

APPENDIX A – CONTRACT TERMS AND CONDITIONS

Official Product Name: “What will be <player>'s next team?”
Rulebook: NEXTTEAM

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Scope: These rules shall apply to this contract.

Underlying: The Underlying for this Contract is the next professional sports team that <player> officially joins after Issuance and before <date>, as documented by Source Agencies. Revisions to the Underlying made after Expiration will not

be accounted for in determining the Expiration Value.

Source Agency: The Source Agencies are the official league office governing <player>'s sport, the official team websites and social media accounts, ESPN, The Athletic, The New York Times, the Associated Press, Bloomberg News, Reuters, Axios, Politico, Semafor, The Information, The Washington Post, The Wall Street Journal, ABC, CBS, CNN, Fox News, Fox Sports, MSNBC, NBC, NBC Sports, Bleacher Report, and official social media accounts of <player> or their official representatives.

Type: The type of Contract is an Event Contract.

Issuance: After the initial Contract, Contract iterations will be listed on an as-needed basis at the discretion of the Exchange and corresponding to the risk management needs of Members.

<player>: <player> refers to a professional athlete specified by the Exchange. Includes active players, free agents, players under suspension, players on injured reserve, and retired players who may return. Identity persists through legal name changes.

<team>: <team> refers to a professional sports organization specified by the Exchange. May include: teams from any professional league worldwide (with league specified), "Same team" (the team <player> is on at Issuance), "No team" (retirement or remaining unsigned), "Any [league] team", "Any team outside [league]", or multiple teams using OR logic. Team identity persists through relocations and rebrandings (e.g., the Oakland Athletics and Las Vegas Athletics are the same team). For teams with multiple affiliate levels (e.g., G-League, AHL, minor leagues), only the top-level professional team counts unless explicitly specified. National teams are separate entities from club teams.

<date>: <date> refers to a calendar date specified by the Exchange. The Exchange may list iterations of the Contract corresponding to variations of <date>.

Payout Criterion: The Payout Criterion for the Contract encompasses the Expiration Values that the first team that <player> officially joins after Issuance and before <date> is <team>, where "officially joins" means any of the following events as reported by a Source Agency:

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1. Signing of a contract (of any duration, including 10-day, two-way, or exhibit 10 contracts), other than a contract extension or re-signing entered into while <player> is already under contract with that same team
2. Official trade execution as approved by the league office
3. Waiver claim awarded by the league office
4. Selection in an expansion or dispersal draft
5. Signing with an international team
6. For unsigned draft picks, the team that drafts them

The determining moment is when the transaction becomes official as reported by Source Agencies, not when the player physically reports, plays, or passes a physical.

Special provisions:

- **Sign-and-trades:** The Contract resolves to the final destination team, not the initial signing team, if the transactions are part of a single reported deal
- **Multi-team trades:** Resolves to the team acquiring <player>'s rights
- **Voided transactions:** If a trade/signing is voided by the league or falls through before completion, it is

disregarded

- **Retirement:** If <player> officially retires without joining a new team, "No team" resolves to Yes
- **Loan deals:** The team receiving the player on loan is the next team, if they are newly received
- **Rights trades:** Acquiring a player's rights without a contract does not count until a contract is signed
- **Contract extensions and re-signings:** A contract extension or re-signing that <player> enters into while already under contract with their current team does not constitute joining a team and does not trigger resolution. If <player> joins a different team before <date> — whether via trade, contract signing, or otherwise — after signing such an extension, the Contract resolves to the new team that <player> joins. If no such event occurs and <player> remains under contract with that team as of <date>, the Contract resolves to that team.
- **Free agency:** If <player> is a free agent, whether restricted or unrestricted, for any length of time and signs a contract with a team, the Contract resolves to the team with which <player> signs, regardless of whether it is the same team <player> was on at Issuance.
- **Two-way and affiliate contracts:** Signing a two-way contract with a top-level professional team (for example, in the NBA or MLB) resolves the same as signing a standard contract with that team. Signing instead with a team's G-League, minor league,

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or other affiliate club, rather than its top-level professional team, does not resolve to that top-level team.

The following do NOT constitute joining a team:

- Workout invitations or tryouts
- Verbal agreements not yet made official
- Training camp invites without contracts
- Consultant or coaching positions
- Ownership stakes
- Charity tournament teams

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

Position Accountability Level: The Position Accountability Level for the Contract shall be \$25,000 per strike, per Member.

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 of the Contract shall be no later than the day after the Expiration Date, unless the Market Outcome is under review pursuant to Rule 7.1.

Expiration Date: The latest Expiration Date of the Contract shall be one year after <date>. If an event described in the Payout Criterion occurs, expiration will be moved to an earlier date and time in accordance with Rule 7.2.

Expiration time: The Expiration time of the Contract shall be 10:00 AM ET. **Settlement Value:** The

Settlement Value for this 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: Before Settlement, Kalshi may, at its sole discretion, initiate the Market Outcome Review Process pursuant to Rule 7.1 of the Rulebook. If an Expiration Value cannot be determined on the Expiration Date, Kalshi has the right to determine payouts pursuant to Rule 7.1 in the Rulebook.