



Native Syndicate Cover

Terms and Conditions
(the "Cover Terms")

native

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Claims

1. Subject to clause 4 (Exclusions), Claim Assessors may approve a Claim made under this Protocol Cover if:
 - 1.1. the Client is a user of the Designated Protocol and during the Cover Period the Designated Protocol loses Client funds in excess of the Deductible as a direct result of the Designated Protocol failing from either:
 - 1.1.1. a smart contract code bug or error resulting in the Designated Protocol being used in an unintended way; or
 - 1.1.2. a Sudden and Severe Economic Event occurs which results in the unintended confiscation or seizure of funds deposited by the Client into the Designated Protocol.
 - and
 - 1.2. the Client provides through Native Cryptographic Evidence:
 - 1.2.1. Linking ownership of the Impacted Account to the Client for whom Native has bound the Cover; and
 - 1.2.2. Should the Cover NFT be transferred to another address post loss event:
 - 1.2.2.1. the transfer of the NFT is made through Native's Member Address; and
 - 1.2.2.2. the sending and receiving addresses are both controlled by the same Client.
 - and
 - 1.3. the Impacted Account has suffered a Material Loss;
 - and
 - 1.4. Native submits a Claim on behalf of the Client within the following timeframes:
 - 1.4.1. at least 14 days after the loss 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, Native may redeem the Claim Amount on behalf of the Client within thirty (30) days from the Claim approval date.

3. **Other Insurance**

This Cover is intended to be excess of any valid and collectible regulated insurance policy available to the Client that provides coverage for the same or similar risks. No payment shall be made under this Cover for any Loss until all applicable valid and collectible regulated insurance has been exhausted by actual payment of covered losses, or the Client has provided satisfactory evidence that no such insurance coverage applies to the Loss in question.

The Client acknowledges that this Cover is provided on a discretionary basis and is not regulated insurance. This excess position reflects the intention that regulated insurance markets should respond first to covered claims where available.

The Client must disclose to Native Technology Services Limited at the time of Cover purchase, and subsequently prior to any claim, the existence of any regulated insurance policy that may provide coverage for risks similar to those addressed by this Cover. Failure to disclose such information may be considered in the discretionary assessment of any claim.

In no event shall this Cover and any insurance policy together pay more than the actual amount of Loss sustained by the Client, nor shall this Cover pay more than its maximum Cover Amount for any Loss.

If a Loss is covered partially by regulated insurance and partially by this Cover, this Cover will only respond to the portion of Loss that exceeds what is recoverable under the regulated insurance, subject to the Cover terms and conditions.

Exclusions

4. A Client will not be able to submit a Claim under these Cover Terms for any of the following:
 - 4.1. any events or losses where the vulnerability in a deployment of the Designated Protocol originates on a non-Ethereum Virtual Machine compatible chain.
 - 4.2. any events or losses due to phishing, private key security breaches, malware, miner behaviour or any other activity where the Designated Protocol continues to act as intended.
 - 4.3. any events or losses where the Designated Protocol was deployed primarily for the purpose of submitting a Claim under this Protocol Cover and not for real usage by the User.
 - 4.4. any events or losses occurring during the Cover Period if:
 - 4.4.1. the event occurred before the Cover Period began; or
 - 4.4.2. a public bug disclosure or warnings related to the event were made for the Designated Protocol before the Cover Period began; or
 - 4.4.3. where a public bug disclosure or warnings related to the event were made for the parent protocol before the Cover Period began, and the Designated Protocol is a fork of that parent protocol.
 - 4.5. any events or losses resulting from movements in the market price of assets used in, or relied upon, by the 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).
 - 4.6. any events or losses resulting from the de-peg of any asset that the Designated Protocol generates.
 - 4.7. any events or losses resulting from the Owners or Controllers of the Designated Protocol confiscating or stealing funds from Users in line with the permissions of the Designated Protocol irrespective of the individual or entity that has access to the private keys of the Owner or Controller accounts (*"rug pull" exclusion*).
 - 4.8. Any events of losses due to the user interface or website errors where the Designated Protocol continues to act as intended.
 - 4.9. Any events or losses due to the failure of any components of the Designated Protocol that are used to bridge assets from one blockchain to another.

- 4.10. 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.

Cover Termination

5. Cover ends when:
 - 5.1. the full Cover Amount has been redeemed in claims; or
 - 5.2. the Cover Period specified at purchase has ended;

whichever is earlier.

Claim Amount

6. For a Claim resulting from clause 1.1.1, the Claim Amount should reflect the loss actually incurred by the Client less the Deductible, up to a maximum payment of the Cover Amount.
7. For a Claim resulting from clause 1.1.2, the Claim Amount should reflect the loss actually incurred by the Client in any two (2) hour period less the Deductible up to a maximum payment of the Cover Amount.
8. Loss amounts are to be calculated:
 - 8.1. 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
 - 8.2. after subtracting any Reimbursements; and
 - 8.3. using exchange rates from coingecko.com or if not available any other reputable crypto pricing data site.

Reimbursements

9. In the event the Claim is approved and redeemed under this Protocol Cover:
 - 9.1. the Client agrees to assign all rights over any recoveries or Reimbursements to Native for forwarding to Nexus Mutual DAO and/or the Foundation; and
 - 9.2. Native agrees to forward any recoveries or Reimbursements received from the Client to Nexus Mutual DAO and/or the Foundation upon receipt.

