



**Pangolin – Fee  
Collector**  
Smart Contract Security Audit

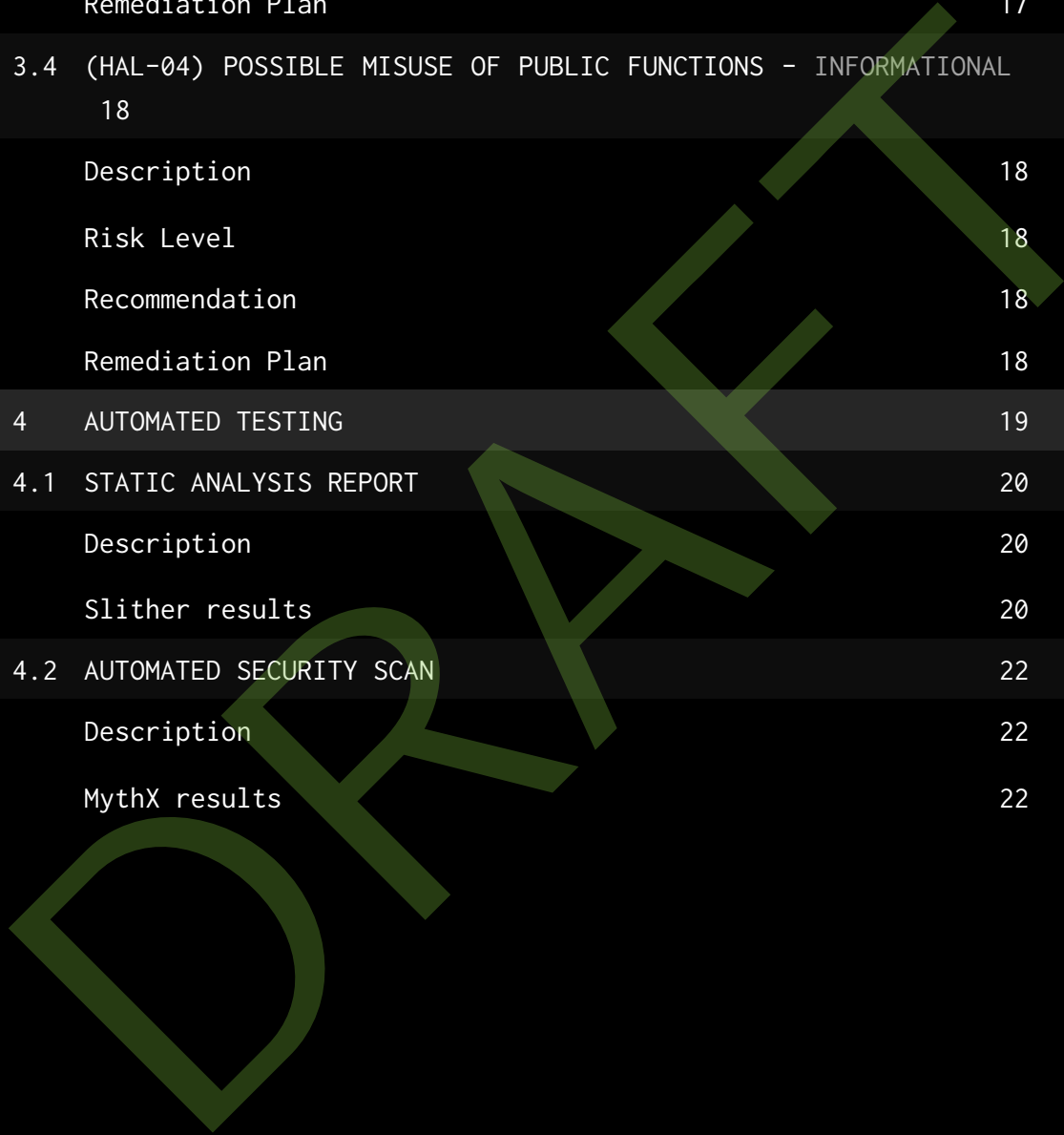
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Date of Engagement: December 9th, 2021 – December 11th, 2021

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## DOCUMENT REVISION HISTORY

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1.0	Remediation Plan	01/10/2022	Roberto Reigada
1.1	Remediation Plan Review	01/10/2022	Gabi Urrutia

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# EXECUTIVE OVERVIEW

## 1.1 INTRODUCTION

Pangolin engaged Halborn to conduct a security audit on their fee collector smart contract beginning on December 9th, 2021 and ending on December 11th, 2021. The security assessment was scoped to the smart contract provided in the Github repository [pangolindex/fee-collector](#).

