

**EXHIBIT A**

| <b>Rule</b> | <b>Asset</b>                            | <b>Duration/ Close Time</b>  | <b>Action</b>  | <b>Effective Date</b> |
|-------------|---|--|--|-----------------------|
| 12.26       | AUD/USD<br>Variable Payout<br>Contracts | All  | Amend Expiration<br>Value calculation<br>process   | 12/15/2014            |
| 12.27       | AUD/USD<br>Binary Contracts             | Expirations every 5 minutes from<br>6:05pm ET to 5:00pm ET trade<br>dates Monday-Thursday, every 5<br>minutes from 6:05pm ET to 4:00pm<br>ET trade date Friday.<br>All contracts affected by change in<br>Expiration Value calculation<br>process. | Add 5-Minute Intraday<br>Binary Contracts;<br>amend Expiration<br>Value calculation<br>process | 12/15/2014            |
| 12.28       | EUR/USD<br>Variable Payout<br>Contracts | All  | Amend Expiration<br>Value calculation<br>process   | 12/15/2014            |
| 12.29       | EUR/USD Binary<br>Contracts             | Expirations every 5 minutes from<br>6:05pm ET to 5:00pm ET trade<br>dates Monday-Thursday, every 5   | Add 5-Minute Intraday<br>Binary Contracts;<br>amend Expiration                                 | 12/15/2014            |

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|       |   |  |  |            |
|-------|---|--|--|------------|
|       |   | minutes from 6:05pm ET to 4:00pm ET trade date Friday.<br>All contracts affected by change in Expiration Value calculation process.  | Value calculation process  |            |
| 12.30 | GBP/USD<br>Variable Payout<br>Contracts | All  | Amend Expiration<br>Value calculation<br>process   | 12/15/2014 |
| 12.31 | GBP/USD<br>Binary Contracts             | Expirations every 5 minutes from 6:05pm ET to 5:00pm ET trade dates Monday-Thursday, every 5 minutes from 6:05pm ET to 4:00pm ET trade date Friday.<br>All contracts affected by change in Expiration Value calculation process. | Add 5-Minute Intraday<br>Binary Contracts;<br>amend Expiration<br>Value calculation<br>process | 12/15/2014 |
| 12.32 | USD/CAD<br>Variable Payout<br>Contracts | All  | Amend Expiration<br>Value calculation<br>process   | 12/15/2014 |
| 12.33 | USD/CAD<br>Binary Contracts             | All  | Amend Expiration<br>Value calculation<br>process   | 12/15/2014 |

|       |   |  |  |            |
|-------|---|--|--|------------|
| 12.34 | USD/CHF<br>Variable Payout<br>Contracts | All  | Amend Expiration<br>Value calculation<br>process   | 12/15/2014 |
| 12.35 | USD/CHF<br>Binary Contracts             | All  | Amend Expiration<br>Value calculation<br>process   | 12/15/2014 |
| 12.36 | USD/JPY<br>Variable Payout<br>Contracts | All  | Amend Expiration<br>Value calculation<br>process   | 12/15/2014 |
| 12.37 | USD/JPY Binary<br>Contracts             | Expirations every 5 minutes from<br>6:05pm ET to 5:00pm ET trade<br>dates Monday-Thursday, every 5<br>minutes from 6:05pm ET to 4:00pm<br>ET trade date Friday.<br>All contracts affected by change in<br>Expiration Value calculation<br>process. | Add 5-Minute Intraday<br>Binary Contracts;<br>amend Expiration<br>Value calculation<br>process | 12/15/2014 |
| 12.38 | EUR/JPY<br>Variable Payout<br>Contracts | All  | Amend Expiration<br>Value calculation<br>process   | 12/15/2014 |
| 12.39 | EUR/JPY Binary<br>Contracts             | All  | Amend Expiration<br>Value calculation<br>process   | 12/15/2014 |

|       |   |     |  |            |
|-------|---|-----|--|------------|
| 12.40 | GBP/JPY<br>Variable Payout<br>Contracts | All | Amend Expiration<br>Value calculation<br>process | 12/15/2014 |
| 12.41 | GBP/JPY Binary<br>Contracts             | All | Amend Expiration<br>Value calculation<br>process | 12/15/2014 |
| 12.42 | EUR/GBP<br>Binary Contracts             | All | Amend Expiration<br>Value calculation<br>process | 12/15/2014 |
| 12.43 | AUD/JPY Binary<br>Contracts             | All | Amend Expiration<br>Value calculation<br>process | 12/15/2014 |

## **EXHIBIT B**

### Amendment of Rules 12.26 – 12.43

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

#### RULE 12.26 CURRENCY EXCHANGE AUD/USD VARIABLE PAYOUT CONTRACTS

- (a) **SCOPE** – These Rules shall apply to the Class of Contracts referred to as the Currency Exchange AUD/USD (“AUD/USD”) Variable Payout Contracts issued by Nadex.
- (b) **UNDERLYING** – The Underlying for this Class of Contracts is the Australian dollar/US dollar, herein referred to as “AUD/USD” as quoted in US dollars per Australian dollar obtained from the spot AUD/USD foreign currency market.
- (c) **SOURCE AGENCY** – The Source Agency is Nadex.
- (d) **TYPE** – The Type of Contract is a Variable Payout Contract.
- (e) **ISSUANCE** – For each planned release by the Source Agency of the Underlying, Nadex will issue various Contracts, each of a different Series. A new issuance of Contracts will commence no later than two (2) business days following the Expiration Date.
- (f) **PAYOUT CRITERION** – The Payout Criterion for each Contract will be set by Nadex at the time the Variable Payout Contracts are initially issued. For the AUD/USD Variable Payout Contract, the Payout Criteria for the Contracts will be set as follows;
- (i) **DAILY VARIABLE AUD/USD SPREAD CONTRACTS, 3:00 PM ET CLOSE**  
- At the commencement of trading in a Daily Spread AUD/USD Variable Payout Contract, Nadex shall list one (1) Variable Payout Contract, referred to as a ‘Spread’, which conforms to one of the Payout Criteria listed below:
- (1) **DAILY VARIABLE AUD/USD SPREAD CONTRACT:**
- (aa) **CAP** – The Cap shall be  $X + 0.0250$ .
- (bb) **FLOOR** – The Floor shall be  $X - 0.0250$ .
- (cc) **DOLLAR MULTIPLIER** – The Dollar Multiplier shall be 10,000.
- (2) In each case, “X” equals the last AUD/USD price, as reported by the Source Agency, rounded to the nearest 0.0010.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(n) EXPIRATION VALUE – The Expiration Value is the price or value of AUD/USD released by the Source Agency on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking the last ~~twenty five (25)~~ ten (10) Midpoints between the bid/ask spread (five pips wide or less) just prior to the close of trading of the AUD/USD Variable Payout Contract and removing the highest ~~five (5)~~ three (3) Midpoints and the lowest ~~(5)~~ three (3) Midpoints, using the remaining ~~fifteen (15)~~ four (4) AUD/USD Midpoints to calculate the Expiration Value. The calculation used is a simple average of all ~~fifteen (15)~~ four (4) 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), those prices will not be used to calculate a Midpoint and will thus not be included within the ~~25~~ 10 initially captured values.

