

## \$USDT De-Peg Cover Terms and Conditions

With effect from 21<sup>st</sup> October 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). “Will”, “must”, and “shall” indicates a mandatory requirement.
- 1.3. The Protocol may amend the Terms from time to time without prior notice to you. Notwithstanding anything in the Terms to the contrary, the Protocol will use commercially reasonable efforts to communicate any material amendments of the Terms through the Protocol’s social media accounts and/or channels as set out on the Platform but in any case, 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. 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.
- 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. \$USDT De-Peg Cover;
    - ii. Specified Cover Amount;
    - iii. One (1) Covered Address; and
    - iv. Specified Cover Period;(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. the Cover shall only commence after the expiry of 10 days from the timestamp of the Cover Payment Block Height or from the timestamp of the block height containing the Cover Specifications, whichever occurs later (“**Cover Commencement Date/Time**”).

## 2. COVERAGE

- 2.1. Subject always to the Terms set out herein, the Cover only applies to the Cover Purchaser’s \$USDT as represented by the \$USDT Balance held in the Covered Address during the Claimable Risk Event.
- 2.2. Based on \$USDT’s Daily Average Market Price, only in the event of the Claimant’s successful Claim for “**Claimable Loss**”, which for the purposes of this Cover shall mean 70% of the loss realized by the Cover Purchaser in selling any of the said \$USDT identified in Clause 2.1 herein below the US\$1.00 per \$USDT peg between the Claimable Risk Event and the Claim Deadline and excluding any losses that resulted from \$USDT’s devaluation below US\$0.50 per \$USDT, may the Protocol compensate the Claimant for such Claimable Loss, save that the total compensation amount:
  - a. shall exclude any \$USDT transaction costs; and
  - b. shall not exceed the lower of:
    - i. the Claimable Loss; or
    - ii. the Specified Cover Amount; or
    - iii. the \$USDT Balance, valued at an exchange rate of 1 \$USDT = US\$ 1.00, held in the Covered Address 10 days before the Claimable Risk Event occurred; and
  - c. shall be made in any token or currency deemed by the Protocol to be appropriate,following which this Cover shall terminate.

(each as defined herein, and collectively, the “**Cover Payout**”)

- 2.3. The following shall be deducted from the Cover Payout or used by the Cover Purchaser to reimburse the Protocol up to the value of any Cover Payout made:
- a. any compensation which a protocol, an exchange, the \$USDT issuer, the Operator of the \$USDT Smart Contract, or any other third-party otherwise responsible elects to pay the Cover Purchaser in relation to the Cover Purchaser's Claimable Loss.
  - b. any value which is recovered and returned to the Cover Purchaser.
  - c. any other recovery made by the Cover Purchaser.
- 2.4. For the purposes of this Cover, "**Claimable Risk Event**" in relation to \$USDT Balance shall mean the loss in value of \$USDT as it moves off-peg and trades below US\$0.92 during the Cover Period based on a five (5)-day Time Weighted Average Price ("**TWAP**") calculated using \$USDT's Daily Average Market Price.
- 2.5. The exchange rate between the tokens used for Cover Payout, Supported Digital Tokens used by the Cover Purchaser for Cover Payment, and the relevant assets being the subject of the Cover Purchaser's Claimable Loss at the start of the Claimable Risk Event, based on Daily Average Market Price 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 Claimable Loss and Specified Cover Amount for the purpose of the Cover Payout.
- 2.6. 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.
- 2.7. 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. Claim Procedure

- a. Upon the occurrence of a Claimable Risk Event, the Advisory Board shall make an announcement through the Protocol’s social media accounts and/or channels as set out on the Platform to confirm the occurrence of the Claimable Risk Event, or to extend the time to investigate and verify the event.
- b. Claims must be submitted in respect of any 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.  
  
(each as defined herein, and collectively, the “**Claim Deadline**”)
- c. After the expiry of the Claim Deadline, no further or other \$USDT devaluations shall constitute a Claimable Risk Event until the conclusion of ongoing Claims.
- 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 Claim in respect of valid claims ("**Proposal**").
  - g. The 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 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 Proposal, the Protocol shall proceed as per the Majority Vote, otherwise the Advisory Board shall determine the Claim and the Protocol shall proceed as such.
  - i. Claims submitted before the Claim Deadline and after the Claim Assessors' or Advisory Board's determination of the Claim ("**Claim Outcome**") shall have seven (7) days from the day of such 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. In the event the Claim is determined by the Claim Assessors, the Claimant shall have 72 hours to file an Appeal ("**Appeal**") (if any) against the decision of the Claim Assessors 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 Claim is approved, payments shall be made according to the criteria set in the 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. 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 Claimable Loss was suffered in relation to a Claimable Risk Event;
- c. whether a Claimable Risk Event is considered to have occurred; and
- d. 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 shall not be deemed complete and eligible benefits shall not be 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' \$USDT Balance at block times directly before, during and after any losses have been applied;
  - c. a snapshot of the impacted Covered Address' \$USDT Balance 10 days before the Claimable Risk Event is triggered;
  - d. a report from a Professional Security Firm or the \$USDT issuer(s) describing the Claimable Risk Event;
  - e. references to any relevant on-chain transactions; and/or
  - f. 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. any events or losses due to \$USDT Smart Contract malfunction, hack, exploit, compromise, and/or manipulation in an unintended way;

