



DH Contract Terms and Conditions

Event Question: Will the daily high in [region] exceed [##]°F on [date]?

Product Code: DH[three letter NWS region code]

Instructions: The Climatological Report is published daily by the National Weather Service, the morning following the specified date. This contract is not subject to early Resolution.

Underlying: The Daily Temperature High Forecast Contract is resolved based upon the highest recorded temperature in the specified city on the date listed in the Contract. The Underlying can be accessed [here](#), where the Climatological Report is available. To locate the resolution data, select the city/region in the Contract from the Climatological Report page (identify the three-letter region code from the Product ID). Identify the temperature high in the “Temperature (F)” table for the “Maximum” “Observed Value”. The official daily value is published in the morning report titled “...The [region] CLIMATE SUMMARY FOR [date]...”. This report does not include the intraday value listed with the “VALID TODAY AS OF...” timestamp.

If the maximum temperature shown in the daily report is lower than the value in the intraday report, settlement will be delayed until 10 AM CT to allow time for a revised version to be released. If no revised version is published by 10 AM CT, the contract will settle to the maximum temperature reported in the daily report. If no final version is published at all, the contract will resolve to the greater of the intraday report maximum or the highest METAR observation. METAR observations are standardized, time-stamped surface weather reports issued by NOAA-authorized stations and are used as a fallback source to ensure contract resolution when an official daily climatological report is unavailable. METAR data is accessed by prefixing the applicable NOAA weather station code with the letter “K.” Links are provided for informational purposes only and the source agency may decide to publish the data at a different location at any time.

Source Agency: National Weather Service

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: 11:59 PM local time on the date listed in the Contract.

Payout Criteria: The Settlement Value of each Contract is \$1.00 or \$0.00 depending on the Outcome of the Event Question. If the Outcome of the Event Question 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 Event Question 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.

Incentive Coupon: Forecast Contracts earn a monthly incentive coupon payment based upon the contract’s daily settlement value. The minimum coupon rate earned on Forecast Contracts is described in Rule 612(c) of the ForecastEx Rulebook available [here](#). Some Members may pay their customers more than the minimum rate.

Resolution Time: The time the Climatological Report (Daily) is released for [region].

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 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 will 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 Time: In accordance with ForecastEx Rule 603(b)(3), settlement will occur at 1:00 PM CT on the day of resolution if the Resolution Time is before 12:00 PM CT. If the Resolution Time is at or after 12:00 PM CT, settlement will occur at 1:00 PM CT the day following resolution.

Trading Restrictions: In accordance with ForecastEx Rule 509(h), persons are prohibited from participating in Daily Temperature High 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.