



## **QBIT NETWORKS CHAINPAPER AND TECHNICAL DATA**

### **What is the Qbit Blockchain?**

The Qbit Blockchain is a fast, scalable, interoperable and secure platform built on the PoA consensus protocol, supports block validation times in short periods of time and low fees. Staking validating candidates will produce blocks.

#### **Key features:**

**Speed** – The Qbit network gets transactions executed in 3 seconds on average.

**Scalability:** Qbit Network can process up to 100,000 transactions per second and can scale to several hundred nodes.

**Smart contract:** The Qbit network is fully compatible with Ethereum. Developers can create and deploy smart contracts just like they would on Ethereum, Binance Smart Chain, Polygon, etc...

**Security:** The Qbit blockchain provides security, which means that transactions can never be reversed like in networks with a probabilistic purpose. Qbit Network is also leaderless, by removing leaders, security does not depend on a small group of actors.

### **What is the utility of QBIT Networks blockchain?**

Because Qbit is EVM compatible, it launched with universal support for Ethereum tools and dApps. This makes it easy for developers to transfer their projects from Ethereum, and other networks, for users, it means apps like MetaMask can be easily configured to work with the blockchain with a single click.

- Send and receive KNB**

- The block chain transaction history explorer, through the Qbit Scan, API and RPC interfaces of the node.**

- Issuance of new tokens within Qbit Networks (QBN20), creation of tokenized assets**

- Run a full node to broadcast live updates on transactions, blocks, and consensus activities**

- Write smart contracts and develop dapps and tools**

## **Qbit Networks Blockchain**

Qbit Networks is based on a PoA consensus system that can support short block time and low fees. The most closely linked staking validator candidates will become validators and produce blocks. Double sign detection and other break logic ensure string security, stability, and finality.

The Qbit Networks team develops a security protocol called Know Development Team "KDT", this will consist of verifying all developers and aspiring nodes through a security system similar to the KYC that we already know, which will be in safe mode within the network.

It will also feature the educational platform where each course or technical workshop will be permanently hosted and creators will receive rewards for viewing in the KNB currency.

Cross-chain transfer and other communications are made possible by native interop support. Qbit Swap & Qbit Cross Chain is a place to exchange KNB coins and QBN20 tokens on and off the network.

### **Qbit Networks Blockchain is. . .**

**Interoperable:** Comes with efficient native two-chain communication; Optimized for scaling high-performance dApps that require a fast and smooth user experience.

Distributed with on-chain governance: Proof of authority brings decentralization and community participants. As a native token, KNB will serve both as a commission payment (Gas Fee) and for the execution of smart contracts etc.

#### **Consensus:**

Consensus Engine of Qbit Networks Blockchain - Summary

Our goal is to design the Qbit Blockchain Consensus Engine to achieve the following goals:

- Block time of 3 seconds or less**
- Immediate purpose, better without forking in most cases**
- Without inflation, the block reward is transaction gas fees**
- EVM compatible**

#### **1. With participation and governance.**

It implements two types of consensus engine: ethash (based on PoW) and (Based on PoA). Ethash is not an option for Qbit because PoW is not energy efficient.

Clique has a shorter block time and is invulnerable to 51% attacks while doing as little as possible to the core data structure to preserve existing compatibility with the Ethereum client. PoA's shortcoming is centralization and lack of meaningful on-chain engagement and governance capacity.

**Note: "Click"**

A small group of people, with common interests

So here we try to propose a consensus engine that:

- Qbit Networks does the staking and governance parts.
- Qbit's consensus engine is kept as simple as a click.

Before we introduce, we would like to clarify some terms:

- Period block. The consensus engine will update the validatorSet from the NCValidatorSet contract periodically. For now the period is 200 blocks, a block is called an epoch block if its height is 200 times.

1. Snapshot. Snapshot is a helper object that helps store recent block signers and validators.

key features

light client security

Changes to the set of validators take place in blocks ( $\text{epoch} + N/2$ ). (N is the size of the set of validators before the epoch block.) With thin client security in mind, we delayed the  $N/2$  block to allow the validator set change to take place.

Each epoch block, the validator will query the set of contract validators and populate it in the `extra_data` field of the block header.

The full node will verify it against the validator stated in the contract. A thin client will use it as the validator set for subsequent epoch blocks, however it can't verify it against the contract, it has to believe the epoch block signer. If the signers of the epoch block write wrong `extra_data`, the thin client may go to the wrong string. If we delay  $N/2$  blocks to allow the validator set change to occur, the bad epoch block will not get another  $N/2$  subsequent blocks signed by other validators, so the thin client is free from such an attack.

