

Smart Contract Vulnerability Cover Summary Sheet	
Parties	The InsurAce protocol & the Cover Purchaser.
With Effect From	29 th July, 2022
Covered Address	Cover will only apply to one (1) address that has been provided by the Cover Purchaser during Cover purchase prior to the Claimable Risk Event occurring.
Cover Period	Cover Period runs from the time the Cover takes effect until the expiry of the number of days specified during Cover purchase.
Coverage	<p>The Cover only covers the Cover Purchaser's Actual Loss (i.e. excluding fees and gas costs, any compensation, and any recovered amounts) which directly resulted from the unauthorized, malicious, criminal attacks, hacks or exploits of any malfunction or programming flaw, or any malfunction or programming flaw in the Designated Smart Contract of the Specified Protocol the Cover Purchaser has elected to be covered for ("Claimable Risk Event"). In such an event, Cover Purchasers should only expect to receive payment of the lesser of:</p> <ul style="list-style-type: none"> • Cover Purchaser's Actual Loss; or • the Specified Cover Amount less any Cover Payout(s) that have been paid to the Cover Purchaser (if any) under the Cover.
Cover Cancellation	Cover Purchasers are allowed to cancel their Cover and be refunded any Unused Cover Payments, subject to a fee and rewards deduction. In the unlikely event the Cover is cancelled due to insufficient capital to meet Cover Purchasers' coverage needs or voting by Governance Members, Unused Cover Payments will be refunded to the Cover Purchasers.
Claims Submission	<p><u>Group Claim Procedure:</u> Group Claim Procedure shall apply if more than one (1) Cover Purchaser suffered Actual Loss from the same Claimable Risk Event. Claims must be submitted in respect of a Claimable Risk Event that occurred within the Cover Period with a fee payment of 0.5 % of the amount claimed by the Claimant to the Protocol before the expiration of the earlier of: (a) 21 days after The Protocol's public confirmation of the Claimable Risk Event; or (b) 15 days after the Cover Period has expired, failing which there shall be no Claim under the Cover.</p> <p><u>Individual Claim Procedure:</u> Individual Claim Procedure shall apply if only one (1) Cover Purchaser suffered Actual Loss from the Claimable Risk Event. The Claim must be submitted in respect of a Claimable Risk Event that occurred within the Cover Period with a fee payment of 0.5 % of the amount claimed by the Claimant to the Protocol before the expiration of 15 days after the Cover Period has expired, failing which there shall be no Claim under the Cover.</p> <p><u>In any case:</u> Claims shall automatically be deemed invalid and rejected upon submission if the Claims were made on the same loss event which has already been rejected twice by the Advisory Board or Claim Assessors.</p>
Proof of Loss and Ownership Submission	Claimants must submit their Proof of Loss and Ownership within seven (7) days from the day of Claim submission, failing which the Claim shall automatically be deemed invalid and rejected.
Exclusions	<p>The Cover will not apply to the following:</p> <ul style="list-style-type: none"> • Any events or losses due to security events such as phishing, private key security breaches, malware, exchange hacks or any other activity and/or miner behaviour where the Designated Smart Contract continues to function as intended. • Any events or losses which were due to the Specified Protocol's Operator(s) confiscating or stealing funds in line with the permissions of the Specified Protocol and/or Designated Smart Contract (e.g. Rugpulls). • Any events or losses due to collateral damage from a Claimable Risk Event. • Any events or losses due to movements in the market price of asset value.

Exclusions (Continued)	<ul style="list-style-type: none"> • Any events or losses that occurred outside the Cover Period. • The asset(s) is or are NFTs. • The asset(s) is or are associated with any illegal, prohibited or restricted activity. • The asset(s) is or are not verifiable on-chain. • The Claim is suspected to be fraudulent, exploitative and/or made for the purposes of profiting from the Claim. • Where false or misleading information is provided to The Protocol. • Where the possibility of events or losses in relation to the Designated Smart Contract or the Specified Protocol has been publicly disclosed prior to the Cover taking effect (e.g. disclosure of a bug in a fork of the Designated Smart Contract). • Where the Cover was purchased outside the Designated Geographical Areas as set out in the Website's Terms of Use. • Any losses in excess of the Specified Cover Amount less The Protocol's fees and expenses, any administrative or transactional fees or expenses borne by The Protocol in relation to a Claim, and/or any costs or expenses the Cover Purchaser is liable for to third-parties in connection with any Claim or The Protocol's Platform.
Cover Termination	<p>The Cover automatically terminates when whichever of the following occurs first:</p> <ul style="list-style-type: none"> • The cumulative Cover Payout(s) (if any) that have been made to you under the Cover in relation to the Specified Protocol adds up to, but shall not exceed, the Specified Cover Amount. • The Cover has matured, terminated, lapsed or been surrendered. • The Cover is cancelled. • There is insufficient capital to meet the Cover Purchasers' coverage needs. • The Designated Smart Contract is decommissioned, obsoleted, or not in use in any manner.
Disclaimer	<ul style="list-style-type: none"> • Please note that while the Protocol aims to adhere to the Solvency II capital requirement as part of its capital model, 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 capital pool. • The Protocol is not licensed or regulated by the Monetary Authority of Singapore or any regulator in any jurisdiction. • This Cover is not a contract of insurance. The Cover offers discretionary protection that is provided to Cover Purchasers. The Advisory Board and the Claims Assessors have full and final discretion on whether or not a claim is approved for a successful payout.

