BITBON SYSTEM PUBLIC CONTRACT

Version dated February 26, 2024

*This document is a public offer agreement for users of the **Bit**bon System social network.*

CONTENTS

Section 1. General Provisions

Provision 1. Scope of the Bitbon System Public Contract

1. **Bit**bon System Public Contract (hereinafter — Agreement) is a social contract of constitutive nature of the **Bit**bon System social network (hereinafter — **Bit**bon System Community or **Bit**bon System Social Network) that establishes the basis of the **Bit**bon System operation.

2. This Agreement identifies tasks and objectives of the **Bit**bon System Community, stipulates main terms and conditions for use, as well as for development of the **Bit**bon System infrastructure.

3. **Bitbon System Social Network** is a form of organization of the **Bit**bon System Community as a decentralized social network of economic relations that allows users to realize social relations using tokenized assets via the **Bit**bon System infrastructure in accordance with the **Bit**bon System Public Contract. The **Bit**bon System is managed by **Bit**bon System Participants (hereinafter — Participant) in the interests of all **Bit**bon System Users (hereinafter — User) in accordance with the Appendix "Management of the **Bit**bon System" based on the Participant status, the role and account rating of the Participant, the combination of which determines the capabilities of each Participant in managing the **Bit**bon System Social Network.

4. The mission of the **Bit**bon System Community is to try to establish the balance of interests between a User and the state, the citizen of which he/she is, by modernizing social relations through development of an information technology mechanism to ensure trust between parties to such relations by using **Bit**bon System tokenized assets (hereinafter — tokenized asset).

5. The **Bit**bon System Community only allows social relations that are realized in accordance with the terms and conditions established by this Agreement and the Appendices that are an integral part hereof.

6. This Agreement is a public offer of SIMCORD LLC (EDRPOU 37657823) as the First **Bit**bon System Operator to an unlimited number of persons to form and develop the **Bit**bon System Community in accordance with the principles and

conditions established by this Agreement.

7.   Each Participant is a party to the **Bit**bon System Public Contract as a public offer agreement that establishes the rights and obligations of Participants, including those for the management of the **Bit**bon System.

8.   Creation of a **Bit**bon System personal account (hereinafter — personal account) shall mean acceptance of the offer from SIMCORD LLC (EDRPOU 37657823) to form and develop the **Bit**bon System Social Network, as well as registration of a new User in this social network.

9.   The provisions of this Agreement are directly aimed at regulating relations between Users.

10.   The provisions of this Agreement shall not regulate legal relations between Users that take place outside the **Bit**bon System.

11.   Each User is fully and personally responsible for understanding and following any laws, rules and regulations of the jurisdiction he/she falls under that may be applicable to him/her due to using the functionalities of the **Bit**bon System infrastructure.

Provision 2. Structure of the Bitbon System Public Contract

1.   The structure of this Agreement envisions a preamble, sections that consist of Provisions, which include paragraphs, and Appendices. The Agreement uses links and references to the Appendices.

2.   The Appendices are an integral part of this Agreement (hereinafter — Appendices).

3.   By their content, the Appendices cannot contradict this Agreement. In case of contradictions between the Provisions of this Agreement and Appendices, the Provisions of this Agreement shall prevail.

4.   The Appendices to this Agreement include:

   4.1.   "**Bit**bon Protocol" (open)

   4.2.   "Terms and Definitions in the **Bit**bon System Social Network" (open)

   4.3.   "Management of the **Bit**bon System" (being prepared...)

   4.4.   "Funds of the **Bit**bon System" (open)

4.5.   "**Bit**bon System Operator" (open)

4.6.   "**Bit**bon System Provider" (open)

4.7.   "Providing in the **Bit**bon System: Economic and Legal Decentralization of the **Bit**bon System" (open)

4.8.   "Providing in the **Bit**bon System: Technological Decentralization of the **Bit**bon System" (open)

4.9.   "**Bit**bon System Contributor" (being prepared...)

4.10. "Contributing in the **Bit**bon System" (being prepared...)

4.11. "**Bit**bon System Integrator" (being prepared...)

4.12. "**Bit**bon System Validator" (being prepared...)

4.13. "**Bit**bon System Specialist" (being prepared...)

4.14. "Making Amendments and/or Additions to the **Bit**bon System Public Contract" (open)

4.15. "**Bit**bon System Community Guidelines" (being prepared...)

4.16. "Resolving Issues of Tokenized Asset Inheritance in the **Bit**bon System" (being prepared...)

4.17. "**Bit**bon System Account" (open)

4.18. "One Space Base Service" (open)

4.19. "AML/KYC Policy" (open)

4.20. "Privacy Policy" (open)

4.21. "Cookie Policy" (open)

4.22. "Meta-Assets in the **Bit**bon System" (being prepared...)

4.23. "Components and Base Services of the **Bit**bon System" (open)

4.24. "Services of **Bit**bon System Users" (being prepared...)

4.25. "Rules of Tokenized Asset Circulation in the **Bit**bon System Social Network" (being prepared...)

4.26. "Service Fees in the **Bit**bon System: the Procedure for Their Deduction and Distribution" (open)

4.27. "The ERBB Service" (open)

4.28. "Decentralized Metafile Storage in the **Bit**bon System" (being

prepared...)

5.   This Agreement and its Appendices are published on the official information resources of the **Bit**bon System and come into effect right after their publication.

Section 2. Nature of the Bitbon System

Provision 3. Bitbon System and Its Operation Principles

1.   **Bit**bon System is a decentralized information platform that is managed by Participants and allows Users to realize social relations in the **Bit**bon System Social Network.