## System Transaction

The consensus engine can invoke system contracts, such transactions are called system transactions. A system transaction is signed by the validator that is producing the block. For the witness node, it will generate the system transactions (without signature) according to its intrinsic logic and compare them with the system transactions in the block before applying them.

## Force back off

In the Clique consensus protocol, out-of-turn validators have to wait a random amount of time before sealing the block. It is implemented in the client-side node software and works on the assumption that the validators would run the canonical version. However, since validators would have financial incentives to seal blocks as soon as possible, it would be possible for validators to run a modified version of the node software to ignore that delay. To prevent the validator from rushing to seal a block, each output validator will get a specific time interval to seal the block. Any blocks with an earlier block time produced by an exit validator will be discarded by another witness node.

## How to produce a new block:

### Step 1: Prepare

A validator node prepares the block header of the next block.

- Load snapshot from cache or database,
- Each epoch block will store the message from the validator set in the extra data field of the block header to facilitate the implementation of the thin client.
- The coin base is the address of the validator.

### Step 2: Finalize And Assemble

- If the validator is not the validator itself, it will call liveness slash contract to slash the expected slash validator and generate a slash transaction.
- If there is a gas fee in the block, 1/16 will be distributed to the system reward contract, the rest will go to the validator contract.

### Step 3: Stamp

The final step before a validator transmits the new block.

- Sign all the things in the block header and add the signature to extra Data.
- If it is out of turn for validators to sign blocks, an honest validator will wait a reasonable random amount of time.

How to validate/play a block

## Step 1: Verify header

Check the block header when receiving a new block.

- Verify that the signature of the coin base is in extra data from the block head
- Compare the blocking time of the block header and the expected block time that the signer assumes to use, it will deny a blocking header that is smaller than expected. Helps prevent a selfish validator from rushing to seal a block.
- The bases of coins must be the signatory and the difficulty must be the expected value.

## Step 2: Finish

- If it is a epoch block, a validation node will look up the validator set from NValidator Set and compare it against extra\_data.
- If the block is not generated by inturn validator validator, it will call slash contract. If there is gas fee in the block, it will distribute 1/16 to the system reward contract, the rest will go to the validator contract.
- The transaction generated by the consensus engine must be the same as the block tx.

Signature

The signature of the coinbase is in extraData of the blockheader, the structure of extraData is: epoch block. 32 bytes of extraVanity +  $N \times \{20 \text{ bytes of validator address}\} + 65$

signature bytes. No period block. 32 bytes of extraVanity + 65 bytes of signature. The signed content is the Keccak256 RLP encoded from the block header.

## Security and Purpose

Since there are more than  $1/2 \times N + 1$  honest validators, PoA-based networks generally work securely and properly. However, there are still cases where a number of Byzantine validators can still manage to attack the network, for example through the "cloning attack". To secure as much as BC, EPE users are advised to wait until they receive blocks sealed by more than  $2/3 \times N + 1$  different validators. That way, EPE can be trusted with a security level similar to BC and can tolerate less than  $1/3 \times N$  Byzantine validators.

With 21 validators, if the blocking time is 5 seconds, the  $2/3 \times N + 1$  different validator stamps will need a time of  $(2/3 \times 21 + 1) \times 5 = 75$  seconds. Any EPE-critical application may have to wait  $2/3 \times N + 1$  to ensure a relatively safe finality. However, in addition to such a fix, EPE introduces Slashing logic to penalize Byzantine validators for double signing or instability. This hack logic will expose malicious validators in a very short time and

make execution very difficult or extremely uneconomical. With this improvement,  $1/2*N+1$  or even fewer blocks are enough as confirmation for most transactions.

To avoid this type of failure, attacks, Qbit Networks has 471 validator nodes

Genesis File

This document explains how the Qbit Networks genesis file is structured.

## What is a Genesis file?

A genesis file is a JSON file that defines the initial state of your blockchain. It can be seen as height. 0 of your blockchain. The first block, at height 1, will reference the genesis file as its parent.

The state defined in the genesis file contains all the necessary information, such as initial token allocation, genesis time, default parameters, and more. Let's break this information down.

## Genesis link for mainnet:

Explanation

- string identification

Qbit chain IDs (for mainnet and testnet) are used to connect to third-party services that are EVM-compliant.

- period

Minimum difference between the timestamps of two consecutive blocks. Suggested 3s for the testnet.

- epoch

Number of blocks after which to mark and reset pending votes. Suggested 100 for testnet

- nonce

The nonce is the cryptographically secure mining proof-of-work that proves beyond a reasonable doubt that a particular amount of computation has been expended in determining the value of this token.

On the Qbit blockchain, this value is always set to 0x0.

- timestamp

It must be at least the main timestamp + BLOCK\_PERIOD.

