**Agreement**

**This AGREEMENT** and Adopting Addendum(s) made available on the Agreement Fact Page sets forth the terms and conditions of the Program and is being entered into by, and is binding upon, a Protocol Community which adopts the Agreement and each Whitehat who initiates an Eligible Funds Rescue (collectively referred to as “***Parties***”) effective from the date the Eligible Funds Rescue is initiated by the Whitehat. Certain capitalized terms used in this Agreement are defined on Exhibit A.

**BACKGROUND INFORMATION**

**A.** This Agreement has been prepared by the Security Alliance as part of an open source software implementation for decentralized technologies (i.e., on-chain protocols) within the blockchain/crypto ecosystem to incentivize and give legal clarity to Whitehats initiating an “***Eligible Funds Rescue***” , and to provide a safe harbor for assets that are the subject of such an exploit.

**B.** Each Protocol Community adopting this Agreement seeks to encourage Whitehats to responsibly test, seek to penetrate, and otherwise take advantage of software which is utilized by, incorporated into, or is otherwise complementary to the Protocol, and, pursuant to the Program, potentially receive a Reward for conducting Exploits meeting the criteria set out in this Agreement for an Eligible Funds Rescue. Only Whitehats who comply with the terms of this Agreement and conduct an Eligible Funds Rescue will be eligible to participate in the Program and potentially receive a Reward.

**C.** Whitehat seeks to test and exploit the Protocol used by the Protocol Community for the purpose of completing an Eligible Funds Rescue within the bounds set out in this Agreement, and accordingly wishes to enter into this Agreement to participate in the Program and become eligible to potentially receive a Reward pursuant to the parameters set forth herein. Whitehat should satisfy themselves that they have sufficient experience to participate in the Program, including because they are an experienced software developer, security professional, software engineer, or an Entity that employs or engages experienced blockchain software engineers or security professionals (e.g., auditors) with expertise in the exploitation of blockchain systems and the mitigation of attendant risks.

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties to this Agreement, intending to be legally bound, hereby agree as follows:

1. Certain Defined Terms.

For purposes of this Agreement, the following capitalized terms have the meanings that are ascribed to them below:

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| ***“Adoption Procedures*”** means:  (i) the DAO Adoption Procedures;  (ii) the Security Team Adoption Procedures; and,  (iii) the User Adoption Procedures. |
| ***“Affiliate*”** means, with respect to any Person, another Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such first Person. |
| ***“Asset Recovery Address”*** means the blockchain network address specified by the Protocol Community through the Adopting Procedures designated for receipt of the Returnable Assets. |
| ***“Assets”*** means the crypto-assets transacted on or in connection with an Eligible Funds Rescue in relation to the Protocol. |
| “***Bounty***” means, with respect to a particular Urgent Blackhat Exploit and the resulting Eligible Funds Rescue(s) completed by an Eligible Whitehat, Tokens equal to [10%] of the US Dollar value, at the time of rescue, of Returnable Assets recovered by each Eligible Whitehat and transferred to the Asset Recovery Address from such Eligible Whitehat’s originating blockchain address(es). |
| “***Claim***” means all past, present and future disputes, claims, controversies, demands, rights, obligations, liabilities, actions and causes of action of every kind and nature (whether matured or unmatured, absolute or contingent, known or unknown, suspect or unsuspected, disclosed or undisclosed). |
| **“*Damages*”** means any loss, damage, injury, decline in value, lost opportunity, Liability, claim, demand, settlement, judgment, award, fine, penalty, tax, fee (including reasonable attorneys’ fees), charge, costs (including costs of investigation) or expense of any nature. |
| “***DAO***” means any Entity or group or set of persons, whether or not incorporated, associated, or affiliated, that in-whole or in-part govern:  (i) a blockchain-based protocol; or  (ii) any funding, personnel or resources dedicated or reserved primarily for maintenance, development, marketing, operation, or improvement of any blockchain-based protocol,  provided, in each case, that such governance is achieved primarily through the voting of transferable votable Tokens (or non-transferable voting positions convertible from and into such Tokens). |
| “***DAO Adoption Procedures***” means that this Agreement has been duly adopted and approved on behalf of the DAO by means of a DAO Approval of a governance proposal in substantially the form attached hereto as Exhibit B and evidence of such DAO Approval has been published on the Agreement Fact Page and is generally known to the Protocol Community. |
| “***DAO Approval***” means, with respect to a given DAO governing a Protocol and a given matter or action, that such matter or action has been validly approved in accordance with the specific governance process of the Protocol. |
| **“*Eligible Funds Rescue***” is an Exploit and related actions or transactions that, taken together:  (i) intercept, interrupt, block, interfere with, impede, disrupt, prevent, or mitigate the adverse effects of, an Urgent Blackhat Exploit;  (ii) result in the complete transfer of all Returnable Assets (or the transfer of all Returnable Assets, minus the applicable Bounty) to the Asset Recovery Address as promptly as reasonably practicable during or after such Exploit (except that, in the case of such an Exploit performed by a Generalized Arbitrage Bot, such transfer may be effected as promptly as reasonably practicable after the owner/operator of the Generalized Arbitrage Bot discovers that the Generalized Arbitrage Bot has executed such Exploit, but in no event more than 72 hours after such Exploit);  (iii) have been performed in good faith solely for the purposes described in the preceding clauses ‘(i)’ and ‘(ii)’ and to earn the Reward (except that in the case of an Exploit automatically executed by a Generalized Arbitrage Bot, there need be no specific intent of the kind described in the preceding clause ‘(i)’);  (iv) are not conducted in a negligent, reckless, or fraudulent manner and do not constitute an intentional, knowing, reckless, or negligent breach of any applicable or otherwise relevant law, legal order, or any legally binding agreement; and  (v) otherwise comply with and satisfy all applicable terms and conditions of this Agreement. |
| **“*Eligible Whitehat*”** means a Whitehat (other than the owner/operator of a Generalized Arbitrage Bot) :  (i) who has read, understood, and agreed to be bound by this Agreement with respect to such Exploit;  (ii) for whom the representations and warranties in Section 6 are accurate and complete as to such person in connection with and at all times relevant to such Exploit;  (iii) who has not breached, contravened or violated any provision of this Agreement or any applicable or otherwise relevant law, legal order or any legally binding agreement in connection or at any time relevant to such Exploit;  (iv) who, subject to the provisions set forth in any applicable Adopting Addendum, has fully complied with the requirements of Section 3.3 with respect to such Exploit; and  (v) for whom the Reward comprises such person’s sole direct and indirect compensation, reward, and benefit in connection with the Exploit. |
| **“*Entity*”** means any corporation (including any non-profit corporation), general partnership, limited partnership, limited liability partnership, joint venture, estate, trust, company (including any limited liability company or joint stock company), firm or other enterprise, association, organization or entity. |
| **“*Exploit*”** means an attack, hack, or exploit against all or any part of a Protocol. |
| “***Exploited Assets****”* means, with respect to a given Urgent Blackhat Exploit, all Tokens that, directly or indirectly in connection with such Exploit, have been in whole or in part removed, appropriated, diverted, or otherwise obtained by or on behalf of a Whitehat from the Protocol. |
| “***Generalized Arbitrage Bot***” is software that autonomously monitors and analyzes substantially all transaction requests submitted to a blockchain network’s mempool and seeks to automatically arbitrage or gain execution priority over third-party transactions for financial profit. |
| **“*Governmental Entity*”** means any: (a) nation, multinational, supranational, state, commonwealth, province, territory, county, municipality, district or other jurisdiction of any nature; (b) federal, state, provincial, local, municipal, foreign or other government; (c) instrumentality, subdivision, department, ministry, board, court, administrative agency or commission or other governmental Entity, authority or instrumentality or political subdivision thereof; or (d) any quasi-governmental or private body exercising any executive, legislative, judicial, regulatory, taxing, importing or other governmental functions. |
| **“*Intellectual Property License*”** means any license, sublicense, right, covenant, non-assertion, permission, immunity, consent, release or waiver under or with respect to any Intellectual Property Rights or Technology. |
| **“*Intellectual Property Rights*”** means any and all rights in intellectual property and/or industrial property anywhere in the world, whether arising under statute, common law or otherwise. |
| **“*Legal Proceeding*”** means any action, suit, litigation, arbitration, claim, proceeding (including any civil, criminal, administrative, investigative or appellate proceeding), hearing, inquiry, audit, examination or investigation commenced, brought, conducted or heard by or before, or otherwise involving, any court or other Governmental Entity or any arbitrator or arbitration panel. |
| **“*Legal Requirement*”** means any: (a) federal, state, local, municipal, foreign, supranational or other law, statute, constitution, treaty, principle of common law, directive, resolution, ordinance, code, rule, regulation, judgment, ruling or requirement issued, enacted, adopted, promulgated, implemented or otherwise put into effect by or under the authority of any Governmental Entity; or (b) order, writ, injunction, judgment, edict, decree, ruling or award of any arbitrator or any court or other Governmental Entity. |
| “***Liability***” means any debt, obligation, duty or liability of any nature (including any unknown, undisclosed, unmatured, unaccrued, unasserted, contingent, indirect, conditional, implied, vicarious, derivative, joint, several or secondary liability), regardless of whether such debt, obligation, duty or liability is immediately due and payable. |
| **“*Parties*”** means the Protocol Community, Protocol Community Members and Whitehats participating in the Program, to whom these Terms apply. |
| ***“Person”***means any individual, Entity or Governmental Entity. |
| **“*Program*”** means the process set out in this Agreement to incentivize Eligible Funds Rescues whereby a Whitehat may seek to conduct an Exploit and transfer Tokens to the Asset Recovery Address as further detailed in Section 3.3(c). |
| ***“Protocol Community Member”*** means, with respect to a given Protocol at a given time, each of:  (i) the DAO governing such Protocol;  (ii) each of the persons who holds, or held at any prior time, voting power or economic interests in, or may otherwise be deemed participants in or members of, such DAO;  (iii) each User of such Protocol; and  (iv) the Security Team for such Protocol and each member of such Security Team. |
| **“*Protocol Community*”** means, with respect to a given Protocol at a given time, all of the Protocol Community Members as of such time. |
| “***Prospective Whitehat***” means any Whitehat that is not a Retrospective Whitehat. |
| “***Protocol****”*means a blockchain-based protocol. |
| **“*Representatives*”** of a Person means such Person’s officers, directors, employees, agents, attorneys, accountants, advisors and representatives. |
| “***Retrospective Whitehat***” means a Whitehat that is the owner/operator of a Generalized Arbitrage Bot who, upon discovering that an Exploit against a Protocol has been effected by such Generalized Arbitrage Bot, attempts or undertakes an Eligible Funds Rescue. |
| “***Returnable Assets****”* means, with respect to a given Urgent Blackhat Exploit, all of the Exploited Assets recovered by a Whitehat, *minus*  (i) any Exploited Assets utilized by the Whitehat in good faith, arms-length transactions to pay reasonable transaction fees or costs necessary to perform the Exploit and return Exploited Assets to the Asset Recovery Address; and  (ii) any value or Tokens lost as a result of “extractable value” or other arbitrage by validators or other third parties),  provided that in each case the Whitehat used best efforts to minimize such fees and costs. |
| “***Security Team Adoption Procedures***” means that this Agreement has been duly adopted and approved on behalf of the Security Team by means of the execution and delivery of the Security Team (or one or more authorized representatives thereof) of a contract in substantially the form attached hereto as Exhibit C and such contract has been published and is generally made available to the Protocol Community. |
| “***Security Team***” means, with respect to a given Protocol, any Entity, person, or group of persons involved in the research, development, or security of the Protocol whose consent or release from liability may be desirable for a Whitehat to obtain in connection with Eligible Funds Rescues hereunder. |
| *“****Software”*** means computer programs, together with input and output formats, source and object codes, program listings, data models, flow charts, outlines, narrative descriptions, operating instructions and supporting documentation, and includes the tangible media upon which such programs and documentation are recorded, including all authorised reproductions of such programs. Except as otherwise expressly provided in this Agreement, Software includes any corrections, enhancements, translations, modifications, updates, new releases, new versions and other changes (collectively, “Software Changes”) |
| ***“Technology*”** means any and all: (a) technology, formulae, algorithms, procedures, processes, methods, techniques, ideas, know-how, creations, inventions, discoveries, and improvements (whether patentable or unpatentable and whether or not reduced to practice); (b) technical, engineering, manufacturing, product, marketing, servicing, business, financial, supplier, personnel and other information and materials; (c) specifications, designs, industrial designs, models, devices, prototypes, schematics and development tools; (d) software, websites, content, images, logos, graphics, text, photographs, artwork, audiovisual works, sound recordings, graphs, drawings, reports, analyses, writings, and other works of authorship and copyrightable subject matter; and (e) databases and other compilations and collections of data or information. |
| **“*Token*”** means all tokens, cryptocurrencies, virtual assets, digital assets and other units of account or mediums of exchange that are transferable on a blockchain system. |
| “***Urgent Blackhat Exploit***” means an Exploit that, based on publicly available or otherwise verifiable information, would reasonably be considered to:  (i) (A) have already been initiated against a Protocol and remain an active threat; or (B) be highly likely to be imminently initiated against a Protocol; and  (ii) constitutes a reckless, malicious, illegal, unlawful, or otherwise harmful Exploit against a Protocol that is highly likely to imminently result in the loss, theft, misappropriation, freezing or other adverse impact on any Tokens directly or indirectly controlled by, deposited into, held by, or custodied with the Protocol, and for which the Whitehat is confident that a normal course bug bounty referral will not be sufficient to protect the funds. |
| “***User Adoption Procedures***” means the inclusion of provisions substantially in the form attached hereto as Exhibit D in the Terms of Service of at least a majority of the web applications specifically used to facilitate User interactions with the Protocol. |
| “***Users*”** of a Protocol means all persons who have Tokens on deposit with, held by, or otherwise subject to the full or partial direct or indirect custody, control or influence of the Protocol. |
| “***Whitehat***” means that person attempting or undertaking an Eligible Funds Rescue, seeking a Reward, or seeking the benefit of the consent to Exploits as described in Section 3.3(a). |
| ***“Whitehat Tools”*** means all know-how, intellectual property, methodologies, processes, technologies, algorithms, software or development tools used by the Whitehat in performing the Eligible Funds Rescue which are based on trade secrets or proprietary information of a Whitehat, are developed or created by or on behalf of a Whitehat without reference to or use of the intellectual property of Protocol Community or are otherwise owned or licensed by a Whitehat. |
| ***“Whitehat Residual Technology”*** means the ideas, concepts, methodologies, processes and know-how which are developed or created by a Whitehat in the course of performing the Services and may be retained by a Whitehat’s employees in intangible form. |