## 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 addressed by [Pangolin 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 hotspots 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

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## 1.4 SCOPE

IN-SCOPE:

The security assessment was scoped to the following [smart contracts](#):

- [FeeCollector.sol](#)

Commit ID: [903abab3be7af7c4266c26117d83a17a9b2922e7](#)

Fixed Commit ID: [4593ee78524bc4da49ebb425eae167a42ae9fb4f](#)

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## 2. ASSESSMENT SUMMARY & FINDINGS OVERVIEW

CRITICAL	HIGH	MEDIUM	LOW	INFORMATIONAL
0	0	0	1	3

### LIKELIHOOD

IMPACT

	(HAL-01)			
(HAL-02) (HAL-03) (HAL-04)				

SECURITY ANALYSIS	RISK LEVEL	REMEDATION DATE
HAL01 - DOS WITH BLOCK GAS LIMIT	Low	SOLVED - 01/10/2022
HAL02 - USING ++I CONSUMES LESS GAS THAN I++ IN LOOPS	Informational	SOLVED - 01/10/2022
HAL03 - NO NEED TO INITIALIZE UINT256 I VARIABLE TO 0	Informational	SOLVED - 01/10/2022
HAL04 - POSSIBLE MISUSE OF PUBLIC FUNCTIONS	Informational	SOLVED - 01/10/2022

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# FINDINGS & TECH DETAILS

## 3.1 (HAL-01) DOS WITH BLOCK GAS LIMIT - LOW

### Description:

When smart contracts are deployed or functions inside them are called, the execution of these actions always require a certain amount of gas, based on how much computation is needed to complete them. The Ethereum network specifies a block gas limit and the sum of all transactions included in a block cannot exceed the threshold. Programming patterns that are harmless in centralized applications can lead to Denial of Service conditions in smart contracts when the cost of executing a function exceeds the block gas limit. In the contract `FeeCollector.sol`, the function `_collectFees()` iterates over an array of `liquidityPairs` of unknown size. If this array is big enough, the transaction could reach the block gas limit and would not be completed.

### Code Location:

Listing 1: `FeeCollector.sol` (Lines 123)

```
120 function _collectFees(address[] memory liquidityPairs,
121     address outputToken) internal {
122     require(outputToken != address(0), "Output token unspecified")
123     ;
124     for (uint256 i = 0; i < liquidityPairs.length; i++) {
125         address currentPairAddress = liquidityPairs[i];
126         IPangolinPair currentPair = IPangolinPair(
127             currentPairAddress);
128         uint256 pglBalance = currentPair.balanceOf(address(this));
129         if (pglBalance > 0) {
130             _pullLiquidity(currentPair, pglBalance);
131             address token0 = currentPair.token0();
132             address token1 = currentPair.token1();
133             if (token0 != outputToken) {
134                 _swap(token0, outputToken,
135                     IERC20(token0).balanceOf(address(this)));
136             }
137             if (token1 != outputToken) {
```

```

136         _swap(token1, outputToken,
137               IERC20(token1).balanceOf(address(this)));
138     }
139 }
140 }
141 }

```

Risk Level:

Likelihood - 2

Impact - 3

Recommendation:

It is recommended to limit the size of the `liquidityPairs` parameter in the `harvest()` function. For example:

Listing 2: FeeCollector.sol (Lines 150)

```

148 function harvest(address[] memory liquidityPairs, bool
149     claimMiniChef)
150     public {
151     require (liquidityPairs.length <= 30, "liquidityPairs should
152         be <= 30")
153     address _outputToken = IStakingRewards(stakingRewards).
154         rewardsToken();
155     if (claimMiniChef) {
156         IMiniChef(MINICHEF).harvest(miniChefPoolId, address(this))
157         ;
158     }
159     if (liquidityPairs.length > 0) {
160         _collectFees(liquidityPairs, _outputToken);
161     }
162     uint256 _finalBalance = IERC20(_outputToken).balanceOf(address
163         (this));
164     uint256 _callIncentive = _finalBalance * harvestIncentive
165         / FEE_DENOMINATOR;

