



# Stader Labs – MaticX

Smart Contract Security Audit

Prepared by: Halborn

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## DOCUMENT REVISION HISTORY

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| 1.0     | Remediation Plan        | 04/28/2022 | Roberto Reigada |
| 1.1     | Remediation Plan Review | 04/28/2022 | Gabi Urrutia    |

## CONTACTS

| CONTACT          | COMPANY | EMAIL  |
|------------------|---------|--|
| Rob Behnke       | Halborn | <a href="mailto:Rob.Behnke@halborn.com">Rob.Behnke@halborn.com</a>             |
| Steven Walbroehl | Halborn | <a href="mailto:Steven.Walbroehl@halborn.com">Steven.Walbroehl@halborn.com</a> |
| Gabi Urrutia     | Halborn | <a href="mailto:Gabi.Urrutia@halborn.com">Gabi.Urrutia@halborn.com</a>         |
| Roberto Reigada  | Halborn | <a href="mailto:Roberto.Reigada@halborn.com">Roberto.Reigada@halborn.com</a>   |



# EXECUTIVE OVERVIEW

## 1.1 INTRODUCTION

Stader Labs engaged Halborn to conduct a security audit on their MaticX smart contracts beginning on April 3rd, 2022 and ending on April 5th, 2022. The security assessment was scoped to the smart contract provided in the GitHub repository [stader-labs/maticX](https://github.com/stader-labs/maticX).

## 1.2 AUDIT SUMMARY

The team at Halborn was provided a week for the engagement and assigned a full-time security engineer to audit the security of the smart contract. The security engineer is a blockchain and smart-contract security expert with advanced penetration testing, smart-contract hacking, and deep knowledge of multiple blockchain protocols.

The purpose of this audit is to:

- Ensure that smart contract functions operate as intended
- Identify potential security issues with the smart contracts

In summary, Halborn identified some security risks that were mostly addressed by [Stader Labs](#) team.

## 1.3 TEST APPROACH & METHODOLOGY

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

- Research into architecture and purpose
- Smart contract manual code review and walkthrough
- Graphing out functionality and contract logic/connectivity/functions ([solgraph](#))
- Manual assessment of use and safety for the critical Solidity variables and functions in scope to identify any arithmetic related vulnerability classes
- Manual testing by custom scripts
- Scanning of solidity files for vulnerabilities, security hot-spots or bugs. ([MythX](#))
- Static Analysis of security for scoped contract, and imported functions. ([Slither](#))
- Testnet deployment ([Brownie](#), [Remix IDE](#))

#### RISK METHODOLOGY:

Vulnerabilities or issues observed by Halborn are ranked based on the risk assessment methodology by measuring the **LIKELIHOOD** of a security incident and the **IMPACT** should an incident occur. This framework works for communicating the characteristics and impacts of technology vulnerabilities. The quantitative model ensures repeatable and accurate measurement while enabling users to see the underlying vulnerability characteristics that were used to generate the Risk scores. For every vulnerability, a risk level will be calculated on a scale of 5 to 1 with 5 being the highest likelihood or impact.

#### RISK SCALE - LIKELIHOOD

- 5 - Almost certain an incident will occur.
- 4 - High probability of an incident occurring.
- 3 - Potential of a security incident in the long term.
- 2 - Low probability of an incident occurring.
- 1 - Very unlikely issue will cause an incident.

#### RISK SCALE - IMPACT

- 5 - May cause devastating and unrecoverable impact or loss.
- 4 - May cause a significant level of impact or loss.



- 3 - May cause a partial impact or loss to many.
- 2 - May cause temporary impact or loss.
- 1 - May cause minimal or un-noticeable impact.

The risk level is then calculated using a sum of these two values, creating a value of 10 to 1 with 10 being the highest level of security risk.



- 10 - CRITICAL
- 9 - 8 - HIGH
- 7 - 6 - MEDIUM
- 5 - 4 - LOW
- 3 - 1 - VERY LOW AND INFORMATIONAL

## 1.4 SCOPE

IN-SCOPE:

The security assessment was scoped to the following smart contracts:

- `MaticX.sol`
- `ValidatorRegistry.sol`
- `FxStateChildTunnel.sol`
- `FxStateRootTunnel.sol`
- `RateProvider.sol`

Commit ID 1:

- `eb9f87e2ac124d999b4066a6aada78b71cf701c8`

Commit ID 2:

- `8f914608ae40fdb35cfae281ff6c1dda9943b632`

Commit ID 3:

- `5ac965782854874d7530203225167b230d893bce`

Fixed Commit ID:

- `0c612d147cb11268d168bd4e6eac1ba6608025b4`

## 2. ASSESSMENT SUMMARY & FINDINGS OVERVIEW

| CRITICAL | HIGH | MEDIUM | LOW | INFORMATIONAL |
|----------|------|--------|-----|---------------|
| 0        | 0    | 2      | 0   | 4             |

