October 27, 2026

**SUBMITTED VIA CFTC PORTAL**
Secretary of the Commission
Office of the Secretariat
U.S. Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

Re: KalshiEX LLC – CFTC Regulation 40.2(a) Notification Regarding the Initial Listing of the "Will the Kalshi American Power Index - Midterms (KPOW Midterms) be <above/below/exactly/at least/at most/between> <value> <in/at> <time period>?" Contract

Dear Sir or Madam,

Pursuant to Section 5c(c) of the Commodity Exchange Act and Section 40.2(a) of the regulations of the Commodity Futures Trading Commission, KalshiEX LLC (Kalshi), a registered DCM, hereby notifies the Commission that it is self-certifying the "Will the Kalshi American Power Index - Midterms (KPOW Midterms) be <above/below/exactly/at least/at most/between> <value> <in/at> <time period>?" contract (Contract). The Contract will initially be listed after close-of-business on October 27, 2026; it is listed as the day after because of limitations of the Commission's online submission portal. The Exchange intends to list the contract on a custom basis. The Contract's terms and conditions (Appendix A) includes the following strike conditions:

- **<above/below/exactly/at least/at most/between>**
- **<value>**
- **<time period>**

Along with this letter, Kalshi submits the following documents:

- A concise explanation and analysis of the Contract;
- Certification;
- Appendix A with the Contract's Terms and Conditions;
- Confidential Appendices with further information; and
- A request for FOIA confidential treatment.

If you have any questions, please do not hesitate to contact me.

Sincerely,

Xavier Sottile
Head of Markets
KalshiEX LLC
xsottile@kalshi.com

**KalshiEX LLC**
**Official Product Name: "Will the Kalshi American Power Index - Midterms (KPOW Midterms) be <above/below/exactly/at least/at most/between> <value> <in/at> <time period>?"**
**Rulebook: MIDTERMINDEX**
**Summary: Kalshi American Power Index - Midterms (KPOW Midterms) daily value**
**Kalshi Contract Category: Political Decision**
**Kalshi Internal Category: Elections**
**October 27, 2026**

## CONCISE EXPLANATION AND ANALYSIS OF THE PRODUCT AND ITS COMPLIANCE WITH APPLICABLE PROVISIONS OF THE ACT, INCLUDING CORE PRINCIPLES AND THE COMMISSION'S REGULATIONS THEREUNDER

Pursuant to Commission Rule 40.2(a)(3)(v), the following is a concise explanation and analysis of the product and its compliance with the Act, including the relevant Core Principles (discussed in Appendix F), and the Commission's regulations thereunder.

### I. Introduction

The "Will the Kalshi American Power Index - Midterms (KPOW Midterms) be <above/below/exactly/at least/at most/between> <value> <in/at> <time period>?" Contract is a contract relating to Elections.

Further information about the Contract, including an analysis of its risk mitigation and price basing utility, as well as additional considerations related to the Contract, is included in Confidential Appendices D, E, and F.

Pursuant to Section 5c(c) of the Act and CFTC Regulations 40.2(a), the Exchange hereby certifies that the listing of the Contract complies with the Act and Commission regulations under the Act.

**General Contract Terms and Conditions:** The Contract operates similar to other event contracts that the Exchange lists for trading. The minimum price fluctuation is $0.01 (one cent). Price bands will apply so that Contracts may only be listed at values of at least $0.01 and at most $0.99. Further, the Contract is sized with a one-dollar notional value and has a minimum price fluctuation of $0.01 to enable Members to match the size of the contracts purchased to their economic risks. As outlined in Rule 5.16 of the Rulebook, trading shall be available at all times outside of any maintenance windows, which will be announced in advance by the Exchange. Members will be charged fees in accordance with Rule 3.13 of the Rulebook. Fees, if they are charged, are charged in such amounts as may be revised from time to time to be reflected on the Exchange's Website. A new