## **extra data**

- EXTRA\_VANITY: fixed number of extra data prefix bytes reserved for the signer vanity. 32 bytes suggested

- Signatory information: address of the validator

EXTRA\_SEAL bytes (fixed) is the signature of the signer that seals the header.

- gas limit

A scalar value equal to the current Gas spend limit per block on the entire chain. High in our case to avoid being constrained by this threshold during testing. Note: this does not indicate that we should not pay attention to the Gas consumption of our Contracts.

Gas Ceil is 2500 for testnet

- difficulty

A scalar value corresponding to the difficulty level applied during the discovery of this block. 0x1 suggested for testnet

- hashmix

Reserved for branch protection logic, similar to additional data during DAO. It should be filled with zeros during normal operation.

- Coinbase

System controlled direction to collect block rewards

- number

Block height in the chain, where the genesis height is block 0.

- parentHash

The 256-bit Keccak hash of the entire main block header (including its nonce and mixhash). Pointer to the parent block, thus effectively building the blockchain. In the case of the Genesis block and only in this case, it is 0.

## Account and Address

This default wallet would use a similar way of generating keys as Ethereum, that is, it would use 256-bit entropy to generate a 24-word mnemonic based on BIP39, and then use the mnemonic and an empty passphrase to generate a seed; finally use the seed to generate a master key and get the private key using BIP32/BIP44 with the HD prefix as "44'/60/'" which is the same as the Ethereum derivation path.

## **FAQ**

### **General questions**

What is a consensus algorithm?

A consensus algorithm is a mechanism for reaching an agreement between nodes in distributed networks. It eliminates the need for a central authority and allows the entire network to agree on data and the order of events without trust.

The nodes participating in the network maintain an exact copy of the ledger, which allows applications built on top of the consensus protocol to function properly.

### **What is Proof of Authority (PoA)?**

Proof of Authority (PoA) is a reputation-based consensus algorithm that presents a practical and efficient solution for blockchain networks. The term was proposed in 2017 by Ethereum co-founder and former CTO Gavin Wood.

The PoA consensus algorithm leverages the value of identities, therefore PoA blockchains are protected by validation nodes that are arbitrarily selected as trusted entities.

The Proof of Authority model is based on a limited number of block validators and this is what makes it a highly scalable system. Blocks and transactions are verified by pre-approved participants, who act as system moderators.

### **What is the purpose?**

Finality means that a transaction cannot be changed or reversed by either party. Consensus-to-BFT algorithms like Lachesis have a very low time to completion because they achieve absolute finality. Absolute finality means that a transaction is considered final once it is included in a block.

In the case of Qbit Network, it can achieve the goal in around 3 seconds. TxFlow can achieve the goal in less than a second.

Bitcoin has a finality of 30 to 60 minutes; when you use Bitcoin, you have to wait for a few block confirmations before you consider the transaction final and irreversible. Ethereum has a finality of a few minutes.



## What is TxFlow?

TxFlow is a middleware-to-BFT protocol designed for responsiveness. It runs alongside a traditional consensus algorithm like Lachesis, which ensures network security.

TxFlow can achieve sub-second latency, making it ideal for any application that requires instant confirmation.

### 1. Securing the network

QBIT Network uses a proof-of-stake system that requires validators to have KNB. Anyone with at least 20,000 KNB can run their own validation node for rewards.

2. Network Fees To prevent transaction spam, each action performed within the Qbit network costs a small fee. This fee is paid with KNB.

To run a validation node on the Qbit network, the following is required:

- Pay \$1,000.00 in any stable currency "BUSD, USDT or USDC" plus \$250.00 in KNB coins or tokens that will remain on Hold, locked for 2 years.
- Have filled out the node registration form and been approved by the consensus of validators.

When you purchase a validator node, you will be given the following:

- A unique and non-transferable identification address that will accredit you as a validator node, keep in mind that your KNB will be immutable for 2 years.

Necessary hardware to have a validator node

1. Virtual Private Server (VPS) with 4 CPUs, 8 GB of RAM, and 80 GB of disk space.
2. <https://chaincloud.com/> Trusted Provider Node Service

## **Does QBIT Networks support Ethereum smart contracts?**

Yes. Qbit Networks blockchain is fully compatible with Ethereum Virtual Machine (EVM). It also has support for Web3 JS API and RPC.

All smart contracts written in Solidity or Vyper, compiled and deployed on Ethereum are fully compatible with the Qbit network.

## **What programming languages does Qbit support?**

Qbit Blockchain supports all of the smart contract languages that Ethereum supports for EVM, including Solidity and Vyper.

## **Implement smart contracts:**

Remix

Using Remix

Implements an ERC20 smart contract with a message and renders it on the front-end. You can interact with the smart contract easily!

