

ELECTION

Scope: These rules shall apply to this contract.

Underlying: The Underlying for this Contract is the official results of <election> as reported by the Source Agencies. The Underlying specifically refers to: (i) for direct democratic elections, the candidate/party declared elected by the relevant electoral authority; (ii) for parliamentary/legislative elections, the party, coalition, or alliance winning the most seats in the specified chamber; (iii) for indirect elections by electoral bodies, the candidate elected through the prescribed process; (iv) for religious/ecclesiastical elections, the individual selected through the prescribed religious process and confirmed by religious authorities; (v) for traditional/customary leadership selections, the individual recognized through both traditional processes and relevant governmental authorities where applicable; (vi) for judicial elections/retentions, the candidate elected or retained per the specified system; (vii) for recall elections, whether the official is recalled; (viii) for votes of no confidence, whether the motion passes; (ix) for referenda/plebiscites/ballot measures, whether the proposal achieves the required threshold; (x) for constituent assemblies, the party/coalition winning the most seats or the constitutional proposal's approval; (xi) for professional/corporate governance elections, the individual selected through the prescribed process; (xii) for hereditary positions with electoral components, the individual selected through the prescribed succession process; (xiii) for rotational/consensual leadership systems, the individual/party designated for the specified 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: (1) Primary Sources: the official electoral commission, constitutional court, or equivalent electoral authority of the relevant jurisdiction; the formal proclamation by the head of state or government when constitutionally required; for religious elections, the official religious authority (e.g., Vatican for papal elections, relevant Patriarchate for Orthodox elections); for traditional leadership, both the traditional authority and relevant government recognition body; for professional elections, the governing board or regulatory authority; (2) Secondary Sources: for international elections, the United Nations Electoral Assistance Division, Organization of American States, African Union, European Union Election Observation Missions, Commonwealth Secretariat, Carter Center, International IDEA, International Foundation for Electoral Systems; (3) Tertiary Sources: major newspapers of record in the relevant jurisdiction in order of circulation, Reuters, Associated Press, Bloomberg News, Agence France-Presse, The New York Times, Financial Times, The Wall Street Journal, BBC, France24, Deutsche Welle, NHK World, Al Jazeera English, The Washington Post, Axios, Politico, Semafor, The Information, ABC, CBS, CNN, Fox News, MSNBC, NBC.

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.

<candidate/party/option>: <candidate/party/option> refers to an individual candidate, political party, electoral coalition/alliance (formal pre-election only), religious candidate, traditional candidate, judicial candidate, referendum option (Yes/No/specific choices), recall target, confidence motion, or other electoral choice specified by the Exchange. For coalitions/alliances, only those formally registered with electoral authorities before the nomination deadline count, not post-election governing arrangements. For religious elections, includes all eligible candidates under religious law. For write-in candidates, only those meeting legal requirements for ballot access. The Exchange may list iterations for "Other," "None of the Above," "No Valid Election Held," "Election Postponed Beyond Expiration," "Blank/Null/Spoiled Votes," or "Abstention" where relevant. In indirect elections, <candidate/party/option> refers to the ultimate officeholder, not intermediate selectors.

<election>: <election> refers to a specific electoral event specified by the Exchange, including: jurisdiction (international, national, regional, state, provincial, municipal, religious, traditional, professional); type (presidential, parliamentary, legislative, judicial, constituent assembly, referendum, plebiscite, recall, confidence vote, religious selection, traditional selection, professional board); electoral system (first-past-the-post, proportional representation, mixed-member, ranked choice, single transferable vote, approval, score/range, Condorcet, Borda count, cumulative, limited, single non-transferable vote, consensual allocation, religious discernment, traditional selection); round (first round, runoff, final ballot); specific

position (for rotational systems); and date or year. For multi-stage elections, the Exchange will specify which stage. For elections with multiple simultaneous components, each component constitutes a separate Contract unless specified otherwise.

<date>: <date> refers to a calendar date specified by the Exchange. The Exchange may list iterations of the Contract corresponding to variations of <date>. All times are in Eastern Time (ET) unless otherwise specified.

Payout Criterion: The Payout Criterion for the Contract encompasses the Expiration Values that <candidate/party/option> has won <election>. Specifically:

For direct democratic elections: <candidate/party/option> is declared the winner by the relevant electoral authority and either (i) is inaugurated/sworn in/takes office, or (ii) the scheduled inauguration date passes without a different candidate taking office (delays in inauguration are considered for this purpose).

For parliamentary/legislative elections: <candidate/party/option> wins the most seats in the specified chamber based on final official results. In bicameral systems, this refers to the lower house unless otherwise specified. Overhang seats, leveling seats, and appointed seats count only if specified. If two or more parties have the same number of seats, the party with the higher share of the total vote will resolve to Yes and all others to No, unless the Exchange specifies at the time of listing that such a tie will instead resolve in favor of the party entering government (in which case, if both or neither tied party enters government, the party with the higher share of the vote will resolve to Yes and all others to No).

For religious elections: The individual selected through the prescribed religious process (e.g., papal conclave reaching two-thirds majority, Orthodox synod selection, Buddhist recognition process) and confirmed by the relevant religious authority. For papal elections, white smoke and habemus papam announcement; for Orthodox patriarchs, enthronement; for other positions, the equivalent ceremonial confirmation.

For traditional/customary leadership: The individual selected through traditional processes AND formally recognized by relevant governmental authorities where such recognition is required by law. If governmental recognition is not required, selection through traditional processes alone suffices.

For judicial elections/retentions: In partisan/nonpartisan elections, the candidate receiving the most votes; in retention elections, "Yes" if the judge receives the required percentage (typically majority) to retain office; in merit selection systems, the individual ultimately appointed following the prescribed process.

