

Audit Refund Cover Wordings

1. GENERAL

- 1.1. The schedule and the terms and conditions below form the cover wordings (“**Terms**”) between Amulet and the Cover Purchaser.
- 1.2. Amulet has agreed to provide this Cover in consideration of the Cover Purchaser’s payment of the Contribution in stablecoins of the Cover Purchaser’s choosing to Amulet’s Contribution Address; in reliance on all information provided to Amulet by or on behalf of the Cover Purchaser; and subject to all the provisions of this Cover.

2. SCHEDULE

Amulet	
Amulet registered address	
Cover Purchaser company name	
Cover Purchaser registered address	
Cover Amount	
Contribution amount	
Contribution Address	
Payout Address	
Cover Period	
Specified Protocol name	

3. COVERAGE

3.1. Cover on Smart Contract(s)

Subject always to the Terms set out herein:

- a. The Cover Purchaser shall only be compensated by Amulet in respect of a “**Claimable Risk Event**” which is when the Cover Purchaser is required to reimburse its Audit Fee to the Specified Protocol due to a loss of funds in the Designated Smart Contract of the Specified Protocol audited by the Cover Purchaser to any:
 - i. unauthorized, malicious, or criminal attacks, hacks or exploits of any malfunction or programming flaw in the Designated Smart Contract within the limits of the scope of work established in the Cover Purchaser’s Statement of Work; or

- ii. malfunction or programming flaw in the Designated Smart Contract within the limits of the scope of work established in the Cover Purchaser's Statement of Work,

during the Cover Period.
- b. Any compensation is limited to the lower of the loss of funds in the Designated Smart Contract as described in Clause 3.1(a) herein ("**Claimable Loss**") or the Cover Amount (each as defined herein, and collectively, the "**Claim Payout**") and shall only be made in the event the Claim is successful.
- c. Any compensation which any other third-party elects to pay the Cover Purchaser in relation to such loss, or any Audit Fee reimbursement subsequently recovered by the Cover Purchaser from the Operator or Specified Protocol in respect of a Claimable Risk Event shall be reimbursed to Amulet up to the value of any Claim Payout made.
- 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 (as specified in the scope of the audit FYEO performs subject to its Statement of Work) and does not include the following:
 - i. any Smart Contract associated with another Specified Protocol;
 - ii. any Smart Contract where the funds 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;
 - vi. any Smart Contract related to Blockchain Bridges; and
 - vii. in respect of the Ethereum blockchain and the Merge, any Smart Contract on forked versions of the Ethereum blockchain, including Proof-of-Work forks.
- 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. The 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.

4. CLAIMS PROCEDURE

- 4.1. Claims can only be filed in respect of a Claimable Risk Event that occurred within the Cover Period. Claims must be filed at [Audit Refund Cover Claim Form \(office.com\)](#) before the expiration of fifteen (15) calendar days after the Cover Period has expired, failing which there shall be no Claim under the Cover.

- 4.2. The Claim shall automatically be deemed invalid and rejected upon filing if the Claims were duplicated or made on the same Claimable Risk Event which has already been rejected twice by the Claim Committee.
- 4.3. The Claimant shall file evidence of Proof of Loss within seven (7) days from the date of Claim filing, failing which the Claim shall automatically be deemed invalid and rejected.
- 4.4. The Claim Committee shall investigate the Claimable Risk Event and verify the evidence for up to seven (7) days, then vote on the Claim.
- 4.5. After the Claim has been determined by the Claim Committee, the Claimant shall have seven (7) days to file an appeal (if any) against the decision of the Claim Committee with new and different evidence for proof of loss, failing which the Appeal shall be rejected (“**Appeal**”). The Claim Committee shall have sole and absolute discretion to make a final and conclusive decision on the Appeal.
- 4.6. In the event the Claim is approved by the Claim Committee, a Claim Payout shall only be made to the Claimant in accordance with the Claim Committee’s decision by the end of the next business day after both of the following have occurred:
 - a. the release of the Claim Committee’s decision to the Claimant; and
 - b. Amulet’s receipt of sufficient evidence of Audit Fee reimbursement by the Claimant in accordance with Clause 5.2(c) herein.
- 4.7. The Protocol shall not be responsible for any differences between the market value of the tokens used in making the Claim Payout at the time of such Claim Payout and the time the Claimant has received such Claim Payout.