Source Agency can be added via a Part 40 amendment. All instructions on how to access the Underlying are non-binding and 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. Furthermore, the Contract's payout structure is characterized by the payment of an absolute amount to the holder of one side of the option and no payment to the counterparty. During the time that trading on the Contract is open, Members are able to adjust their positions and trade freely. The Expiration Value and Market Outcome are determined at or after Market Close. The market is then settled by the Exchange, and the long position holders and short position holders are paid according to the Market Outcome. In this case, "long position holders" refers to Members who purchased the "Yes" side of the Contract and "short position holders" refers to Members who purchased the "No" side of the Contract. If the Market Outcome is "Yes," meaning that an event occurs that is encompassed within the Payout Criterion, then the long position holders are paid an absolute amount proportional to the size of their position and the short position holders receive no payment. If the Market Outcome is "No," then the short position holders are paid an absolute amount proportional to the size of their position and the long position holders receive no payment. Specification of the circumstances that would trigger a Market Outcome of "Yes" are included below in the section titled "Payout Criterion" in Appendix A.

**CERTIFICATIONS PURSUANT TO SECTION 5c OF THE COMMODITY EXCHANGE ACT, 7 U.S.C. § 7A-2 AND COMMODITY FUTURES TRADING COMMISSION RULE 40.2, 17 C.F.R. § 40.2**

Based on the above analysis, the Exchange certifies that:

- ❏ The Contract complies with the Act and Commission regulations thereunder.
- ❏ This submission (other than those appendices for which confidential treatment has been requested) has been concurrently posted on the Exchange's website at https://kalshi.com/regulatory/filings.

Should you have any questions concerning the above, please contact the exchange at ProductFilings@kalshi.com.



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By: Xavier Sottile
Title: Head of Markets
Date: October 27, 2026

**Attachments:**

Appendix A - Contract Terms and Conditions
Appendix B - Methodology
Appendix C - Trading Prohibitions
Appendix D (Confidential) - Further Considerations
Appendix E (Confidential) - Source Agency
Appendix F (Confidential) - Compliance with Core Principles

# APPENDIX A – CONTRACT TERMS AND CONDITIONS

**Official Product Name: "Will the Kalshi American Power Index - Midterms (KPOW Midterms) be <above/below/exactly/at least/at most/between> <value> <in/at> <time period>?"**
**Rulebook: MIDTERMINDEX**

# MIDTERMINDEX

**Scope:** These rules shall apply to this contract.

**Underlying:** The Underlying for this Contract is the Settlement Value of the Kalshi American Power Index - Midterms (KPOW Midterms), being the time-weighted average value of the Index over the Averaging Window ending at the applicable Settlement Time, as calculated and published by Pyth, for each Settlement Time <in/at> <time period>. Revisions to the Underlying made after Expiration will not be accounted for in determining the Expiration Value.

**Source Agency:** The Source Agency is Pyth, the calculation agent for the Kalshi American Power Index - Midterms (KPOW Midterms), including the Pyth Network, the Pyth Data Association, and their official website, data feeds, published Index values, and public communications.

**Type:** The type of Contract is an Event Contract.

**Issuance:** The Contract is based on the outcome of a recurrent event. Contract iterations will be issued on a recurring basis, and Contract iterations will generally correspond to each successive weekly, daily, hourly, or fifteen (15) minute Settlement Value of the Kalshi American Power Index - Midterms (KPOW Midterms).

**<above/below/exactly/at least/at most/between>:** <above/below/exactly/at least/at most/between> refers to comparison operators specified by the Exchange. “Above X” means strictly greater than X (>X). “Below X” means strictly less than X (<X). “Exactly X” means equal to X (=X), measured to the precision specified elsewhere in the Contract. “At least X” means greater than or equal to X (≥X). “At most X” means less than or equal to X (≤X). “Between X and Y” means greater than or equal to X and less than or equal to Y (≥X and ≤Y), i.e., inclusive of both endpoints, unless otherwise specified. The Exchange may list iterations of the Contract corresponding to variations of <above/below/exactly/at least/at most/between>. Where the Contract specifies a <time period>, “At least X” and “At most X” require the applicable value to satisfy the comparison criterion at every point <time period>, such that at no point <time period> is the value less than X or greater than X, respectively, unless otherwise specified by the Exchange. “Above X,” “Below X,” “Exactly X,” and “Between X and Y” require the applicable value to satisfy the comparison criterion at least once <time period>, unless otherwise specified by the Exchange.

