APPENDIX A â€“ CONTRACT TERMS AND CONDITIONS

Official Product Name: â€œWill Bitcoinâ€™s mining difficulty be <above/below/exactly/at least/at most/between> <value> <in/at> <time period>?â€

Rulebook: BTCDIFFICULTY

BTCDIFFICULTY

Scope: These rules shall apply to each Contract within the Class.

Underlying: The Underlying for this Contract is the mining difficulty of the Bitcoin network, as recorded on the Bitcoin blockchain and reported by the Source Agencies, <in/at> <time period>. 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 Bitcoin blockchain (as recorded in the block headers of the valid Bitcoin chain with the most cumulative proof-of-work), mempool.space, Blockstream Explorer, and Blockchain.com.

Type: The type of Contract is an Event Contract.

Issuance: The Contracts are based on the outcomes of recurrent events. Contract iterations will be issued on a recurring basis, and Contract iterations will generally correspond to each successive Bitcoin difficulty adjustment and each calendar month, quarter, and year.

<above/below/exactly/at least/at most/between>: <above/below/exactly/at least/at most/between> refers to comparison operators specified by the Exchange. â€œAbove Xâ€ means strictly greater than X (>X). â€œBelow Xâ€ means strictly less than X (<X). â€œExactly Xâ€ means equal to X (=X), measured to the precision specified elsewhere in the Contract. â€œAt least Xâ€ means greater than or equal to X (â‰¥X). â€œAt most Xâ€ means less than or equal to X (â‰¤X). â€œBetween X and Yâ€ means greater than or equal to X and less than or equal to Y (â‰¥X and â‰¤Y), i.e., inclusive of both endpoints, unless otherwise specified. The Exchange may list iterations of the Contract corresponding to variations of <above/below/exactly/at least/at most/between>. Where the Contract specifies a <time period>, â€œAt least Xâ€ and â€œAt most Xâ€ require the applicable value to satisfy the comparison criterion at every point <time period>, such that at no point <time period> is the value less than X or greater than X, respectively, unless otherwise specified by the Exchange. â€œAbove X,â€ â€œBelow X,â€ â€œExactly X,â€ and â€œBetween X and Yâ€ require the applicable value to satisfy the comparison criterion at least once <time period>, unless otherwise specified by the Exchange.

<value>: <value> refers to a mining difficulty of the Bitcoin network, expressed in trillions (T) (e.g., 150.00 T means 150,000,000,000,000), specified by the Exchange. The Exchange may list iterations of the Contract with <value> levels that fall within an inclusive range beginning at 0 (zero) T and ending at 100,000 (one hundred thousand) T at consecutive increments of 0.01 (one one-hundredth) of a trillion. Bitcoinâ€™s mining difficulty is compared to <value> measured to two (2) decimal places. Where <above/below/exactly/at least/at most/between> is â€œbetween,â€ <value> refers to a pair of mining difficulties, X and Y, specified by the Exchange. Due to the potential for variability in the Underlying, the Exchange may modify <value> levels in response to suggestions by Members.

<in/at>: <in/at> refers to whether the Contract is determined on the basis of whether Bitcoinâ€™s mining difficulty satisfies the comparison criterion within <time period> (â€œinâ€) or at a discrete time or difficulty adjustment specified in <time period> (e.g., 12:00 PM ET on December 31, 2026, or the difficulty adjustment at block 977,760) (â€œatâ€).

<time period>: <time period> refers to a specific range of time as specified by the Exchange. This may be defined by exact dates (e.g., â€œbetween January 1, 2027, and December 31, 2027â€), relative markers (e.g., â€œbefore July 1, 2027â€), an event, or broader intervals (e.g., â€œQ1â€“Q2 2027,â€ â€œJanuaryâ€“March 2027â€). â€œBetweenâ€ is inclusive of both endpoints, while â€œbeforeâ€ and â€œafterâ€ exclude the specified date unless stated otherwise. Where <time period> has no stated start date (e.g., â€œbefore July 1, 2027â€), it begins at the date and time the Contract is listed. <time period> may also refer to â€œAnyâ€ or â€œNone,â€ to multiple dates (even if non-consecutive), or to a singular and discrete date or time. <time period> may also specify a single Bitcoin difficulty adjustment, identified by the block height at which it takes effect (e.g., â€œthe difficulty adjustment at block 977,760â€), or the next difficulty adjustment, meaning the first difficulty adjustment to take effect after the Contract is listed.

Payout Criterion: The Payout Criterion for the Contract encompasses the Expiration Values that Bitcoinâ€™s mining difficulty is <above/below/exactly/at least/at most/between> <value> <in/at> <time period>.

Additional Clarifications: *Measurement:*

- Bitcoinâ€™s mining difficulty is the maximum target (the target encoded as 0x1d00ffff) divided by the target encoded in the â€œbitsâ€ field of a block header on the Bitcoin blockchain, expressed in trillions and rounded to two (2) decimal places.
- Estimates of network hashrate and projections of an upcoming difficulty adjustment are not accounted for in determining the Expiration Value.
- Bitcoinâ€™s mining difficulty changes only at a difficulty adjustment, which takes effect at each block whose height is a multiple of 2,016.
- Where <in/at> is â€œin,â€ the values of Bitcoinâ€™s mining difficulty are the value in effect when <time period> begins and the value set by each difficulty adjustment that takes effect within <time period>, and each is a point for purposes of the comparison criterion. Where <in/at> is â€œat,â€ the value is the one in effect at the time <time period> specifies (or, where <time period> specifies only a date, at the end of that date) or, where <time period> specifies a difficulty adjustment, the value set by that adjustment.

