



HC Contract Terms and Conditions

Sample Question: Will at least [# of hurricanes] hurricane(s) form in the [Region] in [Year]?

Product Code: HC [two letter region abbreviation]

For example: For a contract on hurricane formations in the Atlantic Basin the Product code would be HCAB. The regions are based on NOAA's reporting

The possible regions are: Atlantic, East Pacific, and Central Pacific

Instructions: National Oceanic and Atmospheric Administration ("NOAA") releases regular advisory reports for active storms. In the summary section of the advisory, you will find the storm's location coordinates, current classification (including wind speed), and movement. NOAA typically releases several advisories on active storms per day. This contract is subject to early Resolution.

Underlying: This contract resolves to "Yes" if at least [# of hurricanes] classified as Category 1 or higher (sustained winds of at least 64 knots) form in the [Region] during the contract year. The Underlying is determined from NOAA's hurricane advisories which can be accessed: [Here](#). Select the tab for the reference year associated with the contract. From there, choose the appropriate storm basin—Atlantic, Eastern Pacific, or Central Pacific. A list of named storms for that year will appear. Click on the hyperlink corresponding to the hurricane of interest. This will bring you to a table of advisory types. Under the "Public Advisory" column, use the storm's advisory history to confirm whether it reached Category 1 strength or higher at any point during the contract year. Advisories are listed by both date and time in UTC (Coordinated Universal Time), which is the standard time reference used globally and does not adjust for daylight saving. The advisory is used to determine whether the storm reached Category 1 strength or higher. The final hurricane count for a given region and contract year shall be defined as the total number of storms that formed and were classified as Category 1 or higher. 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 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: December 31, [year] at 11:59:59 PM CT

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.