it.

- We cannot respond to your request or provide you with personal information if we cannot verify your identity or authority to make the request and confirm the personal information relates to you.

AM I ABLE TO OPT-OUT?

The law allows you to “opt-out” of our information sharing with certain kinds of third parties. This means that you can ask us not to share your personal information with certain affiliated and non-affiliated companies.

You may opt-out of the sharing of your information for non-essential purposes by sending an email request to opt-out@nadex.com. In order to opt-out you may need to disable certain cookies in your browser. Your choice to opt-out of information sharing (other than those permitted or required by law) does not limit our ability to collect and disclose information about you, under the terms of this Privacy Policy, for other vendors.

Additionally, you may opt-out of direct marketing emails and/or text messages by responding to the communication with “unsubscribe” (emails) or “STOP” (text messages).

In the preceding twelve (12) months, NADEX has sold, as defined by the California Consumer Privacy Act, the following categories of personal information to our affiliates:

- Identifiers
- Customer Records Information

WHAT IF I WANT TO REVIEW OR CHANGE ANY OF MY PERSONAL/NON-PUBLIC INFORMATION?

The accuracy of your personal information is important to us. If the personal information we hold about you is inaccurate or incomplete, you are entitled to have it rectified. If you are a NADEX Member and would like to correct, update, or confirm your information, please log into the platform using your username and password. After logging in, under the My Account tab, follow the instructions under the ‘Settings’ and ‘Personal Details’ tabs. Certain information may require documentation for verification.

HOW DOES NADEX STORE MY PERSONAL INFORMATION AND FOR HOW LONG?

Safeguarding the privacy of your information is important to us, whether you interact with us personally, by phone, by mail, over the internet or any other electronic medium. We hold personal information in a combination of secure computer storage facilities and paper-based files and other records, and take steps to protect the personal information we hold from misuse, loss, unauthorized access, modification or disclosure.

When we consider that personal information is no longer needed we will remove any details that will identify you or we will securely destroy the records. However, we may need to maintain records for a significant period of time to comply with various regulatory obligations. For example, we are subject to certain regulatory requirements that oblige us to retain information, such as your application data, documents used to verify your identity or banking information, and supporting evidence and records of your transactions, for a period of five years after our business relationship with you has ended. It is NADEX’s policy that it will retain certain records for a longer period of time, 12 years after our business relationship with you had ended. If we hold any personal information in the form of recorded communications we will hold this in line with regulatory requirements, five years after our business relationship with you has ended. Where you have opted-out of marketing communications, we will hold your details so we know you do not want to receive these communications.

CAN I REQUEST MY PERSONAL INFORMATION BE ERASED?

You can ask us to delete or remove your personal information in certain circumstances, such as where we no

longer need it or you withdraw your consent (where applicable) provided that we have no legal or regulatory obligation to retain that data. Such request will be subject to any retention limits with which we are required to comply in accordance with applicable laws and regulations and subject to this Privacy Policy.

HOW DOES NADEX PROTECT MY PERSONAL INFORMATION?

We have made a significant investment in leading-edge security software systems, and procedures to offer you a safe and secure trading environment and protect your personal, financial and trading information. While no security system is absolutely impenetrable, we are constantly reviewing, refining, and upgrading our security technology, as new tools become available. When you open an account with us, you are asked to choose a unique username and password to access and secure your account and account information. Remember: you are ultimately responsible for maintaining the secrecy of your username and password. We strongly recommend that you do not disclose this information.

On our trading portal, we also use technology to encrypt information transmitted by or to you through our website. In order to maximize the benefits of this technology, we recommend that you utilize a browser with strong encryption capabilities. NADEX may provide links to various educational or newsworthy third parties. When you follow a link to a non-NADEX website, you will be notified that you are leaving the NADEX website and that the website you are about to visit is not endorsed by NADEX. These other websites are not within NADEX's control, and NADEX does not guarantee the accuracy or completeness of any information on these websites.