1. Eligible Protocols
   1. Adoption of this Agreement by Protocol Communities.

A Protocol may be made eligible for Eligible Funds Rescues under this Agreement if this Agreement has been duly adopted by the Protocol Community associated with such Protocol in accordance with the Adoption Procedures and in conjunction with the adoption of an Adopting Addendum pursuant to Section 2.2, and such adoption has not been subsequently renounced, revoked, annulled, voided, or rescinded.

* 1. Protocol-Specific Modifications of this Agreement.
     1. Notwithstanding anything to the contrary set forth in this Agreement, any provision of this Agreement may be amended, modified, or supplemented by a particular Protocol Community (solely with respect to that Protocol Community, the Protocol Community Members, and any related Protocol) through the Adoption Procedures for this Agreement or in accordance with the governance and other practices and procedures of such Protocol Community.
     2. Any such amendment, modification, or supplement (an “***Adopting Addendum***”), if published and adopted in accordance with this Agreement, shall be deemed incorporated by reference, and become a part of, this Agreement.
     3. In the event of any conflict or inconsistency as to the applicable Protocol Community and Protocol between this Agreement and the Adopting Addendum of such Protocol Community, such Adopting Addendum shall be governing and controlling.
     4. The Whitehat has sole and exclusive responsibility to remain fully informed as to all Adopting Addenda of any Protocol for which the Whitehat may seek to pursue an Eligible Funds Rescue and the manner in which such Adopting Addenda may modify, supplement, or amend this Agreement as to such Protocol, including potential narrowing of or additional exclusions from the definition of “Eligible Funds Rescue”.
     5. Each Protocol Community agrees to maintain a publicly accessible interface, website, or repository where all the information about this Agreement, including all modifications and Adopting Addenda, is updated and available at all times (the “***Agreement Fact Page***”).
     6. In adopting this Agreement, and as further described in Exhibit H (Protocol FAQ), a Protocol Community:
        1. may, at its discretion, arrive at a determination concerning the following topics:
           1. Which technical assets will fall within the scope for the Program, and to which the Eligible Whitehats are therefore granted access for the purpose of effectuating an Eligible Funds Rescue;
           2. The designated Asset Recovery Address where the Eligible Whitehats must deposit Returnable Assets;
           3. Whether, and to what extent, a third-party vendor will administer the Program, including the payment of any Bounty and/or the determination of the Whitehats’ eligibility to receive the bounty;
           4. Whether, and to what extent, anonymous or pseudonymous Eligible Whitehats can participate in the Program,
           5. Whether, and to what extent, sanctions or other diligence must be performed on Whitehats to determine their eligibility to receive the Bounty;
           6. The percentage of Returnable Assets to be paid to the Eligible Whitehats as a Bounty;
           7. Whether, and to what extent, the types of Exploits as defined in this Agreement that may constitute an Eligible Funds Rescue have been modified;
           8. Whether and to what extent the aggregate caps on Bounties described in Section 4.2(a) will apply; and
           9. Whether and to what extent, Eligible Whitehats may deduct the Bounty from the Returnable Assets deposited in the Asset Recovery Address,

each an “Agreement Addenda Topic”;

* + - 1. must include the relevant determinations (if any) in respect of the Agreement Addenda Topics in their publicly available Adopting Addendum; and
      2. must summarize the Agreement Addenda Topics in the Adoption Form set forth in Exhibit F, so that it may be reviewed by a Whitehat seeking to participate in the Program.
    1. In the absence of a determination by the Protocol in respect of any Agreement Agenda Topic, the Protocol will be deemed to have accepted the default position of such Agreement Agenda Topic to the extent such default position is set out in this Agreement.
  1. Mutual Release Among Protocol Community and Protocol Community Members.
     1. Release. The Protocol Community collectively and each Protocol Community Member individually, hereby, to the extent permitted at law, irrevocably, unconditionally, and completely exculpates, releases, acquits and forever discharges the Protocol Community and every Protocol Community Member from, and hereby irrevocably, unconditionally, and completely waives and relinquishes, every Claim, that any Protocol Community or Protocol Community Member may have had in the past, may now have, or may have in the future against the Protocol Community or any Protocol Community Member, relating to or arising out of this Agreement or any Eligible Funds Rescue attempted or effected in connection herewith or any of the other matters contemplated hereby.
     2. No-Litigation. The Protocol Community and each Protocol Community Member hereby agree not to assert or attempt to assert against the Protocol Community or any Protocol Community Member any Claim described under this Section 2.3.
     3. Unknown Claims*.*
        1. If the Protocol Community or any Protocol Community Member may have any rights under Section 1542 of the Civil Code of the State of California, each such person hereby: (A) represents, warrants and acknowledges that such person (1) has been fully advised by such person’s attorney of the contents of Section 1542 of the Civil Code of the State of California and (2) understands the implications thereof; and (B) hereby expressly waives the benefits thereof and any rights that they may have thereunder. Section 1542 of the Civil Code of the State of California provides as follows:

“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.”

* + - 1. The Protocol Community and each Protocol Community Member hereby waives the benefits of, and any rights that any of them may have in any jurisdiction under, any statute, common law, or other Legal Requirement regarding the release of unknown claims.
  1. Adoption; Uncertain Legal Classification of DAOs; Enforceability.
     1. *Adoption and Execution*. Subject to Section 2.4(c) below, this Agreement becomes binding:
        1. in the case of the Protocol Community and Protocol Community Members, by that Protocol Community passing a proposal pursuant to the Adoption Procedures adopting the Agreement with reference to this Agreement; and
        2. in the case of the Whitehat, by the Whitehat having the opportunity to read the Agreement and thereafter by the Whitehat taking steps to execute an Eligible Funds Rescue in relation to the Protocol.
     2. *Uncertain Legal Classification of DAOs*.It is hereby acknowledged and agreed that the legal classification of participating DAOs may be uncertain. There may exist uncertainties as to whether a DAO is a continuous single legal person, the criteria and term of membership in a DAO for persons participating in DAO-related activities, the rules by which the DAO or any member of or participant in the DAO may become a party to or bound by any agreement, and the applicability of any such agreement to prior or future members of or participants in the DAO.
     3. *Enforceability*. In light of the potential for the uncertain legal classification of DAOs to affect the enforceability of this Agreement against the DAO, any participants in or members of the DAO or the Protocol Community generally, the following non-exclusive order of preference concerning the Adoption Procedures and the subsequent enforceability of this Agreement is hereby acknowledged and agreed in order to give maximum effect to the terms of this Agreement:
        1. To the extent the DAO governing a protocol is deemed to constitute a legal person and this Agreement is adopted through the DAO Adoption Procedures, then the DAO Adoption Procedures are intended to and shall be deemed to make this Agreement binding upon such legal person;
        2. To the extent the DAO governing a protocol is deemed to be capable of binding the Protocol Community or Protocol Community Members to this Agreement through the DAO Adoption Procedures, then the DAO Adoption Procedures are intended to and shall be deemed to make this Agreement binding upon the Protocol Community and any and all Protocol Community Members, to the maximum extent permissible;
        3. To the extent the individual past, present, and/or future participants in or members of the DAO may be bound to an agreement through the DAO Adoption Procedures, then the DAO Adoption Procedures are intended to and shall be deemed to make this Agreement binding upon all such individual participants or members to the maximum extent permissible; and
        4. To the extent the DAO is not deemed to be a legal person and it is not legally permitted to bind all individual past, present, and/or future participants in or members of the DAO hereto through the DAO Adoption Procedures, then, to the maximum extent permissible, this Agreement shall be deemed binding upon the individual Protocol Community Members, Users, or other persons who voted in favor of or otherwise expressly consented to, ratified, or affirmed this Agreement through the DAO Adoption Procedures, User Adoption Procedures, or otherwise.

