

## PICKTRADE

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

**Underlying:** The Underlying for this Contract is trades involving draft picks that are ultimately numbered within <pick range> for the <year> <league> draft, where such trades are executed in <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, <league>, ESPN, the Associated Press, Reuters, Bloomberg News, The Athletic, CBS Sports, Fox Sports, NBC Sports, and Yahoo Sports.

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

**Issuance:** The Contract is based on the outcome of a recurrent event, which occurs on an annual basis. Thus, Contract iterations will be issued on a recurring basis, and future Contract iterations will generally correspond to the next year that <league> holds its draft.

**<pick range>:** <pick range> refers to a specified set of one or more consecutive overall draft pick positions for the <year> <league> draft, as specified by the Exchange. <pick range> may be expressed as a single pick position (e.g., "exactly the 1st pick," "exactly the 5th pick"), a continuous range bounded at both ends (e.g., "picks 5 through 10," "picks 11 through 20"), a continuous range from the 1st pick to a specified upper bound (e.g., "picks 1 through 10," "picks 1 through 32"), or a continuous range from a specified lower bound through a specified upper bound that may correspond to the end of a defined round or the end of the draft (e.g., "picks 11 through the end of Round 1," "picks 33 through the end of the draft"). All pick positions referenced by <pick range> refer to the overall (cumulative) pick numbers assigned by <league> for the <year> <league> draft. The Exchange may list iterations of the Contract corresponding to variations of <pick range>.

**<year>:** <year> refers to a calendar year specified by the Exchange. The Exchange may list iterations of the Contract corresponding to variations of <year>.

**<league>:** <league> refers to a professional sports league specified by the Exchange (e.g., the National Football League, the National Basketball Association, the National Hockey League, Major League Baseball, or Major League Soccer). The Exchange may list iterations of the Contract corresponding to variations of <league>. If specified in this variable, this may also refer to a non-traditional draft (e.g., an expansion draft).

**<time period>:** <time period> refers to a specific duration or range of time as specified by the Exchange. May be expressed as a calendar year (e.g., "2025"), a calendar month and year (e.g., "January 2025"), a calendar quarter (e.g., "Q1 2025"), a specific week, a season (e.g., "2024–25 NFL Season"), a window defined relative to the <year> <league> draft (e.g., "the period from the conclusion of the prior <league> draft through the conclusion of the <year> <league> draft," or "during the <year> <league> draft itself"), or other bounded time periods as appropriate to the contract subject matter. All time periods are interpreted in Eastern Time (ET) unless otherwise specified. The end of <time period> is defined as 11:59:59 PM ET on the final day of the specified period, unless otherwise specified. The Exchange may list iterations of the Contract corresponding to variations of <time period>.

**<team>:** <team> refers to either (a) a specific professional sports team specified by the Exchange (e.g., "the Chicago Bears," "the Cleveland Cavaliers"), or (b) "a team," meaning any team participating in the <year> <league> draft. When <team> is a specific team, only trades in which that specific team is the party that meets the <direction> condition (as defined below) satisfy the Payout Criterion. When <team> is "a team," a trade involving any participating team that meets the <direction> condition is sufficient. If a specified team relocates, rebrands, or changes its name during the life of the Contract, the Contract follows the franchise (i.e., the team entity), regardless of name or city changes. The Exchange may list iterations of the Contract corresponding to variations of <team>.

**<direction>:** <direction> refers to the direction of the trade relative to <pick range> and is specified by the Exchange as one of the following:

- "into" — <team> acquires, in a single qualifying trade, a pick that is ultimately numbered within <pick range> for the <year> <league> draft; and immediately prior to that trade, <team> did not hold any pick that is ultimately numbered within <pick range> for the <year> <league> draft.
- "out of" — <team> conveys away, in a single qualifying trade, a pick that is ultimately numbered within <pick range> for the <year> <league> draft; and immediately after that trade (considering only the picks exchanged in that single trade and the picks <team> held immediately before it), <team> does not hold any pick that is ultimately numbered within <pick range> for the <year> <league> draft.
- "any involving" — at least one trade is executed in <time period> that results in the reassignment of at least one pick that is ultimately numbered within <pick range> for the <year> <league> draft, regardless of whether any team's status relative to <pick range> changes as a result.
- "into (including rights to)" — either (a) the "into" condition is satisfied, or (b) <team> acquires, in a single qualifying transaction reported by a Source Agency as agreed and binding during <time period>, the draft rights to a player selected with a pick that is ultimately numbered within <pick range> for the <year> <league> draft; and immediately prior to such transaction, <team> did not hold any pick that is ultimately numbered within <pick range> for the <year> <league> draft and did not hold the draft rights to a player selected with such a pick.
- "out of (including rights to)" — either (a) the "out of" condition is satisfied, or (b) <team> conveys away, in a single qualifying transaction reported by a Source Agency as agreed and binding during <time period>, the draft rights to a player selected with a pick that is ultimately numbered within <pick range> for the <year> <league> draft; and immediately after such transaction (considering only the picks and draft rights exchanged in that single transaction and those <team> held immediately before it), <team> does not hold any pick that is ultimately numbered within <pick range> for the <year> <league> draft and does not hold the draft rights to a player selected with such a pick.
- "any involving (including rights to)" — either (a) the "any involving" condition is satisfied, or (b) at least one transaction is reported by a Source Agency as agreed and binding during <time period> in which the draft rights to a player selected with a pick that is ultimately numbered within <pick range> for the <year> <league> draft are reassigned from one team to another.

