



Version dated July 15, 2020

BITBON SYSTEM PUBLIC CONTRACT

Clause 1. Bitbon System Public Contract (hereinafter — the Agreement) is a social contract of constitutive (statutory) nature between SIMCORD LLC (EDRPOU 37657823), the Bitbon System founder and the first Bitbon System Operator, and all Bitbon System Participants. This Agreement sets forth the rights and duties of all Participants arising from the management of the Bitbon System, as well as stipulates the capabilities of its Users. All the Bitbon System community shall observe this Agreement.

Clause 2. The Bitbon System Public Contract has been created on the basis of the decision of SIMCORD LLC to create the Bitbon access token in order to organize and develop the Bitbon System Decentralized Autonomous Community.

Clause 3. As the founder of the Bitbon System, SIMCORD LLC has issued 100,000,000.00 Bitbon access token accounting units, which, through the Bitbon digital asset protocol, grant the right to access the “Bitbon Protocol” information resource derivative of the nonmonetary asset “Infrastructure Asset of the Bitbon System — Simcord” kept on the balance sheet of SIMCORD LLC, EDRPOU 37657823, for Bitbon System Users to use capabilities laid down in the Bitbon System as well as for Bitbon System Participants to exercise their right to manage the Bitbon System in the interests of all its Users.

Clause 4. Additional issue of Bitbon accounting units in the Bitbon System is impossible.

Clause 5. As the founder of the Bitbon System, SIMCORD LLC shall transfer 70,000,000.00 Bitbon accounting units out of the total number of Bitbon accounting units issued in accordance with Clause 3 hereof to the Assetbox of the Bitbon System Capitalization Fund for further distribution through affiliated partners under the terms and conditions set out in Appendix No. 3 to the [Bitbon Protocol](#).

Clause 6. All Bitbon accounting units not distributed by the Bitbon System Capitalization Fund until October 10, 2018, in accordance with Clause 5 hereof, shall remain in the Assetbox of the Bitbon System Capitalization Fund for Contributing by the Bitbon System Capitalization Fund in order to back Bitbons by digital assets for the benefit of all Bitbon System Participants.



Clause 7. As the founder of the **Bitbon** System, SIMCORD LLC shall reserve 30,000,000.00 **Bitbon** accounting units out of the total number of **Bitbon** accounting units issued in accordance with Clause 3 hereof in its Assetbox to use them as the **Bitbon** System Participant, inter alia, to create and implement innovative solutions as well as to support, update and develop the intellectual software and hardware infrastructure of the **Bitbon** System.

Clause 8. The moment of launching the **Bitbon** System shall be the moment when the **Bitbon** System Public Contract comes into force.

Clause 9. The **Bitbon** System Public Contract shall come into force on March 10, 2018.

Clause 10. The **Bitbon** System Public Contract consists of Clauses and separate Appendices. The structure of the **Bitbon** System Public Contract includes references and links to the Appendices, which are an integral part hereof. No Appendices adopted in the **Bitbon** System shall contradict in their content the **Bitbon** System Public Contract.

Clause 11. The **Bitbon** System Public Contract and all the Appendices, which are an integral part hereof, shall be subject to mandatory publication on the official information resources of the **Bitbon** System.

Clause 12. The **Bitbon** System Public Contract includes the Clauses and Appendices mentioned below, which are an integral part hereof and come into force only after their publication on the official information resources of the **Bitbon** System:

- “Legal Nature of the **Bitbon** System” (*being prepared...*)
- “Terms and Definitions in the **Bitbon** System” ([open](#))
- “**Bitbon** System Management” (*being prepared...*)
- “**Bitbon** System Capitalization Fund” (*being prepared...*)
- “Bitup-Agency’s Functions in the **Bitbon** System” (*being prepared...*)
- “Rules of Contributing” (*being prepared...*)
- “**Bitbon** System Operator” (*being prepared...*)
- “Mining in the **Bitbon** System” ([open](#))
- “Use of Digital Assets for Mutual Settlements for Goods, Works and Services in the **Bitbon** System” (*being prepared...*)
- “Making Amendments and/or Additions to the **Bitbon** System Public Contract” ([open](#))
- “Resolving Disputes Between **Bitbon** System Users” (*being prepared...*)



