Nexus Mutual Follow-On Cover Terms & Conditions

(the “Cover Terms”)

COVER TERMS

A) These Cover Terms, together with any Annexes and Schedules, govern the use of the Follow-On Cover. The Annexes and Schedules 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 and Schedules. 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.

B) The Parties further agree and acknowledge that, for the purpose of these Cover Terms, the Covered Member may be required to liaise with, and provide certain information to, the Entity (as defined below) in regard the fulfillment of certain clauses herein.

1. <u>COVERAGE.</u>
    a. "**Covered Event**" means an event that initiates a Claims process based on the following criteria, both further detailed in the Annex:
        1. **Underlying Terms**: this includes the underlying agreements or relevant documents, such as an underlying insurance contract, or the specific information relating to the relevant risk exposure. These terms provide the general framework within which claims may arise.
        2. **Specific Terms/Triggers**: these detail the specific conditions or triggers that must be met for a Claim to be actionable. These terms specify the conditions, amounts, and limitations tied to each claim event, providing clarity on when and how claims may be paid.

    b. In the event of a loss arising from a Covered Event occurring during the Cover Period, the Mutual *may*, subject to the Claim Assessors’ vote and these Cover Terms, reimburse the Covered Member for such loss, in accordance with clause 2 (Claim Amount) below.

    c. The Covered Member must submit a Claim on the blockchain within the following timeframes, failure to do so will result in a termination of the right to claim under this Cover:

i. No earlier than 14 days after the occurrence of the Covered Event listed in clause 1 (a); and
ii. during the Cover Period or within 100 days of the Cover Period ending.

d. All exclusions applicable to the Cover are listed in the Annex.

2. Cover Termination

a. Cover ends when:

1.1. the full Cover Amount has been redeemed in claims; or

1.2. the Cover Period specified at purchase has ended;

whichever is earlier.

3. COVERAGE LIMITS.

a. Cover limits: Claims Amount in the aggregate shall be limited to the Cover Amount as specified in the Annex, inclusive of any Sublimits, regardless of the number of Covered Events occurring. All Sublimits form part of the Cover Amount and do not constitute an additional amount.

b. Annual Deductible: reimbursement for the Claim Amount shall only be made after any Deductible has been fully exhausted, and no further deductible shall be applicable once the annual Deductible has been exhausted.

4. REPRESENTATIONS AND WARRANTIES.

a. By accepting these Cover Terms, the Covered Member represents and warrants that:

i. It is purchasing the coverage described in this Cover with full knowledge and acceptance of its terms and conditions without any reliance on any representation, warranty, advice or other statement by the Mutual or any of its representatives or advisors regarding any legal, tax or accounting implications or requirements of the coverage described in this Cover.

ii. It owes a duty to Nexus Mutual to disclose to CRS any and all information that is materially relevant to Nexus Mutual so as to enable it to determine whether to provide this Cover.

iii. The information and material disclosed to CRS is complete and accurate in any and all material manner and not misleading. No information or material has been withheld from CRS that, if disclosed to CRS, would, individually or together, materially affect the issuance of this Cover in any material manner.

5. NO BENEFIT TO THIRD PARTIES. Except as expressly set forth in these Cover Terms, no provision in this Cover shall be for the benefit of or be enforceable by any person other than the Covered Member.

6. REDEEMING THE CLAIM: subject to an approval of a Claim as described in these Cover Terms, the Covered Member may redeem the Claim Amount within thirty (30) days from the Claim approval date.

7. REIMBURSEMENTS. The Covered Member shall preserve any right to Reimbursement or other recovery against any third party in connection with any Claim for any loss, and preserve Nexus Mutual's Reimbursement rights with respect thereto.
    a. In the event a Claim made by the Covered Member is approved and redeemed under these Cover Terms, the Covered Member agrees and warrants that it will:
        i. Promptly, and in any event no later than within 20 days, assign all rights over any Reimbursements, or rights to any Reimbursements to Nexus Mutual and/or the Foundation; and
        ii. Promptly, and in any event no later than within 5 days of receipt, forward any Reimbursements received by the Covered Member to Nexus Mutual and/or the Foundation.
    b. If the Covered Member is unable to assign such rights to Reimbursements to the Entity, or if Nexus Mutual or the Entity so desires, then, instead of assigning such rights to the Entity the Covered Member shall allow the Entity to bring suit in their name.
    c. In no event shall the Covered Member waive any rights that could adversely affect any such Reimbursement or assignment rights. Any amounts recovered by Nexus Mutual and/or the Foundation in connection with the exercise of its Reimbursement or assignment rights shall be applied first to reimburse Nexus Mutual for any Claim paid by Nexus Mutual pursuant to this Cover and for any costs or expenses incurred in connection with such recovery and then the remainder of such recovered amounts shall be paid to the Covered Member.

8. OFFSETTING RECOVERIES. Any Claims under the 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.

9. MATERIAL CHANGE IN RISK DISCLAIMER. 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 that are within the control

of the Covered Member and that would result in a material change in the risk assumed under the Cover, or affect the risk profile of the Covered Events.

10. MISREPRESENTATION AND FRAUD. The Cover will be void in its entirety, if, whether before or after a Covered Event, the Covered Member has:
    a. willfully concealed or willfully misrepresented any material fact or circumstances concerning the Cover, the subject thereof, or the interest of a Covered Member.
    b. made any attempt to defraud Nexus Mutual.
11. SEVERABILITY. If any provision 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 (including, without limitation, all portions of any paragraphs 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.
12. TRANSFERABILITY. This Cover can only be transferred to a different address if owned by the same Covered Member, any other transfer, or transfer to a third party automatically invalidates the Cover. Sufficient Cryptographic Evidence must be provided that proves both the purchasing address and the transferred address are owned by the same Covered Member.
13. ENTIRE COVER TERMS. These Cover Terms and any applicable addendums, schedules, and Annexes constitute the entire agreement between the parties 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.

DEFINITIONS

“**Annex**” means an annex attached to the Member Smart Contract Data and forming part of the Cover Terms, providing supplementary conditions, definitions, and further details relevant to these Cover Terms.

"**Claim**" means any request by the Covered Member in accordance with these Cover Terms to be reimbursed for a loss resulting from the Covered Event.

“**Claim Amount**” means the amount requested by the Covered Member in respect of a Claim under these Cover Terms, subject to and capped at / limited by the remaining Cover Amount. The calculation methodology and further details on the Claim Amount are set forth in the Annex.

"**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 the Mutual as set out in the Member Smart Contract Data and governed by the applicable Cover Terms.

"**Cover Amount**" means the amount of Cover, as specified in the Member Smart Contract Data by the Covered Member at the time of Cover purchase, inclusive of any Sublimits and any additional criteria detailed in the Annex.

"**Cryptographic Evidence**" means 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.

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

"**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.

"**CRS**" means Collective Risk Services CIC, a company (Company Number 14509454) which has its registered office at 71-75 Shelton Street, Covent Garden, London, United Kingdom, WC2H 9JQ.

“**Entity**” means CRS, Foundation or any other entity designated by Nexus Mutual.

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

"**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.

"**Nexus Mutual**" means Nexus Mutual DAO.

"**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 Covered Members.

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

"**Schedule(s)**" means, where applicable, a schedule attached to the Member Smart Contract Data.