



MHC Contract Terms and Conditions

Sample Question: Will the number of major hurricanes in [region] exceed [##] in [date]?

Variables: [region]: The region in which hurricanes are measured for Contract resolution. NOAA regions include the Atlantic, East Pacific, and Central Pacific. [##]: The specified threshold number of major hurricanes against which the observed hurricane count is compared for Contract resolution. [date]: The time period in which hurricanes are measured.

Product Code: MHC[M/Y][one character region code]

Instructions: The National Hurricane Center Tropical Cyclone Archive is maintained by the National Oceanic and Atmospheric Administration (“NOAA”) through its National Hurricane Center (“NHC”). Official storm records are updated on an ongoing basis as tropical cyclones develop and evolve. This Contract is subject to early Resolution.

Underlying: The Major Hurricane Count Forecast Contract is resolved based upon the official number of hurricanes that attain Category 3 or higher intensity (maximum sustained winds of at least 96 knots (111 mph)) in the specified Region during the specified contract period, as reported by the NHC. The Underlying can be accessed [here](#), where storm-specific advisories are available. Under the "Public Advisory" column for each listed hurricane, use the storm's advisory history to determine whether and when it first attained Category 3 or higher intensity during the Contract period. The final major hurricane count for a given Region and Contract period is the total number of hurricanes that first attained Category 3 or higher intensity during that period. Each hurricane is counted only once, at the time it first attains Category 3 or higher intensity. 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 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 Major Hurricane Count Forecast Contracts if they: possess any material non-public information regarding the Contract, are employees of the Source agency, or are decision-makers, who directly or indirectly have any influence on the Outcome of the Contract.