CPIF

Scope: These rules shall apply to this Contract.

Underlying: The Underlying for this Contract is the level of the Consumer Price Index for All Urban Consumers, U.S. City Average, All Items, Not Seasonally Adjusted (CPI-U), for the Reference Month specified for each listed Contract.

Underlying Price Index: The Underlying Price Index (UPI) for a Contract is the value of the CPI-U (U.S. Bureau of Labor Statistics series CUUR0000SA0) for the Contract's Reference Month, as first published by the Source Agency, regardless of the date or time at which such value is first published. The CPI-U is published once per calendar month, ordinarily at 8:30 AM ET on a release date scheduled in advance by the Source Agency, and reflects price levels for the calendar month preceding the month of release. The not-seasonally-adjusted level of the CPI-U, once published, is ordinarily final and is not revised by the Source Agency; the treatment of any correction by the Source Agency is set forth under "Manifest Error Correction" below.

Source Agency: The Source Agency is the U.S. Bureau of Labor Statistics (BLS).

Reference Month: For each listed Contract, the Reference Month is the calendar month whose CPI-U value determines the Final Settlement Value, as specified in the Contract's terms and conditions and on the Contract's market page.

Type: The type of Contract is a Futures Contract.

Trading Hours: 24 hours per day, Sunday through Friday, throughout the lifetime of each listed Contract, subject to any trading halts imposed by the Exchange; provided that trading in an expiring Contract shall cease at the Last Trading Time on its Last Trading Date, as set forth below.

Contract Months: The Exchange lists a separate Contract for each Reference Month as follows: the first twelve (12) consecutive calendar months; and, thereafter, the May and November Reference Months of each year, extending out 5 years. Each listed Contract is identified by its Reference Month.

Trading Unit: $100 multiplied by the Underlying Price Index. Each Contract has a notional value equal to the Underlying Price Index multiplied by $100 (that is, $100 per index point).

Price Quotation: Prices for the Contract are quoted in index points of the CPI-U (e.g., 320.50).

Minimum Price Increment: The Minimum Price Increment for the Contract shall be 0.01 index points.

Minimum Unit: The minimum unit of trading is one ten-thousandth of one Contract, unless otherwise specified in a Contract's terms and conditions or on the Contract's market page.

Tick Value: A one-increment price movement equals $1.00 per Contract, calculated as the Minimum Price Increment multiplied by the Trading Unit (0.01 index points × $100 per index point = $1.00).

Position Accountability Level: 5,000,000 Contracts (in the case of a short position, the equivalent long position is considered). Position accountability levels, and any position limits applicable under the Exchange Rulebook, continue to apply without interruption during any period in which the Last Trading Date or Final Settlement of a Contract has been deferred pursuant to the provisions below.

Clearing: The Contract will be centrally cleared by Kalshi Klear LLC (Klear or the Clearinghouse), a derivatives clearing organization registered with the Commission, as central counterparty.

Settlement Date/Times: The Contract is marked to market and settled daily at 4:00 PM ET (the "Daily Settlement Time") on each Exchange business day during the lifetime of the Contract, at which time the Exchange settles all outstanding variation margin obligations by reference to the Daily Settlement Price. Final Settlement occurs on the Last Trading Date, as set forth below under "Final Settlement."

Daily Settlement Price: For the purpose of calculating variation margin prior to Final Settlement, the Daily Settlement Price shall be determined according to the following tiered methodology, applied in order:

> **Tier 1 (Trade VWAP).** If one or more trades in the Contract occur during the 60 seconds immediately preceding the Daily Settlement Time (the "Settlement Period"), the Daily Settlement Price shall be the volume-weighted average price (VWAP) of those trades. Transactions occurring precisely at the Daily Settlement Time are excluded. This VWAP calculation will be adjusted to exclude outliers; generally this will be performed via a median-based Mean Absolute Difference (MAD) filter, but the Exchange reserves the right to exercise discretion to exclude other outlier or manipulative transactions.
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> For purposes of Tier 2, sixty (60) Observation Points are defined, occurring at exactly N seconds before the Daily Settlement Time for each integer N from 1 to 60. The prevailing best bid and prevailing best ask at an Observation Point are the best bid and best ask resting on the order book as of that instant. An Observation Point is "two-sided" if both a prevailing best bid and a prevailing best ask are present at that instant, and the Midpoint at a two-sided Observation Point is the arithmetic mean of its prevailing best bid and prevailing best ask.
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> **Tier 2 (Sampled Midpoint Average).** If no trades in the Contract occur during the Settlement Period and at least one Observation Point is two-sided, the Daily Settlement Price shall be the arithmetic mean of the Midpoints at all two-sided Observation Points.

Tier 3 (Prior Settlement Price). If no trades in the Contract occur during the Settlement Period and no Observation Point is two-sided, the Daily Settlement Price shall equal the prior Daily Settlement Price.

If a Daily Settlement Price cannot be determined under any of the above Tiers, the Exchange may determine the Daily Settlement Price pursuant to Rule 7.1 of the Rulebook.

Final Settlement: On the Last Trading Date, all outstanding positions in the Contract shall be settled in cash to the Final Settlement Value. The Final Settlement Value shall equal $100 multiplied by the Underlying Price Index for the Contract's Reference Month (that is, the CPI-U value for the Reference Month as first published by the Source Agency, or, where applicable, the Substitute Index Level or successor index value determined pursuant to the provisions below). Later revisions to a published CPI-U value shall not be used in any calculation under this Contract and shall not reopen any settlement, except as provided under "Manifest Error Correction" below. There is no physical delivery.

Manifest Error Correction: If, prior to the completion of Final Settlement of the relevant Contract, the Source Agency publishes a correction to that value to remedy a manifest error in its original publication, the corrected value shall be used as the Underlying Price Index. A correction published after the completion of Final Settlement shall not be used and shall not reopen any settlement. For the avoidance of doubt, ordinary revisions, re-estimations, seasonal-adjustment updates, and re-weightings do not constitute corrections of manifest error.

Last Trading Date: The Last Trading Date for each Contract is the date on which the Source Agency is scheduled to release the CPI-U value for the Contract's Reference Month. Trading in an expiring Contract shall cease at 8:29 AM ET on the Last Trading Date (the "Last Trading Time"), prior to the scheduled 8:30 AM ET release of the CPI-U. If, at the time a Contract is listed, the Source Agency has not yet announced the scheduled release date for the Contract's Reference Month, the Last Trading Date shall be set tentatively as the last Exchange business day of the calendar month following the Reference Month, and shall be reset to the scheduled release date upon announcement of that date by the Source Agency. The Exchange will publish notice of any such reset.

Publication Delay: If the Source Agency postpones a scheduled release of the CPI-U for a Reference Month, or fails to publish the CPI-U on the scheduled release date (including by reason of a lapse in federal government appropriations), the Last Trading Date and Final Settlement of the relevant Contract shall be deferred to the rescheduled release date announced by the Source Agency, and trading in the Contract shall resume, upon public notice by the Exchange, until the Last Trading Time on the rescheduled Last Trading Date. If a Contract's trading was halted at a Last Trading Time and the release did not occur, the halt shall be lifted upon such notice. Deferral under this provision is subject to the cutoff set forth under "Substitute Index Level" below.

