Nexus Mutual Generalised Fund Portfolio Cover Terms and Conditions **(the "Cover Terms")**

These Cover Terms, including any Annexes, govern the use of the Generalised Fund Portfolio Cover. The Annexes shall be deemed incorporated into and shall have the same force and effect as if set forth in full in the body of these Cover Terms. Accordingly, any reference to these Cover Terms shall include the Annex. In the event of any inconsistency or conflict between the provisions of these Cover Terms, and the Annex, the provisions of the Annex shall prevail.

CLAIMS.

1. Subject to clause 3 (Exclusions), Claim Assessors *may* approve a Claim made under these Cover Terms if:
   1.1. during the Cover Period the Fund managed by the Covered Member loses funds in excess of the Deductible as a direct result of a Designated Protocol failing from either:
      1.1.1. a smart contract code bug or error resulting in a Designated Protocol being used in an unintended way; or
      1.1.2. An occurrence of Sudden and Severe Economic Event which results in the unintended confiscation or seizure of funds deposited by the Covered Member into a Designated Protocol.

   and
   1.2. the Covered Member provides Cryptographic Evidence:
      1.2.1. Linking ownership of the Impacted Account to the account of the Covered Member submitting the Claim; and
      1.2.2. Should the Cover NFT be transferred to another address post Covered Event:
         1.2.2.1. the transfer of the NFT is made directly to a Nexus Mutual Member Address; and
         1.2.2.2. the sending and receiving addresses are both controlled by the same person or entity.

   and
   1.3. the Impacted Account has suffered a Material Loss;
      and
   1.4. the Covered Member submits a Claim within the following timeframes, failure to do so will result in a termination of the right to claim under this Cover:
      1.4.1. No earlier than 14 days after the occurrence of the Covered Event listed in clause 1.1; and

1.4.2.   during the Cover Period or within 35 days of the Cover Period ending.

2.   **Redeeming**: subject to an approval of a Claim as described in clause 1, the Covered Member may redeem the Claim Amount within thirty (30) days from the Claim approval date. Failure to do so will result in forfeiture of the Claim.

EXCLUSIONS.

3.   Covered Member will not be able to submit a Claim under these Cover Terms for any of the following:

3.1.   any events or losses due to phishing, private key security breaches, malware, miner behaviour or any other activity where a Designated Protocol continues to act as intended;

3.2.   any events or losses where a Designated Protocol was deployed primarily for the purpose of submitting a Claim under this Cover and not for real usage by the User;

3.3.   any events or losses occurring during the Cover Period if:

3.3.1.   the event occurred before the Cover Period began; or

3.3.2.   a public bug disclosure or warnings related to the event were made for a Designated Protocol before the Cover Period began; or

3.3.3.   where a public bug disclosure or warnings related to the event were made for the parent protocol before the Cover Period began, and a Designated Protocol is a fork of that parent protocol.

3.4.   any events or losses resulting from movements in the market price of assets used in, or relied upon, by a Designated Protocol except for any losses caused by asset price movements where the price movement meets the definition of oracle manipulation under clause 1.1.2 (Sudden and Severe Economic Event).

3.5.   any events or losses resulting from the depegging of any asset generated by a Designated Protocol, except where a Designated Protocol bridges two or more blockchains and the failure of a Designated Protocol as outlined in clause 1.1 also results in the depegging of a bridged asset generated by a Designated Protocol, provided that the depegging occurs due to the backing funds for the bridged asset, held in a Designated Protocol, being stolen or made inaccessible

3.6.   any events or losses resulting from the Owners or Controllers of a Designated Protocol confiscating or stealing funds from Users in line with the permissions of a Designated Protocol irrespective of the individual or entity that has access to the private keys of the Owner or Controller accounts *("rug pull" exclusion)*;

3.7.   Any events of losses due to the user interface or website errors where a Designated Protocol continues to act as intended;

3.8.   Any events or losses due to the failure of any components of a Designated Protocol that are used to bridge assets from one blockchain to another.

3.9.   Any events or losses that occur prior to the Cover NFT being transferred to another address unless it meets the criteria listed in clause 1.2.

3.10. Any events or losses that occur during a period where the Smart Contract Monitoring Service subscription is not active.

COVER TERMINATION.

