

SEEDUPSET

Scope: These rules shall apply to this contract.

Underlying: The Underlying for this Contract is the greatest seeding disadvantage overcome by any winner across all matches in <event> during <time period>, as determined by the Source Agency. 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 organizing body or governing authority of <event> (e.g., NCAA, ATP, FIFA, the IOC, or the relevant national federation), the official website or statistical platform of <event>, ESPN, the Associated Press, Reuters, BBC Sport, Sky Sports, and other major sports news organizations.

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.

<event>: <event> refers to a sporting competition, tournament, league, or championship specified by the Exchange. <event> may refer to a singular event, multiple events, an element in a set of events, or by distinguishing characteristics (e.g., any Grand Slam tournament). <event> may additionally encompass the entire duration of a competition or a defined phase thereof, such as a single round, bracket stage, or leg.

<time period>: <time period> refers to the specific stage or stages of <event> within which the greatest seeding disadvantage overcome is evaluated, as specified by the Exchange (e.g., "first round," "quarterfinals," "the entire tournament"). If not specified, <time period> shall default to the entire duration of <event>. <time period> may refer to a single stage, multiple stages (consecutive or non-consecutive), or all stages of <event>.

<above/below/exactly/at least/between>: <above/below/exactly/at least/between> refers to comparison operators. "Above" means greater than (>), "below" means less than (<), "exactly" means equal to (=) when rounded to the nearest whole number, "at least" means greater than or equal to (\geq), and "between" means within an inclusive range (\geq lower bound and \leq upper bound).

<value>: <value> refers to a specific numeric seeding difference specified by the Exchange, expressed as a non-negative whole number representing the absolute difference between the official seed numbers of the winner and the loser in a single match or fixture. Rounding to the nearest whole number shall be assumed unless otherwise specified.

<sporting entity>: <sporting entity> refers to an individual athlete, team, pair, or group competing in <event>, as seeded and identified by the organizing body of <event>. A <sporting entity> may be identified by name, seed number, nationality, bracket position, or other distinguishing characteristic as specified by the Exchange.

Payout Criterion: The Payout Criterion for the Contract encompasses the Expiration Values that the greatest seeding disadvantage overcome by any winner in <time period> of <event> is <above/below/exactly/at least/between> <value>.

For the purposes of this Contract:

- "Seeding disadvantage overcome" means, for a given completed match or game within <event> and <time period>, the positive difference obtained by subtracting the loser's official seed number from the winner's official seed number, where the winner holds a numerically higher seed number than the loser (i.e., the winner was ranked lower entering the match). This value is calculated as: winner's seed number minus loser's seed number. A seeding disadvantage overcome is only recorded when this difference is strictly positive; matches won by the lower-numbered (higher-ranked) seed produce no seeding disadvantage overcome and are excluded from the calculation.
- "Greatest seeding disadvantage overcome" means the single largest such value recorded across all qualifying matches within <event> and <time period>. If two or more matches produce an equal seeding disadvantage overcome, each shall be treated as a co-equal greatest value and the Contract shall resolve based on that shared value.

Additional clarification(s):

- If no qualifying match within <event> and <time period> produces a seeding disadvantage overcome (i.e., every completed match is won by the lower-numbered seed or by equally-seeded competitors), the greatest seeding disadvantage overcome shall be deemed zero (0) for purposes of resolution, and the Contract shall resolve accordingly against the <value> threshold.
- Matches between two <sporting entity> that carry identical seed numbers shall not produce a seeding disadvantage overcome regardless of the outcome.
- If one or both competing <sporting entity> in a match are officially designated as "unseeded" by the organizing body of <event>, the seed of the unseeded competitors will be one greater than the highest seeded value.
- If official seedings are not published by the organizing body of <event> prior to the commencement of <time period>, the difference in seeding between all <sporting entity> will be zero (0).
- Walkovers and forfeitures in which no active play occurs shall not constitute a qualifying match for the purposes of this Contract. If a match ends due to retirement, injury withdrawal, or disqualification after active play has commenced, such match shall constitute a qualifying match, and the seeding disadvantage overcome shall be calculated using the official seed numbers of the winner and loser. If the greatest seeding disadvantage overcome across all qualifying matches in <time period> is produced by a match that concluded via retirement, injury withdrawal, or disqualification rather than through completion of regulation play, the Contract shall resolve at the last fair price as determined in the sole discretion of the Exchange.
- In round-robin or league-format stages of <event>, each individual match within <time period> is evaluated independently. The seeding disadvantage overcome for each match is calculated using the same method as for elimination formats, and the greatest value across all qualifying matches in <time period> shall govern.

- Official seedings used for resolution are those published by the organizing body of <event> at the commencement of <time period>. Seeding revisions made after <time period> has begun, including reseeding between rounds, will not be applied retroactively to matches already completed within that <time period>.
- If <event> is cancelled, postponed, or abandoned before the completion of <time period> and no qualifying matches have been completed, the Contract shall resolve to the last fair price determined in the sole discretion of the Exchange. If at least one qualifying match within <time period> has been completed prior to cancellation or abandonment, the greatest seeding disadvantage overcome among completed matches shall serve as the Expiration Value.
- If a <sporting entity> competes under a different name, nationality, or affiliation than listed at the time of seeding (e.g., due to a transfer, rebrand, or administrative reclassification), the seed number assigned at the commencement of <time period> shall govern, and the identity of the <sporting entity> shall remain consistent with their seeded designation for purposes of this Contract.

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 Expiration Date. The Last Trading Time will be 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 conclusion of <event> or <time period>, whichever is later. If the greatest seeding disadvantage overcome can be conclusively determined prior to the conclusion of <event>, 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 players, coaches, and staff of the league, association, or organization(s) governing <event>. For college leagues/associations specifically, or where otherwise appropriate (as identified by the Exchange), this applies to current and former players/coaches/staff of the specific teams in <event> rather than the league/association as a whole.
- Paid employees of the league, tournament organizer, or governing body of <event> and league participants.
- Ultimate beneficial owners of teams, franchises, or clubs competing in <event> and of the league or governing body.
- Officials, referees, umpires, and match officials assigned to <event>.
- Medical and athletic training personnel with access to non-public injury or fitness information regarding competitors in <event>.
- Members of seeding committees, selection committees, draw committees, or any persons involved in determining or assigning official seedings for <event>.
- Immediate family (parents, siblings, spouses, domestic partners) and household members of all above.

These prohibitions apply to the appropriate values of <event>. For example, former players of the ATP Tour are not necessarily prohibited from trading on iterations of the Contract related to the NCAA Tournament, unless they are part of any other group listed for that event.