

Financials Liquidity Retainer Program

1. Purpose

This framework establishes the obligations, rights, and benefits for Market Makers (“MMs”) participating in the ForecastEx Financials Liquidity Retainer Program. It is designed to ensure liquidity, competitive spreads, and orderly markets across a select set of Contracts on financial instruments.¹ As detailed below, qualified MMs may receive Incentive Payments and certain operational benefits based on ongoing quoting performance and compliance with program requirements.

2. Key Definitions

- **Center Strike:** The available strike whose Best Yes Bid is closest to \$0.50, measured by absolute difference from \$0.50. The Center strike is recalculated continuously, once per second, with no transition or grace period when the band changes.
- **Center Strike Band (“CSB”):** The Center Strike, up to the next two lower available lower strikes and up to the next two higher available strikes within the same event. If two or more strikes are equally close to \$0.50, each tied center strike procedures a permissible CSB. If there are less than two strikes above or below the Center strike, the CSB is reduced by the number of non-existent strikes.
- **Presence:** Percentage of eligible time (measured in seconds) during a given trading day that the Market Maker is posting valid quotes that meet the required spread and size on both the Yes and No sides.
- **Spread:** Since ForecastEx is a buy-only exchange, there is no ask, and the calculation for spread is different than typical exchanges. The spread for ForecastEx markets can be calculated by taking the matching price (\$1.00) and subtracting the best bid of the Yes and No for a particular contract. An example:
 - **Matching Price:** \$1.00
 - **Best Bids:** *Yes* - \$0.20; *No* - \$0.78
 - **Spread:** \$0.02 ($1.00 - 0.20 - 0.78$)

3. Eligibility

Participation is voluntary. To participate, an entity must

¹ FES, FNQ, FRTY, FYM, METLG, METLS, METLP, METLD, COMCO, COMHH, COMCP, and ICEBR

- Be approved as a MM and execute the applicable Customer or non-customer Market Maker Agreement with a Liquidity Retainer Program Addendum.
- MMs must be in good standing with the Exchange and not subject to suspension or default.
- If a Member, the MM must maintain their membership.
- If a Customer of a Member, the MM must maintain an account with a Member FCM intermediating their trades.
- Participants must maintain adequate risk management, technology infrastructure, and compliance resources to meet quoting requirements.
- The exchange reserves the right to review and revoke Market Maker status at its discretion if a MM failed in its obligations subject to any cure periods in the Agreement.
- Affiliated Participants are not eligible to take part in the Financials Liquidity Retainer Program.

4. Participant Cap

A maximum of three (3) Market Makers may take part in the Financials Liquidity Retainer Program at any given time.

5. Quoting Obligations

A participating MM must continuously maintain two-sided quotations in the products specified in the MMs Liquidity Retainer Program addendum.

The MM must satisfy minimum quoting requirements including:

- Maximum spread;
- Minimum displayed quantity on each side;
- Minimum percentage of trading hours with active quotes;
- Minimum percentage of assigned instruments quoted; and
- Any additional objective quoting requirements specified in the program schedule.

Failure to satisfy the quoting obligations during a daily measurement period for a Designated Product will result in no payment for that Designated Product for that day.

A Market Maker can satisfy obligations by quoting all strikes within the assigned instrument or by quoting all strikes within the Center Strike Band. The specific quoting obligations for each product that is a part of the Financials Liquidity Retainer Program is included in Appendix A - Quoting Obligation Schedule.

4.1 Designated Products

- A MM may be assigned between one (1) and ten (10) financials products on the Quoting Obligations Schedule by mutual agreement with The Exchange. A MM may only be assigned one (1) tier per Designated Product. A MM's designated products under the Financials Liquidity Retain Program will be noted in Appendix C of the MM's Market Maker Agreement, the Liquidity Retainer Program Addendum.
- Quoting obligations apply to all strikes within the Designated Product(s).
- ForecastEx and MM will add, update, or remove products within any of the Designated Products upon mutual written agreement or as is otherwise provided in the Market Maker Agreement.

4.2 Two-sided Quoting Obligations

- MMs are required to provide two-sided quotes in all products for which they have quoting obligations.
- MMs are considered to have met their two-side quoting obligations by only quoting a single side, if their bid would imply a negative minimum Bid on the other side of the market. (e.g. a \$0.98 bid with a four (4) tick minimum spread implies a minimum Bid of -\$0.02 on the opposite side).

4.4 Relief from Quoting Obligations

MMs shall not be required to act in accordance with the Quoting Obligations and may suspend all quoting during the occurrence of any of the following events ("Suspension Events"):

- ForecastEx declares a Suspension Event;
- There is a market halt or other event in the underlying reference market that in ForecastEx's reasonable view makes it impossible or impracticable for MMs to provide quotes;
- There exists, in the reasonable opinion of ForecastEx and the MM such a change, whether or not foreseeable, in national or international financial, political, or economic conditions as would in ForecastEx's and the Market Maker's view make it impossible to accurately price Contracts in a Designated Product;
- Where any interruption, defect, withdrawal or failure of power supply, trading systems, network, internet connections, computer systems, communications (whether owned or operated by MM, ForecastEx or any third party) or other similar force majeure event (as defined in the Membership Agreement) prevents the Market Maker from entering Quotes.
- An act of God, war, terrorism, fire, flood, civil disturbance, or act of any governmental authority beyond the reasonable control of the Market Maker or ForecastEx (or other force majeure event as defined in the Membership Agreement) occurs which prevents the

MM from entering Quotes or prevents the Market Maker's ability to fulfil its obligations as described herein;

- ForecastEx prevents the MM's ability to fulfill its obligations as described herein.

ForecastEx and MMs will each inform the other by telephone and subsequently by email as soon as practicable after either of them becomes aware that they believe any of the foregoing Suspension Events is occurring or has occurred or ceases to exist. Market Maker shall perform an investigation, and provide a report thereon (in each case, in form and manner satisfactory to Market Maker provided that it shall cooperate in good faith with ForecastEx), regarding any Suspension Event that extends for more than 20 minutes in any Contract or Designated Product, upon request by ForecastEx.

5. Benefits

- Market Makers meeting their quoting obligations for agreed upon Designated Products for a given day will be paid a retainer for that day.
- Retainers are not dependent on volume
- Retainers are separate from any incentives the MM earns through ForecastEx's Market Maker Program.
- If a Market Maker quotes the CSB instead of all strikes within a product, they will earn the CSB Daily Incentive instead of the all strikes daily incentive specified in Appendix A Quoting Obligations Schedule.
- Retainers are determined according to the amounts listed in the Appendix A - Quoting Obligations Schedule.
- These payments:
 - Are payments from FEX to the MM
 - Are paid at least monthly
 - Are paid in cash

6. Monitoring and Compliance

- The Exchange will conduct regular monitoring to ensure that Market Makers are meeting their quoting obligations.
- Failure to meet quoting obligations in any Designated Product on any day will result in loss of retainer payments for that day for that Designated Product and may additionally result in:

- Formal warning
- Downgrade or revocation of Market Maker Designation (subject to any cure periods in the Market Maker Agreement).
- Disciplinary action under ForecastEx Rules.

7. Program Term

- The Financials Liquidity Retainer Program will run from September 1, 2026 until October 31, 2026.

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