

Smart Contract Code Review and Security Analysis Report

Customer: SONM Date: July 13, 18 This document contains confidential information about IT systems and intellectual properties of the customer, as well as information about potential vulnerabilities and methods of their exploitation.

This confidential information is for internal use by the customer only and shall not be disclosed to third parties.

Document:

Name:	Smart Contract Code Review and Security Analysis Report for SONM
Date:	13.07.2018



Table of contents

Introduction	3
Scope	3
Executive Summary	5
Severity Definitions	5
AS-IS overview	6
Audit overview	10
Conclusion	12
Disclaimers	12
Appendix A. Evidences	13
Appendix B. Automated tools reports	17



Introduction

Hacken OÜ (Consultant) was contracted by SONM (Customer) to conduct a Smart Contract Code Review and Security Analysis. This report presents the findings of the security assessment of Customer's smart contract and its code review conducted between June 28th, 2018 - July 13th, 2018.

Scope

The scope of the project is SONM smart contracts, which can be found on github by links below:

• Blacklist

https://github.com/sonm-io/core/blob/master/blockchain/source/contracts/Blacklist.sol

• ProfileRegistry

https://github.com/sonm-io/core/blob/master/blockchain/source/contracts/ProfileRegistry.sol

• OracleUSD

https://github.com/sonm-io/core/blob/master/blockchain/source/contracts/OracleUSD.sol

• SNM

https://github.com/sonm-io/core/blob/master/blockchain/source/contracts/SNM.sol

• SimpleGatekeeperWithLimit

https://github.com/sonmio/core/blob/master/blockchain/source/contracts/SimpleGatekeeperWithLimit.sol

• SimpleGatekeeperWithLimitLive

https://github.com/sonm-

io/core/blob/master/blockchain/source/contracts/SimpleGatekeeperWithLimitLive.sol

Commit 4ccf67358be704f76be54dd28d85cbd4cc801a43

We have scanned this smart contract for commonly known and more specific vulnerabilities. Here are some of the commonly known vulnerabilities that are considered (the full list includes them but is not limited to them):

- Reentrancy
- Timestamp Dependence
- Gas Limit and Loops
- DoS with (Unexpected) Throw
- DoS with Block Gas Limit



- Transaction-Ordering Dependence
- Byte array vulnerabilities
- Style guide violation
- Transfer forwards all gas
- ERC20 API violation
- Malicious libraries
- Compiler version not fixed
- Unchecked external call Unchecked math
- Unsafe type inference
- Implicit visibility level



Executive Summary

According to the assessment, Customer's smart contracts are well secured and have only some low security issues that can't have significant impact on security.

Our team performed analysis of code functionality, manual audit and automated checks with solc, Mythril and remix IDE (see Appendix B pic 1-27). All found issues during automated analysis were manually reviewed and applicable vulnerabilities are presented in Audit Overview section. General overview is presented in AS-IS section and all found issues can be found in Audit overview section.

We found 2 low-level vulnerabilities, outlined 3 important informational statements and 1 code style issue.



C 1	4	T 7 1	1 . 1			
Graph	1.	Vulr	ierabiliti	es di	stribu	tion

Risk Level	Description
Critical	Critical vulnerabilities are usually straightforward to exploit and can lead to tokens lose etc.
High	High-level vulnerabilities are difficult to exploit; however, they also have significant impact on smart contract execution, e.g. public access to crucial functions
Medium	Medium-level vulnerabilities are important to fix; however, they can't lead to tokens lose
Low	Low-level vulnerabilities are mostly related to outdated, unused etc. code snippets, that can't have significant impact on execution
Lowest / Code Style / Info	Lowest-level vulnerabilities, code style violations and info statements can't affect smart contract execution and can be ignored.



AS-IS overview

SNM contract overview

SNM.sol contract describes custom ERC20 token with next parameters:

- name SONM token
- symbol SNM
- decimals 18

SNM contract constructor sets:

- totalSupply_ to 444 * 1e6 * 1e18
- balances[msg.sender] to totalSupply_

Blacklist contract overview

Blacklist contract constructor sets:

• owner to a msg.sender

Blacklist.sol has 1 modifier:

• OnlyMarket – checks if market is not 0x0; checks if msg.sender is a market or msg.sender is a master.

