UDX

BASEBALLSPREAD

Official Product Name: Will baseball <team> score <above/below/between/exactly/at least> <count> more runs during <time period> of baseball <game>?

Scope: These terms govern the trading of the Baseball Spread Event Contract (the “Contract”), a type of “Event Contract” listed by the Exchange.

Underlying: The Underlying for this Contract is the final run differential in <game> between <team> and <opponent>. The run differential is calculated as <team>'s final score minus <opponent>'s final score, including any extra innings played. 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 league or association of <team> (e.g., Major League Baseball, NCAA, Nippon Professional Baseball, or the World Baseball Classic organizing body), ESPN, CBS Sports, Fox Sports, the Associated Press, The Wall Street Journal, and the official broadcaster of <game>.

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 <game> or similar games within the same league or season as specified by the Exchange.

<team>: <team> refers to an entity participating in <game>, specified by the Exchange. This includes, but is not limited to, professional teams (e.g., MLB), collegiate teams (e.g., NCAA Division I, II, III), international teams, or other organized baseball teams at any level of competition. <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 AL team," "the home team," "teams with winning records"). <team> may also take the values "Any" or "None." The Exchange may list iterations of the Contract corresponding to variations of <team>. If a team name changes, relocates, or undergoes organizational restructuring while maintaining substantial continuity, <team> shall track the successor entity. This will be announced by the Exchange in the event it is relevant.

<opponent>: <opponent> refers to the team playing against <team> in <game>, specified by the Exchange. <opponent> is tracked through name changes, relocations, or organizational restructuring in the same manner as <team>.

<count>: <count> refers to a numerical run margin specified by the Exchange. It may include whole numbers, half-numbers (e.g., 3.5, 7.5), or negative numbers.

<game>: <game> refers to a specific baseball contest or set of contests specified by the Exchange. This may be defined by exact matchup (e.g., "Milwaukee Brewers vs. Chicago Cubs"), date and time, location or venue, playoff round or tournament stage (e.g., "2025 World Series Game 3," "NLCS Game 5"), game number within a doubleheader (e.g., "Game 1" or "Game 2"), or other distinguishing information. <game> may refer to games sanctioned by Major League Baseball (MLB), the National Collegiate Athletic Association (NCAA), international baseball federations (e.g., the World Baseball Classic), or any other organized baseball competition as specified by the Exchange. <game> may refer to a singular game, multiple games (even if non-consecutive), an element in a set of games, or games defined by distinguishing characteristics (e.g., "any playoff game," "all games on March 3, 2025," "home games"). <game> may also be used to refer to the overarching tournament as a whole (e.g. "The World Series"). <game> may also take the values "Any" or "None." The Exchange may list iterations of the Contract corresponding to variations of <game>. The 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.

<time period>: <time period> refers to a specific duration or discrete segment of <game> specified by the Exchange. <time period> may be expressed as, but is not limited to, a specific inning (e.g., "the 1st inning," "the top of the 5th inning"), a range of innings (e.g., "the first 5 innings," "innings 1 through 3"), a half of the game (e.g., "the first half," meaning innings 1 through the midpoint as defined by the Exchange), a particular time period (e.g. "the first hour"), or other segments as appropriate to the contract subject matter. All times are interpreted in Eastern Time (ET) unless otherwise specified. The Exchange may list iterations of the Contract corresponding to variations of <time period>. Unless otherwise specified, <time period> shall be understood to be the full duration of <game>, including all regulation innings and any extra innings or tie-breaking procedures employed by the governing body.

<above/below/between/exactly/at least>: <above/below/between/exactly/at least> refers to the comparison operator that determines how the actual value is evaluated against <count>. "above X" means greater than X (value > X); "below X" means less than X (value < X); "between X and Y" means greater than or equal to X and less than or equal to Y (X ≤ value ≤ Y); "exactly X" means equal to X (value = X); "at least X" means greater than or equal to X (value ≥ X).

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, UDX 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 UDX, 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” is 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 <team> wins <game> against <opponent> by <above/below/between/exactly/at least> <count> runs during <time period> of <game>. The run margin is <team>'s final score minus <opponent>'s final score. Where <time period> is not specified, the full game (including any extra innings) is assumed. The market resolves based on the first final result reported by the Source Agency, unless the Exchange, in its sole discretion pursuant to Rule 5.a.v, determines such result to be clearly erroneous and elects to defer to a corrected official final result issued prior to Expiration.

For the purposes of this Contract:

Extra Innings Rules

- All scoring in extra innings counts toward the final margin.
- Games ending in ties after any number of innings played (under international or other tie-permitting rules) settle based on the tied score differential (0).
- Games using runner-on-second extra inning rules count all runs scored regardless of how runners reach base.

Game Completion Rules

- If <game> is suspended or postponed and not resumed within 48 hours of the original scheduled start time, all Contracts settle to the last fair market price prior to suspension unless the outcome has been determined.
- If <game> is shortened, called, or otherwise ended before the regulation number of innings (e.g., due to weather, curfew, or mercy rule), and the governing body declares the game official and records a winner, the market for the full game will resolve based on that official result. Markets for sub-game <time period> segments that were completed before the game was called will resolve based on the score at the end of those completed segments. Markets for sub-game <time period> segments that were not completed before the game was called will resolve at the last fair market price as determined by the Exchange.

Venue and Format Changes

- If the venue changes but the home/away designation remains the same, all Contracts remain valid.
- If the home/away designation changes, all Contracts settle to the last fair market price.
- If the game format changes (e.g., from 9 innings to 7 innings) after Contract issuance, all Contracts remain valid using the new format's minimum play requirements.

Statistical Corrections

- Settlements are based on statistics at game's end as reported by the Source Agency.
- Any subsequent statistical changes after Expiration will not be taken into consideration.

Pitcher Changes

- All Contracts remain valid regardless of starting pitcher changes.
- Contracts are not affected by any pitching changes before or during the game.

Special Circumstances

- If <game> is forfeited, the official forfeit score (9-0) is used for settlement.
- Protested games that are replayed in full void all original Contracts.
- Protested games resumed from the point of protest maintain original Contract validity.
- No-hitters, perfect games, or other achievements do not affect spread settlement.

Minimum Tick: The Minimum Tick for the Event Contract shall be $0.001.

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 is the date on which <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 three days after the originally scheduled date of <game>. If an event described in the Payment Criterion occurs, 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 ET 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 Rule 5.a.v. Consistent with Rule 5.a.v, UDX 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, assistant 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.