

## MEMBER AGREEMENT

PLEASE CAREFULLY READ AND MAKE SURE YOU UNDERSTAND THIS ENTIRE MEMBER AGREEMENT (“AGREEMENT”), INCLUDING ALL DOCUMENTS INCORPORATED BY REFERENCE, BEFORE CLICKING “I ACCEPT”. CLICKING THE “I ACCEPT” BUTTON IS THE LEGAL EQUIVALENT OF YOU MANUALLY SIGNING AND AGREEING TO BE BOUND TO THIS AGREEMENT.

### **I. Introduction**

Welcome to KalshiEX, LLC (“Kalshi” or the “Exchange”), a U.S. Commodity Futures Trading Commission (“CFTC”) designated contract market (“DCM”). This Agreement sets out the terms and conditions pursuant to which an individual or entity (“You” or “the Applicant”) may acquire trading privileges on the Exchange. You must read and accept this Agreement, including all documents incorporated by reference, to trade on the Exchange.

### **II. Services**

Kalshi will provide You with access to a platform for trade execution (the “Platform”) as provided in the Kalshi Rulebook and as required by the CFTC and applicable law, as well as related services (“the Services”). Services will only be provided by Kalshi pursuant to the terms of this Agreement.

### **III. Event Contracts Trading Risk Disclosure**

There are numerous risks associated with trading on Kalshi and you hereby acknowledge and assume those risks. The risk of loss in trading Event Contract on Kalshi can be substantial and is a highly speculative activity involving high leverage and volatile markets. Trading may also incur fees, which will add to losses and may significantly reduce earnings. Each Event Contract listed on the Exchange has specific rules that dictate, in addition to the Kalshi rulebook, terms including trading period, settlement, payout, outcome determination, among others. You are responsible for reading, understanding, and accepting the terms of an Event Contract prior to trading.

### **IV. Electronic Trading Risk Disclosure**

Trading through the internet or other dedicated lines of communication involves many interrelated systems, including hardware, software, telephonic, cable, and power generation, all of which are subject to failure or malfunction that may adversely affect the ability to trade, place or cancel orders, and see market data. In the event that the Kalshi system becomes unavailable, for a period of time, it may not be possible to enter new orders, execute existing orders, modify or cancel orders that were previously entered, or access market data. Although Kalshi and its

third party provider(s) have taken precautions to prevent such an occurrence, if the Kalshi System or one of its components suffers a catastrophic failure, orders and their priority in the order queue may be lost. Kalshi bears no responsibility or liability for any effect on the ability to trade caused by any of the foregoing. You understand that at various times trading of a particular Event Contract on Kalshi may cease due to a lack of bids or offers and, on certain specific trading dates, an Event Contract will expire pursuant to its terms even if the Kalshi System is not accessible. You freely assume these risks and hold Kalshi, the Parent Company, their affiliates and their respective directors, officers, employees, agents harmless against any such losses resulting from these risks.

#### **V. Member Obligations and Consent to Jurisdiction of Kalshi**

You shall pay the fees and charges for the Services as specified from time to time on the Kalshi website ("Website"). Kalshi will post written notice of any changes to fees on the Website prior to implementing the changes.

You will be bound by, and comply with, the rules and regulations established by Kalshi applicable to the Services contained in the Kalshi rules (as supplemented or amended from time to time, the "Kalshi Rulebook"). In the event of any conflict between this Agreement and the Kalshi Rulebook, the Kalshi Rulebook will govern.

You hereby consent to the jurisdiction of Kalshi. Upon the prior written request of Kalshi, You will promptly (within five Business Days, as defined in the Kalshi Rulebook) provide to Kalshi any such information as may be deemed necessary for its fulfillment of these Services. You hereby acknowledge and agree that You have received and read the Kalshi Rulebook.

You hereby agree and consent that Kalshi may utilize a Derivatives Clearing Organization ("DCO") of its choosing for clearing services so long as that DCO is registered by and remains in good standing with the CFTC. In the event that Kalshi determines to change from one DCO to another, You hereby agree, unless You provide affirmative notice to the Exchange otherwise and timely close your account, that You consent to the change, and You consent to the movement of Your positions and Your funds from one DCO to another.

You hereby agree that You will not allow any person not identified to Kalshi to access or use these Services.