Blacklist.sol has 6 functions:

- Check checks if person is in a blacklist
- Add adds provided address to a blacklist. Has onlyMarket modifier.
- Remove removes provided address from a blacklist.
- AddMaster adds master. Has onlyOwner modifier.
- RemoveMaster removes master. Has onlyOwner modifier.
- SetMarketAddress- sets market address to a specified address. Has onlyOwner modifier.

Market contract overview

Market contract constructor sets:

- token to SNM(_token)
- bl to Blacklist(_blacklist)
- oracle to OracleUSD(_oracle)
- pr to ProfileRegistry(_profileRegistry)
- benchmarksQuantity to _benchmarksQuantity
- netflagsQuantity to _netflagsQuantity



Market.sol has 37 functions:

- PlaceOrder creates order on the market.
- CancelOrder cancels order with ORDER_ACTIVE status.
- QuickBuy creates an Ask order and calls OpenDeal.
- OpenDeal opens the deal with a specified dealID.
- CloseDeal closes the deal with a specified dealID.
- Bill makes payments on the transaction..
- CreateChangeRequest creates a new ChangeRequest, if there is a similar one on the other hand (Supplier or Customer), the transaction conditions change..
- CancelChangeRequest changes RequesStatus to a REQUEST_CANCELED or REQUEST_REJECTED.
- RegisterWorker registers the transaction author as Worker for the specified master.
- ConfirmWorker confirms registration of the specified worker for the master the author of the transaction.
- RemoveWorker removes the specified worker for the specified master.
- GetOrderInfo returns information about the order with a specified orderID.
- GetOrderParams returns orderStatus and dealID about the order with a specified orderID.
- GetDealInfo returns information about the deal with a specified dealID.
- GetDealParams returns parameters for the deal with a specified dealID.
- GetMaster returns the specified master Worker. Returns Worker, if the master is not specified.
- GetChangeRequestInfo returns information about the change request with a specified changeRequestID.
- GetDealsAmount returns dealAmount.
- GetOrdersAmount returns orderAmount.
- GetChangeRequestsAmount returns requestsAmount.
- GetBenchmarksQuantity returns benchmarksQuantity.
- GetNetflagsQuantity returns netflagsQuantity.
- InternalBill implements bill logic for specified dealID.
- ReserveNextPeriodFunds reserves funds for next period for specified dealID.
- RefundRemainingFunds refunds remaining funds for specified dealID.
- IsSpot checks if deal duration for specified address is 0.
- CalculatePayment calculates payment for specified price and period.
- AddToBlacklist allows consumer to add to a blacklist.
- InternalCloseDeal allows to close a deal.
- ResizeBenchmarks resizes benchmark with specified value.
- ResizeNetflags resizes netflags.
- SetProfileRegistryAddress sets profile registry address to a specified address. Has onlyOwner modifier.
- SetBlacklistAddress sets blacklist address to a specified address. Has onlyOwner modifier.
- SetOracleAddress sets oracle address to a specific address. Has onlyOwner modifier.
- SetBenchmarksQuantity sets benchmark quantity. Has onlyOwner modifier.
- SetNetflagsQuantity sets netflagsQuantity. Has onlyOwner modifier.
- KillMarket transfers tokens to owner and kills market. Has onlyOwner modifier.



ProfileRegistry contract overview

ProfileRegistry contract constructor sets:

- owner to msg.sender
- validators[msg.sender] to -1

ProfileRegistry.sol has 1 modifier:

• onlySonm – checks if GetValidatorLevel(msg.sender) is -1.

ProfileRegistry.sol has 11 functions:

- AddValidator creates validator for specified address. Has onlySonm and whenNotPaused modifiers.
- RemoveValidator deletes validator for specified address. Has onlyMarket modifier. Has onlySonm and whenNotPaused modifiers.
- GetValidatorLevel returns validator level for specified address.
- CreateCertificate creates certificate. Has whenNotPaused modifier.
- RemoveCertificate removes certificate. Has whenNotPaused modifier.
- GetCertificate returns certificate for specified id.
- GetAttributeValue returns certificate attribute value.
- GetAttributeCount returns certificate attribute count.
- GetProfileLevel returns identity level for specified address.
- AddSonmValidator creates Sonm validator for specified address.Has onlyOwner modifier.
- RemoveSonmValidator removes Sonm validator for specified address. Has onlyOwner modifier.

