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## **Appendix to the Bitbon System Public Contract**

### **“Bitbon System Provider”**

*The Appendix “**Bitbon System Provider**” (hereinafter — Appendix) specifies the fundamental principles and procedure for providing in the **Bitbon System**, establishes the status of a **Bitbon System Provider**, regulates his/her rights and obligations in order to ensure support and development of the decentralized execution environment of the **Bitbon System**.*

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## SECTION 1. GENERAL PROVISIONS

### Chapter 1. Terms and Definitions

#### Article 1. Use of Terms

1. The terms used in this Appendix shall be interpreted in accordance with the definitions given below:

1) **Assetbox power** is a parameter of a Registrator's Assetbox that defines the legal weight of a specific Registrator in the **Bitbon System Social Network** when confirming deals in the **Bitbon System**. Assetbox power is calculated as a sum of base and social powers of the Registrator's Assetbox and directly influences the remuneration of the Registrator.

2) **Registrator pool** is one or several Assetboxes engaged in providing in the **Bitbon System** that are connected through special transactions and form a structure, which operates in accordance with rules and technical protocols of building consensus in the **Bitbon System**.

2. For the correct interpretation of other terms used in this Appendix, it is necessary to be guided by the Appendix [Terms and Definitions in the Bitbon System Social Network](#) that is an integral part of the **Bitbon System Public Contract**.

### Chapter 2. Subject and Structure of the Appendix

#### Article 2. Subject of the Appendix

1. The subject of this Appendix is relations between **Bitbon System Users** that arise when engaging in providing in the **Bitbon System**.

2. This Appendix specifies the fundamental principles and procedure for providing in the **Bitbon System**, establishes the status and roles of a **Bitbon System Provider** (hereinafter — Provider) as well as regulates his/her rights and obligations.

#### Article 3. Structure of the Appendix

1. This Appendix consists of the **preamble, sections, chapters**, which consist of **articles** that include **parts** and **paragraphs**. The structure of the Appendix also includes links and references to the Provisions of the **Bitbon System Public Contract**



as well as to separate Appendices that are an integral part of the **Bitbon System Public Contract**.

## **SECTION 2. OPERATIVE PROVISIONS**

### **Chapter 3. Concept of Providing in the Bitbon System**

#### **Article 4. Providing in the Bitbon System**

1. Providing in the **Bitbon System** (hereinafter — providing) is a type of activity of a **Bitbon System User** aimed at ensuring the decentralization of the **Bitbon System** by providing a certain number of **Bitbon** units owned by this User and resources of proper quality that include communication channels, CPU time and memory for long-term storage of information in order to ensure deals in the **Bitbon System**.

#### **Article 5. Status and Roles of the Bitbon System Provider**

1. The status of a Provider allows a **Bitbon System User** to maintain decentralization of the **Bitbon System** by providing his/her own resources for such purposes in accordance with this Appendix.
2. The Provider receives remuneration for participating in providing in accordance with this Appendix.
3. The Provider in the roles of a Registrator and/or Partitioner participates in ensuring the decentralization of the **Bitbon System**.
4. The Provider in the role of a Registrator records deals in the **Bitbon System** in order to confirm a legal fact by achieving consensus using the Community PoS (Community Proof-of-Stake) algorithm in accordance with the Appendix [Providing in the Bitbon System: Economic and Legal Decentralization of the Bitbon System](#).
5. The Provider in the role of a Partitioner keeps records of deals in the **Bitbon System** by providing his/her own computing and telecommunication resources in accordance with the Appendix [Providing in the Bitbon System: Technological Decentralization of the Bitbon System](#).



## Chapter 4. Bitbon System Provider

### Article 6. Rights and Obligations of the Bitbon System Provider

1. The **Bitbon System User** with the status of a Provider has general rights and obligations of the User as well as special rights of the Provider that are specified in the [Bitbon System Public Contract](#) and this Appendix.

**2. The Provider has the right:**

**2.1.** To carry out activity in the roles of a Registrator and/or Partitioner using the components and services of the **Bitbon System** provided for this type of activity.

**2.2.** To receive remuneration for participating in providing, in accordance with the selected role.

**2.3.** To record deals in the **Bitbon System**, while carrying out activity in the role of a Registrator.

**2.4.** To refuse to participate in providing in general or in one of the selected roles at any time.

**3. The Provider is obliged:**

**3.1.** To participate in providing, while complying with the terms and conditions established by the **Bitbon System Public Contract** and this Appendix.

**3.2.** Not to violate the rights of third parties and/or the applicable legislation and/or the norms of international legislation by participating in providing.

**3.3.** To ensure the confidentiality of access to his/her account in the **Bitbon System** (hereinafter — account) and prevent third parties from participating in providing using his/her account.

**3.4.** To monitor any changes in his/her Registrator pool, while carrying out activity in the role of a Registrator.

**3.5.** To record deals related to the circulation of the **Bitbon** digital asset in the **Bitbon System**, while carrying out activity in the role of a Registrator.

**3.6.** Not to take actions aimed at disrupting the stable and/or uninterrupted operation of the **Bitbon System** infrastructure.

**3.7.** Not to prevent other **Bitbon System Users** from participating in providing.



**3.8.** Not to participate in providing if he/she does not agree with the terms and conditions for carrying out this type of activity in the **Bitbon** System.

