

LI.FI Bridge Cover Wording

1. GENERAL

- 1.1. By purchasing the Cover, you unequivocally accept and agree to be bound by the Protocol's terms and conditions herein ("**Terms**").
- 1.2. To be eligible to make a Claim pursuant to the Cover, the Cover must have taken effect as follows:
- a. the Cover Purchaser obtains a quote for the amount of Contribution to be paid for coverage in respect of the:
 - i. Specified Bridge Transaction; and
 - ii. Cover Amount.(each as defined herein, and collectively, the "**Cover Purchase Application**")
 - b. the Cover Purchaser completes payment of the Contribution, which payment shall only be deemed complete when full payment of the Contribution is recorded on the relevant blockchain with at least ten (10) confirmations on the block height containing such payment transaction.

2. COVERAGE

- 2.1. Subject always to the Terms set out herein:
- a. The Cover Purchaser may be compensated for his/her tokens lost during the Specified Bridge Transaction where:
 - i. there is a malfunction, hack or vulnerability exploit of the Specified Bridge;
 - ii. the actual quantity of tokens received by the Cover Purchaser at the Specified Bridge on the destination chain is lower than the expected quantity of tokens to be received at the Specified Bridge on the destination chain as initially recorded by LI.FI Protocol and Signed by the Cover Purchaser on-chain on the source chain due to an error in the slippage reported by the Source Chain DEX and/or the Specified Bridge; or
 - iii. the actual quantity of tokens received by the Cover Purchaser at the Destination Chain DEX is lower than the expected quantity of tokens to be received at the Destination DEX on the destination chain as initially recorded by LI.FI Protocol and Signed by the Cover Purchaser on-chain on the source chain due to an error in the slippage reported by the Source Chain DEX, Specified Bridge and/or the Destination Chain DEX,thereby resulting in irrecoverable loss by the Cover Purchaser within the Cover Period ("**Claimable Loss**").

(each as defined herein, and collectively, the "**Claimable Risk Event**")

- b. Any compensation is limited to the lower of your Claimable Loss or Cover Amount (each as defined herein, and collectively, the “**Cover Payout**”) and shall only be made in the event of a successful Claim on a Claimable Risk Event, following which this Cover shall terminate.
- c. The Claimable Loss shall be valued based on its Daily Average Market Price in \$USDC at the time the Specified Bridge Transaction is Signed. The tokens used for Cover Payout (if any) shall be determined by the Protocol on a case-by-case basis.
- d. Any compensation which the Operator of the Specified Bridge, Destination Chain DEX, Source Chain DEX or any other third-party elects to pay the Cover Purchaser in relation to such loss, or any digital asset subsequently recovered and returned to the Cover Purchaser shall be deducted from any Cover Payout or used by the Cover Purchaser to reimburse the Protocol up to the value of any Cover Payout made.

2.2. Claim Based on Cover Purchase Address

Any Claim by you is subject to your retention of control over the Cover Purchase Address (including your private key to the Cover Purchase Address). In the event that such control is lost, the Protocol has no obligation to make any Cover Payout to you, whether by sending such Cover Payout to another designated blockchain address or otherwise, and you shall have no claim against the Protocol in relation to such Claim.

3. **CLAIMS PROCEDURE**

3.1. Claims Procedure

- a. Claims must be filed in respect of a Claimable Risk Event that occurred within the Cover Period before the expiration of seven (7) days from the date of the Claimable Risk Event, failing which there shall be no Claim under the Cover (“**Claim Deadline**”).
- b. Claims shall automatically be deemed invalid and rejected upon submission if:
 - i. the Claims were duplicated or made on the same Claimable Risk Event which has already been rejected twice by the Advisory Board.
 - ii. the value of tokens received by the Claimant in relation to the Specified Bridge Transaction exceeds the value of the Cover Amount in \$USDC at the time the Specified Bridge Transaction is Signed.
- c. Claimants shall file their Proof of Loss within seven (7) days from the date of Claim submission, failing which the Claim shall automatically be deemed invalid and rejected.
- d. The Advisory Board shall make a Claim Investigation Report containing the Advisory Board’s and LI.FI Protocol’s investigation findings, draw a conclusion, and make a Cover Payout decision for valid Claims only (“**Claim Outcome**”).
- e. If the Claim is approved, payments shall be made from the Bridge Cover Fund only and in accordance with the criteria set out in the Claim Outcome to successful Claimants. The Protocol shall not be responsible for any differences between the market value of

the tokens used in making the Cover Payouts at the time of such Cover Payouts and the time the Claimants have received such Cover Payouts.

