

GOVPARTY

Scope: These rules shall apply to this contract.

Underlying: The Underlying for this Contract is the political party of the person elected to the governorship of **<state>** in **<election year>**. Revisions to the Underlying made after Expiration will not be accounted for in determining the Expiration Value.

Source Agency: The Source Agency is **<state>**.

Type: The type of Contract is an Event Contract.

Issuance: The Contract will be issued in conjunction with the election cycles for state governorships.

<state>: **<state>** refers to one of (as of Issuance) 50 U.S. states.

<political party>: Kalshi may list iterations of the Contract with **<political party>** values that refer to an American political party. Kalshi will initially list iterations of the Contract with "The Democratic Party" and "The Republican Party" as **<political party>** values. "Independent" may also be a value of **<political party>**; if the value of **<political party>** is "Independent", then the individual in question will be specified. If the individual announces they have changed party between the election and being sworn in, the market will resolve based on the party they were a part of on election day.

<election year>: **<election year>** refers to a specific gubernatorial election.

Payout Criterion: The Payout Criterion for the Contract encompasses the Expiration Values that the person sworn in to the governorship of **<state>** pursuant to the election in **<election year>** is a member of **<political party>**. If a vacancy occurs in the seat following the election (e.g. a Governor-elect resigns the seat prior to their seating), the party of the person first sworn in as their temporary, or permanent, replacement in that seat will be encompassed within the Payout Criterion.

Minimum Tick: The Minimum Tick size for the referred Contract shall be \$0.01.

Position Limit: The Position Limit for the \$1 referred Contract shall be as follows:

- The Position Limit for Individuals and Entities shall be \$3,000,000 per strike, per Member
- The Position Limit for Eligible Contract Participants ("ECP") shall be \$50,000,000 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 Expiration Date of the Contract shall be the sooner of the date of the first 10:00 AM ET following the swearing in of the Governor for **<state>** pursuant to the election in question or a year after the popular vote for the Governorship in **<election year>**.

For United States based elections, this Contract may be resolved on an accelerated basis if (A) at least four (4) of the eight (8) Designated Media Sources have declared a winning candidate,

party, or option, 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. Should one of the Designated Media Sources cease to provide independent election calls, it may be replaced at the sole discretion of the Exchange. For the purposes of this clause, a source declares a winning candidate, party, or option when it makes either (i) a formal projection of victory by its centralized decision desk, or (ii) an unambiguous statement in a news article that the candidate/party/option has won. 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. This condition is met once a period of forty-eight (48) consecutive hours has passed (to address short-term retractions) following such declarations without a retraction from any of the declaring sources.

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 6.3(c) of the Rulebook.

APPENDIX B - TRADING PROHIBITIONS

In addition to the general prohibition against trading on material nonpublic information, the Exchange will be instituting additional prohibitions for trading the GOVPARTY contract. The following individuals will be prohibited from trading:

- Holders of federal and statewide public office.
- Paid campaign staffers on gubernatorial campaigns.
- Anyone working in a vote-tallying capacity, or who has the potential ability to observe official vote counts before they are public.
- Third-party vendors and contractors (and employees thereof) of gubernatorial campaigns.
- Paid employees of Democratic and Republican Party organizations, such as the Democratic Congressional Campaign Committee or the Republican National Committee.
- Paid employees of Political Action Committees (PACs) and "Super PACs" (independent expenditure only political committees).
- Paid employees of major polling organizations. This prohibition does not apply to all employees of an organization that contains a polling division (e.g. the prohibition does not apply to all employees of Quinnipiac University despite the presence of Quinnipiac University's polling division). The Exchange shall determine which polling organizations

constitute “major” and may modify that determination at any time, and will post publicly a list of those organizations on its website.

- Employees of Decision Desks at major media organizations (including, but not necessarily exclusive to, Fox News, ABC News, AP, CNN, CBS News, Decision Desk HQ and NBC News). The Exchange shall determine which media organizations constitute “major” and may modify that determination at any time, and will post publicly a list of those organizations on its website.
- All staff of the U.S. House of Representatives and its members.
- All staff of the U.S. Senate and its members.
- All staff of the Office of the President of the United States
- All staff of the Office of the Vice President of the United States
- All staff of the U.S. Supreme Court and its Justices

Any foreign national. This is defined as an individual who is: (1) not a citizen of the United States and (2) not lawfully admitted for permanent residence (as defined in 8 U.S.C. § 1101(a) (20)); or a foreign principal, as defined in 22 U.S.C. § 611(b). Section 611(b) defines a foreign principal to include a foreign government or political party; or a partnership, association, corporation, organization, or other combination of persons organized under the laws of a foreign country or whose principal place of business is in a foreign country.