Attention: This Smart Contract Cover Summary Sheet is only a summary of the full terms and conditions of the Smart Contract Cover Terms and Conditions set out below ("Terms") and therefore does not constitute, neither shall it substitute, the actual Terms. Clauses 1.4, 2, 3, 4 and 5 of the Terms specifies the eligibility to make a Claim, Coverage, Claims Procedure, Proof of Loss and Ownership, and Exclusions. By purchasing the Cover, Cover Purchasers and Claimants unequivocally accept all Terms.

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Smart Contract Vulnerability Cover Terms and Conditions

Dated and Effective from 29th July, 2022.

1. GENERAL

- 1.1. By purchasing the Cover, you unequivocally accept and agree to be bound by the terms and conditions herein (“**Terms**”).
- 1.2. The Cover is provided by The Protocol. In the Terms, “you” and “your” refers to you if you are a Cover Purchaser and/or Claimant (where applicable).
- 1.3. The Protocol may amend the Terms from time to time without prior notice to you. Amendments shall take effect from the date the amended terms and conditions are published on the Website. If you continue with the Cover after such amendments, you are deemed to have agreed to the amended terms and to be bound by them. It is your responsibility to check for the latest version of the terms and conditions prior to purchasing the Cover or continuing with your use of the Cover.
- 1.4. To be eligible to make a Claim pursuant to the Cover, the Cover Purchaser must purchase the Cover using the Protocol App/API and the Cover must have taken effect as follows:
 - a. the Cover Purchaser first obtains a quote for Cover Payment by submitting a Cover purchase application (“**Cover Purchase Application**”) after selecting or specifying the following coverage specifications using the Protocol App/API:
 - i. Specified Protocol(s);
 - ii. Specified Cover Amount for each Specified Protocol;
 - iii. Covered Address; and
 - iv. Specified Cover Period for each Specified Protocol.(each as defined herein, and collectively, the “**Cover Specifications**”)
 - b. the Protocol App/API will then provide a quote for Cover Payment (denominated in Supported Digital Tokens), which expires after a period of time if on-chain payment is not made by the Cover Purchaser;
 - c. the Cover Purchaser has completed payment of Cover Payment, which payment shall only be deemed complete when full payment of Cover Payment is recorded on the relevant blockchain with at least ten (10) confirmations on the block height containing such payment transaction (“**Cover Payment Block Height**”); and

- d. If the Designated Smart Contract is in:
- i. the same blockchain where the Cover is purchased, the Cover shall only take effect from the timestamp of the Cover Payment Block Height or from the timestamp of the block height containing the Cover Specifications, whichever occurs later; or
 - ii. a different blockchain from the blockchain in which the Cover is purchased, the Cover shall only take effect after ten (10) minutes have lapsed from the timestamp of the Cover Payment Block Height or the timestamp of the block height containing the Cover Specifications, whichever occurs later, and the time of the Cover's expiration shall be revised accordingly (This is intended to eliminate the time difference between different blockchains).

(each as defined herein, and collectively, the "Cover Commencement Date/Time")

2. COVERAGE

2.1. Cover on Smart Contract(s)

Subject always to the Terms set out herein:

- a. Only in the event of:
 - i. a successful Claim; and
 - ii. any Claimable Risk Event in relation to a Specified Protocol,

shall The Protocol only make payment of the lower of: (1) your Actual Loss suffered; or (2) the Specified Cover Amount less any Cover Payout(s) that have been paid to you (if any) under the Cover (each as defined herein, and collectively, the "Cover Payout").

