F1FASTLAP

Scope: These rules shall apply to this contract.

Underlying: The Underlying for this Contract is the driver who records the fastest individual valid lap time during the <session> at the <race>, as officially classified by the FIA. For race sessions (Grand Prix or Sprint), the fastest lap is the single shortest elapsed time for any complete racing lap recorded by any driver during the session, as measured by the FIA's official timing system; laps completed under Safety Car or Virtual Safety Car conditions are eligible, and warm-up laps, in-laps, and out-laps are excluded. For qualifying sessions (Qualifying, Sprint Qualifying, Q1, Q2, Q3, SQ1, SQ2, SQ3), the fastest lap is the fastest valid timed flying lap recorded by any driver during the applicable session or segment, as measured by the FIA's official timing system; installation laps, in-laps, and out-laps are excluded. If a driver's lap time is subsequently deleted by the FIA stewards (e.g., for exceeding track limits or failing scrutineering), that lap time is excluded and the next-fastest valid lap time determines the Underlying. 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 FIA (Fédération Internationale de l'Automobile), Formula1.com (the official Formula 1 website), ESPN, Sky Sports, the Associated Press, BBC Sport, and Reuters.

Type: The type of Contract is an Event Contract.

Issuance: The Contract is based on the outcome of a recurrent event. Thus, Contract iterations will be issued on a recurring basis, and future Contract iterations will generally correspond to the next scheduled FIA Formula 1 World Championship Grand Prix race.

<driver>: <driver> refers to a single individual, or set of individuals defined by team affiliation or other distinguishing characteristics, entered as a driver in the <race>. The Exchange may list iterations of the Contract corresponding to variations of <driver>. <driver> may refer to a specifically named individual, multiple named individuals using AND/OR logic, any element in a set of drivers, or any driver satisfying a distinguishing characteristic (e.g., "any driver from the Red Bull Racing F1 team," "any driver competing for a constructor entered by <team>"). Where <driver> is defined by team affiliation, all drivers officially entered by that constructor for the relevant <race> weekend are encompassed, including any reserve or substitute driver formally designated to participate. If <driver> changes racing teams or is replaced by a reserve/substitute driver between Contract issuance and race day, markets referencing that <driver> by name remain valid and continue to track the named individual regardless of team affiliation at time of <race>. Where <driver> is defined by team affiliation rather than by name, any officially entered replacement or substitute driver for that constructor shall be encompassed within <driver> for purposes of resolution. If <driver> does not start the race (i.e., does not cross the start/finish line under their own power after the signal to start the formation lap), all contracts for that <driver> resolve No. Where <driver> is defined by team affiliation and no driver from that constructor starts the race, the Contract resolves No.

<race>: <race> refers to one or more FIA Formula 1 World Championship event weekends as designated on the official FIA calendar (e.g., "the 2026 Monaco Grand Prix," "the 2026 British Grand Prix"), including a specified year and event name and encompassing all sessions held during that event weekend. <race> may refer to a singular event, multiple events (e.g., "the

2026 Monaco Grand Prix and the 2026 British Grand Prix"), an element in a set of events (e.g., "any race in the first half of the 2026 season"), or events defined by distinguishing characteristics (e.g., "the first three races of the 2026 season," "any 2026 street circuit round"), and may also take the values "Any" or "None." If the FIA renames a Grand Prix, the Contract follows the event as identified by the FIA regardless of naming changes. The Exchange may list iterations of the Contract corresponding to variations of <race>.

<session>: <session> refers to one of the following competitive on-track sessions at the <race>, as specified by the Exchange: "Grand Prix" (the main race), "Sprint" (the Sprint race), "Qualifying" (the qualifying session that determines the Grand Prix grid, encompassing all segments such as Q1, Q2, and Q3), "Sprint Qualifying" (the qualifying session that determines the Sprint grid, encompassing all segments such as SQ1, SQ2, and SQ3), or a specific qualifying segment (e.g., "Q1," "Q2," "Q3," "SQ1," "SQ2," "SQ3"). If no <session> is specified, <session> defaults to the Grand Prix. Not all event weekends include a Sprint or Sprint Qualifying; if a Contract references a Sprint or Sprint Qualifying session at an event where none is scheduled, all Contracts for that <session> resolve No. If the FIA changes the qualifying format (e.g., eliminates the Q1/Q2/Q3 structure), the Contract follows whichever qualifying format the FIA uses for that event. <session> may refer to a single session, or to multiple sessions using AND/OR logic (e.g., "Qualifying AND Grand Prix," meaning the driver must record the fastest valid lap time in both sessions for the Contract to resolve Yes; or "Qualifying OR Grand Prix," meaning the driver must record the fastest valid lap time in at least one of the specified sessions). Where <session> references multiple sessions using AND logic, if any referenced session is cancelled or does not take place, all Contracts for that <session> resolve at the last fair market price. Where <session> references multiple sessions using OR logic, if at least one referenced session takes place, the Contract resolves based on the session(s) that occurred; if all referenced sessions are cancelled, all Contracts resolve at the last fair market price. The Exchange may list iterations of the Contract corresponding to variations of <session>.

