ENTITY CONNECTION TERMS OF BUSINESS

PLEASE CAREFULLY READ AND MAKE SURE YOU UNDERSTAND THESE TERMS OF BUSINESS, INCLUDING ALL DOCUMENTS INCORPORATED BY REFERENCE (THE “TERMS OF BUSINESS”).

1. INTRODUCTION

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

These Entity Connection Terms of Business (“Terms of Business”) set forth the terms and conditions under which NADEX, will grant you, the Member, access to NADEX’s contract market facilities, including either or both of the fully collateralized and margined products trading environments (the “NADEX System”) via an interface(s) using the FIX protocol.

IN THESE TERMS OF BUSINESS, the terms “you” and “your” refer to the Member or applicant for Membership with NADEX seeking to access the NADEX System using FIX Protocol. For entities, each employee or associated person acting on behalf of said entity is also incorporated into the definition of both of these terms. Capitalized terms not defined within these Terms of Business have the meaning set forth in the NADEX Rulebook, available on the NADEX website (the “NADEX Rules”),[1] as may be amended from time to time.

2. SCOPE OF TERMS OF BUSINESS

The NADEX System is the electronic platform that gives authorized Members access to both of NADEX’s electronic markets for trading margined and fully collateralized derivative instruments (“Contracts”). The NADEX System includes the NADEX website, match engine, market information, clearing and any other services (whether in production or test environments) offered by NADEX and its third-party service providers. Access to, and use of, the NADEX System are subject to your compliance with the terms and conditions set forth in this Agreement, the Membership Agreement between you and NADEX, and the NADEX Rules.

3. ACKNOWLEDGEMENTS AND OBLIGATIONS

By accessing the NADEX System, you have agreed to abide by these Terms of Business, the NADEX Rules, and any applicable law, rule or regulation, including, but not limited to the Commodity Exchange Act, as may be amended from time to time (the “Act”) and the rules and regulations of the Commodity Futures Trading Commission (“CFTC” or “Commission”) as may be amended from time to time (collectively, “Applicable Law”). No NADEX employee, director, officer, agent, subsidiary or joint venture (“Affiliate”) will be liable to you for any commercially reasonable action such Affiliate takes in order to comply with the Rules or Applicable Law.

[1] Available at: https://www.nadex.com/rules/.

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

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

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

4. AUTHORIZED ACCESS TO NADEX SYSTEM

NADEX is making available to you or to your independent software vendor, as applicable, an interface(s) through which you may access the NADEX System using the FIX protocol. This access is being made available for the trading of certain NADEX Contracts in accordance with these Terms of Business and the NADEX Rules. The number and type of interfaces being made available to you are described in the attached Schedule A.

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

You will be fully responsible for timely performance of all obligations under or in connection with any Contract resulting from the submission of any order into the NADEX System under your Member Username, except to the extent provided by the NADEX Rules related to Limitations of Liability and Indemnification.

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

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

You agree that NADEX in its sole discretion may limit your volume of messaging traffic (e.g., messages per second submitted by you to NADEX). You further agree that NADEX in its sole discretion may terminate your FIX connection if your monthly trading volume in margined or fully collateralized Contracts does not meet minimum expectations as set forth in the fee schedule.

You understand and agree that NADEX in its sole discretion may suspend, condition or revoke your access to the NADEX System, including, without limitation, your access to the NADEX System using the FIX protocol, for any reason.

5. THE NADEX ELECTRONIC TRADING SYSTEM

NADEX is permitting you to access the NADEX System for trading certain Contracts in accordance with these Terms of Business and in the NADEX Rules. You understand that the NADEX System may be accessed only through the Internet or through a dedicated private circuit, and there are separate trading environments for fully collateralized and margined Contracts. In accordance with the NADEX Rules, trading access to the NADEX System via dedicated private circuit is limited to NADEX-approved Market Makers acting in their capacity as Market Makers. In this regard, NADEX agrees to permit you to build one or more interfaces to connect your computer network to the NADEX System using the FIX Protocol.