- b. The exchange rate between the Supported Digital Tokens used by the Cover Purchaser for Cover Payment and the relevant assets being the subject of the Cover Purchaser's Actual Loss during the Claimable Risk Event, based on data extracted from Price Information Source(s) deemed by The Protocol to be reliable, shall be used in the calculation of the Cover Purchaser's Actual Loss and Specified Cover Amount for the purpose of the Cover Payout. The tokens used for Cover Payout (if any) shall be determined by The Protocol on a case-by-case basis.

- c. For the purposes of the Cover, “**Claimable Risk Event**” in relation to a Specified Protocol shall mean any:
- i. unauthorized, malicious, or criminal attacks, hacks or exploits of any malfunction or programming flaw in the Designated Smart Contract; or
 - ii. malfunction or programming flaw in the Designated Smart Contract,
- of the Specified Protocol during the Cover Period directly resulting in Actual Loss to the Cover Purchaser.
- d. References made to “**Designated Smart Contract**” in relation to a Specified Protocol shall refer only to the Smart Contract most immediate to the Specified Protocol and does not include the following:
- i. any Smart Contract associated with another Specified Protocol;
 - ii. any Smart Contract where the Cover Purchaser’s assets are not verifiable on-chain;
 - iii. if the relevant Smart Contract of the Specified Protocol in question is a master or parent Smart Contract (“**Master/Parent Smart Contract**”), any sub-Smart Contract or child Smart Contract (“**Sub/Child Smart Contract**”);
 - iv. if the relevant Smart Contract of the Specified Protocol in question is a Sub/Child Smart Contract, the Master/Parent Smart Contract;
 - v. any New Specified Protocol; and
 - vi. any Smart Contract related to Blockchain Bridges.
- e. Notwithstanding anything to the contrary in the Terms, in the event that a Designated Smart Contract of a Specified Protocol (“**Pre-update Smart Contract**”) subject of Cover (“**Pre-update Specified Protocol Cover**”) undergoes a version update, the post-updated version of such Pre-update Smart Contract (“**Post-update Smart Contract**”) shall be deemed to be a different Specified Protocol (“**New Specified Protocol**”), save where the updates are minor upgrades, changes or regular maintenance work reasonably carried out on the Designated Smart Contract in the ordinary course of business of the Specified Protocol, or where critical fixes or cyber security measures are required to prevent business interruption. A Cover Purchaser is not eligible to make a Claim under Pre-update Specified Protocol Cover for any Claimable Risk Event in respect of New Specified Protocol.

2.2. Claim Based on Cover Purchase Address

By agreeing to the Terms, you acknowledge that 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, you acknowledge and agree that 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.

2.3. Cover Payout Financing

- a. Subject always to the Terms set out herein:
 - i. In the event a Cover under the Terms is wholly or partially insured by regulated third-party insurers (“**Insurers**”), such Cover shall only be purchased by Cover Purchasers who have been verified by a “know your customer” (“**KYC**”) service provider appointed by The Protocol and such verification shall be made according to applicable KYC and anti-money-laundering rules and regulations. Cover Purchasers who have not been verified as such shall not be eligible to purchase Insured Covers.
 - ii. Only Cover specified on the Protocol App/API as being eligible for financing from these Insurers shall be “**Insured Cover**”.
 - iii. In the event of a Claimable Risk Event and successful claim thereafter, payment of Claim Payouts to Claimants shall continue to be facilitated through The Protocol.
- b. Notwithstanding anything in the Terms to the contrary, Claim Payouts of Insured Covers shall be subjected to the outcome of any disputes between Governance Members and Insurers including, but not limited to denial and/or delay of Claim Payouts, and such outcome shall be deemed final and conclusive.

3. **CLAIMS PROCEDURE**

3.1. Group Claim Procedure

- a. If more than one (1) Cover Purchaser suffered Actual Loss from the Claimable Risk Event, the procedure set out at Clauses 3.1(a) to 3.1(k) herein shall apply and the Claims submitted accordingly shall be classified as Group Claim (“**Group Claim**”).
- b. Upon being notified of a potential Claimable Risk Event, the Advisory Board shall investigate and verify the event for up to seven (7) days from such notification, after which the Advisory Board shall make an announcement on

The Protocol's public channels to confirm or disconfirm the occurrence of a Claimable Risk Event, or to extend the time to investigate and verify the event.