**<value>:** <value> refers to a level of the Kalshi American Power Index - Midterms (KPOW Midterms), expressed in index points, specified by the Exchange, which may be negative, zero, or positive (e.g., “negative ten (−10),” “zero (0),” “positive two point five (+2.5)”); where <above/below/exactly/at least/at most/between> is “between,” <value> refers to two such levels,

a lower level X and an upper level Y. The Exchange may list iterations of the Contract with <value> levels that fall within an inclusive range beginning at negative fifty (−50) index points and ending at positive fifty (+50) index points at consecutive increments of zero point one (0.1) index points. Due to the potential for variability in the Underlying, the Exchange may modify <value> levels in response to suggestions by Members.

**<in/at>:** <in/at> refers to the preposition, specified by the Exchange, that precedes <time period> in the Official Product Name and that determines the Settlement Time or Settlement Times on which the Contract resolves. Where <in/at> is "at," <time period> refers to a singular and discrete date and time (e.g., "5:00 PM ET on October 30, 2026," "9:15 PM ET on November 3, 2026"), which is the sole Settlement Time. Where <in/at> is "in," <time period> refers to a range of time (e.g., "the week ending November 8, 2026," "the hour ending 10:00 PM ET on November 3, 2026"), and the Settlement Times are each date and time in that range specified by the Exchange as a Settlement Time (e.g., "each hour on the hour") or, if none is specified, the single instant at which <time period> ends. Where <in/at> is used, <time period> is expressed without a leading preposition. The Exchange may list iterations of the Contract corresponding to variations of <in/at>.

**<time period>:** <time period> refers to a specific range of time or discrete date and time specified by the Exchange. This may be defined by exact dates (e.g., "between January 1, 2026, and December 31, 2026"), relative markers (e.g., "before July 1, 2027"), an event, 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. <time period> may also refer to "Any" or "None," to multiple dates (even if non-consecutive), or to a singular and discrete date or time.

**Payout Criterion**: The Payout Criterion for the Contract encompasses the Expiration Values that the Settlement Value of the Kalshi American Power Index - Midterms (KPOW Midterms) is <above/below/exactly/at least/at most/between> <value> <in/at> <time period>.

**Additional Clarifications:**

*Definition of the Index and the Settlement Value:*

- The "Kalshi American Power Index - Midterms (KPOW Midterms)" (the "Index") is the index described in its published methodology, which combines Kalshi's markets on control of the United States House of Representatives, control of the United States Senate, and eleven (11) governor and Senate races in the 2026 United States midterm elections into a single value ranging from negative fifty (−50), corresponding to Democratic candidates being certain to win every weighted race, to positive fifty (+50), corresponding to Republican candidates being certain to win every weighted race. The

Methodology, including the computation of the Index, its price check, and the treatment of cancelled and adjusted trades, is provided in Appendix B.

- A "Settlement Time" is each date and time at which a Settlement Value is determined for the Contract, as set by <in/at> and <time period> as defined above. All times are Eastern Time (ET), meaning Eastern Daylight Time or Eastern Standard Time as in effect on the relevant date. A Settlement Time that falls in the hour repeated on November 1, 2026, when Eastern Daylight Time ends, refers to its first occurrence, unless otherwise specified by the Exchange. Where <in/at> is "in" and <time period> is expressed in dates without a time, it ends at 11:59:59 PM ET on its final date.
- The "Averaging Window" for a Settlement Time is the fifteen (15) minute period ending at and including that Settlement Time. For a Contract iteration listed on a fifteen (15) minute basis with a Settlement Time on November 3, 2026, the date of the 2026 United States general election, the Averaging Window is instead the sixty (60) second period ending at and including the Settlement Time, but only where a sixty (60) second Averaging Window was specified for that iteration at the time it was listed.
- The "Settlement Value" for a Settlement Time is the time-weighted average value of the Index over its Averaging Window, as calculated and published by the Source Agency under the applicable version of the Methodology. Consistent with the Methodology, only trades executed, and prices accepted under the price check, at or before the Settlement Time count toward that Settlement Value, and a price move held by the price check does not affect the Index for any instant before it is accepted.
- The value of the Index at any single instant (including the instant of the Settlement Time itself), the Index values published every thirty (30) seconds, preliminary or indicative figures, third-party recomputations, charts, commentary, and the prices of any individual constituent market do not constitute a Settlement Value and are not used to determine the Expiration Value, except as provided below with respect to material error.
- Each Settlement Value is used at the precision at which the Source Agency publishes it, without further rounding, for purposes of every comparison, including "Exactly X."