- “Resolving Issues of Digital Asset Inheritance in the **Bitbon System**” (*being prepared...*)
- “**Bitbon System Account**” (*being prepared...*)
- “Anti-Money Laundering Policy” (*being prepared...*)
- “Privacy Policy in the **Bitbon System**” (*being prepared...*)
- “Policy of Rights and Freedoms of **Bitbon System Users**” (*being prepared...*)
- “Service Token or Digital Asset (Access Token) Creation Process in the **Bitbon System**” (*being prepared...*)
- “Code of Ethics of the **Bitbon System Decentralized Autonomous Community**” (*being prepared...*)
- “Service Token Protocols in the **Bitbon System**” (*being prepared...*)
- “Properties and Attributes of Service Tokens in the **Bitbon System**” (*being prepared...*)
- “Digital Asset Protocols in the **Bitbon System**” (*being prepared...*)
- “Properties and Attributes of Digital Assets in the **Bitbon System**” (*being prepared...*)
- “Rules of Decentralized Exchange of Digital Assets in the **Bitbon System**” (*being prepared...*)
- “Rules of Transferring Digital Assets in the **Bitbon System**” (*being prepared...*)
- “Rules of Using Service Tokens in the **Bitbon System**” (*being prepared...*)
- “Transaction Commissions in the **Bitbon System**” (*being prepared...*)

Clause 13. This Agreement is applied within the **Bitbon System**, has the highest legal force and direct effect on **Bitbon System Users**.

Clause 14. Amendments and/or additions may be made to the **Bitbon System Public Contract** only if such amendments and/or additions do not contradict the **Bitbon System Public Contract** and solely in the manner described in the Appendix “Making Amendments and/or Additions to the **Bitbon System Public Contract**”.

Clause 15. No other ideology can be established in the **Bitbon System** except for the one presented on the official information resources of the **Bitbon System**.

Clause 16. The official information resources of the **Bitbon System** are not intended and cannot contain any advertising materials of companies and projects for the purpose of obtaining commercial benefits, except for statistical and reference information.

Clause 17. The **Bitbon System** is an integral blockchain-based decentralized system, which allows its Users to implement the method for accounting and management of



their assets using digital assets for the purpose of safe and equivalent decentralized exchange of digital assets in the **Bitbon** System without intermediaries and money. The key component of the **Bitbon** System is **Bitbon**.

Clause 18. **Bitbon** System Participants are granted a right to participate in Contributing under the terms and conditions of Projectbon Protocols of various business projects as well as in Consensus building mining. The ownership of **Bitbon** does not oblige the **Bitbon** System Participant to participate in Contributing and/or Consensus building mining.

Clause 19. The basic Right to the right principle laid down in the **Bitbon** System allows **Bitbon** System Users using a digital asset to operate the right to access an information resource derivative of the right to a value through a digital asset protocol, while the value itself remains in possession of its owner.

Clause 20. The **Bitbon** System functionality provides its Users with an opportunity without using money to manage various kinds of digital assets — Bon, Projectbon and **Bitbon**, the significance of which is recognized by all **Bitbon** System Users.

Clause 21. The main instrument of the **Bitbon** System is **Bitbon**, which is a digital asset created on the basis of the **Bitbon** Protocol, that can circulate only in the **Bitbon** System by means of access token accounting units. The **Bitbon** digital asset is a utility token (access token) and provides the **Bitbon** System Participant with certain scope of rights to access the **Bitbon** System services in accordance with the number of **Bitbon** accounting units that such a Participant has. **Bitbon** accounting units are used to implement the method of measuring the exchange value of all digital assets of the **Bitbon** System and ensure their circulation. The **Bitbon** digital asset has unique attributes and properties based on the **Bitbon** System Public Contract and **Bitbon** Protocol. Using **Bitbon** as a key component of the **Bitbon** System allows **Bitbon** System Users to implement the legal relations established and regulated by digital asset protocols as well as the terms and conditions hereof.

