



HLF Contract Terms and Conditions

Sample Question: Will there be a Major Hurricane Landfall within [Region] in [year]?

Product Code: HLF

Instructions: National Oceanic 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, and includes additional updates when a storm makes landfall or changes in intensity or track. A storm must be a Category 3 or higher hurricane at the time of landfall in order for the contract to resolve to Yes. If the hurricane’s eye remains offshore but hurricane-force winds affect the area, this does not constitute landfall for contract resolution purposes. This contract is subject to early Resolution.

Underlying: This contract resolves to “Yes” if at least one hurricane classified as Category 3 or higher (sustained winds of at least 96 knots) makes landfall within the noted region or within 50 miles (straight-line distance) of any border of the [Region] during the contract year. A hurricane landfall location is defined as the intersection of the hurricane’s center of circulation (eye) with land. 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, locate and select the advisory issued on the date the storm made landfall. 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. NOAA typically releases an updated advisory when a hurricane makes landfall. The advisory is used to determine whether the storm reached Category 3 strength or higher at the time of landfall and whether it occurred within the defined region or within 50 miles of its border during the contract year. If NOAA does not release a specific landfall advisory, the landfall location will be determined by interpolating between the final advisory issued before landfall and the first advisory issued after landfall. 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.