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

## RULE 12.27 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) WEEKLY AUD/USD BINARY CONTRACTS

(1) EXPIRATION TIME – 3 PM ET CLOSE

(2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 0.0050.

(3) NUMBER OF STRIKE LEVELS LISTED - Fourteen (14) strike levels will be listed for each Weekly AUD/USD Binary Contract Series.

(4) STRIKE LEVELS GENERATED - Strike levels will be generated such that Binary Contract "XW" is valued 'at-the-money' in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in either 0.0025 or 0.0075 as reported by the Source Agency. Six (6) strike levels will be generated above Binary Contract XW at an interval of 0.0050, and seven (7) strike levels will be generated below Binary Contract XW at an interval of 0.0050 (e.g. XW – 0.0050; XW; XW + 0.0050). The Contract will have a Payout Criterion of greater than the strike



level value.

(ii) DAILY AUD/USD BINARY CONTRACTS

- (1) EXPIRATION TIME – 3 AM, 7 AM, 11 AM, 3 PM, 7 PM, 11 PM ET  
CLOSE
  
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 0.0020.
  
- (3) NUMBER OF STRIKE LEVELS LISTED – Twenty-one (21) strike levels will be listed for each Daily AUD/USD Binary Contract Series.
  
- (4) STRIKE LEVELS GENERATED - Strike levels will be generated such that Binary Contract “ $\text{¥X}$ ” is valued ‘at-the-money’ in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in 0.0020 as reported by the Source Agency. Ten (10) strike levels will be generated above Binary Contract  $\text{¥X}$  at an interval of 0.0020, and ten (10) strike levels will be generated below Binary Contract  $\text{¥X}$  at an interval of 0.0020 (e.g.  $\text{¥X} - 0.0020$ ;  $\text{¥X}$ ;  $\text{¥X} + 0.0020$ ). The Contract will have a Payout Criterion of greater than the strike level value.

(iii) INTRADAY 2-HOUR AUD/USD BINARY CONTRACTS

- (1) EXPIRATION TIME – 8 PM, 9 PM, 10 PM, 11 PM, 12 AM, 1 AM, 2 AM,

3 AM, 4 AM, 5 AM, 6 AM, 7 AM, 8 AM, 9 AM, 10 AM, 11 AM, 12 PM,  
1 PM , 2 PM, 3 PM, 4 PM, 5 PM ET CLOSE

- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 0.0005.
- (3) NUMBER OF STRIKE LEVELS LISTED – Nineteen (19) strike levels will be listed for each Intraday 2-Hour AUD/USD Binary Contract Series.
- (4) STRIKE LEVELS GENERATED - Strike levels will be generated such that Binary Contract “ZY” is valued ‘at-the-money’ in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in 0.0001 as reported by the Source Agency. Nine (9) strike levels will be generated above Binary Contract ZY at an interval of 0.0005, and nine (9) strike levels will be generated below Binary Contract ZY at an interval of 0.0005 (e.g. ZY – 0.0005; ZY; ZY + 0.0005). The Contract will have a Payout Criterion of greater than the strike level value.

(iv) INTRADAY 5-MINUTE AUD/USD BINARY CONTRACTS

- (1) EXPIRATION TIME – 5-Minute Binary Contracts will expire every 5 minutes beginning Sunday at 6:05pm ET and ending Friday at 4:00pm ET.
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level

shall be 0.001.

(3) NUMBER OF STRIKE LEVELS LISTED – Three (3) strike levels

will be listed for each Intraday 5-Minute AUD/USD Binary Contract Series.

(4) STRIKE LEVELS GENERATED - Strike levels will be generated such that

Binary Contract “Z” is valued ‘at-the-money’ in relation to the Underlying

market as determined by the Source Agency, immediately before the issuance

of these Contracts, and shall be measured in U.S. cents rounded to the nearest

value ending in 0.0005 as reported by the Source Agency. One (1) strike

level will be generated above Binary Contract Z at an interval of 0.001, and

one (1) strike level will be generated below Binary Contract Z at an interval

of 0.001 (e.g.  $Z - 0.001$ ;  $Z$ ;  $Z + 0.001$ ). The Contract will have a Payout

Criterion of greater than the strike level value.

(5) Nadex may, in its discretion, temporarily halt the listing of any 5-Minute

Binary Contract due to the unavailability of the underlying market upon

which the Contract is based, or any other condition Nadex determines may be

detrimental to the listing of the Contract.

~~(iv)~~(v) 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)~~ ten (10) Midpoints between the bid/ask spread (five pips wide or less) just prior to the close of trading of the AUD/USD Binary Contract and removing the highest ~~five (5)~~ three (3) Midpoints and the lowest ~~(5)three (3)~~ Midpoints, using the remaining ~~fifteen (15)~~ four (4) AUD/USD Midpoints to calculate the Expiration Value. The calculation used is a simple average of all ~~fifteen (15)~~ four (4) 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), those prices will not be used to calculate a Midpoint and will thus not be included within the ~~25~~10 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 CURRENCY EXCHANGE EUR/USD VARIABLE PAYOUT CONTRACTS

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

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

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

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

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

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

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

(1) DAILY VARIABLE EUR/USD SPREAD CONTRACT:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(m) SETTLEMENT VALUE – The Settlement Value is the amount paid to the holder of either a Short or Long Variable Payout Contract on Settlement Date. The Settlement Value of a

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

(n) EXPIRATION VALUE – The Expiration Value is the price or value of EUR/USD released by the Source Agency on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking the last ~~twenty five (25)~~ten (10) Midpoints between the bid/ask spread (five pips wide or less) just prior to the close of trading of the EUR/USD Variable Payout Contract and removing the highest ~~five (5)~~three (3) Midpoints and the lowest ~~(5)three (3)~~ Midpoints, using the remaining ~~fifteen (15)~~four (4) EUR/USD Midpoints to calculate the Expiration Value. The calculation used is a simple average of all ~~fifteen (15)~~four (4) 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), those prices will not be used to calculate a Midpoint and will thus not be included within the ~~25~~10 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 12.29 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) WEEKLY EUR/USD BINARY CONTRACTS

- (1) EXPIRATION TIME – 3 PM ET CLOSE
  
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 0.0050.
  
- (3) NUMBER OF STRIKE LEVELS LISTED - Fourteen (14) strike levels will be listed for each Weekly EUR/USD Binary Contract Series.
  
- (4) STRIKE LEVELS GENERATED - Strike levels will be generated such that Binary Contract “~~X~~W” is valued ‘at-the-money’ in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in 0.0025 or 0.0075 as reported by the Source Agency. Six (6) strike levels will be generated above Binary Contract ~~X~~W at an interval of 0.0050, and seven (7) strike levels will be generated below Binary Contract ~~X~~W at an interval of 0.0050 (e.g. ~~X~~W – 0.0050; ~~X~~W; ~~X~~W + 0.0050). The Contract will have a Payout Criterion of greater than the strike level value.

(ii) DAILY EUR/USD BINARY CONTRACTS

- (1) EXPIRATION TIME – 3 AM, 7 AM, 11 AM, 3 PM, 7 PM, 11 PM ET  
CLOSE
  
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 0.0020.



