APPENDIX A – CONTRACT TERMS AND CONDITIONS

Official Product Name: “Will <team> be <promoted/relegated> from <league> following <season>?”
Rulebook: LEAGUECHANGE

LEAGUECHANGE

Scope: These rules shall apply to this contract.

Underlying: The Underlying for this Contract is the official final league standings of <team> in <league> for <season>, and the <promotion/relegation> status of <team> from <league> for the season following <season> as determined by the governing body of <league>. Revisions to the Underlying made after Expiration will not be accounted for in determining the Expiration Value.

Source Agency: The Source Agencies are <league>, <league>'s verified social media accounts, <team>, <team>'s social media accounts, <league>'s official website, <team>'s official website, the governing body of <league>, ESPN, BBC Sport, Sky Sports, The Athletic, Associated Press, Reuters, Fox Sports, CBS Sports, and NBC Sports.

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.

<team>: <team> refers to a professional sports organization specified by the Exchange. <team> may refer to a singular club, multiple clubs, any element in a set of clubs, or a club defined by distinguishing characteristics. Team identity persists through name changes, ownership changes, and geographic relocations, provided the governing body of <league> recognizes continuity of the sporting entity (e.g., a rebranded but otherwise continuous franchise is the same <team>). For teams with multiple affiliate levels (e.g., G-League, AHL, minor leagues), only the top-level professional team counts unless explicitly specified.

<league>: <league> refers to a specific professional sports league or competitive division tier as specified by the Exchange. <league> may refer to a singular division, multiple divisions, any element in a set of divisions, or a division identified by distinguishing characteristics (e.g., the second tier of English professional football). Where a <league> is restructured, rebranded, or renamed during or after <season>, the Exchange will determine the most natural successor competition and will announce this to Members.

<promoted/relegated>: <promoted/relegated> refers to the directional movement of <team> between league tiers as a direct result of <season>, as defined by the official rules of <league>'s governing body applicable to <season>. "Promoted" means <team> has earned the right to compete in a higher league tier in the subsequent season. "Relegated" means <team> has been required to compete in a lower league tier in the subsequent season. <promoted/relegated> may also take the value of "promoted or relegated" or refer to movement by distinguishing characteristics as specified by the Exchange.

<season>: <season> refers to a complete competitive cycle in <league> as officially designated by <league>'s governing body (e.g., "the 2024–25 season"), encompassing all regular season matches and any official promotion or relegation playoff rounds that are part of that cycle. <season> shall be defined by the dates and structure officially published by <league>'s governing body prior to its commencement.

Payout Criterion: The Payout Criterion for the Contract encompasses the Expiration Values that <team> has been officially <promoted/relegated> from <league> for the subsequent season following <season>.

For promotion contracts, an official promotion occurs when both of the following occur:

- <team> finishes the <season> season in a league position that automatically qualifies for promotion from <league> according to its governing body's established criteria, OR <team> successfully completes any required playoff matches

- or promotion procedures to qualify for any tier above <league>, AND
- <league>'s governing body has officially confirmed <team>'s promotion from <league> for the subsequent season

For relegation contracts, an official relegation occurs when both of the following occur:

- <team> finishes the <season> season in a league position that results in automatic relegation from <league> according to its governing body's established criteria, OR <team> fails to maintain their current league status through any required playoff matches or relegation avoidance procedures, AND
- <league>'s governing body has officially confirmed <team>'s relegation from <league> for the subsequent season

The following scenarios do NOT constitute promotion/relegation:

- Provisional or unofficial standings that have not been confirmed by <league>'s governing body
- Temporary league placements due to scheduling or logistical issues

Additional clarification:

- If <season> is suspended, cancelled, or significantly altered, and <league>'s governing body determines final standings through alternative methods (point-per-game ratios, partial season results, etc.), the Contract will resolve based on the governing body's official determination of <team>'s league status.

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 year after the conclusion of <season>. 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.