

Tennis Outcome Event Contract - Terms & Conditions

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

Underlying: The Underlying for this Contract is the final result of whether <player> wins <tennis match> against <opponent>. Revisions to the Underlying made after Expiration will not be accounted for in determining the Expiration Value.

Source Agency: The Source Agencies are, in hierarchical order, the governing body sanctioning the <tennis match> ("Tennis"), ESPN, CBS Sports, Fox Sports, the Associated Press, the Wall Street Journal, and the official broadcaster of <tennis match>.

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 <tennis match> or similar games as specified by the Exchange.

<player>: <player> refers to the tennis competitor who is officially entered in the <tennis match> as recognized by the governing body of the event (e.g., ATP, WTA, ITF, or the organizing tournament authority). A <player> may be an individual athlete (in singles) or a doubles pair entered together as a team (in doubles), or a national, regional, or representative team competing in a team competition. Where two competitors share the same surname, the player's full name as listed in the official tournament entry list governs.

<opponent>: <opponent> refers to the tennis competitor opposing <player> in <tennis match>, and may be a specifically named competitor or doubles pair, or a non-specific designation referring to whichever competitor <player> faces in <tennis match> (e.g., "any opponent," "the opponent in <tennis match>," or an opponent identified by ranking, seeding, or stage).

<tennis match>: <tennis match> refers to a specific, identified scheduled tennis contest between two players (singles) or two teams (doubles) as recognized by the governing body of the tournament. <tennis match> may be defined by the names of the players involved, by the stage of the tournament, as any tennis match within a set of tennis matches (including within or representative of the whole tournament), or by distinguishing characteristics, or the overarching tournament as a whole (e.g.

"Wimbledon Tennis Championship"). <tennis match> may also take the forms "Any" or "None".

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 <tennis match> by the league or association will NOT affect or alter the settlement value of the Contract once the Expiration Value is determined by the Exchange.

Payout Criterion: The Payout Criterion for the Contract encompasses the Expiration Value where <player> is the winner of <tennis match>. In order to be considered the "winner" of <tennis match>, <player> must have outscored his or her <opponent> to win the majority of the required sets at the conclusion of the <tennis match>. 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 that such result to be clearly erroneous and elects to defer to a corrected official final result issued prior to Expiration.

- All <tennis match> tie-breaking procedures are included in determining the winner.
- If the <tennis match> is cancelled prior to the first point being played, the market 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.

- Where the <opponent> of the <player> in <tennis match> is specified by name (or as a specific pairing) and the competitor actually opposing <player> in the contest differs from the specified <opponent>, the specified <tennis match> is treated as not having occurred and 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 <tennis match> begins (at least one point is played) and ends by retirement, default, or disqualification, the competitor recorded by the Source Agency as the winner of <tennis match> governs resolution, and the Contract is settled on that recorded result.
- If the <tennis match> is cancelled or discontinued after the first point is played, all markets that are not already able to be unconditionally settled will resolve to the last fair price as determined at the sole discretion of the Exchange. Markets that can be unconditionally settled based on the games already completed and recorded in the official match score prior to the point of cancellation or discontinuation shall be settled accordingly.
- If the <tennis match> is delayed but is scheduled to occur within the same containing tournament, the market will remain open with settlement occurring no later than two (2) days after the originally scheduled conclusion of the specified tournament. Additionally, a change of venue, playing surface, or court conditions, or change to the match format (for example, a change in the number of sets), does not affect resolution so long as a final result indicating a winner of <tennis match> is recorded by the Source Agency.
- If the <tennis match> is delayed and not scheduled to occur within the same containing tournament, 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. A new market will be created for the newly scheduled <tennis match>.
- If <player> withdraws prior to the first point of <tennis match>, all related markets will resolve based on the first final result recorded by the Source Agency. If no final result is recorded by the Source Agency, the market 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 <player> retires due to injury or other circumstance during the match, all markets affected by the retirement of <player> will resolve based on the first

final result recorded by the Source Agency. If no final result is recorded by the Source Agency, the market 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. Markets able to be unconditionally settled based on games completed and recorded in the official match score prior to the point of retirement shall be settled accordingly.

- If either <player> is disqualified after the conclusion of <tennis match> and prior to Expiration Time, the results of <tennis match> will not be adjusted.
- If the first final result of <tennis match> is delayed or unavailable, the Exchange may wait up to 24 hours after the Expiration Time for data availability, after which it may resolve the Contract pursuant to Rothera DCM Rule 7.2.
- If a Source Agency publishes a result that it subsequently retracts, corrects, or confirms was the result of a compromised, hacked or erroneous source, the Exchange will rely on the final corrected result published by the Source Agency prior to the Expiration Time.

Minimum Tick: The Minimum Tick size for the Contract shall be \$0.01.

Position Limits: The Position Limit for the Event Contract is 2,500,000 Contracts for Participants. The Position Limit for Market Makers is 25,000,000 Contracts.

Last Trading Date: The Last Trading Date of the Contract will be the same as the Expiration Date. The Last Trading Time will be the same as the Expiration 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.

Expiration Date: The latest Expiration Date of the Contract shall be two (2) days after the originally scheduled date of <tennis match>. If an event described in the Payment Criterion occurs, the expiration will be moved to an earlier date and time as determined by the Exchange.

Expiration time: The Expiration time of the 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 \$1.00.

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, 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:

- Current and former players, and the coaches, trainers, physiotherapists, medical staff, hitting partners, agents, managers, and other support-team members of <player> and <opponent> (and, where <opponent> is a non-specific designation, of every competitor eligible to oppose <player> in <tennis match>).
- Chair umpires, line umpires, review officials, referees, supervisors, and other on-court or tournament officials of the tournament containing <tennis match>.
- Employees, officers, contractors, and statisticians of the governing body sanctioning <tennis match> (ITIA, ATP, WTA, or ITF), of the official tournament authority, and of the official statistics or data provider responsible for compiling, scoring, or first publishing the Underlying.
- Any sports agent, legal advisor, or tournament representative of a player or member association participating in the referenced tennis tournament.
- Any person with access to material nonpublic information regarding the fitness, injury, withdrawal, or scheduling of <player> relevant to <tennis match>.
- Ultimate beneficial owners and operators of the tournament containing <tennis match>.

- Any immediate family member, household member, or close associate of any of the foregoing persons, where such person reasonably may have access to material nonpublic inside information regarding the referenced <tennis match>.
- Any individual subject to integrity or ethics rules of a tennis league or association who has a professional duty to safeguard the integrity of tennis competitions.
- Any other Person who, by sole determination of the Exchange, possesses material nonpublic information relating to the Underlying.