<u>Party Nominee Event Contract - Terms and Conditions</u>

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

Underlying – The Underlying for this Contract is whether <candidate> will be nominated by and accept the nomination of <political party> for the <position> of <electorate> in <year>. Revisions to the Underlying made after Expiration will not be accounted for in determining the Expiration Value.

Source Agency – The primary Source Agency is <political party>. The alternate Source Agencies are the New York Times, the Associated Press, The Wall Street Journal, ABC News, CBS News, CNN, Fox News, MSNBC, and NBC, as determined by the Exchange. The alternate Source Agencies may be replaced at the sole discretion of the Exchange, should one cease to provide independent election results.

Type – The Type of Contract is an Event Contract, which is a swap.

Issuance – The Contract is based on the outcome of a recurrent political event. Accordingly, Contract iterations will be issued on a recurring basis, and future Contract iterations will generally correspond to subsequent scheduled political party nominations, each corresponding to a different <year>.

<candidate> – refers to an individual who is eligible to be nominated by a political party as a candidate for an elected position.

<political party> – refers to a U.S. political party (e.g. Democratic Party, Republican Party).

<position> - refers to a publicly held office identified by the Exchange.

<electorate> - refers to a city, state, country or other geographic body in which an election is held.

<year> – refers to the calendar year in which the specified election is held.

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. Any subsequent revisions to the initial release of the final result of a political party's nomination of a candidate for a specified election by the Source Agency will NOT affect or alter the settlement value of the Contract once the Expiration Value is determined by the Exchange.

Payment Criterion – The Payment Criterion for the Contract encompasses the Expiration Value where <candidate> is the first person to be nominated by and accepts the nomination of <political party> to be its candidate for <position> of <electorate> in <year>. <candidate> is considered to have been nominated and to have accepted the nomination if, and only if, the official results of the applicable political party's nominating convention establish that <candidate> is the <political party> nominee for <position> in the specified election. This includes any circumstance in which the nomination is determined through delegate voting, roll call, acclamation, or any other legally or procedurally recognized method that establishes that <candidate> has been nominated and has accepted such nomination. Conversely, where the official results of the applicable political party's nominating convention establish that any individual other than <candidate> is the party's nominee, or that <candidate> does not accept the nomination, the Contract resolves "No." For purposes of this Contract, exactly one individual is recognized as the nominee of the applicable political party for the specified election.

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

Position Limits – The Position Limit for the Event Contract is 5,000,000 Contracts for Participants. The Position Limit for Market Makers is 25,000,000 Contracts, or as updated on the Exchange's website.

Last Trading Date – The Last Trading Date will be the same as the Expiration Date. The Last Trading Time will be the same as the Expiration Time. No trading in the Event Contract shall occur after its Last Trading Date and Last Trading Time.

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, unless the Expiration Value is under review by the Exchange.

Expiration Date – The Expiration Date shall be sooner of the date of the first 10:00 AM CT following the date on which <political party> formally nominates <candidate> to run for <position> in <year> or the day of the election for <position> in <year>.

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 Exchange 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, the Exchange's prohibited trading activities set forth in Chapter 7 of the DCM Rulebook, certain additional individuals are prohibited from trading the Event Contract. Those persons include:

- Candidates for federal or statewide public office.
- Paid and unpaid campaign staffers on political campaigns.
- Paid employees of Democratic and Republican Party organizations, such as the Democratic Congressional Campaign Committee or the Republican National Committee.
- Paid employees of Political Action Committees (PACs) and "Super PACs".
- Paid employees of major polling organizations. The Exchange shall determine

which polling organizations constitute "major" and may modify that determination at any time.

- Existing members of the current presidential administration.
- Existing members of Congress, including those not running for re-election.
- Existing paid and unpaid staffers of members of Congress or the current presidential administration.
- Household members and immediate family members (siblings, children, and parents) of any of the above.
- Any of the above listed institutions themselves.