Clause 22. **Bitbon** is backed in accordance with the **Bitbon** Protocol.

Clause 23. Projectbon is the regulator of Contributing, i.e. a digital asset derivative of the Projectbon Protocol of a certain class. The Bitup-Agency creates this type of digital asset by giving it unique attributes and properties. Projectbon is a form of mutual obligations of the Contractat and Contributors under the terms and conditions of the Projectbon Protocol of a specific business project.

Clause 24. Projectbon is backed by the information resource derivative of the right to a value, which secures the Contractat's obligations to Contributors.



Clause 25. Bon is an instrument of the **Bitbon System** used by **Bitbon System Users** to implement the method for accounting and management of assets. Bon is a digital asset of the **Bitbon System** created on the basis of a specific Bon Protocol.

Clause 26. Bon is backed by an information resource derivative of the right to a value based on a specific Bon Protocol as a result of completing the information resource tokenization procedure in accordance with the Appendix “Service Token or Digital Asset (Access Token) Creation Process in the **Bitbon System**”, which is an integral part hereof.

Clause 27. The basis for securing the rights of **Bitbon System Users** to use digital assets and service tokens in the **Bitbon System** includes the following:

- **Asset safety guarantee.** For the **Bitbon System** digital asset to be backed, the owner of the asset shall guarantee its safety and accountability on the grounds that the terms and conditions recorded in the digital asset protocol are unalterable.
- **Service unalterability guarantee.** For the service token to be used in the **Bitbon System** as intended, all the terms and conditions established by the service token creator and recorded in the service token protocol shall be unalterable.

Clause 28. The **Bitbon System** provides an opportunity for all **Bitbon System Users** to make an equivalent exchange of access token accounting units (digital assets) in accordance with the Appendices “Use of Digital Assets for Mutual Settlements for Goods, Works and Services in the **Bitbon System**”, “Rules of Transferring Digital Assets in the **Bitbon System**” and “Rules of Decentralized Exchange of Digital Assets in the **Bitbon System**”, which are an integral part hereof.

Clause 29. The **Bitbon System** is managed by all **Bitbon System Participants**. No person shall claim superiority and establish any form of control in the **Bitbon System** since all **Bitbon System Participants** have equal rights.

Clause 30. The **Bitbon System User**, who owns any number of **Bitbon** accounting units and is entitled to dispose of them at his/her own discretion, has the status of a **Bitbon System Participant**.

Clause 31. The **Bitbon System Participant** is always the **Bitbon System User**, but the User is not always the Participant, only in case he/she owns **Bitbon** accounting units and is entitled to dispose of them at his/her own discretion.

Clause 32. The status of a **Bitbon System User** can be obtained by anyone who has registered in the **Bitbon System** and gained access to his/her **Bitbon System** account.



Clause 33. When the **Bitbon System Participant** transfers the **Bitbon** digital asset to another **Bitbon System User**, such a User receives all the rights of the previous owner of **Bitbon** digital asset, which are stipulated by the **Bitbon System Public Contract** and the **Bitbon Protocol**, in proportion to the scope of assigned rights to access the **Bitbon System** services. Therefore, such a User obtains the status of a **Bitbon System Participant**.

Clause 34. The **Bitbon System Participant** has the right to own, use and dispose of his/her **Bitbon** accounting units at his/her sole discretion in accordance with the applicable legislation.

Clause 35. SIMCORD LLC shall not claim any rights to **Bitbon** accounting units, which it does not own.

Clause 36. Only **Bitbon System Participants** have the right to manage the **Bitbon System** in the interests of all its Users by exercising control over access to the **Bitbon System** services as well as by making decisions through the voting procedure in the manner established in the Appendix “**Bitbon System Management**”, which is an integral part hereof.