- c. Claims must be submitted in respect of a Claimable Risk Event that occurred within the Cover Period with a fee payment of 0.5 % of the amount claimed by the Claimant to the Protocol before the expiration of the earlier of:
 - i. 21 days after The Protocol's public confirmation of the Claimable Risk Event; or
 - ii. 15 days after the Cover Period has expired,

failing which there shall be no Claim under the Cover.
- d. Claims shall automatically be deemed invalid and rejected upon submission if the Claims were made on the same loss event which has already been rejected twice by the Advisory Board or Claim Assessors.
- e. Claimants shall submit their Proof of Loss and Ownership within seven (7) days from the day of Claim submission, failing which the Claim shall automatically be deemed invalid and rejected.
- f. The Advisory Board shall only make a Claim Investigation Report containing the Advisory Board's investigation findings, draw a conclusion, and make a payout proposal on the Group Claim in respect of valid claims ("**Group Proposal**").
- g. The Group Proposal shall then be subjected to voting by the Claim Assessors. The default voting window is 48 hours. If at least 15% of the total \$INSUR tokens staked by the Claim Assessors is involved in the vote, these votes shall be deemed to be valid ("**Valid Votes**"). Otherwise, the vote is deemed invalid, in which case the Advisory Board shall determine the Group Claim and the Protocol shall proceed as such.
- h. In the event that more than 50% of the Valid Votes reached consensus ("**Majority Vote**") on the Group Proposal, The Protocol shall proceed as per the Majority Vote, otherwise the Advisory Board shall determine the Group Claim and the Protocol shall proceed as such.
- i. Claims submitted after the Claim Assessors' or Advisory Board's determination of the Group Claim ("**Claim Outcome**") shall have seven (7) days from the day of Claim submission for submitting Proof of Loss and Ownership, failing which such Claims shall automatically be deemed invalid and rejected. After the seven (7) days have lapsed, such Claims shall be solely and conclusively determined by the Advisory Board after five (5) days and based on the Claim Outcome.

- j. After a Claim has been determined, the Claimant shall have 72 hours to file an Appeal (“**Appeal**”) (if any) against the decision of the Claim Assessors or the Advisory Board with new and different evidence of Proof of Loss and pay The Protocol a fee of 0.5 % of the amount claimed by the Claimant, failing which there shall be no Appeal. The Advisory Board shall have sole and absolute discretion to make a final and conclusive determination on the Appeal.
- k. If the Group Claim is approved, payments shall be made according to the criteria set in the Group Proposal or Appeal decision to the successful Claimants and 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.

3.2. Individual Claim Procedure

- a. If only one (1) Cover Purchaser suffered Actual Loss from the Claimable Risk Event, the procedure set out at Clauses 3.2(a) to 3.2(h) herein shall apply.
- b. The Claim must be submitted in respect of a Claimable Risk Event that occurred within the Cover Period with a fee payment of 0.5 % of the amount claimed by the Claimant to the Protocol before the expiration of 15 days after the Cover Period has expired, failing which there shall be no Claim under the Cover.
- c. The Claim shall automatically be deemed invalid and rejected upon submission if the Claim was made on the same loss event which has already been rejected twice by the Advisory Board or Claim Assessors.
- d. The Claimant shall submit Proof of Loss and Ownership within seven (7) days from the day of Claim submission, failing which the Claim shall automatically be deemed invalid and rejected.
- e. The Advisory Board shall only make a Claim Investigation Report containing the Advisory Board’s investigation findings, draw a conclusion, and make a payout proposal for a valid Claim (“**Proposal**”).
- f. The Proposal shall then be subjected to voting by the Claim Assessors. The default voting window is 48 hours. If there are Valid Votes and a Majority Vote, The Protocol shall proceed as per the Majority Vote. Otherwise, the Advisory Board shall determine the Claim and the Protocol shall proceed as such.
- g. After the Claim has been determined, the Claimant shall have 72 hours to file an Appeal (if any) against the decision of the Claim Assessors or the Advisory Board with new and different evidence of Proof of Loss and pay The Protocol a fee of 0.5 % of the amount claimed by the Claimant, failing which there shall

be no Appeal. The Advisory Board shall have sole and absolute discretion to make a final and conclusive determination on the Appeal.

- h. If the Claim is approved, payment shall be made according to the criteria set in the Proposal or Appeal decision to the successful Claimant and The Protocol shall not be responsible for any differences between the market value of the tokens used in making the Cover Payout at the time of such Cover Payout and the time the Claimant has received such Cover Payout.