### LIKELIHOOD

IMPACT

|  |               |        |        |          |
|--|---------------|--------|--------|----------|
| (HAL-01)<br>(HAL-02)                         | MEDIUM        | HIGH   | HIGH   | CRITICAL |
| LOW  | MEDIUM        | MEDIUM | HIGH   | HIGH     |
| LOW  | LOW           | MEDIUM | MEDIUM | HIGH     |
| INFORMATIONAL                                | LOW           | LOW    | MEDIUM | MEDIUM   |
| (HAL-03)<br>(HAL-04)<br>(HAL-05)<br>(HAL-06) | INFORMATIONAL | LOW    | LOW    | MEDIUM   |

| SECURITY ANALYSIS   | RISK LEVEL    | REMEDATION DATE     |
|---|---------------|---------------------|
| HAL01 - POSSIBLE DENIAL OF SERVICE IN FXSTATECHILDTUNNEL.GETRATE FUNCTION | Medium        | SOLVED - 04/28/2022 |
| HAL02 - MISSING REQUIRE STATEMENT IN SETFEERPERCENT                       | Medium        | SOLVED - 04/13/2022 |
| HAL03 - UNNEEDED INITIALIZATION OF UINT256 VARIABLES TO 0                 | Informational | ACKNOWLEDGED        |
| HAL04 - USING ++I CONSUMES LESS GAS THAN I++ IN LOOPS                     | Informational | SOLVED - 04/13/2022 |
| HAL05 - PROPOSEDMANAGER STATE VARIABLE CAN BE REMOVED                     | Informational | SOLVED - 04/13/2022 |
| HAL06 - BOOLEAN EQUALITIES  | Informational | ACKNOWLEDGED        |



# FINDINGS & TECH DETAILS

### 3.1 (HAL-01) POSSIBLE DENIAL OF SERVICE IN FXSTATECHILDTUNNEL.GETRATE FUNCTION – MEDIUM

#### Description:

In the `MaticX` contract, in the `requestWithdraw()` function, the following call to `IFxStateRootTunnel(fxStateRootTunnel).sendMessageToChild()` is done:

Listing 1: `MaticX.sol` (Lines 287-292)

```
225 function requestWithdraw(uint256 _amount) external override
    ↳ whenNotPaused {
226     require(_amount > 0, "Invalid amount");
227
228     (
229         uint256 totalAmount2WithdrawInMatic,
230         uint256 totalShares,
231         uint256 totalPooledMatic
232     ) = convertMaticXToMatic(_amount);
233
234     _burn(msg.sender, _amount);
235
236     uint256 leftAmount2WithdrawInMatic =
    ↳ totalAmount2WithdrawInMatic;
237     uint256 totalDelegated = getTotalStakeAcrossAllValidators();
238
239     require(
240         totalDelegated >= totalAmount2WithdrawInMatic,
241         "Too much to withdraw"
242     );
243
244     uint256[] memory validators = IValidatorRegistry(
    ↳ validatorRegistry)
245         .getValidators();
246     uint256 preferredValidatorId = IValidatorRegistry(
    ↳ validatorRegistry)
247         .preferredWithdrawalValidatorId();
```

```
248     uint256 currentIdx = 0;
249     for (; currentIdx < validators.length; ++currentIdx) {
250         if (preferredValidatorId == validators[currentIdx]) break;
251     }
252
253     while (leftAmount2WithdrawInMatic > 0) {
254         uint256 validatorId = validators[currentIdx];
255
256         address validatorShare = IStakeManager(stakeManager)
257             .getValidatorContract(validatorId);
258         (uint256 validatorBalance, ) = getTotalStake(
259             IValidatorShare(validatorShare)
260         );
261
262         uint256 amount2WithdrawFromValidator = (validatorBalance
263     ↪ <=
264             leftAmount2WithdrawInMatic)
265             ? validatorBalance
266             : leftAmount2WithdrawInMatic;
267
268         IValidatorShare(validatorShare).sellVoucher_new(
269             amount2WithdrawFromValidator,
270             type(uint256).max
271         );
272
273         userWithdrawalRequests[msg.sender].push(
274             WithdrawalRequest(
275                 IValidatorShare(validatorShare).unbondNonces(
276     ↪ address(this)),
277                 IStakeManager(stakeManager).epoch() +
278                 IStakeManager(stakeManager).withdrawalDelay(),
279                 validatorShare
280             )
281         );
282
283         leftAmount2WithdrawInMatic -= amount2WithdrawFromValidator
284     ↪ ;
285
286         currentIdx = currentIdx + 1 < validators.length
287             ? currentIdx + 1
288             : 0;
289     }
290
291     IFxStateRootTunnel(fxStateRootTunnel).sendMessageToChild(
292         abi.encode(
```

```

289         totalShares - _amount,
290         totalPooledMatic - totalAmount2WithdrawInMatic
291     )
292 );
293
294     emit RequestWithdraw(msg.sender, _amount,
    ↳ totalAmount2WithdrawInMatic);
295 }