```

```
165     uint256 _totalRewards = _finalBalance - _callIncentive;
166
167     if (_callIncentive > 0 && _totalRewards > 0) {
168         IERC20(_outputToken).safeTransfer(stakingRewards,
169             _totalRewards);
170         // No need for event as notifyRewardAmount will create one
171         IStakingRewards(stakingRewards).notifyRewardAmount(
172             _totalRewards);
173         IERC20(_outputToken).safeTransfer(msg.sender,
174             _callIncentive);
175     }
176 }
```

#### Remediation Plan:

**SOLVED:** Pangolin team limited the size of the `liquidityPairs` parameter in the `harvest()` function to 50.



## 3.2 (HAL-02) USING ++I CONSUMES LESS GAS THAN I++ IN LOOPS - INFORMATIONAL

### Description:

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

### Code Location:

FeeCollector.sol

Line 123: `for (uint256 i = 0; i < liquidityPairs.length; i++)`

### Proof of Concept:

For example, based in the following test contract:

#### Listing 3: Test.sol

```
1 //SPDX-License-Identifier: MIT
2 pragma solidity 0.8.9;
3
4 contract test {
5     function postiincrement(uint256 iterations) public {
6         for (uint256 i = 0; i < iterations; i++) {
7             }
8     }
9     function preiincrement(uint256 iterations) public {
10        for (uint256 i = 0; i < iterations; ++i) {
11            }
12        }
13 }
```

We can see the difference in the gas costs:

```
>>> 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: 0x205f09a4d2268de4c1a40f35bb2ec2847bf2ab8d584909b42c71a022b047614a
Gas price: 0.0 gwei Gas limit: 6721975 Nonce: 45
test.preiincrement confirmed Block: 13622336 Gas used: 21593 (0.32%)

<Transaction '0x205f09a4d2268de4c1a40f35bb2ec2847bf2ab8d584909b42c71a022b047614a'>
>>> test_contract.postiincrement(10)
Transaction sent: 0x98c04430526a59balcf947c114b62666a4417165947d31bf300cd6ae68328033
Gas price: 0.0 gwei Gas limit: 6721975 Nonce: 46
test.postiincrement confirmed Block: 13622337 Gas used: 22673 (0.34%)

<Transaction '0x98c04430526a59balcf947c114b62666a4417165947d31bf300cd6ae68328033'>
>>> 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 an `uint` variable inside a loop. This is not applicable outside of loops.

Remediation Plan:

**SOLVED:** Pangolin team uses now `++i` to increment the `i` variable inside loops, saving some gas.

### 3.3 (HAL-03) NO NEED TO INITIALIZE UINT256 I VARIABLE TO 0 - INFORMATIONAL

#### Description:

As `miniChefPoolId` is an `uint256`, it is already initialized to 0. `uint256 public miniChefPoolId = 0;` reassigns the 0 to `miniChefPoolId` which wastes gas. The same applies to the `uint256 i` variable declared in the loop.

#### Code Location:

`FeeCollector.sol`

Line 27: `uint256 public miniChefPoolId = 0;`

Line 123: `for (uint256 i = 0; i < liquidityPairs.length; i++)`

#### Risk Level:

**Likelihood - 1**

**Impact - 1**

#### Recommendation:

It is recommended to not initialize the two variables mentioned to 0 to save some gas. For example:

Line 27: `uint256 public miniChefPoolId;`

Line 123: `for (uint256 i; i < liquidityPairs.length; i++)`

#### Remediation Plan:

**SOLVED:** `Pangolin team` removed the initialization to zero for the two variables mentioned.

### 3.4 (HAL-04) POSSIBLE MISUSE OF PUBLIC FUNCTIONS - INFORMATIONAL

#### Description:

In the `PangolinFeeCollector` contract there is a function marked as `public` but it is never directly called within the same contract or in any of their descendants:

`FeeCollector.sol`

- `harvest()` (`FeeCollector.sol#148-174`)

#### Risk Level:

**Likelihood - 1**

**Impact - 1**

#### Recommendation:

If the function is not intended to be called internally or by their descendants, it is better to mark it as `external` to reduce gas costs.

#### Remediation Plan:

**SOLVED:** `Pangolin team` declared the `harvest()` function as `external`.



# AUTOMATED TESTING