- (3) NUMBER OF STRIKE LEVELS LISTED – Twenty-one (21) strike levels will be listed for each Daily EUR/USD Binary Contract Series.
- (4) STRIKE LEVELS GENERATED - Strike levels will be generated such that Binary Contract “ $\text{¥X}$ ” is valued ‘at-the-money’ in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in 0.0020 as reported by the Source Agency. Ten (10) strike levels will be generated above Binary Contract  $\text{¥X}$  at an interval of 0.0020, and ten (10) strike levels will be generated below Binary Contract  $\text{¥X}$  at an interval of 0.0020 (e.g.  $\text{¥X} - 0.0020$ ;  $\text{¥X}$ ;  $\text{¥X} + 0.0020$ ). The Contract will have a Payout Criterion of greater than the strike level value.

(iii) INTRADAY 2-HOUR EUR/USD BINARY CONTRACTS

- (1) EXPIRATION TIME – 8 PM, 9 PM, 10 PM, 11 PM, 12 AM, 1 AM, 2 AM, 3 AM, 4 AM, 5 AM, 6 AM, 7 AM, 8 AM, 9 AM, 10 AM, 11 AM, 12 PM, 1 PM, 2 PM, 3 PM, 4 PM, 5 PM ET CLOSE
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 0.0004.
- (3) NUMBER OF STRIKE LEVELS LISTED – Nineteen (19) strike levels will be listed for each Intraday 2-Hour EUR/USD Binary Contract Series.

(4) **STRIKE LEVELS GENERATED** - Strike levels will be generated such that Binary Contract “ZY” is valued ‘at-the-money’ in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in 0.0001 as reported by the Source Agency. Nine (9) strike levels will be generated above Binary Contract ZY at an interval of 0.0004, and nine (9) strike levels will be generated below Binary Contract YX at an interval of 0.0004 (e.g. ZY – 0.0004; ZY; ZY + 0.0004). The Contract will have a Payout Criterion of greater than the strike level value.

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**(iv) INTRADAY 5-MINUTE EUR/USD BINARY CONTRACTS**

(1) EXPIRATION TIME – 5-Minute Binary Contracts will expire every 5 minutes beginning Sunday at 6:05pm ET and ending Friday at 4:00pm ET.

(2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 0.0008.

(3) NUMBER OF STRIKE LEVELS LISTED – Three (3) strike levels will be listed for each Intraday 5-Minute EUR/USD Binary Contract Series.

(4) STRIKE LEVELS GENERATED - Strike levels will be generated such that Binary Contract “Z” is valued ‘at-the-money’ in relation to the Underlying market as determined by the Source Agency, immediately before the issuance

of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in 0.0005 as reported by the Source Agency. One (1) strike level will be generated above Binary Contract Z at an interval of 0.0008, and one (1) strike level will be generated below Binary Contract Z at an interval of 0.0008 (e.g.  $Z - 0.0008$ ;  $Z$ ;  $Z + 0.0008$ ). The Contract will have a Payout Criterion of greater than the strike level value.

(5) Nadex may, in its discretion, temporarily halt the listing of any 5-Minute Binary Contract due to the unavailability of the underlying market upon which the Contract is based, or any other condition Nadex determines may be detrimental to the listing of the Contract.

~~(iv)~~(v) 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.

(i) SETTLEMENT DATE – The Settlement Date will be the date on which the EUR/USD number as reported by the Source Agency.

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

(k) 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.

(l) 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)~~ten (10) 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)~~three (3) Midpoints and the lowest ~~(5) three (3)~~ Midpoints, using the remaining ~~fifteen (15)~~four (4) EUR/USD Midpoints to calculate the Expiration Value. The calculation used is a simple average of all ~~fifteen (15)~~four (4) 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), those prices will not be used to calculate a Midpoint and will thus not be included within the ~~25~~10 initially captured values.

(m) 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 CURRENCY EXCHANGE GBP/USD VARIABLE PAYOUT CONTRACTS

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

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

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

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

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

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

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

(1) DAILY VARIABLE GBP/USD SPREAD CONTRACT

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(n) EXPIRATION VALUE – The Expiration Value is the price or value of GBP/USD released by the Source Agency on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking the last ~~twenty five (25)~~ten (10) Midpoints between the bid/ask spread (five pips wide or less) just prior to the close of trading of the GBP/USD Variable Payout Contract and removing the ~~highest five (5)~~three (3) Midpoints and the lowest ~~(5) three (3)~~ Midpoints, using the remaining ~~fifteen (15)~~four (4) GBP/USD Midpoints to calculate the Expiration Value. The calculation used is a simple average of all ~~fifteen (15)~~four (4) 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), those prices will not be used to calculate a Midpoint and will thus not be included within the ~~25~~10 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 12.31 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) WEEKLY GBP/USD BINARY CONTRACTS

(1) EXPIRATION TIME – 3 PM ET CLOSE

(2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 0.0050.

(3) NUMBER OF STRIKE LEVELS LISTED - Fourteen (14) strike levels will be listed for each Weekly GBP/USD Binary Contract Series.

- (4) STRIKE LEVELS GENERATED - Strike levels will be generated such that Binary Contract “XW” is valued ‘at-the-money’ in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in 0.0025 or 0.0075 as reported by the Source Agency. Six (6) strike levels will be generated above Binary Contract XW at an interval of 0.0050, and seven (7) strike levels will be generated below Binary Contract XW at an interval of 0.0050 (e.g. XW – 0.0050; XW; XW + 0.0050). The Contract will have a Payout Criterion of greater than the strike level value.

(ii) DAILY GBP/USD BINARY CONTRACTS

- (1) EXPIRATION TIME – 3 AM, 7 AM, 11 AM, 3 PM, 7 PM, 11 PM ET  
CLOSE
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 0.0020.
- (3) NUMBER OF STRIKE LEVELS LISTED – Twenty-one (21) strike levels will be listed for each Daily GBP/USD Binary Contract Series.
- (4) STRIKE LEVELS GENERATED - Strike levels will be generated such that Binary Contract “YX” is valued ‘at-the-money’ in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest



value ending in 0.0020 as reported by the Source Agency. Ten (10) strike levels will be generated above Binary Contract  $\text{¥X}$  at an interval of 0.0020, and ten (10) strike levels will be generated below Binary Contract  $\text{¥X}$  at an interval of 0.0020 (e.g.  $\text{¥X} - 0.0020$ ;  $\text{¥X}$ ;  $\text{¥X} + 0.0020$ ). The Contract will have a Payout Criterion of greater than the strike level value.

(iii) INTRADAY 2-HOUR GBP/USD BINARY CONTRACTS

- (1) EXPIRATION TIME – 8 PM, 9 PM, 10 PM, 11 PM, 12 AM, 1 AM, 2 AM, 3 AM, 4 AM, 5 AM, 6 AM, 7 AM, 8 AM, 9 AM, 10 AM, 11 AM, 12 PM, 1 PM, 2 PM, 3 PM, 4 PM, 5 PM ET CLOSE
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 0.0010.
- (3) NUMBER OF STRIKE LEVELS LISTED – Nine (9) strike levels will be listed for each Intraday 2-Hour GBP/USD Binary Contract Series.
- (4) STRIKE LEVELS GENERATED - Strike levels will be generated such that Binary Contract “ $\text{ZY}$ ” is valued ‘at-the-money’ in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in 0.0001 as reported by the Source Agency. Four (4) strike levels will be generated above Binary Contract  $\text{ZY}$  at an interval of 0.0010, and four (4) strike levels will be generated below Binary Contract  $\text{ZY}$  at an

interval of 0.0010 (e.g.  $Z_Y - 0.0010$ ;  $Z_Y$ ;  $Z_Y + 0.0010$ ). The Contract will have a Payout Criterion of greater than the strike level value.