*Settlement Times and Timing:*

- Where there is more than one Settlement Time <in/at> <time period>, the comparison criterion in the definition of <above/below/exactly/at least/at most/between> is applied to the Settlement Values for those Settlement Times; "at every point <time period>" means every Settlement Value published for a Settlement Time <in/at> <time period>, and "at least once <time period>" means at least one such Settlement Value.
- Settlement Times may fall on any calendar day, including weekends and holidays.
- If the Source Agency publishes no Settlement Value for a particular Settlement Time <in/at> <time period>, including because no Settlement Value exists for that Settlement Time under the Methodology, that Settlement Time is disregarded, and the Contract

resolves on the Settlement Values published for the remaining Settlement Times <in/at> <time period>.

*Methodology Versions, Optional Safeguards, and Successors:*

- The Methodology provides for optional safeguards, described in Appendix B, consisting of a minimum trade size, a minimum number of trades behind a large move, adjustments to the price check, and the exclusion of trades that the Exchange determines, prior to Expiration, were executed in violation of the Rulebook. Each optional safeguard applies to a Settlement Value only if the version of the Methodology applicable to that Settlement Value identifies it as active and states its parameters. Version 1.1.0 of the Methodology identifies none of these optional safeguards as active.
- Each Settlement Value is calculated under the version of the Methodology, including its active optional safeguards and their parameters, that the Source Agency identifies as applying to that Settlement Value, provided that a version that was not published before the start of the Averaging Window for a Settlement Value does not apply to that Settlement Value, which is instead calculated under the most recent version published before the start of that Averaging Window. No Settlement Value is adjusted or restated for purposes of the Contract to reflect a later version.
- If the Index is renamed or reidentified, or its calculation or publication is transferred to a successor calculation agent <in/at> <time period>, but the Index continues to be calculated and published under the same or a successor version of its published Methodology, that continued record governs and the Contract remains open.
- If the Index is permanently discontinued and no continuation described in the preceding clarification exists, each Settlement Time <in/at> <time period> after the discontinuation is treated as a Settlement Time for which no Settlement Value is published.

*Constituent Markets:*

- If a constituent market of the Index stops trading, is determined, or settles <in/at> <time period>, including because the election underlying that market has been decided, the Settlement Value continues to be calculated as provided in the Methodology, under which a market that stops trading keeps its last accepted price, and the Contract is not otherwise adjusted.
- The outcome, certification, projection, or announcement of the result of any election underlying a constituent market does not, by itself, affect the Expiration Value; only the Settlement Value as calculated and published by the Source Agency governs.

*Corrections and Silence:*

- If the Source Agency publishes a value and subsequently corrects, retracts, or removes that value prior to Expiration, the corrected value governs only if the Exchange

determines, in its sole discretion, that the correction remedies a material error in the initial value; otherwise, the initial value governs as set forth below. Corrections, retractions, or removals published after Expiration will not be accounted for in determining the Expiration Value.