Clause 37. Contributing shall start when the Appendix “**Rules of Contributing**”, which is an integral part hereof, is published on the official information resources of the **Bitbon System**.

Clause 38. The principle laid down in Contributing allows the Contractat (asset owner) and **Bitbon System Participants** by means of Projectbons to establish and to control their relations with the possibility of having in circulation only the transferable right of claim aimed at fulfilling the mutual obligations of the Contractat and Contributors under the terms and conditions of the Projectbon Protocol of a specific business project. At the same time, the asset itself remains in possession of its owner under the terms and conditions of the Projectbon Protocol of a specific business project solely as an object of securing the Contractat’s duties to Contributors.

Clause 39. The **Bitbon System Capitalization Fund** is an integral component of the **Bitbon System**. The purpose of the **Bitbon System Capitalization Fund** is to provide a mechanism that allows increasing the volume of the Fund’s capitalization and the overall **Bitbon System** capitalization through Contributing encouraging effective management of the **Bitbon System** by **Bitbon System Participants** in the interests of all **Bitbon System Users**.

Clause 40. The status of a **Bitbon System Participant** defines him/her as a co-owner of all digital assets available in the Assetbox of the **Bitbon System Capitalization**



Fund. The share of each **Bitbon** System Participant in the **Bitbon** System Capitalization Fund is determined by the number of **Bitbon** accounting units available in the Assetbox of such a Participant.

Clause 41. The **Bitbon** liquidity is generated by virtue of **Bitbon** backing, by market means based on supply and demand as a result of interaction among **Bitbon** System Users in the process of Contributing and mutual settlements between **Bitbon** System Users.

Clause 42. It is forbidden to create digital asset protocols in the **Bitbon** System, the terms and conditions of which can be classified as loan interest (debt interest).

Clause 43. **Bitbon** System Users undertake to follow the principle of solidarity within the Contributing process, the main point of which is the joint interest of the parties in observing the terms and conditions of the Projectbon Protocol of a specific business project.

Clause 44. Within the framework of Contributing, legal relations between owners of assets and owners of digital assets are regulated on the basis of the Appendix “Rules of Contributing”, which is an integral part hereof, as well as on the basis of the terms and conditions of Projectbon Protocols of specific business projects.

Clause 45. The **Bitbon** System shall not regulate the relations between **Bitbon** System Users, which are not listed in the **Bitbon** System Public Contract or digital asset protocols. Such relations are built outside the **Bitbon** System based on the current legislation.

Clause 46. All disputes between **Bitbon** System Users shall be resolved in accordance with the procedure established in the Appendix “Resolving Disputes Between **Bitbon** System Users”, which is an integral part hereof.

Clause 47. The **Bitbon** System User in the status of a **Bitbon** System Operator shall conduct activity aimed at organizing and automating the technological interaction among all **Bitbon** System Users by providing them with access to the single digital space and all tools necessary for conducting activity within the **Bitbon** System, thus ensuring integrity and functionality of the **Bitbon** System.

Clause 48. The **Bitbon** System Operators shall interact with each other on a regular basis in order to upgrade digital processes aimed at supporting and developing the IT infrastructure of the **Bitbon** System.

Clause 49. The **Bitbon** System Operators shall create all conditions for fair and free competition among **Bitbon** System Users in accordance with the terms and conditions stipulated in the **Bitbon** System Public Contract as well as with the Appendix “**Bitbon** System Operator”, which is an integral part hereof.



Clause 50. The **Bitbon System Operators** undertake obligations to inform all **Bitbon System Users** about amendments and additions to the **Bitbon System Public Contract** stipulated in Clause 14 hereof on the official information resources of the **Bitbon System**.

Clause 51. The **Bitbon System Operators**, by fulfilling their duties in accordance with Clause 47 hereof, strive to automate all processes in the **Bitbon System** ensuring fulfillment of the **Bitbon System Public Contract** through software algorithms — blockchain-based smart contracts that are subject to mandatory open audit if such an audit does not threaten the functional integrity of the **Bitbon System**.