SimpleGatekeeperWithLimit contract overview

SimpleGatekeeperWithLimit contract constructor sets:

- token to StandardToken(_token)
- owner to msg.sender
- freezingTime to _freezingTime

SimpleGatekeeperWithLimit.sol has 3 functions:

- ChangeKeeperLimit changes keeper's dayLimit for specified address. Has onlyOwner modifier.
- FreezeKeeper freezes keeper for specified address.
- UnfreezeKeeper unfreezes keeper for specified address. Has onlyOwner modifier.
- PayIn transfers tokens to the current contract.
- Payout transfers tokens to a specified address and registers the payout. Has onlyOwner modifier.



- SetFreezingTime sets freezing time. Has onlyOwner modifier.
- GetFreezingTime returns freezing time.
- underLimit checks if there is enough left if so, adds provided value to spentToday and return true. Resets the spend limit if we're on a different day to last time.
- today returns current block timestamp as seconds since unix epoch divided by 24 hours.
- kill destroys contract and sends all funds to owner. Has onlyOwner modifier.

SimpleGatekeeperWithLimitLive contract overview

SimpleGatekeeperWithLimitLive contract constructor sets:

- token to SNMMasterchain(_token)
- owner to msg.sender
- freezingTime to _freezingTime

SimpleGatekeeperWithLimit.sol has 3 functions:

- ChangeKeeperLimit changes keeper's dayLimit for specified address. Has onlyOwner modifier.
- FreezeKeeper freezes keeper for specified address.
- UnfreezeKeeper unfreezes keeper for specified address. Has onlyOwner modifier.
- PayIn transfers tokens to the current contract.
- Payout transfers tokens to a specified address and registers the payout. Has onlyOwner modifier.
- SetFreezingTime sets freezing time. Has onlyOwner modifier.
- GetFreezingTime returns freezing time.
- underLimit checks if there is enough left if so, adds provided value to spentToday and return true. Resets the spend limit if we're on a different day to last time.
- today returns current block timestamp as seconds since unix epoch divided by 24 hours.
- kill destroys contract and sends all funds to owner. Has onlyOwner modifier.



Audit overview

Critical

No critical severity vulnerabilities were found.

High

No high severity vulnerabilities were found.

Medium

No medium severity vulnerabilities were found.

Low

- Not using abi.encodePacked in a contracts is bad practice. In current versions of compilers, it is recommended to use bytes32 txHash = keccak256 (abi.encodePacked (_to, _txNumber, _value)); instead of bytes32 txHash = keccak256 (_to, _txNumber, _value); in SimpleGatekeeperWithLimit.sol (line 81); in SimpleGatekeeperWithLimitLive.sol (line 81) (see Appendix A pic 1 for evidence).
- 2. Calling events without emit is obsolete, events are invoked without emit in SimpleGatekeeperWithLimit.sol (line 119); SNMMasterchain.sol (lines 73, 98, 103, 134) (see Appendix A pic 2 for evidence).

Lowest / Code style / Info

Code style issues

3. Poor conneinting in Market.sol - Line 196 contains a comment // this line contains err. Comment should be removed in the final version (see Appendix A pic 3 for evidence).

Informational statements

Informational statements are audit team findings that doesn't have any security issues. However, they are presented in report to clarify and outline functionality and business requirements.



- 4. FreezeKeeper function is public in SimpleGatekeeperWithLimit.sol and SimpleGatekeeperWithLimitLive.sol, i.e. any account with a limit greater than 0 can freeze any account with a limit greater than 0 (see Appendix A pic 4 for evidence). We were informed by Customer that this is expected behavior of the contract.
- 5. Obsolete constructions in SNMMasterchain.sol: (see Appendix A pic 5 for evidence).
 - in the contract old versions of OpenZeppelin contracts are copied: SafeMath.sol, Math.sol, ERC20Basic, BasicToken, ERC20, StandardToken;
 - use function SNMMasterchain instead of constructor ();
 - old version of the Solidity compiler (0.4.24 is recommended);

SNMMasterchain.sol contract is already deployed and no changes can be made to it.

6. Unlimited tokens can be mint from the ICO account in SNMMasterchain.sol (see Appendix A pic 6 for evidence).

SNMMasterchain.sol contract is already deployed and no changes can be made to it.