Timing:

- A difficulty adjustment takes effect at the time recorded in the header timestamp of the block at which it takes effect, and the value in effect at any time is the value set by the most recent difficulty adjustment that took effect at or before that time. Dates and times are measured in Eastern Time.
- A block is taken into account only once it is part of the valid Bitcoin chain with the most cumulative proof-of-work and has at least six (6) confirmations.
- If a difficulty adjustment that <time period> specifies by block height or as the next difficulty adjustment has not taken effect within fifty-six (56) days after the immediately preceding difficulty adjustment took effect, the Contract will resolve to the last fair price, as determined by the Exchange in its sole discretion.

Chain and Protocol:

- The Bitcoin blockchain refers to the chain identified as Bitcoin (BTC) by the Source Agencies. If the Bitcoin network splits into two or more chains, the chain identified as Bitcoin (BTC) by the highest-ranked Source Agency other than the Bitcoin blockchain governs, and every reference to the valid Bitcoin chain with the most cumulative proof-of-work refers to that chain.
- A protocol upgrade after which the Bitcoin chain continues the same block record does not terminate the Contract, and that continued record governs. If a Source Agency is renamed, relocated, or rebranded but continues to report the same Bitcoin block record under a successor name or address, that continued record governs and the Contract remains open.
- If a change to the Bitcoin consensus rules alters how the difficulty is encoded, or alters how or when difficulty adjustments occur such that a difficulty adjustment that <time period> specifies does not occur, the Contract will resolve to the last fair price, as determined by the Exchange in its sole discretion.

Source and Corrections:

- If the Source Agencies conflict as to the difficulty or the time at which a difficulty adjustment took effect, the hierarchy set out in Source Agency above will govern.
- The difficulty, and the time at which a difficulty adjustment took effect, are determined from the first record of them that the Source Agency publishes once the block has at least six (6) confirmations. A later correction counts only if it is published before Expiration and the Exchange determines, in its sole discretion, that it remedies a material error; if the Exchange determines that the first record may contain a material error, it may delay Expiration until the earlier of publication of a corrected record or the Expiration Date.
- If there is no data for the Underlying published by the Source Agencies by the Expiration Date, all markets will resolve to the last fair price, as determined by the Exchange in its sole discretion, unless a â€œNo dataâ€ strike is listed, in which case the â€œNo dataâ€ strike will resolve Yes and all others will resolve No.

Examples that would resolve the market to Yes: *Assuming <above/below/exactly/at least/at most/between> is â€œabove,â€ <value> is 150.00 T, <in/at> is â€œin,â€ and <time period> is â€œDecember 2026â€:*

- A difficulty adjustment taking effect on December 11, 2026, sets a difficulty of 152.84 T. The Contract for above 150.00 T in December 2026 will resolve Yes, because a value in effect in December 2026 exceeded 150.00 T.
- The adjustment of November 27, 2026, sets a value of 150.62 T that remains in effect on December 1, 2026, before a later December adjustment lowers it to 146.11 T. The Contract for above 150.00 T in December 2026 will resolve Yes, because the value in effect when December 2026 begins counts.
- mempool.spaceâ€™s estimated hashrate dips sharply in late December, while a December adjustment sets a difficulty

of 151.30 T. The Contract for above 150.00 T in December 2026 will resolve Yes, because only the difficulty counts.

Examples that would NOT resolve the market to Yes: *Assuming <above/below/exactly/at least/at most/between> is â€œabove,â€ <value> is 150.00 T, <in/at> is â€œin,â€ and <time period> is â€œDecember 2026â€:*

- The highest value in effect at any point in December 2026 is 149.87 T. The Contract for above 150.00 T in December 2026 will resolve No, because no value exceeded 150.00 T.
- The highest value in effect in December 2026 is 150.00 T after rounding. The Contract for above 150.00 T in December 2026 will resolve No, because 150.00 T is not strictly above 150.00 T.
- An adjustment whose block header timestamp is 12:05 AM ET on January 1, 2027, sets a value of 155.00 T, while every value in effect in December 2026 is below 150.00 T. The Contract for above 150.00 T in December 2026 will resolve No, because that adjustment took effect after December 2026.

If a natural person who is the primary subject of a Contractâ€™s Underlying or Payout Criterion dies prior to Expiration, or if an act or attempted act of violence, assassination, or terrorism directly prevents, interrupts, or causes the event that is the primary subject of a Contractâ€™s Underlying or Payout Criterion, Kalshi may, in its sole discretion, settle the Contract at the last traded price prior to the death or act. If Kalshi determines that trading activity was materially affected by the circumstances giving rise to the death or act, Kalshi may instead use the last traded price prior to such circumstances becoming known or reasonably anticipated by market participants. For purposes of this Rule, Kalshi may rely on an approximate time where the precise time is unknown or cannot be reasonably determined. If Kalshi determines that no last traded price represents a fair settlement, the Outcome Review Committee shall determine the fair settlement price. Kalshi may halt or pause trading in any such Contract (with public notice on Kalshiâ€™s website or the Platform) if it reasonably believes that a death or act of terrorism subject to this Rule has occurred, is imminent, or that circumstances giving rise to such an occurrence may be happening. Determinations of Kalshi and the Outcome Review Committee under this Rule are final and not subject to review.

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 final day of <time period>. The Last Trading Time will be one minute prior to the end of <time period>. Notwithstanding the foregoing, where <time period> specifies a single difficulty adjustment by block height or as the next difficulty adjustment, the latest Last Trading Date and Time will be 11:59 PM ET on the final day of <time period>.

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 week after the final day of <time period>. Where <time period> specifies a single difficulty adjustment by block height or as the next difficulty adjustment, the final day of <time period> is the date, in Eastern Time, on which that difficulty adjustment takes effect or, if it has not taken effect by then, the date fifty-six (56) days after the immediately preceding difficulty adjustment took effect. 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.