2.   The **Bit**bon System infrastructure allows the **Bit**bon System Community to modernize the process of realizing social relations in order to carry out equal and transparent relations in various global legal systems using decentralized digital registration of property and personal non-property rights in the **Bit**bon System. Such rights are registered in the **Bit**bon System through creation of tokenized assets by Users and their subsequent disposal of property and personal non-property rights by means of tokenized asset circulation.

3.   The nature of the **Bit**bon System is determined through its technological, economic and legal, as well as information and applied aspects.

4.   The nature of the **Bit**bon System is based on the doctrine of natural law, which states that when property and personal non-property relations are realized, Users are free to choose the method used to record the expression of will of the parties, specifically to choose the form of the deal.

5.   The **Bit**bon System uses the distributed ledger technology to ensure accounting of events and deals as well as creation and accounting of Users' tokenized assets.

6.   The form of deals in the **Bit**bon System is a distributed ledger token transaction (hereinafter — deal), which is accepted by the **Bit**bon System Community and ensured by the functionalities of the **Bit**bon System infrastructure.

7.   In the **Bit**bon System, the moment of concluding a deal is the registration of an infrastructure fee transaction.

8.   In the **Bit**bon System, only Users are parties to a deal.

9.   In the **Bit**bon System, transparency of deals is ensured by the **Bit**bon System infrastructure.

10.   The nature of the **Bit**bon System is based on the fundamental principle, Right to the right, which allows a User to operate property and personal non-property right by means of a meta-asset. When operating property right by means of the meta-asset, the property itself exists outside the **Bit**bon System with this User as its owner for the entire duration of this meta-asset's circulation in the **Bit**bon System.

11.   A principle of value integrity exists in the **Bit**bon System, which guarantees the uniqueness and integrity of any meta-asset and its data as an object associated with a specific account in the **Bit**bon System.

12.   A principle of noninterference exists in the **Bit**bon System, according to which the **Bit**bon System regulating relations of Users in the **Bit**bon System does not restrict their choice and implementation of relations outside the **Bit**bon System.

13.   A principle of neutrality exists in the **Bit**bon System, according to which:

    13.1.   The **Bit**bon System is not a party, a third party or an arbiter in a potential dispute between Users as parties to the Contract on disposal of property that exists outside the **Bit**bon System, the right to which is exercised in the **Bit**bon System Social Network by means of a tokenized asset (hereinafter — Contract). Disputes that arise between Users within legal relations existing outside the **Bit**bon System are not regulated by this Agreement and are considered in accordance with the norms of the applicable legislation of the countries, the jurisdictions of which such Users fall under, and/or by norms of international law. All data on the Contract is available to Users as parties to the Contract and may be used by such Users as proof of their legal positions in the dispute.

    13.2.   The **Bit**bon System is not a party to the agreement on services provided by means of the services of **Bit**bon System Users (hereinafter — User's service) and is not responsible for the quality of the services provided by such User's services.

14.   A principle of responsibility division exists in the **Bit**bon System, according to which:

14.1.   A User is not responsible for actions of other Users when they are using the functionalities of the **Bit**bon System infrastructure.

14.2.   The **Bit**bon System represented by **Bit**bon System Operators (hereinafter — Operator) is not responsible if Users violate the norms of the applicable legislation of the countries, the jurisdictions of which they fall under, when using the functionalities of the **Bit**bon System infrastructure.

15.   A principle of personal responsibility exists in the **Bit**bon System. If actions of a User directly contradict the principle of personal responsibility, this User is considered unconscientious and is responsible in accordance with the sanctions and restrictions envisioned by the Appendix "**Bit**bon System Community Guidelines". This principle is that each User is aware of his/her personal responsibility for:

15.1.   Using only property, including property and/or personal non-property rights (hereinafter — property) owned by the User as property that he/she has the right to dispose of for the purposes of creating a tokenized asset.

15.2.   Compliance with the norms of the applicable legislation of the country, the jurisdiction of which he/she falls under, during tokenized asset creation and circulation, including with regards to circulability of property, the right to which is exercised in the **Bit**bon System by means of tokenized asset circulation.

15.3.   Data on property used by a User when creating a tokenized asset.

15.4.   Compliance of the Contract and/or deal with the norms of the applicable legislation of the country, the jurisdiction of which this User falls under.

15.5.   Compliance with the terms and conditions of the disposal of property established by the Contract.

15.6.   Compliance with the terms and conditions of tokenized asset circulation established by a tokenized asset protocol.

16.   A principle of presumption of authorship exists in the **Bit**bon System, which means that the **Bit**bon System Community recognizes the copyright of the creator of

a tokenized asset. Authorship is considered legally reliable until proven otherwise. The **Bit**bon System infrastructure allows the **Bit**bon System Community to record copyright and guarantees protection of such rights.

17.   A principle of irreversibility of deals exists in the **Bit**bon System, according to which, due to the technological nature of deals, the moment of distributed ledger token transaction indicates the conclusion of a deal and its proper execution. These facts are circumstances that do not need to be proven. Therefore, claims to terminate deals or invalidate them due to violation of the form of the deal, and/or failure to conclude it, and/or its improper execution are impossible in the **Bit**bon System.

18.   A principle of establishing access to tokenized assets exists in the **Bit**bon System, which is realized through the functionalities of the **Bit**bon System infrastructure, in particular through the existence of the technical ability and authority for Operators to establish access of a User to tokenized assets he/she owns in cases specified in and in accordance with the Appendix "**Bit**bon System Account". This principle allows Operators to safely for Users and the **Bit**bon System manage the process of disclosing and transferring data between base services of the **Bit**bon System (hereinafter — base service) and/or services of Users, which is the foundation for establishing access to tokenized assets.

19.   A principle of decentralization exists in the **Bit**bon System, which consists in three aspects:

19.1. Legal decentralization, which means that a User can obtain the Participant status and have equal rights to manage the **Bit**bon System without restrictions on citizenship, place or state of residence, i.e. international operation of the **Bit**bon System in the interest of the **Bit**bon System Community.