The Exchange may list iterations of the Contract corresponding to variations of <direction>.

**Payout Criterion:** The Payout Criterion for the Contract encompasses the Expiration Values that at least one trade is executed in <time period> in which <team> trades <direction> <pick range> for the <year> <league> draft, as defined by the <direction> variable above.

For clarity:

- A "trade" is defined as a transaction in which two or more teams exchange draft picks (and/or players, future picks, or other assets). For the Payout Criterion to be satisfied, such a trade must result in the actual reassignment of at least one pick that is ultimately numbered within <pick range> for the <year> <league> draft, conveyed from one team to another.
- The "end of the <year> <league> draft" or "conclusion of the <year> <league> draft," where referenced in <time period> or elsewhere in this Contract, refers to the moment at which <league> announces the final selection of the <year> <league> draft, as reported by a Source Agency. Trades reported by a Source Agency as agreed and binding at or before that moment are considered executed during the draft, regardless of when <league> formally processes or records the trade.
- Where the bare "into," "out of," or "any involving" variant of <direction> applies (i.e., not the "including rights to" variant), a pick that has been used by a team to make a selection in the <year> <league> draft has been consumed;

any subsequent transaction involving the player selected with that pick or that player's draft rights does not constitute a reassignment of the pick for purposes of this Contract. Where the "(including rights to)" variant applies, such subsequent transactions may satisfy the Payout Criterion as specified in the <direction> variable.

- A trade is "executed in <time period>" if it is reported by a Source Agency as an agreed and binding trade between teams during <time period>. The timestamp at which a Source Agency first reports the trade as agreed and binding governs whether the trade falls within <time period>.
- "Ultimately numbered within <pick range>" means that, once <league> has finalized the pick assignments for the <year> <league> draft (including the results of any applicable draft lottery, regular-season standings, tiebreakers, league-imposed forfeitures, and other administrative determinations), the pick in question is assigned an overall draft pick number that falls within <pick range>.
- Whether <team> "holds" a pick numbered within <pick range> immediately before or immediately after a given trade is determined by reference to the picks attributed to <team> by <league> at the relevant moment (whether each such pick's overall number is known at that moment or not), evaluated based on the pick's ultimately-assigned overall pick number for the <year> <league> draft. <team> "holds a pick within <pick range>" if any such pick's ultimately-assigned overall number falls within <pick range>.
- A pick that is conditional or protected and does not ultimately convey to the acquiring team for the <year> <league> draft (e.g., a lottery-protected pick whose number falls within the protected range and is therefore retained by the conveying team) is not considered to have been reassigned in that trade, and that trade does not satisfy the Payout Criterion on the basis of that pick. If the same trade specifies an alternative pick or other asset that conveys in lieu of the protected pick for the <year> <league> draft, the alternative is evaluated on its own terms (i.e., whether any alternative pick conveyed is ultimately numbered within <pick range>).
- If a pick is forfeited, voided, or otherwise stripped by <league> such that no team uses the pick in the <year> <league> draft, the pick is not considered to have been reassigned, and any trade involving only that pick does not satisfy the Payout Criterion. If such a trade involved other picks that did convey for the <year> <league> draft, those other picks are evaluated on their own terms.
- If <team> conveys a pick within <pick range> in one trade and later, in a separate trade within <time period>, reacquires a different pick within <pick range> (or vice versa), each trade is evaluated independently based on the picks attributed to <team> immediately prior to that specific trade.
- For a trade to satisfy the Payout Criterion, the trade must be officially processed and approved by <league>'s league office or governing body responsible for the <year> <league> draft on or before the Expiration Date, as reported by a Source Agency. A trade reported by a Source Agency as agreed and binding between teams but not officially processed and approved by <league>'s league office or governing body on or before the Expiration Date does not satisfy the Payout Criterion. If a trade is officially processed and approved by <league> and is subsequently voided, annulled, or reversed by <league> on or before the Expiration Date, the trade does not satisfy the Payout Criterion. Any voidance, annulment, or reversal of an officially-processed trade that occurs after the Expiration Date does not affect the Expiration Value.
- If the <year> <league> draft is postponed past its originally scheduled date, the market remains open and will resolve after the sooner of (1) the <year> <league> draft being completed and all trades executed in <time period> being reported, or (2) one year following the draft's originally scheduled start date.
- If the <year> <league> draft is cancelled outright and is not rescheduled within one year of the originally scheduled start date, and the pick numbers for picks within <pick range> were never finalized by <league> for the <year> <league> draft, the market resolves to No. If pick numbers were finalized prior to cancellation, trades occurring within <time period> are evaluated based on those finalized numbers; if no qualifying trade occurred, the market resolves to No.