3.3. In the event the Claim Assessors failed to reach consensus, or there is an absence of Valid Votes, or the Claimants have Appealed their Claim, notwithstanding anything in the Terms to the contrary, the Advisory Board reserves the right and has sole and absolute discretion to make a final and conclusive determination on all matters in relation to any Claim or Appeal, including but not limited to the following:

- a. whether the Claim or Appeal has been fully substantiated with evidence of Proof of Loss and Ownership for The Protocol to make a Cover Payout under the Terms;
- b. whether Actual Loss was suffered in relation to a Claimable Risk Event;
- c. whether a Claimable Risk Event is considered to have occurred on the Designated Smart Contract in respect of a Specified Protocol;
- d. whether the Cover Purchaser is precluded from making a Claim under a Pre-update Specified Protocol Cover for a Claimable Risk Event that occurred on a Post-update Smart Contract;
- e. whether the Designated Smart Contract subject of a Claimable Risk Event is a Master/Parent Smart Contract or Sub/Child Smart Contract; and
- f. whether the Claim or Appeal will be approved for Claim Payout, in part or in whole, or any ad-hoc or customized claim settlement plan as the Advisory Board deems fit.

4. PROOF OF LOSS AND OWNERSHIP

4.1. Claims are not deemed complete and eligible benefits are not payable unless all Proofs of Loss and Ownership have been submitted and agreed upon by The Protocol.

4.2. Proof of Loss and Ownership shall include, but is not limited to:

- a. a transaction of one (1) USD stablecoin from the Claimant's Covered Address to Cover Purchase Address and back to the Covered Address within 7 days after Claim submission;
- b. a snapshot of the impacted Covered Address' balances at block times directly before, during and after any losses have been applied;

- c. a report from a Professional Security Firm describing the Claimable Risk Event;
- d. references to any relevant on-chain transactions; and/or
- e. any other evidence as deemed necessary by The Protocol.

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

- 4.3. The Claimant is required to provide The Protocol with truthful information, otherwise the Claim shall be deemed invalid and rejected.

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. the asset(s) is or are NFTs;
 - b. any asset subject to or in connection with the Claim is 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;
 - c. the Claimant’s assets are not verifiable on-chain during the Claimable Risk Event;
 - d. there is suspicion or evidence of fraud or any activities for the purpose of profiting from the Claim;
 - e. a Claimant seeking to exploit The Protocol’s Platform or any Smart Contract for the purpose of making a Claim;
 - f. where the Claim or information provided to The Protocol is false or misleading;
 - g. any events or losses suffered in relation to a Claim is not attributable to any hack, exploit or compromise of the Designated Smart Contract, but is instead attributable to other factors, including but not limited to phishing, private key security breaches, malware, or exchange transaction hacks, or attributable to carelessness, misunderstanding, improper usage, omission or misuse by the Claimant, where the Designated Smart Contract continues to function as intended;
 - h. the Claimable Risk Event occurred outside of the Cover Period;

- i. any events or losses due to movements in the market price of asset value, regardless of whether such movements in market price of asset value is related to the Claimable Risk Event or not;
- j. the Operator(s) of the Specified Protocol confiscated or stole funds from Cover Purchasers in line with the permissions of the Specified Protocol and/or Designated Smart Contract, such as but not limited to rug pulls;
- k. where the Claimable Risk Event occurs during the Cover Period but the Claimable Risk Event, or suspicion, potential or possibility for the Claimable Risk Event, such as but not limited to the finding of a bug in the Designated Smart Contract or any associated Smart Contract (e.g. forked Smart Contract), becomes publicly disclosed prior to the Cover Commencement Date/Time (whether or not the Claimant is made aware of such public disclosure) or if the Claimable Risk Event, or suspicion, potential or possibility for the Claimable Risk Event is announced by The Protocol through The Protocol's Website, social media platforms or other channels prior to the Cover Commencement Date/Time (whether or not the Claimant is made aware of such announcement);
- l. any events or losses where any other external interoperable or interactive Smart Contracts are hacked, exploited or compromised, or manipulated in an unintended way, while the Designated Smart Contract continues to operate as intended;
- m. any events or losses resulting from the Designated Smart Contract's attachment to another compromised Smart Contract where the Designated Smart Contract continues to function as intended;
- n. any events or losses where the Designated Smart Contract continues to function as intended, but where incidence of hack, exploit or compromise arises from external inputs such as but not limited to third-party oracles, governance systems, tokenomics mechanism, flash-loan transactions, incentive structures, miner behaviour and network congestion, whether or not such external inputs have been integrated with the Designated Smart Contract;
- o. any events or losses where the relevant Designated Smart Contract continues to function as intended, but the loss was due to negligence, mistake, error or operational failure on the part of the Specified Protocol's Operator(s) including but not limited to mistakenly uploading wrong parameters or settings to the Designated Smart Contract;
- p. any events or losses due to collateral damage from a Claimable Risk Event;
- q. any associated fees or costs;
- r. any events or losses where the relevant Designated Smart Contract continues to function as intended, and the events or losses resulted from the indirect use

of assets including but not limited to financial derivatives on the assets or the use of assets as collateral (e.g. of collateral used for perpetual contract trading);

