M Contract Terms and Conditions

Event Question: Will [candidate] win the [city] [election type] election for mayor in [year]?

Product Code: M[3 letter city code] [Race type]

Race type is equal to G for general elections, R for Republican Primary, D for Democratic Primary, P for open primary, N for runoff elections, and S for special elections

For example: For a contract on the New York City Democratic Primary, the Product code would be: MNYCD

Instructions: Cities utilizing a Mayor-Council form of government conduct regular elections to determine which candidate will be mayor. The ultimate authority for conducting elections is the state in which that city is located. Each state has its own laws which dictate how an election in that state should be conducted, and in what timeframe the official election results must be released. In addition, many states have delegated authority for conducting and certifying elections, especially in major cities in that state, to the county or city level. Most cities have regular mayoral elections. Typically, a primary will be held in which party will vote on candidates who will proceed to the general election. The general election held later on will then determine which candidate is elected mayor. In some jurisdictions, runoff elections are held where the top performing candidates compete directly against each other. In many cases, a runoff is only held if a single candidate does not secure a majority of the votes on the first round of balloting. Special elections are elections held at irregular times, for example, if the mayor resigns or is removed from office. This contract is subject to early Resolution.

Underlying: The underlying is the official race results for [city]'s mayoral race as reported by the election authority of [city]. These official results will either list the winner, or they will list the number of votes that each candidate received. For general elections, a contract resolves to "Yes" if that candidate is elected mayor. If a general election proceeds to a runoff which is held on a separate date, all candidates who advance to the runoff resolve to "Yes". If the runoff is an instant runoff using ranked choice voting, only the candidate who wins the instant runoff will resolve to "Yes". For primary elections, all candidates that proceed to the general election resolve to "Yes". For special elections and runoff elections, the candidate who is elected mayor resolve to "Yes". This contract will resolve prior to official certification if one or more of the following reputable news organizations, The Associated Press, The New York Times, and The Wall Street Journal, have formally called the race for the same candidate, all such reports are unanimous, and there is no ongoing or formally announced recount, legal challenge, or other official proceeding that could reasonably affect the outcome. If these conditions are not met, the contract will remain open until they are satisfied or until official certification by the relevant authority. The candidate determined to have won the election, regardless of whether they ultimately take office, shall be considered the winner for the purposes of this contract. In the event a candidate formally withdraws from the race, fails to file their candidacy by the applicable filing deadline, or is otherwise publicly confirmed as no longer seeking the office, the contract may be resolved to "No" at ForecastEx's discretion. Early resolution under this

provision may only occur if the withdrawal occurs at least 14 days prior to the election. If the candidate later re-enters or wins the election, the contract's resolution will not change.

Source Agency: The election authority of [city].

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 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: The time when the election authority releases official mayoral election results for [city].

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 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 will 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 Time: In accordance with ForecastEx Rule 603(b)(3), settlement will occur at 1:00 PM CT on the day of resolution if the Resolution Time is before 12:00 PM CT. If the Resolution Time is at or after 12:00 PM CT, settlement will occur at 1:00 PM CT the day following resolution.

Trading Restrictions: In Accordance with ForecastEx Rule 509(h), the following Persons are prohibiting from entering Bids or executing Pairs in Mayoral Race Forecast Contracts:

- Candidates for any elected federal, state, or city public office in any city or state.
- The sitting Governor in any state, including a Governor not running for re-election.
- The sitting Mayor in any city, including a mayor not running for re-election.
- Any sitting statewide office holder in any state, including officeholders not running for re-election
- The existing US President, including a president not running for re-election, and paid White House Staff
- Paid staff of a statewide officeholder in [state].
- Paid staff of a city officeholder in any city in [state].
- Any elected state government official for [state] and any of their paid staff. •
- Any elected city government official for a city in [state] and any of their paid staff.
- Any election officials or poll workers in [city].
- Paid employees of national party organizations, including the Republican National Committee and Democratic Congressional Campaign Committee.
- Paid employees of state party organizations, including the [state] Republican Party and [state] Democratic Party.
- Paid employees of Political Action Committees and "Super PACs"
- Paid employees of major polling organizations. This prohibition does not apply to all employees of an organization that contains a polling division.
- Immediate family members, parents, and other household members of any of the above.
- Any of the above listed institutions themselves.
- Any other person who is prohibited from trading Mayoral Race Forecast Contracts under ForecastEx Rule 509(h) even if they are not mentioned above.