1. Covered Exploits & Rewards
   1. Eligible Whitehats to be Compensated for Eligible Funds Rescues

If an Eligible Whitehat performs an Eligible Funds Rescue pursuant to and in accordance with this Agreement, then, as the sole compensation and reward for such performance, the Eligible Whitehat may be entitled to:

* + 1. payment or retention of the applicable Bounty as set forth in Section 4.2, subject to specification by the Protocol Community in any Adopting Addendum; and
    2. the grant of a release of Claims as set forth in Section 4.3,

(the consideration described in the preceding Sections 3.1(a) and 3.1(b), collectively, the “***Reward***”).

* 1. Limited Scope
     1. This Agreement and the Reward granted hereunder are intended to provide compensation solely to Eligible Whitehats who complete Eligible Funds Rescues of Tokens from an Urgent Blackhat Exploit and as subject to further specification by the Protocol Community in any Adopting Addendum.
     2. All other pending, threatened, or possible Exploits, security vulnerabilities, or other facts and circumstances relating to a Protocol are outside the scope of this Agreement and may be addressed by the parties otherwise, for example, through an ordinary security bounty program, or other rules, procedures, and agreements applicable to such Protocol.
  2. Required Procedures For Attempting Eligible Funds Rescues.
     1. *Consent to Exploit by Prospective Whitehats*. In the event that an Urgent Blackhat Exploit is highly likely to be imminently initiated or is in progress with respect to a Protocol and a Prospective Whitehat who satisfies the eligibility conditions set forth in clauses ‘(i)’ through ‘(iii)’ of the definition of “Eligible Whitehat” could reasonably be expected to complete an Eligible Funds Rescue with respect to such Urgent Blackhat Exploit, then, for so long as the Urgent Blackhat Exploit remains imminent or in progress and such Prospective Whitehat otherwise complies with this Agreement, the Prospective Whitehat is hereby granted the consent of the Protocol Community to use best efforts to attempt the Eligible Funds Rescue and to access the technical assets deemed in scope by the Protocol Community as designated by the Protocol Community in the Adopting Addendum and as specified in the form included as Exhibit F to this Agreement, including by seeking to satisfy (or continuing to satisfy, as applicable) the eligibility conditions set forth in clauses ‘(ii)’ through ‘(v)’ of the definition of “Eligible Whitehat” so as to become an Eligible Whitehat and by performing an Eligible Funds Rescue against the Protocol to the extent necessary to intercept, interrupt, block, interfere with, impede, disrupt, prevent, or mitigate the adverse effects of, such Urgent Blackhat Exploit.
     2. *Notification of Attempted Eligible Funds Rescue*.
        1. The Whitehat shall use commercially reasonable efforts to notify the Protocol Community that the Whitehat is attempting an Eligible Funds Rescue as soon as reasonably practicable in accordance with Section 9.6.
        2. For Prospective Whitehats, it is strongly recommended, although not required, to deliver such notification prior to initiating an Exploit against the Protocol if doing so would not adversely affect the likelihood of achieving an Eligible Funds Rescue. For Retrospective Whitehats, it is strongly recommended that the Whitehat deliver such notification immediately after discovering that the Generalized Arbitrage Bot owned or operated by such Whitehat has executed an Exploit against the Protocol.
     3. *Transfer of Assets to Asset Recovery Address*.
        1. The Whitehat shall at all times use best efforts to secure, and preserve the value of, all Exploited Assets.
        2. Upon removing, appropriating, diverting, or otherwise obtaining custody or control over any Exploited Assets, the Whitehat must use best efforts to transfer them to the Asset Recovery Address as promptly as reasonably practicable, as follows:
           1. If the Adopting Procedures for the relevant Protocol expressly allow for the Whitehat to deduct and retain the Bounty from the Exploited Assets, then the Whitehat shall transfer all Returnable Assets minus the applicable Bounty, into the Asset Recovery Address as promptly as reasonably practicable; or
           2. If the Adopting Procedures for the relevant Protocol do not expressly allow for the Whitehat to deduct and retain the Bounty from the Exploited Assets, then the Whitehat shall transfer all Returnable Assets into the Asset Recovery Address as promptly as reasonably practicable.
        3. An Exploit with respect to which the Returnable Assets have not been so transferred into the Asset Recovery Address in accordance with the preceding Section 3.3(c) shall not constitute an Eligible Funds Rescue and the Whitehat shall not be entitled to any Reward with respect thereto until:
           1. Whitehat has made a bona fide attempt to return such Returnable Assets; and
           2. Returnable Assets have been transferred into the Asset Recovery Address.
        4. For the avoidance of doubt, if a Whitehat is unable to transfer the Returnable Assets into the Asset Recovery Address within six hours of obtaining custody or control over them, then the Whitehat must, as soon as practicable:
           1. notify the Protocol Community in accordance with Section 9.6 stating the reasons for their inability to transfer Returnable Assets; and
           2. Take all commercially reasonable steps to transfer the Returnable Assets into the Asset Recovery Address.

1. Eligibility, Release and Bounty
   1. Eligibility Conditions
      1. *Essential Terms for Elligibility*. Each clause of the defined terms “Eligible Whitehat” and “Eligible Funds Rescue” are essential terms to any person’s entitlement to receive a Reward. In the event that a Whitehat receives or retains a Bounty (or any portion thereof) at a time when any of the aforementioned conditions were not satisfied in a material fashion (a “Precondition Breach”), the Whitehat shall, upon demand by the Protocol Community or any Protocol Community Member identifying the Precondition Breaches, remedy to the reasonable satisfaction of the notifying party such Precondition Breaches within 7 days of such notification, failing which the Bounty shall be deemed forfeit and the Whitehat shall transfer the full amount of any Retained Bounty directly to the Asset Recovery Address as soon as practicable.
      2. *Relationship of Protocol Community to Whitehat*. Under no circumstances do the Protocol Community or any Protocol Community Member seek through this Agreement to facilitate, encourage, or condone any conduct by Whitehat that violates any Legal Requirement under any applicable jurisdiction or any fraudulent, misleading, manipulative, reckless, or negligent conduct by Whitehat towards any Party or non-party to this Agreement. The Protocol Community disclaims any liability or direct or consequential damages caused by Whitehat by participating in the Program, and make no representations or warranties to Whitehat that participation in the Program under the terms of this Agreement will protect Whitehat from liability except as otherwise specified in Section 4.3 below.
   2. Bounty
      1. In the event that the Protocol Community decides to institute either an aggregate cap on the Bounty in connection with an Urgent Blackhat Exploit, equivalent to a US Dollar amount and above which payment will not be made to an Eligible Whitehat(s), or a fixed cap on a Bounty applicable to each Eligible Whitehat contributing to an Eligible Funds Rescue in connection with an Urgent Blackhat Exploit, the Protocol Community must designate such cap and provide relevant details on payment mechanisms and payment allocation in its Adopting Addendum and, if deemed appropriate, in the form included as Exhibit F to this Agreement.
      2. *Payment of Bounty*. Following the completion of an Eligible Funds Rescue and the determination that the Whitehat is eligible for a Reward pursuant to the terms of this Agreement:
         1. In the event that the Whitehat has returned all of the Returnable Assets, the Protocol Community will pay the Bounty to the Whitehat, subject to the terms of this Agreement. Payment of the Bounty is to be made to the Whitehat’s address as nominated at the time of delivery of the Returnable Assets to the Asset Recovery Address. In the event that the Protocol Community fails to transfer the Bounty to the Whitehat within a reasonable time (and in no event more than 15 calendar days after the date that the first or only Returnable Assets are sent to the Asset Recovery Address), or in the event that the Whitehat and Protocol Community are unable to agree upon the amount of the Bounty, the Reward Dispute Procedures, as set forth in Section 4.4, shall apply. The Protocol Community may, in its reasonable discretion, require that a Whitehat provide backup withholding and withholding tax documentation (as required by local tax laws applicable to the Protocol Community), and, if not provided in a reasonable amount of time, deduct the required amounts of applicable backup withholding and withholding taxes from any such Bounty payment to a Whitehat.
         2. In the event that the Whitehat has retained the Bounty, and sent all Returnable Assets to the Asset Recovery Address less the amount retained by the Whitehat as the Bounty (a “***Retained Bounty***”), the Whitehat shall verify in writing to the Protocol Community the address at which the Retained Bounty is located and not move the Retained Bounty from this address. The Protocol Community shall, within a reasonable time and in no event more than 15 calendar days, send written verification to the Whitehat as to whether the Protocol Community disputes the amount of the Retained Bounty. In the event no notice is sent to the Whitehat within the timeframe specified in the preceding sentence, the Retained Bounty amount shall be presumed acceptable to the Protocol Community. In the event that the Protocol Community disputes the amount of the Retained Bounty, the Reward Dispute Procedures, as set forth in Section 4.4, shall apply.
   3. Release of Whitehat Liability to Protocol Community
      1. *Grant of Authority to conduct Eligible Funds Rescues*. By entering this Agreement, the Protocol Community and each Protocol Community Member:
         1. Authorises the Security Team to be its primary point of contact in dealing with the Whitehat under this Agreement and grants the Security Team the authority and power to make decisions with respect to actions to be taken by the Protocol Community under this Agreement; and
         2. grants the Eligible Whitehat the authority and power to undertake penetration testing and circumvention measures within, and of, the Protocol required to conduct an Eligible Funds Rescue in accordance with the terms of this Agreement.
      2. *Release by Protocol Community*.The Protocol Community and each Protocol Community Member, hereby, to the extent permitted at law, irrevocably, unconditionally, and completely exculpates, releases, acquits and forever discharges Whitehat from, and hereby irrevocably, unconditionally, and completely waives and relinquishes, every Claim, that any Protocol Community or Protocol Community Member may have had in the past, may now have, or may have in the future against Whitehat, relating to or arising out of each any Eligible Funds Rescue attempted or effected in connection with this Agreement, including any Claim based on a theory of quantum meruit, promissory estoppel, or other equitable doctrine and any Claim contrary to any of the acknowledgements and assumptions of risk set forth in this Agreement; *provided, however,* that Whitehat shall not be released from any breach or non-compliance with the terms and conditions of this Agreement and provided further that this release does not apply to any indemnity owed by the Whitehat under Section 7.1(a).
      3. *No-Litigation*. The Protocol Community and each Protocol Community Member hereby agree not to assert or attempt to assert against the Whitehat any Claim from which such Whitehat has been released under Section 4.3(a).
      4. *Unknown Claims.*
         1. If the Protocol Community or any Protocol Community Member may have any rights under Section 1542 of the Civil Code of the State of California, each such person hereby: (A) represents, warrants and acknowledges that such person (1) has been fully advised by such person’s attorney of the contents of Section 1542 of the Civil Code of the State of California and (2) understands the implications thereof; and (B) hereby expressly waives the benefits thereof and any rights that they may have thereunder. Section 1542 of the Civil Code of the State of California provides as follows:

“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.”