5. **PROOF OF LOSS**

- 5.1. Claims shall not be deemed complete and eligible benefits shall not be payable unless all evidence of Proof of Loss have been filed by the Claimant and agreed upon by Amulet.
- 5.2. Proof of Loss shall include, but is not limited to:
 - a. the Statement of Work and/or Task Order(s);
 - b. the receipt and/or blockchain transaction showing payment of Audit Fee by the Specified Protocol to the Cover Purchaser;
 - c. in the event the Claim is approved, the receipt and/or blockchain transaction showing reimbursement of Audit Fee by the Cover Purchaser to the Specified Protocol;
 - d. a postmortem report of the Claimable Risk Event;
 - e. references to any relevant on-chain transactions of the losses sustained by the Specified Protocol; and
 - f. any other evidence as deemed necessary by Amulet which requirements shall be communicated to the Cover Purchaser on a timely basis at which time a Claim is filed.

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

6. EXCLUSIONS

- 6.1. 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 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;
 - c. any assets that are not verifiable on-chain;
 - d. any events or losses suffered in relation to a Claim that is attributable to factors such as, including, but not limited to, phishing, private key security breaches, or malware;
 - e. any events or losses due to the Operator's failure to prevent or implement the necessary measures to mitigate such events or losses despite the issue, problem or vulnerability in the Specified Protocol or Designated Smart Contract enabling such events or losses having been disclosed publicly and/or to the Operator prior to the occurrence of such events or losses;
 - f. any events or losses due to movements in the market price or asset value, regardless of whether such movements in market price or asset value is related to the Claimable Risk Event or not;
 - g. the Operator(s) stole funds from the Specified Protocol and/or Designated Smart Contract in line with the permissions of the Specified Protocol and/or Designated Smart Contract, such as but not limited to rug pulls;
 - h. 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 function as intended;
 - i. 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;
 - j. any events or losses where the Designated Smart Contract continues to function as intended, but where incidence of hack, exploit or compromise arises from inputs such as, but not limited to, oracles, governance systems, tokenomics mechanism, flash-loan transactions, incentive structures, miner behaviour and network congestion, whether or not such inputs have been integrated with the Designated Smart Contract;
 - k. 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 Operator(s) including but not limited to mistakenly uploading wrong parameters or settings to the Designated Smart Contract;
 - l. any negligent, fraudulent, dishonest or criminal act or omission by the Cover Purchaser (including any employee of the Cover Purchaser);
 - m. any malfunction or programming flaw in the Designated Smart Contract caused directly or indirectly by underlying blockchain changes or upgrades (e.g. the Ethereum Merge);
 - n. any events or losses due to collateral damage from a Claimable Risk Event; and/or

- o. 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).

7. TERMINATION

7.1. Except for Clauses 3.1(c) herein which shall survive termination, the Cover shall automatically terminate and Cover Purchaser shall not be eligible to make any further Claim pursuant to such terminated Cover when:

- a. a Claim Payout is made to Cover Purchaser (regardless of the Claim Payout amount paid);
 - b. the Cover has matured;
 - c. the Cover is cancelled; or
 - d. the Designated Smart Contract is decommissioned, obsoleted, or not in use in any manner,
- whichever occurs earlier.

7.2. In the event the Cover is cancelled:

- a. the Unused Contribution will be refunded with deduction of any cover rewards given to Cover Purchaser 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 Contribution shall be charged for cover cancellation.