Payout Criterion: The Payout Criterion for the Contract encompasses the Expiration Values that indicate <driver> recorded the fastest valid lap time in the <session> at the <race>, as officially classified by the FIA's final classification issued at or immediately following the conclusion of the <session>.

The following conditions and clarifications apply:

- Only lap times recorded during the specified <session> count. Lap times from other sessions, practice sessions, warm-up laps, installation laps, in-laps, and out-laps do not count.
- The official FIA timing and scoring system is the sole determinant of lap times. Third-party timing sources are not considered.
- If the FIA deletes a driver's fastest lap time (e.g., due to track limit violations), the next-fastest valid lap time from any driver is used to determine the outcome. Post-race (or post-<session>, where applicable) steward decisions made before the FIA issues its final official classification (here understood to mean final official race classification as applied to "Grand Prix" or "Sprint" sessions) for <session> are incorporated. Steward decisions issued after the final official classification (here understood to mean final official race classification as applied to "Grand Prix" or "Sprint" sessions) for the <session> are not incorporated.
- For race sessions (Grand Prix or Sprint): If the session is red-flagged and not restarted,

the fastest lap recorded during the completed portion of the session determines the outcome, provided at least one driver has completed at least one valid racing lap (a lap not completed entirely under Safety Car or Virtual Safety Car conditions). If no driver has completed a valid racing lap, all Contracts for that <session> resolve to the last fair market price. If the session is red-flagged and restarted, lap times from all portions of the session (before and after the red flag) are eligible.

- For qualifying sessions (Qualifying, Sprint Qualifying, or individual segments Q1–Q3/SQ1–SQ3): If a qualifying session or segment is red-flagged and restarted, lap times from all portions are eligible. If a qualifying session or segment is red-flagged and not restarted, and at least one driver has set a valid timed lap, the fastest valid time recorded before the red flag determines the outcome. If no driver sets a valid timed lap in the applicable session or segment, all Contracts for that <session> resolve No. If qualifying is cancelled entirely and the grid is set by other means, all Contracts resolve to the last fair market price.
- If two or more drivers share an identical fastest lap time (to the thousandth of a second as recorded by the FIA), all contracts for those drivers resolve Yes, and all contracts pay out at $1/(number of tied drivers), rounded down to the nearest cent. "No" holders for contracts involving those drivers will receive $1 minus the Yes payout.
- If the <session> of <race> is postponed but rescheduled to start within 48 hours of its originally scheduled start time at the same circuit, the market remains open and will resolve based on the rescheduled race. If the <race> is moved to a different circuit, all Contracts resolve at the last fair market price, regardless of timing.
- If the <session> or <race> is cancelled outright, or is postponed such that the rescheduled start time is more than 48 hours after the originally scheduled start time, all Contracts on sessions or races for which a result is unable to be determined will be resolved at the last fair market price determined in the sole discretion of the Exchange.

Examples that would resolve the market to Yes:

- <driver> is "Max Verstappen" and <race> is "the 2026 Abu Dhabi Grand Prix." Verstappen records a lap of 1:26.103 during the race, which is the fastest valid lap time recorded by any driver. The FIA's official classification confirms Verstappen recorded the fastest lap. The contract resolves Yes.
- <driver> is "Lando Norris." Norris initially records the fastest lap, but it is deleted for track limits. Norris's second-fastest lap is still faster than all other drivers' fastest laps. The contract resolves Yes.
- <driver> is "Carlos Sainz" and <race> is "the 2026 Japanese Grand Prix." The race is delayed by 6 hours due to heavy rain but starts the same day. Sainz records the fastest lap. The contract resolves Yes.

Examples that would NOT resolve the market to Yes:

- <driver> is "Charles Leclerc." Leclerc records what appears to be the fastest lap, but the FIA stewards delete his time for exceeding track limits, and another driver's lap becomes the official fastest. The contract resolves No.
- <driver> is "Lewis Hamilton." Hamilton does not start the race due to a mechanical failure on the formation lap. The contract resolves No.
- <driver> is "Oscar Piastri." The race is red-flagged before any driver completes a lap not entirely under Safety Car and not restarted. No valid racing lap is completed. All fastest lap contracts resolve to the last fair market price.

- <race> is "the 2026 Emilia Romagna Grand Prix." The race is cancelled due to flooding and not rescheduled. All contracts resolve at the last fair market price.

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 scheduled date of <session> of <race>. 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 – 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:

- Current and former FIA officials, race stewards, race directors, and FIA timing and scoring personnel involved in Formula 1 events.
- Current and former drivers, team principals, team managers, race engineers, chief strategists, performance engineers, and any other team personnel with non-public access

to car performance data, strategy decisions, or race-weekend plans for any FIA Formula 1 World Championship team.

- Current and former employees of Formula 1 (the commercial rights holder), including race operations, broadcast, and timing personnel with access to non-public data.
- Current and former employees of Pirelli Motorsport (or any other official FIA Formula 1 tyre supplier) with access to non-public tyre allocation, degradation, or strategy data.
- Current and former employees of the FIA Technical Department with access to non-public information about car legality, scrutineering results, or technical directives.
- Immediate family members (parents, siblings, spouses, domestic partners) and household members of any of the above individuals.