- "Draft rights to a player" means the exclusive right of an <league> club holding such rights to negotiate with and sign that player to a standard player contract with that club, as recognized by <league>. A trade of "draft rights" qualifies only where the relevant player has not, as of the time the transaction is reported by a Source Agency as agreed and binding, executed a standard player contract with the team selecting the player. Once the player has executed such a contract, subsequent transactions involving that player are not considered trades of "draft rights" for purposes of this Contract.

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

When <direction> is "into":

- <pick range> is "picks 1 through 10." In March of <year>, <team> (or, if <team> is "a team," Team A) acquires Team B's <year> first-round pick (unprotected) via trade. The <year> <league> draft lottery or season-end order subsequently sets that pick at #4. Immediately prior to the March trade, <team>/Team A held no other pick that would ultimately be numbered within picks 1 through 10. <time period> includes March of <year>. The market resolves Yes.
- <pick range> is "exactly the 1st pick." In January of <year>, Team C trades to <team>/Team D its unprotected <year> first-round pick. The lottery later determines that pick to be #1 overall. Immediately prior to the January trade, <team>/Team D held no pick that would ultimately be the 1st pick. <time period> includes January of <year>. The market resolves Yes.
- <pick range> is "picks 5 through 10." During the <year> <league> draft, <team>/Team E (which immediately prior to that trade held only pick #15) trades up with Team F and acquires pick #7. <time period> includes the draft itself. The market resolves Yes.

When <direction> is "into (including rights to)" and <pick range> is "picks 1 through 5":

- During the <year> NBA Draft, Team U selects Player Z with pick #3. Within minutes of the selection and prior to Player Z signing any standard player contract, a Source Agency reports that <team>/Team V and Team U have agreed to a trade in which the draft rights to Player Z are conveyed to <team>/Team V. Immediately prior to that transaction, <team>/Team V held no pick within picks 1 through 5 and held no draft rights to a player selected with such a pick. The market resolves Yes.

When <direction> is "into (including rights to)" and <pick range> is "exactly the 1st pick":

- Team A holds and uses the #1 pick of the <year> <league> draft to select Player X. Later during the same draft and before Player X has executed a standard player contract with Team A, a Source Agency reports that Team A and <team>/Team B have agreed to a trade in which the draft rights to Player X are conveyed to <team>/Team B. <time period> includes the <year> <league> draft. Immediately prior to the trade, <team>/Team B held no pick within <pick range> and held no draft rights to a player selected with such a pick. The market resolves Yes.

When <direction> is "out of":

- <pick range> is "picks 1 through 10." <team>/Team G holds the #8 pick and no other pick within picks 1 through 10. During the draft, <team>/Team G trades pick #8 to Team H in exchange for pick #15 and a future second-rounder. After the trade, <team>/Team G holds no pick within picks 1 through 10. <time period> includes the draft. The market resolves Yes.
- <pick range> is "exactly the 5th pick." <team>/Team I holds the #5 pick. <team>/Team I trades it during <time period> to Team J. After the trade, <team>/Team I does not hold the #5 pick. The market resolves Yes.

When <direction> is "any involving":

- <pick range> is "picks 1 through 5." Pursuant to pick swap rights established in a prior trade, Team K and Team L's <year> first-round picks are swapped at the conclusion of the <year> lottery. The resulting picks are #2 and #18; the #2 pick is reassigned via the swap. The trade that established the swap rights was executed within <time period>. The market resolves Yes.
- <pick range> is "picks 1 through 10." During the draft, two teams that both already hold picks within picks 1 through 10 swap them. At least one pick numbered within picks 1 through 10 was reassigned. The market resolves Yes.
- A trade satisfying the applicable <direction> condition is reported by a Source Agency as agreed and binding during <time period> and is officially processed and approved by <league>'s league office on the day following the draft. The trade is not voided, annulled, or reversed by <league> on or before the Expiration Date. The market resolves Yes (subject to all other requirements being met).

