COSTEPS

Scope: These rules shall apply to this contract.

Underlying: The Underlying for this Contract is the diluted earnings per share, in U.S. dollars, reported by Costco Wholesale Corporation <time period>. Revisions to the Underlying made after Expiration will not be accounted for in determining the Expiration Value.

Instructions: The Underlying can be found in the earnings releases and periodic filings of Costco Wholesale Corporation on its investor relations website or through the SEC's EDGAR system at https://www.sec.gov/edgar/searchedgar/companysearch. These instructions on how to access the Underlying are provided for convenience only and are not part of the binding Terms and Conditions of the Contract. They may be clarified at any time.

Source Agency: The Source Agencies are, in hierarchical order, Costco Wholesale Corporation (including its official investor relations website and earnings press releases), the U.S. Securities and Exchange Commission (including its EDGAR database of filings made by Costco Wholesale Corporation), the Associated Press, Bloomberg News, Reuters, CNBC, and the Wall Street Journal.

Type: The type of Contract is an Event Contract.

Issuance: The Contract is based on the outcome of a recurrent event. Contract iterations will be issued on a recurring basis, and Contract iterations will generally correspond to the next earnings report of Costco Wholesale Corporation.

<above/below/exactly/at least/at most/between>: <above/below/exactly/at least/at most/between> refers to comparison operators specified by the Exchange. "Above X" means strictly greater than X (>X). "Below X" means strictly less than X (<X). "Exactly X" means equal to X (=X). "At least X" means greater than or equal to X (≥X). "At most X" means less than or equal to X (≤X). "Between X and Y" means greater than or equal to X and less than or equal to Y (≥X and ≤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> that covers more than one earnings release, "At least X" and "At most X" 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. "Above X," "Below X," "Exactly X," and "Between X and Y" require the applicable value to satisfy the comparison criterion at least once <time period>, unless otherwise specified by the Exchange.

<value>: <value> refers to an amount of earnings per share, in U.S. dollars per share, specified by the Exchange. The Exchange may list iterations of the Contract with <value> levels that fall within an inclusive range beginning at negative ten thousand dollars (-$10,000.00) per share and ending at ten thousand dollars ($10,000.00) per share at consecutive increments of one cent ($0.01) per share. Where <above/below/exactly/at least/at most/between> is "between," <value> refers to a pair of amounts, 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.

<time period>: <time period> refers to one or more Costco Wholesale Corporation fiscal periods, or a range of dates, specified by the Exchange. Each fiscal period is identified by the date on which it ends, as Costco Wholesale Corporation states it (e.g., "for the fiscal quarter ended February 14, 2027" or "for the fiscal year ended August 29, 2027"). A range of dates may be defined by exact dates (e.g., "between January 1, 2027, and December 31, 2027") or relative markers (e.g., "before July 1, 2027"). "Between" is inclusive of both endpoints, while "before" and "after" exclude the specified date unless stated otherwise. Where <time period> has no stated start date (e.g., "before July 1, 2027"), it begins at the date and time the Contract is listed. <time period> may also refer to multiple dates (even if non-consecutive), or to a singular and discrete date or time.

Payout Criterion: The Payout Criterion for the Contract encompasses the Expiration Values that Costco Wholesale Corporation reports diluted earnings per share <above/below/exactly/at least/at most/between> <value> <time period>.

Additional Clarifications:

Definition of Earnings Per Share:

- Earnings per share means the GAAP diluted earnings per share figure, stated in U.S. dollars per share for the fiscal period and reported by Costco Wholesale Corporation in the consolidated statement of operations (however titled, such as a statement of income or statement of earnings) of the release or filing that governs under Source and Corrections below. Where that statement states more than one diluted earnings per share figure, the figure that governs is diluted net income per share attributable to common shareholders, including discontinued operations. Non-GAAP,

adjusted, pro forma, and segment figures, figures for a different period than the one <time period> specifies, and figures calculated by any person from net income and share counts are not earnings per share for this purpose.
- A loss per share is a negative value and is compared as such. The reported figure is compared to <value> as reported, to the nearest cent, without further rounding.
- Where <time period> specifies a date or range of dates rather than a fiscal period, the figures are those for each fiscal period covered by an earnings release Costco Wholesale Corporation publishes during that date or range.
- Where <time period> refers to multiple fiscal periods, the figure for each is compared separately and the figures are not summed.

