

## ADVANCE

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

**Underlying:** The Underlying for this Contract is reporting from the Source Agencies on candidates who have qualified for a runoff election for <election> in <jurisdiction>. 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 election authority of <jurisdiction> (e.g., Secretary of State, State Election Board, Ministry of Interior), the Associated Press, Reuters, The New York Times, Bloomberg News, The Washington Post, The Wall Street Journal, ABC News, CBS News, CNN, NBC News, the Guardian, ABC News Australia, Al Jazeera, Deutsche Welle, 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 the risk management needs of Members.

**<jurisdiction>:** <jurisdiction> refers to a geographic area specified by the Exchange. This may include U.S. states or territories, countries, subnational divisions, or other electoral districts where runoff elections are held. Examples include "Georgia," "Louisiana," "France," or "Mayenne's 3rd constituency." <jurisdiction> may refer to multiple jurisdictions using AND/OR logic, or take the forms "Any" or "None".

**<election>:** <election> refers to a specific electoral contest specified by the Exchange. This may include federal, state, or local elections such as "the 2026 Georgia U.S. Senate general election," "the 2027 French legislative election for Seine-Saint-Denis 1st constituency," or "the 2025 Louisiana gubernatorial election." The Exchange will specify the election type (primary or general), the office contested, and the relevant electoral cycle.

**<candidate>:** <candidate> refers to an individual or entity specified by the Exchange. The Exchange may list iterations of the Contract corresponding to any entity who was a candidate in the first round of voting for <election> or who is otherwise eligible to appear in a runoff under the laws of <jurisdiction>. <candidate> may take the forms of, but is not limited to the forms of a single entity, multiple entities using AND/OR logic, a singular entity within a set of entities, "Any" or "None". <candidate> may also be described by distinguishing characteristics.

**Payout Criterion:** The Payout Criterion for the Contract encompasses the Expiration Values that <candidate> has been announced to qualify for a runoff election for <election> in <jurisdiction>.

### **Additional clarification(s):**

- A candidate "qualifies" for a runoff when they meet the statutory or regulatory threshold in <jurisdiction> that entitles them to appear on the runoff ballot.
- A candidate is "announced to qualify" when the official election authority of <jurisdiction> certifies or announces qualification, OR when the Associated Press or at least two other Source Agencies report that <candidate> has qualified for the runoff, whichever occurs first. Official certification is not required for resolution, OR when the

terms below for a first round winner are met.

- This is determined at the time qualification is announced; subsequent withdrawals, disqualifications, or changes in eligibility do not affect whether the candidate qualified.
- If a candidate is announced to not qualify, the market will immediately resolve to No.
- Ties for Qualification: If there is an exact tie in vote totals such that the tie determines which candidates qualify for the runoff, the market will remain open until the tie is resolved by official procedures in <jurisdiction> (such as drawing lots or other legally prescribed methods). Once resolved, markets will settle based on the official determination.
- Multiple Qualifying Candidates: In jurisdictions where more than two candidates may qualify for a runoff (e.g., French triangulaires), markets for all candidates who meet the qualification threshold will resolve to Yes.
- First Round Winner Declared: If a candidate wins the first round outright with a majority (or whatever threshold <jurisdiction> requires to avoid a runoff), and no runoff occurs, the market for that winning candidate will resolve Yes and all other markets will resolve to No.
- Election Postponed: If the first round or the runoff election is postponed but not cancelled, the market will remain open and will resolve based on the rescheduled election timeline, up to a maximum of two years from the original scheduled date.
- Election Cancelled Entirely: If <election> is cancelled outright and no runoff will occur, all markets will resolve to the last fair price as determined in the sole discretion of the Exchange.

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

- <candidate> finishes second in the first round of the Georgia Senate election where no candidate received a majority, and the Associated Press reports that <candidate> has qualified for the runoff.
- <candidate> qualifies for the runoff based on first-round results as reported by CNN and The New York Times, even before official certification.
- <candidate> qualifies for the runoff and later withdraws from the race.
- <candidate> qualifies for the runoff and is later disqualified for any reason.

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

- <candidate> initially finishes third in a French legislative race but another candidate withdraws; <candidate> did not independently meet the qualification threshold based on the first-round results.
- In a French legislative race, <candidate> receives 11% of votes from registered voters (below the 12.5% threshold) and is not among the top two candidates, thus failing to meet either qualification pathway.

**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 two years after the initially scheduled date of <election>. 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.