- s. Where the Cover was purchased outside the Designated Geographical Areas as set out in the Website's Terms of Use ;
- t. any loss in excess of the Specified Cover Amount less Fees & Expenses (as defined herein);
- u. any administrative or transactional fees or expenses (including but not limited to gas fees or any other associated costs relating to the purchase of any Cover or incidental to any Claim) borne by The Protocol in relation to a Claim ("**Fees & Expenses**"). In the event of any such costs or expenses incurred by The Protocol for any reason, you shall be liable to promptly refund The Protocol the amount in full at The Protocol's request;
- v. any loss from wallet or address attack due to seed phrase(s), password(s) or other credentials having been obtained or stolen by hacking, theft, robbery, housebreaking, physical damage to wallet including but not limited to explosion, fire, water; and/or
- w. any costs or expenses which you are liable for to third-parties in connection with any Claim or your use of The Protocol's Platform.

6. TERMINATION

6.1. The Cover shall automatically terminate and you shall not be eligible to make any further Claim pursuant to such terminated Cover when:

- a. the cumulative Cover Payout(s) (if any) that have been made to you under the Cover in relation to the Specified Protocol adds up to, but shall not exceed, the Specified Cover Amount;
- b. the Cover has matured, terminated, lapsed or been surrendered;
- c. the Cover is cancelled;
- d. there is insufficient capital to meet the Cover Purchasers' coverage needs; or
- e. the Designated Smart Contracts are decommissioned, obsoleted, or not in use in any manner,

whichever occurs earlier.

6.2. In the event the Cover is cancelled:

- a. the Unused Cover Payment will be refunded in \$INSUR tokens with deduction of any cover rewards given to you and the referrer if a referral code was used at the time of purchasing the Cover; and
- b. in the event the Cover is cancelled by the Cover Purchaser, a cancellation fee of 10% of the Unused Cover Payment shall be charged for cover cancellation.

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.

- 9.1. The Cover Payment to be paid by the Cover Purchaser to The Protocol under the Cover is exclusive of any tax. In the event The Protocol is required by any applicable law to remit any tax on the Cover Payment 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 Cover Payment payable under the Cover to The Protocol. Tax is defined as any present or future, direct or indirect, tax including sales tax, service tax, any other tax of similar nature, levy, impost, duty, charge, fee, deduction or withholding of any nature, and any interest or penalties in respect thereof imposed by the relevant authorities.

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 digital tokens including Supported Digital Tokens that may be used in connection with the Cover and that such digital tokens including Supported Digital Tokens are not subject to any interests, claims or liens of whatsoever nature;
- b. you acknowledge and agree that no regulatory authority has examined or approved of the Cover, no such action has been or will be taken under the laws, regulatory requirements or rules of any jurisdiction, and the provision of the Cover to you does not imply that the applicable laws, regulatory requirements or rules have been complied with;
- c. 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;
- d. 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;
- e. all of the above representations and warranties are true, complete, accurate and non-misleading from the time of your acceptance of the Terms, and such representations and warranties are deemed repeated by you each time you use the Cover and the Platform.

11.2. You acknowledge and agree that to use the Platform in relation to the Cover, you may require a compatible device (including a mobile or computing device), appropriate third-party software (such as browsers), and also connectivity to the internet. You are solely responsible for obtaining such device(s), software, and the necessary connectivity services to access and use the Platform. The Protocol assumes no responsibility for such devices, software and services, or for any functionality of the Platform which is dependent on them to operate and:

- a. you acknowledge and agree to accept all risks associated with for such devices, software and services; and
- b. you acknowledge and agree that The Protocol is not responsible or liable for any error, delay or interruption in or lack of access to the Platform, or for any

loss of Supported Digital Tokens or Cover Payout, occasioned by or attributable to such devices, software and services, and The Protocol assumes no responsibility or obligation to assist you to mitigate against any consequences arising out of or in connection with such devices, software and services.

