



## HCAT Contract Terms and Conditions

**Sample Question:** Will any Category [#] hurricane make landfall in the United States by [date]?

**Variables:** [#]: The Saffir-Simpson Hurricane Wind Scale category (1, 2, 3, 4, or 5) that the hurricane must have at the time of landfall. [date]: The final calendar date by which a qualifying hurricane must make landfall in the United States.

**Product Code:** HCAT[one digit category]

**Instructions:** The National Hurricane Center Tropical Cyclone Archive is published by the National Oceanic and Atmospheric Administration ("NOAA") throughout the lifecycle of a tropical cyclone as conditions warrant. This Contract is subject to early Resolution.

**Underlying:** The Hurricane Category Landfall Forecast Contract is resolved based upon whether any hurricane of the specified Saffir-Simpson Hurricane Wind Scale category makes landfall in the United States by the specified date, as reported by the National Oceanic and Atmospheric Administration ("NOAA"). The Underlying can be accessed [here](#), where storm-specific advisories are available. The Underlying is typically identified in the official advisory issued when the hurricane makes landfall, which specifies the storm's maximum sustained winds and whether the surface center has made landfall. Hurricane category is determined using the Saffir-Simpson Hurricane Wind Scale published by the NOAA/National Hurricane Center ("NHC"), available [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.

A hurricane qualifies only if the NHC reports that it was of the specified Saffir-Simpson category at the time its surface center made landfall. Hurricanes of a higher or lower category do not qualify. The contract resolves to "Yes" if at least one qualifying landfall occurs on or before the Contract Date. If a hurricane makes multiple landfalls in the United States, any landfall meeting the specified category qualifies. The timing of the landfall, rather than the publication time of the advisory, determines whether the event occurred before the Contract Date. ForecastEx may resolve the contract based on the first official NHC advisory confirming a qualifying landfall.

**Source Agency:** National Oceanic and Atmospheric Administration

**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:** 11:59 PM CT the last day of the period listed in the Contract.

**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 Hurricane Category Landfall 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.