



AIR Contract Terms and Conditions

Sample Question: Will average air fares exceed \$[###.##] in [quarter] [year] in [region]?

Product Code: AIR[two letter region code]

Instructions: The Average Domestic Itinerary Fare dataset is published by the Bureau of Transportation Statistics on the third Tuesday, approximately three months after the end of the reference quarter. This contract is not subject to early Resolution.

Underlying: The Air Fares Forecast Contract is resolved based upon the Underlying. The Underlying can be accessed [here](#). The underlying value is taken from the Bureau of Transportation Statistics (“BTS”) national-level quarterly average air fare press releases. These releases provide the official national average air fare for each quarter. Locate the second paragraph of the relevant release; the value stated there will serve as the underlying for contract resolution. For region-level or state-level contracts, use the data browser [here](#). Locate the heading titled “Average Domestic Airline Itinerary Fares.” From there, use the dropdown menus to select the relevant quarter and year. A table will be generated displaying average fares by state. Locate the appropriate region’s name and then find the value in the “Inflation Adjusted Average Fare” column. This value will serve as the underlying for contract resolution. Links are provided for informational purposes only, and the source agency may choose to publish the data at a different location at any time.

Source Agency: Bureau of Transportation Statistics

Minimum Tick: The Minimum Tick size for the referred Contract shall be \$0.01.

Listing Cycle: ForecastEx will list Contract expirations at its discretion.

Thresholds: For each Contract expiration, thresholds will be listed at ForecastEx's discretion.

Position Accountability: The position accountability level is 250,000 Contracts in any one Forecast Market.

Last Trading Time: Same as Resolution Time.

Payout Criteria: The Settlement Value of each Contract is \$1.00 or \$0.00 depending on the Outcome of the Contract. If the Outcome of the Contract is “Yes”, then holders of the “Yes” Position will be entitled to receive the Settlement Value of \$1.00 per contract and holders of the “No” Position will receive \$0.00. If the Outcome of the Contract is “No”, then holders of the “No” Position will be entitled to receive the Settlement Value of \$1.00 per contract and holders of the “Yes” Position will receive \$0.00.

Resolution Time: 10:00 AM CT when the Bureau of Transportation Statistics publishes the Average Passenger Fares Data.



Changes in Resolution Time: The Resolution Time of a Forecast Contract is dependent on the time that the Source Agency releases the Underlying data. There are circumstances in which ForecastEx will change the Resolution Time of a Contract as described below:

1. **Delay by Source Agency:** If the Source Agency delays the release of the underlying data required for Resolution, ForecastEx will delay the Resolution Time of the Contract until such data is released. In these circumstances, ForecastEx will release a public notice to its website informing Market Participants that the Resolution of the Contract has been delayed and release a second notice to its website informing Market Participants when the Contract is resolved.
2. **Change in Release Schedule:** ForecastEx sets the Resolution Time of each Contract based on either the published or anticipated release schedule of the Source Agency for the underlying data. If the Source Agency amends its release schedule or announces that it will publish the underlying data at a different time than anticipated, ForecastEx may, at its sole discretion, amend the Resolution Time of the Contract to match the updated release schedule when doing so is necessary to ensure the accurate and fair resolution of the contract. In these circumstances, ForecastEx will publish a public notice to its website informing Market Participants of the revised Resolution Time.
3. **Event Review Process:** In accordance with ForecastEx Rule 415, ForecastEx may, at its sole discretion, initiate the event review process prior to Settlement which may delay the Resolution of a Contract. In these cases, ForecastEx will publish a public notice to its website informing Market Participants that the Contract's Outcome is under review.
4. **Early Resolution:** If a Forecast Contract Resolves based on whether a specific event occurs before a defined point in time, it will be subject to early resolution. For these Contracts, if the Outcome of the contract becomes determinable prior to the scheduled Resolution Time – either because the event has occurred (resolving “Yes”) or because it can no longer occur (resolving “No”) – ForecastEx may, at its sole discretion, accelerate the Resolution Time of the Contract in accordance with ForecastEx Rule 413. Whether or not this Contract is subject to early resolution is specified in the Instructions section.

Expiration Time: Same as Resolution time.

Settlement Date: Unless the Outcome of the Contract is under review in accordance with ForecastEx Rule 415, Settlement of the Contract will occur no later than the day following Expiration Time.

Trading Restrictions: In accordance with ForecastEx Rule 509(h), persons are prohibited from participating in Air Fares Forecast Contracts if they: possess any material non-public information regarding the Contract, are employees of the Source agency, or are decisionmakers, who directly or indirectly have any influence on the Outcome of the Contract.