#### **VI. Representations and Warranties**

You hereby represent, warrant and covenant to Kalshi, and each time You enter an order, effect a transaction or otherwise use the Services, You will be deemed by such act to represent, warrant

and covenant to Kalshi, that: if You are not a natural person, You are duly organized, validly existing and in good standing under the laws of Your jurisdiction of organization and each other jurisdiction in which the nature or conduct of Your business requires such qualification; if You are an individual, You are of the age of majority in Your state of residence; You have all requisite legal authority and capacity to enter into this Agreement and to use the Services on Your own behalf and to perform Your obligations as a Member; You are and will be in compliance with all material respects of the CEA, CFTC regulations and all other applicable laws, rules, regulations, judgments, orders and rulings of any governmental authority or self-regulatory organization, authority, agency, court or body, including the laws of any jurisdiction applicable to an order or transaction (collectively, “Applicable Law”) (including data protection and privacy laws and laws with respect to recording messages of Member employees, including providing and obtaining required notices or consents); and You are not statutorily disqualified from acting as a Member and there is no pending, or to the best of Your knowledge threatened, any action, suit or proceeding before or by any court or other governmental, regulatory or self-regulatory body to which it is a party that seeks to affect the enforceability of this Agreement or Your ability to act as a Member.

## **VII. Member Acknowledgements**

You further acknowledge and agree that:

You will abide by and be subject to the Kalshi Rulebook, as now existing and as hereafter duly amended from time to time, including the obligation to submit to arbitration;

Your status as a Member may be limited, conditioned, restricted or terminated by Kalshi in accordance with the Kalshi Rulebook;

You understand that pursuant to Rule 2.12 of the Kalshi Rulebook, Kalshi’s board of directors approved Kalshi Trading LLC (“Trading”), an affiliate of Kalshi, to be a member of Kalshi. More information can be found here: [https://kalshi-public-docs.s3.amazonaws.com/regulatory/notices/emergency\\_rule\\_filing\\_v2\\_2021.09.21.pdf](https://kalshi-public-docs.s3.amazonaws.com/regulatory/notices/emergency_rule_filing_v2_2021.09.21.pdf)

This Agreement binds You and is enforceable against You;

This Agreement may be amended unilaterally by Kalshi upon notice to You. You will be deemed to agree to each such amendment if You do not terminate this Agreement prior to the effective date of the amendment;

You may fund your account by ACH transaction. By confirming your transaction, You acknowledge your consent to debit your linked account via ACH. You acknowledge the nature of ACH transactions and that ACH transactions may incur additional fees. You further agree that Kalshi, in its sole discretion, may use any means which Kalshi considers suitable to execute your ACH transfers, and that Kalshi may reject any ACH transfer request in the event of suspected fraud or other potential illicit activity. You understand that in the event of an ACH return or reversal, Kalshi may charge additional fees or temporarily restrict your account privileges. You further understand that an ACH debit transfer may be returned, reversed, or rejected for a variety of reasons, including, for example, a lack of sufficient funds or when the transaction is denied by the bank holding your external account. You agree that you are solely liable and responsible for any ACH fees that you incur for a returned, reversed, or rejected transaction;

You agree that in the event of an ACH return, reversal, or rejection of a debit transfer of funds that were utilized for trading, you will, upon Kalshi's request, deposit at least the amount of the funds that were utilized for trading into your Kalshi account. You also agree to pay Kalshi for any fees, charges, or expenses incurred by Kalshi as a direct result of the reversal of Your ACH debit transfer in any manner directed by Kalshi;

You understand that within 90 days of your ACH transfer to fund your trading account, those funds may only be withdrawn to the external account from which they were debited;

You will provide such other information as may be reasonably requested by Kalshi from time to time as may be necessary or desirable to verify Your qualifications as a Member;

You authorize Kalshi to verify, on an initial and a periodic basis, by investigation, the statements provided to Kalshi, which may include a criminal background check, a review of Your credit report, and such other action reasonably deemed necessary by Kalshi;

You authorize any governmental, regulatory or self-regulatory body, futures exchange, swap execution facility, securities exchange, national securities association, national futures association or other entity to furnish to Kalshi, upon its request, any information such entity may have concerning You, and You hereby release such entity from any and all liability of whatsoever nature by reason of furnishing such information to Kalshi;