For recall elections: "Yes" resolves if the official is recalled (typically requiring majority of votes cast); "No" resolves if the recall fails or if turnout/signature requirements are not met.

For votes of no confidence: The motion resolves to "Yes" if it receives the required votes under parliamentary rules (simple majority unless otherwise specified, or constructive no confidence requiring alternative government proposal).

For referenda/plebiscites: The specified option achieves the required threshold per applicable law (simple majority, supermajority, dual majority, turnout requirements). If multiple thresholds exist (e.g., majority of votes AND majority of states), all must be met. Failure to meet turnout requirements results in "No" unless the Exchange specifies a "Failed to meet turnout" option.

For indirect elections: <candidate/party/option> receives the required votes from the electoral body as certified by that body's presiding authority. For multi-stage indirect elections (e.g., China's tiered system), the final stage determines the outcome.

For professional/corporate elections: The individual selected by the prescribed process (shareholder vote, board selection, member bank election) and certified by the corporate secretary or equivalent authority.

For hereditary positions with electoral components: The individual selected through the prescribed mixture of hereditary succession and electoral confirmation (e.g., Malaysian King, UAE President).

For rotational/consensual systems: The individual/party designated for the specified term according to the established rotation or consensual allocation (e.g., Lebanese confessional system, Swiss Federal Council, Bosnian Presidency).

Special provisions:

- **Annulled elections:** If results are annulled by a court/authority AFTER announcement but BEFORE the winner takes office, the Contract remains open until re-run election or expiration
- **Postponed elections:** Contract remains open until the rescheduled election or two years from the original date, whichever comes first. Repeated postponements count towards the 2-year deadline.
- **Extra-constitutional interruptions:** Military coups, revolutions, or foreign interventions do not affect resolution if the electoral process was completed and results announced by Source Agencies
- **Death/incapacitation:** If a winning candidate dies/is incapacitated after election but before taking office, that candidate still resolves to Yes.
- **Ties:** If multiple candidates/parties tie, the Contract resolves Yes for whoever: (1) wins through the jurisdiction's tiebreak mechanism, or (2) if no mechanism exists, received the largest share of total votes For parliamentary/legislative elections, if multiple candidates/parties tie in the number of seats won, the Contract resolves Yes for the candidate/party that received the largest share of total votes, notwithstanding clause (1) and without regard to any subsequent government formation process, unless the Exchange specifies otherwise at the time of listing.
- **Information opacity:** For elections with extreme secrecy (religious conclaves, some traditional selections), resolution depends on formal announcement by the designated authority, even if the selection process is not transparent
- **Disputed legitimacy:** In cases of competing claims (two presidents, disputed succession), the individual recognized by the hierarchical majority of Source Agencies prevails
- **Write-in candidates:** Count only where legally valid and officially tallied
- **Partial elections:** Only seats/positions actually contested in the specified election count
- **Pre-selection vetting:** Candidates eliminated by vetting bodies before the election do not resolve to Yes regardless of popular support

Examples that would resolve to Yes:

- Candidate wins election and takes office normally
- Party wins most parliamentary seats even if excluded from government
- Cardinal elected Pope and accepts following white smoke
- Traditional chief selected by elders and recognized by government
- Judge retained with 55% approval in retention election
- Referendum passes with required majority and turnout
- Official recalled after successful recall petition and vote
- Government falls after losing no-confidence vote

Examples that would NOT resolve to Yes:

- Candidate leads polls but loses election
- Party forms government but has fewer seats than another party
- Cardinal reportedly favored in conclave but not elected
- Traditional selection disputed and not recognized by government
- Judge receives 45% in retention election (below majority threshold)
- Referendum majority but fails turnout requirement (unless specified otherwise)
- Recall petition qualifies but recall vote fails
- No-confidence motion fails to reach required majority

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 the scheduled date of <election>, or for elections without fixed dates (religious, traditional, professional, confidence votes, recalls), one year after the triggering event (death, petition qualification, motion filing). 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.

For United States based elections, this Contract may be resolved on an accelerated basis if (A) at least four (4) of the eight (8) Designated Media Sources have declared a winning candidate, party, or option, and (B) none of the Designated Media Sources have issued a contradictory declaration. "Designated Media Sources" are: The New York Times (NYT), The Associated Press (AP), Decision Desk HQ (DDHQ), CNN, Fox News, NBC News, CBS News, and ABC News. Should one of the Designated Media Sources cease to provide independent election calls, it may be replaced at the sole discretion of the Exchange. For the purposes of this clause, a source declares a winning candidate, party, or option when it makes either (i) a formal projection of victory by its centralized decision desk, or (ii) an unambiguous statement in a news article that the candidate/party/option has won. For the network sources (Fox, NBC, CBS, ABC), a declaration from a local affiliate may represent the parent network; however, a declaration from the national desk shall always supersede any affiliate's call. In all instances, a parent network and all of its affiliates shall collectively constitute a single source for the purpose of this clause.

For international elections, this Contract may be resolved on an accelerated basis if at least two (2) of the six (6) Designated International Media Sources have published an unambiguous statement that a candidate, party, or option has won. A statement is considered unambiguous only if it conveys, in substance, that the candidate, party, or option has won or secured victory; statements indicating that a candidate is "leading," "on course to win," "likely to win," or similar conditional language shall not qualify. "Designated International Media Sources" are: Reuters, The Associated Press (AP), Agence France-Presse (AFP), BBC News, Bloomberg, and The New York Times (NYT). Should one of the Designated International Media Sources cease independent international election reporting, it may be replaced at the sole discretion of the Exchange.

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 6.3(d) of the Rulebook. If an Expiration Value cannot be determined on the Expiration Date, Kalshi has the right to determine payouts pursuant to Rule 6.3(b) in the Rulebook.