(iv) INTRADAY 5-MINUTE GBP/USD BINARY CONTRACTS

(1) EXPIRATION TIME – 5-Minute Binary Contracts will expire every 5

Minutes beginning Sunday at 6:05pm ET and ending Friday at 4:00pm ET.

(2) STRIKE INTERVAL WIDTH – The interval width between each strike level

shall be 0.0012.

(3) NUMBER OF STRIKE LEVELS LISTED – Three (3) strike levels

will be listed for each Intraday 5-Minute GBP/USD Binary Contract Series.

(4) STRIKE LEVELS GENERATED - Strike levels will be generated such that

Binary Contract “Z” is valued ‘at-the-money’ in relation to the Underlying

market as determined by the Source Agency, immediately before the issuance

of these Contracts, and shall be measured in U.S. cents rounded to the nearest

value ending in 0.0005 as reported by the Source Agency. One (1) strike

level will be generated above Binary Contract Z at an interval of 0.0012, and

one (1) strike level will be generated below Binary Contract Z at an interval

of 0.0012 (e.g.  $Z - 0.0012$ ;  $Z$ ;  $Z + 0.0012$ ). The Contract will have a Payout

Criterion of greater than the strike level value.

(5) Nadex may, in its discretion, temporarily halt the listing of any 5-Minute

Binary Contract due to the unavailability of the underlying market upon  
which the Contract is based, or any other condition Nadex determines may be  
detrimental to the listing of the Contract.

~~(iv)~~(v) 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)~~ ten (10) 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)~~ three (3) Midpoints and the lowest ~~(5)~~ three (3) Midpoints, using the remaining ~~fifteen (15)~~ four (4) GBP/USD Midpoints to calculate the Expiration Value. The calculation used is a simple average of all ~~fifteen (15)~~ four (4) 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), those prices will not be used to calculate a Midpoint and will thus not be included within the ~~25~~10 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 12.32 CURRENCY EXCHANGE USD/CAD VARIABLE PAYOUT CONTRACTS

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

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

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

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

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

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

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

##### (1) DAILY VARIABLE USD/CAD SPREAD CONTRACT

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(n) EXPIRATION VALUE – The Expiration Value is the price or value of USD/CAD released by the Source Agency on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking the last ~~twenty five (25)~~ ten (10) Midpoints between the bid/ask spread (five pips wide or less) just prior to the close of trading of the USD/CAD Variable Payout Contract and removing the highest ~~five (5)~~ three (3) Midpoints and the lowest ~~(5)three (3)~~ Midpoints, using the remaining ~~fifteen (15)~~ four (4) USD/CAD Midpoints to calculate the Expiration Value. The calculation used is a simple average of all ~~fifteen (15)~~ four (4) 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), those prices will not be used to calculate a Midpoint and will thus not be included within the 2510 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 12.33 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) WEEKLY USD/CAD BINARY CONTRACTS

(1) EXPIRATION TIME – 3 PM ET CLOSE

(2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 0.0050.

(3) NUMBER OF STRIKE LEVELS LISTED - Fourteen (14) strike levels will be listed for each Weekly USD/CAD Binary Contract Series.

(4) STRIKE LEVELS GENERATED - Strike levels will be generated such that Binary Contract “X” is valued ‘at-the-money’ in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in 0.0025 or 0.0075 as reported by the Source Agency. Six (6) strike levels will be generated above Binary Contract X at an interval of 0.0050, and seven (7) strike levels will be generated below Binary Contract X at an interval of 0.0050 (e.g.  $X - 0.0050$ ;  $X$ ;  $X + 0.0050$ ). The Contract will have a Payout Criterion of greater than the strike level value.

(ii) DAILY USD/CAD BINARY CONTRACTS

- (1) EXPIRATION TIME – 3 AM, 7 AM, 11 AM, 3 PM, 7 PM, 11 PM ET  
CLOSE
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 0.0020.
- (3) NUMBER OF STRIKE LEVELS LISTED – Twenty-one (21) strike levels will be listed for each Daily USD/CAD Binary Contract Series.
- (4) STRIKE LEVELS GENERATED - Strike levels will be generated such that Binary Contract “Y” is valued ‘at-the-money’ in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in 0.0020 as reported by the Source Agency. Ten (10) strike levels will be generated above Binary Contract Y at an interval of 0.0020, and ten (10) strike levels will be generated below Binary Contract Y at an interval of 0.0020 (e.g.  $Y - 0.0020$ ;  $Y$ ;  $Y + 0.0020$ ). The Contract will have a Payout Criterion of greater than the strike level value.

(iii) INTRADAY USD/CAD BINARY CONTRACTS

- (1) EXPIRATION TIME – 10 AM, 11 AM, 12 PM, 1 PM , 2 PM, 3 PM ET  
CLOSE



(2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 0.0010.

(3) NUMBER OF STRIKE LEVELS LISTED – Nine (9) strike levels will be listed for each Intraday USD/CAD Binary Contract Series.

(4) STRIKE LEVELS GENERATED - Strike levels will be generated such that Binary Contract “Z” is valued ‘at-the-money’ in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in 0.0001 as reported by the Source Agency. Four (4) strike levels will be generated above Binary Contract Z at an interval of 0.0010, and four (4) strike levels will be generated below Binary Contract Z at an interval of 0.0010 (e.g.  $Z - 0.0010$ ;  $Z$ ;  $Z + 0.0010$ ). The Contract will have a Payout Criterion of greater than the strike level value.

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

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

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

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

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

(k) SETTLEMENT DATE – The Settlement Date will be the date on which the USD/CAD Settlement Price is released by the Source Agency.

(l) EXPIRATION DATE – The Expiration Date of the Contract will be the date on which the USD/CAD Settlement Price is released by the Source Agency.

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

(n) EXPIRATION VALUE – The Expiration Value is the Settlement Price of USD/CAD Currency as calculated by the Source Agency on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking the last ~~twenty five (25)~~ten (10) 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)~~three (3) Midpoints and the lowest ~~(5)~~three (3) Midpoints, using the remaining ~~fifteen (15)~~four (4) USD/CAD Midpoints to calculate the Expiration Value. The calculation used is a simple average of all ~~fifteen (15)~~four (4) 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), those prices will not be used to calculate a Midpoint and will thus not be included within the ~~25~~10 initially captured values.

