

BASE PROTOCOL

Smart Contract Security Audit

Prepared by: Halborn

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Visit: Halborn.com

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DOCUMENT REVISION HISTORY

VERSION	MODIFICATION	DATE	AUTHOR
CONTACT	COMPA	NY	EMAIL
0.1	Document Creation	10/12/202	O Gabi Urrutia
Steven Walbr	oehl Halboi	n Stev	en.Walbroehl@halborn.com
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Rob Behnk	e Halboi	n 10/30/202	ob.Behnke@halborn.com
1.0	Draft Version		0 Steven Walbroehl
Gabi Urruti	a Halboi	n G	abi.Urrutia@halborn.com

CONTACTS

1.1 INTRODUCTION

Base Protocol engaged Halborn to conduct a security assessment on their all smart contracts that implement the protocol on the Ethereum blockchain. Base Protocol is a decentralized elastic supply protocol for creating indices of other tokens. It maintains a price peg by adjusting supply directly to and from wallet holders based on a data feed generated by off-chain oracles. The security assessment was scoped to the contract BaseToken, BaseTokenMonetaryPolicy, BaseTokenOrchestrator, ERC20UpgradeSafe, ERC677Token, Greeter and an

audit of the security risk and implications regarding the changes introduced by the development team at Base Protocol prior to its production release shortly following the assessments deadline.

Overall, the smart contract code is extremely well documented, follows a high-quality software development standard, contains many utilities and automation scripts to support continuous deployment / testing / integration, and does NOT contain any obvious exploitation vectors that Halborn was able to leverage within the timeframe of testing allotted.

Though the outcome of this security audit is satisfactory; due to time and resource constraints, only testing and verification of essential properties were performed to achieve objectives and deliverables set in the scope. It is important to remark the use of the best practices for secure smart contract development. Halborn recommends performing further testing to validate extended safety and correctness in context to the whole set of contracts. External threats, such as economic attacks, oracle attacks, and inter-contract functions and calls should be validated for expected logic and state.

1.2 TEST APPROACH & METHODOLOGY

Halborn performed a combination of manual and automated security testing to balance efficiency, timeliness, practicality, and accuracy in regard to the scope of the smart contract audit. While manual testing is recommended to uncover flaws in logic, process, and implementation; automated testing techniques help enhance coverage of smart contracts and can quickly identify items that do not follow security best practices. The following phases and associated tools were used throughout the term of the audit:

- Research into architecture and purpose
- Smart Contract manual code read and walkthrough

- Graphing out functionality and contract logic/connectivity/functions (solgraph)
- Manual Assessment of use and safety for the critical solidity variables and functions in scope to identify any arithmetic related vulnerability classes.
- Scanning of solidity files for vulnerabilities, security hotspots, or bugs.
 (MythX)
- Static Analysis of security for scoped contract, and imported functions.
 (Slither)
- Testnet deployment (Truffle, Ganache, Infura)
- Smart Contract Fuzzing and dynamic state exploitation (Echidna)
 Symbolic Execution / EVM bytecode security assessment (limited time)

1.3 SCOPE

Code related to:

- BaseToken.sol
- BaseTokenMonetaryPolicy.sol
- BaseTokenOrchestrastor.sol
- ERC20UpgradeSafe.sol
- ERC677Token.sol
- Greeter.sol

Specific commit of contract: Commit ID:

cbbf4d8e1970e72df80b461358552c431296c6a2

OUT-OF-SCOPE:

External contracts, External Oracles, other smart contracts in the repository or imported by BASE protocol contracts, economic attacks

2. ASSESSMENT SUMMARY & FINDINGS OVERVIEW

CRITICAL	HIGH	MEDIUM	LOW
0	0	1	3

SECURITY ANALYSIS	RISK LEVEL
USE OF TX.ORIGIN	Medium
AVOID USING NOW	Low
BALANCE VALIDATION IS MISSING	Low
STATE VARIABLE SHADOWING	Informational
STATIC ANALYSIS	Low

FINDINGS & TECH DETAILS

3.1 USE OF TX.ORIGIN – MEDIUM

Description

"tx.origin" is useful only in very exceptional cases. If it is use for authentication, then it makes no impact, because any contract you call can act on your behalf. So it is recommended to Never use tx.origin for authorization.