## **Article 7. Remuneration of the Bitbon System Provider**

- 1.** The Provider receives remuneration for ensuring the decentralization of the **Bitbon** System, developing the community of Providers and the **Bitbon** System Social Network as a whole.
- 2.** Remuneration of the Provider depends on the quantity and quality of the resources used by each Provider separately.
- 3.** Remuneration of the Provider is expressed exclusively in **Bitbon** units.
- 4.** The main chronological unit used for calculating remuneration of the Provider is a providing period, which is 72 hours.
- 5.** The system for distributing remuneration for providing is built in a way that would motivate Providers to create and develop their own pools, which, in turn, contributes to the increase in reliability of the decentralized execution environment of the **Bitbon** System. Therefore, the Provider receives remuneration for ensuring the operation of the **Bitbon** System infrastructure, developing the community of Providers and the **Bitbon** System Social Network.
- 6.** Providers receive remuneration as a result of redistribution of **Bitbon** units performed by the providing fund based on the resources used by each Provider.
- 7.** **Bitbon** units are redistributed from the providing fund among Registrators and Partitioners in the ratio established by **Bitbon** System Operators.
- 8.** Remuneration of the Provider in the role of a Registrator for participating in providing depends on the number of **Bitbon** units used in providing and on the scale of the structure of social connections of the Registrator pool formed by this Provider.
- 9.** The Registrator accepts remuneration for participating in providing using the One Space base service.
- 10.** The remuneration distributed from the providing fund among all Registrators for one providing period consists of a fixed and variable component. The constant component is set by the First **Bitbon** System Operator and is equal to 1,390 **Bitbon** units. The variable component corresponds to the part of the infrastructure fee deducted from the infrastructure fee fund to the providing fund in the manner established in the



Appendix [Service Fees in the \*\*Bitbon\*\* System: the Procedure for Their Deduction and Distribution.](#)

11. The maximum possible remuneration distributed among all Registrators from the providing fund is 13,900 **Bitbon** units for one providing period (72 hours).
12. The power of the Registrator's Assetbox is the indicator that characterizes the quantity and quality of the resources used by the Registrator in providing, which directly influences the size of the Registrator's remuneration.
13. The expected remuneration for participating in providing will be achieved over 10 providing periods after an Assetbox connects to the Registrator pool.
14. The fundamental principles and procedure of the Registrator's activity are established by the [\*\*Bitbon\*\* System Public Contract](#), this Appendix and the Appendix [Providing in the \*\*Bitbon\*\* System: Economic and Legal Decentralization of the \*\*Bitbon\*\* System.](#)
15. The maximum possible remuneration distributed among all Partitioners from the providing fund is 13,900 **Bitbon** units for one providing period (72 hours).
16. Remuneration of the Provider in the role of a Partitioner depends on the technical properties and features of the resources provided by this Partitioner, including the quality of communication channels, CPU time and memory for long-term storage of information in order to ensure the circulation of digital assets.
17. During the transition period of the **Bitbon** System, SIMCORD LLC with the status of a Provider in the role of a Partitioner shall independently maintain and develop the **Bitbon** System infrastructure, using its own computing and telecommunication resources, as well as receive the full remuneration in the amount established in paragraph 15 of Article 7 of this Appendix, but no later than the date specified in [paragraph 1.2 of Provision 20](#) of the **Bitbon** System Public Contract.
18. The fundamental principles and procedure of the Partitioner's activity are established by the **Bitbon** System Public Contract, this Appendix and the Appendix [Providing in the \*\*Bitbon\*\* System: Technological Decentralization of the \*\*Bitbon\*\* System.](#)



## SECTION 3. CONCLUDING PROVISIONS

### Chapter 5. General and Other Terms and Conditions

#### Article 8. General Terms and Conditions

1. Amendments and additions to this Appendix may be made solely under the rules stipulated by the Appendix [Making Amendments and/or Additions to the Bitbon System Public Contract](#).
2. If there is any discrepancy between various forms (printed, electronic, etc.) of this Appendix, its electronic version published on the official information resources of the **Bitbon System** shall be deemed official.
3. This Appendix is translated into other languages only for convenience of **Bitbon System Users**. In case of differences in understanding and/or interpretation of this Appendix, the Russian version shall prevail.
4. In accordance with [Provision 2](#) of the **Bitbon System Public Contract**, this Appendix is an integral part of the **Bitbon System Public Contract** and comes into force after its publication on the official information resources of the **Bitbon System**.
5. In accordance with [paragraph 3 of Provision 2](#) of the **Bitbon System Public Contract**, amendments and/or additions may be made to this Appendix only if such amendments and/or additions do not contradict the Provisions of the **Bitbon System Public Contract** and Appendices, which are an integral part of the **Bitbon System Public Contract**. Amendments and/or additions made to this Appendix shall be published on the official information resources of the **Bitbon System** and come into force in accordance with the Appendix to the **Bitbon System Public Contract** “Making Amendments and/or Additions to the **Bitbon System Public Contract**”.

#### Article 9. Other Terms and Conditions

1. The **Bitbon System Operators** strive to maintain uninterrupted operation of the **Bitbon System** infrastructure. By participating in providing, the **Bitbon System User** agrees that there is a possibility of disruptions in the operation of the services and/or components of the **Bitbon System**, which may lead to a temporary restriction of the rights and opportunities of the Provider in whole or in any part.



2. Remuneration of the Provider that is not accrued due to a disruption in the operation of the services and/or components of the **Bitbon System** shall not be accrued again and/or reimbursed.
3. The **Bitbon System User** shall not participate in providing if he/she does not accept the terms and conditions established by the **Bitbon System Public Contract** and/or this Appendix in whole or in any part.
4. The participation of the **Bitbon System User** in providing shall mean agreement with the terms and conditions established by the **Bitbon System Public Contract** and this Appendix.