Reporting and Changes:

- Guidance, preliminary estimates, pre-announcements, forward-looking statements, analyst consensus estimates, and announcements of a scheduled earnings date are not reported earnings per share; Costco Wholesale Corporation must actually publish the figure.
- If Costco Wholesale Corporation delays its earnings release for the fiscal period but publishes the figure on or before the Expiration Date, the Contract remains open and resolves on the figure so published.
- The figure that governs is the earnings per share figure stated in the release or filing that governs under Source and Corrections below. If, after the Contract is listed, Costco Wholesale Corporation effects a stock split, reverse stock split, or stock dividend (each, a "Split") with an effective date on or before the publication of that release, and the release states the figure on a post-Split basis, then <value> is divided by the cumulative ratio of post-Split shares to pre-Split shares (the "Split Ratio") and the reported figure is compared to the adjusted <value> as reported, without rounding. For example, after a 4-for-1 Split, a <value> of $2.50 is treated as $0.625. As a result, after an N-for-1 Split, strikes fewer than N cents apart may resolve identically. If the release also states the figure on the pre-Split basis, that stated figure is compared to <value> without adjustment. If the release states the figure on a pre-Split basis, no adjustment is made. A Split with an effective date after the publication of the release does not affect the comparison. Split adjustments appearing in later filings, restatements, or news reports are not accounted for, notwithstanding the definition of Expiration Value. Where <time period> covers multiple earnings releases, <value> is adjusted for each release using the Split Ratio for all Splits occurring after listing and on or before that release.
- If Costco Wholesale Corporation is renamed, reorganized under a successor parent or holding company, or its stock ticker or SEC identifier is changed, but the same or a successor entity continues to report earnings per share reflecting the continuation of Costco Wholesale Corporation's reporting record, that continued record governs and the Contract remains open. If Costco Wholesale Corporation is acquired, dissolved, or otherwise ceases to report earnings per share and no successor continues its reporting record, the no-data rule below governs.

Source and Corrections:

- If the Source Agencies conflict as to the earnings per share figure, the hierarchy set out in Source Agency above will govern.
- Costco Wholesale Corporation's first earnings release, Form 10-Q, or Form 10-K for the fiscal period that includes a consolidated statement of operations governs. A corrected earnings release that Costco Wholesale Corporation reissues before Expiration supersedes it.
- Figures in a later Form 10-Q, Form 10-K, amendment, or restatement, and corrections published after Expiration, are not accounted for.
- If there is no data for the Underlying published by a Source Agency by the Expiration Date, all markets will resolve to the last fair price, as determined by the Exchange in its sole discretion, unless a "No data" strike is listed, in which case the "No data" 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 "at least," <value> is two dollars and fifty cents ($2.50) per share, and <time period> is "for the fiscal quarter ended February 14, 2027":

- Costco Wholesale Corporation reports diluted earnings per share of $2.95 in its initial earnings release for the quarter. The Contract for diluted earnings per share of at least two dollars and fifty cents ($2.50) for the fiscal quarter ended February 14, 2027 will resolve Yes, because $2.95 is at least $2.50.
- Costco Wholesale Corporation reports diluted earnings per share of exactly $2.50. The Contract for diluted earnings per share of at least two dollars and fifty cents ($2.50) for the fiscal quarter ended February 14, 2027 will resolve Yes, because "at least" includes a figure equal to $2.50.
- Costco Wholesale Corporation reports GAAP diluted earnings per share of $2.55, while a non-GAAP adjusted figure of $2.40 appears in news coverage. The Contract for diluted earnings per share of at least two dollars and fifty cents ($2.50) for the fiscal quarter ended February 14, 2027 will resolve Yes, because only the reported GAAP diluted figure counts.

- Costco Wholesale Corporation delays its earnings release by several days but publishes diluted earnings per share of $2.70 before the Expiration Date. The Contract for diluted earnings per share of at least two dollars and fifty cents ($2.50) for the fiscal quarter ended February 14, 2027 will resolve Yes, because the Contract remained open and the published figure is at least $2.50.

Examples that would NOT resolve the market to Yes:

Assuming <above/below/exactly/at least/at most/between> is "at least," <value> is two dollars and fifty cents ($2.50) per share, and <time period> is "for the fiscal quarter ended February 14, 2027":

- Costco Wholesale Corporation reports diluted earnings per share of $2.40. The Contract for diluted earnings per share of at least two dollars and fifty cents ($2.50) for the fiscal quarter ended February 14, 2027 will resolve No, because $2.40 is less than $2.50.
- Costco Wholesale Corporation reports basic earnings per share of $2.52 and diluted earnings per share of $2.49. The Contract for diluted earnings per share of at least two dollars and fifty cents ($2.50) for the fiscal quarter ended February 14, 2027 will resolve No, because only the diluted figure counts and $2.49 is less than $2.50.
- Analyst consensus estimates are $2.70 per share, but Costco Wholesale Corporation reports diluted earnings per share of $2.45. The Contract for diluted earnings per share of at least two dollars and fifty cents ($2.50) for the fiscal quarter ended February 14, 2027 will resolve No, because estimates are not reported earnings per share and the reported figure is below $2.50.
- Costco Wholesale Corporation does not publish earnings per share for the fiscal quarter by the Expiration Date. The Contract for diluted earnings per share of at least two dollars and fifty cents ($2.50) for the fiscal quarter ended February 14, 2027 will resolve to the last fair price, as determined by the Exchange in its sole discretion, because no data was published by the Expiration Date.

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 and Time of the Contract will be one minute before Costco Wholesale Corporation publishes the earnings release reporting the figure (where <time period> covers more than one fiscal period, the release for the last of them), or the same as the Expiration Date and time if no such release is published by then. Where <time period> specifies a range of dates rather than fiscal periods, the Last Trading Date and Time will be the end 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 three months after the final day of <time period>. 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.