19.2. Economic decentralization, which means that Participants manage the **Bit**bon System infrastructure in order to organize and develop the decentralized economic ecosystem.

19.3. Technological decentralization, which means development of the decentralized technological scaling of the **Bit**bon System infrastructure by

means of computing and telecommunication resources of **Bit**bon System Providers.

20. A principle of segregation of meta-assets exists in the **Bit**bon System, according to which all meta-assets of Users are based on meta-asset protocol forms, which predetermines the division of meta-assets into types according to their individual and group features, which include areas of application, restrictions on territoriality and/or objectivity, parties to Contracts and/or deals and other features. This principle allows Users to establish the terms and conditions for circulation of their meta-assets in the **Bit**bon System.

21. A principle of balance of assets exists in the **Bit**bon System, according to which the **Bit**bon System prohibits concluding Contracts, the contents of which can be interpreted as interest rate (borrowing rate or loan interest). Circulation of tokenized assets that have the mechanism violating the correlation between derivativeness of tokenized asset units and the original asset, as well as between the original asset and the initial asset due to an increase in one of them without the simultaneous and equivalent increase in the others in the **Bit**bon System is impossible.

22. A principle of sovereign identity exists in the **Bit**bon System, according to which every User independently disposes of his/her personal data and access to such data at his/her own discretion. The principle of sovereign identity is ensured by the **Bit**bon System infrastructure. Security and confidentiality of personal data of each User in the **Bit**bon System determine the security of the entire **Bit**bon System Community.

Provision 4. Management of the Bitbon System

1. SIMCORD LLC as the founder of the **Bit**bon System issued 100,000,000.00 **Bit**bon units, which are used to exercise the right of access to the nonmonetary asset "Components and Services of the **Bit**bon System Infrastructure" (hereinafter — nonmonetary asset "Components and Services of the **Bit**bon System Infrastructure" or initial asset for **Bit**bon) and access to the information resource "**Bit**bon System Infrastructure Access Set" (hereinafter — information resource

"**Bit**bon System Infrastructure Access Set" or original asset for **Bit**bon). As a result of getting access to the initial asset for **Bit**bon and the original asset for **Bit**bon, a Participant can exercise his/her right to manage the **Bit**bon System.

2.   A **Bit**bon unit is an integral attribute of a Participant. Ownership of **Bit**bon units by a User indicates this User's status of a Participant and rights to manage the **Bit**bon System.

3.   The **Bit**bon System is managed by all of its Participants. All Participants are equal in their rights, and nobody can claim superiority and establish any other forms of managing the **Bit**bon System.

4.   The **Bit**bon System is managed by its Participants in the interests of all of its Users in accordance with the Appendix "Management of the **Bit**bon System".

Provision 5. Terms and Definitions in the Bitbon System Social Network

1.   The **Bit**bon System Social Network has its own system of terms and their definitions. A term can consist of several words, part of which can be independent terms with their own definitions.

2.   When interpreting the terms of this Agreement, as well as when using them, one should refer exclusively to the definitions of these terms in the Appendix "Terms and Definitions in the **Bit**bon System Social Network".

Section 3. Key Element of the Bitbon System

Provision 6. Bitbon Digital Asset

1.   **Bit**bon is an information technology asset and a key element of the **Bit**bon System infrastructure, which provides access to the functionalities of the **Bit**bon System infrastructure.

2.   **Bit**bon, due to its nature, is a strictly limited resource of the **Bit**bon System because it is limited to 100,000,000.00 **Bit**bon units.

3.   **Bit**bon is a system-forming digital asset created by SIMCORD LLC as a result of tokenization of the initial asset for **Bit**bon.

4.   **Bit**bon is a digital representation of the right to use the nonmonetary asset "Components and Services of the **Bit**bon System Infrastructure" in accordance with

the procedure established by the information resource "**Bit**bon System Infrastructure Access Set".

5.   **Bit**bon is a method of accounting of the right to use the nonmonetary asset "Components and Services of the **Bit**bon System Infrastructure" and access to the **Bit**bon System Social Network.

6.   The final document of tokenization of the nonmonetary asset "Components and Services of the **Bit**bon System Infrastructure" (initial asset for **Bit**bon) is the **Bit**bon Protocol.

7.   **Bit**bon Protocol is part of the information resource "**Bit**bon System Infrastructure Access Set" (original asset for **Bit**bon) and contains information about **Bit**bon, which is sufficient for circulation of the **Bit**bon digital asset (hereinafter — **Bit**bon circulation) in the **Bit**bon System.

8.   **Bit**bon Protocol shows the relevance and correspondence between:

    8.1.   Distributed ledger token data.

    8.2.   Original asset data — information resource "**Bit**bon System Infrastructure Access Set".

    8.3.   Initial asset data — nonmonetary asset "Components and Services of the **Bit**bon System Infrastructure".

9.   SIMCORD LLC as a First **Bit**bon System Operator oversees the execution of the **Bit**bon Protocol.

10.   **Bit**bon as the key element of the **Bit**bon System ensures the ability of digital assets to circulate in the **Bit**bon System.

11.   **Bit**bon is the nonmonetary asset "**Bit**bon System Infrastructure Access Set" as noncurrent property owned by SIMCORD LLC.

12.   By its purpose, **Bit**bon is an instrument for implementation of management accounting of the right of access to the initial asset for **Bit**bon by SIMCORD LLC, specifically of the right to use the nonmonetary asset "Components and Services of the **Bit**bon System Infrastructure" exercised by Participants according to the procedure established by the information resource "**Bit**bon System Infrastructure Access Set" (original asset for **Bit**bon).