- Only values reported in the initial, non-preliminary report shall be used for the purpose of resolution unless otherwise explicitly specified by the Exchange. Corrections that the Exchange determines, in its sole discretion, do not remedy a material error shall not supersede earlier values.
- If the Exchange determines, in its sole discretion, that the initial non-preliminary publication contains a material error, it may delay Expiration until the earlier of (i) publication of revised data or (ii) the Expiration Date. If no reliable data is available by the Expiration Date, all markets will resolve to the last fair price, as determined by the Exchange in its sole discretion, unless a "No data" strike is listed, in which case the "No data" strike will resolve Yes and all others will resolve No.
- For the avoidance of doubt, a material error includes a published Settlement Value that is inconsistent with the applicable version of the Methodology as applied to Kalshi's public trade record, such as a value calculated from incorrect constituent prices, incorrect weights, an incorrect Averaging Window, a price not yet accepted under the price check, a trade executed after the Settlement Time, a trade cancelled by the Exchange prior to Expiration, or, where the excluded trades safeguard is active, a trade excluded under that safeguard prior to Expiration, and a Settlement Time whose published Settlement Value is materially erroneous and is not corrected before Expiration is treated as a Settlement Time for which no Settlement Value is published.
- If there is no data for the Underlying published by the Source Agency by the Expiration Date, including where no Settlement Value is published for any Settlement Time <in/at> <time period>, all markets will resolve to the last fair price, as determined by the Exchange in its sole discretion, unless a "No data" strike is listed, in which case the "No data" strike will resolve Yes and all others will resolve No.

**Examples that would resolve the market to Yes:**

*Assuming <above/below/exactly/at least/at most/between> is "above," <value> is negative ten (−10), <in/at> is "at," and <time period> is "5:00 PM ET on October 30, 2026":*

- The Source Agency publishes a Settlement Value of −9.465 for the 5:00 PM ET Settlement Time on October 30, 2026. The Contract for above negative ten (−10) at 5:00 PM ET on October 30, 2026 will resolve Yes, because −9.465 is strictly greater than −10.
- The Source Agency publishes a Settlement Value of +2.15 for that Settlement Time. The Contract for above negative ten (−10) at 5:00 PM ET on October 30, 2026 will resolve Yes, because +2.15 is strictly greater than −10.

- The Index is −9.6 from 4:45 PM ET to 4:59 PM ET and −10.4 for the final minute of the Averaging Window, and the Source Agency publishes a Settlement Value of −9.653. The Contract for above negative ten (−10) at 5:00 PM ET on October 30, 2026 will resolve Yes, because the time-weighted average over the Averaging Window, not the value of the Index at 5:00:00 PM ET, is the Settlement Value.
- A trade at 4:58 PM ET would move one constituent market by $0.12, the price check holds the move and it is not accepted by 5:00:00 PM ET, and the published Settlement Value is −9.7. The Contract for above negative ten (−10) at 5:00 PM ET on October 30, 2026 will resolve Yes, because a held move that is not accepted by the Settlement Time does not enter the Settlement Value.
- A trade at 5:00:10 PM ET moves the Index to −10.8, and the published Settlement Value is −9.8. The Contract for above negative ten (−10) at 5:00 PM ET on October 30, 2026 will resolve Yes, because trades executed after the Settlement Time do not count toward that Settlement Value.

**Examples that would NOT resolve the market to Yes:**

*Assuming <above/below/exactly/at least/at most/between> is "above," <value> is negative ten (−10), <in/at> is "at," and <time period> is "5:00 PM ET on October 30, 2026":*

- The Source Agency publishes a Settlement Value of −10.46 for the 5:00 PM ET Settlement Time on October 30, 2026. The Contract for above negative ten (−10) at 5:00 PM ET on October 30, 2026 will resolve No, because −10.46 is not strictly greater than −10.
- The Source Agency publishes a Settlement Value of exactly −10.000 for that Settlement Time. The Contract for above negative ten (−10) at 5:00 PM ET on October 30, 2026 will resolve No, because "above" requires a value strictly greater than −10.
- The Index is below −10 for most of the Averaging Window and rises to −9.5 for its final two minutes, and the published Settlement Value is −10.2. The Contract for above negative ten (−10) at 5:00 PM ET on October 30, 2026 will resolve No, because the time-weighted average over the Averaging Window, not the closing level of the Index, is the Settlement Value.
- The Source Agency publishes no Settlement Value for that Settlement Time by the Expiration Date. The Contract for above negative ten (−10) at 5:00 PM ET on October 30, 2026 will resolve to the last fair price, as determined by the Exchange in its sole discretion, because no data for the Underlying was published by the Expiration Date.

