EARTHQUAKEAREA

Scope: These rules shall apply to this contract.

Underlying: The Underlying for this Contract is the occurrence of an earthquake of specified magnitude with an epicenter in <area> <time period>. Revisions to the Underlying made after Expiration will not be accounted for in determining the Expiration Value.

Source Agency: The Source Agency is the United States Geological Survey (USGS).

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.

<area>: <area> refers to a specific geographic region specified by the Exchange, which may include countries, U.S. states, or other defined regions.

<count>: <count> refers to a magnitude value on the Moment Magnitude Scale (Mw) specified by the Exchange.

<above/below/between/exactly/at least>: Refers to comparison operators as 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), measured to the precision specified elsewhere in the Contract. "At least X" means greater 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. Where the Underlying value is rounded or reported to a specific number of decimal places, the comparison shall be applied to the value as reported by the Source Agency, with two decimal places assumed unless otherwise specified. The Exchange may specify rounding or truncation, including the applicable extent and number of decimal places, at Issuance. The Exchange may list iterations of the Contract corresponding to variations of <above/below/between/exactly/at least>.

<time period>: <time period> refers to a specific range of time or discrete date and time as specified by the Exchange. This may be defined by exact dates (e.g., "between January 1, 2026, and December 31, 2026"), relative markers (e.g., "before July 1, 2027"), or broader intervals (e.g., "Q1–Q2 2027," "January–March 2026"). "Between" is inclusive of both endpoints, while "before" and "after" exclude the specified date unless stated otherwise. <time period> may also refer to multiple dates (even if non-consecutive), or to a singular and discrete date or time. <time period> begins no earlier than the date of Issuance unless otherwise specified by the Exchange.

Payout Criterion: The Payout Criterion for the Contract encompasses the Expiration Values that an earthquake with magnitude <above/below/between/exactly/at least> <count> occurs with its epicenter in <area> <time period>.

Key provisions:

- Magnitude and qualification are determined as of a Determination Check. A “Determination Check” is conducted at 10:00 AM ET on each day on which the Contract remains open. At each Determination Check, the Exchange evaluates the data published by USGS to determine whether an earthquake satisfying the Payout Criterion has occurred with its epicenter in <area> <time period>. The first Determination Check at which USGS reports an earthquake satisfying the Payout Criterion shall govern, and the magnitude reported by USGS for that earthquake as of that Determination Check shall be the Expiration Value. Any revision, update, recharacterization, or retraction published by USGS after the governing Determination Check shall not affect resolution. If no Determination Check on or before the Expiration Date identifies an earthquake satisfying the Payout Criterion, the Contract shall resolve “No.”
- The Moment Magnitude Scale (Mw) is the governing magnitude scale for all determinations under this Contract and shall be used wherever reported by USGS. The Richter scale (local magnitude, ML) is a distinct, non-equivalent scale and shall not be directly substituted for Mw. Where Mw is unavailable from USGS, the following

scales shall be applied in priority order: (1) surface wave magnitude (Ms) for shallow events of magnitude 5.0 or greater; (2) body wave magnitude (mb) for deeper or smaller events; (3) local magnitude (ML) only where no other scale is available. Where USGS has published its own conversion of a reported magnitude to Mw, that conversion shall govern. Where no such published conversion exists, the Exchange shall apply standard seismological conversion formulae and announce the basis for resolution to Members prior to settlement. Where USGS technical catalogs differ from media or colloquial reports in their characterization of the scale used — including any reference to "Richter magnitude" — USGS's technical catalog shall prevail.
- Only earthquakes at depths of 700km or less are included
- Time of occurrence is based on ET time of the earthquake, not reporting time

Geographic boundaries:

- For countries: epicenter must be within internationally recognized land borders OR territorial waters
- For U.S. states: epicenter must be within official state boundaries including state waters
- For island nations: includes all recognized islands and territorial waters
- Disputed territories are included only if controlled by <area> and recognized by the UN
- Exclusive Economic Zones (EEZ) beyond territorial waters are NOT included

Special provisions:

- Preliminary magnitudes reported by USGS shall count for resolution if they satisfy the Payout Criterion as of a Determination Check, notwithstanding any subsequent revision
- Induced earthquakes (from fracking, mining, etc.) are included
- Volcanic earthquakes are included if they meet magnitude criteria
- Earthquake swarms are treated as individual events

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 Expiration Date. The Last Trading Time will be 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 week after the end 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.