Here in rebase() function of BaseTokenOrchestrator.sol contract which is callable from external has this require() condition which should be fix to filter out non required address to call this method.

Reference:

https://github.com/Base-Protocol/contracts-

0.6.12/blob/cbbf4d8e1970e72df80b461358552c431296c6a2/contracts/BaseToken Orchestrator.sol#L46

Code Location

BaseTokenOrchestrator.sol

3.2. AVOID USING NOW - LOW

Description:

"now" can be influenced by miners to some degree. Miners can manipulates

"now" to exploit the contract. Here in BaseTokenMonetaryPolicy.sol contract,

"now" is being used in inRebaseWindow() and rebase() methods.

Recommendation:

Avoid getting relied on use of "now" in require methods.

Code Location:

BaseTokenMonetaryPolicy.sol

https://github.com/Base-Protocol/contracts-

<u>0.6.12/blob/cbbf4d8e1970e72df80b461358552c431296c6a2/contracts/BaseTok</u> enMonetaryPolicy.sol#L100)

BaseTokenMonetaryPolicy.sol

https://github.com/Base-Protocol/contracts-

<u>0.6.12/blob/cbbf4d8e1970e72df80b461358552c431296c6a2/contracts/BaseTokenMonetaryPolicy.sol#L103</u>

BaseTokenMonetaryPolicy.sol

https://github.com/Base-Protocol/contracts-

 $\underline{0.6.12/blob/cbbf4d8e1970e72df80b461358552c431296c6a2/contracts/BaseTok}\\ \underline{enMonetaryPolicy.sol\#L134}$

BaseTokenMonetaryPolicy.sol

https://github.com/Base-Protocol/contracts-

<u>0.6.12/blob/cbbf4d8e1970e72df80b461358552c431296c6a2/contracts/BaseTo</u> kenMonetaryPolicy.sol#L257

BaseTokenMonetaryPolicy.sol

https://github.com/Base-Protocol/contracts-

<u>0.6.12/blob/cbbf4d8e1970e72df80b461358552c431296c6a2/contracts/BaseTokenMonetaryPolicy.sol#L258</u>

3.3 BALANCE VALIDATION IS MISSING - LOW

Description:

In transferFrom() method of BaseToken.sol, before subtracting the amount from the _shareBalances[], check is missing whether the sufficient amount is there in or not. It will result into integer overflow issue.

Location:

BaseToken.sol

https://github.com/Base-Protocol/contracts-

<u>0.6.12/blob/cbbf4d8e1970e72df80b461358552c431296c6a2/contracts/BaseTok</u> <u>en.sol#L233</u>

Here, before subtracting the amount from _shareBalances of that address, the sufficient amount check is required.

3.4 STATE VARIABLE SHADOWING - INFORMATIONAL

Description:

There are few state variables are getting shadowed by the child contract BaseToken.sol (_totalSupply variable) and ERC20UpgradeSafe.sol (_gap variable).

Location:

_totalSupply variable from BaseToken.sol is shadowing _totalSupply variable of ERC20UpgradeSafe.sol

https://github.com/Base-Protocol/contracts-

<u>0.6.12/blob/cbbf4d8e1970e72df80b461358552c431296c6a2/contracts/BaseToken.sol#L144</u>

```
function initialize()
public
initializer

function initializer

function initialize()
public
initializer

function initializer

function initialize()
public
initializer

function initialize()
initializer

function initialize()
public
initializer

function initialize()
public
initializer

function initialize()
public
initializer

function initialize()
public
initialize()
function
fun
```

1 BaseToken.sol

```
32 */
33 * contract ERC20UpgradeSafe is Initializable, ContextUpgradeSafe, IERC20 {
34     using SafeMath for uint256;
35     using Address for address;
36
37     mapping (address => uint256) private _balances;
38
39     mapping (address => mapping (address => uint256)) private _allowances;
40
41     uint256 private _totalSupply;
42
43     string private _name;
44     string private _symbol;
45     uint8 private _decimals;
46
```