* + - 1. The Protocol Community and each Protocol Community Member hereby waives the benefits of, and any rights that any of them may have under, any statute, common law or other Legal Requirement regarding the release of unknown claims in any jurisdiction.
  1. Reward Dispute Procedures
     1. Reward Dispute Procedures. In the event that a dispute between the Protocol Community exists as to: (A) the amount of a Bounty, (B) whether the Whitehat is entitled to a Reward; or (C) whether the Bounty is subject to offset pursuant to Section 7.1(a) below (each, a “***Reward Dispute”***), the Parties shall identify the amount of the Bounty and all other aspects of the Reward which are disputed (the “***Disputed Amount***”) and the following procedures shall apply.
        1. If the Reward Dispute relates to the value of the tokens comprising the Bounty only (i.e., if the Protocol Community and Whitehat agree that the Whitehat is entitled to a Reward, but cannot agree on the value of the Bounty), the Party in possession of the Disputed Amount shall transfer the Disputed Amount into an escrow account that requires the signature of the Whitehat and Protocol Community to be released.
        2. Each Party shall, within 30 calendar days, appoint an appraiser or other valuation expert to render an opinion as to the proper amount of the Bounty (an “***Appraisal***”).
        3. In the event that the higher of the Appraisals is no greater than 130% of the lower Appraisal, the Bounty shall be the average of the two Appraisals.
        4. In the event that the higher of the Appraisals is greater than 130% of the lower Appraisal, the appraisers shall appoint a neutral third-party appraiser, whose Appraisal shall control the amount and allocation of the Bounty.
        5. Upon the conclusion of this appraisal process, the Parties shall release the escrowed Bounty amount(s) to whichever Party is entitled to all or a portion of the Disputed Amount.
        6. If the Reward Dispute relates to:
           1. the entitlement of the Whitehat to a Reward;
           2. a Claim by an Indemnitee that gives rise to a Disputed Amount; or
           3. the amount of Returnable Assets owed to the Protocol Community,

the Arbitration provisions of Section 7.1(b) shall apply.

1. Certain Covenants and Agreements of Whitehat
   1. Legal Compliance.

Whitehat shall at all times ensure that their actions are in compliance with all applicable Legal Requirements. Whitehat acknowledges that Protocol Community will not, and has no legal obligation to, monitor the legal compliance of Whitehat in relation to Whitehat seeking to perform an Eligible Funds Rescue.

* 1. Non-Exclusivity.

Whitehat acknowledges and agrees that there shall be no relationship of exclusivity between Whitehat and Protocol Community; Protocol Community shall be fully entitled to permit other Persons (who may be competitors of Whitehat) to participate in the Program; and neither the Protocol Community nor any Protocol Community Member is making any covenant, commitment, agreement or undertaking to keep Whitehat informed regarding the progress or involvement of other Persons participating in the Program or to treat Whitehat equally with such other Persons.

* 1. No Partnership, Agency or Similar Relationship.

For the purposes of this Agreement, Whitehat acknowledges and agrees that:

* + 1. Whitehat is not, and shall not be deemed to be, part of any partnership, joint venture, unincorporated association, or other Entity with Protocol, any Representative of the Protocol Community, or any Protocol Community Member;
    2. Whitehat is not, and shall not be deemed to be, an employee, independent contractor, or Representative of any kind of the Protocol Community or any Protocol Community Member; and
    3. it will not hold itself out as having, represent that it has, or induce or knowingly permit any Person to believe that it is, a Representative of the Protocol Community or any other Protocol Community Member arising out of or in connection with this Agreement, the Program, or the performance or attempt of any Eligible Funds Rescue.
  1. No Guarantees or Assurances of Rewards.

Other than as expressly provided for in this Agreement, Protocol Community shall not be deemed to be directly or indirectly providing any express or implied guarantee or assurance that Whitehat will receive any Rewards. Protocol Community may, at any time, in its sole discretion, cancel and terminate such Protocol Community’s participation in the Program; *provided, however,* that the Protocol Community shall not be permitted to terminate the Program with respect to any completed or in-progress Eligible Funds Rescue. Whitehat hereby assumes all risks that they do not qualify for any Rewards, regardless of the level of time or effort or cost expended by Whitehat in pursuit of the Rewards.

* 1. Release by Whitehat
     1. Definitions. For purposes of this Section 5:
        1. *“****Protocol Community Persons***” includes the Protocol Community, the Protocol Community Members, the Protocol Community’s Affiliates and the Protocol Community and Protocol Community’s Affiliates’ respective successors and past, present and future assigns and Representatives (hereafter); and
        2. “***Whitehat Persons***” includes Whitehat, acting on Whitehat’s own behalf and on behalf of Whitehat’s Representatives and Affiliates along with such parties’ respective successors and past, present and future assigns and Representatives (hereafter).
     2. Release. Whitehat (on Whitehat’s own behalf and on behalf of Whitehat Persons) hereby irrevocably, unconditionally, and completely releases, acquits, and forever discharges each of the Protocol Community Persons from, and hereby irrevocably, unconditionally, and completely waives and relinquishes, each and every Claim, that any Whitehat Person may have had in the past, may now have or may have in the future against any of the Protocol Community Persons, directly or indirectly relating to or directly or indirectly arising out of any event, matter, cause, thing, act, omission or conduct occurring, existing, or arising in connection with Whitehat’s or any other Whitehat Person’s participation in or involvement with the Program or execution or performance of this Agreement, including any Claim based on a theory of quantum meruit, promissory estoppel, or other equitable doctrine and any Claim contrary to any of the acknowledgements and assumptions of risk set forth in this Agreement; *provided, however*, that Whitehat is not releasing any rights expressly provided to Whitehat under this Agreement, including the right to any Bounty pursuant to Section 4.
     3. Unknown Claims*.*
        1. If Whitehat or any or other Whitehat Person may have any rights under Section 1542 of the Civil Code of the State of California, Whitehat hereby (on Whitehat’s own behalf and on behalf of the other Whitehat Persons): (A) represents, warrants, and acknowledges that Whitehat and such other Whitehat Persons (1) have been fully advised by their respective attorneys of the contents of Section 1542 of the Civil Code of the State of California and (2) understand the implications thereof; and (B) hereby expressly waive the benefits thereof and any rights that they may have thereunder. Section 1542 of the Civil Code of the State of California provides as follows:

“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.”

* + - 1. Whitehat (on Whitehat’s own behalf and on behalf of the other Whitehat Persons) hereby waives the benefits of, and any rights that any of them may have under, any statute, common law, or other Legal Requirement regarding the release of unknown claims in any jurisdiction.
    1. Necessary Actions. Whitehat represents and warrants that Whitehat has taken all actions necessary or appropriate to give full effect to the release given by Whitehat (on such Whitehat’s own behalf and on behalf of the other Whitehat Persons) in this Section.
    2. Further Assurances. Without limiting the generality of Section 9.6, Whitehat agrees that Whitehat shall execute and deliver (and ensure that the other Whitehat Persons execute and deliver) to Protocol Community and the other Protocol Community Persons such instruments and other documents, and shall take (and ensure the other Whitehat Persons take) such other actions, as Protocol Community Persons may reasonably request in good faith for the purpose of carrying out or evidencing the release and related matters set forth in this Section. Without limiting the generality of the foregoing, Whitehat agrees that Whitehat will not assert or attempt to assert, and will ensure that none of the other Whitehat Persons will assert or attempt to assert, any Claim of the type released under Section 5.5(b) against any Protocol Community Person at any time after the adoption of this Agreement.

1. Representations and Warranties of Whitehat

Whitehat hereby represents and warrants to and for the benefit of Protocol Community and Protocol Community Members, their Affiliates and their respective Representatives (it being acknowledged and agreed by Whitehat that Protocol Community is relying on, and would not have entered into this Agreement without the representations and warranties set out in this Section 6), as follows:

* 1. Authority and Due Execution
     1. Authority. Whitehat has all requisite capacity, power and authority to enter into, and perform Whitehat’s obligations under, this Agreement and to fully participate in the Program. The execution, delivery and performance of, and the performance of Whitehat’s obligations under this Agreement and Whitehat’s full participation in the Program have been duly authorized by all necessary action on the part of Whitehat and, if Whitehat is an Entity, its board of directors or comparable authority(ies), and no other proceedings on the part of Whitehat are necessary to authorize the execution, delivery or performance of this Agreement by Whitehat.
     2. Due Execution. This Agreement has been duly accepted by Whitehat and constitutes the legal, valid and binding obligation of Whitehat, enforceable against Whitehat in accordance with its terms.
  2. Money Laundering and Sanctions.
     1. To the best of Whitehat’s knowledge, any crypto-assets or funds that are or will be obtained, leveraged, recovered, exploited, or otherwise used by Whitehat in any Eligible Funds Rescue were not and are not directly or indirectly derived from any activities that contravene any law, rule, regulation or order (including anti-money laundering laws and regulations) applicable to the Whitehat.
     2. None of:
        1. Whitehat;
        2. any Affiliate of Whitehat;
        3. any person having a beneficial interest in the Whitehat (if an Entity); or
        4. any person for whom the Whitehat is acting as agent or nominee in connection with this Agreement,

is:

* + - 1. a country, territory, Entity or individual named on an OFAC list as provided at http://www.treas.gov/ofac;
      2. a person or Entity subject to sanctions or prohibitions under OFAC or any other national or international sanctions regime, regardless of whether or not they appear on the OFAC list; or
      3. a senior foreign political figure, or any immediate family member or close associate of a senior foreign political figure.
  1. Non-Contravention.

The execution and delivery of this Agreement does not, and the performance of Whitehat’s obligations under this Agreement and Whitehat’s full participation in the Program will not:

* + 1. if Whitehat is an Entity, conflict with or violate any of the charter documents of Whitehat or any resolution adopted by its equity holders or other Persons having governance authority over the Whitehat Entity;
    2. contravene, conflict with, or violate any applicable Legal Requirement to which Whitehat, or any of the assets owned or used by Whitehat, is subject; or
    3. result in any breach of or constitute a default (or an event that with notice or lapse of time or both would become a default) under any material contract or agreement of Whitehat, permit held by Whitehat or Legal Requirement applicable to Whitehat.
  1. Whitehat’s Independent Investigation and Non-Reliance.
     1. Whitehat warrants that it:
        1. is sophisticated, experienced, and knowledgeable in the business of software exploits and blockchain exploits;
        2. it will carry out the activities contemplated by this Agreement with all due skill and diligence and in a good and efficacious manner, and in accordance with the best practice within the security industry;
        3. has conducted an independent investigation of the Protocol, the Program, and the matters contemplated by this Agreement;
        4. has formed its own independent judgment regarding the benefits and risks of and necessary and desirable practices in making its determination to participate in the Program;
        5. relies solely on the results of such investigation and judgment; and
        6. is acting independently of Protocol Community in connection with this Agreement and the Program.
     2. Whitehat acknowledges and agrees that the Protocol Community is not itself engaged in any exploit activities and the Protocol Community has neither:
        1. evaluated; nor
        2. made any representation or warranty, express or implied, regarding,

any benefits or risks of or necessary or desirable practices regarding any actions surrounding any attempt at an Eligible Funds Rescue.

* + 1. Without limiting the generality of the foregoing, Whitehat understands, acknowledges and agrees that the Legal Requirements pertaining to blockchain technologies and Tokens generally, and the Protocol in particular, are uncertain, and Whitehat has conducted an independent investigation of such potentially applicable Legal Requirements and the resulting risks and uncertainties.
    2. Whitehat hereby irrevocably disclaims and disavows reliance upon any statements or representations made by or on behalf of, or information made available by, the Protocol Community or any Protocol Community Members, in determining to enter into this Agreement, or participate in the Program.
  1. Litigation.