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

#### RULE 12.34 CURRENCY EXCHANGE USD/CHF VARIABLE PAYOUT CONTRACTS

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

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

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

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

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

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

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

(1) DAILY VARIABLE USD/CHF SPREAD CONTRACT

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

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

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

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

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

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

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

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

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

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

(iii) INTRADAY 2-HOUR VARIABLE USD/CHF SPREAD CONTRACTS, 8:00PM, 9:00PM, 10:00PM, 11:00PM, 12:00AM, 1:00AM, 2:00AM, 3:00AM, 4:00AM, 5:00AM, 6:00AM, 7:00AM, 8:00AM, 9:00AM, 10:00AM, 11:00AM, 12:00PM, 1:00PM, 2:00PM, and 3:00PM ET CLOSE - Nadex shall list a set of three (3) Variable Payout

Contracts that open 2 hours prior to the stated closing time(s) above with overlapping ranges, which conform to the Payout Criteria listed below:

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

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

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

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

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

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

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

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

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

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

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

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

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

(n) EXPIRATION VALUE – The Expiration Value is the price or value of USD/CHF released by the Source Agency on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking the last ~~twenty five (25)~~ ten (10) Midpoints between the bid/ask spread (five pips wide or less) just prior to the close of trading of the USD/CHF Variable Payout

Contract and removing the highest ~~five (5)~~three (3) Midpoints and the lowest ~~(5)~~three (3) Midpoints, using the remaining ~~fifteen (15)~~four (4) USD/CHF Midpoints to calculate the Expiration Value. The calculation used is a simple average of all ~~fifteen (15)~~four (4) 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), those prices will not be used to calculate a Midpoint and will thus not be included within the ~~25~~10 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 12.35 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.

(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) WEEKLY USD/CHF BINARY CONTRACTS

(1) EXPIRATION TIME – 3 PM ET CLOSE

(2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 0.0050.

(3) NUMBER OF STRIKE LEVELS LISTED - Fourteen (14) strike levels will be listed for each Weekly USD/CHF Binary Contract Series.

(4) STRIKE LEVELS GENERATED - Strike levels will be generated such that Binary Contract "X" is valued 'at-the-money' in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in 0.0025 or 0.0075 as reported by the Source Agency. Six (6) strike levels will be generated above Binary Contract X at an interval of 0.0050, and seven (7) strike levels will be generated below Binary Contract X at an interval of 0.0050 (e.g.  $X - 0.0050$ ;  $X$ ;  $X + 0.0050$ ). The Contract will have a Payout Criterion of greater than the strike level value.

(ii) DAILY USD/CHF BINARY CONTRACTS

(1) EXPIRATION TIME – 3 AM, 7 AM, 11 AM, 3 PM, 7 PM, 11 PM ET  
CLOSE

(2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 0.0020.

(3) NUMBER OF STRIKE LEVELS LISTED – Twenty-one (21) strike levels will be listed for each Daily USD/CAD Binary Contract Series.

- (4) STRIKE LEVELS GENERATED - Strike levels will be generated such that Binary Contract “Y” is valued ‘at-the-money’ in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in 0.0020 as reported by the Source Agency. Ten (10) strike levels will be generated above Binary Contract Y at an interval of 0.0020, and ten (10) strike levels will be generated below Binary Contract Y at an interval of 0.0020 (e.g.  $Y - 0.0020$ ;  $Y$ ;  $Y + 0.0020$ ). The Contract will have a Payout Criterion of greater than the strike level value.

(iii) INTRADAY USD/CHF BINARY CONTRACTS

- (1) EXPIRATION TIME – 10 AM, 11 AM, 12 PM, 1 PM, 2 PM, 3 PM ET  
CLOSE
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 0.0004.
- (3) NUMBER OF STRIKE LEVELS LISTED – Fifteen (15) strike levels will be listed for each Intraday USD/CHF Binary Contract Series.
- (4) STRIKE LEVELS GENERATED - Strike levels will be generated such that Binary Contract “Z” is valued ‘at-the-money’ in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest

value ending in 0.0001 as reported by the Source Agency. Seven (7) strike levels will be generated above Binary Contract Z at an interval of 0.0004, and seven (7) strike levels will be generated below Binary Contract Z at an interval of 0.0004 (e.g.  $Z - 0.0004$ ;  $Z$ ;  $Z + 0.0004$ ). The Contract will have a Payout Criterion of greater than the strike level value.

(iv) 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)~~ ten (10) 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)~~ three (3) Midpoints and the lowest ~~(5)~~ three (3) Midpoints, using the remaining ~~fifteen (15)~~ four (4) USD/CHF Midpoints to calculate the Expiration Value. The calculation used is a simple average of all ~~fifteen (15)~~ four (4) USD/CHF Midpoints, rounded

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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), those prices will not be used to calculate a Midpoint and will thus not be included within the ~~2510~~ 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 12.36 CURRENCY EXCHANGE USD/JPY VARIABLE PAYOUT CONTRACTS

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

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

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

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

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

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

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

##### (1) DAILY VARIABLE USD/JPY SPREAD CONTRACT

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(n) EXPIRATION VALUE – The Expiration Value shall be the price or value of USD/JPY 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)~~ ten (10) Midpoints between the bid/ask spread (five pips wide or less) just prior to the close of trading of the USD/JPY Variable Payout Contract and removing the highest ~~five (5)~~ three (3) Midpoints and the lowest ~~(5)three (3)~~ Midpoints, using the remaining ~~fifteen (15)~~ four (4) USD/JPY Midpoints to calculate the Expiration Value. The calculation used is a simple average of all ~~fifteen (15)~~ four (4) USD/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 five (5) pips), those prices will not be used to calculate a Midpoint and will thus not be included within the ~~25~~ 10 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 12.37 CURRENCY EXCHANGE USD/JPY BINARY CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the Currency Exchange USD/JPY (“USD/JPY”) 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/JPY” as quoted in the Japanese Yen per US dollar obtained from the spot USD/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 USD/JPY Binary Contract, the Payout Criteria for the Contracts will be set as follows:

(i) WEEKLY USD/JPY BINARY CONTRACTS

(1) EXPIRATION TIME – 3 PM ET CLOSE

(2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 0.50.

(3) NUMBER OF STRIKE LEVELS LISTED - Fourteen (14) strike levels will be listed for each Weekly USD/JPY Binary Contract Series.

(4) STRIKE LEVELS GENERATED - Strike levels will be generated such that Binary Contract “XW” is valued ‘at-the-money’ in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in 0.25 or 0.75 as reported by the Source Agency. Six (6) strike levels will be generated above Binary Contract XW at an interval of 0.50, and seven (7) strike levels will be generated below Binary Contract XW at an

interval of 0.50 (e.g.  $\underline{XW} - 0.50$ ;  $\underline{XW}$ ;  $\underline{XW} + 0.50$ ). The Contract will have a Payout Criterion of greater than the strike level value.

(ii) DAILY USD/JPY BINARY CONTRACTS

- (1) EXPIRATION TIME – 3 AM, 7 AM, 11 AM, 3 PM, 7 PM, 11 PM ET  
CLOSE
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 0.20.
- (3) NUMBER OF STRIKE LEVELS LISTED – Twenty-one (21) strike levels will be listed for each Daily USD/JPY Binary Contract Series.
- (4) STRIKE LEVELS GENERATED - Strike levels will be generated such that Binary Contract “ $\underline{YX}$ ” is valued ‘at-the-money’ in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in 0.20 as reported by the Source Agency. Ten (10) strike levels will be generated above Binary Contract  $\underline{YX}$  at an interval of 0.20, and ten (10) strike levels will be generated below Binary Contract  $\underline{YX}$  at an interval of 0.20 (e.g.  $\underline{YX} - 0.20$ ;  $\underline{YX}$ ;  $\underline{YX} + 0.20$ ). The Contract will have a Payout Criterion of greater than the strike level value.