4. PROOF OF LOSS

- 4.1. Claims shall not be deemed complete and eligible benefits shall not be payable unless all Proof of Loss have been filed and agreed upon by the Protocol.
- 4.2. Proof of Loss shall include, but is not limited to:
 - a. the Cover Purchase Address;
 - b. the Cover ID;
 - c. the Source Chain Transaction ID;
 - d. references to any relevant on-chain transactions; and
 - e. any other evidence as deemed necessary by the Protocol.

(each as defined herein, and collectively, the “**Proof of Loss**”)

5. EXCLUSIONS

- 5.1. The Cover shall not apply to any loss that is caused directly or indirectly, wholly or partly by, or if there is any incidence of the following:
 - a. any assets of a widely blacklisted wallet, obtained through illegal means, is used for illegal purposes, is associated with any illegal, prohibited or restricted activity which is not compliant with applicable laws or regulations (including but not limited to sanctions imposed by the United Nations or any other regulatory body), including but not limited to activities associated with money laundering or terrorism financing;
 - b. any transaction Signed on the destination chain;
 - c. loss due to carelessness, misunderstanding, improper usage, omission or misuse by the Claimant;
 - d. loss in market value or value of assets;
 - e. the Operator of the Specified Bridge, Source Chain DEX, and/or Destination Chain DEX confiscated or stole tokens from Cover Purchasers in line with the permissions of the Specified Bridge, Source Chain DEX, and/or Destination Chain DEX , such as but not limited to rug pulls;
 - f. the Specified Bridge, Source Chain DEX, and/or Destination Chain DEX’s vulnerabilities, bugs, or any other issues have been made public prior to the execution of the Specified Bridge Transaction;
 - g. loss due to changes in the underlying blockchain or failures in the safety or liveness properties of the underlying blockchain;

- h. loss due to collateral damage from a Claimable Risk Event;
- i. where the Cover was purchased outside the Designated Geographical Areas;
- j. loss due to any administrative, gas and/or transaction fees or expenses incurred in executing the Specified Bridge Transaction; and/or
- k. any non-fungible token.

6. TERMINATION

- 6.1. Save for the Cover Purchaser's obligation to reimburse the Protocol up to the value of any Cover Payout made to the Cover Purchaser for any other compensation or loss recovery (aside from any Cover Payout) made to the Cover Purchaser in respect of the Claimable Risk Event, the Cover shall automatically terminate during the earlier of:
 - a. the occurrence of a Claimable Risk Event; or
 - b. the termination of the Specified Bridge Transaction.
- 6.2. In the event the Cover is cancelled due to the Specified Bridge Transaction having been cancelled and the Cover Purchaser's tokens remain unaffected, any Contribution paid by the Cover Purchaser shall be refunded.

7. INDEMNIFICATION

You will indemnify and at all times keep the Protocol and/or the Protocol's Affiliates indemnified against any and all losses, damages, actions, proceedings, costs, expenses, claims, demands, liabilities (including full legal costs) which may be suffered or incurred by the Protocol or asserted against the Protocol by any person, party or entity whatsoever, in respect of (a) any matter or event whatsoever arising out of or in connection with your breach of any provision in the Terms; (b) your use of the Cover; (c) the Protocol's reliance on information, data or records provided by you; (d) your violation of any applicable law or the rights of any third party; and/or (e) the occurrence of any event due to your act, omission or default which compromises the security or integrity of the Platform.

8. MISREPRESENTATION / FRAUD

Notwithstanding anything in the Terms to the contrary, the Protocol may void the Terms and refuse all claims made in any of the following cases:

- a. if any Claim made shall be fraudulent or exaggerated; or
- b. if any false declaration or statement shall be made in support of any Claim.