- 7. Profiles do not stop working after freezing. The AddSonmValidator, RemoveSonmValidator functions do not have a modifier whenNotPaused, i.e. they can be run while profile is frozen (see Appendix A pic 7 for evidence). Customer haven't defined expected behavior yet, but it considers current behavior as OK.
- 8. Bad practice ordering is used in several Customer contracts. Changing parameters after transferring tokens or ether is a bad practice, which can lead to several vulnerabilities, including reentrancy. On lines 228, 648, 655, 702 Market.sol; lines 104, 128 SimpleGatekeeperWithLimit.sol; line 96 SimpleGatekeeperWithLimitLive.sol (see Appendix A pic 8 for evidence). It is recommended not to change parameters after transfers. However, there is no existing attacks for current code so the issue is considered as informational.



Conclusion

During the audit the contract was manually reviewed and analyzed with static analysis tools. As-is description was described.

Audit team have found some low to lowest security issues during the audit and audit report contains all necessary information related to them.

Because the vulnerabilities found are low level as maximum, the code is considered secure and no major fixes are required.

Disclaimers

Disclaimer

The audit does not give any warranties on the security of the code. One audit cannot be considered enough. We always recommend proceeding to several independent audits and a public bug bounty program to ensure the security of the smart contracts.

Technical Disclaimer

Smart contract build on the top of Ethereum blockchain means that a lot of features could be covered by tests, but Turing completeness of Solidity programming language realization leaves some space for unexpected runtime exceptions.



Appendix A. Evidences

Pic. 1. abi.encodePacked not used 81 bytes32 txHash = keccak256(_to, _txNumber, _value); Pic. 2. Calling events without emit 73 Transfer(msg.sender, _to, _value); Pic. 3. Poor conneinting in Market.sol 196 // this line contains err. 197 require(token.transferFrom(msg.sender, this, lockedSum)); 198 } Pic. 4. FreezeKeeper function is public function FreezeKeeper(address _keeper) public { // check access of sender require(keepers[msg.sender].dayLimit > 0); 57 // check that freezing keeper has limit require(keepers[_keeper].dayLimit > 0); keepers[_keeper].frozen = true; 61 emit KeeperFreezed(keeper); }



Pic. 5. SNMMasterchain obsolete constructions

```
contract ERC20Basic {
51
       uint public totalSupply;
52
       function balanceOf(address who) constant returns (uint);
54
       function transfer(address to, uint value);
       event Transfer(address indexed from, address indexed to, uint value);
     }
57
     contract BasicToken is ERC20Basic {
       using SafeMath for uint;
       mapping(address => uint) balances;
62
       modifier onlyPayloadSize(uint size) {
          if(msg.data.length < size + 4) {</pre>
            throw;
          }
          _;
       }
       function transfer(address _to, uint _value) onlyPayloadSize(2 * 32) {
         balances[msg.sender] = balances[msg.sender].sub(_value);
71
         balances[_to] = balances[_to].add(_value);
72
         Transfer(msg.sender, _to, _value);
74
       }
       function balanceOf(address _owner) constant returns (uint balance) {
         return balances[ owner];
78
       }
     }
```



```
contract ERC20 is ERC20Basic {
83
       function allowance(address owner, address spender) constant returns (uint);
       function transferFrom(address from, address to, uint value);
85
       function approve(address spender, uint value);
       event Approval(address indexed owner, address indexed spender, uint value);
87
     }
     contract StandardToken is BasicToken, ERC20 {
       mapping (address => mapping (address => uint)) allowed;
       function transferFrom(address _from, address _to, uint _value) {
         var _allowance = allowed[_from][msg.sender];
         balances[_to] = balances[_to].add(_value);
         balances[_from] = balances[_from].sub(_value);
         allowed[_from][msg.sender] = _allowance.sub(_value);
         Transfer(_from, _to, _value);
       }
       function approve(address _spender, uint _value) {
         allowed[msg.sender][_spender] = _value;
         Approval(msg.sender, _spender, _value);
       }
       function allowance(address _owner, address _spender) constant returns (uint remaining) {
         return allowed[_owner][_spender];
       }
     }
        function SNMMasterchain(address ico) {
122
123
          ico = _ico;
124
        }
```



Pic. 6. Unlimited mint

```
127
        function mint(address _holder, uint _value) external {
128
          require(msg.sender == ico);
          require( value != 0);
129
          require(totalSupply + _value <= TOKEN_LIMIT);</pre>
130
131
132
          balances[_holder] += _value;
          totalSupply += _value;
133
134
          Transfer(0x0, _holder, _value);
135
        }
```