10. Wherever possible, the Client shall send any tokens that are likely to be used by the Designated Protocol for future Reimbursements to Native for forwarding to Nexus Mutual DAO and/or the Foundation in advance of Native submitting a Claim.
 - 10.1. If the Claim is subsequently denied, Nexus Mutual DAO and/or the Foundation shall return any submitted tokens in respect of clause 9 to Native for forwarding to the Client.
 - 10.2. Claim Assessors shall use their judgement on a case-by-case basis should clause 10 be required as it is highly dependent on the specific circumstances of each submitted Claim.

Syndicate Operations

11. Native's Role and Responsibilities:
 - 11.1. Native's Role as Covered Member
 - 11.1.1. Native acts as the Covered Member for all Covers bound under this agreement
 - 11.1.2. Native shall maintain sole and exclusive control over the Member Address used for all Cover operations
 - 11.1.3. Native shall:
 - 11.1.3.1. Maintain secure custody of all private keys associated with the Member Address
 - 11.1.3.2. Implement industry standard security measures for key management
 - 11.1.3.3. Maintain operational controls to prevent unauthorized use of the Member Address
 - 11.1.3.4. Use the Member Address exclusively for Cover-related transactions
 - 11.1.4. No Client shall have any right or ability to control or direct the use of the Member Address
 - 11.2. Native maintains the right to submit Claims on behalf of Clients
 - 11.3. Native shall maintain appropriate records linking each Cover to its respective Client
 - 11.4. All communications regarding Claims, recoveries, or material changes to Cover shall be made through Native

- 11.5. Native shall verify the identity and ownership of accounts for all Clients prior to binding coverage
- 11.6. Native shall maintain appropriate documentation of Client authorization to act on their behalf

Entire Cover Terms

- 12. These Cover Terms and any applicable addendums constitute the entire Cover Terms and no Client, or Native, or the mutual as a whole, shall be liable or bound to any other party in any manner by any warranties, representations or covenants outside these Cover Terms.

Definitions

"Claim"	means a request submitted by Native on behalf of a Client for a Claim Amount suffered due to a Loss Event, to be reviewed, discussed and voted on the validity of a submission by the Claim Assessors.
"Claim Amount"	means the amount requested by Native on behalf of a Client, as calculated in clauses six to eight (6–8) inclusive.
"Claim Assessor"	means a Member who assesses a Claim under these Cover Terms.
"Client"	means the end beneficiary of the Cover, for whom Native has bound coverage as a syndicate member.
"Cover"	means the matters which are the subject of the discretionary cover provided by the 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 Native at purchase of Protocol Cover on behalf of the Client.
"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 Client is protected under this Protocol Cover, specified by Native when purchasing Cover and stated in the Member Smart Contract Data.
"Covered Member"	means Native Technology Services Limited acting as syndicate member on behalf of the Client specified in the Member Smart Contract Data.
"Cryptographic Evidence"	means: • when the Client's account is impacted directly, sufficient cryptographic proof provided through Native; • when an account that is not owned by the Client is impacted, sufficient cryptographic proof that links the Impacted Account with the Client's account; • where cryptographic evidence is required due to the Cover NFT being transferred post Loss Event, sufficient cryptographic proof provided through Native that links both the sender and the receiver.
"Deductible"	means five percent (5%) of the Cover Amount.
"Designated Protocol"	means open source smart contract code marketed under one brand, running on one or more public blockchain networks including any directly linked layer two components. Designated Protocol specifically excludes any user interfaces, including websites or any other interface that is used to interact with the Designated Protocol. For the avoidance of doubt, Designated Protocol includes Validator Staking Operations.

"Foundation"	means Terrapin International Foundation.
"Impacted Account"	means an account which directly suffered a loss of funds as a result of the Loss Event.
"Loss Event"	means a loss of funds as a direct result of the conditions defined in clause 1.1.1 or clause 1.1.2.
"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 Native Technology Services Limited as the syndicate member who has paid their Membership Fee and is entered in the Mutual's register of members.
"Member Address"	means the designated Ethereum blockchain address that is controlled exclusively by Native, where the membership is active, through which all Cover operations are conducted and which Native maintains under strict security and operational controls.
"Member Smart Contract Data"	means data held on the Ethereum Network in relation to Native's Member Address.
"Native"	means Native Technology Services Limited, a registered syndicate member of Nexus Mutual.
"Owner or Controller"	means the blockchain address or addresses which have permission to upgrade, change or alter the Designated Protocol either in part or in full.
"Reimbursement"	means any current, past, or future reimbursement or recovery of an approved and redeemed Claim made, or promised to be made, or made available to Clients. Should total or partial reimbursement be made available after a Claim was approved

and redeemed, then clauses nine (9) and ten (10) and their respective subclauses will take effect.

"Sudden and Severe Economic Event"

means the event must:

- a. be clearly outside the normal or intended operation of the Designated Protocol; and
 - b. be caused by either:
 - i. oracle manipulation or failure; or
 - ii. severe liquidation failures where liquidation processes of the 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.
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"User"

means the end-user of the Designated Protocol.

"Validator Staking Operations"

means staking, delegation, and reward distribution mechanisms operating on the Bittensor protocol, whether executed through smart contracts on an EVM-compatible chain or through consensus and governance mechanisms native to Substrate.