You authorize Kalshi to make available to any governmental, regulatory or self-regulatory body, futures exchange, swap execution facility, securities exchange, national securities association, national futures association, bank or other entity (upon such entity's showing of proper authority and need) any information Kalshi may have concerning You, and You hereby release Kalshi from any and all liability of whatsoever nature by reason of furnishing any such information;

You hereby authorize Kalshi to deduct from its account maintained on the books and records of Kalshi all fees or other charges accruing to You;

You will keep confidential all information related to Your account (“Member Account”), including but not limited to Your account number, except as necessary to perform Kalshi-related transfers;

You hereby declare that the statements in this Agreement and in any application materials provided to Kalshi are true, complete and accurate, and that You will promptly notify Kalshi in writing if any representation, warranty or covenant made herein changes or ceases to be true;

You will be solely responsible, at Your own risk and expense, for acquiring, installing and maintaining all equipment, hardware and software (other than any applications, algorithms, software, interfaces or code that Kalshi may provide to You pursuant to the terms of this Agreement for purposes of accessing and utilizing the Platform), and shall ensure that any systems, facilities, servers, routers, and other equipment and software used to access and transact on the Platform are at all times protected by, and at all times comply with, all applicable information security and firewall precautions, but at all times at a level of security not less than that prevailing in the industry; and

You acknowledge that failure to comply with this Agreement may, in Kalshi’s sole discretion, lead to suspension of Services or termination of this Agreement.

You acknowledge that Kalshi’s Rulebook allows Kalshi to implement market maker programs. Kalshi believes that these programs will promote liquidity and orderliness on the Kalshi Exchange. Under the rules, market makers will make markets on Kalshi in exchange for receiving benefits. The benefits can include monetary benefits, such as discounts on fees, rebates on fees, revenue share from fees, and other monetary benefits. Market makers who receive these benefits may be able to price their quotes in ways that are materially different from other Kalshi members who are not eligible to receive these financial benefits. Market makers may also be eligible for sophisticated risk management tools, such as order protections whereby orders are canceled if the market maker’s trading session disconnects from the Exchange, and may be eligible to greater throughput to the Exchange. These risk management tools enable market makers to effectively manage the risks of their market making activity, and may not be available to members who are not market makers. These tools may give market makers a trading advantage over members who are not market makers.

You further acknowledge that market makers may be required, during specific times, to maintain a maximum spread size and may be required to maintain a minimum depth within the spread. Outside of the required times, market makers are not required to, and potentially will not, maintain the maximum spread size and minimum depth. Therefore, pricing and liquidity outside of the required times may be worse than during the required times.

### **VIII. Investment of Member Funds**

Except as prohibited by the regulations of the CFTC, all cash and other property in Your Member Account or otherwise held by Kalshi's Derivatives Clearing Organization on Your behalf may, from time to time, without notice to You, be invested by Kalshi consistent with Commission Regulations, including Regulations 22.2(e)(1) and 1.25.

### **IX. Submission of Ideas**

Kalshi allows Members to submit ideas, concepts, designs or inventions for contracts or any other relevant topic (collectively "Ideas"). However, Members should not reveal to Kalshi any Ideas for which a Member wants to receive any compensation or credit. By submitting Ideas to Kalshi, You expressly agree to give up any and all rights You may have to such Ideas and You agree to transfer to Kalshi all of Your rights pertaining to such Ideas. By submitting any Ideas to Kalshi, You expressly authorize Kalshi to use and benefit from the Ideas as Kalshi may decide. Kalshi will not provide You with any compensation or credit for any Ideas You submit. By submitting an Idea to Kalshi, You give up all control You might otherwise have concerning such Ideas.

### **X. Indemnity**

You hereby agree to indemnify and hold harmless Kalshi and its directors, officers, employees, members, affiliates and agents (each, a "Related Party") from and against all expenses and costs and damages (including any legal fees and customary expenses), directly and actually incurred by Kalshi (including consequential damages awarded to the third party) as a result of third-party claims resulting from, in connection with, or arising out of Your use of the Services or Your activities or arising out of or relating to this Agreement, including any failure by You, for any reason, fraudulent, negligent, or otherwise, to comply with Your obligations and requirements set forth in this Agreement, or any failure to comply with the agreements, representations or covenants contained in this Agreement. Within 10 Business Days after Kalshi receives written notice of a claim that Kalshi reasonably believes falls within the scope of this paragraph, Kalshi will provide You with written notice of such claim; provided, however, that failure to provide such notice will not relieve You of its indemnity obligations hereunder except to the extent You are materially prejudiced thereby and will not be responsible for those expenses, costs and damages that Kalshi incurs solely as a result of any such delay. Your indemnity obligation will

not apply to the extent there has been a final determination (including exhaustion of any appeals) by a court or arbitrator of competent jurisdiction that the expense, cost or damage arose from Kalshi's gross negligence, fraud or willful misconduct.