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

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

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

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

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

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

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

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

No Liability. You understand that while the Internet and dedicated private circuits are generally dependable, technical problems or other conditions may delay or prevent you from entering or canceling an order or orders on the NADEX System, or may delay or prevent an order or orders transmitted to the NADEX System from being executed. YOU ALSO AGREE THAT NEITHER NADEX NOR ANY NADEX AFFILIATE WILL BE LIABLE IN ANY MANNER WHATSOEVER FOR ANY LOSS OR DAMAGE SUSTAINED BY A MEMBER, INCLUDING ANY CONSEQUENTIAL LOSS, LOSS OF PROFIT OR LOSS OF TRADING OPPORTUNITY, AS A RESULT OF ANY ACTUAL OR PROPOSED TRANSACTIONS OR AS A DIRECT OR INDIRECT RESULT OF ANY SERVICES PROVIDED BY NADEX AFFILIATES (INCLUDING, WITHOUT LIMITATION, ANY FAILURE IN NADEX’S SYSTEMS OR ANY INACCURATE INFORMATION PROVIDED BY NADEX OR ANY NADEX AFFILIATE), UNLESS THE RELEVANT NADEX PARTY IS DETERMINED BY FINAL RULING OF AN ARBITRATION PROCEEDING TO HAVE ACTED OR FAILED TO ACT IN A MANNER THAT IS GROSSLY NEGLIGENT, RECKLESS, OR FRAUDULENT. FOR THE AVOIDANCE OF DOUBT, NOTHING HEREIN IS INTENDED TO LIMIT THE LIABILITY OF ANY PERSON AS MAY BE PROVIDED IN THE CEA, THE REGULATIONS OF THE COMMISSION, OR BY ACTS OF WILLFUL OR WANTON MISCONDUCT OR FRAUD.

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

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

6. FEES

With the exception of connections used solely for approved market making activity, you will pay to NADEX an initial connection fee as set forth in the fee schedule upon execution of the Agreement, which must be submitted to NADEX via wire transfer. You acknowledge that you may be charged trading and other fees that exceed the rate of fees charged to members who access the NADEX via standard connections and/or be eligible for certain rebates, as set forth in the fee schedule published by NADEX from time to time.

7. NOTICE

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

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

8. TERMINATION

Your right to Entity Connectivity may be terminated by you or NADEX at any time by giving written notice to the other party. Upon the termination of these Terms of Business and otherwise at the request of NADEX, you agree that your open orders may be cancelled and you will remain subject to the jurisdiction of NADEX with respect to any investigation or proceeding commenced against you by NADEX and any arbitration filed against you; provided that the investigation, proceeding or arbitration is commenced not more than one year after the effective date of your termination. You may remain subject to the jurisdiction of the CFTC.

The termination of your Entity Connectivity will not prejudice any accrued rights or obligations relating to any transaction effected prior to termination, or any right or remedy available to NADEX. The obligations of confidentiality, the warranty exclusions, limitations of liability, the mandatory arbitration provision, and choice of law provision stated in these Terms of Business will survive termination as well as the suspension or restriction of your access to the NADEX System.

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

9. NO WARRANTY

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

10. ELECTRONIC TRADING RISK DISCLOSURE

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

The risk of loss in trading Contracts on NADEX can be substantial and is a highly speculative activity involving high leverage and volatile markets. Trading through the Internet or other dedicated lines of communication involves many interrelated systems, including hardware, software, telephony, cable, and power generation, all of which are subject to failure or malfunction that may adversely affect the ability to trade. During any time that NADEX is inaccessible for whatever reason, orders may not be entered, cancelled, or modified. Additionally, although NADEX and its systems provider(s) have taken precautions, such as redundant systems, to prevent such an occurrence, if the NADEX System suffers a catastrophic failure, your orders and their priority in the order queue could be lost. NADEX is not responsible or liable for any effect on the ability to trade caused by any malfunction of the Internet, computing systems, or their related components. You understand that at various times trading of a particular Contract on NADEX may cease due to a lack of bids or offers for that Contract and, on certain specific trading dates, a Contract will expire pursuant to its terms even if the NADEX System is not accessible. You freely assume these risks and hold NADEX, its affiliates and their respective directors, officers, employees, agents harmless against any such losses resulting from these risks.

11. MANDATORY ARBITRATION

Any controversy or claim arising out of or in connection with these Terms of Business or the performance or breach hereof, or relating to your account(s), including any claim against NADEX, or any other NADEX Member, will be settled by arbitration as set forth in the NADEX Rules.

12. CHOICE OF LAW

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