1 ERC20UpgradeSafe.sol

gap variable from ERC20UpgradeSafe.sol is shadowing gap variable of

ContextUpgradeSafe.sol

https://github.com/Base-Protocol/contracts-

0.6.12/blob/cbbf4d8e1970e72df80b461358552c431296c6a2/contracts/ERC20

UpgradeSafe.sol#L317

3 ERC20UpgradeSafe.sol

3.5 STATIC ANALYSIS - LOW

Slither and MythX has been run on all the contracts (BaseToken.sol,

BaseTokenMonetaryPolicy.sol, BaseTokenOrchestrator.sol,

ERC20UpgradeSafe.sol, ERC677Token.sol and Greeter.sol)

```
- ContextUpgradeSafe.__gap (FlattenBaseTokenOrchestrator.sol#104)
ERC20UpgradeSafe.__gap (FlattenBaseTokenOrchestrator.sol#2470) shadows:
- ContextUpgradeSafe.__gap (FlattenBaseTokenOrchestrator.sol#104)
BaseToken._totalSupply (FlattenBaseTokenOrchestrator.sol#2608) shadows:
               - ERC20UpgradeSafe._totalSupply (FlattenBaseTokenOrchestrator.sol#2194)
e: https://github.com/crytic/slither/wiki/Detector-Documentation#state-v
INFO: Detectors:
BaseTokenOrchestrator.addTransaction(address,bytes) (FlattenBaseTokenOrchestrator.sol#3215-3222) uses a Boolean constant improperly:
-transactionEnabled.push(true) (FlattenBaseTokenOrchestrator.sol#3219)
Reference: https://github.com/crytic/slither/wiki/Detector-Documentation#misuse-of-a-boolean-constant
INFO: Detectors:
ERC20UpgradeSafe.__ERC20_init(string,string).name (FlattenBaseTokenOrchestrator.sol#2210) shadows:
- ERC20UpgradeSafe.name() (FlattenBaseTokenOrchestrator.sol#2228-2230) (function)
ERC20UpgradeSafe.__ERC20_init(string,string).symbol (FlattenBaseTokenOrchestrator.sol#2210) shadows:
- ERC20UpgradeSafe.symbol() (FlattenBaseTokenOrchestrator.sol#2236-2238) (function)
ERC20UpgradeSafe.__ERC20_init_unchained(string,string).name (FlattenBaseTokenOrchestrator.sol#2215) shadows:
- ERC20UpgradeSafe.name() (FlattenBaseTokenOrchestrator.sol#2228-2230) (function)
ERC20UpgradeSafe.__ERC20_init_unchained(string,string).symbol (FlattenBaseTokenOrchestrator.sol#2215) shadows:
- ERC20UpgradeSafe.symbol() (FlattenBaseTokenOrchestrator.sol#2236-2238) (function)
Reference: https://github.com/crytic/slither/wiki/Detector-Documentation#local-variable-shadowing INFO:Detectors:
Reentrancy in BaseTokenMonetaryPolicy.rebase() (FlattenBaseTokenOrchestrator.sol#2944-2984):
                 \label{lem:cap,mcapValid} (mcap,mcapValid) = mcapOracle.getData() (FlattenBaseTokenOrchestrator.sol#2958) \\ (tokenPrice,tokenPriceValid) = tokenPriceOracle.getData() (FlattenBaseTokenOrchestrator.sol#2965) \\
              - supplyAfterRebase = BASE.rebase(epoch, supplyDelta) (FlattenBaseTokenOrchestrator.sol#2981) Event emitted after the call(s):

    LogRebase(epoch,tokenPrice,mcap,supplyDelta,now) (FlattenBaseTokenOrchestrator.sol#2983)
    Reentrancy in BaseTokenOrchestrator.rebase() (FlattenBaseTokenOrchestrator.sol#3191-3208):

              External calls:
              Event emitted after the call(s):

    TransactionFailed(transactionDestination[i],i,transactionData[i]) (FlattenBaseTokenOrchestrator.sol#3203)
    Reference: https://github.com/crytic/slither/wiki/Detector-Documentation#reentrancy-vulnerabilities-3
```

```
sctors:
MonetaryPolicy.rebase() (FlattenBaseTokenOrchestrator.sol#2944-2984) uses timestamp for comparisons