13. By its functional purpose, **Bit**bon is used to ensure:

13.1. The method of management accounting by SIMCORD LLC of the right to use the functionalities of the **Bit**bon System infrastructure by Participants.

13.2. Methods of financial and management accounting of their property and personal non-property rights by Users.

13.3. The method of exercising their rights to manage the **Bit**bon System by Participants.

14. For the purposes of financial accounting, **Bit**bon is defined as an intangible asset in accordance with the International Financial Reporting Standards (IAS 38).

15. SIMCORD LLC as the owner of the nonmonetary asset "Components and Services of the **Bit**bon System Infrastructure" (initial asset for **Bit**bon) shall not transfer ownership to this property to third parties during circulation of **Bit**bon unless such transfer is required to preserve property and/or the possibility of full use of property by Participants. The list of circumstances, order of legal successors, the method, procedure and other conditions are envisioned in the Appendix "Management of the **Bit**bon System".

16. SIMCORD LLC as the owner of the nonmonetary asset "Components and Services of the **Bit**bon System Infrastructure" (initial asset for **Bit**bon) shall preserve the value of the property, which includes the ability to change property only by improving it.

17. SIMCORD LLC as the owner of the information resource "**Bit**bon System Infrastructure Access Set" (original asset for **Bit**bon) shall not transfer ownership to this property to third parties during circulation of **Bit**bon and shall not change the procedure and method for using this property established by this Agreement unless such transfer and/or changes are required to preserve property and/or the possibility of full use of property by Participants. The list of circumstances, order of legal successors, method, procedure and other conditions are envisioned in the Appendix "Management of the **Bit**bon System".

18. SIMCORD LLC as the creator of **Bit**bon establishes unlimited circulation of **Bit**bon in the **Bit**bon System. The exercise of the right of access to the nonmonetary

asset "Components and Services of the **Bit**bon System Infrastructure" (initial asset for **Bit**bon) and access to the information resource "**Bit**bon System Infrastructure Access Set" (original asset for **Bit**bon) is not limited in time.

19.   SIMCORD LLC as the owner of the nonmonetary asset "Components and Services of the **Bit**bon System Infrastructure" (initial asset for **Bit**bon) does not set restrictions on the use of **Bit**bon.

Provision 7. Bitbon Unit

1.   A **Bit**bon unit is a finished software product as an instrument for accounting of the right to use the initial asset for **Bit**bon in accordance with the procedure established by the original asset for **Bit**bon, which represents a User's right to access the **Bit**bon System Social Network and a Participant's mandatory attribute.

2.   **Bit**bon units are an instrument for authorizing the execution of a deal in the **Bit**bon System as well as determining the scope of access to the functionalities of the **Bit**bon System infrastructure and their activation within the scope corresponding to the number of such units.

3.   Due to the triune nature of the digital asset, a **Bit**bon unit provides:

3.1.   Access to the information resource "**Bit**bon System Infrastructure Access Set" (original asset for **Bit**bon).

3.2.   Right of access to the nonmonetary asset "Components and Services of the **Bit**bon System Infrastructure" (initial asset for **Bit**bon) in accordance with the procedure established by the information resource "**Bit**bon System Infrastructure Access Set".

3.3.   Ability to keep records of access to the information resource "**Bit**bon System Infrastructure Access Set" (original asset for **Bit**bon) and the nonmonetary asset "Components and Services of the **Bit**bon System Infrastructure" (initial asset for **Bit**bon).

4.   SIMCORD LLC as the owner of the nonmonetary asset "Components and Services of the **Bit**bon System Infrastructure" (initial asset for **Bit**bon), owner of the information resource "**Bit**bon System Infrastructure Access Set" (original asset for **Bit**bon), founder of the **Bit**bon System and creator of **Bit**bon issued

100,000,000.00 **Bit**bon units, which represents 100% of rights of access to the initial asset for **Bit**bon and 100% of access to the original asset for **Bit**bon.

5.   Out of the total number of **Bit**bon units issued in accordance with paragraph 4 of this Provision of this Agreement, SIMCORD LLC as the founder of the **Bit**bon System reserves 30,000,000.00 **Bit**bon units at the registration and storage address it owns (hereinafter — Assetbox) to use them as a Participant and to create and implement innovative solutions, as well as maintain, update and develop the **Bit**bon System infrastructure.

6.   Out of the total number of **Bit**bon units issued in accordance with paragraph 4 of this Provision of this Agreement, SIMCORD LLC as the founder of the **Bit**bon System transfers 70,000,000.00 **Bit**bon units to the Assetbox of the **Bit**bon System capitalization fund for distribution through affiliated partners.

7.   All **Bit**bon units that were not used from the **Bit**bon System capitalization fund before October 10, 2018 in accordance with paragraph 6 of this Provision of this Agreement remain in the Assetbox of the **Bit**bon System capitalization fund.

8.   SIMCORD LLC has no rights to **Bit**bon units that it does not own.

9.   **Bit**bon units are a unique for **Bit**bon ratio of distributed ledger token data, original asset data and initial asset data received as a result of tokenization of the nonmonetary asset "Components and Services of the **Bit**bon System Infrastructure" (initial asset for **Bit**bon) and represented in the distributed ledger token accounting system in the form of distributed ledger token accounting units.

10.   The owner of **Bit**bon units has the right to use the nonmonetary asset "Components and Services of the **Bit**bon System Infrastructure" (initial asset for **Bit**bon) in accordance with the original asset for **Bit**bon, which can be used or transferred by means of **Bit**bon units in accordance with the original asset for **Bit**bon.

11.   Access to the information resource "**Bit**bon System Infrastructure Access Set" (original asset for **Bit**bon) is represented by the right of a Participant to use this original asset.

