



## \$WUSD LIQUIDATION PARAMETERS

To avoid frequent liquidation of user collateral, the WorkQuest team has developed a partial liquidation mechanism. The mechanism for the partial liquidation of collateral will work as follows:

We calculate the average value of the token and the lower bound for triggering liquidation.

As long as the collateral has not dropped to the lower price limit, we regulate the price of the stablecoin using the mint and burn functions of the token. Which in turn is also regulated by supply and demand.

When the collateral falls to the lower price limit, the user is alerted that he can add more collateral tokens or return some of the \$WUSD to maintain their collateral and cancel the liquidation.

The lower limit of collateral for USDT and USDC pools is 102%, and for more volatile ETH, BNB, and WQT pools, it is 150%.

If the user ignores this notification by not adding more collateral and the price falls below the specified limit, a partial liquidation of collateral is triggered.

The algorithm works so that only that part of the amount necessary to stabilize the collateral goes to liquidation, not the entire amount of the collateral. The contract will burn the received tokens to stabilize the price. The user gets a notification again that the liquidation mechanism has started.

### **Parameters of the auction:**

The auction duration for the user is from one to six hours.

The lot will be auctioned minus the 13% liquidation fee + 2% per annum. For buyers, the lot has a discount cheaper than the initial cost of the collateral asset by 3%.