Be aware that the privacy protection provided to you on the NADEX website does not extend to any other website. Once you link to another site, you are subject to the policies of that site.

NOTICE OF FINANCIAL INCENTIVE

NADEX may, from time to time, offer you certain promotions, rewards, and discount programs ("Promotions") that may be considered financial incentives programs under the CCPA. Eligible members may receive a bonus or discounted fees for fulfilling the requirements of Promotions, the details of which will be provided at the time you sign up for the Promotions, or otherwise enter the Promotions, if you are eligible. Participation in our Promotions is voluntary, and requires your prior opt in consent, which may include accessing the NADEX website, including the application, Promotion entry page, and trading platform, via a designated link specific to a particular Promotion. If you elect to participate, you may do so by performing certain voluntary interactions with us, our website, your NADEX account, or the NADEX trading platform, as detailed in the Promotions' Terms and Conditions. While we will not discriminate against you for exercising your rights under CCPA, if you request deletion of your data and have not met the Promotions requirements to be entitled to compensation, any accumulated rewards will be deleted and you may not have access to continued bonuses, discounts and benefits of membership. You may cancel membership at any time, subject to the terms and conditions of the Membership Agreement.

NADEX requires minimal personal information in order to provide the benefits of the Promotions to eligible participants, including the following categories of personal information: Identifiers, Customer Records Information, Commercial Information, and Identification Verification Documentation. NADEX uses the personal information of eligible participants to provide the benefits and to further our business in accordance with our Privacy Policy. The value NADEX receives from our Promotions (and its incidental collection of consumer personal information) includes the profits generated by, and the consumer good will and consumer relationship established through, the offering of the NADEX Promotions, and taking into account the costs to NADEX to provide and maintain our Promotions.

If you elect to participate in a NADEX Promotion, you may find out more about the specific terms of your participation by requesting this information from us at compliance@nadex.com.

WHAT IF THERE ARE MATERIAL CHANGES MADE TO THIS PRIVACY POLICY?

If at any time in the future material changes are made to this Privacy Policy, we will notify you by email to the email address specified in your account and/or through a notice on our website's home page.

WHAT IF I HAVE A QUESTION OR COMPLAINT?

Should you have any questions or concerns about the NADEX Privacy Policy, or wish to make a complaint, please email us at compliance@nadex.com.

WHAT IS THE EFFECTIVE DATE OF THE NADEX PRIVACY POLICY?

This Privacy Policy was amended as of June 8, 2026.

4. E-Signature Act

Under the federal E-SIGN Act, before we accept your Membership Application electronically we must provide you with certain disclosures, and you must affirmatively consent and not withdraw your consent to (a) such disclosures, in order to submit this Membership Application and the information contained therein by electronic transmission, and (b) the retention of the information contained in this submission by North American Derivatives Exchange, Inc. ("NADEX") as an electronic record of your Application.

By electronically signing the NADEX Membership Application and related documents which comprise the Membership Application including, but not limited to, the NADEX Rules, Membership Agreement, NADEX Risk Disclosure Statement, Terms of Use, Privacy Policy and all documents incorporated by reference, you acknowledge receipt of such Membership Application as part of our electronic membership package and you agree to be bound by their terms and conditions. In addition, by electronically signing the Membership Application, you consent to receiving electronic records of your transactions and account information, and NADEX maintaining electronic records of your transactions and account information. As such, you must update your account e-mail address within 24 hours after any change in order to enable NADEX to contact you electronically regarding your transactions and account.

You may withdraw your consent to such electronic records by notifying us in writing or by e-mail to customerservice@nadex.com. However, if you withdraw your consent to receive such records electronically, you will no longer be able to maintain your membership with NADEX.

There are no special hardware or software requirements for access to or retention of your electronic records at this time other than having access to the Internet, and registering for your unique and secure user name and password (to print copies of the records, you may need a program to read documents in "PDF" format). Should any technological change or upgrade be made that will affect your ability to access your records and accounts, we will notify you and remind you of your right to withdraw your consent to receive electronic records.