                                                   angerous comparisons:
require(bool,string)(lastReb
MonetaryPolicy.inRebaseWindow
                                                                                                                                                                                                                                                                                                                                               eTimeIntervalSec) < now,cannot rebase yet) (FlattenBaseTokenOrchestrator.sol#2949)
rator.sol#3104-3109) uses timestamp for comparisons
                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 lowLengthSec))) (FlattenE
Reference: https://github.com/crytic/slither/wiki/Detector-Documentation#block-timestamp
IMFO:Detectors:
Initializabla.isConstructor() (FlattemBaseTokemOrchestrator.sol#50-60) uses assembly
- INLINE ASM (FlattemBaseTokemOrchestrator.sol#30-337) uses assembly
- INLINE ASM (FlattemBaseTokemOrchestrator.sol#330-335)
- INLINE ASM (FlattemBaseTokemOrchestrator.sol#330-335)
- Address.isContract(Gadress) (FlattemBaseTokemOrchestrator.sol#212-712-2126) uses assembly
- INLINE ASM (FlattemBaseTokemOrchestrator.sol#2127-2126) uses assembly
- INLINE ASM (FlattemBaseTokemOrchestrator.sol#2127-2126) uses assembly
- INLINE ASM (FlattemBaseTokemOrchestrator.sol#2127-3120)
- INLINE ASM (FlattemBaseTokemOrchestrator.sol#2528-2537) uses assembly
- INLINE ASM (FlattemBaseTokemOrchestrator.sol#2535)
BaseTokemOrchestrator.extermolCall(Gadress, bytes) (FlattemBaseTokemOrchestrator.sol#3274-3304) uses assembly
- INLINE ASM (FlattemBaseTokemOrchestrator.sol#3279-3302)
Reference: https://github.com/crytic/slither/wiki/Detector-Documentation#assembly-usage
INFO:Detectors:
BaseToken.transfer/Gaddress.uint256) (FlattemBaseTokemOrchestrator.sol#2736-2749) compares to a boolean constant:
-require(bool, string)(bannedIsers[mag.sender] — false, you are banned) (FlattemBaseTokemOrchestrator.sol#2772-2788) compares to a boolean constant:
-require(bool, string)(bannedIsers[mag.sender] — false, you are banned) (FlattemBaseTokemOrchestrator.sol#2778)
Reference: https://github.com/crytic/slither/wiki/Detector-Documentation#boolean-equality
     Different versions of Solidity is used in
                                                             Version used: ['0.6.12', '>=0.4.2240.8.0', '>=0.4.24<0.7.0', '^0.6.0', '^0.6.2']

>=0.4.24<0.7.0 (FlattenBaseTokenOrchestrator.sol#3)

^0.6.0 (FlattenBaseTokenOrchestrator.sol#8)

^0.6.0 (FlattenBaseTokenOrchestrator.sol#8)

-0.6.0 (FlattenBaseTokenOrchestrator, sol#199)
-0.6.12 (FlattenBaseTokenOrchestrator, sol#299)
-0.6.12 (FlattenBaseTokenOrchestrator, sol#299)
-0.4.22-0.8.0 (FlattenBaseTokenOrchestrator, sol#299)
-0.4.22-0.8.0 (FlattenBaseTokenOrchestrator, sol#1941)
-0.6.0 (FlattenBaseTokenOrchestrator, sol#1941)
-0.6.2 (FlattenBaseTokenOrchestrator, sol#2994)
-0.6.12 (FlattenBaseTokenOrchestrator, sol#2950)
-0.6.12 (FlattenBaseTokenOrchestrator, sol#2475)
-0.6.12 (FlattenBaseTokenOrchestrator, sol#2487)
-0.6.12 (FlattenBaseTokenOrchestrator, sol#2487)
-0.6.12 (FlattenBaseTokenOrchestrator, sol#2487)
-0.6.12 (FlattenBaseTokenOrchestrator, sol#2487)
```