(iii) INTRADAY 2-HOUR USD/JPY BINARY CONTRACTS

- (1) EXPIRATION TIME – 8 PM, 9 PM, 10 PM, 11 PM, 12 AM, 1 AM, 2 AM, 3 AM, 4 AM, 5 AM, 6 AM, 7 AM, 8 AM, 9 AM, 10 AM, 11 AM, 12 PM, 1 PM, 2 PM, 3 PM, 4 PM, 5 PM ET CLOSE
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 0.04.
- (3) NUMBER OF STRIKE LEVELS LISTED – Nineteen (19) strike levels will be listed for each Intraday 2-Hour USD/JPY Binary Contract Series.
- (4) STRIKE LEVELS GENERATED - Strike levels will be generated such that Binary Contract “ZY” is valued ‘at-the-money’ in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in 0.01 as reported by the Source Agency. Nine (9) strike levels will be generated above Binary Contract ZY at an interval of 0.04, and nine (9) strike levels will be generated below Binary Contract ZY at an interval of 0.04 (e.g. ZY – 0.04; ZY; ZY + 0.04). The Contract will have a Payout Criterion of greater than the strike level value.

(iv) INTRADAY 5-MINUTE USD/JPY BINARY CONTRACTS

- (1) EXPIRATION TIME – 5-Minute Binary Contracts will expire every 5 minutes beginning Sunday at 6:05pm ET and ending Friday at 4:00pm ET.

(2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 0.08.

(3) NUMBER OF STRIKE LEVELS LISTED – Three (3) strike levels will be listed for each Intraday 5-Minute USD/JPY Binary Contract Series.

(4) STRIKE LEVELS GENERATED - Strike levels will be generated such that Binary Contract “Z” is valued ‘at-the-money’ in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in 0.05 as reported by the Source Agency. One (1) strike level will be generated above Binary Contract Z at an interval of 0.08, and one (1) strike level will be generated below Binary Contract Z at an interval of 0.08 (e.g. Z – 0.08; Z; Z + 0.08). The Contract will have a Payout Criterion of greater than the strike level value.

(5) Nadex may, in its discretion, temporarily halt the listing of any 5-Minute Binary Contract due to the unavailability of the underlying market upon which the Contract is based, or any other condition Nadex determines may be detrimental to the listing of the Contract.

~~(iv)~~(v) Nadex may list additional USD/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 USD/JPY Binary Contracts shall be \$0.25.

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

(i) POSITION LIMIT – There are currently no Position Limits for USD/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 USD/JPY Binary Contracts shall occur after its Last Trading Date.

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

(l) EXPIRATION DATE – The Expiration Date of the Contract will be the date on which the USD/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 USD/JPY Binary Contract is \$100.

(n) EXPIRATION VALUE – The Expiration Value is the price or value of USD/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)~~ten (10) Midpoints between the bid/ask spread (five pips wide or less) just prior to the close of trading of the USD/JPY Binary Contract and removing the highest ~~five (5)~~three (3) Midpoints and the lowest ~~(5)~~three (3) Midpoints, using the remaining ~~fifteen (15)~~four (4) USD/JPY Midpoints to calculate the Expiration Value. The calculation used is a simple average of all ~~fifteen (15)~~four (4) USD/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 five (5) pips), those prices will not be used to calculate a Midpoint and will thus not be included within the ~~25~~10 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 CURRENCY EXCHANGE EUR/JPY VARIABLE PAYOUT CONTRACTS

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

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

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

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

(1) DAILY VARIABLE EUR/JPY SPREAD CONTRACT

(aa) CAP – The Cap shall be  $X + 2.50$ .

(bb) FLOOR – The Floor shall be  $X - 2.50$ .

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

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

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

(1) CONTRACT 1: The Cap shall be X; The Floor shall be  $X - 2.00$ .

(2) CONTRACT 2: The Cap shall be  $X + 1.00$ ; The Floor shall be  $X - 1.00$ .

(3) CONTRACT 3: The Cap shall be  $X + 2.00$ ; The Floor shall be X.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(m) SETTLEMENT VALUE – The Settlement Value shall be the amount paid to the holder of either a Short or Long Variable Payout Contract on Settlement Date. The Settlement

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

(n) EXPIRATION VALUE – The Expiration Value shall be the price or value of EUR/JPY 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)~~ten (10) Midpoints between the bid/ask spread (five pips wide or less) just prior to the close of trading of the EUR/JPY Variable Payout Contract and removing the highest ~~five (5)~~three (3) Midpoints and the lowest ~~(5)three (3)~~ Midpoints, using the remaining ~~fifteen (15)~~four (4) EUR/JPY Midpoints to calculate the Expiration Value. The calculation used is a simple average of all ~~fifteen (15)~~four (4) 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). For example, if the bid price is 121.00 and the ask price is 121.02, the two numbers are added together (totaling 242.02) and then divided by two (2), equaling a Midpoint of 121.01. If the spread between a particular bid price and ask price is deemed too wide (greater than five (5) pips), those prices will not be used to calculate a Midpoint and will thus not be included within the ~~25~~10 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 12.39 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) WEEKLY EUR/JPY BINARY CONTRACTS

- (1) EXPIRATION TIME – 3 PM ET CLOSE
  
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 0.50.
  
- (3) NUMBER OF STRIKE LEVELS LISTED - Fourteen (14) strike levels will be listed for each Weekly EUR/JPY Binary Contract Series.
  
- (4) STRIKE LEVELS GENERATED - Strike levels will be generated such that Binary Contract “X” is valued ‘at-the-money’ in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in 0.25 or 0.75 as reported by the Source Agency. Six (6) strike levels will be generated above Binary Contract X at an interval of 0.50, and seven (7) strike levels will be generated below Binary Contract X at an interval of 0.50 (e.g.  $X - 0.50$ ;  $X$ ;  $X + 0.50$ ). The Contract will have a Payout Criterion of greater than the strike level value.

(ii) DAILY EUR/JPY BINARY CONTRACTS

- (1) EXPIRATION TIME – 3 AM, 7 AM, 11 AM, 3 PM, 7 PM, 11 PM ET  
CLOSE
  
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 0.20.

- (3) NUMBER OF STRIKE LEVELS LISTED – Twenty-one (21) strike levels will be listed for each Daily EUR/JPY Binary Contract Series.
- (4) STRIKE LEVELS GENERATED - Strike levels will be generated such that Binary Contract “Y” is valued ‘at-the-money’ in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in 0.20 as reported by the Source Agency. Ten (10) strike levels will be generated above Binary Contract Y at an interval of 0.20, and ten (10) strike levels will be generated below Binary Contract Y at an interval of 0.20 (e.g.  $Y - 0.20$ ; Y;  $Y + 0.20$ ). The Contract will have a Payout Criterion of greater than the strike level value.

(iii) INTRADAY EUR/JPY BINARY CONTRACTS

- (1) EXPIRATION TIME – 8 PM, 9 PM, 10 PM, 11 PM, 12 AM, 1 AM, 2 AM, 3 AM, 4 AM, 5 AM, 6 AM, 7 AM, 8 AM, 9 AM, 10 AM, 11 AM, 12 PM, 1 PM, 2 PM, 3 PM, 4 PM, 5 PM ET CLOSE
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 0.10.
- (3) NUMBER OF STRIKE LEVELS LISTED – Nine (9) strike levels will be listed for each Intraday EUR/JPY Binary Contract Series.