12.   The right of access to the nonmonetary asset "Components and Services of the **Bit**bon System Infrastructure" (initial asset for **Bit**bon) is represented by the right

of a Participant to use this initial asset in accordance with the procedure established by the information resource "**Bit**bon System Infrastructure Access Set" (original asset for **Bit**bon). The scope of such right is determined by the number of **Bit**bon units owned by a specific Participant.

13.   The right to use the information resource "**Bit**bon System Infrastructure Access Set" (original asset for **Bit**bon) is exercised by Participants through the use of the **Bit**bon System infrastructure, including **Bit**bon System components (hereinafter — component) and base services, as well as services of Users.

14.   **Bit**bon units determine the exchange value of all tokenized assets and ensure their circulability in the **Bit**bon System.

15.   One **Bit**bon unit corresponds to 10^{-6} % of the scope of rights of access to the nonmonetary asset "Components and Services of the **Bit**bon System Infrastructure" (initial asset for **Bit**bon) and 10^{-6} % of the scope of access to the information resource "**Bit**bon System Infrastructure Access Set" (original asset for **Bit**bon).

16.   An indivisible part of one **Bit**bon unit is 0.00000001.

17.   An indivisible part of one **Bit**bon unit corresponds to 10^{-14} % of the scope of rights of access to the nonmonetary asset "Components and Services of the **Bit**bon System Infrastructure" (initial asset for **Bit**bon) and 10^{-14} % of the scope of access to the information resource "**Bit**bon System Infrastructure Access Set" (original asset for **Bit**bon).

18.   The form of circulation of **Bit**bon in the **Bit**bon System is the assignment of a certain scope of the right of access to the nonmonetary asset "Components and Services of the **Bit**bon System Infrastructure" (initial asset for **Bit**bon) and scope of access to the information resource "**Bit**bon System Infrastructure Access Set" (original asset for **Bit**bon). The form of recording **Bit**bon circulation in the **Bit**bon System is a distributed ledger token transaction.

19.   During circulation of **Bit**bon, the User that received a certain number of **Bit**bon units receives all rights of the Participant established by this Agreement in proportion to the transferred scope of the right of access to the nonmonetary asset "Components and Services of the **Bit**bon System Infrastructure" (initial access for **Bit**bon) and the

scope of access to the information resource "**Bit**bon System Infrastructure Access Set" (original asset for **Bit**bon). Therefore, this User acquires the status of a Participant. The scope of this property right is measured in accordance with the Appendix "**Bit**bon Protocol".

20.   Additional issue of **Bit**bon units in the **Bit**bon System is impossible.

21.   Users are parties to legal relations of **Bit**bon circulation.

22.   In the **Bit**bon System, each party to legal relations of **Bit**bon circulation is an independent taxpayer that pays taxes when a taxation object occurs in accordance with the tax regulations of his/her country of tax residence.

Section 4. Meta-Assets in the Bitbon System

Provision 8. Meta-Asset

1.   Meta-asset is a type of tokenized asset that represents a User's personal instrument for accounting and/or disposal of his/her property as well as property and personal non-property rights and is non-fungible.

2.   A User establishes attributes and properties as well as terms and conditions for managing a meta-asset in the protocol of this meta-asset at the time of its creation in accordance with the **Bit**bon System Public Contract.

3.   The following meta-assets are available to a User in the **Bit**bon System:

- metafile;

- metadocument;

- metaresource;

- metacontract.

4.   The terms and conditions for creating and managing meta-assets are established in the Appendix "Meta-Assets in the **Bit**bon System".

Provision 9. Metafile

1.   Metafile is a meta-asset consisting of one or more files registered in a distributed ledger token accounting system and stored in a decentralized metafile storage.

2.   A metafile can be used when creating a metacontract as the original asset in the

form of a metadocument or as the initial asset accessed through a metaresource.

3.   Metafiles are stored in a decentralized storage in accordance with the Appendix "Decentralized Metafile Storage in the **Bit**bon System".

Provision 10. Metadocument

1.   Metadocument is a meta-asset created from one or more metafiles, which is defined by a User as a document providing it with additional attributes and properties.

2.   A metadocument can be used in accordance with the protocol of this metadocument for document workflow as well as for creating a metaresource and/or metacontract.

3.   If the metadocument protocol envisages additions to this metadocument, such additions are recorded through a service fee transaction.

Provision 11. Metaresource

1.   Metaresource is a meta-asset defining the right to access specific metafiles being objects of legal relations, including those that ensure interaction with external information systems, in accordance with the protocol of this metaresource.

2.   A metaresource can be used in accordance with the protocol of this metaresource to control access to metafiles and other metaresources as well as to create a metacontract.

3.   If a metaresource is applied to implement a method for using the initial asset, units for accounting of use rights, which determine the scope of access to the initial asset, are created for this metaresource. Units for accounting of use rights are managed through metacontract mechanisms.

4.   If the metaresource protocol envisages additions to this metaresource, such additions are recorded through a service fee transaction.

Provision 12. Metacontract

1.   Metacontract is a meta-asset ensuring the implementation of a method for managing and disposing of the initial asset through metaresource mechanisms.

2.   As part of a deal in the **Bit**bon System, the rights to use the initial asset are re-

registered through a service fee transaction by means of metacontract mechanisms.

3.   The metacontract protocol contains the terms and conditions for the disposal of units for accounting of use rights, the parties to the metacontract and their data.

4.   If the metacontract protocol envisages additions to this metacontract, such additions are recorded through a service fee transaction.

Section 5. Bitbon System Users

Provision 13. Bitbon System Users, Their Statuses and Roles

1.   Each entity that completed the registration in the **Bit**bon System, as a result of which he/she received access to a personal account that he/she uses to interact with the **Bit**bon System infrastructure becomes a User.

2.   Each User has the right to participate in one or several types of activity in the **Bit**bon System, as well as replace one type of activity with another at his/her own discretion if it does not contradict a specific tokenized asset protocol and/or this Agreement.