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

- <direction> is "into," <pick range> is "picks 1 through 10." <team>/Team M trades for a top-4-protected <year> first-round pick. The lottery determines the pick to be #3. The pick is retained by the conveying team and is not reassigned to <team>/Team M for the <year> <league> draft. The market does not resolve Yes on the basis of this trade.
- <direction> is "into," <pick range> is "exactly the 5th pick." <team>/Team N acquires a pick that is ultimately numbered #6. The pick is not the 5th pick. The market does not resolve Yes on the basis of this trade.
- <direction> is "out of," <pick range> is "picks 1 through 5." <team>/Team P holds picks #2 and #4. <team>/Team P trades pick #2 to Team Q in a single trade and retains pick #4. After the trade, <team>/Team P still holds pick #4 (within picks 1 through 5). This trade does not satisfy "out of" picks 1 through 5 on its own. (If <team>/Team P later trades pick #4 in a separate trade within <time period> and then holds no pick within picks 1 through 5, that subsequent trade is evaluated on its own terms.)
- <direction> is "into" or "out of," <pick range> is "picks 1 through 10." Team R and Team S, both of which already hold picks within picks 1 through 10, swap their top-10 picks. Neither team changes its status relative to picks 1 through 10. The market does not resolve Yes on the basis of this trade under "into" or "out of." (Under "any involving," it would resolve Yes.)
- <team>/Team T trades into a pick that is ultimately numbered within <pick range>, but the trade is reported by a Source Agency as agreed and binding before <time period> begins or after <time period> ends. The market does not resolve Yes on the basis of this trade.
- No qualifying trade occurs within <time period>. The market resolves No.
- When <team> is a specific team: A trade satisfying the <direction> condition occurs, but the trade involves only other teams (not <team> as specified). The market does not resolve Yes on the basis of this trade.
- When <direction> is "into (including rights to)" and <pick range> is "picks 1 through 5": Team W selects Player Y with pick #2 and Player Y signs his rookie-scale contract with Team W three weeks later. Two months after the draft, Team W trades Player Y to <team>/Team X. Although <time period> includes the date of the trade, the transaction is no longer a trade of "draft rights" because Player Y has executed a standard player contract. The market does not resolve Yes on the basis of this transaction.

- When <direction> is "into" (without "including rights to") and <pick range> is "exactly the 1st pick": Team A holds and uses the #1 pick to select Player X. Later during the same draft, Team A trades the draft rights to Player X to <team>/Team B. The bare "into" condition requires reassignment of the pick itself; here the pick has been consumed by the selection, and the post-selection transaction conveys the player's draft rights, not the pick. The market does not resolve Yes on the basis of this transaction. (Under "into (including rights to)," it would resolve Yes.)
- When <direction> is any value: A Source Agency reports during <time period> that two teams have agreed to a trade in which a pick within <pick range> would be reassigned. Before <league> officially processes the trade, the deal falls apart, and <league> never officially processes the trade on or before the Expiration Date. The market does not resolve Yes on the basis of this transaction.
- When <direction> is any value: A trade involving a pick within <pick range> is officially processed and approved by <league> during <time period> but is subsequently voided by <league> before the Expiration Date (e.g., due to a discovered violation of league rules or a procedural defect). The market does not resolve Yes on the basis of this transaction.

**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 year after the originally scheduled start date for the <year> <league> draft. 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 players of <league>.

- Paid employees of <league>, including league office personnel, referees, officials, and competition-committee members.
- Ultimate beneficial owners, governors, officers, executives, general managers, assistant general managers, presidents of basketball/football/baseball/hockey/soccer operations, capologists, salary-cap analysts, pro and amateur personnel directors, scouting directors, scouts, and analytics staff of any <league> team.
- Coaches and members of coaching staffs of any <league> team.
- Employees or representatives of the independent auditing or accounting firm retained by <league> to oversee the draft lottery (where applicable).
- Employees or contractors of any broadcast partner designated to televise the <year> <league> draft or the draft lottery (where applicable).
- Certified agents, legal advisors, financial consultants, and marketing representatives representing players eligible for the <year> <league> draft, or representing rostered players of <league> teams.
- Members of credentialed media organizations who, as part of their professional role, regularly receive non-public information regarding <league> trade activity (e.g., national insider reporters and beat reporters covering specific <league> teams).
- Household members and immediate family of all of the above.