4. Cover ends when:
    4.1. the full Cover Amount has been redeemed in claims; or
    4.2. the Cover Period specified at purchase has ended;
    whichever is earlier.

CLAIM AMOUNT.

5. For a Claim resulting from clause 1.1.1, the Claim Amount should reflect the loss actually incurred by the member less the Deductible, up to a maximum payment of the remaining Cover Amount.

6. For a Claim resulting from clause 1.1.2, the Claim Amount should reflect the loss actually incurred by the Covered Member in any two (2) hour period less the Deductible up to a maximum payment of the remaining Cover Amount.

7. Loss amounts are to be calculated:
    7.1. at the time the loss actually occurred, or for a Claim resulting from clause 1.1.2 at the end of the two (2) hour period; and
    7.2. after subtracting any Reimbursements; and
    7.3. after making any proportional reductions as a result of clause 8; and
    7.4. using exchange rates from *coingecko.com* or if not available any other reputable crypto pricing data site as determined by Nexus Mutual.

8. In the event that losses occur due to the actual allocation of the Fund to a Designated Protocol exceeding the maximum allocation permitted for by the risk framework, such losses shall be proportionally reduced to the extent of the overallocation.

9. **Cover limits:** Claims Amount in the aggregate shall be limited to the Cover Amount inclusive of the Sublimit, as specified in the Annex, regardless of the number of Covered Events that may take place. The Sublimit is part of the Cover Amount and not in addition.

REIMBURSEMENTS.

10. The Covered Member shall preserve any Reimbursement or other rights against any third party for any loss claimed under these Cover Terms and preserve Nexus Mutual's rights with respect thereto.
    10.1. In the event the Claim made by the Covered Member is approved and redeemed under these Cover Terms the Covered Member agrees to:
        10.1.1. Promptly, and in any event no later than within 30 calendar days of the redemption of the Claim as described in clause 7, assign all rights over any Reimbursements to Nexus Mutual DAO and/or the Foundation; and

10.1.2. Promptly, and in any event no later than within 10 calendar days of receipt of such Reimbursements, forward any Reimbursements received by the Covered Member to Nexus Mutual DAO and/or the Foundation upon receipt.

10.2. If the Covered Member is unable to assign rights to the Reimbursements to Nexus Mutual and/or the Foundation, or if Nexus Mutual and/or the Foundation desires, then, instead of assigning such rights to Nexus Mutual and/or the Foundation, the Covered Member shall allow Nexus Mutual and/or the Foundation to bring suit in their name.

10.3. In no event shall the Covered Member waive any rights that could adversely affect Nexus Mutual's or the Foundation's ability to recover Reimbursement or exercise its assignment rights. Any amounts recovered by the Covered Member or by Nexus Mutual and/or the Foundation in connection with the exercise of its Reimbursement or assignment rights shall be applied as follows:

10.3.1. First, to reimburse Nexus Mutual for the Claim Amount paid by Nexus Mutual under this Cover and for any costs or expenses incurred in connection with such recovery; and

10.3.2. Second, any remaining recovered amounts shall be paid to the Covered Member.

11. OFFSETTING RECOVERIES. Any Claims under this Cover shall be reduced by any recoveries (including recoveries from any contractors, subcontractors, suppliers or any insurance policies or indemnities) actually paid to the Covered Member.

12. MATERIAL CHANGE IN RISK DISCLAIMER.

12.1. Nexus Mutual reserves the right to deny a Claim made by the Covered Member in the circumstances where the Covered Member made an alteration in the Covered Member's business activities and terms and conditions that are within the control of the Covered Member and that would result in a material change in the risk assumed by this Cover, or affect the risk profile of the Covered Events.

12.2. On a monthly basis, Covered Member must report to CRS both direct and indirect exposures of each Fund.

13. SEVERABILITY. If any provision or provisions of these Cover Terms shall be held to be invalid, illegal, or unenforceable for any reason whatsoever, then the validity, legality and enforceability of the remaining provisions of these Cover Terms (including, without limitation, all portions of any paragraphs of this Cover containing any such provision held to be invalid, illegal, or unenforceable that are not themselves invalid, illegal, or unenforceable) shall not in any way be affected or impaired.

14.   NO BENEFIT TO THIRD PARTIES. Except as expressly set forth in these Cover Terms, none of the provisions in this Cover shall be for the benefit of or be enforceable by any person other than the Covered Member.

