

Official Product Name: “Will <team> be <promoted/relegated> to <league> in <season>?”

Rulebook: LEAGUECHANGE

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Scope: These rules shall apply to this contract.

Underlying: The Underlying for this Contract is the official final league standings and <promotion/relegation> status of <team> in <league> for <season[a]> as determined by the governing body of <league>, after Issuance and before <date>. 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[b][c][d][e][f]>, <team>’s social media accounts, <league>’s official website, <team>’s official website,[g] 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 identity persists through relocations and rebrandings (e.g., the Oakland Athletics and Las Vegas Athletics are 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 the specific professional sports league tier specified by the Exchange.

<promoted/relegated>: <promoted/relegated> refers to the specific directional movement between league tiers as defined by the official promotion/relegation system for the <league>’s governing body in <season>.

<season>: <season> refers to a complete competitive cycle in <league> as officially designated by <league>’s governing body.

<date>: <date> refers to a calendar date specified by the Exchange. The Exchange may list iterations of the Contract corresponding to variations of <date>.

Payout Criterion: The Payout Criterion for the Contract encompasses the Expiration Values that <team> has been officially <promoted/relegated> to <league> for the subsequent season following <season>, as determined by the relevant <league>’s governing body, after Issuance and before <date>.

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 to <league> according to its governing body’s established criteria, OR <team> successfully completes any required playoff matches or promotion procedures to qualify for <league>
- <league>’s governing body has officially confirmed <team>’s promotion to <league> for the subsequent season

For relegation contracts, an official relegation occurs when:

- <team> finishes the <season> season in a league position that results in automatic relegation to <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 to <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

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 day prior to <date>. The Last Trading Time will be 11:59 PM ET.

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 <date>. 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 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.