Clause 52. The relations between **Bitbon System Users** shall be based on the principles set forth in the Appendix “Code of Ethics of the **Bitbon System Decentralized Autonomous Community**” being an integral part hereof. The access of the **Bitbon System User** to his/her **Bitbon System** account can be limited in full or in part only in cases of misconduct and/or unfair use of the **Bitbon System**, which is a violation of the terms and conditions expressly provided for in the **Bitbon System Public Contract** as well as of the terms and conditions of using the **Bitbon System** services and the **Bitbon System** components and/or digital asset protocols and/or service token protocols.

Clause 53. The **Bitbon System** does not impose any restrictions on selecting one or more types of activity by the User. Each **Bitbon System User** has the right to undertake one or more types of activity as well as to replace one activity with another, at his/her sole discretion, in the event that it does not contradict a specific digital asset protocol and the **Bitbon System Public Contract** as a whole.

Clause 54. A commission expressed in **Bitbons** shall be paid for transferring digital assets and using service tokens in the **Bitbon System**. The rules of determining such a commission and terms of its distribution are set forth in the Appendix “Transaction Commissions in the **Bitbon System**”, which is an integral part hereof.

Clause 55. Additional benefit of the **Bitbon System User** is envisioned for SIMCORD LLC as the founder of the **Bitbon System** as well as for **Bitbon System Users** in the statuses of a Bitup-Agency, Contractat, Contributor, Projectbon Promoter and **Bitbon System Miner** in accordance with the Appendices “Rules of Contributing” and “Mining in the **Bitbon System**”, which are an integral part of the **Bitbon System Public Contract**.

Clause 56. The **Bitbon System User** in the status of a Bitup-Agency, being the representative of **Bitbon System Participants**, undertakes obligations to fully supervise



implementation of the Contractat's project in the **Bitbon System** by representing and protecting Contributors' interests.

Clause 57. In accordance with Clause 45 hereof, the **Bitbon System User** in the status of a Bitup-Agency has the right, at his/her own discretion, to evaluate services as part of relations, which are not explicitly indicated in the **Bitbon System Public Contract** and/or digital asset protocols. Such relations are built outside the **Bitbon System**.

Clause 58. The **Bitbon System User** in the status of a Bitup-Agency has the right, at his/her own discretion, to determine the cost of services for performing the functions of the Bitup-Agency that are stipulated in the Appendix "Bitup-Agency's Functions in the **Bitbon System**", which is an integral part hereof, as well as of other services stipulated in the **Bitbon System Public Contract** and/or digital asset protocols and/or service token protocols. In this case, mutual settlements for such services shall be carried out in the **Bitbon System** exclusively in digital assets.

Clause 59. The **Bitbon System User** in the status of a Projectbon Promoter shall provide a full range of mechanisms on the public internet resources he/she owns in order to promote a business project and attract **Bitbon System Users** for their further participation in the IBO (Initial Business Offering).

Clause 60. Under the terms and conditions of the Projectbon Protocol of his/her project, the **Bitbon System User** in the status of a Contractat may determine the amount of remuneration expressed in **Bitbons** in favor of Projectbon Promoters in the Contributing process.

Clause 61. The **Bitbon System User** in the status of a **Bitbon System Miner** shall participate in supporting and developing the decentralized execution environment of the **Bitbon System**. As the founder of the **Bitbon System**, SIMCORD LLC establishes that 10% of the number of **Bitbon** accounting units received by the **Bitbon System Capitalization Fund** in the process of Obventing over a certain time period, as well as 50% of the commission for transferring digital assets in the **Bitbon System** in accordance with Clause 54 hereof, are allocated to the Mining Fund. The activity of the **Bitbon System Miners** initiates the algorithm of redistribution of **Bitbon** accounting units from the Mining Fund to the Assetboxes of such Miners.