8. INDEMNIFICATION

Cover Purchaser will indemnify and at all times keep Amulet and/or Amulet'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 Amulet or asserted against Amulet by any person, party or entity whatsoever, in respect of (a) any matter or event whatsoever arising out of or in connection with the Cover Purchaser's possible breach of any provision in the Terms; (b) use of the Cover; (c) Amulet's reliance on information, data or records provided by the Cover Purchaser; (d) Cover Purchaser's possible violation of any applicable law or the rights of any third party; and/or (e) the occurrence of any event due to Cover Purchaser's act, omission or default which compromises the security or integrity of the Platform.

9. MISREPRESENTATION / FRAUD

Notwithstanding anything in the Terms to the contrary, Amulet 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.

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

The Contribution to be paid by the Cover Purchaser to Amulet under the Cover is exclusive of any tax. In the event Amulet is required by any applicable law to remit any tax on the Contribution paid by the Cover Purchaser, Amulet 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 Amulet, 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 Amulet.

11. 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.

12. USER ACKNOWLEDGEMENTS

12.1. Cover Purchaser represents and warrants to Amulet that:

- a. Cover Purchaser has 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 Cover Purchaser, is not prohibited or restricted by the applicable laws, regulations or rules in Cover Purchaser's jurisdiction, and where any restrictions in relation to possession are applicable, Cover Purchaser has observed and complied with all such restrictions at Cover Purchaser's own expense and without liability to Amulet;
- c. Cover Purchaser will comply with all applicable laws and regulations with respect to Cover Purchaser's activities in connection with Amulet, and will not use the Cover to engage in fraudulent, illegal or suspicious activities and/or transactions, including fraud, money laundering and financing terrorism.

12.2. Cover Purchaser will provide all support, information and assistance necessary for Amulet or Amulet's authorised representatives to conduct investigations, audits or inspections for the purpose of ensuring proper compliance with the Terms or Amulet's legal or regulatory obligations, without any cost to Amulet.

12.3. Cover Purchaser acknowledges and agrees that while Amulet aims to maintain sufficient capital to meet its obligations, purchase of any coverage does not guarantee full Claim Payout of all losses on the protected assets, in particular, if there are insufficient staked assets in the capital pool.

12.4. Cover Purchaser acknowledges and agrees that Amulet is not licensed or regulated by any regulator in any jurisdiction.

12.5. Cover Purchaser acknowledges and agrees that this Cover is not a contract of insurance. The Cover offers discretionary protection that is provided to Cover Purchasers. The Claims Committee has full discretion on whether or not a claim is approved for a successful payout.

13. OTHER PROVISIONS

- 13.1. Cover Purchaser hereby represents that all information Cover Purchaser provides to Amulet in connection with the Cover is complete and accurate. If Amulet determines that such information is not forthcoming or ought to have been disclosed to Amulet, Amulet reserves absolute discretion to restrict or remove any benefits under the Cover and Amulet may cancel or void the Cover, for which Cover Purchaser shall have no claim against Amulet and its Affiliates in connection thereto.
- 13.2. In the Terms, “Cover Purchaser” and “Cover Purchaser” refers to Cover Purchaser if Cover Purchaser is a Cover Purchaser and/or Claimant (where applicable). “Will”, “must”, and “shall” indicates a mandatory requirement.
- 13.3. If Cover Purchaser is covered by any other third-party insurance for the same subject matter for which Cover Purchaser is seeking a Claim, Cover Purchaser shall first seek to fully claim under such third-party insurance. Amulet reserves the right to disburse only such portion of the Claim Payout to the extent not claimable from such third-party insurance (in whole or in part) to Cover Purchaser, provided Amulet is satisfied that Cover Purchaser has exhausted all avenues of claim against such third-party insurance.
- 13.4. In the event of a malfunction of the Platform’s programmed algorithm which result in an unusual or disproportionate amount to be paid to Cover Purchaser or payable by Cover Purchaser (as the case may be), Amulet reserves all rights in its discretion to cancel such Cover and provide a refund to Cover Purchaser (if an additional amount is payable by Cover Purchaser for such modification) for which Cover Purchaser shall have no claim against Amulet or, as the case may be, require that Cover Purchaser promptly return such amount which have been erroneously transferred to Cover Purchaser.
- 13.5. Any illegality, invalidity or unenforceability of any clause in the Terms shall not affect the legality, validity or enforceability of any other provisions herein.
- 13.6. 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 Amulet 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.
- 13.7. 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 Amulet’s constitution.
- 13.8. 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.
- 13.9. Any reference to a “day”, “week”, “month” or “year” is to that day, week, month or year in accordance with the Gregorian calendar unless stated otherwise.
- 13.10. Except as expressly stated under the Terms of Use, Cover Purchaser undertakes not to initiate or participate, and waive the right to participate in, any lawsuit, arbitration, class action lawsuit or class wide arbitration against Amulet and/or Amulet’s Affiliates.
- 13.11. Amulet reserves the right to:
 - a. assign Amulet’s rights and duties hereunder to any third party at any time without consent or notice to Cover Purchaser. Cover Purchaser shall not assign the Terms or any rights or obligations herein without Amulet’s prior written consent.