Reference: https://github.com/crytic/slither/wiki/Jetector-Jocumentation and the archy against the archy according to the arch Pragma version% 6.6 (FlattenBaseTokenOrchestrator.sol#1863) allows old versions
Pragma version% 6.6 (FlattenBaseTokenOrchestrator.sol#1941) allows old versions
Pragma version% 6.6.2 (FlattenBaseTokenOrchestrator.sol#294) allows old versions
Pragma version% 6.12 (FlattenBaseTokenOrchestrator.sol#2755) necessitates a version too recent to be trusted. Consider deploying with 0.6.11
Pragma version% 6.12 (FlattenBaseTokenOrchestrator.sol#2757) necessitates a version too recent to be trusted. Consider deploying with 0.6.11
Pragma version% 6.12 (FlattenBaseTokenOrchestrator.sol#27467) necessitates a version too recent to be trusted. Consider deploying with 0.6.11
Pragma version% 6.12 (FlattenBaseTokenOrchestrator.sol#27467) necessitates a version too recent to be trusted. Consider deploying with 0.6.11
Pragma version% 6.12 (FlattenBaseTokenOrchestrator.sol#2852) necessitates a version too recent to be trusted. Consider deploying with 0.6.11
Pragma version% 6.12 (FlattenBaseTokenOrchestrator.sol#2852) necessitates a version too recent to be trusted. Consider deploying with 0.6.11
Pragma version% 6.12 (FlattenBaseTokenOrchestrator.sol#2851) necessitates a version too recent to be trusted. Consider deploying with 0.6.11
Pragma version% 6.12 (FlattenBaseTokenOrchestrator.sol#3151) necessitates a version too recent to be trusted. Consider deploying with 0.6.11 solc-0.6.12 is not recommended for deployment Reference: https://github.com/crytic/slither/wiki/Detector-Docume INFO:Detectors: entation#incorrect-versions-of-solidity Low level call in Address.sendValue(address,uint256) (FlattenBaseTokenOrchestrator.sol#2144-2150):
- (success) = recipient.call{value: amount}() (FlattenBaseTokenOrchestrator.sol#2148)
Reference: https://github.com/crytic/slither/wiki/Detector-Documentation#low-level-calls

0.6.12 (FlattenBaseTokenOrchestrator.sol#2496) 0.6.12 (FlattenBaseTokenOrchestrator.sol#2542) 0.6.12 (FlattenBaseTokenOrchestrator.sol#2542) 0.6.12 (FlattenBaseTokenOrchestrator.sol#3151)

Reference: https://qithub.com/crytic/slither/wiki/Detector-Documentation#different-pragma-directives-are-used

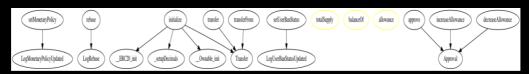
```
Variable Initializable.
                                                                                                                       __gap (FlattenBaseTokenOrchestrator.sol#63) is not in mixedCase
Variable Initializable......gap (FlattenBaseTokenOrchestrator.sol#63) is not in mixedCase Function ContextUpgradeSafe...Context.init() (FlattenBaseTokenOrchestrator.sol#85-87) is not in mixedCase Function ContextUpgradeSafe...Context_init_unchained() (FlattenBaseTokenOrchestrator.sol#89-92) is not in mixedCase Variable ContextUpgradeSafe...gap (FlattenBaseTokenOrchestrator.sol#104) is not in mixedCase Function OwnableUpgradeSafe...Ownable.init() (FlattenBaseTokenOrchestrator.sol#133-136) is not in mixedCase Function OwnableUpgradeSafe.....gap (FlattenBaseTokenOrchestrator.sol#138-145) is not in mixedCase Variable OwnableUpgradeSafe.....gap (FlattenBaseTokenOrchestrator.sol#135) is not in mixedCase Contract console (FlattenBaseTokenOrchestrator.sol#327-1859) is not in fixedCase Function ERC20UpgradeSafe...ERC20_init(string, string) (FlattenBaseTokenOrchestrator.sol#2210-2213) is not in mixedCase Function ERC20UpgradeSafe...ERC20_init(string, string) (FlattenBaseTokenOrchestrator.sol#2215-2222) is not in
 Function ERC20UpgradeSafe.__ERC20_init_unchained(string,string) (FlattenBaseTokenOrchestrator.sol#2215-2222) is not in mixedCase Variable ERC20UpgradeSafe.__gap (FlattenBaseTokenOrchestrator.sol#2470) is not in mixedCase Parameter ERC677Token.transferAndCall(address,uint256,bytes)._to (FlattenBaseTokenOrchestrator.sol#2508) is not in mixedCase
 Parameter ERC677Token.transferAndCall(address,uint256,bytes)._value (FlattenBaseTokenOrchestrator.sol#2508) is not in mixedCase
Parameter ERC677Token.transferAndCall(address,uint256,bytes)._data (FlattenBaseTokenOrchestrator.sol#2508) is not in mixedCase
Parameter ERC677Token.contractFallback(address,uint256,bytes)._to (FlattenBaseTokenOrchestrator.sol#2521) is not in mixedCase
 Parameter ERC677Token.contractfallback(address,uint256,bytes)._value (FlattenBaseTokenOrchestrator.sol#2521) is not in mixedCase Parameter ERC677Token.contractfallback(address,uint256,bytes)._data (FlattenBaseTokenOrchestrator.sol#2521) is not in mixedCase Parameter ERC677Token.isContract(address)._addr (FlattenBaseTokenOrchestrator.sol#2528) is not in mixedCase
 Parameter BaseTokenMonetaryPolicy.initialize(BaseToken,uint256).BASE_ (FlattenBaseTokenOrchestrator.sol#3080) is not in mixedCase Variable BaseTokenMonetaryPolicy.BASE (FlattenBaseTokenOrchestrator.sol#2887) is not in mixedCase
  Reference: https://github.com/crytic/slither/wiki/Detector-Documentation#conformity-to-solidity-naming-conventions
 NEIGHTER. High-ry getain-ry and the first transfer of the first tr
                                                                                                                                                                                                                         000000636F6e736F6c652e6c6f67) (FlattenBaseTokenOrchestrator.sol#328)
                                            CONSOLE_ADDRESS = address(0x000
 Reference: https://github.com/crytic/slither/wiki/Detector-Docu
```

