

## GTTM Contract Terms and Conditions

**Event Question:** Will the Average Global Temperature for any month be greater than [#] degrees Celsius above preindustrial levels by the end of [Year].

**Product Code:** GTTM

**Instructions:** The average monthly global temperature is published by the National Oceanic and Atmospheric Administration (“NOAA”) in the first half of each month at 10:00 AM CT. Definitive release dates are determined no later than one week prior to a report's release and all public calendars will be updated accordingly. A schedule of releases are available under the label “Global” [here](#). Links are provided for informational purposes only and the source agency may decide to publish the data at a different location at any time.

**Underlying:** Monthly Global Temperature Threshold Forecast Contracts resolve to Yes when any year prior to or including the year listed in the event question has a value higher than the threshold value. The Underlying can be accessed: [here](#). The following parameters should be input into the climate at a glance tool: the region is Global; the parameter is Average Temperature Anomaly; the surface type Land and Ocean; the start year is 1850; and the end year is the referenced year; the month is set to All Months. Once settings are correct, select “Plot” and scroll down to the table—NOAA’s readings will appear in chronological order, with the most recent at the top. The Global Temperature Threshold contracts reference anomalies above the 1850–1900 average, aligning with the definition of “above preindustrial levels” used in the Paris Agreement. NOAA, however, expresses temperature anomalies relative to the 1901–2000 average (“20<sup>th</sup> Century Average”). As a result, the anomaly value from the most recent year must be modified by an offset in order to align it with the pre-industrial average. This offset is calculated based on the 1850-1900 annual average that NOAA reports. While this offset is currently estimated at 0.16°C, it may be updated in the future if NOAA modifies its methodology or updates the historical record. In the event NOAA updates its methodology in a way that affects how the underlying data is calculated, ForecastEx will use the most current model available for Resolution. 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:** NOAA

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

**Listing Cycle:** ForecastEx will initially list Contracts with expirations corresponding with the 2025 to 2040 annual Average Global Temperature reports at five year intervals. Listings corresponding with annual Average Global Temperature reports for other years may be added at ForecastEx’s discretion.

**Thresholds:** For each contract expiration, one threshold will initially be listed and additional thresholds may be listed at ForecastEx’s discretion.

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

**Last Trading Time:** 11:59:59 PM CT on the trading day preceding the Resolution Time.

**Payout Criteria:** The Settlement Value of each Monthly Global Temperature Threshold Forecast Contract

is \$1.00 or \$0 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:** 10:00 AM CT when NOAA publishes its Average Global Temperature data for any month that is greater than [#] degrees Celsius above preindustrial levels.

**Changes in Resolution Time:** The Resolution Time of a Contract is dependent on the time that NOAA releases Average Global Temperature data. There are circumstances where ForecastEx may change the Resolution Time of a Contract.

1. Delay by Source Agency: In the event that the release of the average global temperature is delayed by NOAA, ForecastEx will delay the Resolution Time of the Contract until such time as the NOAA releases the average global temperature data. In this case, ForecastEx would 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 ultimately resolves.
2. Contracts with no currently scheduled release date: The NOAA generally publishes the release dates for average global temperature data up through the end of the current calendar year. ForecastEx will list Monthly Global Temperature Threshold Forecast Contracts that have Resolution dates beyond the currently published schedule of releases. For these contracts, ForecastEx will approximate the Resolution Time based on the anticipated release schedule from NOAA. Once NOAA has published the release schedule, ForecastEx will update the Resolution Times of the contract if necessary and publish a public notice to its website informing Market Participants of the revised Resolution Time.

**Early Resolution:** Monthly Global Temperature Threshold Forecast Contracts resolve to “Yes” when the average global temperature is greater than the defined threshold for any year prior to, or including the year listed in the Contract. As a result, ForecastEx may resolve these Contracts prior to their listed Resolution Time if a year prior to the listed year breaches the threshold indicated in the contract in accordance with ForecastEx Rule 413(b).

**Settlement Time:** Settlement for Resolved Monthly Global Temperature Threshold Forecast Contracts will occur after Resolution at 1:00 PM CT that same Business Day in accordance with ForecastEx Rule 603(b)(3).