- b. alter the Terms herein from time to time, without prior notice to Cover Purchaser, and in such a way as Amulet deems appropriate. Notwithstanding anything in the Terms to the contrary, Amulet will use commercially reasonable efforts to communicate any material alterations of the Terms through Amulet’s social media accounts and/or channels as set out on the Platform. If Cover Purchaser continues with the Cover after such alterations, Cover Purchaser is 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 Cover Purchaser’s Cover without liability to Cover Purchaser, if (a) Cover Purchaser fails to comply with the Terms herein; (b) Cover Purchaser has used or is using the Cover and the Platform for any illegal or impermissible purpose or activity including any activity which may expose or potentially expose Amulet to civil or criminal liability; (c) Amulet deems fit to do so for security reasons or to protect Amulet’s interests or the interests of other users of Amulet; or (d) Amulet is required to do so in compliance with any applicable law or regulation, or Amulet is ordered to do so by any enforcement, regulatory or other governmental authority.
- d. 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 Cover Purchaser, subject to voting by Governance Members, suspend, discontinue, or cancel the Cover. Cover Purchaser is deemed to agree to such terms if Cover Purchaser continues with the use of the Cover.

14. DEFINITIONS

- 14.1. **“Advisory Board”** consists of external experts from various fields and includes partial representation from Amulet’s team. In time however, the composition of the Advisory Board shall be determined by Governance Members through community voting.
- 14.2. **“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.
- 14.3. **“Amulet”** has the meaning ascribed to it in Clause 2.
- 14.4. **“Appeal”** has the meaning ascribed to it in Clause 4.5.
- 14.5. **“Audit Fee”** means the audit fee paid by the Specified Protocol to the Cover Purchaser for auditing the Designated Smart Contract.
- 14.6. **“Blockchain Bridges”** means bridges connecting blockchain ecosystems. Blockchain Bridges facilitate communication between blockchains through the transfer of information and assets.
- 14.7. **“Claim”** means a formal request for coverage or compensation for a Claimable Risk Event.
- 14.8. **“Claim Payout”** has the meaning ascribed to it in Clause 3.1(b).
- 14.9. **“Claimable Loss”** has the meaning ascribed to it in Clause 3.1(b).
- 14.10. **“Claimable Risk Event”** has the meaning ascribed to it in Clause 3.1(a).
- 14.11. **“Claimant”** means a Cover Purchaser making a Claim.
- 14.12. **“Contribution”** means the price of the Cover.