If a natural person who is the primary subject of a Contract's Underlying or Payout Criterion dies prior to Expiration, or if an act or attempted act of violence, assassination, or terrorism directly prevents, interrupts, or causes the event that is the primary subject of a Contract's Underlying or Payout Criterion, Kalshi may, in its sole discretion, settle the Contract at the last traded price

prior to the death or act. If Kalshi determines that trading activity was materially affected by the circumstances giving rise to the death or act, Kalshi may instead use the last traded price prior to such circumstances becoming known or reasonably anticipated by market participants. For purposes of this Rule, Kalshi may rely on an approximate time where the precise time is unknown or cannot be reasonably determined. If Kalshi determines that no last traded price represents a fair settlement, the Outcome Review Committee shall determine the fair settlement price. Kalshi may halt or pause trading in any such Contract (with public notice on Kalshi's website or the Platform) if it reasonably believes that a death or act of terrorism subject to this Rule has occurred, is imminent, or that circumstances giving rise to such an occurrence may be happening. Determinations of Kalshi and the Outcome Review Committee under this Rule are final and not subject to review.

**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 day of <time period>. 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 final day 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.

**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 - METHODOLOGY (Kalshi American Power Index - Midterms (KPOW Midterms) - V 1.0.0)**

The Kalshi American Power Index - Midterms (KPOW Midterms) (the "Index") measures how far Kalshi's markets lean toward either party in the 2026 United States midterm elections. It combines the markets on control of the House of Representatives, control of the Senate, and eleven (11) governor and Senate races into one number from −50, meaning Democratic candidates are certain to win every race, to +50, meaning Republican candidates are certain to win every race. One point is one percent (1%); for example, a value of +10 means roughly a sixty percent (60%) Republican chance across the weighted races.

The Index comprises the thirteen (13) events below, each identified by its Kalshi event ticker and weight.
House control – CONTROLH-2026 – 20%
Senate control – CONTROLS-2026 – 25%
Ohio governor – GOVPARTYOH-26 – 5%
Nevada governor – GOVPARTYNV-26 – 5%
Florida governor – GOVPARTYFL-26 – 5%
Texas governor – GOVPARTYTX-26 – 5%
Georgia governor – GOVPARTYGA-26 – 5%
Texas Senate – SENATETX-26 – 5%
Michigan Senate – SENATEMI-26 – 5%
Maine Senate – SENATEME-26 – 5%
Ohio Senate – SENATEOHS-26 – 5%
Kansas Senate – SENATEKS-26 – 5%
Iowa Senate – SENATEIA-26 – 5%

Total – 100%

Each event uses two Kalshi markets: the event ticker followed by -R for the Republican market and -D for the Democratic market (for example, CONTROLH-2026-R and CONTROLH-2026-D).

**Computation.** For each event, the event score equals fifty (50) multiplied by the difference between the Republican price and the Democratic price, that is, event score = 50 × (Republican price − Democratic price). The Index equals the sum, across the thirteen (13) events, of each event's weight multiplied by its event score. Because prices run from $0 to $1, each event scores from −50 to +50, and so does the Index. For example, a race whose Republican market is at $0.60 and whose Democratic market is at $0.41 scores 50 × (0.60 − 0.41) = +9.5, and at a five percent (5%) weight it adds +0.475 to the Index.

**Index value and publication.** The value of the Index at any instant is computed from each market's accepted price in effect at that instant. A price takes effect at the moment it is accepted under the price check, not at the time of the trade that set it, so a move held by the price check does not affect the Index for any instant before it is accepted. The Index is computed from Kalshi's public trades and published every thirty (30) seconds. A market that stops trading keeps its last accepted price. A trade cancelled by Kalshi is disregarded, and a trade whose price Kalshi adjusts counts at its adjusted price.

