THCLEGALSALE

Scope: These rules shall apply to this contract.

Underlying: The Underlying for this Contract is the federal legal status of a hemp-derived beverage intended for human ingestion that contains 3 milligrams or more of Total THC in the container in which it is offered for retail sale — specifically, whether such a beverage is treated under federal law as lawful hemp excluded from the definition of "marihuana" under the Controlled Substances Act, 21 U.S.C. § 802(16), rather than as a Schedule I controlled substance, as determined at the Expiration time within <time 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, enacted federal statutes as published on GovInfo, on Congress.gov, and in the Statutes at Large, the United States Code, the Federal Register, and federal court orders and dockets as reflected on PACER, The New York Times, The Guardian, The Associated Press, BBC, Bloomberg, The Wall Street Journal, MSNBC, CNN, CNBC, and Fox News.

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 variations of <time period>. Each iteration constitutes a separate Contract that resolves independently of any other iteration.

<time period>: <time period> refers to a specific range of time, or a single specific date, as specified by the Exchange, as of which the federal legal status described in the Underlying is evaluated. <time period> may be defined by an exact single date (e.g., "November 13, 2026"), an exact range of dates (e.g., "between January 1, 2026, and December 31, 2026"), relative markers (e.g., "before July 1, 2027"), or broader intervals (e.g., "Q1–Q2 2027," "January–March 2026"). "Between" is inclusive of both endpoints, while "before" and "after" exclude the specified date unless stated otherwise. Where <time period> consists of a single specific date, resolution is evaluated as of 11:59 PM ET on that date. Where <time period> consists of a range, resolution is evaluated as of 11:59 PM ET on the final day of that range, unless the Exchange specifies a different discrete date or time within the range. <time period> may also refer to multiple, non-consecutive dates, in which case each such date shall constitute the Expiration time for a separately resolving Contract, unless otherwise specified by the Exchange.

Payout Criterion: The Payout Criterion for the Contract encompasses the Expiration Values in which, as of the Expiration time within <time period>, federal law treats a hemp-derived beverage intended for human ingestion that contains 3 milligrams or more of Total THC per Container as lawful hemp excluded from the Controlled Substances Act definition of marihuana, rather than as a Schedule I controlled substance. The determinative question is solely whether the 3-milligram Total THC level itself is federally permitted as of the Expiration time; the dose, formulation, or measurement of any specific commercial product is not relevant to resolution.

Additional clarification(s):

- "Total THC" refers to the quantity of tetrahydrocannabinol in a beverage as measured under the federal statutory standard in effect at the relevant time, calculated as delta-9 THC plus 0.877 times THCA (tetrahydrocannabinolic acid), plus any other THC isomers included within the applicable federal statutory measure.

- "Container" refers to the individual unit in which a hemp-derived beverage is offered for retail sale to the ultimate consumer (e.g., a single can, bottle, or other sealed retail package), consistent with the meaning of "container" under the federal statutory or regulatory provision governing the applicable per-Container THC cap.

- FDA regulation of THC in foods and beverages under authorities other than the Controlled Substances Act (e.g., food-safety or labeling authority) does not, by itself, affect resolution in either direction. State law, regardless of permissiveness or restrictiveness, does not affect resolution.

- The Contract will resolve "Yes" if, and only if, at least one of the following is in force and legally effective as of the Expiration time <time period>:

  - Enacted federal legislation (signed into law, or passed over a presidential veto, including any reconciliation or appropriations measure) that repeals Section 781 of Public Law 119-37, raises its per-Container Total THC cap to 3 milligrams or more, or otherwise amends the federal definition of hemp, in each case such that a beverage containing 3 milligrams of Total THC per Container qualifies as lawful hemp;

  - The hemp definition under the 2018 Farm Bill (7 U.S.C. § 1639o), as in effect prior to Section 781 of Public Law 119-37, whether because the operative provisions of Section 781 have not by their own terms taken legal effect as of the Expiration time, or because enacted federal legislation postpones their effective date beyond the Expiration time;

  - A final federal regulation carrying the force of law, duly issued under statutory authority and in effect at the Expiration time, that permits a hemp-derived beverage containing 3 milligrams of Total THC per Container to be sold as lawful hemp;

  - A federal court order — including a temporary restraining order, preliminary or permanent injunction, administrative stay, or vacatur — that is in force at the Expiration time and that blocks enforcement of Section 781 of Public Law 119-37 on a nationwide basis, as opposed to relief limited to specific plaintiffs, products, sellers, or districts; or

  - Enacted federal legislation that affirmatively authorizes the interstate sale of hemp-derived beverages containing 3 milligrams of Total THC per Container, or that otherwise amends the Controlled Substances Act such that such a beverage is no longer a Schedule I controlled substance.