9. REGULATORY IMPOSED TAX, CHARGES, FEES, ETC.

The Contribution to be paid by the Cover Purchaser to the Protocol under the Cover is exclusive of any tax by the relevant authorities. In the event the Protocol is required by any applicable law to remit any tax on the Contribution paid by the Cover Purchaser, the Protocol shall calculate and collect from the Cover Purchaser any amount paid or payable under the

Cover on account of such tax. Such amount is calculated by the Protocol, shall be paid by the Cover Purchaser as additional to and without any deduction or set-off from the Contribution payable under the Cover to the Protocol.

10. FORCE MAJEURE

In the event either party is unable to perform its obligations under the Terms because of acts of God, breakdown of critical blockchain infrastructure, equipment, transaction or transmission failure or damage reasonably beyond its control, or other causes reasonably beyond its control, such party shall not be liable for damages to the other for any damages resulting from such failure to perform or otherwise from such causes.

11. USER ACKNOWLEDGEMENTS

11.1. You represent and warrant to the Protocol that:

- a. you have the legal authority to deal with any tokens that may be used in connection with the Cover and that such tokens are not subject to any interests, claims or liens of whatsoever nature;
- b. the provision of the Cover, any part thereof or any copy thereof, or acceptance of the same by you, is not prohibited or restricted by the applicable laws, regulations or rules in your jurisdiction, and where any restrictions in relation to possession are applicable, you have observed and complied with all such restrictions at your own expense and without liability to the Protocol;
- c. you will comply with all applicable laws and regulations with respect to your activities in connection with the Protocol, and will not use the Cover to engage in fraudulent, illegal or suspicious activities and/or transactions, including fraud, money laundering and financing terrorism.

11.2. You will provide all support, information and assistance necessary for the Protocol or the Protocol's authorised representatives to conduct investigations, audits or inspections for the purpose of ensuring proper compliance with the Terms or the Protocol's legal or regulatory obligations.

11.3. You acknowledge and agree that the Protocol has no obligation to you to contact the Operator or any other relevant parties of the Specified Bridge(s) in respect of any Claimable Risk Event or compensation thereof.

11.4. You acknowledge and agree that while the Protocol aims to maintain sufficient capital to meet its obligations, purchase of any coverage does not guarantee full Cover Payout of all losses on the protected assets, in particular, if there are insufficient staked assets in the Bridge Cover Fund. Should there be insufficient assets in the Bridge Cover Fund to complete payout over the course of 14 consecutive days from the day the first partial Cover Payout was made in respect of the Claimable Risk Event, it will be concluded that there will never be sufficient assets and the obligation for payout lapses.

11.5. You acknowledge and agree that the Protocol is not licensed or regulated by any regulator in any jurisdiction.

- 11.6. You acknowledge and agree that that this Cover is not a contract of insurance. The Cover offers discretionary protection that is provided to Cover Purchasers. The Advisory Board has full discretion on whether or not a claim is approved for a successful payout.