- b. any events or losses on any asset other than \$USDT;
- c. any \$USDT acquired by selling LP Tokens for \$USDT as opposed to unstaking LP Tokens for \$USDT;
- d. any \$USDT acquired below the Daily Average Market Price of US\$0.99 per \$USDT;
- e. the loss of any value above the US\$1.00 per \$USDT peg;
- f. 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;
- g. the Claimant's assets, transactions, and losses are not verifiable on-chain;
- h. there is suspicion or evidence of fraud or any activities where the Claimant profits from the Claim;
- i. the Claimant seeking to exploit the Protocol or any Smart Contract for the purpose of making a Claim;
- j. where the Claim or information provided to the Protocol is false or misleading;
- k. the Claimable Risk Event occurred outside of the Cover Period;
- l. the Operator(s) of the \$USDT Smart Contract confiscated or stole funds from Cover Purchasers in line with the permissions of the \$USDT Smart Contract such as but not limited to rug pulls;
- m. 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 \$USDT 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 social media accounts and/or channels set out on the Platform prior to the Cover Commencement Date/Time (whether or not the Claimant is made aware of such announcement);

- n. any events or losses caused directly or indirectly by oracle failure, on-chain governance systems exploits, miner behaviour, any redemption of the \$USDT supply on forked versions of blockchain(s) for U.S. Dollars, or underlying blockchain changes;
- o. any events or losses resulting from the indirect use of assets including but not limited to financial derivatives or leverage on the assets or the use of assets as collateral;
- p. any events or losses due to negligence, mistake, error or operational failure on the part of the \$USDT Smart Contract's Operator(s) including but not limited to mistakenly uploading wrong parameters or settings to the \$USDT Smart Contract;
- q. any events or losses due to collateral damage from a Claimable Risk Event;
- r. any associated fees or costs;
- s. where the Cover was purchased outside the Designated Geographical Areas;
- 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. 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 and you shall not be eligible to make any further Claim pursuant to such terminated Cover when:



- a. a Cover Payout has been made to you (regardless of the amount paid);
- 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 \$USDT 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.**

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 \$USDT issuer, \$USDT Smart Contract Operator(s) or any other relevant parties 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 maintain sufficient capital to meet its obligations 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 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. 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 set out on the Platform but in any case, 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. 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.
  - 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.

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## DEFINITIONS

**"\$USDT"** means the \$USDT token issued by Tether and its underlying smart contract being the \$USDT Smart Contract defined below.

**"\$USDT Balance"** means the amount of \$USDT held by the Cover Purchaser in the Covered Address based on the amount of \$USDT or LP Tokens thereof in the Covered Address.

**"\$USDT Smart Contract"** means the smart contracts for \$USDT at the following contract addresses and blockchains:

1. **Ethereum:** <https://etherscan.io/token/0xdac17f958d2ee523a2206206994597c13d831ec7>
2. **Binance Smart Chain:** <https://bscscan.com/token/0x55d398326f99059ff775485246999027b3197955>
3. **Solana:** <https://explorer.solana.com/address/Es9vMFrzaCERmJfrF4H2FYD4KCoNkY11McCe8BenwNYB>
4. **Polygon:** <https://polygonscan.com/token/0xc2132d05d31c914a87c6611c10748aeb04b58e8f>
5. **Avalanche:** <https://snowtrace.io/token/0x9702230a8ea53601f5cd2dc00fdbc13d4df4a8c7>
6. **Arbitrum:** <https://arbiscan.io/token/0xfd086bc7cd5c481dcc9c85ebe478a1c0b69fcb9>
7. **Fantom:** <https://ftmscan.com/token/0x049d68029688eabf473097a2fc38ef61633a3c7a>
8. **Optimism:** <https://optimistic.etherscan.io/token/0x94b008aa00579c1307b0ef2c499ad98a8ce58e58>

**"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).

**“Claim”** means a formal request to the Protocol 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.

**“Claim Deadline”** has the meaning ascribed to it in Clause 3.1(b).

**“Claim Outcome”** has the meaning ascribed to it in Clause 3.1(i).

**“Claimable Loss”** has the meaning ascribed to it in Clause 2.2.

**“Claimable Risk Event”** has the meaning ascribed to it in Clause 2.4.

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

**“Cover”** means coverage (to the extent of Specified Cover Amount) provided by the Protocol in the event of a Claimable Risk Event in respect of \$USDT 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 2.2(c).

**“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 non-custodial address which the Cover Purchaser has elected to be covered for in the Cover Purchase Application against a Claimable Risk Event resulting in Claimable Loss to the Cover Purchaser.

**“Daily Average Market Price”** means the daily average of the open, close, high, and low price of assets 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 \$USDT =  $(US\$0.99 + US\$1.01 + US\$1.02 + US\$0.95) / 4 = US\$0.9925$  per \$USDT.

**“Designated 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 Terms of Use and disclaimers on the Platform which shall be updated from time to time.

**“Fees & Expenses”** has the meaning ascribed to it in Clause 5.1(u).

**“Governance Members”** means \$INSUR stakers.

**“Insured Cover”** has the meaning ascribed to it in Clause 2.7(a)(ii).

**“Insurers”** has the meaning ascribed to it in Clause 2.7(a)(i).

**“KYC”** has the meaning ascribed to it in Clause 2.7(a)(i).

**“LP Tokens”** means tokens representing the Cover Purchaser’s \$USDT supplied directly as liquidity from the Covered Address. The exchange rate between \$USDT and the LP Tokens held in the Covered Wallet during the Claimable Risk Event shall be fixed at the timestamp such LP Tokens were first minted.

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

**“Operator”** means \$USDT’s project team, developer(s), founder(s), issuer(s) or anyone with access to the \$USDT Smart Contract.

**“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.).



**“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 3.1(f).

**“Protocol”** means the InsurAce protocol.

**“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”** 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 resulting in Claimable 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.

**“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.

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

**“TWAP”** has the meaning ascribed to it in Clause 2.4.

**“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/>.