This dapp implements a "Hello World" style app that echoes a message passed to the contract to the front-end. This tutorial is meant to be followed using the online IDE available at

IDE Remix Settings

- Remix is an online IDE for developing smart contracts.

You must choose Solidity Compiler and Implement and execute transactions.

Truffle

Using Truffle

There are some technical requirements before getting started. Install the following:  
Requirements:

- Windows, Linux or Mac OS X
- Node.js
- Git

## Recommendations for Windows

If you are running Truffle on Windows, you may encounter some naming conflicts that could prevent Truffle from running correctly. See the section on resolving name conflicts for solutions.

Implement a smart contract

Qbit uses the Ethereum Virtual Machine (EVM) on the backend. Smart contracts are written in Solidity and can work on Qbit just like they do on Ethereum.

To implement a smart contract, you send a KNB transaction containing your bytecode without specifying any recipient.

Once the contract is implemented, it will be available to all users of the Qbit network

### Requirements

- **Bytecode (compiled code) of your smart contract**
- **KNB Coin for gas fee costs**
- **Script implementation plugin**
- **Access a Qbit node, either by running your own node or by accessing a node's API.**

### additional resources

- Compilation and implementation of smart contracts on Ethereum

### Tools:

- Development environment, testing framework and asset pipeline for blockchains using EVM
- IDE used to write, compile, debug, and deploy Solidity II code in your browser.
- Solidity is a high-level object-oriented language for implementing smart contracts.
- OpenZeppelin Contracts helps you minimize risk by using battle-tested smart contract libraries for Ethereum and other EVM-compliant blockchains.

Qbit Networks native currency

KNB

Value transfer asset used mainly for commercial and financial activities, participation in the governance mechanism and consisting of 18 decimal places.

Basically, while KNB is a crypto asset designed to transfer value, it also has the gas-like functionality of Ethereum (Gwei), which is used to cover the costs of sending transactions, implementing smart contracts, and running dApps within the block chain.

### KNB Supply

650,000,000 (Six hundred and fifty million)

Of which, only 30% are in semi-circulation, this means that only 195,000,000 (195 Million) will be available. From this amount, the amount of KNB that the nodes have must be subtracted, since they will be in a hold period for 2 years or more.

When we specify the term “semi-circulation”, it means that, initially, only the same amounts will be available in relation to the Bep20 token that was previously hosted on the Binance Smart Chain (BSC) plus the Bep8 tokens that were held on Binance Chain.

Once the migration is finished, Qbit Networks will issue coins (if necessary), through the issuance by block of need, for which the approval of 50%+1 of the validators is needed, through an ethical, transparent and public.

### Number of coins in circulation

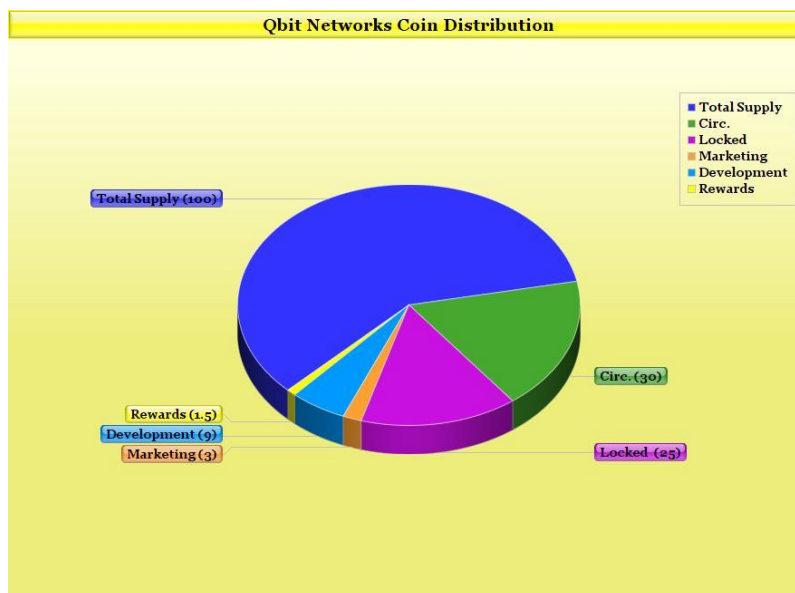
195 of the 650 million KNB coins are in circulation, these include the coins needed for the Validating Masternodes, the coins that can be acquired through the exchanges where it is listed and the remaining coins will be available within the Qbit Networks Chain being released or burned as necessary.

The same amount of coins within Qbit Networks will be created in Polygon Matic, this being the first crosschain bridge option.

### Qbit Networks (KNB) Official Logo



Keep transaction costs stable



Users who wish to use the blockchain can purchase KNB. The use of coins will be essential for the payment of commissions when: Transferring assets, deploying smart contracts, etc.