You have the right to request an application for membership be provided to you on paper or non-electronic form.

You will have the opportunity to print a copy of this Membership Agreement after you have clicked "Submit Application". You may also request a paper copy of this electronic record by contacting customerservice@nadex.com.

5. RISK DISCLOSURE STATEMENT

THE RISK OF LOSS IN TRADING INSTRUMENTS ON THE NORTH AMERICAN DERIVATIVES EXCHANGE, INC. ("NADEX") CAN BE SUBSTANTIAL. YOU SHOULD, THEREFORE, CAREFULLY CONSIDER WHETHER SUCH TRADING IS SUITABLE FOR YOU IN LIGHT OF YOUR CIRCUMSTANCES AND FINANCIAL RESOURCES. YOU SHOULD BE AWARE OF ALL THE POINTS CONTAINED WITHIN THIS RISK DISCLOSURE STATEMENT.

NADEX has attempted to write this risk disclosure statement in plain English so that you have a good understanding of the risks of trading on NADEX's Internet-based, direct access, derivatives trading system and the risks in trading the instruments offered on NADEX. However, no matter how plain this statement is, it and the other information provided by NADEX in its Rules, Membership Agreement and Terms of Use cannot disclose all potential risks and considerations related to derivatives trading. Therefore, you should only trade on NADEX if you understand the nature of the transactions you are entering into and your exposure to risk. Trading in derivatives is simply not appropriate for many members of the public, and you should carefully consider whether trading derivatives is appropriate for you given your experience, objectives, financial resources, and other relevant circumstances.

There are numerous risks associated not only with the derivatives contracts traded through NADEX but also with the trading system itself. Moreover, because NADEX allows direct participation by you, you must ensure that you carefully read and understand this Risk Disclosure Statement, the description of NADEX Instruments (the "Instruments") you may trade-including when a particular Instrument expires and how NADEX determines which Instruments will be "in-the-money" at Expiration-and all other NADEX rules.

INHERENT RISKS IN TRADING THE INSTRUMENTS OFFERED ON NADEX

The Instruments traded on NADEX have a high degree of risk. Currently, there are two types of Instrument that trade on NADEX.

1) The first type of Instrument is similar to a cash-settled binary European- style call option contract and is referred to as a Binary contract. Such Instruments offered through NADEX are comprised of one contract that has a defined Payout Criterion covering all possible outcomes dependent upon whether you enter into a long or short position in such Binary contract. This means that if you purchase and hold a long position in a Binary contract at Expiration, and the Expiration Value is not within the Payout Criterion for the long position you have chosen to hold, that contract will expire worthless. Similarly, if you hold a short position in a Binary contract at Expiration, and the Expiration Value is within the Payout Criteria, you will lose all of your original investment.

2) The second type of Instrument is a Variable Payout Contract. Variable Payout Contracts include Call Spreads, which have a fixed Expiration, and Touch Brackets, which have a conditional Expiration. Such Instruments offered through NADEX are comprised of one contract that has a value varying between an upper and lower range which defines the Payout Criterion. This means that if you hold a long position in a Variable contract at Expiration, and the Expiration Value is not within the Payout Criterion for the position that you have chosen to hold, you may lose all of your original investment. Similarly, if you hold a short position (which has a value that moves inversely to a long position) in a Variable contract at Expiration, and the Expiration Value is not within the Payout Criterion for the position that you have chosen to hold, you may lose all of your original investment.

REMEMBER: YOU MAY SUSTAIN A TOTAL LOSS OF THE FUNDS USED TO ESTABLISH A POSITION IN THE NADEX MARKET.

