FBUSTER

Scope: These rules shall apply to the FBUSTER contract.

Underlying: The Underlying for this Contract is U.S. Senate rules and precedent according to Senate.gov and Congress.gov. Revisions to the Underlying made after Expiration will not be accounted for in determining the Expiration Value.

Instructions: Senate rules are available at https://www.rules.senate.gov/rules-of-the-senate with the most likely modified section being Rule XXII. Congress.gov also contains the record of Senate votes on individual pages of nominations and bills, e.g. https://www.congress.gov/nomination/115th-congress/55 which may contain roll call votes to amend Senate precedent. 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 Agency is the Library of Congress and the U.S. Senate.

Type: The type of Contract is a Binary 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.

Date: <date> refers to a calendar <date> specified by Kalshi. Kalshi may list iterations of the Contract corresponding to different statistical periods of <date>, ranging from November 11, 2021 to December 31, 2024.

Payout Criterion: The Payout Criterion for the Contract encompasses the Expiration Values that include a change in U.S. Senate rules or precedent that lowers the threshold for cloture for any legislative action whose threshold for cloture at time of Issuance is three-fifths of all Senators duly chosen and sworn.

Modifications to budget reconciliation rules are not encompassed in the Payout Criterion.

Examples and Guidance:

Below is excerpted the invocation of the “nuclear option” in 2013, used for the nomination of Patricia Ann Millet (details available here: https://www.congress.gov/nomination/113th-congress/527). In the below screenshot, earlier actions are above later actions (though the web page allows you to choose this ordering and it may appear differently for others). Senator Reid raises a point of order to modify the precedent under rule XXII that cloture for non-Supreme Court nominees should be held by majority vote. The Chair of the Senate rules against this

motion. Senator Reid appeals that ruling, and the Senate votes 48 yeas to 52 nays to uphold the Chair's ruling, meaning that the Chair's ruling is not sustained. A second appeal by Senator McConnell to overturn the previous vote is not sustained. As a consequence, the Chair rules (sixth row), that "**under the precedent set by the Senate today, the threshold for cloture on nominations, not including those to the Supreme Court of the United States, is now a majority".** Had such an action occurred between Issuance and <date>, then the market would resolve to Yes. Had the original Ruling of the Chair been upheld, or Senator McConnell's appeal succeeded, then that outcome would not have been encompassed by the Payout Criterion because his appeal was to overturn the Chair's change.

11/21/2013	Point of order made by Senator Reid that the vote on cloture, under rule XXII of the Standing Rules of the Senate for all nominations other than for Supreme Court, is by majority vote in Senate.
11/21/2013	Ruling of the Chair that the point of order raised by Senator Reid with respect to the majority vote required on cloture motions was not sustained.
11/21/2013	Motion by Senator Reid to appeal the ruling of the chair agreed to, the question being, "Shall the decision of the Chair stand as the judgment of the Senate" determined by Yea-Nay Vote. 48 - 52. Record Vote Number: 242.
11/21/2013	Point of order by Senator McConnell that nominations are fully debatable under the Rules of the Senate unless three-fifths of Senators chosen and sworn have voted to bring debate to a close in Senate.
11/21/2013	Ruling of the Chair, under the precedent set by the Senate today, the threshold for cloture on nominations, not including those to the Supreme Court of the United States, is now a majority, and held the point of order raised by Senator McConnell not sustained.
11/21/2013	Motion by Senator McConnell to appeal the ruling of the chair not agreed to, the question being, "Shall the decision of the Chair stand as the judgment of the Senate" determined by Yea-Nay. 52 - 48. Record Vote Number: 243. Ruling of the Chair sustained.

Below is excerpted from the confirmation vote for Neil Gorsuch to become a Justice of the Supreme Court. On April 6, 2017, the Chair of the Senate ruled that the precedent from November 21, 2013 (mentioned previously) did not apply to Supreme Court justice confirmation votes. The ruling was appealed and the Senate voted 52-48 that the judgment of the Chair was not the judgment of the Senate. Thus, the precedent from November 21, 2013 (lowering the cloture threshold to a majority vote from 3/5ths) applied to Supreme Court justices. The details are available here: https://www.congress.gov/nomination/115th-congress/55. Had such an action occurred between Issuance and <date>, then the market would resolve to Yes.

04/06/2017	Point of order by Senator McConnell that the vote on cloture, under the precedent set on November 21, 2013, for all nominations is by majority vote in Senate.
04/06/2017	Ruling of the Chair that the precedent of November 21, 2013 did not apply to nominations to the Supreme Court; those nominations are considered under plain language of Rule XXII; the point of order raised with respect to the majority vote for all nominations is not sustained.
04/06/2017	Senator McConnell appealed the ruling of the chair.
04/06/2017	Motion by Senator Schumer to adjourn until 5 p.m. not agreed to by Yea-Nay Vote. 48 - 52. Record Vote Number: 108.
04/06/2017	Ruling of the Chair not sustained, the question being "Shall the decision of the Chair stand as the judgement of the Senate" determined by Yea-Nay Vote. 48 - 52. Record Vote Number: 109.

The below is Rule XXII of the Senate Rules. If the term "three-fifths" was lowered to a value that is less than "three-fifths" between Issuance and <date>, then that would be encompassed in

the Payout Criterion.

> "Is it the sense of the Senate that the debate shall be brought to a close?" And if that question shall be decided in the affirmative by three-fifths of the Senators duly chosen and sworn -- except on a measure or motion to amend the Senate rules, in which case the necessary affirmative vote shall be two-thirds of the Senators present and voting -- then said measure, motion, or other matter pending before the Senate, or the unfinished business, shall be the unfinished business to the exclusion of all other business until disposed of.

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

Position Accountability Level: The Position Accountability Level for the $1 referred Contract shall be $25,000 per Member.

Last Trading Date: The Last Trading Date of the initial iteration of the Contract will be the same day as the Expiration Date. The Last Trading Time will be the same as the Expiration time.

Settlement Date: The Settlement Date of the initial iteration of the Contract shall be the day after the Expiration Date, unless the Market Outcome is under review pursuant to Rule 7.1.

Expiration Date: The Expiration Date of the Contract shall be the sooner of one day following a change in U.S. Senate rules or precedent that lowers the threshold for cloture for any legislative action whose threshold for cloture at time of Issuance is three-fifths of all Senators duly chosen and sworn or one day following <date>.

Expiration time: The Expiration time of the initial Contract iteration 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 for the statistical period between Issuance and <date> 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(c) of the Rulebook. Additionally, as outlined in Rule 7.2 of the Rulebook, if any event or any circumstance which may have a material impact on the reliability or transparency of a Contract's Source Agency or the Underlying related to the Contract arises, Kalshi retains the authority to designate a new Source Agency and Underlying

for that Contract and to change any associated Contract specifications after the first day of trading.