There is no Legal Proceeding pending or threatened: (a) that involves Whitehat or any Representatives or Affiliates of Whitehat; and (b) related to or arising out of Whitehat’s activities in connection with exploits of software or blockchain technologies or any other Token trading or blockchain technology related activities that would have a material adverse affect on the Whitehat’s performance of its obligations under this Agreement.

* 1. Intellectual Property and Related Matters.

Whitehat has all necessary rights, title and interest in and to all Intellectual Property Rights in all Technology incorporated into or otherwise used, held for use or practiced in connection with (or planned by Whitehat to be incorporated into or otherwise used, held for use or practiced during the course of the Program in connection with) the Program.

* 1. Compliance; Orders
     1. *Compliance*. Whitehat has complied with, and has not violated, any applicable Legal Requirement relating to any blockchain technologies, cybersecurity-related activities, or Token trading activities. No investigation or review by any Governmental Entity is pending or, to Whitehat’s knowledge, has been threatened against or with respect to Whitehat.
     2. *Orders*. To the Whitehat’s knowledge, there is no legal order, decree, or other directive to which Whitehat or any Representative of Whitehat is subject that prohibits Whitehat or such Representative from engaging in or continuing any conduct, activity or practice relating to Whitehat’s participation in the Program.
  2. Full Disclosure.

This Section 6 does not: (a) contain any representation, warranty, statement or information that is false or misleading with respect to any material fact; or (b) omit to state any material fact necessary in order to make the representations, warranties and information contained in this Section 6 (in the light of the circumstances under which such representations, warranties, statements and information were or will be made or provided) not false or misleading.

1. Indemnification and Arbitrable Disputes
   1. Indemnification
      1. *Indemnity*.

Whitehat shall hold harmless and indemnify Protocol Community, Protocol Community Members, their Affiliates, and their respective Representatives (collectively, the “***Indemnitees***”) from and against any Damages that are directly or indirectly suffered or incurred at any time following the Eligible Funds Rescue by any of the Indemnitees or to which any of the Indemnitees may otherwise directly or indirectly become subject at any time and which arise directly or indirectly from or as a result of, or are directly or indirectly connected with:

* + - 1. any material misrepresentation, inaccuracy, or omission in connection with any of the representations and warranties made by Whitehat; or
      2. any material breach or non-performance of the Agreement by Whitehat,

provided that, the aggregate maximum amount of payment owed by the Whitehat under this Section 7.1(a) shall be limited to the amount of the Bounty due and actually received by the Whitehat hereunder. In the event that no payment has been made to the Whitehat, the Whitehat’s indemnity obligation shall reduce the amount of the Bounty otherwise owed to the Whitehat.

* + 1. *Arbitrable Disputes*.
       1. In the event that the Indemnitee and Whitehat do not settle a claim for indemnification or any other action, suit, or other legal proceeding relating to this Agreement or the enforcement of any provision of this Agreement within 30 days after the date on which notice of such claim is delivered by one party (or Indemnitee) to the other, then such claim shall be deemed to be the subject of a dispute (an “***Arbitrable Dispute***”).
       2. Each Arbitrable Dispute shall be settled by binding arbitration. Notwithstanding the preceding sentence, nothing in this Section 7 shall prevent the Indemnitee from seeking preliminary injunctive relief from a court of competent jurisdiction pending settlement of any Arbitrable Dispute.
       3. Except as herein specifically stated, any Arbitrable Dispute shall be resolved by arbitration in Singapore under the administration of the Singapore International Arbitration Centre (“***SIAC***”) in accordance with the Arbitration Rules of the Singapore International Arbitration Centre (the “***SIAC Rules***”) then in effect. However, in all events, the provisions contained in this Agreement shall govern over any conflicting rules which may now or hereafter be contained in the SIAC Rules. Any judgment upon the award rendered through arbitration shall be entered in any court having jurisdiction over the subject matter thereof and over the Person against whom the award rendered is to be enforced. Decisions rendered through arbitration shall have the authority to grant any equitable and legal remedies that would be available if any judicial proceeding was instituted to resolve an Arbitrable Dispute. A final decision rendered through arbitration may be submitted for entry to a court of competent jurisdiction. The existence and events and circumstances and outcome of such arbitration shall be treated as confidential and not disclosed or made public by the parties; *provided, however,* that (A) each party may discuss the arbitration on a confidential basis with their respective professional advisors, attorneys, directors, officers, members, and Affiliates; and (B) each party may disclose information solely to the extent necessary to enforce the results of the arbitration, provided that prior to any such disclosure such party uses (and affords the other parties an opportunity to use) commercially reasonable efforts to seek the confidential treatment of such information (e.g., by seeking a protective order).
       4. Any such arbitration will be conducted in English before a panel of three arbitrators who will be compensated for their services at a rate to be determined by the parties or by SIAC, but based upon reasonable hourly or daily consulting rates for each arbitrator in the event the parties are not able to agree upon his or her rate of compensation.
       5. The members of the panel of arbitrators shall be mutually agreed upon by the parties. In the event the parties are unable to agree within 20 days following submission of the dispute to SIAC by one of the parties, SIAC will have the authority to select panel members from a list of arbitrators who satisfy the criteria set forth in Section 7.1(b)(vi) below.
       6. Each arbitrator must not have any past or present family, business or other relationship with the parties or any relevant Indemnitee, unless, following full disclosure of all such relationships, the parties and any relevant Indemnitee agree in writing to waive such requirement with respect to each arbitrator in connection with such dispute. In addition, unless otherwise agreed by the parties and any relevant Indemnitee in writing, an arbitrator in any dispute related to an Arbitrable Dispute shall have at least 15 years’ experience in the negotiation of complex corporate transactions; *provided, however,* that if SIAC is not able to provide an arbitrator for such arbitration with the requisite experience set forth in this Section 7.1(b)(vi), such arbitrator shall be a retired Article III Federal District Court judge of the United States with prior experience as an arbitrator.
       7. The parties will each pay 50% of the initial compensation to be paid to the arbitrators in any such arbitration and 50% of the costs of transcripts and other normal and regular expenses of the arbitration proceedings; *provided, however,* that: (A) the prevailing party in any arbitration will be entitled to an award of attorneys’ fees and costs; and (B) all costs of arbitration, other than those provided for above, will be paid by the losing party, and the arbitrator will be authorized to determine the identity of the prevailing party and the losing party. The losing party shall be determined solely by the arbitrator.
       8. The arbitrators chosen in accordance with these provisions will not have the power to alter, amend or otherwise affect the terms of these arbitration provisions or any other provisions contained in this Agreement.
       9. Any ruling or decision of the arbitrators may be enforced in any court of competent jurisdiction.
  1. Exercise of Indemnification Remedies Other Than by Protocol Community.

No Indemnitee (other than Protocol Community) shall be permitted to assert any claim to be held harmless, indemnified, compensated or reimbursed or to exercise any other remedy under this Agreement unless Protocol Community shall have consented to the assertion of such claim or the exercise of such other remedy (it being understood and agreed that no such consent by Protocol Community shall otherwise modify or operate as a waiver of the rights and obligations of any party to this Agreement). Protocol Community shall be entitled to act as agent for any Indemnitee in connection with any claim to be held harmless, indemnified, compensated or reimbursed or other remedy sought, asserted or exercised, or sought to be asserted or exercised.

1. Intellectual Property Rights
   1. *Retained Ownership of Prior IPR*. Each party will retain all Intellectual Property Rights in any software, ideas, concepts, know-how, development tools, techniques or any other proprietary material or information that it owned or developed prior to the date of this Agreement, or acquired or developed after the date of this Agreement without reference to or use of the Intellectual Property Rights of the other party.
   2. *Third Party Software.* All software that is licensed by a Party from a third party will be and remain the property of such third party.
   3. *Protocol Community ownership of Copyright in Developed Software*. Upon payment of the Bounty in respect of an Eligible Funds Rescue and subject to Section 8.5, the Protocol Community will own the copyright in all Software that is developed by Whitehat during, or otherwise specifically for, an Eligible Funds Rescue (the “Developed Software”), such Developed Software to be supplied in both object and source code form;
   4. *Licence Back*. Protocol Community grants to Whitehat (and any subcontractors of Whitehat engaged in accordance with this Agreement) a royalty-free, non-transferable, non-exclusive license during the term of this Agreement to use, copy, maintain, modify, enhance and create derivative works of the Developed Software.
   5. *Embedded Tools*. If any Whitehat Software or Whitehat Tools are used in developing, modifying or enhancing the Developed Software are embedded in such Developed Software, Whitehat grants to the Protocol Community a perpetual (subject to compliance with this sentence), royalty-free, nontransferable, nonexclusive license to use such embedded Whitehat Software and Whitehat Development Tools solely in connection with Protocol Community’s internal use and exploitation of such Developed Software and only so long as such Whitehat Software and Whitehat Development Tools remain embedded in such Developed Software and are not separated. For the avoidance of doubt, Developed Software must not be used by the Protocol Community for commercial exploitation or commercial gain.
   6. *Ownership of Developed Software, Tools and Residual Technology*. Notwithstanding anything to the contrary in this Agreement, Whitehat will retain all right, title and interest in and to, and will be free to use:
      1. The Whitehat Tools; and
      2. The Whitehat Residual Technology.
   7. *Supporting Documents.* Each Party agrees to execute and deliver such other instruments and documents as either Party reasonably requests to evidence or effect the transactions contemplated by this Section 8.
   8. *Survival*. The provisions of this Section 8 will survive the expiration or termination of this Agreement for any reason.
2. Confidentiality, Public Statements
   1. *Scope of Obligation*.
      1. Except as otherwise expressly provided in this Agreement, Whitehat and Security Team each agree that:
         1. all information communicated to it by the other and identified as confidential, whether before or after the Effective Date; and
         2. all information identified as confidential to which it has access in connection with the activities of the Whitehat under this Agreement,

will be and will be deemed to have been received in confidence and will be used only for purposes of this Agreement, and each of Whitehat and Security Team agrees to use the same means as it uses to protect its own confidential information, but in no event less than reasonable means, to prevent the disclosure and to protect the confidentiality.

* + 1. No such information will be disclosed by the recipient party without the prior written consent of the other party; provided, however, that each party may disclose this Agreement and the other party's confidential information to those of the recipient party's legal advisers, auditors, insurers (if applicable), subcontractors and full time employees who have a need to have access to such information in connection with their employment (or engagement, if applicable) by the recipient party, so long as the recipient party requires, in the case of its legal advisers, auditors and insurers, that each of them execute a confidentiality agreement containing terms and conditions no less restrictive than those set out in this Section 9 and advises, in the case of its subcontractors and employees, each such subcontractor and employee of the confidentiality obligations set out in this Section 9.
    2. In any event, compliance by each of the persons referenced in the preceding sentence with the confidentiality obligations set out in this Section 9 will remain the responsibility of the party employing or engaging such persons.
  1. *Exceptions*.
     1. Nothing in Section 9.1 will prevent either party from disclosing information that belongs to such party or:
        1. is already known by the recipient party without an obligation of confidentiality other than under this Agreement;
        2. is publicly known or becomes publicly known through no unauthorised act of the recipient party;
        3. is rightfully received from a third party;
        4. is independently developed without use of the other party's confidential information; or
        5. is disclosed without similar restrictions to a third party by the party owning the confidential information.
     2. If confidential information is required to be disclosed pursuant to a requirement of a governmental authority, such confidential information may be disclosed pursuant to such requirement so long as the party required to disclose the confidential information, to the extent possible, provides the other party with timely prior notice of such requirement and coordinates with such other party in an effort to limit the nature and scope of such required disclosure.
     3. If confidential information is required to be disclosed in connection with the conduct of any mediation or arbitration proceeding, such confidential information may be disclosed pursuant to and in accordance with the approval and at the direction of the mediator or arbitrator conducting such proceeding.
     4. Upon written request at the expiration or termination of this Agreement for any reason, all documented confidential information (and all copies) owned by the requesting party will be returned to the requesting party or will be destroyed, to the maximum extent practicable.
  2. *Public Relations*.