- 11.3. 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, without any cost to The Protocol.
- 11.4. You acknowledge and agree that The Protocol has no obligation to you to contact the Operator(s) or any other relevant parties of the Specified Protocol in respect of any Claimable Risk Event or compensation thereof.
- 11.5. You acknowledge and agree that in the event of any dispute or claim between The Protocol of whatever nature arising out of or in connection with any transaction conducted in relation to the Cover, the records of such transactions as recorded by The Protocol shall prevail. You shall fully reimburse The Protocol for all reasonable costs and expenses incurred to investigate and collate the relevant records and information in connection with such disputes or claims.
- 11.6. You acknowledge and agree that while The Protocol aims to adhere to the Solvency II capital requirement as part of its capital model, 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 capital pool.
- 11.7. You acknowledge and agree that The Protocol is not licensed or regulated by the Monetary Authority of Singapore or any regulator in any jurisdiction.
- 11.8. 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 and the Claims Assessors have full discretion on whether or not a claim is approved for a successful payout.

12. OTHER PROVISIONS

- 12.1. If The Protocol determines that by reason of any provision or exclusion under the Terms that you are not eligible to make a Claim, or should you disagree with the quantum of loss or any other determination under the Terms, the burden of proving to the contrary shall be on you.
- 12.2. You hereby represent that all information you provide to The Protocol in connection with the Cover is complete and accurate. If there is a change to such information, you must inform The Protocol immediately of the same, together with any other information that may affect The Protocol's determination in respect of any Claim or any other decision in connection to whether The Protocol continues to cover you and the terms of such coverage provided by The Protocol. Such information may result in additional payment being payable by you and different terms and conditions may

apply to you having regard to such information. 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.

- 12.3. 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 (in whole or in part) to you, provided The Protocol is satisfied that you have exhausted all avenues of claim against such third-party insurance for coverage in relation to such subject matter.
- 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 The Protocol 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 The Protocol 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 supersede any and all prior or contemporaneous written or oral agreements or representations. No prior inconsistent representation or statement made in relation to the Cover whether orally or in writing shall form part of the Terms.
- 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 in the event of, but not limited to new market conditions, The Protocol's developments and circumstances, any changes in the law or on the basis of taxation levy application to The Protocol or the Cover. The alterations to the Terms shall take effect from the date the altered terms and conditions are published on the Website. If you continue with the Cover after such alterations, you are deemed to have agreed to the altered terms and to be bound by them. It is your responsibility to check for the latest version of the terms and conditions prior to purchasing the Cover or continuing with your use of the Cover.
- c. cancel the Cover if the minimum required capital to fund Cover Purchasers' benefits is insufficient.
- d. at any time and for any reason, with or without prior notice, suspend or terminate your Cover 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.
- e. at any time, notwithstanding anything in the Terms to the contrary, temporarily or permanently, in whole or in part, without prior notification and without incurring any liability to you, subject to voting by Governance Members, suspend, discontinue, or cancel the Cover. You are deemed to agree to such terms if you continue with the use of the Cover.

DEFINITIONS

“Actual Loss” in relation to Cover Purchaser and Specified Protocol, means the loss of assets which the Cover Purchaser had deposited or transferred to the Specified Protocol with the Covered Address and which are irrecoverable by the Cover Purchaser and shall exclude: (a) any compensation which such Specified Protocol, the Operator(s) relating to the Specified

Protocol, or any other third-party elects to pay the Cover Purchaser in relation to such loss; (b) any digital asset which is subsequently recovered and returned to the Cover Purchaser; (c) any recovery made by the Cover Purchaser; and (d) any fees and gas related costs involved in operating the Designated Smart Contract.

“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 Governance Members 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.

“Appeal” has the meaning ascribed to it in Clause 3.1(j).

“Blockchain Bridges” means bridges connecting blockchain ecosystems. Blockchain Bridges facilitate communication between blockchains through the transfer of information and assets.

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

“Claim Assessors” consist of \$INSUR token holders who have staked their \$INSUR tokens to become Claim Assessors and/or staked their \$INSUR tokens in The Protocol’s governance mining pool. Claim Assessors are entitled to vote on each Claim and earn \$INSUR tokens as rewards if their votes match with the voting result. During each voting session, the more tokens the Claim Assessor stakes, the more voting tickets they will get (* voting weight will be capped at 5% of the total votes), and the more rewards they will receive.

“Claimable Risk Event” has the meaning ascribed to it in Clause 2.1(c).

“Claimant” means a Cover Purchaser seeking to make a Claim.

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

“Cover Commencement Date/Time” has the meaning ascribed to it in Clause 1.4(d).

“Cover Payment” in relation to a specified Cover, means the price for such Cover as quoted on the Protocol App/API (denominated in the relevant Supported Digital Tokens) based on the relevant Cover Specifications.

“Cover Payment Block Height” has the meaning ascribed to it in Clause 1.4(c).