The **Bitbon System** includes two mining methods:

- **Consensus building mining.** In order to participate in consensus building in the **Bitbon System**, the Miner allocates a certain number of his/her **Bitbon** accounting units. The Miner's degree of participation in the process of **Bitbon** redistribution is determined based on the number of allocated **Bitbon** accounting units and his/her



activity in organizing the Miner Community in accordance with the Appendix “Mining in the **Bitbon System**”, which is an integral part hereof.

- **Infrastructure building mining.** In order to provide infrastructure of the **Bitbon System**, the Miner allocates his/her resources. The degree of participation of each Miner in redistribution of **Bitbon** accounting units depends on technical properties and characteristics of the resources provided by the Miner, including the quality and speed of the Internet channel, CPU time and the amount of memory for long-term data storage, in accordance with the Appendix “Mining in the **Bitbon System**”, which is an integral part hereof.

Bitbon accounting units from the Mining Fund are redistributed among the **Bitbon System Miners** based on the quantity and quality of the resources utilized by each **Bitbon System Miner** individually.

Clause 62. The Clauses of the **Bitbon System Public Contract** and Appendices to it, including amendments and/or additions, which have not been published, shall not be applied to the **Bitbon System**. Any amendments and/or additions to the **Bitbon System Public Contract** shall not be applied unless they are published on the official information resources of the **Bitbon System** and are publicly available to all **Bitbon System Users**.

Clause 63. Amendments and/or additions to the **Bitbon System Public Contract**, which have been brought to the attention of **Bitbon System Users** in any way not provided for by Clause 14 of this Agreement, shall be void.

Clause 64. The activity of **Bitbon System Users**, whose purposes and actions are aimed at violating the **Bitbon System** integrity and/or making amendments and/or additions to the **Bitbon System Public Contract** in any way not provided for in Clause 14 hereof, shall be prohibited.

Clause 65. The **Bitbon System** establishes the principle of the **Bitbon System Users** being aware of the fact that their digital assets are an integral part of the **Bitbon System** as a value owned by all **Bitbon System Participants**.

Clause 66. After this Agreement comes into force, the **Bitbon System** shall develop under the terms of the transition period. Under these terms, the **Bitbon System Participants** shall empower SIMCORD LLC to take the following actions:

- During the transition period, to solely perform the duties of the **Bitbon System Operator**.
- During the transition period, to make amendments and/or additions to the **Bitbon System Public Contract** in accordance with Clause 14 hereof.



- During the transition period, to prepare and publish all the Appendices to the **Bitbon System Public Contract** in accordance with Clause 12 hereof in the order of priority of their application in the **Bitbon System**.
- During the transition period, SIMCORD LLC seeks to transfer part of its powers to **Bitbon System Users** in the status of a **Bitbon System Operator**.

Clause 67. Guided by the ideology laid down in the **Bitbon System** and the core principle set forth in the mission of SIMCORD LLC, to create and transfer a tool to the humankind that will entirely change the vector of its development as well as the sense and way of life, providing everyone with an opportunity to realize their potential, SIMCORD LLC has established that should the number of the **Bitbon System Operators** in the **Bitbon System** exceed 1,345 (one thousand three hundred forty-five), SIMCORD LLC shall terminate the conditions of the transition period, which will indicate the transition of the **Bitbon System** to a fully decentralized management by the **Bitbon System Participants**.

GENERAL TERMS AND CONDITIONS

1. Amendments and/or additions to this Agreement can be made solely under the rules provided for in the Appendix “Making Amendments and/or Additions to the **Bitbon System Public Contract**”.
2. If there is any discrepancy between various forms (written, printed, electronic, etc.) of this Agreement, its electronic version placed on the official information resources of the **Bitbon System** shall be deemed official.
3. This Agreement is translated into other languages for convenience only. In case of different interpretation of this Agreement, the Russian version shall be deemed official.
4. Only the **Bitbon System Operators** are entitled to interpret the **Bitbon System Public Contract**. Any other interpretation shall be unacceptable.
5. In case of different interpretation of the terms of this Agreement, one shall be guided by their definitions in the Appendix “Terms and Definitions in the **Bitbon System**”.