Not in any way derogating from the obligations of confidence set out in Section 9.1 and 9.2, each Party will coordinate with the other regarding any media release, public announcement or similar disclosure relating to this Agreement or its subject matter and will give the other Party a reasonable opportunity to review and comment on the content of such release, announcement or disclosure prior to its release.

* 1. The provisions of this Section 9 will survive the expiration or termination of this Agreement for any reason.

1. Term and Termination

The applicability of the Program and the term of this Agreement for a given Protocol Community commence from the date when the Protocol Community adopts and ratifies this Agreement through the Adoption Procedures, and terminates upon the Protocol passing a proposal which terminates the Protocol Community’s participation in the Program or adoption of this Agreement; *provided, however,* that no such termination shall affect terms that by their nature are intended to survive a termination of the Agreement with respect to circumstances arising prior to such termination.

1. Miscellaneous Provisions
   1. Amendments.

Except as otherwise provided in this Agreement, this Agreement may not be amended, modified, altered, or supplemented other than by means of the Adoption Procedures, and then solely as to the particular Protocol Community utilizing such Adoption Procedures.

* 1. Costs of Agreement.

Each Party must pay its own fees, costs and expenses incurred by it in connection with that Party’s review and participation in this Agreement and any transactions contemplated by this Agreement including without limitation legal, accounting, and other fees.

* 1. Entire Agreement.

This Agreement and the other agreements referred to herein set forth the entire understanding of the Parties hereto relating to the subject matter hereof and thereof and supersede all prior agreements and understandings among or between any of the parties relating to the subject matter hereof and thereof.

* 1. Further Assurances.

Whitehat shall execute and cause to be delivered to Protocol Community such instruments and other documents, and shall take such other actions, as Protocol Community may reasonably request for the purpose of carrying out or evidencing any of the matters contemplated by this Agreement.

* 1. Governing Law.

This Agreement shall be governed by and construed and interpreted in accordance with the laws of Singapore in the jurisdiction of the Singapore International Commercial Court. irrespective of the choice of laws principles thereof, as to all matters, including matters of validity, construction, effect, enforceability, performance and remedies.

* 1. Notices.

Any notice or other communication required or permitted to be delivered to any Party under this Agreement shall be in writing and shall be deemed properly delivered, given and received: (a) if delivered by hand, when delivered; (b) if sent on a business day by email transmission before 11:59 p.m. (recipient’s time) on the day sent by email and receipt is confirmed, on the date on which receipt is confirmed; (c) if sent by registered, certified, or first class mail, the third business day after being sent; and (d) if sent by overnight delivery via a national courier service, two business days after being delivered to such courier, in each case to the mailing address or email address set forth beneath the name of such Party below (or to such other mailing address or email address as such Party shall have specified in a written notice given to the other parties hereto):

*If to Protocol Community:*

To the email address or other contact method set forth for such purpose on the applicable Agreement Fact Page and otherwise in accordance with any notice procedures set forth on the applicable Agreement Fact Page.

*If to Whitehat:*

In relation to a particular attempted or completed Eligible Funds Rescue, by sending a message to any address that could reasonably be believed to have been utilized by and under the control of the Whitehat in connection with such attempted or completed Eligible Funds Rescue.

* 1. Order of Precedence.

Where there is any ambiguity between the terms of this Agreement, the Summary (both at the commencement of this Agreement and forming part of the Schedule), and any other content displayed as part of the Protocol or communications between the Protocol Community (including the proposal adopting this Agreement) and any Whitehat, the terms of this Agreement will take precedence and prevail to the extent of any such ambiguity.

* 1. Parties in Interest.

None of the provisions of this Agreement is intended to provide any rights or remedies to any employee, creditor, third-party beneficiary, or any other Person other than Protocol Community, Protocol Community Members, Whitehat and their respective successors and assigns (if any).

* 1. Remedies Cumulative; Specific Performance.

The rights and remedies of the Parties hereto shall be cumulative (and not alternative). The parties to this Agreement agree that, in the event of any breach or threatened breach by Whitehat of any covenant, obligation or other provision set forth in this Agreement: (a) Protocol Community shall be entitled, without proof of actual damages, (in addition to any other remedy that may be available to it) to: (i) a decree or order of specific performance or mandamus to enforce the observance and performance of such covenant, obligation or other provision; and (ii) an injunction restraining such breach or threatened breach; and (b) Protocol Community shall not be required to provide any bond or other security in connection with any such decree, order or injunction or in connection with any related action or Legal Proceeding.

* 1. Severability.

In the event that any provision of this Agreement, or the application of any such provision to any Person or set of circumstances, shall be determined to be invalid, unlawful, void, or unenforceable to any extent, the remainder of this Agreement, and the application of such provision to Persons or circumstances other than those as to which it is determined to be invalid, unlawful, void, or unenforceable, shall not be impaired or otherwise affected and shall continue to be valid and enforceable to the fullest extent permitted by law.

* 1. Successors and Assigns.

This Agreement shall be binding upon and inure to the benefit of the parties, the Indemnitees, and their respective successors and assigns (if any). Protocol Community may freely assign any or all of its rights or delegate any or all of its obligations under this Agreement, in whole or in part, to any other Person without obtaining the consent or approval of any other party hereto or of any other Person. Whitehat shall not assign any of its rights or delegate any of its obligations under this Agreement, in whole or in part, to any other Person without the prior written consent of Protocol Community.

* 1. Taxation.

Except as provided in Section 4.2(b)(i), each Party is liable for the payment of any income or capital gains taxation that such Party is liable to pay, and is solely responsible for otherwise complying with all tax-related legal and regulatory requirements applicable to such Party, as a result of the transactions contemplated by the Agreement. Except as provided in Section 4.2(b)(i), no Party shall be obliged to withhold any amount in respect of taxation and any payments made are presumed to be inclusive of any applicable sales or value-added taxation sums.

* 1. Waiver.
     1. No failure on the part of any Person to exercise any power, right, privilege, or remedy under this Agreement, or part thereof, and no delay on the part of any Person in exercising any power, right, privilege, or remedy under this Agreement, or part thereof, shall operate as a waiver of such power, right, privilege, or remedy.
     2. No single or partial exercise of any such power, right, privilege, or remedy shall preclude any other or further exercise thereof or of any other power, right, privilege, or remedy.
     3. No Person shall be deemed to have waived any claim arising out of this Agreement, or any power, right, privilege, or remedy under this Agreement, unless the waiver of such claim, power, right, privilege, or remedy is expressly set forth in this Agreement or in a written instrument duly executed and delivered on behalf of such Person (or, in the case of a Protocol Community or Protocol Community Member, through the relevant Adoption Procedures).
     4. A waiver shall not be applicable or have any effect except in the specific instance in which it is given.
     5. Each Party may plead this Agreement as a complete defence to any claim to the extent arising in connection with a power, right, privilege or remedy that has been expressly waived pursuant to this Agreement.
  2. Waiver of Class-Action Rights.

To the extent permitted by applicable law, each Party waives the right to litigate in court or an arbitration proceeding any dispute arising in connection with this Agreement or an Eligible Funds Rescue as a class action, either as a member of a class or as a representative or to act as a private attorney general.

* 1. Waiver of Jury Trial.

Each of the Parties hereto hereby irrevocably waives any and all right to trial by jury in any action, suit or other legal proceeding arising out of or related to this Agreement or the transactions contemplated hereby.

* 1. Excused Performance.

Neither party will be deemed to be in default, or will be liable to the other, for failure to perform any of its non-monetary obligations under this Agreement for any period and to the extent that such failure results from any event or circumstance beyond that party’s reasonable control, including acts or omissions of the other party or third parties, natural disasters, riots, war, civil disorder, court orders, acts or regulations of governmental bodies, labour disputes or failures or fluctuations in electrical power, heat, light, air conditioning or telecommunications equipment or lines, or other equipment failure, and which it could not have prevented by reasonable precautions or could not have remedied by the exercise of reasonable efforts, provided that the exercise of such reasonable precautions or reasonable efforts will not require the incurrence of any additional cost or expense.

1. Construction and Interpretation
   1. Interpretation

In interpreting any Sections or clauses of this Agreement:

* + 1. ***Ambiguities*.** The parties hereto agree that any rule of construction to the effect that *ambiguities* are to be resolved against the drafting party shall not be applied in the construction or interpretation of this Agreement.
    2. ***Best Efforts.*** The “best efforts” of a Whitehat under this Agreement are the efforts that would be applied by a reasonable blockchain-based protocol security expert acting in good faith under the circumstances as measured by then prevailing industry best standards and practices.
    3. ***Dollar*.** Any references in this Agreement to “dollars” or “$” shall be to U.S. dollars.
    4. ***Gender;*** *Etc*. For purposes of this Agreement, whenever the context requires: the singular number shall include the plural, and vice versa; the masculine gender shall include the feminine and neuter genders; the feminine gender shall include the masculine and neuter genders; and the neuter gender shall include the masculine and feminine genders.
    5. ***Headings****.* The bold-faced headings and the underlined or italic headings contained in this Agreement are for convenience of reference only, shall not be deemed to be a part of this Agreement and shall not be referred to in connection with the construction or interpretation of this Agreement.
    6. ***Hereof*.** The terms “hereof,” “herein,” “hereunder,” “hereby.” and “herewith” and words of similar import will, unless otherwise stated, be construed to refer to this Agreement as a whole and not to any particular provision of this Agreement.
    7. ***Including*.** As used in this Agreement, the words “include” and “including,” and variations thereof, shall not be deemed to be terms of limitation, but rather shall be deemed to be followed by the words “without limitation.”
    8. ***Knowledge.*** A reference to the awareness or knowledge of a party is a reference to the actual knowledge, information, and belief of a party as of each time relevant to such party’s entry into, performance of, or claiming or enforcement of any rights or benefits under this Agreement.
    9. ***References*.** Except as otherwise indicated, all references in this Agreement to “Sections,” “Schedules,” and “Exhibits” are intended to refer to Sections of this Agreement and Schedules and Exhibits to this Agreement.

**EXHIBIT A**

**EXHIBIT B**

**DAO ADOPTION PROCEDURES**

*Note any Protocol-specific DAO Proposal procedures, such as sentiment checks, pre-proposal audit, etc.*

DAO Proposal Components:

1. Title - Post each proposal with a clear title around its objective, matching or referencing a unique identifier of the proposal that was submitted on-chain or will be submitted on-chain (for example, IPFS hash of pinned text for a prospective proposal, or transaction hash of a submitted proposal), and should follow any applicable ordering/numbering/categorization of the Protocol DAO.

