

Baseball Outcome Event Contract - Terms & Conditions

Scope - These terms govern the trading of the Baseball Outcome Event Contract (the "Contract"), a type of "Event Contract" listed by the Exchange.

Underlying - The Underlying for this Contract is the official final result of whether <baseball team> wins <baseball game>.

Source Agency - The Source Agencies are, in hierarchical order, the governing body of league or association ("baseball"), ESPN, CBS Sports, Fox Sports, the Associated Press, The Wall Street Journal, and the official broadcaster of <baseball game>.¹

Type - The Type of Contract is a swap.

Issuance - The Contract is based on the outcome of a recurrent sporting event. Accordingly, Contract iterations will be issued on a recurring basis, and future Contract iterations will generally correspond to subsequent scheduled <baseball game> or similar games within the same league or season as specified by the Exchange.

<baseball team> - refers to a baseball entity participating in baseball, specified by the Exchange. <baseball team> may refer to a singular team, multiple teams using AND/OR logic, a team within a set of teams, or teams defined by distinguishing characteristics (e.g., "any league team," "the home team," "teams with winning records"). <baseball team> may also take the values "Any" or "None." The Exchange may list iterations of the Contract corresponding to variations of <baseball team>. If a team name changes, relocates, or undergoes organizational restructuring while maintaining substantial continuity, <baseball team> shall track the successor entity. This will be announced by the Exchange in the event it is relevant.

<baseball game> - <baseball game> refers to a specific, identified baseball contest or set of contests specified by the Exchange. <baseball game> may be defined by specific matchup (e.g., "Boston vs. Cleveland"), date and time, venue, game number within a doubleheader, playoff round, or other distinguishing characteristics. <baseball game> may also refer to a singular game, multiple games (even if non-consecutive), an element in a set of games, games defined by distinguishing characteristics (e.g., "any playoff game," "all games on July 4, 2025," "home games"), or the overarching tournament as a whole (e.g. "Professional Baseball Championship"). <baseball game> may also take the values "Any" or "None." The Exchange may list iterations of the Contract corresponding to variations of <baseball game>. The

¹ All trademarks as the property of their respective owners.

Contract has not been endorsed by any league or association as of self-certification. The use of any names of leagues or associations does not indicate an endorsement of this product.

Trading and Settlement - During the Event Contract trading hours, Participants are able to adjust their positions and trade freely. After trading of the Event Contract has closed, Rothera will determine the Expiration Value and whether the Payment Criteria encompasses the Expiration Value (i.e. whether the outcome is “Yes” or “No”). The market is then settled by Rothera, and either the long position holders or the short position holders are paid the Settlement Value. In this case, “long position holders” refers to Participants who purchased the “Yes” side of the Event Contract and “short position holders” refers to Participants who purchased the “No” side of the Event Contract. If the Expiration Value is “Yes”, then the long position holders are paid an absolute amount proportional to the size of their position and the short position holders receive no payment. If the Expiration Value is “No,” then the short position holders are paid an absolute amount proportional to the size of their position and the long position holders receive no payment. Specification of the circumstances that would trigger an Expiration Value of “Yes” are included below in the section titled “Payment Criterion”. The Expiration Date of the Contract is designed to account for multiple possible contingencies regarding the timing of the determination of the event.

Payment Criterion - The Payment Criterion for the Contract encompasses the Expiration Value where <baseball team> is the winner of <baseball game>. In order to be considered the “winner” of <baseball game>, <baseball team> must have scored more runs (a strictly greater number) than its opponent at the conclusion of the full game, including any extra innings. The market resolves based on the first final result reported by the Source Agency, unless the Exchange, in its sole discretion pursuant to DCM Rule 7.2, determines such result to be clearly erroneous and elects to defer to a corrected official final result issued prior to Expiration.

- All extra innings or tie-breaking procedures are included in determining the winner.
- If <baseball game> is shortened, called, or otherwise ended prior to the regulation number of innings, but the Source Agency declares the game official and records a winner, the market will resolve based on that official result.
- If <baseball game> is abandoned, cancelled, or suspended and is not completed within two (2) days of its originally scheduled start time, the Contract will resolve based on the last fair market price as determined by the

Exchange pursuant to Rothera DCM Rule 7.2. Long position holders will receive the number of Contracts held multiplied by the fair market price, and short position holders will receive the number of Contracts held multiplied by \$1 minus the fair market price.