3.   In the **Bit**bon System, a combination of rights and obligations of a User in the **Bit**bon System Social Network is determined by a status that corresponds to a certain type of activity of this User in the **Bit**bon System, as well as a role that determines the right of this User to access certain functionalities of the **Bit**bon System infrastructure.

4.   The following statuses are envisioned for Users in the **Bit**bon System:

      4.1.   **Bit**bon System Candidate.

      4.2.   **Bit**bon System Participant.

      4.3.   **Bit**bon System Operator.

      4.4.   **Bit**bon System Provider.

      4.5.   **Bit**bon System Contributor.

      4.6.   **Bit**bon System Integrator.

      4.7.   **Bit**bon System Validator.

      4.8.   **Bit**bon System Specialist.

5.   The status of a **Bit**bon System Candidate allows a User to use the functionalities of the **Bit**bon System infrastructure, access to which is not restricted by mandatory ownership of **Bit**bon units.

6.   The status of a Participant is automatically granted to a User who owns **Bit**bon units that he/she has the right to dispose of at his/her own discretion. The status of a **Bit**bon System Participant allows a User to use the functionalities of the **Bit**bon System infrastructure, access to which is restricted by mandatory ownership of **Bit**bon units, as well as to manage the **Bit**bon System in accordance with the Appendix "Management of the **Bit**bon System". A Participant is always a User, but a User is not always a Participant.

7.   The status of an Operator allows a User in the roles of the First Operator, Regional Operator and Account Operator to manage the **Bit**bon System on behalf of all Participants in accordance with the Appendix "**Bit**bon System Operator".

8.   The status of a **Bit**bon System Provider (hereinafter — Provider) allows a User in the roles of a Registrator and/or Partitioner to maintain decentralization of the **Bit**bon System by providing his/her own resources for such purposes in accordance with the Appendix "**Bit**bon System Provider".

9.   The status of a **Bit**bon System Contributor allows a User in the roles of a Contractat, Stakeholder and/or Bitup-Agency to create and circulate meta-assets of commercial projects in accordance with the Appendix "Contributing in the **Bit**bon System".

10.   The status of a **Bit**bon System Integrator allows a User in the roles of a Supplier, Developer and/or Promoter to integrate the **Bit**bon System infrastructure with external information systems in accordance with the Appendix "**Bit**bon System Integrator".

11.   The status of a **Bit**bon System Validator allows a User in the roles of a Keeper and/or Underwriter and/or Guarantor to ensure the adherence to the tokenized asset protocol by its parties in accordance with the Appendix "**Bit**bon System Validator".

12.   The status of a **Bit**bon System Specialist allows a User in the roles of an Expert and/or Master to provide services to other Users by using his/her special knowledge

and skills in accordance with the Appendix "**Bit**bon System Specialist".

Section 6. Bitbon System Infrastructure

Provision 14. Structural Elements of the Bitbon System

1.   **Bit**bon System infrastructure is a single software complex that consists of software, a combination of components and base services of the **Bit**bon System and ensures the **Bit**bon System operation.

2.   **Bit**bon System software is source codes and executable modules, including those placed by the First **Bit**bon System Operator in public repositories.

3.   **Bit**bon System services include base services and services of Users.

4.   Components are an application or a group of applications being architecture elements of the **Bit**bon System infrastructure, which interact with each other ensuring the operation of base services and services of Users. The list of the main components is established in the Appendix "Components and Base Services of the **Bit**bon System".

5.   Base services are architecture elements of the **Bit**bon System infrastructure and are software complexes that provide Users with access to certain functionalities of this infrastructure in order for them to realize property and personal non-property relations using their tokenized assets. The list of base services as well as the terms and conditions for using them are established in the Appendix "Components and Base Services of the **Bit**bon System".

6.   In the **Bit**bon System, components and base services allow Users to create services of Users in accordance with the Appendix "Services of **Bit**bon System Users".

7.   Service of a User is a software complex created by a User outside the **Bit**bon System and integrated with the specific functionalities of the **Bit**bon System infrastructure in order to provide services to other Users while these Users are realizing property and personal non-property relations.

Provision 15. Personal Account of a Bitbon System User

1.   Personal account is a component created as a result of the registration of an

entity in the **Bit**bon System in order to get the rights of a User. The terms of a personal account functioning as well as the procedure for its use by the User are regulated by the Appendix "**Bit**bon System Account".

2.   In the **Bit**bon System, in accordance with the algorithm specified in the Appendix "**Bit**bon System Account", the **Bit**bon System Community creates an individual interval indicator of User's activity represented in the form of account rating. This indicator is a tool of the **Bit**bon System Social Network that motivates Users to use the functionalities of the **Bit**bon System infrastructure more actively and for various purposes.

3.   The main personal account elements include:

3.1.   ID Passport which is generated based on information provided by a User in order to be identified in the **Bit**bon System Social Network as a natural person in accordance with the Appendix "**Bit**bon System Account". The following ID Passport categories exist in the **Bit**bon System: "Anonymous"; "Beginner"; "Formal"; "Personal"; "Verified".

3.2.   Specialization Card based on information provided by a User about his/her knowledge and skills in a certain area that can be confirmed by an Operator and/or evaluated by other Users. Specialization Cards are generated in accordance with the Appendix "**Bit**bon System Account".

3.3.   Account certificate generated automatically based on the verified account information of a User contained in the ID Passport or Corporate ID Card of various categories and Specialization Cards, as well as based on the status and role required to provide this User with access to certain functionalities of the **Bit**bon System infrastructure. Account certificates are characterized by certain types of User account certificates and account certificate indexes. The list of all types of account certificates, account certificate creation principles and creation procedure are regulated by the Appendix "**Bit**bon System Account".