The unique nature of NADEX Instruments may be confusing to many investors who are familiar with more traditional derivatives contracts. Risks associated with the unique nature of the NADEX Market include a

potential lack of liquidity for NADEX Instruments. Other derivatives markets have professional traders who ensure that there are always competitive offers to buy and sell Contracts. NADEX may not have such liquidity providers for some or all of its instruments. Therefore, there is a possibility that you could hold a position in an Instrument from NADEX and be unable to liquidate your position in the Instrument or the portion of the position that you no longer want to hold in the time frame you wish to liquidate it. Additionally, there is a chance that no one will offer to sell you or bid to buy from you an Instrument you want to take a position in or to liquidate due to current market conditions or otherwise. Lack of liquidity in the market could also preclude you from selling large blocks of Instruments at once. If NADEX lacks liquidity in the Instruments you want to trade for any reason, you may be unable to trade at your desired time or price. If that occurs, you may be forced to hold them until they expire, possibly preventing you from hedging the risk to which you are exposed.

A further risk of trading in NADEX Instruments is the risk of a material change in the nature of the Underlying. For instance, you could purchase Instruments on the Nonfarm Payrolls to be published by the Bureau of Labor Statistic at a particular time in the future, but in the interim, the government could change the way the Nonfarm Payrolls is determined or cease publishing that index.

In the event of a material change in the nature of any of the Underlyings, or if any of the Underlyings cease to exist, NADEX may adjust the relevant Instruments or the payments to be received under those Instruments based on its best judgment, and its decision shall be final. The decision reached by NADEX could be different than you anticipated when you took a position in the affected Instrument, and as a result, you could suffer significant losses.

Another risk inherent to trading NADEX Instruments is that the Instrument may not settle as expected. For example, the information related to the Payout Criterion may be changed in accordance with the NADEX Rules, the anticipated result may not occur on schedule, or the results of the occurrence may be ambiguous in the way NADEX initially defined the Payout Criterion.

A further risk inherent to trading NADEX Instruments involves NADEX not halting the market in accordance with the underlying market. The specific movements of any underlying market cannot be predicted with exact precision. For example, you could purchase an instrument based on gasoline prices at the pump ("Gasoline"). Prior to expiration of your instrument, the price of Gasoline could be affected by a loss of refinery capacity due to an accident or other incident or for various other reasons unforeseeable to NADEX. However, NADEX may choose not to halt the trading of the Instrument in contrast to the underlying market. This may affect the way the value of your Instrument is calculated and settled.

RISKS INHERENT IN ELECTRONIC TRADING

Electronic trading involves many interrelated systems, including hardware, software, telephony, cable, and power generation, all of which are subject to failure or malfunction that may adversely affect your ability to trade. If you have spent any time at all on the Internet, you may have experienced problems with computer crashes, failure of your Internet service provider's access system, site crashes, and many other problems. Therefore, please realize that during any time which you cannot access NADEX for whatever reason, you will not be able to enter, cancel, or modify orders. Additionally, although NADEX and its systems provider(s) have taken precautions, such as redundant systems, to prevent such an occurrence, if the NADEX system suffers a catastrophic failure, there is a chance your orders and their priority in the order queue could be lost. NADEX is not responsible or liable for any effect on your ability to trade caused by any malfunction of the Internet, computing systems, or their related components.

THIRD PARTY SERVICE PROVIDERS

NADEX will provide you with information from Third Party Service Providers ("TPSP") that relates to the instruments traded on NADEX. Such information includes, but is not limited to, website links, quotes, pricing feeds, and any other information provided on the NADEX website (collectively the "Service"). Even though

NADEX is providing the Service to you via its website, NADEX does not endorse, warrant, or guarantee the accuracy or reliability of the information provided by the Service.

NADEX is a designated contract market and registered derivatives clearing organization under the Commodity Exchange Act, as amended, and the regulations of the Commodity Futures Trading Commission. As such, NADEX is a self-regulatory organization, largely responsible for regulating its own activities, including the operation of its market, its Contracts, its sales practices (including promotional material), and its method of managing and protecting your funds and the funds of other members.

THIS BRIEF STATEMENT CANNOT OF COURSE DISCLOSE ALL THE RISKS AND OTHER ASPECTS OF THE NADEX MARKET.