

Nadex Fee Schedule
Registered On or Before August 17, 2011

Direct Trading Members

- Membership Fee:
 - Nadex does not charge a Membership fee to join the Exchange.
- Initial Deposit:
 - Direct Trading Members are required to make an initial deposit of at least \$100; no minimum balance is required thereafter.
- Transaction Fees:
 - Direct Trading Members incur an Exchange trading fee of \$1.00 per contract per side for each trade executed on Nadex; on orders of 7 contracts or more, trading fees in connection with the execution of that order are capped at \$7.00.
 - Direct Trading Members incur an Exchange settlement fee of \$1.00 per contract per side for each contract that settles in-the-money (note that positions that settle with a payout of less than \$1.00 are not charged a settlement fee).
 - Nadex charges no fee for contracts that settle out-of-the-money.
 - Nadex charges no fee for orders placed, cancelled or amended.
- API Connection:
 - Direct Trading Members connecting via API incur an Exchange trading fee of \$1.50 per contract per side for each trade executed on Nadex.
 - Direct Trading Members connecting via API incur an Exchange settlement fee of \$1.00 per contract per side for each contract that settles in-the-money (note that positions that settle with a payout of less than \$1.00 are not charged a settlement fee).
 - Nadex charges Direct Trading Members connecting via API no fee for contracts that settle out-of-the-money.
 - Nadex charges Direct Trading Members connecting via API no fee for orders placed, cancelled or amended.
 - Nadex provides a rebate to Direct Trading Members connecting via API based on the number of Bull Spread Contracts traded during any one-month period (first trading day of a calendar month through the last trading day of that month) according to the following schedule:
 - 5,000 or fewer Bull Spread lots traded in a one-month period = no rebate for that month;
 - 5,001 to 10,000 Bull Spread lots traded in a one-month period = 33% rebate on the Direct Trading Member's total fees (trade fees plus settlement fees) for Bull Spreads traded during that month;
 - More than 10,000 Bull Spread lots traded in a one-month period = 50% rebate on the Direct Trading Member's total fees (trade fees plus settlement fees) for Bull Spreads traded during that month.
 - Nadex does not provide a rebate to Direct Trading Members connecting via API for Binary Contracts traded.

FCM Members

- Membership Fee:
 - Nadex does not charge a FCM Membership fee to join the Exchange.
- Minimum Balance:
 - FCM Members are required to make an initial deposit of at least \$100,000 and to maintain a minimum balance of uncommitted funds of \$50,000.
- Transaction Fees:
 - Nadex charges FCM Members an Exchange trading fee of \$0.35 per contract per side for each trade executed on Nadex.
 - Nadex charges its FCM Members an Exchange settlement fee of \$0.35 per contract per side for each contract that settles in-the-money (note that positions that settle with a payout of less than \$0.35 are not charged a settlement fee).
 - Nadex charges no fee for contracts that settle out-of-the-money.
 - Nadex charges no fee for orders placed, cancelled or amended

Market Makers

- Membership Fee:
 - Nadex does not charge Market Makers a membership fee.
- Minimum Balance:
 - Market Makers are required to make an initial deposit of at least \$500,000 and to maintain a minimum balance of uncommitted funds of \$250,000 to collateralize the trades executed on Nadex.
- Transaction Fees:
 - Nadex charges its non-intermediated Market Makers an Exchange trading fee of \$0.50 per contract per side for each trade executed on Nadex.
 - Nadex charges its non-intermediated Market Makers an Exchange settlement fee of \$0.50 per contract per side for each contract that settles in-the-money (note that positions that settle with a payout of less than \$0.50 are not charged a settlement fee).
 - Nadex charges no fee for contracts that settle out-of-the-money.
 - Nadex charges no fee for orders placed, cancelled or amended.

System Providers

- Nadex is interested in discussing partnership opportunities with systems providers.