Ex.) [Proposal No. \_\_] - Adopt Safe Harbor Agreement for Whitehats

2. Overview - Delineate the objectives of the proposal and what specific actions are being enacted (if on-chain governance) and suggested (for off-chain signaled actions). The summary should specify on-chain target contracts and methods, and off-chain agents/designees, and describe the motivation behind the proposal, including but not limited to the problem(s) it solves and the value it adds to the Protocol and Protocol Community.

Ex.) The Security Alliance has prepared a Safe Harbor Agreement for Whitehats (the "Agreement") to incentivize and give comfort to whitehats rescuing digital assets from active exploits of decentralized technologies (i.e., on-chain protocols), and to provide a safe harbor for assets that are the subject of an exploit. The text of the Agreement is [located/hosted/pinned at \_\_\_\_\_\_]. This Proposal’s aim is to provide an on-chain indication of our Protocol Community’s agreement to the Agreement as of the date of successful passing and execution.

3. Specification – Technical and (if applicable) legal specifications around the Proposal’s intended effects and actions. Specify target method(s) and argument(s), and all necessary off-chain signaled effects, actions, key actors, and beneficiaries.

a. Exercise care in entering the target contract address, target method signature, and target method arguments/parameters; if applicable, consult the Protocol documentation.

Ex.) A successfully passed proposal will result in the Protocol and Protocol Community’s revocable adoption of the Safe Harbor Agreement for Whitehats. The target is as follows: [Insert applicable function signature and params]

4. Benefits – Describe the reasonable, intended benefits to the Protocol and Protocol Community of the proposal’s implementation in quantitative and qualitative terms.

Ex.) By adopting this Agreement, our protocol community would encourage Whitehats (as defined in the Agreement) to, pursuant to criteria set out in the Agreement, responsibly test, seek to penetrate, and otherwise exploit software which utilizes, incorporates, or is otherwise complementary to our protocol, and potentially receive a reward for conducting such exploits. Following our protocol community's adoption, only those Whitehats who agree to the terms of the Agreement and act accordingly would therefore be eligible for rewards; this way, the specific parameters of Eligible Funds Rescue and reward procedures are agreed in advance, so frenzied rescues and negotiations immediately after exploits can be substantially mitigated. Adoption of the Agreement could generally provide a strong complement to protocol audits for ongoing security.

5. Detriments – Disclose reasonably foreseeable harm, damages, risks, and liabilities to the Protocol and Protocol Community resulting from this proposal’s implementation in quantitative and qualitative terms.

Ex.) While the Safe Harbor Agreement for Whitehats has been drafted and reviewed by numerous developers and lawyers, it may have unintentional or unanticipated legal consequences, loopholes, or other deficiencies for the Protocol, Protocol Community, or Whitehats. The length and relative complexity of the Safe Harbor Agreement for Whitehats may deter otherwise willing Whitehats from engaging in activity that would be beneficial to the Protocol.

6. Summary of Options – Clearly and succinctly summarize the vote options on this Proposal and any relevant Adopting Addendum, especially if the options are more inclusive than simply *For* or *Against.*

*Ex.) For: Adopt the Safe Harbor Agreement for Whitehats. Against: Take no action.*

7. Create Adopting Addendum and Exhibit F – Following a decision to adopt the Safe Harbor Agreement for Whitehats, complete and formalize an Adopting Addendum and Exhibit F (“Adoption Form”) with respect to at least the items specified in Section 2.2(f)(i), along with any other potential modifications contemplated by the provisions of the Safe Harbor Agreement for Whitehats or otherwise deemed necessary by the Protocol Community.

Ex.) Though the Safe Harbor Agreement for Whitehats contemplates a minimum list of Exploits that will be subject to an Eligible Funds Rescue, the Protocol Community may wish to make additional Exploits subject to the terms of this Safe Harbor Agreement for Whitehats may do so in its Adopting Addendum and in Exhibit F.

**EXHIBIT C**

**SECURITY TEAM ADOPTION PROCEDURES**

[\_\_\_\_\_] [INSERT NAME OF INDIVIDUAL OR ENTITY] hereby acknowledges and agrees to, and consents to be bound by the terms and conditions of, that certain Safe Harbor Agreement for Whitehats, adopted by the Protocol Community on [. ] (the “***Whitehat Agreement***”), available here [. ], as a “Security Team” and member of the “Protocol Community” thereunder. Without limiting the generality of the foregoing:

● the Security Team hereby consents to Whitehats attempting Eligible Funds Rescues of any and all Tokens deposited into the Protocol and the deduction of Bounties out of such Tokens to compensate Eligible Whitehats for successful Eligible Funds Rescues;

● the Security Team acknowledges and agrees that Tokens may be lost, stolen, suffer diminished value, or become disabled or frozen in connection with attempts at Eligible Funds Rescues, or that the functioning of the Protocol may be adversely affected; and

● the Security Team agrees to hold the other Protocol Community Members harmless from any loss, liability or other damages suffered by the Security Team in connection with attempted Eligible Funds Exploits under the Whitehat Agreement.

**EXHIBIT D**

**USER ADOPTION PROCEDURES**

*TO BE ADAPTED AND INSERTED INTO THE TERMS OF SERVICE FOR ALL WEB APPLICATIONS RELEVANT TO USING THE PROTOCOL:*

**User Agreement to be Bound By Agreement, Consent to Attempted Eligible Funds Rescues and Payment of Bounties**

The User hereby acknowledges and agrees to, and consents to be bound by the terms and conditions of, that certain Safe Harbor Agreement for Whitehats, adopted by the Protocol Community on [. ] (the “***Whitehat Agreement***”), available here [. ], as a “User” and member of the “Protocol Community” thereunder. Without limiting the generality of the foregoing:

● the User hereby consents to Whitehats attempting Eligible Funds Rescues of any and all Tokens deposited into the Protocol by the User and the deduction of Bounties out of User’s deposited Tokens to compensate Eligible Whitehats for successful Eligible Funds Rescues;

● the User acknowledges and agrees that Tokens may be lost, stolen, suffer diminished value, or become disabled or frozen in connection with attempts at Eligible Funds Rescues, and assumes all the risk of the foregoing;

● the User acknowledges and agrees that payment of the Bounty as a deduction from User’s Tokens to an Eligible Whitehat may constitute a taxable disposition by the User of the deducted Tokens, and agrees to assume to all risk of such adverse tax treatment; and

● the User agrees to hold the other Protocol Community Members harmless from any loss, liability or other damages suffered by the User in connection with attempted Eligible Funds Exploits under the Whitehat Agreement.

**EXHIBIT E**

**WHITEHAT RISK DISCLOSURES**

Participation in the [FINAL NAME OF PROGRAM] (the “Program”) carries a high degree of consequential risk. You should carefully consider the risks described below together with information presented in the Summary of the Program available at [SUMMARY] and the version of the Program Agreement maintained by the protocol which you wish to engage in advance of engaging it under the terms of the Agreement.

*It is your duty to consult with your tax and legal advisors in advance of participation in the Program and getting this advice is strongly recommended.*

**Terms capitalized below are defined in the template Protocol Agreement found at [LINKOUT].**

**The Protocol Community must properly implement the Program for the Protocol you are targeting before you engage the Program**

You should confirm that the Protocol Community has properly implemented the Program, including by reviewing their Adopting Addendum, before participating in the Program. If the Program is not properly implemented, it is likely that some or all of the terms of the Program Agreement will be unenforceable, which could expose you to liability from claims from certain Protocol Community Members or other Users.

**You are expected to have experience with and expert-level knowledge of blockchain systems and cybersecurity as a condition of your participation**

Given the nature of the activities that you will perform by participating in the Program, you should be highly skilled as a cybersecurity professional and believe that you will likely be able to succeed in your attempted rescue of the Protocol. If you cannot make these commitments, you should seriously consider the potential risks before engaging in the Program, including the risk that you might inadvertently violate relevant laws or regulations by seeking to undertake an Eligible Funds Rescue.

**Failing to notify the Protocol Community that you are attempting a rescue may block your ability to obtain Rewards**

As provided for in the Program Agreement, you should notify the Protocol Community that you are engaging in the Program. The proper ways to contact the Protocol Community will be provided in the Program Agreement.

**Failure to successfully send all Returnable Assets to the Asset Recovery Address may prevent you from getting a Bounty**

Some Protocol Communities will allow you to set aside of offset your share of the Bounty before returning the balance of Returnable Assets however certain Protocol Communities may require you to return **all** Returnable Assets to the Asset Recovery Address, and failure to do so could constitute a violation of the terms of the Agreement with them. If you fail to do comply with the Protocol Community’s rules around this, there is no guarantee that you will receive any sort of reward or compensation for your effort and time.

Please check the Protocol Community’s rules around this as stated on their Whitehat Program site.

**Legal proceedings ongoing, pending, or threatened against you may make you ineligible for the Program**

If you are involved in any legal proceedings that will have a material adverse effect on your ability to conduct the tasks required under the Agreement or think you may be before completing your obligations and receiving your Reward under the Program Agreement, you should not engage the Program.

**You agree to follow certain procedures in case you become eligible for a Bounty and it is not delivered in a timely manner or the amount of the Bounty is disputed**

The Protocol Agreement details resolution steps to be taken if there is disagreement over the Bounty amount; however, you will not be able to sue any other party to the Program Agreement because of this disagreement.

**You will be responsible for any tax liability incurred as a result of receiving the Bounty**

The Protocol Community will not assist you in filing or structuring the Bounty for tax treatment in a way not described in the Program Agreement. You should be familiar with your tax obligations in your local jurisdiction before engaging the Program.

**This Program cannot protect you from incurring criminal, regulatory, or other liability as a result of your participation**

Although the Program may shield you from certain claims brought by the Protocol Community and its Members, no contract is able to prevent or preempt criminal, regulatory, or other liability. Moreover, legal claims may still be brought against you by third parties, who are not subject to this Agreement and its release provisions.

**No partnership or endorsement is formed among you and any member of the Protocol Community**

The Protocol Community is not engaging you as a partner, agent, or contractor. No relationship beyond that arising from being a party to the Program Agreement is formed through participation in the Program.

**Indemnity of Protocol Community, Members, Affiliates**

In cases where members of the Protocol Community or their Affiliates incur liability to others as a result of your actions under the Program, you will indemnify (reimburse their expenses) those parties.

**You agree to follow certain procedures in case there is a dispute about the Agreement**

In case there is a dispute about the Program Agreement, you will not be able to sue any party to the Agreement. Instead, your dispute must be arbitrated in the jurisdiction of the Singapore International Commercial Court using the rules of the Singapore International Arbitration Centre.

**The Agreement may not be enforceable in all jurisdictions or against all relevant persons.**

The default jurisdiction of the Program is under the Singapore International Commercial Court. Although the Agreement is a legally binding contract, it cannot be guaranteed to be enforceable in all jurisdictions or under all circumstances. Some people in the Protocol Community and some third parties may still have claims against you that cannot be released through this Agreement.