```

Parameter FungolinFeeCollector.setRewardsContract(address)_stakingRewards (contracts/FeeCollector.sol#39) is not in mixedCase
Parameter FungolinFeeCollector.setRewardsIncentive(uint256)_harvestIncentive (contracts/FeeCollector.sol#46) is not in mixedCase
Parameter FungolinFeeCollector.setMiniChefPool(uint256)_gid (contracts/FeeCollector.sol#52) is not in mixedCase
Parameter FungolinFeeCollector.setRewardsDuration(uint256)_rewardsDuration (contracts/FeeCollector.sol#59) is not in mixedCase
Parameter FungolinFeeCollector.transferStakingOwnership(address)_newOwner (contracts/FeeCollector.sol#64) is not in mixedCase
Function FungolinPair.DOMAIN_SEPARATOR() (interfaces/Fungolin/IPangolinPair.sol#19) is not in mixedCase
Function FungolinPair.PEPPER_TYPERHASH() (interfaces/Fungolin/IPangolinPair.sol#20) is not in mixedCase
Function FungolinPair.MINDM_LIQUIDITY() (interfaces/Fungolin/IPangolinPair.sol#27) is not in mixedCase
Function FungolinRouter.MIXIN() (interfaces/Fungolin/IPangolinRouter.sol#4) is not in mixedCase
Reference: https://github.com/crytic/slither/wiki/Detector-Documentation#conformance-to-solidity-naming-conventions

Variable IMiniChef.setPool(uint256,uint256,address,bool)_allocPoint (interfaces/MiniChef.sol#26) is too similar to IMiniChef.setPools(uint256[],uint256[],address[],bool[]).allocPoints (interfaces/MiniChef.sol#27)
Variable IMiniChef.addPool(uint256,address,address)_allocPoint (interfaces/MiniChef.sol#29) is too similar to IMiniChef.setPools(uint256[],uint256[],address[],bool[]).allocPoints (interfaces/MiniChef.sol#27)
Variable FungolinRouter.addLiquidity(address,address,uint256,uint256,uint256,uint256,address,uint256)_amountDesired (interfaces/Fungolin/IPangolinRouter.sol#1) is too similar to IPangolinRouter.addLiquidity(address,address,uint256,uint256,uint256,uint256)_amountDesired (interfaces/Fungolin/IPangolinRouter.sol#1)
Reference: https://github.com/crytic/slither/wiki/Detector-Documentation#variable-names-are-too-similar

renounceOwnership() should be declared external:
- Ownable.renounceOwnership() (node_modules/@openzeppelin/contracts/access/Ownable.sol#53-55)
transferOwnership(address) should be declared external:
- Ownable.transferOwnership(address) (node_modules/@openzeppelin/contracts/access/Ownable.sol#61-64)
harvest(address[],bool) should be declared external:
- FungolinFeeCollector.harvest(address[],bool) (contracts/FeeCollector.sol#146-174)
Reference: https://github.com/crytic/slither/wiki/Detector-Documentation#public-function-that-should-be-declared-external

```

- No major issues found by Slither.





## 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 all the contracts and sent the compiled results to the analyzers to locate any vulnerabilities.

### MythX results:

MythX only found some issues in the following smart contracts:

#### FeeCollector.sol

Report for contracts/FeeCollector.sol  
<https://dashboard.mythx.io/#/console/analyses/9ea7ceba-9b68-4d36-bfae-4465ced716c7>

Line	SWC Title	Severity	Short Description
80	(SWC-101) Integer Overflow and Underflow	Unknown	Arithmetic operation "+" discovered
96	(SWC-110) Assert Violation	Unknown	Out of bounds array access
97	(SWC-110) Assert Violation	Unknown	Out of bounds array access
100	(SWC-110) Assert Violation	Unknown	Out of bounds array access
101	(SWC-110) Assert Violation	Unknown	Out of bounds array access
102	(SWC-110) Assert Violation	Unknown	Out of bounds array access
112	(SWC-101) Integer Overflow and Underflow	Unknown	Arithmetic operation "+" discovered
123	(SWC-101) Integer Overflow and Underflow	Unknown	Arithmetic operation "++" discovered
124	(SWC-110) Assert Violation	Unknown	Out of bounds array access
163	(SWC-101) Integer Overflow and Underflow	Unknown	Arithmetic operation "/" discovered
163	(SWC-101) Integer Overflow and Underflow	Unknown	Arithmetic operation "*" discovered
165	(SWC-101) Integer Overflow and Underflow	Unknown	Arithmetic operation "--" discovered

- Integer Overflows and Underflows flagged by MythX are false positives, as the contract is using Solidity 0.8.9 version. After the Solidity version 0.8.0 Arithmetic operations revert to underflow and overflow by default.
- Assert violations are false positives.

THANK YOU FOR CHOOSING

// HALBORN

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