With the adoption of the Qbit Networks blockchain, more transactions will be generated, increasing the demand for KNB. Considering the above examples, it is clear that this will also lead to an increase in demand.

One of the main problems with blockchains like Ethereum and Bitcoin is their high transaction cost. In this case, Qbit Networks will offer very low commissions at a stable price, fast and secure transactions, where only 15 to 35 network confirmations will be required to complete a transaction, if we add to this that the capacity will initially be 450 transactions per second, this will make Qbit Networks Chain one of the fastest blockchains of its kind.

The price of the fees stands out for being very cheap for most transactions, costing between \$0.06 to \$0.10 for transactions within Qbit Networks. The inter-chain bridging commissions will be a little higher ranging from \$0.25 to \$0.30, still being one of the lowest compared to other networks

Why is Qbit Networks unique?

Qbit Networks develops a technology that will solve the current security, scalability and transparency problems present in current blockchains. Seeks to improve security through a proof of authority (PoA) system for projects and transactions; This prevents Dapps and tokens from being created without passing the KYC verification system, thus granting confidence and security to investors, users and projects in general. For these reasons, Qbit Networks develops the KdT system "Know Development Team"

Privacy, governance, performance, reliability, and more efficient use of resources are priorities for our network. To do this, Qbit Networks combines technologies such as blockchain, encryption, optimized routing and a sustainable economic model that generates incentives to encourage a successful deployment of this network architecture.

Characteristic

mandatory KYC

The information of a person, entity or team that wishes to develop within the Qbit Networks Chain must perform KYC type 1 to create tokens and projects within the blockchain.

The information provided for KYC verification will be private within the blockchain, but could be publicly disclosed in case the project, decentralized application or user commits a fraud crime. In such a case, the KYC information will be handed over to the relevant authorities, exchanges and law enforcement entities, this ensures that unscrupulous users or teams make unwanted use of the chain to the detriment of others. If any of the above cases occur, Qbit Networks may invalidate the withdrawals of said projects at the request of law enforcement, for this it will notify the validators to block the funds belonging to the project that has incurred in a bad practice and thus secure the funds of affected users or entities.

- KYC type 1

This type of validation contains the following data:

- Official identification of the country to which you belong DNI/ID/Passport
- Physical address, contact telephone number, email
- Selfie type photo
- Video selfie
- Data, public wallets and project audits
- Data, public wallets and project audits
- KYC type 2

This validation includes the aforementioned data plus proof of address verification with: the last 3 receipts for basic services (Water, Electricity, Telephone, etc.), or legal document if it is a constituted entity or real group (this may vary according to the requirements of the country of origin).

Rules for creating projects.

Currently one of the biggest problems in the blockchain is the ease with which projects, tokens and dapps with similar or very similar names can be created, which confuses everyone and lends itself to bad practices, in this context, Qbit Networks will not allow Duplicates or similarities of names, in the following cases:

- Creation of Tokens Example: Kronobit (Kronovit, Cronobit, etc.)
- Symbol or Ticker: KNB (KBN, XKNB, etc.)
- Creation of Project: CryptoWorld (KriptoWorld, CriptoWorld)

Every project at the time of deployment must be validated by the network, consequently, it must have the approval of 50%+1 of the validating nodes, if a project does not have approval it must be edited to meet the requirements network at no additional charge.

Educational Blockchain

Qbit Networks will have at its disposal a decentralized online educational platform (Qbit Academy) where qualified facilitators will be able to upload audio, visual and written

content with which they will generate rewards based on teacher requests and payments. Payments and rewards can be paid with the platform's coins. Once the course is finished, it will be covered by an official certification from (Qbit Academy).

## Content

All facilitators can express any type of educational content and establish a reasonable price for those who wish to acquire knowledge, there are no content restrictions, unless good customs and the modesty of others are respected.

Within Qbit Academy, free basic training courses, talks and documentaries will be broadcast, from literacy to various vocational technical courses and workshops, with the aim of promoting the healthy development of people. Users will also be able to receive random rewards in some of these courses and workshops.