(4) STRIKE LEVELS GENERATED - Strike levels will be generated such that Binary Contract “Z” is valued ‘at-the-money’ in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in 0.01 as reported by the Source Agency. Four (4) strike levels will be generated above Binary Contract Z at an interval of 0.10, and four (4) strike levels will be generated below Binary Contract Z at an interval of 0.10 (e.g.  $Z - 0.10$ ;  $Z$ ;  $Z + 0.10$ ). The Contract will have a Payout Criterion of greater than the strike level value.

(iv) Nadex may list additional EUR/JPY 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 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)~~ten (10) 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)~~three (3) Midpoints and the lowest ~~(5)~~three (3) Midpoints, using the remaining ~~fifteen (15)~~four (4) EUR/JPY Midpoints to calculate the Expiration Value. The calculation used is a simple average of all ~~fifteen (15)~~four (4) 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). For example, if the bid price is 121.00 and the ask price is 121.02, the two numbers are added together (totaling 242.02) and then divided by two (2), equaling a Midpoint of 121.01. If the spread between a particular bid price and ask price is deemed too wide (greater than five (5) pips), those prices will not be used to calculate a Midpoint and will thus not be included within the ~~25~~10 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 CURRENCY EXCHANGE GBP/JPY VARIABLE PAYOUT CONTRACTS

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

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

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

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

(1) DAILY VARIABLE GBP/JPY SPREAD CONTRACT

(aa) CAP – The Cap shall be  $X + 3.00$ .

(bb) FLOOR – The Floor shall be  $X - 3.00$ .

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

(2) In each case, "X" equals the last GBP/JPY price, as reported by the Source Agency, rounded to the nearest 0.10.

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

(1) CONTRACT 1: The Cap shall be X; The Floor shall be  $X - 2.50$ .

(2) CONTRACT 2: The Cap shall be  $X + 1.25$ ; The Floor shall be  $X - 1.25$ .

(3) CONTRACT 3: The Cap shall be  $X + 2.50$ ; The Floor shall be X.

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

(5) In each case, "X" equals the last GBP/JPY price, as reported by the Source Agency, rounded to the nearest 0.10.

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

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

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

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



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

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

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

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

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

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

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

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

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

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

(n) EXPIRATION VALUE – The Expiration Value shall be the price or value of GBP/JPY 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)~~ ten (10) Midpoints between the bid/ask spread (ten pips wide or less) just prior to the close of trading of the GBP/JPY Variable Payout Contract and removing the highest ~~five (5)~~ three (3) Midpoints and the lowest ~~(5)three (3)~~ Midpoints, using the remaining ~~fifteen (15)~~ four (4) GBP/JPY Midpoints to calculate the Expiration Value. The calculation used is a simple average of all ~~fifteen (15)~~ four (4) 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), those prices will not be used to calculate a Midpoint and will thus not be included within the ~~25~~10 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 12.41 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) WEEKLY GBP/JPY BINARY CONTRACTS

(1) EXPIRATION TIME – 3 PM ET CLOSE

(2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 0.50.

(3) NUMBER OF STRIKE LEVELS LISTED - Fourteen (14) strike levels will be listed for each Weekly GBP/JPY Binary Contract Series.

- (4) **STRIKE LEVELS GENERATED** - Strike levels will be generated such that Binary Contract “X” is valued ‘at-the-money’ in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in 0.25 or 0.75 as reported by the Source Agency. Six (6) strike levels will be generated above Binary Contract X at an interval of 0.50, and seven (7) strike levels will be generated below Binary Contract X at an interval of 0.50 (e.g.  $X - 0.50$ ;  $X$ ;  $X + 0.50$ ). The Contract will have a Payout Criterion of greater than the strike level value.

(ii) **DAILY GBP/JPY BINARY CONTRACTS**

- (1) **EXPIRATION TIME** – 3 AM, 7 AM, 11 AM, 3 PM, 7 PM, 11 PM ET  
CLOSE
- (2) **STRIKE INTERVAL WIDTH** – The interval width between each strike level shall be 0.20.
- (3) **NUMBER OF STRIKE LEVELS LISTED** – Twenty-one (21) strike levels will be listed for each Daily GBP/JPY Binary Contract Series.
- (4) **STRIKE LEVELS GENERATED** - Strike levels will be generated such that Binary Contract “Y” is valued ‘at-the-money’ in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest

value ending in 0.20 as reported by the Source Agency. Ten (10) strike levels will be generated above Binary Contract Y at an interval of 0.20, and ten (10) strike levels will be generated below Binary Contract Y at an interval of 0.20 (e.g.  $Y - 0.20$ ;  $Y$ ;  $Y + 0.20$ ). The Contract will have a Payout Criterion of greater than the strike level value.

### (iii) INTRADAY GBP/JPY BINARY CONTRACTS

- (1) EXPIRATION TIME – 10 AM, 11 AM, 12 PM, 1 PM, 2 PM, 3 PM ET  
CLOSE
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 0.10.
- (3) NUMBER OF STRIKE LEVELS LISTED – Nine (9) strike levels will be listed for each Intraday GBP/JPY Binary Contract Series.
- (4) STRIKE LEVELS GENERATED - Strike levels will be generated such that Binary Contract “Z” is valued ‘at-the-money’ in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in 0.01 as reported by the Source Agency. Four (4) strike levels will be generated above Binary Contract Z at an interval of 0.10, and four (4) strike levels will be generated below Binary Contract Z at an interval of 0.10 (e.g.  $Z - 0.10$ ;  $Z$ ;  $Z + 0.10$ ). The Contract will have a Payout Criterion of

greater than the strike level value.

(iv) 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)~~ten (10) 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)~~three (3) Midpoints and the lowest ~~(5)~~three (3) Midpoints, using the remaining ~~fifteen (15)~~four (4) GBP/JPY Midpoints to calculate the Expiration Value. The calculation used is a simple average of all ~~fifteen (15)~~four (4) 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), those prices will not be used to calculate a Midpoint and will thus not be included within the ~~25-10~~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 CURRENCY EXCHANGE EUR/GBP BINARY CONTRACTS

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

(b) UNDERLYING – The Underlying for this Class of Contracts is the Euro/British Pound herein referred to as “EUR/GBP” as quoted in British Pounds per Euro obtained from the spot EUR/GBP 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/GBP Binary Contract, the Payout Criteria for the Contracts will be set as follows:

##### (i) WEEKLY EUR/GBP BINARY CONTRACTS

(1) EXPIRATION TIME – 3 PM ET CLOSE

(2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 0.0050.

(3) NUMBER OF STRIKE LEVELS LISTED - Fourteen (14) strike levels will be listed for each Weekly EUR/GBP Binary Contract Series.

(4) STRIKE LEVELS GENERATED - Strike levels will be generated such that Binary Contract “X” is valued ‘at-the-money’ in relation to the Underlying

market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in 0.0025 or 0.0075 as reported by the Source Agency. Six (6) strike levels will be generated above Binary Contract X at an interval of 0.0050, and seven (7) strike levels will be generated below Binary Contract X at an interval of 0.0050 (e.g.  $X - 0.0050$ ;  $X$ ;  $X + 0.0050$ ). The Contract will have a Payout Criterion of greater than the strike level value.

