



PCAN Contract Terms and Conditions

Sample Question: Will [candidate] win the [Democratic/Republican] nomination for US President in [year]?

Product Code: PCAN[D/R for Democrat or Republican]

Instructions: The US President is chosen through a process that culminates in a national election held every four years. Prior to this, each of the major political parties has a primary process for choosing the candidate who will represent their party in the general election. At each party's national convention, the parties will formally nominate their candidates, and the candidates will accept the nomination. This contract is subject to early Resolution.

Underlying: The underlying is the candidate who is nominated for president and accepts that nomination at the National Convention of their party. This contract will resolve prior to the party's official nomination if all of the following reputable news organizations, The Associated Press, The New York Times, and The Wall Street Journal, have each formally called the nomination for the same candidate, confirming that the candidate has secured enough delegates to clinch the party's nomination on the first ballot. Early resolution will not occur if the candidate reaches the required delegate majority within 30 days of the party's national convention or if there is any credible uncertainty regarding delegate counts or potential changes before the convention. If these conditions are not met, the contract will remain open until they are satisfied or until the party formally nominates its candidate. 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: Either the Democratic National Committee or the Republican National Committee.

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: 11:59:59 PM CT on the trading day preceding 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: 8:00AM CT on the date following the last day of the respective Republican or Democratic national party convention.

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, the following Persons are prohibiting from entering Bids or executing Pairs in US Presidential Election Contracts:

- Persons who are not either US Citizens or US Residents within the meaning of Internal Revenue Code (IRC) Section 7701(b)(1)(A).
- Candidates and paid staff on campaigns for US President.
- Candidates for any other elected federal or statewide public office.
- The existing US President, including a president not running for re-election, and paid White House Staff.
- Existing Members of Congress and their paid staff.
- Paid employees of national party organizations, including the Republican National Committee and Democratic Congressional Campaign Committee.
- 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.