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- d. Public Network
 - i. Has coin, token or other asset
 - 1. Networks which are open to the public and have a coin, token or other asset, must distribute at least 1% of the maximum supply to Shardus token (ULT) holders through a claim process described below.
 - ii. With no coin, token or other asset
 - 1. Same requirements as a private network
- e. Private Network
 - i. Networks which are not open to the public must acquire ULT tokens and convert them to a license token on the Ethereum network. The Shardus smart contract has a “purchaseLicense” function which burns the ULT and issues a license token to the sender.
- f. The commercial license applies only to one network. Additional production networks will need to obtain their own separate commercial license.
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12. Claim Process

- a. This only applies to public networks with an asset.
- b. A snapshot should be taken of all addresses holding Shardus token (ULT) and the balance they had after the software is being used in production.
- c. The snapshot should cover all networks where ULT is present. These currently include the Ethereum and Polygon network.
- d. The snapshot should be at the same time across all the networks where ULT is present.
- e. For an address that has ULT on multiple networks the sum of the ULT should be used.
- f. The following addresses on all networks should not be included in the snapshot:
 - i. Issuing address: 0x19caf17b4EA9f8DD9B5E8f17AboC3C10F132691D
 - ii. Polygon bridge address: 0x40ec5b33f54e0e8a33a975908c5ba1c14e5bbddf
- g. A smart contract to process claims is deployed by the Licensee. The smart contract should be on a well established network that has low transaction fees.
- h. A loadSnapshot function on the smart contract is used to load the addresses and their balance when the snapshot was taken.
- i. A distribution server is operated by the Licensee which controls the distribution of the claimed assets.
- j. A web form is setup on the Licensee website where users can enter their address to see the amount of coins they can claim and if a claim has already been made or not.
- k. A web form is setup on the Licensee website where the users can enter the recipient address for the claimed assets and click a Claim button to initiate the claim process.
- l. When the user clicks on the Claim button a transaction is submitted to a claim function on the smart contract and includes the recipient address on the network of the Licensee. The transaction is also signed and proves ownership of the address holding the ULT.
- m. The smart contract should validate the transaction and mark the address as claimed.
- n. The distribution server monitors the smart contract for claim transactions and initiates a transaction on the network of the Licensee to fulfill the claim.

- o. The actual distribution of the asset to those who have claimed can use a vesting schedule and does not need to be given at once. However the vesting schedule must distribute all claimed assets within 3 years of being claimed.
- p. For assets which are inflationary and don't have a fixed max supply the distribution should be done periodically at least once every 100 days to meet the distribution percentage. The distribution percentage must be reached within the first 3 years and the periodic distribution to maintain the distribution percentage can continue indefinitely.
- q. The ability to claim the asset and when it will start must be announced on the Licensee websites at least 10 days prior to the start of the claim period and throughout the claim period.
- r. The claim period must start within 30 days of the mainnet launch and run for at least 90 days.
- s. Any unclaimed assets after the claim period ends do not need to be distributed by the Licensee to ULT holders.
- t. The Licensee website should link to the smart contract used to process claims and the activity on this smart contract provides proof on the blockchain of fulfilling the requirements to obtain a license.

13. Purchase License

- a. This only applies to private networks or public networks without an asset.
- b. The Shardus token smart contract on the Ethereum network has a "purchaseLicense" function.
<https://etherscan.io/address/0x09617f6fd6cf8a71278ec86e23bbab29c04353a7#code>
- c. The Licensee can query the contract to see what the current cost is in terms of Shardus tokens.
- d. The cost will be some percentage of the current token supply.
- e. The Licensee can acquire the Shardus tokens on the market.
- f. The Licensee sends the required amount in Shardus tokens to the purchaseLicense function along with a string to identify the company and the network; such as "Company A Network X".
- g. A license token will be sent to the address that sent the Shardus tokens and the Shardus tokens used in the purchase will be burned to reduce the total circulating supply.
- h. The license token will serve as proof on the blockchain of fulfilling the requirements to obtain a license.