**You understand that if you profit in any way other than the Bounty, you may incur significant risk of liability.**

Profiting in other ways from conducting this Exploit may constitute securities or commodities manipulation or fraud and has been prosecuted in that fashion in the past. Engaging in fraudulent or manipulative conduct is not covered by the release of liability under this program.

**EXHIBIT F**

**ADOPTION FORM**

[NAME OF PROTOCOL COMMUNITY] (“Protocol Community”) has adopted the Safe Harbor Agreement for Whitehats (“Agreement”) and made certain amendments or modifications to the Agreement in its Adopting Addendum. As required by the Agreement, this Adopting Addendum and other information about the Agreement is available on the Protocol Community’s Agreement Fact Page located at [LOCATION OF AGREEMENT FACT PAGE]. To facilitate the compilation and comparison of certain amendments and modifications made by different Protocol Communities in their respective Adopting Addenda, the Protocol Community has prepared the following summary of those terms pursuant to Section 2.2 of the Agreement. In the event of any conflict or inconsistency between the summary and the text of the Agreement, the text of the Agreement will govern.

Technical Assets – [Plain Text - Non-Hierarchical List of Technical Assets in Scope]

* Protocol Communities should use the same naming conventions for technical assets listed here as they use in their technical documentation

Asset Recovery Address – [Plain Text – Blockchain Wallet Address]

Third-Party Program Administrator – [Plain Text – N/A; Name of Program Administrator]

Whitehat Identity Requirements – [Options – “Anonymous,” “Pseudonymous,” or “Named)]

* “Anonymous” means the Whitehat has no moniker and no identifying information about the Whitehat has been verified;
* “Pseudonymous” means the Whitehat uses a moniker but there has been limited or no verification of the legal name(s) of person(s) or entity behind the moniker; and
* “Named” means the Whitehat is using a legal individual or entity name and that identity has been verified

Diligence Requirements – [Plain Text – Describe Diligence Process]

* For example, the Protocol Community may consider instituting:

i. Geoblocking of IP addresses and blockchain wallet addresses;

ii. Use of analytics tools to screen out known bad actors;

iii. Diligence measures to be conducted on Whitehats to determine with the level of certainty required by Protocol Community that Whitehat is not an entity subject to applicable sanctions regime(s)

Bounty Percentage (i.e., Percentage of Returnable Assets Attributable to Eligible Whitehat’s Blockchain Address to be Distributed to, or Retainable By, Eligible Whitehat) – YY% of all Returnable Assets Attributable to Eligible Whitehat’s Blockchain Address]

Modification of default Exploits that may constitute an Eligible Funds Rescue - [Plain Text – Specify the modifications, additions and deletions of any of the standard Exploits that are eligible under the Program]

Bounty Caps as described in Section 4.2(a): [Any additional aggregate caps on payment of a Bounty in connection with an Urgent Blackhat Exploit should be specified here]

Specify whether Eligible Whitehats may deduct the Bounty from the Returnable Assets before depositing the balance in the Asset Recovery Address. [Options – “Bounty may be deducted from Returnable Assets”; “Bounty may NOT be deducted from Returnable Assets”]

Other Amendments or Modifications – [Plain Text – Describe other Amendments or Modifications; “See Adopting Addendum”]

**EXHIBIT G**

**SUMMARY**

See here.

**EXHIBIT H**

**PROTOCOL FAQ**

Safe Harbor Agreement for Whitehats – Frequently Asked Questions

This document (“FAQ”) is meant to provide additional information to Protocol Communities about certain aspects of the Safe Harbor Agreement for Whitehats (“Agreement”). In the event of any conflict or inconsistency between the FAQ and the text of the Agreement, the text of the Agreement will govern. The information provided in the FAQ does not, and is not intended to, constitute legal advice.

**General**

1. **What is the Agreement?** The Agreement is part of an open-source software implementation for decentralized technologies within the web3 ecosystem, such as blockchain-based protocols, to incentivize security researchers, software developers, and others to rescue digital assets that are vulnerable to theft or other misconduct due to an active or imminent exploit of a protocol or other technology.

2. **What problem is the Agreement meant to solve?** [*TK – Description of the current state of cybersecurity in the web3 ecosystem, the unique risks and benefits associated with decentralized technology, the need for innovative responses to tackle the problem*]

3. **How does the Agreement help to solve the problem?** [*TK – Description of the unique benefits associated with incentivizing Whitehat intervention to rescue vulnerable assets*]

4. **Who drafted the Agreement?** The Agreement was drafted by the Security Alliance, an industry group devoted to improving the security of the web3 ecosystem.

5. **What is the Security Alliance?** [*TK – Blurb describing the Security Alliance in more detail*]

**Adoption and Initial Implementation**

1. **What is a Protocol Community?** As defined in the Agreement, a Protocol Community is the set of key stakeholders with an interest in a blockchain-based protocol or similar decentralized technology. This group will typically include the DAO governing a protocol, DAO members and participants, protocol users, and any individual or group of individuals involved in securing the protocol.

2. **If most blockchain-based protocols are meant to be open and permissionless, then how does a Protocol Community adopt the Agreement?** Exhibits B, C, and D to the Agreement provide guidance on how various groups can adopt the Agreement. Given that decentralized technologies are being developed, governed, and used in new and innovative ways, the Security Alliance recommends that Protocol Communities are thoughtful about how they publicize, deliberate about, and adopt the Agreement. Protocol Communities should consult with legal counsel about the adoption process as needed. Protocol Communities should consider the possibility that individuals and entities involved in developing, governing, and using their protocol may each use different communication channels to coordinate and discuss the protocol. Protocol Communities should consider using all of these channels to provide these individuals and entities with opportunities to learn about the Agreement, discuss its adoption, and agree to its terms. For instance, Protocol Communities may want to consider using popular communication channels, like Twitter and Discord, to publicize the Agreement. Protocol Communities might also coordinate with any independent entities that provide user interfaces for their protocol to engage with users. For some Protocol Communities, these steps may be helpful for promoting engagement with the Agreement adoption process.

3. **Should the process of adopting the Agreement occur in public?** Yes, Protocol Communities are required by the Agreement to create an Agreement Fact Page that provides access to the materials associated with the adoption process. Protocol Communities should consider making all aspects of the adoption process public so that as many stakeholders as possible can engage with the process.

4. **What steps should a Protocol Community take to implement the program described in the Agreement?** As described in the Agreement, Protocol Communities should take the following steps to adopt the Agreement and implement the program described in it:

Protocol Communities should draft an Adopting Addendum that adapts the Agreement to their needs and specific circumstances. The Agreement is an open-source template that requires Protocol Communities to add certain details and make certain decisions before it is adopted – the Agreement Addenda Topics. These required items include:

* + - * 1. Which technical assets will fall within the scope for the Program, and to which the Eligible Whitehats are therefore granted access for the purpose of effectuating an Eligible Funds Rescue;
        2. The designated Asset Recovery Address where the Eligible Whitehats must deposit Returnable Assets;
        3. Whether, and to what extent, a third-party vendor will administer the Program, including the payment of any Bounty and/or the determination of the Whitehats’ eligibility to receive the bounty;
        4. Whether, and to what extent, anonymous or pseudonymous Eligible Whitehats can participate in the Program,
        5. Whether, and to what extent, sanctions or other diligence must be performed on Whitehats to determine their eligibility to receive the Bounty;
        6. The percentage of Returnable Assets to be paid to the Eligible Whitehats as a Bounty;
        7. Whether, and to what extent, the types of Exploits as defined in this Agreement that may constitute an Eligible Funds Rescue have been modified;
        8. Deciding whether to impose any additional cap(s) described in Section 4.2(a) on the Bounty paid in connection with an Urgent Blackhat Exploit, such as an aggregate cap equivalent to a US Dollar amount and above which payment will not be made to an Eligible Whitehat(s), or a fixed cap applicable to each Eligible Whitehat contributing to an Eligible Funds Rescue Whether and to what extent the aggregate caps on Bounties;
        9. Whether and to what extent, Eligible Whitehats may deduct the Bounty from the Returnable Assets deposited in the Asset Recovery Address;
        10. Incorporating other provisions that address the unique needs of the Protocol Community adopting the Agreement; and
        11. Memorializing the above determinations in Exhibit F to the Agreement (“Adoption Form”).

Protocol Communities should consult with legal counsel in relevant jurisdictions about the specific legal risks and benefits of each of the choices described above and any other changes to the Agreement made through the Adopting Addendum because they may expose the Protocol Community or Protocol Community Members to legal or regulatory risk.

As described above, Protocol Communities must make certain information about the adoption process publicly accessible. Protocol Communities should consider taking other steps to include different stakeholders in the process.

Protocol Communities should also consider communicating to potential Whitehats whether there are any limits to the release provisions provided by the Agreement based on the Protocol Community’s specific circumstances. For instance, a Protocol Community might take the position that the Agreement does not bind the Protocol’s Users or other Protocol Community Members. Under that circumstance, the Protocol Community should consider notifying Whitehats that the release provisions might not protect them from claims brought by persons or entities who are not parties to the Agreement.

Protocol Communities should consider the additional steps needed to implement the program. These steps may include, but are not limited to, coordinating with a bug bounty program administrator and creating internal organizational structures for administering the program.

**Compliance with Applicable Laws and Regulations**

1. **How can Protocol Communities adapt the Agreement so that it complies with applicable laws and regulations?** The Agreement is a template agreement that is meant to be adapted for use by sophisticated Protocol Communities around the world. Protocol Communities are encouraged to amend, modify, or supplement the Agreement so that it conforms with the specific laws and regulations that apply to them and otherwise meets their particular needs. Section 2.2 of the Agreement provides for Protocol Communities to adapt the Agreement to their needs through an Adopting Addendum that Protocol Communities would initially publish for consideration in connection with adoption of the Agreement and later publicly maintain on an Agreement Fact Page. Key decisions made in the Protocol Community’s Adopting Addendum should be memorialized in the Adoption Form.

2. **Should Protocol Communities take any steps to ensure that their Bounty payments to Whitehats comply with international sanctions regimes?** Yes, each participating Protocol Community is expected to comply with applicable sanctions obligations, and the Security Alliance recommends that Protocol Communities implement a risk-based approach to ensuring compliance with these obligations. For example, while Section 6.3 of the Agreement requires Whitehats to represent that they are not subject to any national or international sanctions regimes, in some jurisdictions, risk of sanctions violations may be increased where Whitehats are able to anonymously attempt an Eligible Funds Rescue and receive or retain Returnable Assets as a Bounty.  This risk may also be heightened where the Protocol Community does not take other steps, such as conducting pre-payment diligence and instituting monitoring measures, to prevent payment to a sanctioned entity.  The Security Alliance further recommends that Protocol Communities consult with legal counsel about how to address potential risks associated with the applicable sanctions regime(s) and to discuss what measures Protocol Communities may wish to take to comply with the applicable regime(s).

3. **Should Protocol Communities make Whitehats aware of the risks associated with the Agreement and the program that it describes?** Yes. The Agreement includes a list of risk disclosures in Exhibit E. Protocol Communities should consider adding or modifying those risk disclosures to account for any risks that are specific to their situation. These specific risks might address positions that law enforcement or regulators may take with respect to the program in particular jurisdictions. Protocol Communities should consult with legal counsel about these risks as needed.