MythX detected 0 High findings, 3 Medium, and 7 Low.

o High		h 3 Me	3 Medium	
D	SEVERITY	NAME	FILE	LOCATION
SWC-128	Medium	Loop over unbounded data structure.	BaseTokenOrchestrator.sol	L: 50 C: 25
SWC-128	Medium	Implicit loop over unbounded data structure.	BaseTokenOrchestrator.sol	L: 53 C: 70
SWC-128	Medium	Implicit loop over unbounded data structure.	BaseTokenOrchestrator.sol	L: 89 C: 12
SWC-108	Low	State variable visibility is not set.	BaseTokenOrchestrator.sol	L: 18 C: 11
SWC-108	Low	State variable visibility is not set.	BaseTokenOrchestrator.sol	L: 19 C: 14
SWC-108	Low	State variable visibility is not set.	BaseTokenOrchestrator.sol	L: 20 C: 12
SWC-115	Low	Use of 'tx.origin' as a part of authorization control.	BaseTokenOrchestrator.sol	L: 46 C: 30
SWC-131	Low	Unused function parameter *from*.	ERC20UpgradeSafe.sol	L: 315 C: 34
SWC-131	Low	Unused function parameter *to*.	ERC20UpgradeSafe.sol	L: 315 C: 48
SWC-131	Low	Unused function parameter "amount".	ERC20UpgradeSafe.sol	L: 315 C: 60

3.6 SOLGRAPH - INFORMATIONAL

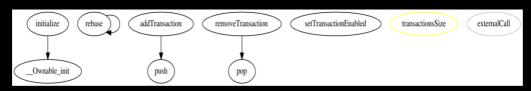
BaseToken.sol



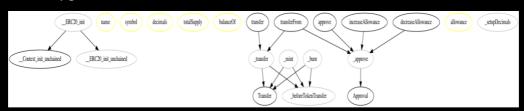
BaseTokenMonetaryPolicy.sol



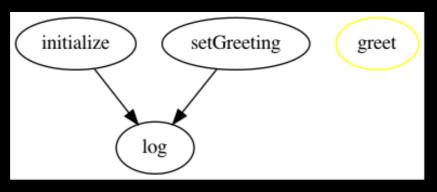
BaseTokenOrchestrastor.sol



ERC20UpgradeSafe.sol



Greeter.sol



THANK YOU FOR CHOOSING

// HALBORN