```

In case `totalShares - _amount` equals to `0`, any calls to the `FxStateChildTunnel.getRate()` function would revert as the function would try to perform a division by `0`:

Listing 2: MaticX.sol (Line 53)

```

42 function getReserves() public view returns (uint256, uint256) {
43     (uint256 maticX, uint256 MATIC) = abi.decode(
44         latestData,
45         (uint256, uint256)
46     );
47
48     return (maticX, MATIC);
49 }
50
51 function getRate() external view returns (uint256) {
52     (uint256 maticX, uint256 matic) = getReserves();
53     return (matic * 1 ether) / maticX;
54 }

```

This would cause a Denial of Service on all functions that use the `getRate()` function.

**Risk Level:**

**Likelihood - 1**

**Impact - 5**



### Recommendation:

It is recommended to call the `convertMaticToMaticX()` function before the `sendMessageToChild()` call. `convertMaticToMaticX()` now correctly handles the edge case where MaticX's `totalSupply` or `totalPooledMatic` is 0. For example:

Listing 3: MaticX.sol (Lines 287-296)

```
225 function requestWithdraw(uint256 _amount) external override
    ↳ whenNotPaused {
226     require(_amount > 0, "Invalid amount");
227
228     (
229         uint256 totalAmount2WithdrawInMatic,
230         uint256 totalShares,
231         uint256 totalPooledMatic
232     ) = convertMaticXToMatic(_amount);
233
234     _burn(msg.sender, _amount);
235
236     uint256 leftAmount2WithdrawInMatic =
    ↳ totalAmount2WithdrawInMatic;
237     uint256 totalDelegated = getTotalStakeAcrossAllValidators();
238
239     require(
240         totalDelegated >= totalAmount2WithdrawInMatic,
241         "Too much to withdraw"
242     );
243
244     uint256[] memory validators = IValidatorRegistry(
    ↳ validatorRegistry)
245         .getValidators();
246     uint256 preferredValidatorId = IValidatorRegistry(
    ↳ validatorRegistry)
247         .preferredWithdrawalValidatorId();
248     uint256 currentIdx = 0;
249     for (; currentIdx < validators.length; ++currentIdx) {
250         if (preferredValidatorId == validators[currentIdx]) break;
251     }
252
253     while (leftAmount2WithdrawInMatic > 0) {
254         uint256 validatorId = validators[currentIdx];
255
```

```

256     address validatorShare = IStakeManager(stakeManager)
257         .getValidatorContract(validatorId);
258     (uint256 validatorBalance, ) = getTotalStake(
259         IValidatorShare(validatorShare)
260     );
261
262     uint256 amount2WithdrawFromValidator = (validatorBalance
↳ <=
263         leftAmount2WithdrawInMatic)
264         ? validatorBalance
265         : leftAmount2WithdrawInMatic;
266
267     IValidatorShare(validatorShare).sellVoucher_new(
268         amount2WithdrawFromValidator,
269         type(uint256).max
270     );
271
272     userWithdrawalRequests[msg.sender].push(
273         WithdrawalRequest(
274             IValidatorShare(validatorShare).unbondNonces(
↳ address(this)),
275             IStakeManager(stakeManager).epoch() +
276                 IStakeManager(stakeManager).withdrawalDelay(),
277             validatorShare
278         )
279     );
280
281     leftAmount2WithdrawInMatic -= amount2WithdrawFromValidator
↳ ;
282     currentIdx = currentIdx + 1 < validators.length
283         ? currentIdx + 1
284         : 0;
285 }
286
287 (
288     uint256 totalAmount2WithdrawInMatic,
289     uint256 totalSharesFinal,
290     uint256 totalPooledMaticFinal
291 ) = convertMaticXToMatic(_amount);
292 IFxStateRootTunnel(fxStateRootTunnel).sendMessageToChild(
293     abi.encode(
294         totalSharesFinal,
295         totalPooledMaticFinal
296     )

```

```
297     );  
298  
299     emit RequestWithdraw(msg.sender, _amount,  
    ↳ totalAmount2WithdrawInMatic);  
300 }
```

#### Remediation Plan:

**SOLVED:** The [Stader Labs team](#) fixed the issue. The `FxStateChildTunnel.getRate()` function now makes use of the `convertMaticXToMatic()` function in the `FxStateChildTunnel` contract that handles the edge case where Matic or MaticX is equal to 0.