12. OTHER PROVISIONS

- 12.1. You hereby represent that all information you provide to the Protocol in connection with the Cover is complete and accurate. If the Protocol determines that such information is not forthcoming or ought to have been disclosed to the Protocol, the Protocol reserves absolute discretion to restrict or remove any benefits under the Cover and the Protocol may cancel or void the Cover, for which you shall have no claim against the Protocol and its Affiliates in connection thereto.
- 12.2. In the Terms, “you” and “your” refers to you if you are the Cover Purchaser and/or Claimant (where applicable). “Will”, “must”, and “shall” indicates a mandatory requirement.
- 12.3. If you are covered by any other third-party insurance for the same subject matter for which you are seeking a Claim, you shall first seek to fully claim under such third-party insurance. The Protocol reserves the right to disburse only such portion of the Cover Payout to the extent not claimable from such third-party insurance, provided the Protocol is satisfied that you have exhausted all avenues of claim against such third-party insurance.
- 12.4. In the event of a malfunction of the Platform’s programmed algorithm which result in an unusual or disproportionate amount to be paid to you or payable by you (as the case may be), the Protocol reserves all rights in its discretion to cancel such Cover and provide a refund to you (if an additional amount is payable by you for such modification) for which you shall have no claim against the Protocol or, as the case may be, require that you promptly return such amount which have been erroneously transferred to you.
- 12.5. Any illegality, invalidity or unenforceability of any clause in the Terms shall not affect the legality, validity or enforceability of any other provisions herein.
- 12.6. If any party hereto delays or fails to exercise any rights/remedies under the Terms, it will not be deemed as a waiver. Any single/partial exercise of any right/remedy shall not prevent any party hereto from any other or further exercise of any other right/remedy. The rights and remedies provided in the Terms are cumulative and not exclusive of any other rights/remedies.
- 12.7. The Terms shall continue to be valid and binding for all purposes whatsoever despite any change by amalgamation, change of name, reconstruction or otherwise which may be made in the Protocol’s constitution.
- 12.8. The Terms stated herein constitute the entire terms and conditions of the Cover and supersedes any and all prior or contemporaneous written or oral agreements or representations.
- 12.9. Any reference to a “day”, “week”, “month” or “year” is to that day, week, month or year in accordance with the Gregorian calendar.
- 12.10. Except as expressly stated under the Terms of Use, you undertake not to initiate or participate, and waive the right to participate in, any lawsuit, arbitration, class action lawsuit or class wide arbitration against the Protocol and/or the Protocol’s Affiliates.

12.11. The Protocol reserves the right to:

- a. assign the Protocol's rights and duties hereunder to any third party at any time without consent or notice to you. You shall not assign the Terms or any rights or obligations herein without the Protocol's prior written consent.
- b. alter the Terms herein from time to time, without prior notice to you, and in such a way as the Protocol deems appropriate. Notwithstanding anything in the Terms to the contrary, the Protocol will use commercially reasonable efforts to communicate any material alterations of the Terms through the Protocol's social media accounts and/or channels as set out on the Platform. If you continue with the Cover after such alterations, you are deemed to have agreed to be bound by the altered terms.
- c. at any time and for any reason, with or without prior notice, suspend or terminate your Cover or terminate any obligations herein without liability to you, if (a) you fail to comply with the Terms herein; (b) you have used or are using the Cover and the Platform for any illegal or impermissible purpose or activity including any activity which may expose or potentially expose the Protocol to civil or criminal liability; (c) the Protocol deems fit to do so for security reasons or to protect the Protocol's interests or the interests of other users of the Protocol; or (d) the Protocol is required to do so in compliance with any applicable law or regulation, or the Protocol is ordered to do so by any enforcement, regulatory or other governmental authority.

DEFINITIONS

"Advisory Board" consists of external experts from various fields and includes partial representation from the Protocol's team. In time however, the composition of the Advisory Board shall be determined by \$INSUR stakers through community voting.

"Affiliates" of an entity means (i) companies in which such entity has an interest in; (ii) companies which such entity is controlled by; or (iii) companies which such entity shares common control with, where "control" includes direct, indirect, or effective control; or (iv) the owners, directors, officers, employees, advisors, agents of such entity and companies.

"Bridge Cover Fund" means the particular pool which the Protocol has designated on its Platform to underwrite this Cover.

"Claim" means a formal request for coverage or compensation for a Claimable Risk Event.

"Claim Deadline" has the meaning ascribed to it in Clause 3.1(a).

"Claim Outcome" has the meaning ascribed to it in Clause 3.1(d).

"Claimable Loss" has the meaning ascribed to it in Clause 2.1(a).

"Claimable Risk Event" has the meaning ascribed to it in Clause 2.1(a).

"Claimant" means a Cover Purchaser seeking to make a Claim.

"Contribution" means the price for the Cover based on the details of the Cover Purchase Application.

“Cover” in relation to the Specified Bridge Transaction, means coverage (to the extent of Cover Amount) provided by the Protocol in the event of a Claimable Risk Event based on and subject to the Terms herein;

“Cover Amount” in relation to a Specified Bridge Transaction, means the quantity of tokens which the Cover Purchaser has specified in the Cover Purchase Application, representing the maximum quantity of tokens which a Cover Purchaser may claim against the Protocol in the event of a Claimable Risk Event occurring in respect of such Specified Bridge Transaction resulting in Claimable Loss to the Cover Purchaser.