**Price check.** The Index uses each market's accepted price, which is its latest trade, of any size, that the price check has let through. When a new trade occurs, if it is not more than $0.05 from the market's accepted price, it is accepted. If it is more than $0.05 from the accepted price, the move is held, and the event keeps its last accepted prices until one of the following occurs: (i) the price comes back within $0.05 of the accepted price; (ii) the other market of the same event moves by the same amount in the opposite direction within sixty (60) seconds; or (iii) both markets of the event keep trading at their new prices for five (5) minutes. While an event is held, trades in both of its markets wait. A comeback under (i) drops the jump; either of (ii) or (iii) accepts the new prices. For these purposes, “same amount” and “new prices” mean within one (1) cent. Absent one of these three outcomes, a hold has no time limit.

**Settlement value.** A settlement value is determined for each settlement time specified by a contract that settles on the Index. The settlement value for a settlement time is the time-weighted average of the Index over the averaging window ending at and including that settlement time, with each value of the Index weighted by the length of time during the averaging window for which it was in effect. The averaging window is fifteen (15) minutes, or sixty (60) seconds where so specified at listing for a contract listed on a fifteen (15) minute basis with a settlement time on Election Day, November 3, 2026. Averaging windows are measured in elapsed time, including across any change between Eastern Daylight Time and Eastern Standard Time. Only trades executed, and prices accepted under the price check, at or before the settlement time count toward that settlement value. If the Index has no value for part of the averaging window, the average is taken over the part for which it has a value, provided that part is at least half of the averaging window; otherwise, there is no settlement value for that settlement time.

**Optional safeguards.** The safeguards below are available. Each is inactive unless a numbered version of this methodology activates it and states its parameters, and the list of changes accompanying that version identifies it. Version 1.1.0 activates none of them.

**Minimum trade size.** A trade for fewer than a stated number of contracts does not set, move, hold, or confirm an accepted price.

Minimum trades behind a large move. A move held by the price check may be accepted only after at least a stated number of separate trades have occurred at the new price, within one (1) cent.

**Price check adjustments.** The price check's $0.05 threshold, its sixty (60) second offset period, and its five (5) minute confirmation period may be changed, and a held move may be required to be confirmed by a stated number of further trades at the new price before it is accepted.

**Excluded trades.** A trade that Kalshi determines, before the expiration of a contract that settles on the Index, was executed in violation of Kalshi's rules is disregarded, and any settlement value affected by it is recalculated without it.

**Calculation agent.** Pyth calculates and publishes the Index and its settlement values using Kalshi's code.

**Changes.** Every change to the Index is released as a new numbered version, together with a list of what changed (including markets, weights, the averaging window, the price check, optional safeguards and their parameters, or settlement) and the first settlement time to which the new version applies. A version applies only to settlement times whose averaging windows begin after the version is published. Settlement values already published are not changed by any later version. A published settlement value may be corrected only to remedy a material error, including the use of a cancelled trade or, where the excluded trades safeguard is active, an excluded trade, and each correction identifies the settlement value it corrects. This methodology describes version 1.1.0.

## APPENDIX C – 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:

- Officers, employees, and contractors of Pyth, including the Pyth Network and the Pyth Data Association, with access to the calculation, inputs, or publication of the Kalshi American Power Index - Midterms (KPOW Midterms)
- Any person involved in developing, maintaining, or changing the methodology of the Kalshi American Power Index - Midterms (KPOW Midterms) or the code used to calculate it
- Officers, employees, and contractors of the Exchange with access to nonpublic order, trade, or surveillance information relating to any constituent market of the Kalshi American Power Index - Midterms (KPOW Midterms)
- Candidates, campaign officials, party committee officials, and election officials with access to material nonpublic information relating to the outcome of any election underlying a constituent market of the Kalshi American Power Index - Midterms (KPOW Midterms)
- Any person who otherwise has the ability to influence, or has advance knowledge of, the daily Settlement Value of the Kalshi American Power Index - Midterms (KPOW Midterms) <time period>
- The immediate family members and members of the same household of any person described above