## 3.2 (HAL-02) MISSING REQUIRE STATEMENT IN SETFEEPERCENT – MEDIUM

### Description:

In the `MaticX` contract, the function `setFeePercent()` is missing a require statement that restricts the `feePercent` setting to a value greater than 100. Setting `feePercent` to a value higher than 100 would cause users to not they could for rewards, as it would be impossible to re-stake any validator with rewards:

```

Calling -> contract_MaticX.setFeePercent(255, {'from': manager})
Transaction sent: 0xd182bee1919918c2b5c9798c65ac4def83f1c3cdcf53ddef25fe66db242b27bb
Gas price: 0.0 gwei Gas limit: 600000000 Nonce: 5
MaticX.setFeePercent confirmed Block: 14526566 Gas used: 28461 (0.00%)

Calling -> contract_MaticX.restakeAll({'from': user2})
Transaction sent: 0xd53838529d31401c13b8dc8bf52a8224790ba2a77191ff4f35d976a00edb0d90
Gas price: 0.0 gwei Gas limit: 600000000 Nonce: 3
MaticX.restakeAll confirmed (ERC20: transfer amount exceeds balance) Block: 14526567 Gas used: 75493 (0.01%)

Calling -> contract_MaticX.setFeePercent(101, {'from': manager})
Transaction sent: 0x8129770a844bf34f4d00d2d2df93278f021e7f709c6b830896633e94b7f369e0
Gas price: 0.0 gwei Gas limit: 600000000 Nonce: 6
MaticX.setFeePercent confirmed Block: 14526568 Gas used: 28461 (0.00%)

Calling -> contract_MaticX.restakeAll({'from': user2})
Transaction sent: 0x72c71f2dcb0c644b9f5397afa95753de969934de61496504b41afbda90b01b55
Gas price: 0.0 gwei Gas limit: 600000000 Nonce: 4
MaticX.restakeAll confirmed (ERC20: transfer amount exceeds balance) Block: 14526569 Gas used: 105188 (0.02%)

Calling -> contract_MaticX.setFeePercent(100, {'from': manager})
Transaction sent: 0xFe6b8dfc628f38132c42ac96f359a47b501ae8c843177619a88c6c5adbce91e9
Gas price: 0.0 gwei Gas limit: 600000000 Nonce: 7
MaticX.setFeePercent confirmed Block: 14526570 Gas used: 28461 (0.00%)

Calling -> contract_MaticX.restakeAll({'from': user2})
Transaction sent: 0x9bac780d52eld76006beaa0f4baaa062b55d80d744b51b18c846d26991a5bd0f
Gas price: 0.0 gwei Gas limit: 600000000 Nonce: 5
MaticX.restakeAll confirmed Block: 14526571 Gas used: 151334 (0.03%)

```

### Code Location:

Listing 4: `MaticX.sol` (Line 629)

```

624     function setFeePercent(uint8 _feePercent)
625         external
626         override
627         onlyRole(DEFAULT_ADMIN_ROLE)
628     {
629         feePercent = _feePercent;
630     }

```

Risk Level:

Likelihood - 1

Impact - 5

Recommendation:

It is recommended to add the following require statement in the `setFeePercent()` function.

```
require(_feePercent <= 100, "_feePercent must be <= 100");
```

Also consider limiting it to, for example, 10-20%. In this way, users will always be sure that their rewards will be reduced by a maximum of that amount.

Remediation Plan:

**SOLVED:** The [Stader Labs team](#) added the suggested require statement to the `setFeePercent()` function.

### 3.3 (HAL-03) UNNEEDED INITIALIZATION OF UINT256 VARIABLES TO 0 - INFORMATIONAL

#### Description:

`uint256` variables are already initialized to 0 by default. `uint256 i = 0` would reassign the 0 to `i` which wastes gas.

#### Code Location:

##### MaticX.sol

- Line 252: `uint256 currentIdx = 0;`
- Line 311: `for (uint256 idx = 0; idx < validators.length; idx++){`
- Line 511: `uint256 amountToClaim = 0;`
- Line 709: `for (uint256 i = 0; i < validators.length; i++){`

##### ValidatorRegistry.sol

- Line 119: `for (uint256 idx = 0; idx < validators.length - 1; idx++){`

#### Risk Level:

**Likelihood - 1**

**Impact - 1**

#### Recommendation:

It is recommended not to initialize `uint256` variables to 0 to save gas. For example, use instead: `for (uint256 idx; idx < validators.length; ++idx){`.

#### Remediation Plan:

**ACKNOWLEDGED:** The `Stader Labs team` acknowledged this finding.

### 3.4 (HAL-04) USING ++I CONSUMES LESS GAS THAN I++ IN LOOPS - INFORMATIONAL

#### Description:

In the loop below, the variable `i` is incremented using `i++`. It is known that, in loops, using `++i` costs less gas per iteration than `i++`.