Substitute Index Level: If the CPI-U value for a Contract's Reference Month has not been first published by the Source Agency by the last Exchange business day of the calendar month following the Reference Month (the "Substitute Cutoff Date"), or if the Source Agency announces that the CPI-U for the Reference Month will not be published, the Underlying Price Index for that Contract shall be a Substitute Index Level computed by the Exchange in the manner prescribed for Treasury Inflation-Protected Securities under 31 CFR Part 356, Appendix B (index contingencies), based on the last available twelve-month change in the CPI-U, as follows: Substitute Index Level = L × (L / M)^(1/12), where L is the most recently published monthly CPI-U level and M is the published CPI-U level for the month twelve months prior to the month of L, rounded to three decimal places. Where the U.S. Department of the Treasury has announced a substitute index number for the same Reference Month pursuant to 31 CFR Part 356, Appendix B, the Exchange shall use the Treasury-announced number as the Substitute Index Level. The Last Trading Date of the affected Contract shall be the Substitute Cutoff Date (or, if later, the date on which the Substitute Index Level is announced by the Exchange), and Final Settlement shall occur to the Substitute Index Level on that date. Once determined, the Substitute Index Level is the definitive Underlying Price Index for the Reference Month, and any subsequent publication of an actual CPI-U value for that Reference Month shall not be used in any calculation under this Contract and shall not reopen any settlement.

Successor Index; Rebasing; Index Modification: If the Source Agency permanently discontinues publication of the CPI-U and the Source Agency or its successor publishes a replacement index calculated using the same or a substantially similar formula and method of calculation, the Exchange shall designate that index as the successor Underlying, and all references to the CPI-U shall be to the successor index. If the Source Agency rebases the CPI-U to a base reference period other than 1982–84 = 100, the rebased index shall be used, adjusted by a conversion factor determined by the Exchange such that the rebased index reflects the same rate of inflation as the index prior to rebasing; Contracts listed prior to the rebasing shall settle by reference to index levels expressed in the base in effect at listing (as so converted), and Contracts listed after the rebasing shall settle by reference to the new base. If the Source Agency makes a material change to the definition, composition, or method of calculation of the CPI-U (other than a rebasing or a change in the ordinary course, such as periodic re-weighting, sample updates, quality adjustments, or item-substitution methodology), the Exchange may make only such adjustments as are necessary for the modified index to continue to serve as the Underlying. If no successor index exists and no Substitute Index Level can be computed, the Exchange shall determine the Final Settlement Value pursuant to Rule 7.1 of the Rulebook.

Initial and Maintenance Margin: Initial margin and maintenance margin requirements for the Contract shall be calculated using the Exchange's risk-based margin methodology.

Expiration Date: The Expiration Date for each Contract is its Last Trading Date, as the same may be deferred or reset pursuant to the provisions above.

Expiration Time: The Expiration Time is 8:30 AM ET on the Expiration Date, upon the release of the CPI-U by the Source Agency (or, where the Underlying Price Index is determined as a Substitute Index Level, the time at which the Exchange announces that determination).

Pre-Trade Risk Controls: The Exchange may impose pre-trade risk controls, including price banding, order size limits, and position exposure limits, to ensure orderly trading and mitigate market disruption risk.

Market Integrity: The Exchange may, at its sole discretion, initiate the Market Outcome Review Process pursuant to Rule 7.1 of the Rulebook. The provisions above (Publication Delay; Substitute Index Level; Successor Index; Rebasing; Index Modification; Manifest Error Correction) shall be applied in the order set forth before any resort to Rule 7.1, and the Exchange shall determine the Final Settlement Value pursuant to Rule 7.1 only if none of those provisions yields an Underlying Price Index. If a Daily Settlement Price cannot be determined, the Exchange has the right to determine payouts or margin requirements pursuant to Rule 7.1 of the Rulebook. In the event of an Emergency, as defined in Rule 2.8 of the Rulebook, the Exchange may take such actions as it deems necessary and appropriate, including but not limited to modifying margin requirements or imposing additional risk controls, in accordance with the procedures set forth in Rule 2.8. The Exchange will monitor the performance of the Contract, including the convergence of the Contract price to the Final Settlement Value at expiration, and may amend the Contract's terms in accordance with applicable Exchange rules and Commission filing requirements. Any such amendment shall apply prospectively only.