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

~~July 18, 2011~~ August 11, 2011

Nadex Fee Schedule
Registered On or After August 18, 2011*

Direct Trading Members

- Membership Fee:
 - Nadex does not charge a Membership fee to join the Exchange.
- Initial Deposit:
 - Direct Trading Members are required to make an initial deposit of at least \$100; no minimum balance is required thereafter.
- Transaction Fees:
 - Direct Trading Members incur an Exchange trading fee per contract per side for each contract executed based on order size according to the following schedule:
 - \$0.90 for each lot traded from 1 up to and including 10 lots,
 - an additional \$0.60 for each lot traded from 11 up to and including 20 lots,
 - an additional \$0.40 for each lot traded from 21 up to and including 50 lots, and
 - an additional \$0.25 for each lot traded over 50 lots.
 - Direct Trading Members incur an Exchange settlement fee per contract per side for each contract that settles in-the-money based on the position size at expiration according to the following schedule:
 - \$0.90 for each lot settled in-the-money from 1 up to and including 10 lots,
 - an additional \$0.60 for each lot settled in-the-money from 11 up to and including 20 lots,
 - an additional \$0.40 for each lot settled in-the-money from 21 up to and including 50 lots, and
 - an additional \$0.25 for each lot settled in-the-money over 50 lots.
 - If the per-contract settlement payout is greater than \$0, but the total fee to be charged for the position exceeds the total settlement payout for that position, Nadex will reduce its fee to the amount of the total settlement payout for that position (that is, Nadex will not charge a settlement fee that exceeds a settlement payout).
 - Nadex charges no fee for contracts that settle out-of-the-money.
 - Nadex charges no fee for orders placed, cancelled or amended.
- Automated Trading via API Connection:
 - Automated trading by Trading Members via API connection incurs an Exchange trading fee of \$1.50 per contract per side for each trade executed.
 - Settlements in connection with automated trading by Trading Members via API connection incur an Exchange settlement fee of \$1.00 per contract per side for each contract that settles in-the-money. If the per-contract payout is greater than \$0, but the total fee to be charged for the net position exceeds the total settlement payout for that position, Nadex will reduce its fee to the amount of the total settlement payout for that position (that is, Nadex will not charge a settlement fee that exceeds a settlement payout).

- Settlements in connection with automated trading by Trading Members via API connection incur no fee for contracts that settle out-of-the-money.
- The placement, cancellation or amendment of orders in connection with automated trading by Trading Members via API connection incurs no fee.
- Nadex provides a rebate to Direct Trading Members connecting via API based on the number of Bull Spread Contracts traded during any one-month period (first trading day of a calendar month through the last trading day of that month) according to the following schedule:
 - 5,000 or fewer Bull Spread lots traded in a one-month period = no rebate for that month;
 - 5,001 to 10,000 Bull Spread lots traded in a one-month period = 33% rebate on the Direct Trading Member's total fees (trade fees plus settlement fees) for Bull Spreads traded during that month;
 - More than 10,000 Bull Spread lots traded in a one-month period = 50% rebate on the Direct Trading Member's total fees (trade fees plus settlement fees) for Bull Spreads traded during that month.
- Nadex does not provide a rebate to Direct Trading Members connecting via API for Binary Contracts traded.

FCM Members

- Membership Fee:
 - Nadex does not charge a FCM Membership fee to join the Exchange.
- Minimum Balance:
 - FCM Members are required to make an initial deposit of at least \$100,000 and to maintain a minimum balance of uncommitted funds of \$50,000.
- Transaction Fees:
 - FCM Members incur an Exchange trading fee per contract per side for each contract executed based on order size according to the following schedule:
 - \$0.35 for each lot traded from 1 up to and including 30 lots,
 - an additional \$0.30 for each lot traded from 31 up to and including 50 lots, and
 - an additional \$0.25 for each lot traded over 50 lots.
 - Nadex charges its FCM Members an Exchange settlement fee of \$0.35 per contract per side for each contract that settles in-the-money (positions that settle with a payout of less than \$0.35 are not charged a settlement fee).
 - FCM Members incur an Exchange settlement fee per contract per side for each contract that settles in-the-money based on the position size at expiration according to the following schedule:
 - \$0.35 for each lot settled in-the-money from 1 up to and including 30 lots,
 - an additional \$0.30 for each lot settled in-the-money from 31 up to and including 50 lots,
 - an additional \$0.25 for each lot settled in-the-money over 50 lots.
 - If the per-contract settlement payout is greater than \$0, but the total fee to be charged for the position exceeds the total settlement payout for that position, Nadex will reduce its fee to the amount of the total settlement payout for that

position (that is, Nadex will not charge a settlement fee that exceeds a settlement payout).

- Nadex charges no fee for contracts that settle out-of-the-money.
- Nadex charges no fee for orders placed, cancelled or amended.