#### **XI. Limitations on Liability**

You hereby agree that Kalshi shall, in no event, be liable for any trading losses, loss of anticipated profits or gain relating in any way to trading, including loss of any trading incentive or bonus, loss by reason of shutdown in operation or for increased expenses of operation, or for indirect, special punitive, consequential, or incidental loss or damage of any nature arising from any cause whatsoever.

#### **XII. Data Use Consent**

You hereby grant Kalshi a worldwide, perpetual, irrevocable, royalty-free, full sublicensable and freely assignable license to store, use, copy, display, disseminate and create derivative works from: (i) the price and quantity data for each transaction entered into by You that is executed via the Services and (ii) each bid, offer and/or order provided via the Services by You. You acknowledge and agree that Kalshi may use such information for business, marketing and other purposes.

#### **XIII. Termination**

Subject to Applicable Law and the Kalshi Rulebook, Kalshi or You may terminate this Agreement by giving the other prior written notice. Termination of this Agreement will not affect liability accrued as of termination. Paragraph IX will survive termination of this Agreement and continue in full force and effect.

#### **XIV. No Warranty**

YOU UNDERSTAND THAT KALSHI, ITS AFFILIATES, AND ITS SOFTWARE, HARDWARE, AND SERVICE PROVIDERS PROVIDE THE KALSHI PLATFORM "AS IS" AND WITHOUT ANY WARRANTY OR CONDITION, EXPRESS, IMPLIED OR STATUTORY. KALSHI, ITS AFFILIATES AND ITS SOFTWARE, HARDWARE AND SERVICE PROVIDERS SPECIFICALLY DISCLAIM ANY IMPLIED WARRANTY OF TITLE, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AND NON-INFRINGEMENT.

#### **XV. Complete Agreement**

This Agreement constitutes the entire contract between the parties relative to the subject matter hereof. Any other previous agreement among the parties with respect to the subject matter hereof

is superseded by this Agreement. Nothing in this Agreement, expressed or implied, is intended to confer upon any person (other than the parties hereto, their respective successors and assigns permitted hereunder) any rights, remedies, obligations or liabilities under or by reason of this Agreement.

#### **XVI. Severability**

In the event any one or more of the provisions contained in this Agreement should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and therein shall not in any way be affected or impaired thereby (it being understood that the invalidity of a particular provision in a particular jurisdiction shall not in and of itself affect the validity of such provision in any other jurisdiction). The parties shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

#### **XVII. Counterparts**

This Agreement may be executed in counterparts, each of which shall constitute an original but all of which when taken together shall constitute a single contract. Delivery of an executed signature page to this Agreement by facsimile or other customary means of electronic transmission, including by PDF file, shall be as effective as delivery of an original signed counterpart of this Agreement.

#### **XVIII. Assignment**

You may not assign this Agreement, in whole or in part, without the prior written consent of Kalshi.

#### **XIX. USA PATRIOT Act Notice**

Kalshi hereby notifies You that pursuant to the requirements of the USA PATRIOT Act, it is required to obtain, verify and record information that identifies You, which information includes Your name and address and other information that will allow Kalshi to identify You in accordance with the USA PATRIOT Act.

#### **XX. Governing Law**

This Agreement will be governed by the laws of the State of New York. Any dispute between Kalshi and You arising from or in connection with this Agreement will be settled in accordance with the procedures set forth in the Kalshi Rulebook.



**BY CLICKING "I ACCEPT" YOU HEREBY AGREE TO THE TERMS OF THIS AGREEMENT AND EXPRESSLY ACKNOWLEDGE THAT YOU HAVE RECEIVED, READ AND UNDERSTOOD ALL DOCUMENTS INCORPORATED HEREIN BY REFERENCE.**