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Scope: These rules shall apply to this contract.

Underlying: The Underlying for this Contract is the official vote totals and resulting margins of victory in <elections> as reported by the Source Agencies. The margin of victory is calculated as the absolute difference in vote share (expressed as a percentage of total votes cast) between the first-place finisher and the second-place finisher in each election within <elections>. For elections with more than two candidates/options, only the gap between first and second place is considered. For yes/no referenda, the margin is the absolute difference between yes and no percentages. 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, the official electoral commissions or secretaries of state for each jurisdiction holding elections within <elections>, official government websites of the relevant jurisdictions, The New York Times, the Associated Press, Reuters, Bloomberg News, CNN, NBC News, ABC News, CBS News, Fox News, The Wall Street Journal, The Washington Post, Politico, and Ballotpedia.

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.

<election/candidate/party>: <election/candidate/party> refers to either (i) specific elections or races specified by the Exchange when comparing margins across different contests, (ii) specific candidates specified by the Exchange when comparing margins achieved across multiple elections, (iii) specific parties specified by the Exchange, (iv) geographic subdivisions, (v) types of elections, or (vi) "None - tied margins" if the Exchange lists this option for cases where two or more elections have identical margins to the hundredth of a percentage point.

<elections>: <elections> refers to multiple specific electoral contests specified by the Exchange occurring within a defined timeframe. Each election must be clearly identified by jurisdiction, office/question, and date. All elections within <elections> must use the same electoral system for valid comparison.

<time period>: <time period> refers to a specific duration or range of time as specified by the Exchange by which all elections in <elections> must be completed and have official or Fully-Conducted unofficial results available. May be expressed as a calendar year, a calendar month and year, a calendar quarter, a specific week, a season, or other bounded time periods. All time periods are interpreted in Eastern Time (ET) unless otherwise specified. The end of <time period> is defined as 11:59:59 PM ET on the final day of the specified period. The Exchange may list iterations of the Contract corresponding to variations of <time period>.

Payout Criterion: The Payout Criterion for the Contract encompasses the Expiration Values where <election/candidate/party> has achieved or is associated with the smallest margin of victory among all elections in <elections>.

The margin of victory for each election is calculated as follows: for races with two candidates, winner's vote percentage minus runner-up's vote percentage; for races with multiple candidates, first place vote percentage minus second place vote percentage; for yes/no questions, IYes percentage - No percentage; for multiple-choice referenda, first choice percentage minus second choice percentage; all percentages calculated using total votes cast as denominator.

When <election/candidate/party> refers to specific elections, the election with the single smallest margin of victory resolves to Yes. When it refers to specific candidates, the candidate whose election produces the smallest margin resolves to Yes. When it refers to specific parties, the party whose candidate achieves the smallest margin in any single election within <elections> resolves to Yes. When it refers to geographic or type subdivisions, the subdivision containing the election with the smallest margin resolves to Yes.

Special provisions:

- If official results are not available by the end of <time period>, the most recently published unofficial results from Source Agencies that include at least 95% of expected vote are used, and the Fully-Conducted Elections provision below shall apply where its conditions are met.
- Write-in candidates count toward margin calculations only where legally valid and officially tallied.
- If a candidate wins by default due to opponent withdrawal/death/disqualification after ballots are printed, the margin is calculated using actual votes cast.
- For ranked choice/instant runoff elections, the margin from the final round is used.
- If elections within <elections> have different total numbers of voters, margins are still compared as percentages, not absolute vote differences.
- Tied margins: If two or more elections have identical margins, and the Exchange has listed relevant options, each tied

option resolves to Yes at \$1.00 divided by the number of tied options.

Fully-Conducted Elections. For purposes of this Contract, an election is “Fully Conducted” if, and only if, voting was completed at every polling place and for every ballot in each contest whose result is necessary to determine the Expiration Value of this Contract. An election that was cancelled, suspended, or postponed before voting concluded, or in which voting did not occur for any contest necessary to determine the Expiration Value, is not Fully Conducted. Notwithstanding any other provision of these rules, if any election within <elections> was Fully Conducted but its results are nullified, annulled, voided, set aside, or invalidated, in whole or in part, or are not officially certified by the Source Agency on or before the Expiration Date, the Contract shall not for any of those reasons resolve to “No” and shall instead resolve using the unofficial results reported by the Source Agencies, taken in their hierarchical order, that (i) reflect the counting of at least 95% of the total number of votes the Source Agencies report as having been cast in each contest necessary to determine the Expiration Value, and (ii) are the most recently published such results as of the Expiration Time (and, where more than one report satisfying clause (i) is published at the same time, the report reflecting the greater number of counted votes). The Expiration Value shall be determined from those results in the same manner as it would be determined from certified results. If no results satisfying clause (i) are reported by the Source Agencies on or before the Expiration Date, this provision does not apply and the Contract resolves as otherwise provided in these rules. If a re-run, re-vote, or fresh election is held following a Fully Conducted election and its results are reported by the Source Agencies on or before the Expiration Date, those later results supersede the results of the Fully Conducted election for purposes of resolution; otherwise the results of the Fully Conducted election govern under this provision.

Examples that would resolve to Yes:

- “Virginia Governor” wins by 8.5% while “New Jersey Governor” wins by 3.2% — New Jersey resolves to Yes.
- An election within <elections> is Fully Conducted, shows the smallest margin on the most recently published count reflecting 97% of votes cast, and is annulled before certification — that option resolves Yes using that count.

Examples that would NOT resolve to Yes:

- An election is cancelled before voting concludes and no Source Agency reports a count reflecting at least 95% of votes cast by the Expiration Date.
- Race is called but less than 95% of expected vote is counted by the end of <time period>.
- Election is not Fully Conducted and is re-run, with the re-run results reported after the Expiration Date.
- Candidate with second-smallest margin when another candidate has a smaller margin.

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 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.

Accelerated Resolution Upon Designated Media Source Declarations: A specific strike of this Contract may be resolved on an accelerated basis prior to the Expiration Date if the Designated Media Sources have, by the thresholds set forth below, made declarations that are dispositive of whether the Yes condition of that strike is definitively satisfied or definitively cannot be satisfied. Where the declarations establish that the Yes condition is definitively satisfied for a strike, that strike shall be resolved Yes; where the declarations establish that the Yes condition definitively cannot be satisfied for a strike, that strike shall be resolved No. For United States based elections, the foregoing applies if (A) at least four (4) of the eight (8) Designated Media Sources have made the relevant declaration, 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. For international elections, the foregoing applies if at least two (2) of the six (6) Designated International Media Sources have made the relevant declaration, and none of the Designated International Media Sources have issued a contradictory declaration. “Designated International Media Sources” are: Reuters, The Associated Press (AP), Agence France-Presse (AFP), BBC News, Bloomberg, and The

New York Times (NYT). Should any of the Designated Media Sources or Designated International Media Sources cease to provide independent election calls (or, in the case of international sources, cease independent international election reporting), it may be replaced at the sole discretion of the Exchange. For the purposes of this clause, a source makes a declaration when it either (i) issues a formal projection by its centralized decision desk, or (ii) makes an unambiguous statement in a news article. A statement is unambiguous only if it conveys, in substance, that the relevant fact underlying the strike (such as the winner of the election, the margin of victory, the rank in which a participant finished, the number of seats won, the total votes received, or the percentage of votes received) has been determined; statements indicating that an outcome is “leading,” “on course,” “likely,” or similar conditional language shall not qualify. 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. Accelerated resolution of a strike under this provision becomes effective immediately upon the requisite declarations being made, provided no contradictory declaration has been issued.

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.