#### Code Location:

##### MaticX.sol

- Line 253: `for (; currentIdx < validators.length; currentIdx++){`
- Line 311: `for (uint256 idx = 0; idx < validators.length; idx++){`
- Line 709: `for (uint256 i = 0; i < validators.length; i++){`

##### ValidatorRegistry.sol

- Line 119: `for (uint256 idx = 0; idx < validators.length - 1; idx++){`

#### Proof of Concept:

For example, based on the following test contract:

#### Listing 5: Test.sol

```
1 //SPDX-License-Identifier: MIT
2 pragma solidity 0.8.9;
3
4 contract test {
5     function postincrement(uint256 iterations) public {
6         for (uint256 i = 0; i < iterations; i++) {
7             }
8     }
9     function preincrement(uint256 iterations) public {
10        for (uint256 i = 0; i < iterations; ++i) {
11            }
12    }
```

13 }

```

>>> test_contract.postiincrement(1)
Transaction sent: 0x1ecede6b109b707786d3685bd71dd9f22dc389957653036ca04c4cd2e72c5e0b
Gas price: 0.0 gwei Gas limit: 6721975 Nonce: 44
test.postiincrement confirmed Block: 13622335 Gas used: 21620 (0.32%)

<Transaction '0x1ecede6b109b707786d3685bd71dd9f22dc389957653036ca04c4cd2e72c5e0b'>
>>> test_contract.preiincrement(1)
Transaction sent: 0x205f09a4d2268de4cla40f35bb2ec2847bf2ab8d584909b42c71a022b047614a
Gas price: 0.0 gwei Gas limit: 6721975 Nonce: 45
test.preiincrement confirmed Block: 13622336 Gas used: 21593 (0.32%)

<Transaction '0x205f09a4d2268de4cla40f35bb2ec2847bf2ab8d584909b42c71a022b047614a'>
>>> test_contract.postiincrement(10)
Transaction sent: 0x98c04430526a59balf947c114b62666a4417165947d31bf300cd6ae68328033
Gas price: 0.0 gwei Gas limit: 6721975 Nonce: 46
test.postiincrement confirmed Block: 13622337 Gas used: 22673 (0.34%)

<Transaction '0x98c04430526a59balf947c114b62666a4417165947d31bf300cd6ae68328033'>
>>> test_contract.preiincrement(10)
Transaction sent: 0xf060d04714eff8482a828342414d5a20be9958c822d42860e7992aba20e1de05
Gas price: 0.0 gwei Gas limit: 6721975 Nonce: 47
test.preiincrement confirmed Block: 13622338 Gas used: 22601 (0.34%)

<Transaction '0xf060d04714eff8482a828342414d5a20be9958c822d42860e7992aba20e1de05'>

```

#### Risk Level:

Likelihood - 1

Impact - 1

#### Recommendation:

It is recommended to use `++i` instead of `i++` to increment the value of a `uint` variable within a loop. This does not just apply to the iterator variable. It also applies to increments made within the loop code block.

#### Remediation Plan:

**SOLVED:** The [Stader Labs team](#) now uses `++i` in the for loops to increase the iterator variable, reducing the gas costs.



### 3.5 (HAL-05) PROPOSEDMANAGER STATE VARIABLE CAN BE REMOVED – INFORMATIONAL

#### Description:

In the contract `MaticX`, the `proposed_manager` state variable is declared, but it is not used anywhere in the smart contract.

#### Risk Level:

**Likelihood - 1**

**Impact - 1**

#### Recommendation:

It is recommended to remove the `proposed_manager` state variable from the `MaticX` contract.

#### Remediation Plan:

**SOLVED:** The `Stader Labs` team removed the `proposed_manager` state variable.

## 3.6 (HAL-06) BOOLEAN EQUALITIES - INFORMATIONAL

### Description:

Boolean constants can be used directly and do not need to be compared to true or false.

### Code Location:

Listing 6: ValidatorRegistry.sol (Line 262)

```
260     modifier whenValidatorIdExists(uint256 _validatorId) {
261         require(
262             validatorIdExists[_validatorId] == true,
263             "Validator id doesn't exist in our registry"
264         );
265         _;
266     }
```

Listing 7: ValidatorRegistry.sol (Line 277)

```
275     modifier whenValidatorIdDoesNotExist(uint256 _validatorId) {
276         require(
277             validatorIdExists[_validatorId] == false,
278             "Validator id already exists in our registry"
279         );
280         _;
281     }
```

### Risk Level:

Likelihood - 1

Impact - 1

### Recommendation:

It is recommended to remove the equality to the boolean constant, for example:

Listing 8: ValidatorRegistry.sol (Line 262)

```
260     modifier whenValidatorIdExists(uint256 _validatorId) {
261         require(
262             validatorIdExists[_validatorId],
263             "Validator id doesn't exist in our registry"
264         );
265         _;
266     }
```