#### (ii) DAILY EUR/GBP BINARY CONTRACTS

- (1) EXPIRATION TIME – 3 AM, 7 AM, 11 AM, 3 PM, 7 PM, 11 PM ET  
CLOSE
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 0.0020.
- (3) NUMBER OF STRIKE LEVELS LISTED – Twenty-one (21) strike levels will be listed for each Daily EUR/GBP Binary Contract Series.
- (4) STRIKE LEVELS GENERATED - Strike levels will be generated such that Binary Contract “Y” is valued ‘at-the-money’ in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in 0.0020 as reported by the Source Agency. Ten (10) strike levels will be generated above Binary Contract Y at an interval of 0.0020, and

ten (10) strike levels will be generated below Binary Contract Y at an interval of 0.0020 (e.g.  $Y - 0.0020$ ;  $Y$ ;  $Y + 0.0020$ ). The Contract will have a Payout Criterion of greater than the strike level value.

(iii) INTRADAY EUR/GBP BINARY CONTRACTS

- (1) EXPIRATION TIME – 10 AM, 11 AM, 12 PM, 1 PM, 2 PM, 3 PM ET  
CLOSE
  
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 0.0010.
  
- (3) NUMBER OF STRIKE LEVELS LISTED – Nine (9) strike levels will be listed for each Intraday EUR/GBP Binary Contract Series.
  
- (4) STRIKE LEVELS GENERATED - Strike levels will be generated such that Binary Contract “Z” is valued ‘at-the-money’ in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in 0.0001 as reported by the Source Agency. Four (4) strike levels will be generated above Binary Contract Z at an interval of 0.0010, and four (4) strike levels will be generated below Binary Contract Z at an interval of 0.0010 (e.g.  $Z - 0.0010$ ;  $Z$ ;  $Z + 0.0010$ ). The Contract will have a Payout Criterion of greater than the strike level value.



(iv) Nadex may list additional EUR/GBP 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/GBP Binary Contracts shall be \$0.25.

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

(i) POSITION LIMIT – There are currently no Position Limits for EUR/GBP 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/GBP Binary Contracts shall occur after its Last Trading Date.

(k) SETTLEMENT DATE – The Settlement Date will be the date on which the EUR/GBP number as reported by the Source Agency.

(l) EXPIRATION DATE – The Expiration Date of the Contract will be the date on which the EUR/GBP 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/GBP Binary Contract is \$100.

(n) EXPIRATION VALUE – The Expiration Value is the price or value of EUR/GBP 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)~~ ten (10) Midpoints between the bid/ask spread (five pips wide or less) just prior to the close of trading of the EUR/GBP Binary Contract and removing the highest ~~five (5)~~ three (3) Midpoints and the lowest ~~(5)~~ three (3) Midpoints, using the remaining ~~fifteen (15)~~ four (4) EUR/GBP Midpoints to calculate the Expiration Value. The calculation used is a simple average of all ~~fifteen (15)~~ four (4) EUR/GBP 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), those prices will not be used to calculate a Midpoint and will thus not be included within the ~~25~~ 10 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 12.43 CURRENCY EXCHANGE AUD/JPY BINARY CONTRACTS

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

(b) UNDERLYING – The Underlying for this Class of Contracts is the Australian dollar/ Japanese Yen, herein referred to as “AUD/JPY” as quoted in the Japanese Yen per Australian dollar obtained from the spot AUD/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 AUD/JPY Binary Contract, the Payout Criteria for the Contracts will be set as follows:

##### (i) WEEKLY AUD/JPY BINARY CONTRACTS

(1) EXPIRATION TIME – 3 PM ET CLOSE

(2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 0.50.

(3) NUMBER OF STRIKE LEVELS LISTED - Fourteen (14) strike levels will be listed for each Weekly AUD/JPY Binary Contract Series.

(4) STRIKE LEVELS GENERATED - Strike levels will be generated such that Binary Contract “X” is valued ‘at-the-money’ in relation to the Underlying

market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in 0.25 or 0.75 as reported by the Source Agency. Six (6) strike levels will be generated above Binary Contract X at an interval of 0.50, and seven (7) strike levels will be generated below Binary Contract X at an interval of 0.50 (e.g.  $X - 0.50$ ;  $X$ ;  $X + 0.50$ ). The Contract will have a Payout Criterion of greater than the strike level value.

#### (ii) DAILY AUD/JPY BINARY CONTRACTS

- (1) EXPIRATION TIME – 3 AM, 7 AM, 11 AM, 3 PM, 7 PM, 11 PM ET  
CLOSE
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 0.20.
- (3) NUMBER OF STRIKE LEVELS LISTED – Twenty-one (21) strike levels will be listed for each Daily AUD/JPY Binary Contract Series.
- (4) STRIKE LEVELS GENERATED - Strike levels will be generated such that Binary Contract “Y” is valued ‘at-the-money’ in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in 0.20 as reported by the Source Agency. Ten (10) strike levels will be generated above Binary Contract Y at an interval of 0.20, and ten (10)

strike levels will be generated below Binary Contract Y at an interval of 0.20 (e.g.  $Y - 0.20$ ;  $Y$ ;  $Y + 0.20$ ). The Contract will have a Payout Criterion of greater than the strike level value.

(iii) INTRADAY AUD/JPY BINARY CONTRACTS

- (1) EXPIRATION TIME – 10 AM, 11 AM, 12 PM, 1 PM, 2 PM, 3 PM ET  
CLOSE
  
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 0.05.
  
- (3) NUMBER OF STRIKE LEVELS LISTED – Nine (9) strike levels will be listed for each Intraday AUD/JPY Binary Contract Series.
  
- (4) STRIKE LEVELS GENERATED - Strike levels will be generated such that Binary Contract “Z” is valued ‘at-the-money’ in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in 0.01 as reported by the Source Agency. Four (4) strike levels will be generated above Binary Contract Z at an interval of 0.05, and four (4) strike levels will be generated below Binary Contract Z at an interval of 0.05 (e.g.  $Z - 0.05$ ;  $Z$ ;  $Z + 0.05$ ). The Contract will have a Payout Criterion of greater than the strike level value.

(iv) Nadex may list additional AUD/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 AUD/JPY Binary Contracts shall be \$0.25.

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

(i) POSITION LIMIT – There are currently no Position Limits for AUD/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 AUD/JPY Binary Contracts shall occur after its Last Trading Date.

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

(l) EXPIRATION DATE – The Expiration Date of the Contract will be the date on which the AUD/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 AUD/JPY Binary Contract is \$100.

(n) EXPIRATION VALUE – The Expiration Value is the price or value of AUD/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)~~ ten (10) Midpoints between the bid/ask spread (ten pips wide or less) just prior to the close of trading of the AUD/JPY Binary Contract and removing the highest ~~five (5)~~ three (3) Midpoints and the lowest ~~(5)~~ three (3) Midpoints, using the remaining ~~fifteen (15)~~ four (4) AUD/JPY Midpoints to calculate the Expiration Value. The calculation used is a simple average of all ~~fifteen (15)~~ four (4) AUD/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), those prices will not be used to calculate a Midpoint and will thus not be included within the ~~25~~ 10 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.

*End of Rulebook.*

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