- If <baseball game> is suspended during play and resumed within two (2) days of its originally scheduled start time, the market will remain open and will resolve based on the official final result of the completed game.
- If <baseball team> forfeits <baseball game> after the game has started, the forfeiting <baseball team> market will resolve to "No," and the opposing <baseball team> market will resolve to "Yes".
- If <baseball team> forfeits <baseball game> before the first pitch, the forfeiting <baseball team> market will resolve to "No", and the opposing <baseball team> market will resolve to "Yes".
- If <baseball team> is disqualified, deemed ineligible, or has the result of <baseball game> vacated before the game has started, the market will resolve based on the last fair market price as determined by the Exchange pursuant to DCM Rule 7.2. If <baseball team> is disqualified, deemed ineligible, or has the result of <baseball game> vacated after the game has started but before the Contract expires, the market will resolve to "No" for the disqualified <baseball team>. If such disqualification causes the opposing team to be declared the winner, the market for that team will resolve to "Yes."
- If the <baseball game> is moved to either an earlier or later time of day than originally scheduled, then the market will remain open and will resolve based on the official result.

Minimum Tick - The Minimum Tick for the Event Contract shall be \$0.01.

Position Limits - The Position Limit for the Event Contract is 500,000 Contracts for Participants. The Position Limit for Market Makers is 5,000,000 Contracts.

Last Trading Date - The Last Trading Date of the Contract is the date on which <baseball game> is completed or otherwise resolved pursuant to the Payment Criterion.

Settlement Date - The Settlement Date is the date on which money is paid to the account of a Participant in whose favor the contract settled pursuant to an Event Contract held until Expiration, and on which money is paid from the account of a

Participant who is obligated to pay money pursuant to an Event Contract held until Expiration. The Settlement Date of the Contract shall be no later than the day after the Expiration Date.

Expiration Date - The latest Expiration Date of the Contract shall be two (2) days after the originally scheduled date of <baseball game>. If an event described in the Payout Criterion occurs (e.g., a winner is reported or the game concludes with a tie), expiration will be moved to an earlier date and time as determined by the Exchange.

Expiration Time - The Expiration Time of the Event Contract shall be 10:00 AM CT on the Expiration Date.

Settlement Value - The Settlement Value is the amount paid to the holder of the in-the-money Event Contract on the Settlement Date. The Settlement Value of an in-the-money Event Contract is \$1.

Expiration Value - The Expiration Value is the value of the Underlying as documented by the Source Agency on the Expiration Date at the Expiration Time.

Contingencies - If the Source Agency does not actually announce a result consistent with the settlement methodology or the Payment Criterion on or before the Expiration Date due to a delay, postponement, cancellation or otherwise in such release announcement by the Source Agency, the Settlement Date, Expiration Date and Expiration Time will be delayed until the Underlying outcome or results are released or as otherwise set forth on the Exchange pursuant to DCM Rule 7.2. Consistent with DCM Rule 7.2, Rothera reserves the right to make settlement determinations.

Trading Prohibitions - In addition to the prohibition against the misappropriation of material nonpublic information under CFTC Regulation 180.1, and the Exchange's prohibited trading practices identified in Chapter 7 of the DCM Rulebook, certain additional individuals are prohibited from trading the Event Contract. Those persons include:

- Any player, manager, coach, or other on-field personnel participating in or employed by a team involved in the referenced baseball league or association, whether on an active roster, injured list, minor league assignment, or otherwise under contract.
- Any umpire, replay official, or other league official assigned to, supervising, or with authority over the referenced baseball game.
- Any front-office, baseball operations, scouting, analytics, medical, training, or clubhouse personnel of any team participating in the referenced baseball

game.

- Any employee, officer, or contractor of baseball Advanced Media, or any league-controlled or league-affiliated entity who has access to information relating to game operations, scheduling, officiating assignments, disciplinary actions, or competitive conditions.
- Any sports agent, advisor, or representative of a player or team participating in the referenced baseball game.
- Any immediate family member or household member of any of the foregoing persons, where such person reasonably may have access to material nonpublic information regarding the referenced baseball game.
- Any other Person who, by sole determination of the Exchange, possesses material nonpublic information relating to the Underlying.