4.   Corporate account is a component allowing a User to represent the interests of a commercial or non-profit organization in the **Bit**bon System.

5.   The main element of the corporate account is a Corporate ID Card based on information provided by the User as an authorized representative of a commercial or non-profit organization in order for this organization to be identified in the **Bit**bon System in accordance with the Appendix "**Bit**bon System Account". The following Corporate ID Card categories exist in the **Bit**bon System: "Commercial"; "Non-profit".

6.   By accepting this Agreement, a User guarantees that he/she has read this Agreement, understands and acknowledges its meaning and all the consequences that may occur due to violation of the Provisions of this Agreement in part or in full. When creating a personal account, a User accepts this Agreement and understands that this is a moment when the obligation to comply with this Agreement as a whole arises. A User is responsible for all actions within the **Bit**bon System, including for actions that were performed by this User as a result of misunderstanding and/or erroneous interpretation of this Agreement in part or in full.

Provision 16. Service Fees in the Bitbon System

1.   In order to maintain and develop the **Bit**bon System infrastructure, the **Bit**bon System envisions a service fee paid by Users. The service fee consists of two parts: infrastructure fee and operation fee.

2.   The infrastructure fee in the **Bit**bon System is part of the service fee for using the **Bit**bon System infrastructure, which is mandatory and deducted in **Bit**bon units, and shall be distributed as follows:

   a. 40% shall be allocated to the First **Bit**bon System Operator as the owner of the initial asset for **Bit**bon.

   b. 60% shall be deposited in the providing fund of the **Bit**bon System for further distribution of remuneration among Providers.

3.   Operation fee in the **Bit**bon System is part of the service fee for using services of a **Bit**bon System User.

4.   The terms of collection, the procedure for calculating, deducting and distributing the service fee are established in the Appendix "Service Fees in the **Bit**bon System: the Procedure for Their Deduction and Distribution".

Provision 17. Funds of the Bitbon System

1.   Funds of the **Bit**bon System are components intended for accumulating tokenized asset units from various sources envisioned by this Agreement for further redistribution to solve the tasks specified during their creation. The list of funds of the **Bit**bon System as well as the terms and procedure for their creation, closure and other terms of their functioning are established in the Appendix "Funds of the **Bit**bon System".

Provision 18. Ensuring Decentralization of the Bitbon System

1.   Decentralization of the **Bit**bon System is ensured by Users by providing a certain number of their **Bit**bon units and resources of proper quality that include communication channels, CPU time and memory for long-term storage of information in order to ensure the circulation of tokenized assets.

2.   Activity aimed at ensuring decentralization of the **Bit**bon System (hereinafter — providing in the **Bit**bon System) can be carried out by a User with the status of a Provider as a:

> 2.1.   Registrator, which is a role of a User with the status of a **Bit**bon System Provider that allows him/her to record deals in order to confirm a legal fact by achieving consensus using the Community PoS algorithm in accordance with the Appendix "Providing in the **Bit**bon System: Economic and Legal Decentralization of the **Bit**bon System".

> 2.2.   Partitioner, which is a role of a User with the status of a **Bit**bon System Provider that allows him/her to keep records of deals by providing his/her own computing and telecommunication resources in accordance with the Appendix "Providing in the **Bit**bon System: Technological Decentralization of the **Bit**bon System".

3.   Providers receive remuneration as a result of redistribution of **Bit**bon units performed by the providing fund based on the resources used by each Provider in accordance with the Appendix "**Bit**bon System Provider".

4.   The fundamental principles and procedure of User's activity with the status of a Provider, which regulate his/her rights and obligations in order to ensure circulation

of tokenized assets and support of the **Bit**bon System infrastructure and development of the decentralized execution environment of the **Bit**bon System, are established in the Appendices "**Bit**bon System Provider", "Providing in the **Bit**bon System: Economic and Legal Decentralization of the **Bit**bon System" and "Providing in the **Bit**bon System: Technological Decentralization of the **Bit**bon System".

Provision 19. Ensuring Segregation of Meta-Assets in the Bitbon System

1. Segregation of meta-assets is envisioned in the **Bit**bon System, which is the division of meta-assets into types based on individual and group features of a meta-asset.

2. Segregation of meta-assets is ensured by the functionalities of the **Bit**bon System infrastructure intended for adherence to the meta-asset protocol by the parties to the Contract and/or deal.

Section 7. Transitional Provisions

Provision 20. Conditions of the Transition Period of the Bitbon System Development

1. Once this Agreement comes into effect, the **Bit**bon System shall develop under the terms of the transition period, according to which Participants authorize SIMCORD LLC to perform the following actions:

1.1. Perform the duties of the First **Bit**bon System Operator listed in the Appendix "**Bit**bon System Operator".

1.2. With the status of a Provider in the role of a Partitioner, solely maintain and develop the **Bit**bon System infrastructure, using its own computing and telecommunication resources, as well as receive remuneration according to the procedure established in the Appendix "**Bit**bon System Provider" until February 1, 2027.

1.3. Manage the **Bit**bon System.

1.4. Make amendments and/or additions to this Agreement in accordance with Provision 21 of this Agreement.

1.5. Publish this Agreement as well as develop and publish the Appendices in accordance with Provision 2 of this Agreement in the order of their implementation in the **Bit**bon System.

2. The Participants authorize SIMCORD LLC to announce the end of the transition period within three years from the moment when the total number of Operators in the **Bit**bon System reaches 1,345 (*one thousand three hundred forty-five*), which will indicate the transition of the **Bit**bon System to fully decentralized management exclusively by Participants.

Section 8. Final Provisions

Provision 21. Making Amendments and/or Additions to the Bitbon System Public Contract

1. Amendments and/or additions can be made to this Agreement only if such amendments and/or additions shall not contradict the principles laid down in the operation of the **Bit**bon System.

