



SW Contract Terms and Conditions

Sample Question: Will the number of [phenomenon] reports exceed [#] in [geographic location] during [date]? **Product Code:** SW [phenomenon abbreviation] [two letter country/state abbreviation] Phenomenon Type:

- Tornado = T
- Severe Windstorm= W
- Severe Hailstorm = H

Instructions: The National Oceanic and Atmospheric Administration (“NOAA”) releases regular storm reports through the Storm Prediction Center (“SPC”) for various severe weather events, including tornadoes, severe wind, and severe hail. These reports are publicly accessible and contain detailed information on the location, intensity, and classification of severe weather incidents. The SPC releases preliminary storm data shortly after the occurrence of an event and updates it periodically as new information becomes available. For the purposes of this contract, only the first preliminary count published immediately after the end of the specified period will be considered for resolution. Later revisions, quality-control updates, or retrospective changes will not be used to determine the outcome. This contract is subject to early Resolution.

Underlying: The underlying is the number of [phenomenon] storm reports in [geographic location] during the specified [month][year] as reported by the NOAA SPC in the Preliminary Report Summary. The contract resolves to “Yes” if the number of storm reports (Tornado, Severe Wind, or Severe Hail) recorded by NOAA SPC is greater than the threshold specified in the Event Question. The underlying can be accessed [here](#). Navigate to the Annual Preliminary Report Summary. From the second navigation bar from the top, select the calendar year of interest, “National,” “Preliminary,” and “Tables.” From the next navigation bar down, select either “Annual” or the month of interest. From the following navigation bar down, choose either “State Totals” for state locations or “Month Totals” if the location is the entire US. All three phenomena (Tornado, Severe Wind, Severe Hail) will be listed. 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: 9:00 AM CT on the day after the end of the specified period.

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.