Market Makers

- Membership Fee:
 - Nadex does not charge Market Makers a membership fee.
- Minimum Balance:
 - Market Makers are required to make an initial deposit of at least \$500,000 and to maintain a minimum balance of uncommitted funds of \$250,000 to collateralize the trades executed on Nadex.
- Transaction Fees:
 - Nadex charges its non-intermediated Market Makers an Exchange trading fee of \$0.50 per contract per side for each trade executed on Nadex.
 - Nadex charges its non-intermediated Market Makers an Exchange settlement fee of \$0.50 per contract per side for each contract that settles in-the-money. If the per-contract settlement payout is greater than \$0, but the total fee to be charged for the position exceeds the total settlement payout for that position, Nadex will reduce its fee to the amount of the total settlement payout for that position (that is, Nadex will not charge a settlement fee that exceeds a settlement payout).
 - Nadex charges no fee for contracts that settle out-of-the-money.
 - Nadex charges no fee for orders placed, cancelled or amended.

System Providers

- Nadex is interested in discussing relationships with systems providers.

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

August 18, 2011

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

**Nadex Fee Schedule Chart 1:
Direct Members and FCM Members
Registered On or Before August 17, 2011**

TRADING FEES

Direct Member Exchange Trading Fees

| Lots Traded | Fees Per Side |
|------------------|---------------|
| Lots 1-7 | \$1.00 |
| Lots 7 and above | \$7.00 capped |

FCM Member Exchange Trading Fees

| Lots Traded | Fees Per Side |
|-----------------|---------------|
| All lots traded | \$0.35 |

Direct Trading Member Connecting via API Trading Fees

| <u>Lots Traded</u> | <u>Fees Per Side</u> |
|------------------------|----------------------|
| <u>All lots traded</u> | <u>\$1.50</u> |

SETTLEMENT FEES

Direct Member Settlement Fees*

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

FCM Member Settlement Fees*

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

Direct Trading Member Connecting via API Settlement Fees*

| <u>Lots Settled in-the-money</u> | <u>Fees Per Side</u> |
|--------------------------------------|----------------------|
| <u>All lots settled in-the-money</u> | <u>\$1.00</u> |

REBATES

Direct Trading Member Connecting via API Rebates**

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

* Note that positions that settle with a payout of less than \$1.00 are not charged a settlement fee.

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

**Nadex Fee Schedule Chart 2:
Direct Members and FCM Members
Registered On or After August 18, 2011***

TRADING FEES

Direct Member Exchange Trading Fees

| Lots Traded | Fees Per Side |
|---|---------------|
| Lots 1-10 | \$0.90 |
| Lots 11-20 (i.e. the next 10 contracts) | \$0.60 |
| Lots 21-50 (i.e. the next 30 contracts) | \$0.40 |
| Lots 51 and above | \$0.25 |

FCM Member Exchange Trading Fees

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

Direct Trading Member Connecting via API Trading Fees

| <u>Lots Traded</u> | <u>Fees Per Side</u> |
|------------------------|----------------------|
| <u>All lots traded</u> | <u>\$1.50</u> |

SETTLEMENT FEES

Direct Member Settlement Fees**

| Lots Settled in-the-money | Fees Per Side |
|---|---------------|
| Lots 1-10 | \$0.90 |
| Lots 11-20 (i.e. the next 10 contracts) | \$0.60 |
| Lots 21-50 (i.e. the next 30 contracts) | \$0.40 |
| Lots 51 and above | \$0.25 |

FCM Member Settlement Fees**

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

Direct Trading Member Connecting via API Settlement Fees*

| <u>Lots Settled in-the-money</u> | <u>Fees Per Side</u> |
|--------------------------------------|----------------------|
| <u>All lots settled in-the-money</u> | <u>\$1.00</u> |

REBATES

Direct Trading Member Connecting via API Rebates***

| <u>Bull Spread Lots Traded per Calendar Month (first trading day of the month through last trading day of the month)</u> | <u>Rebate on total fees (trading fees plus settlement fees) for that month</u> |
|--|--|
| <u>Less than 5,000 Bull Spreads lots traded</u> | <u>0%</u> |
| <u>5,001 < Bull Spread Lots traded < 10,000</u> | <u>33%</u> |
| <u>More than 10,000 Bull Spread lots traded</u> | <u>50%</u> |
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*Members who have registered on or before August 17, 2011 may opt for the new fee schedule by contacting the Exchange.

** If the per-contract settlement payout is greater than \$0, but the total fee to be charged for the position exceeds the total settlement payout for that position, Nadex will reduce its fee to the

amount of the total settlement payout for that position (that is, Nadex will not charge a settlement fee that exceeds a settlement payout).

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