- None of the following, standing alone, is sufficient to cause the Contract to resolve "Yes," and each shall be disregarded for purposes of resolution:

  - State laws, state court orders, or state-level tolerance or enforcement policy of any kind;

  - Federal non-enforcement policy, enforcement discretion, or interim or informal guidance issued by DOJ, DEA, USDA, or FDA, for so long as the underlying statutory or regulatory cap remains in force as a matter of law;

  - Proposed rules, discussion drafts, notices of proposed rulemaking, or agency announcements that have not taken legal effect;

  - Federal court orders granting relief limited to specific plaintiffs, products, sellers, or districts, rather than nationwide relief;

  - Bills that have been introduced, reported out of committee, or passed by a single chamber of Congress, but that have not been enacted into law as of the Expiration time; and

  - Any failure by a federal agency to issue implementing regulations, or to define the term "container," it being understood that the applicable per-Container THC cap is self-executing and that a beverage containing 3 milligrams of Total THC per Container exceeds that cap under any reasonable reading of the term.

- If the federal hemp definition, or the relevant statutory THC cap, is renumbered, recodified, or otherwise restructured without changing whether a beverage containing 3 milligrams of Total THC per Container qualifies as lawful hemp, resolution shall follow the legal substance in effect at the Expiration time, regardless of citation or legislative vehicle.

- Only statutes, regulations, and court orders issued on or before the Expiration time shall be considered for purposes of the Contract's resolution. A correction, amendment, or court decision issued after the Expiration time shall not affect resolution, even if such correction, amendment, or decision purports to apply retroactively as a matter of law. A statute, regulation, or court order satisfies a qualifying condition only if its operative provisions have taken legal effect as of the Expiration time. An instrument that has been enacted, promulgated, or issued on or before the Expiration time, but whose operative provisions take effect only after the Expiration time, shall not satisfy the Payout Criterion for that iteration of the Contract, without prejudice to any other iteration whose Expiration time falls on or after the date such provisions take effect.

- If, as of the Expiration time within <time period>, none of the qualifying conditions enumerated above is in effect, the Contract resolves "No."

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 final (or only) day of <time period>. 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 week after the final (or only) day of <time period>.

Expiration time: The Expiration time of the Contract shall be 11:59 PM ET on the final (or only) day of <time period>.

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.

APPENDIX B – TRADING PROHIBITIONS

In addition to the general prohibition against trading on material nonpublic information, the Exchange will institute additional prohibitions for trading the contract. Persons under 18 years of age are not permitted to create Kalshi accounts. The following individuals will be prohibited from trading:

- Members of Congress, and congressional employees whose duties involve legislation concerning hemp, cannabis, controlled substances, or the appropriations vehicles that could carry such legislation, including staff of the House and Senate Agriculture, Appropriations, and Judiciary Committees.

- The President and Vice President of the United States, and Executive Office of the President and OMB personnel whose duties involve enrolled-bill recommendations, statements of administration policy, or executive clemency and scheduling policy concerning cannabis.

- Officers and employees of the Department of Justice, DEA, USDA, FDA, and HHS whose duties involve hemp or cannabis rulemaking, scheduling, enforcement policy, or litigation concerning Section 781 of Public Law 119-37.

- Federal judges, their law clerks, and court personnel assigned to any litigation challenging, enjoining, or construing Section 781 of Public Law 119-37 or the federal definition of hemp; and the parties, counsel of record, and retained experts in any such litigation.

- Registered lobbyists, and officers or employees of trade associations or advocacy organizations, actively engaged in lobbying Congress or federal agencies on hemp or cannabis policy.