The protocol includes:

- The audiovisual platform, free of advertising, respecting good customs and respect for others, regardless of race, creed or sexual preference.
- Multilanguage

**Content protection. Qbit networks do not allow the distribution of sexually explicit content, pornography, violence, abuse of any kind.**



 Qbit Academy

Title of class: Solidity

Teacher: John Doe

Duration: 1:54:09

 Network fee: 99.99 KNB

Progress: 23%

Student Incentive: 0.019 KNB



## Qbit Networks Charity

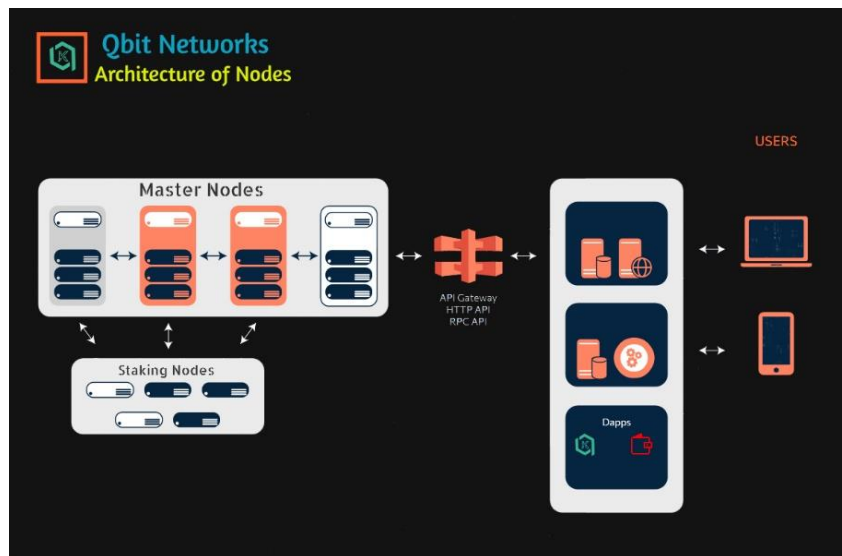
0.2% of each "Fee" transaction will be collected 3 times a year for 1 month, the amount collected will be donated to non-profit entities that request their participation.

Qbit Networks may allocate an emergency percentage of the fees for donation in cases of:

- Natural disasters or emergency humanitarian aid

**Note:**

Entities, organizations, non-profit institutions must be legally constituted and formally request their inclusion.



**Qbit Networks Chain Nodes**

**Requirements to reach or obtain a Validator and Non-Validator Node**

There are 3 basic requirements to become a validator node that have important implications for the incentive structure that drives your actions towards honest behavior.

- Their identities must be formally identified in the chain with the ability to cross these identities through trusted data available in the public domain.
- Eligibility to become a validator must be difficult to obtain to ensure that the validator's long-term future position is a clear incentive, both financial and reputational, to remain an honest validator.
- There must be complete uniformity in the validator establishment process.

There are a few platforms that apply slightly different variations of the above requirements but they all focus on providing a financial incentive for the validator to remain part of the network in the long term and reputation as a disincentive to act dishonestly. Any misbehaving validator can easily be removed from the validation process and replaced, the end result for that validator being a public blow to its reputation as well as the loss of future financial gains.

The use of reputation through identity is especially relevant in current times, as Warren Buffet said:

"It takes years to build a reputation and five minutes to ruin it. If you think about it, you will do things differently and correctly."



## Node types

### Delta nodes

These nodes allow you to balance the network and in turn reward KNB Holders, the minimum to participate in a delta node is: \$325 + \$125.00 in KNB coins, these coins will remain blocked for 1 year. There will only be 9 Delta nodes.

The payment of the VPS node must be made in stable currency "BUSD, USDT or USDC. At the time of acquiring a node, everything related to Hardware and unique wallet address within the network will be granted.

Qbit Networks Chain rewards 0.088% transaction fee on each block to all Delta node owners, in addition to possessing the power of 1 vote per year. Also, this type of node does not validate transactions.

If the amount of KNB coins required falls below the minimum then the node will be taken out of service and the user in question will have to wait 9 months to recreate said node. Rewards will be sent to owners' wallets every 30 days.

To apply for a delta node, you need to complete the KYC type 1 through the node registration form.

### Authoritative Masternodes (Validator)

Authoritative Masternodes are responsible for network maintenance of the Qbit Networks chain.

Each of these nodes has a cost of \$1,000.00 + \$250.00 in KNB coins, the payment of the VPS node must be made in BUSD, USDT or USDC stable currency.

Currently, there are 11 out of 43 authority masternodes available for sale, their use already came into effect with the launch of Qbit Networks Chain Mainnet for those users whose identities have been verified by the creators of Qbit Networks.

Authority Master Nodes are the only nodes that are authorized to package blocks on Qbit Networks and are rewarded with 8% of the transaction fee on each block. Said KNB cannot be transferred and will remain in blocked hold for 2 years, as previously described.

To request a node, the interested user must fill out the official form and perform KYC type 1 and 2

The acquisition of a Node is Validator, Delta or Virtual includes:

- 2 years of uninterrupted service
- VPS server in your name

- Unique wallet address as validator
- Unique and non-transferable NFT identification

After the expiration of the 2-year period, the cost of VPS is borne by the owner.