2. The Provisions of this Agreement and/or its Appendices that are not published on the official information resources of the **Bit**bon System shall not be applied by Users.

3. Amendments and/or additions to this Agreement can be made exclusively in accordance with the Appendix "Making Amendments and/or Additions to the **Bit**bon System Public Contract".

4. Any amendments and/or additions to this Agreement, which have been brought to the attention of Users in any way not provided for in the Appendix "Making Amendments and/or Additions to the **Bit**bon System Public Contract" shall be void.

Provision 22. Term of the Bitbon System Public Contract

1. The term of this Agreement is not limited in time or events.

2. This Agreement may be terminated unilaterally by a User by annulling his/her personal account in accordance with the Appendix "**Bit**bon System Account".

3. This Agreement with a specific User may be terminated unilaterally by an Operator by annulling the personal account of this User in cases directly envisioned

by this Agreement and/or Appendices in accordance with the Appendix "**Bit**bon System Account".

4.   Changes in the parties to this Agreement by transferring a User's access to his/her personal account to another person are forbidden. The Agreement with this User is considered terminated from the moment of such transfer.

5.   Change in the number of Operators in the **Bit**bon System is the change in the number of authorized representatives of the **Bit**bon System and does not entail the change in the party to this Agreement.

6.   This Agreement comes into effect on March 10, 2018. Separate Provisions of this Agreement come into effect in accordance with the conditions of the transition period established in Provision 20 of this Agreement.

7.   The moment when this Agreement comes into effect is the moment of launch of the **Bit**bon System.

Provision 23. Interpreting the Bitbon System Public Contract

1.   Only Operators shall provide official interpretation of this Agreement.

2.   In case of any differences between various forms (printed, electronic, etc.) of this Agreement, the version available on the official information resources of the **Bit**bon System in electronic form shall prevail.

3.   The translation of this Agreement into other languages is provided on the official information resources of the **Bit**bon System for convenience of Users only. In case of differences in understanding and/or interpreting this Agreement, the Russian version shall prevail.

Provision 24. Force Majeure

1.   Functioning of the **Bit**bon System, in particular the uninterrupted operation of the **Bit**bon System infrastructure, may not be ensured due to a number of factors that may include force majeure.

2.   Force majeure includes events that could not be predicted, specifically: fire, flood, earthquake and other cataclysms; wars, terrorist acts; actions of governments, legislative and executive bodies; strikes, civil unrest, riots, illegal actions of third

parties; power outages and/or interruptions in the computer network; cyber attacks and other illegal actions; quarantine, pandemic, epidemic, epizootic; as well as other events that fall under force majeure and may affect the uninterrupted functioning of the **Bit**bon System, in particular uninterrupted operation of the **Bit**bon System infrastructure.

Provision 25. Risk Warning

1.   By publishing this Agreement on the official information resources of the **Bit**bon System, SIMCORD LLC as the First Operator and founder of the **Bit**bon System entirely fulfills its obligation to Users with regard to providing proper information about the risks associated with activity available to Users when using the functionalities of the **Bit**bon System infrastructure.

2.   The **Bit**bon System is not responsible for consequences that may arise due to the Users' use of their tokenized assets and/or tokenized assets of other Users, regardless of whether or not the creation goal of such tokenized assets was achieved.

3.   The **Bit**bon System is not responsible for actions and/or inactions of Users when conducting activity determined by their statuses in the **Bit**bon System.

4.   When accepting the offer from SIMCORD LLC to build and develop the **Bit**bon System Community, a User acknowledges and accepts all risks related to using the functionalities of the **Bit**bon System infrastructure.

Provision 26. Security and Responsibility

1.   In order to ensure security of the **Bit**bon System Community, Users are advised to inform Operators about all known instances of illegal actions related to using the functionalities of the **Bit**bon System infrastructure in accordance with the Appendix "**Bit**bon System Community Guidelines".

2.   Due to its technological nature, the **Bit**bon System cannot guarantee uninterrupted operation and access to the functionalities of the **Bit**bon System infrastructure.

3.   The **Bit**bon System disclaims, to the extent permitted by the applicable legislation, all guarantees and responsibility for any direct or indirect damage caused

by using the functionalities of the **Bit**bon System infrastructure.

4.   The **Bit**bon System does not provide advice on compliance with legal requirements to a User when he/she is using the **Bit**bon System infrastructure.

5.   Each User is personally responsible for understanding and personally evaluating if the use of the **Bit**bon System infrastructure complies with the legislation of the country, the jurisdiction of which this User falls under.

6.   A User is personally responsible for following any advice and recommendations provided by the **Bit**bon System.

7.   The **Bit**bon System is not responsible for improper and/or insufficient security measures of a User when creating and managing his/her personal account and/or tokenized assets by using the functionalities of the **Bit**bon System infrastructure.

8.   The **Bit**bon System is not responsible for ensuring protection of services of Users including the use of various security measures.

9.   The **Bit**bon System is not responsible for information distributed by Users outside the official information resources of the **Bit**bon System.

10.   The **Bit**bon System does not control and does not guarantee anything with regard to operation of services of Users. The services provided this way are regulated by separate tokenized asset protocols that ensure operation of such services.

Provision 27. International Standards and the Bitbon System

1.   The **Bit**bon System Community adheres to international standards in accordance with the Appendices "AML/KYC Policy" and "Privacy Policy".

2.   Events are registered in the **Bit**bon System in accordance with the Coordinated Universal Time (UTC).

Provision 28. Policy of the Bitbon System Community

1.   No other ideology or policy other than the one provided on the official information resources of the **Bit**bon System shall be established in the **Bit**bon System Community.

2.   The relations between Users shall be based on the principles set forth in this Agreement, in particular in the Appendix "**Bit**bon System Community Guidelines".