“Cover ID” in relation to the Specified Bridge Transaction, means the identification number of the Cover as shown on the Website;

“Cover Payout” has the meaning ascribed to it in Clause 2.1(b).

“Cover Period” in relation to the Cover, means the period commencing from when the Specified Bridge Transaction is first Signed by the Cover Purchaser on the source chain and expiring immediately upon the earlier of: (1) the termination of the Specified Bridge Transaction; or (2) the occurrence of a Claimable Risk Event during the Specified Bridge Transaction.

“Cover Purchase Address” in relation to the Cover, means the address from which such Cover was purchased.

“Cover Purchase Application” has the meaning ascribed to it in Clause 1.2(a).

“Cover Purchaser” means the individual/entity who purchased the Cover.

“Daily Average Market Price” means the daily average of the open, close, high, and low price per token according to Price Information Sources. E.g. The average of US\$0.99 (open), US\$1.01 (close), US\$1.02 (high), & US\$0.95 (low) per \$USDC = $(US\$0.99 + US\$1.01 + US\$1.02 + US\$0.95) / 4 = US\$0.9925$ per \$USDC.

“Designated Geographical Areas” refers to the countries, states, territories or jurisdictions where the Platform, protocols, and services can be accessed from, excluding those countries, states, territories or jurisdictions where the use of the Platform, protocols and services is considered illegal, prohibited or restricted, and any other country, state, territory or jurisdiction which the Protocol in their absolute discretion elects. Excluded countries, states, territories or jurisdictions are set out in the Terms of Use and disclaimers on the Platform which shall be updated from time to time.

“Destination Chain DEX” means the decentralized exchange on the destination chain identified by LI.FI Protocol to be the subject of the Cover and the Specified Bridge Transaction. It excludes any decentralized exchange that requires any transaction to be Signed by the Cover Purchaser on the destination chain be it through LI.FI Protocol or any other protocol.

“LI.FI Protocol” means LI.FI, a cross-chain bridge aggregation protocol that supports any-to-any swaps by aggregating bridges and connecting them to Dex aggregators and is available at <https://li.fi/>.

“Operator” means the project team, developer(s), founder(s), or anyone with access to the smart contracts of the project or protocol.

“Platform” means the Website, Protocol App/API and any other extensions or integrations operated by the Protocol.

“Price Information Source(s)” means independent price data aggregators or any other entity deemed by the Protocol to be reliable and able to provide all relevant asset information (e.g. Coingecko, Coinmarketcap, etc.).

“Proof of Loss” has the meaning ascribed to it in Clause 4.2.

“Protocol” means the InsurAce protocol.

“Protocol App/API” means the Protocol’s application and/or its Application Programming Interface.

“Signed” in relation to the Specified Bridge Transaction, refers to the Cover Purchaser having agreed to and signed a blockchain transaction with his or her digital signature to initiate a change to the blockchain.

“Smart Contract” means a program or digital contract stored on the blockchain that is automatically executed when predetermined conditions are met, excluding front-end services, node infrastructure and/or other non-blockchain services.

“Source Chain DEX” means the decentralized exchange on the source chain identified by LI.FI Protocol to be the subject of the Cover and the Specified Bridge Transaction.

“Source Chain Transaction ID” means the transaction hash of the Specified Bridge Transaction which is Signed by the Cover Purchaser on the source chain;

“Specified Bridge” means the particular blockchain bridge identified by LI.FI Protocol to be the subject of this Cover and the Specified Bridge Transaction.

“Specified Bridge Transaction” in relation to the Cover and the Cover Purchase Application, means the particular transaction arranged by LI.FI Protocol and Signed by the Cover Purchaser on the source chain through which the Cover Purchaser transfers his/her tokens from the source chain over to the destination chain. The Specified Bridge Transaction may involve the Source Chain DEX, Specified Bridge, and/or the Destination Chain DEX, and excludes any transaction Signed by the Cover Purchaser on the destination chain be it through LI.FI Protocol or any other protocol.

“Terms” has the meaning ascribed to it in Clause 1.1.

“Terms of Use” means the Terms of Use on the Website.

“Website” means <https://www.insurace.io/>.