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

“Cover Period” in relation to a Cover, means the period commencing on the Cover Commencement Date/Time and ending on such expiry of the Specified Cover Period therefrom (for illustration, if the Cover Commencement Date/Time is 1 June 2021 at 00:00 hours on Coordinated Universal Time (UTC) and the Specified Cover Period is 10 days, the Cover Period shall expire on 10 June 2021 at 23:59 hours (UTC)).

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

“Cover Purchase Application” has the meaning ascribed to it in Clause 1.4(a)

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

“Cover Specifications” has the meaning ascribed to it Clause 1.4(a).

“Covered Address” in relation to a Cover, means the verified address which the Cover Purchaser has elected to be covered for in the Cover Purchase Application against a Claimable Risk Event affecting the Specified Protocol resulting in Actual Loss to the Cover Purchaser.

“Designated Smart Contract” has the meaning ascribed to it in Clause 2.1(d).

“Geographical Areas” refers to the countries, states, territories or jurisdictions where The Protocol’s Platform, protocols and services can be accessed from, excluding those countries, states, territories or jurisdictions where the use of The Protocol’s 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 Protocol’s Terms of Use in the Website which shall be updated from time to time.

“Governance Members” means \$INSUR stakers.

“Group Claim” has the meaning ascribed to it in Clause 3.1(a).

“Group Proposal” has the meaning ascribed to it in Clause 3.1(f).

“Individual Claim” means a Claim submitted by a single Claimant.

“Insured Cover” has the meaning ascribed to it in Clause 2.3(a)(ii).

“Insurers” has the meaning ascribed to it in Clause 2.3(a)(i).

“KYC” has the meaning ascribed to it in Clause 2.3(a)(i).

“Majority Vote” has the meaning ascribed to it in Clause 3.1(h).

“Master/Parent Smart Contract” has the meaning ascribed to it in Clause 2.1(d)(iii).

“New Specified Protocol” has the meaning ascribed to it in Clause 2.1(e).

“NFT” means Non-Fungible Token.

“Operator” means the Specified Protocol’s project team, developer(s), founder(s), or anyone with access to the Designated Smart Contract.

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

“Post-update Smart Contract” has the meaning ascribed to it in Clause 2.1(e).

“Pre-update Smart Contract” has the meaning ascribed to it in Clause 2.1(e).

“Pre-update Specified Protocol Cover” has the meaning ascribed to it in Clause 2.1(e).

“Price Information Source(s)” means independent data providers, data aggregators, exchanges, trading platforms, and/or any other reliable entity able to provide all relevant asset information (e.g. Coingecko, Coinmarketcap, CEX's, etc.).

“Professional Security Firm” means independent and professional third-party blockchain security or cybersecurity firms (e.g. Trail of Bits, Hacken, OpenZeppelin, etc.) whose regular business activities include security audits for Smart Contracts or Defi protocols, and testing or reviewing Smart Contracts.

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

“Proposal” has the meaning ascribed to it in Clause 3.2(e).

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

“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.

“Specified Cover Amount” in relation to a Specified Protocol, means the amount denominated in Supported Digital Tokens which the Cover Purchaser has specified at purchase of Cover, representing the maximum amount (denominated in such Supported Digital Tokens) which a Cover Purchaser may claim against The Protocol in the event of a Claimable Risk Event occurring on such Specified Protocol resulting in Actual Loss to the Cover Purchaser.

“Specified Cover Period” in relation to a Cover, means such number of days as indicated by the Cover Purchaser on a completed Cover Purchase Application for coverage in relation to the Specified Protocol.

“Specified Protocol” means the protocol which the Cover Purchaser has elected to be covered for against a Claimable Risk Event affecting such protocol resulting in Actual Loss to the Cover Purchaser.

“Sub/Child Smart Contract” has the meaning ascribed to it in Clause 2.1(d)(iii).

“Supported Digital Tokens” means digital assets (including digital tokens) supported by The Protocol from time to time.

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

“The Protocol” means the InsurAce protocol.

“Unclaimed Cover Payment” the portion of the Cover Payment based on the unclaimed portion of the Specified Cover Amount (e.g. 1/3 of the Specified Cover Amount remains unclaimed so 1/3 of Cover Payment is considered Unclaimed Cover Payment).

“Unused Cover Payment” means the unamortized portion of the Unclaimed Cover Payment, based on the remainder of the Cover Period versus the Cover Period, less gas cost (e.g. there is 1/3 of the Cover Period remaining so 1/3 of the Unclaimed Cover Payment less gas cost is considered Unused Cover Payment).

“Valid Votes” has the meaning ascribed to it in Clause 3.1(g).

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