

North American Derivatives Exchange Emergency Action

Per North American Derivatives Exchange Rule 2.4, the undersigned two members of the Management Team have authorized the adoption of a temporary emergency rule to address the emergency following emergency:

Indicate the type of emergency being addressed (as listed in Rule 2.4(c)) (check appropriate):

- (i) ___ any activity that manipulates or attempts to manipulate the Market;
- (ii) ___ any actual, attempted, or threatened corner, squeeze, or undue concentration of positions;
- (iii) ___ any circumstance that may materially affect the performance of the Contracts traded on, Nadex;
- (iv) ___ any action taken by the United States, any foreign government, any state or local governmental body, any other contract market or board of trade, or any other exchange, market, facility, or trade association (foreign or domestic) that may have a direct impact on trading on Nadex;
- (v) ___ any circumstances that may have a severe, adverse impact upon the physical functions of Nadex including, for example, natural disasters such as fire or flood, terrorist acts such as bomb threats, physical plant breakdowns such as plumbing, heating, or air conditioning problems, system breakdowns such as power, telephony, cable, trading systems, or computer systems failures or interruptions to communications, the network, or the Internet;
- (vi) ___ the imposition of any injunction or other restraint by any government agency, court, or arbitrator that may affect the ability of a Member to perform on Contracts;
- (vii) ___ any circumstance in which it appears that a Nadex Member or any other person is in such operational condition, or is conducting business in such a manner, that such person cannot be permitted to continue in business without jeopardizing the safety of Nadex Members or Nadex itself; and
- (viii) X any other unusual, unforeseeable, and adverse circumstance which, in the opinion of the governing board, requires immediate action and threatens or may threaten such things as the fair and orderly trading in, or the liquidation of or delivery pursuant to Contracts traded on Nadex.

The reason for the emergency action is: On Thursday, June 23, 2016, as a result of the UK EU Membership Referendum ("Brexit"), the underlying markets upon which the Nadex foreign currency contracts are based experienced greater than usual volatility.

The Nadex Rules for its foreign currency contracts state that the data set used in the expiration value is calculated is the last ten underlying midpoint prices between the bid/ask spread, ten pips wide or less, just prior to the close of the Nadex contract. Due to the underlying market volatility, the time it took to collect 10 bid/ask spreads ten pips wide or less for certain contracts exceeded the exchange set cut-off time to gather the data set. Accordingly, in order to provide a more accurate settlement price, rather than collecting bid/ask spreads several minutes prior to expiration of the contract, Nadex widened the acceptable bid/ask spread used during the settlement calculation process for certain currency contracts. The specific contracts for which a widened spread was used are identified in the table below with the contract's expiration date and time, as well as the duration of the contracts that were affected, and the acceptable bid/ask spread that was used in the calculation.

Nadex is also widening the acceptable bid/ask spread used in the collection of data for expiration value calculation in the GBP/USD 5-Minute Binary contracts expiring on trade date June 29, 2016 at 6:10pm ET, to 15 ticks wide or less.

Currency Pair	Expiration	Duration	Bid/Ask Spread Increase
EUR/JPY	June 24, 2016; 12:00am ET	2-Hr Spread 2-Hr Binary	15 ticks wide or less
USD/CAD	June 24, 2016; 12:00am ET	2-Hr Spread	15 ticks wide or less
GBP/JPY	June 24, 2016; 11:00pm ET	5-Hr Spread Daily Binary	30 ticks wide or less
EUR/JPY	June 24, 2016; 11:00pm ET	5-Hr Spread 2-Hr Spread 2-Hr Binary Daily Binary	15 ticks wide or less
GBP/USD	June 24, 2016; 8:00pm ET	2-Hr Spread 2-Hr Binary	30 ticks wide or less
EUR/JPY	June 24, 2016; 8:00pm ET	2-Hr Spread 2-Hr Binary	15 ticks wide or less
USD/CHF	June 24, 2016; 8:00pm ET	2-Hr Spread	15 ticks wide or less
GBP/USD	June 24, 2016; 7:20pm ET	5-Min Binary	50 ticks wide or less
GBP/USD	June 24, 2016; 7:05pm ET	5-Min Binary	15 ticks wide or less
GBP/JPY	June 24, 2016; 7:00pm ET	Daily Binary	15 ticks wide or less
GBP/USD	June 23, 2016; 5:00pm ET	2-Hr Binary	50 ticks wide or less

By: 
 Title: Chief Executive Officer

By: 
 Title: Chief Regulatory Officer

Date: June 29, 2016