Listing 9: ValidatorRegistry.sol (Line 277)

```
275     modifier whenValidatorIdDoesNotExist(uint256 _validatorId) {
276         require(
277             !validatorIdExists[_validatorId],
278             "Validator id already exists in our registry"
279         );
280         _;
281     }
```

### Remediation Plan:

**ACKNOWLEDGED:** The [Stader Labs team](#) acknowledged this finding.



# AUTOMATED TESTING

# 4.1 STATIC ANALYSIS REPORT

## Description:

Halborn used automated testing techniques to enhance the coverage of certain areas of the smart contract in scope. Among the tools used was Slither, a Solidity static analysis framework. After Halborn verified the smart contract in the repository and was able to compile it correctly into its abi and binary format, Slither was run against the contract. This tool can statically verify mathematical relationships between Solidity variables to detect invalid or inconsistent usage of the contracts' APIs across the entire code-base.

## Slither results:

### MaticX.sol

```

AccessControlUpgradeable_gap (node_modules/@openzeppelin/contracts-upgradeable/access/AccessControlUpgradeable.sol#231) shadow:
  - ERC609Upgradeable_gap (node_modules/@openzeppelin/contracts-upgradeable/utils/introspection/ERC609Upgradeable.sol#41)
ContextUpgradeable_gap (node_modules/@openzeppelin/contracts-upgradeable/utils/ContextUpgradeable.sol#36)
EnumerableUpgradeable_gap (node_modules/@openzeppelin/contracts-upgradeable/EnumerableUpgradeable.sol#60) shadow:
  - ContextUpgradeable_gap (node_modules/@openzeppelin/contracts-upgradeable/utils/ContextUpgradeable.sol#36)
ERC20Upgradeable_gap (node_modules/@openzeppelin/contracts-upgradeable/token/ERC20/ERC20Upgradeable.sol#34) shadow:
  - ContextUpgradeable_gap (node_modules/@openzeppelin/contracts-upgradeable/utils/ContextUpgradeable.sol#36)
MaticX.retake(uint256) (contracts/MaticX.sol#290-319) performs a multiplication on the result of a division:
  - rewardDistribution = (rewards * feePercent) / 100 (contracts/MaticX.sol#303)
  - treasuryRewards = (rewardsToDistribute * entryFee.Treasury) / 100 (contracts/MaticX.sol#304-305)
MaticX.retake(uint256) (contracts/MaticX.sol#290-319) performs a multiplication on the result of a division:
  - rewardDistribution = (rewards * feePercent) / 100 (contracts/MaticX.sol#303)
  - insuranceRewards = (rewardsToDistribute * entryFee.Insurance) / 100 (contracts/MaticX.sol#306-307)
Reference: https://github.com/crytic/slither/wiki/Detector-Documentation/divide-before-multiply

Reentrancy in MaticX_claimWithdrawal(address,uint256) (contracts/MaticX.sol#492-512):
  External calls:
  - unstakeClaimTokens_newUserRequests[_idx],validatorAddress,userRequests[_idx],validatorNonce (contracts/MaticX.sol#494-497)
  - _claimAmount = _claimAmount - unstakeClaimTokens_new_unbondOnce (contracts/MaticX.sol#494)
  State variables written after the call(s):
  - userRequests[_idx] = userRequests[userRequests.length - 1] (contracts/MaticX.sol#500)
Reentrancy in MaticX_mintMaticXInstantPool() (contracts/MaticX.sol#127-133):
  External calls:
  - maticX_minted = helper.delegate_to_min(address(this),instant_pool_matic) (contracts/MaticX.sol#130)
  - instant_pool_matic = TValidatorShare(validatorShare).buyYoucher(_amount,_minSharesToMint) (contracts/MaticX.sol#400-403)
  State variables written after the call(s):
  - instant_pool_matic = 0 (contracts/MaticX.sol#132)
Reentrancy in MaticX_mapMaticXForMaticXInstantPool(uint256) (contracts/MaticX.sol#135-145):
  External calls:
  - ERC20Upgradeable(token).safeTransferFrom(msg.sender,address(this),_amount) (contracts/MaticX.sol#137)
  - ERC20Upgradeable(address(this)).safeTransfer(msg.sender,amountToMint) (contracts/MaticX.sol#142)
  State variables written after the call(s):
  - instant_pool_matic = instant_pool_matic + amountToMint (contracts/MaticX.sol#144)
Reference: https://github.com/crytic/slither/wiki/Detector-Documentation/reentrancy-validators-l1

MaticX.initialize(address,address,address,address,address,address,address)_manager (contracts/MaticX.sol#61) lacks a zero-check on :
  - _manager = manager (contracts/MaticX.sol#61)
MaticX.initialize(address,address,address,address,address,address,address)_instant_pool_owner (contracts/MaticX.sol#62) lacks a zero-check on :
  - instant_pool_owner = instant_pool_owner (contracts/MaticX.sol#62)
MaticX.initialize(address,address,address,address,address,address,address)_treasury (contracts/MaticX.sol#63) lacks a zero-check on :
  - _treasury = _treasury (contracts/MaticX.sol#63)
MaticX.initialize(address,address,address,address,address,address,address)_token (contracts/MaticX.sol#66) lacks a zero-check on :
  - token = token (contracts/MaticX.sol#66)
MaticX.initialize(address,address,address,address,address,address,address)_insurance (contracts/MaticX.sol#64) lacks a zero-check on :
  - insurance = insurance (contracts/MaticX.sol#64)
MaticX.setTreasuryAddress(address)_address (contracts/MaticX.sol#67) lacks a zero-check on :
  - _treasury = address (contracts/MaticX.sol#67)
MaticX.setInsuranceAddress(address)_address (contracts/MaticX.sol#68) lacks a zero-check on :