#### Virtual Nodes

These nodes provide support and speed to the network, to be an owner of this type of node you must have at least \$100.00 in KNB coins and its cost is \$250.00, payable in stable currency USDT, BUSD or USDC.

These nodes do NOT validate transactions or have voting power, but receive a monthly reward of 0.0013% of the transaction fee on each block for supporting the network.

#### Vote of all interested parties

Prior to an all-stakeholder voting event, Qbit Networks will announce detailed rules such as the voting day, voting period, and minimum participation rate for each stakeholder category. Because all stakeholder statuses are managed on the Qbit Networks blockchain, on voting day, stakeholders with an active status in either category are eligible to cast their votes via the platform, Voto KNB (to be created within the Blockchain).

Your votes will be counted towards the voting authority in the relevant stakeholder category. Furthermore, for any voting event to be considered effective and not manipulated by a small percentage of stakeholders, the rate of participation in each stakeholder category at the end of the voting period must be above a pre-defined threshold in accordance with the voting announcement.

If the participation rate does not meet the minimum requirement in a stakeholder category, that category's voting authority will be allocated proportionally to the highest stakeholder category or categories.

If there are not enough authority master node holders participating in the vote, their voting authority will be assigned to the Steering Committee. However, if none of the stakeholder categories meet the minimum participation requirement, a new voting event would be started.

In order to ensure the efficiency of governance at the initial stage of the platform, the Steering Committee reserves the right to make the decision among the Steering Committee members if the voting event fails twice in a row.

## Governance and Procurement System

KNB sales will be limited, this means that a person who wants to acquire more than 1 million (1,000,000) of KNB will receive their coins as follows:

- You will receive a personalized and unique NFT where 60% of the purchased KNB amount will be stored, the remaining 40% will be released directly to your wallet address.
- NFT holders will receive the remaining 40% gradually (Vesting) every 4 months until completing the total distribution in 18 months, as long as they do not own some of the nodes.
- The NFT for owners of more than 5 million tokens is not transferable. They cannot be sold or exchanged to another holder or new entry, the NFTs will have their verification data which makes them unique, once the distribution is completed the NFT Value is 0.

## Frequent questions

### **How long should I buy a VPS server?**

The minimum time to manage a VPS/node is 2 years; The VPS payment method will depend on the type of node you want to operate. VPS are purchased from an independent provider, described above. You are responsible for paying for the VPS servers you need. The recommendation is that it be for 2 years. The renewal must be 30 days before the expiration of the node and the renewal payment method is with KNB. For first node purchase, please contact Qbit Networks team for support.

### **What price can KNB reach with a proprietary blockchain?**

The price of KNB cannot be predicted in a flat way since several factors intervene, the most important of all is that "the utility of a token" is not the same as "the utility of a blockchain", the utility of a blockchain is infinite and its usefulness begins when any person or project starts operations within it (Dapps, Smart Contracts, Defi, etc.)

It does not depend on the usability of a token per se, but on the usability of the Blockchain over time, remember that the growth of Qbit Networks is exponential and for being the first and only one to provide 100% security and education makes it the first to his class.

## **Can projects be created within Qbit Networks?**

Of course yes, you can create any project within Qbit Networks, as long as it complies with the rules of the network. Also, because it is 100% EVM compatible, all authoring tools can be used, such as: Hardhat, Remix, Solidity, JavaScript, etc.

When does the sale of the rights to the nodes begin?

This is in the first stage. You should keep in mind that you will be given an NFT for the value of your node and your payment will only be made through Stable Coins (USDT, BUSD, USDC, etc.)

\*\* After the first 30 days after the purchase of your node you will begin to receive rewards depending on the type of node purchased, the reward will be sent in KNB once the MAIN NETWORK has started, the rewards will be issued as stipulated in the previous topic, It should be noted that you will be notified 15 days before the departure of the Main Network so that you can put your VPS\*\* into operation with the parameters established by Qbit Networks and our technical team.

If you wish to purchase Qbit Networks' native KNBs, you can also do so directly through pre-sales established on the MATIC blockchain.

## **Will Qbitswap be inside the Blockchain?**

Of course. Once the tests are done, any decentralized application can be included in the blockchain since, as we have described before, it is 100% compatible with Ethereum, Smart Contracts, Dapps, etc.

In this case, the Qbit Swap and its Bridge are developed with the Matic blockchain

Will tokens be created within Qbit Networks?