- 14.13. **“Contribution Address”** means the blockchain wallet address which the Contribution shall be paid into.
- 14.14. **“Cover”** means coverage (capped by the Cover Amount) provided by Amulet to the Cover Purchaser in the event of a Claimable Risk Event in respect of such Specified Protocol based on and subject to the Terms herein;
- 14.15. **“Cover Amount”** means the Audit Fee amount which is the maximum amount a Cover Purchaser may claim against Amulet in the event of a Claimable Risk Event.
- 14.16. **“Cover Period”** in relation to a Cover, means the period between completed payment of Contribution and Cover expiry (for illustration, if payment of Contribution is finalized on 1 June 2021 at 00:00 hours on Coordinated Universal Time (UTC) and the Cover Period is set to expire in 10 days, the Cover Period shall expire on 10 June 2021 at 23:59 hours (UTC)).
- 14.17. **“Cover Purchaser”** means the individual/entity who purchased the Cover.
- 14.18. **“Daily Average Market Price”** means the daily average of the open, close, high, and low price per asset 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.
- 14.19. **“Designated Smart Contract”** has the meaning ascribed to it in Clause 3.1(d).
- 14.20. **“Master/Parent Smart Contract”** has the meaning ascribed to it in Clause 3.1(d)(iii).
- 14.21. **“Merge”** means the joining of the execution layer of the Ethereum blockchain with its proof-of-stake consensus layer, the Beacon Chain. It eliminates the need for energy-intensive mining and instead secures the network using staked \$ETH.
- 14.22. **“New Specified Protocol”** has the meaning ascribed to it in Clause 3.1(e).
- 14.23. **“NFT”** means Non-Fungible Token.
- 14.24. **“Operator”** means the Specified Protocol’s project team, developer(s), founder(s), or anyone with access to the Designated Smart Contract.
- 14.25. **“Payout Address”** means the blockchain wallet address which the Claim Payout (if any) shall be paid into.
- 14.26. **“Platform”** means the Website, and any other extensions or integrations operated by Amulet.
- 14.27. **“Post-update Smart Contract”** has the meaning ascribed to it in Clause 3.1(e).
- 14.28. **“Pre-update Smart Contract”** has the meaning ascribed to it in Clause 3.1(e).
- 14.29. **“Pre-update Specified Protocol Cover”** has the meaning ascribed to it in Clause 3.1(e).
- 14.30. **“Price Information Source(s)”** means independent price data aggregators or any other entity deemed by Amulet to be reliable and able to provide all relevant asset information (e.g. Coingecko, Coinmarketcap, etc.).
- 14.31. **“Proof of Loss”** has the meaning ascribed to it in Clause 5.2.

- 14.32. **“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.
- 14.33. **“Specified Protocol”** means the protocol which the Cover Purchaser has elected to be covered for in relation to a Claimable Risk Event.
- 14.34. **“Statement of Work”** means the statement of work signed by FYEO and the Specified Protocol before audit commencement.
- 14.35. **“Sub/Child Smart Contract”** has the meaning ascribed to it in Clause 3.1(d)(iii).
- 14.36. **“Task Order”** is a change to a retainer Statement of Work that specifies the actual audit work being performed.
- 14.37. **“Terms”** has the meaning ascribed to it in Clause 1.1.
- 14.38. **“Terms of Use”** means the Terms of Use on the Website.
- 14.39. **“Unclaimed Contribution”** the portion of the Contribution based on the unclaimed portion of the Cover Amount (e.g. 1/3 of the Cover Amount remains unclaimed so 1/3 of Contribution is considered Unclaimed Contribution).
- 14.40. **“Unused Contribution”** means the unamortized portion of the Unclaimed Contribution, 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 Contribution less gas cost is considered Unused Contribution).
- 14.41. **“Website”** means <https://www.amulet.org>.

The parties agree to the Terms set forth above as demonstrated by their signatures as follows:

Signed by:

Signed by:

Name: *[Insert name]*

Designation: *[Role in company]*

Name: *[Insert name]*

Designation: *[Role in company]*

For and on behalf of

[Company Name]

Date: *[dd/mm/yyyy]*

For and on behalf of

[Company Name]

Date: *[dd/mm/yyyy]*