  - insurance = address (contracts/MaticX.sol#68)
Reference: https://github.com/crytic/slither/wiki/Detector-Documentation/missing-zero-address-validation

MaticX.requestWithdrawal(uint256) (contracts/MaticX.sol#202-243) has external calls inside a loop: validatorShare = stakeManager.getValidatorContract(validatorId) (contracts/MaticX.sol#228-230)
MaticX.getTotalTake(ValidatorShare) (contracts/MaticX.sol#461-469) has external calls inside a loop: validatorShare.getTotalTake(address(this)) (contracts/MaticX.sol#467)
MaticX.sellYoucher_new(address,uint256,uint256) (contracts/MaticX.sol#419-423) has external calls inside a loop: TValidatorShare(validatorShare).sellYoucher_new(claimAmount,_maxAmountShareToBurn) (contracts/MaticX.sol#419-422)
MaticX.requestWithdrawal(uint256) (contracts/MaticX.sol#202-243) has external calls inside a loop: useWithdrawalRequest(msg.sender),push(WithdrawalRequest(TValidatorShare(validatorShare).unbondOnce(address(this)),stakeManager.epoch() + stakeManager.withdrawalDelay(),validatorShare)) (contracts/MaticX.sol#244-252)
MaticX.retake(uint256) (contracts/MaticX.sol#290-319) has external calls inside a loop: validatorShare = stakeManager.getValidatorContract(validatorId) (contracts/MaticX.sol#295-299)
MaticX.retake(uint256) (contracts/MaticX.sol#290-319) has external calls inside a loop: balanceBeforeRewards = ERC20Upgradeable(token).balanceOf(address(this)) (contracts/MaticX.sol#295-297)
MaticX.withdrawRewards(address) (contracts/MaticX.sol#445-454) has external calls inside a loop: TValidatorShare(validatorShare).withdrawRewards() (contracts/MaticX.sol#452)
MaticX.retake(uint256) (contracts/MaticX.sol#290-319) has external calls inside a loop: rewards = ERC20Upgradeable(token).balanceOf(address(this)) = balanceBeforeRewards (contracts/MaticX.sol#300-301)
MaticX.retake(uint256) (contracts/MaticX.sol#290-319) has external calls inside a loop: amountRetaked = ERC20Upgradeable(token).balanceOf(address(this)) = balanceBeforeRewards (contracts/MaticX.sol#312-314)
MaticX.buyYoucher(address,uint256,uint256) (contracts/MaticX.sol#400-406) has external calls inside a loop: amountSpent = ValidatorShare(validatorShare).buyYoucher(_amount,_minSharesToMint) (contracts/MaticX.sol#400-403)
AddressUpgradeable.functionCallWithValue(address,bytes,uint256,string) (node_modules/@openzeppelin/contracts-upgradeable/utils/AddressUpgradeable.sol#137) has external calls inside a loop: (success,returnValue) = target.call(value, va
use(data) (node_modules/@openzeppelin/contracts-upgradeable/utils/AddressUpgradeable.sol#137)
MaticX.getTotalTakeBalanceByValidator() (contracts/MaticX.sol#231-238) has external calls inside a loop: validatorShare = stakeManager.getValidatorContract(validatorId) (contracts/MaticX.sol#237-239)
Reference: https://github.com/crytic/slither/wiki/Detector-Documentation/calls-inside-a-loop

Reentrancy in MaticX_drain(uint256) (contracts/MaticX.sol#328-349):
  External calls:
  - sellYoucher_new(validatorShare,validatorBalance,type() (uint256).max) (contracts/MaticX.sol#338)
  - TValidatorShare(validatorShare).sellYoucher_new(claimAmount,_maxAmountShareToBurn) (contracts/MaticX.sol#419-422)
  State variables written after the call(s):
  - drainAmount = validatorBalance (contracts/MaticX.sol#344)
  - useWithdrawalRequest(address(this),push(WithdrawalRequest(TValidatorShare(validatorShare).unbondOnce(address(this)),stakeManager.epoch() + stakeManager.withdrawalDelay(),validatorShare)) (contracts/MaticX.sol#339-345)
Reentrancy in MaticX_claimWithdrawal(uint256,uint256) (contracts/MaticX.sol#492-512):
  External calls:
  - claimAmount = claimWithdrawal(address(this),_idx) (contracts/MaticX.sol#494)
  - TValidatorShare(validatorShare).unstakeClaimTokens_new_unbondOnce (contracts/MaticX.sol#494)
  - returnValue = address(token).functionCall(data,SafeERC20_low-level call failed) (node_modules/@openzeppelin/contracts-upgradeable/utils/AddressUpgradeable.sol#137)
  - (success,returnValue) = target.call(value,value) (data) (node_modules/@openzeppelin/contracts-upgradeable/utils/AddressUpgradeable.sol#137)
  - ERC20Upgradeable(token).safeTransfer(_to,_amountToClaim) (contracts/MaticX.sol#507)
  - buyYoucher(validatorShare) (contracts/MaticX.sol#400)
  - amountSpent = TValidatorShare(validatorShare).buyYoucher(_amount,_minSharesToMint) (contracts/MaticX.sol#400-403)
  External calls sending ETH:
  - claimAmount = claimWithdrawal(address(this),_idx) (contracts/MaticX.sol#494)
  State variables written after the call(s):
  - drainAmount = claimAmount (contracts/MaticX.sol#494)
  - drainAmount = claimAmount (contracts/MaticX.sol#494)
Reentrancy in MaticX_mintMaticXInstantPool() (contracts/MaticX.sol#127-133):
  External calls:
  - maticX_minted = helper.delegate_to_min(address(this),instant_pool_matic) (contracts/MaticX.sol#130)
  - amountSpent = TValidatorShare(validatorShare).buyYoucher(_amount,_minSharesToMint) (contracts/MaticX.sol#400-403)
  State variables written after the call(s):
  - instant_pool_matic = instant_pool_matic + maticX_minted (contracts/MaticX.sol#131)