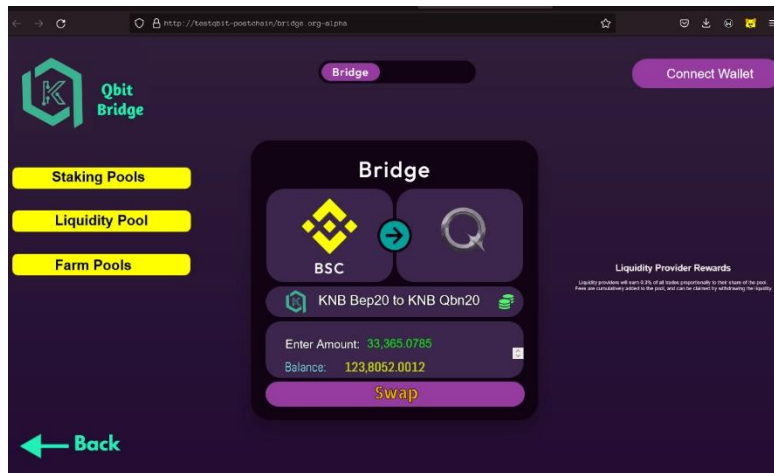
Yes, tokens can eventually be created and will be known as (QNB20) tokens, following the security rules described above.

If I invest in Qbit Networks, how long could it take to recover my investment?

All Blockchain has periods that go from the beginning, development, functionality, what problem it solves in the world, etc. But, predicting a specific time would be irresponsible since development and profitability is an exponentially increasing value, you as a Node investor or as a holder will receive rewards from the start of operations (Main Network), that is, profits from the start .

## What will happen to KBF and DEFI?

It will be replaced by Qbit Swap and its bridge with Matic



\*\* The images is used as a reference \*\*

### • KNB burning

There will be 2 burns per year at a rate of 1.3% of the commissions used by KNB every 6 months, this guarantees the stability of the network and the healthy development of the project. These burnings will be carried out until the total supply is 250 million KNB.

### • Anti-whale system

Qbit Networks implements a whale control system offering a limited number of sales, that is, if an investor wants a number of coins that exceeds the validator nodes, they will be given the maximum allowed and in turn will be issued a unique NFT with Your verifiable data that accredits you as the owner.

The KNB coins will be sent to investors gradually every 180 days (6 months), until completing the total amount, this avoids market manipulation by the holders, in addition, said wallets must be published and in LOCK status by the established time, this means that they will only be open to receive the tokens resulting from the accrual, but they will not be able to sell everything in 1 single transaction, this guarantees the healthy stability of the network.

### KNB listing

The goal of the project is to gradually integrate into the exchanges where it has more views and fosters growth.

P2pB2b, Gate.io, Coinex, P2pB2b, Bitgert, Dcoin among others...

### Note:

The images shown in this document may not correspond to those of the final release or may vary at the time of the Mainnet launch, they are currently in testing period.

## Launch of Qbit networks

Qbit Networks Test Net is scheduled to be launched at the beginning of 2023, within which programmers and developers will be able to start their tests and application development under the test net modality.

Qbit Networks will be released to the Main Network once all relevant tests have been carried out by the technical department. The estimated launch time for the third quarter of 2023.

## Wallets supported by Qbit Networks

Number Wallet Name Website

1 MetaMask

<https://metamask.zendesk.com/hc/en-us>

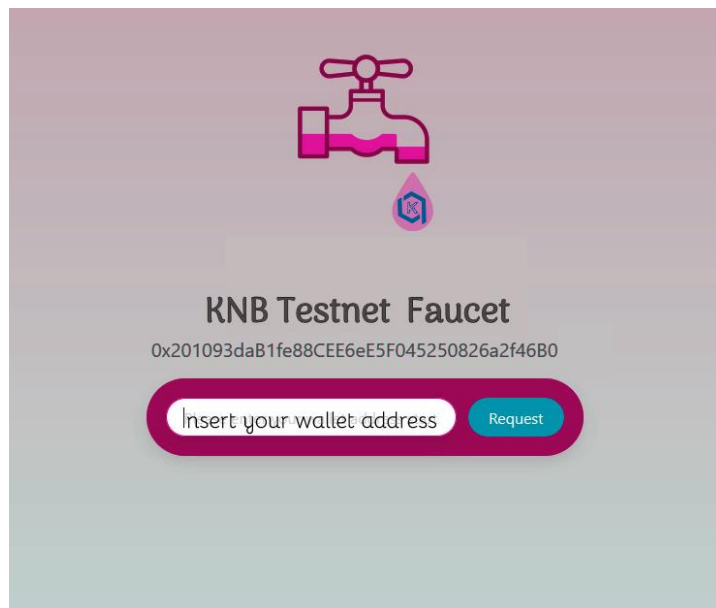
2 ledgers

<https://www.ledger.com/>

3 Trezor

<https://wallet.trezor.io>

## First stage delivery:



Chainpaper Ver. 1.2 Revision A 01/01/23

This document is constantly evolving and developing!