15.   ENTIRE AGREEMENT. These Cover Terms and any applicable addendums and Annexes constitute the entire Agreement and no member, or the mutual as a whole, shall be liable or bound to any other member in any manner by any warranties, representations or covenants outside these Cover Terms, whether or not in writing, in relation to the subject matter of this Cover.

<div align="center">DEFINITIONS</div>

"**Annex**" means a PDF attached to the Listing Smart Contract Data containing any additional terms.

"**Claim**" means a request by a Covered Member in accordance with these Cover Terms for reimbursement of a loss resulting from a Covered Event, subject to the Cover Amount and these Cover Terms.

"**Claim Amount**" means the amount requested by a Covered Member, as calculated in clauses five to seven (5–7) inclusive.

"**Claim Assessor**" means a Member who assesses a Covered Member's Claim under these Cover Terms.

"**Cover**" means the matters which are the subject of the discretionary cover provided by Nexus Mutual as set out in the Member Smart Contract Data and these Cover Terms.

"**Cover Amount**" means the amount of Cover specified in the Member Smart Contract Data by the Covered Member at purchase of the Cover.

"**Cover NFT**" means the NFT token generated by the Nexus Mutual protocol that represents the Cover.

"**Cover Period**" means the period of time that a Covered Member is protected under this Cover, specified by the Covered Member when purchasing Cover and stated in the Member Smart Contract Data.

"**Covered Event**" means a loss of funds as a direct result of the conditions defined in clause 1.1.1 or clause 1.1.2.

"**Covered Member**" means a Member who has Cover and, where the context requires, a former Covered Member.

"**CRS**" means Collective Risk Services CIC (Company Number 11353187), 71-75 Shelton Street, Covent Garden , London, WC2H9JQ, United Kingdom

"**Cryptographic Evidence**" means:
- when the Fund account is impacted directly, the submission of a Claim by the Covered Member will be taken as that evidence;
- when an account that is not a Fund is impacted, sufficient cryptographic proof that links the Impacted Account with the Covered Member's Member Address, which could include a cryptographically signed message from the Impacted Account that references the Covered Member's Member Address or other equivalent cryptographically signed evidence.
- where cryptographic evidence is required due to the Cover NFT being transferred post Covered Event, sufficient cryptographic proof that links both the sender and the receiver with which could include a cryptographically signed message from the sender that references the receiver address or other equivalent cryptographically signed evidence.

"**Deductible**" means the deductible specified in the Annex.

"**Designated Protocol**" means any protocol that the Fund deploys into as specified in the Annex.

"**Foundation**" means Terrapin International Foundation.

"**Fund**" means a fund managed by the Covered Member.

"**Impacted Account**" means an account which directly suffered a loss of funds as a result of the Covered Event.

"**Material Loss**" means a loss of funds where the Claim Amount after subtracting any Reimbursement and the Deductible, exceeds gas related costs involved in operating the contract.

"**Member**" means an individual or entity who has paid their Membership Fee and is entered in the Mutual's register of members and, where the context requires, a former member.

"**Member Address**" means the designated Ethereum blockchain address that is associated with the Covered Member, where the membership is active.

"**Member Smart Contract Data**" means data held on the Ethereum Network in relation to a specific Member Address.

"**Owner or Controller**" means the blockchain address or addresses which have permission to upgrade, change or alter a Designated Protocol either in part or in full.

"**Reimbursement**" means any current, past, or future indemnification, reimbursement or recovery or right to indemnification, reimbursement or recovery of an approved and redeemed Claim made under the Cover, or promised to be made, or made available to Covered Members..

"**Sublimits**" means the sublimits listed in the Annex.

"**Smart Contract Monitoring Service**" means an active third party subscription service, such as Hypernative, that provides the Fund advanced warning of potential hacking events on a Designated Protocol the Fund allocates to.

"**Sudden and Severe Economic Event**" means the event must:

a) be clearly outside the normal or intended operation of a Designated Protocol; and
b) be caused by either:
    i)   oracle manipulation or failure; or
    ii) severe liquidation failures where liquidation processes of a Designated Protocol clearly fail to operate correctly; or
    iii) governance takeovers where a malicious actor forces through a malicious upgrade to a Designated Protocol smart contract.

"**User**" means the end-user of a Designated Protocol.