```











## 4.2 AUTOMATED SECURITY SCAN

### Description:

Halborn used automated security scanners to assist with detection of well-known security issues, and to identify low-hanging fruits on the targets for this engagement. Among the tools used was MythX, a security analysis service for Ethereum smart contracts. MythX performed a scan on the contract and sent the compiled results to the analyzers to locate any vulnerabilities.

### MythX results:

#### MaticX.sol

Report for contracts/MaticX.sol  
<https://dashboard.mythx.io/#/console/analyses/632e97ac-b13d-45ce-93cd-3eal0d836d90>

| Line | SWC Title                       | Severity | Short Description      |
|------|---------------------------------|----------|------------------------|
| 17   | (SWC-123) Requirement Violation | Low      | Requirement violation. |
| 467  | (SWC-123) Requirement Violation | Low      | Requirement violation. |
| 525  | (SWC-123) Requirement Violation | Low      | Requirement violation. |

#### ValidatorRegistry.sol

No issues found by MythX.

#### FxStateChildTunnel.sol

Report for contracts/state-transfer/FxStateChildTunnel.sol  
<https://dashboard.mythx.io/#/console/analyses/553dc8da-909c-44f1-b7e3-ff9a2f5eeb78>

| Line | SWC Title                 | Severity | Short Description         |
|------|---------------------------|----------|---------------------------|
| 2    | (SWC-103) Floating Pragma | Low      | A floating pragma is set. |

#### FxStateRootTunnel.sol

Report for contracts/state-transfer/FxStateRootTunnel.sol  
<https://dashboard.mythx.io/#/console/analyses/4bdaa7c5-b8a7-420b-bbb9-de62a31c3355>

| Line | SWC Title                 | Severity | Short Description         |
|------|---------------------------|----------|---------------------------|
| 2    | (SWC-103) Floating Pragma | Low      | A floating pragma is set. |

### RateProvider.sol

Report for contracts/state-transfer/RateProvider.sol

<https://dashboard.mythx.io/#/console/analyses/ced64c4f-6079-4349-bc81-4ad0d14b8ff6>

| Line | SWC Title                       | Severity | Short Description         |
|------|---------------------------------|----------|---------------------------|
| 2    | (SWC-103) Floating Pragma       | Low      | A floating pragma is set. |
| 22   | (SWC-123) Requirement Violation | Low      | Requirement violation.    |

- No major issues found by MythX. The requirement violations are all false positives.



THANK YOU FOR CHOOSING

// HALBORN