Pic. 7. No WhenNotPaused modifier for functions

```
142 function AddSonmValidator(address _validator) onlyOwner public returns (bool) {
143 validators[_validator] = -1;
144 return true;
145 }
146
147 function RemoveSonmValidator(address _validator) onlyOwner public returns (bool) {
148 require(GetValidatorLevel(_validator) == -1);
149 validators[_validator] = 0;
150 return true;
151 }
```

Pic 8. Bad practice transaction ordering

228	<pre>require(token.transfer(msg.sender, orders[orderID].frozenSum));</pre>
229	orders[orderID].orderStatus = OrderStatus.ORDER_INACTIVE;
648	<pre>require(token.transfer(deal.masterID, deal.blockedBalance));</pre>
649	<pre>deals[dealID].lastBillTS = block.timestamp;</pre>
650	<pre>deals[dealID].totalPayout = deals[dealID].totalPayout.add(deal.blockedBalance);</pre>
651	<pre>deals[dealID].blockedBalance = 0;</pre>
655	<pre>require(token.transfer(deal.masterID, paidAmount));</pre>
656	<pre>deals[dealID].blockedBalance = deals[dealID].blockedBalance.sub(paidAmount);</pre>
657	<pre>deals[dealID].totalPayout = deals[dealID].totalPayout.add(paidAmount);</pre>
658	<pre>deals[dealID].lastBillTS = block.timestamp;</pre>
702	<pre>token.transfer(deals[dealID].consumerID, deals[dealID].blockedBalance);</pre>
703	<pre>deals[dealID].blockedBalance = 0;</pre>
35	<pre>require(token.transfer(_to, _value));</pre>
36	<pre>paid[txHash] = true;</pre>



Appendix B. Automated tools reports

Pic. 1 Solc Blacklist automated report

max@max-VirtualBox:~/solidity/projects/sonm\$ solc -o . --bin --abi --overwrite Blacklist.sol
max@max-VirtualBox:~/solidity/projects/sonm\$

Pic. 2 Mythril Blacklist automated report

max@max-VirtualBox:~/solidity/projects/sonm\$ myth -x Blacklist.sol
The analysis was completed successfully. No issues were detected.

max@max-VirtualBox:~/solidity/projects/sonm\$

Pic. 3 Solc ProfileRegistry automated report

max@max-VirtualBox:~/solidity/projects/sonm\$ solc -o . --bin --abi --overwrite ProfileRegistry.sol
max@max-VirtualBox:~/solidity/projects/sonm\$

Pic. 4 Mythril ProfileRegistry automated report

max@max-VirtualBox:~/solidity/projects/sonm\$ myth -x ProfileRegistry.sol
The analysis was completed successfully. No issues were detected.

max@max-VirtualBox:~/solidity/projects/sonm\$

Pic. 5 Solc SNM automated report

max@max-VirtualBox:~/solidity/projects/sonm\$ solc -o . --bin --abi --overwrite SNM.sol
max@max-VirtualBox:~/solidity/projects/sonm\$

Pic. 6 Mythril SNM automated report



Pic. 7 Solc OracleUSD automated report

max@max-VirtualBox:~/solidity/projects/sonm\$ solc -o . --bin --abi --overwrite OracleUSD.sol
max@max-VirtualBox:~/solidity/projects/sonm\$



Pic. 8 Mythril OracleUSD automated report

max@max-VirtualBox:~/solidity/projects/sonm\$ myth -x OracleUSD.sol
The analysis was completed successfully. No issues were detected.

max@max-VirtualBox:~/solidity/projects/sonm\$

Pic. 9 Solc Market automated report

max@max-VirtualBox:~/solidity/projects/sonm\$ solc -o . --bin --abi --overwrite Market.sol
max@max-VirtualBox:~/solidity/projects/sonm\$

Pic. 10 Mythril Market automated report



Pic. 11 Mythril Market automated report













Pic. 14 Mythril Market automated report

Type: Warning
CONTRACT: UNKNOWN Function name: Satisarledddress(address)
Caddress: 4826
The contract account state is changed after an external call. Consider that the called contract could re-enter the function before this state change takes place. This can lead to business logic vulnerabilities.
In file: Market.sol:768
oracle = OracleUSD(_newOracle)
==== Exception state ====
Type: Informational
CONTRACT: UNKNOWN Einrethen news CenterderParame(uint256)
Paddress 5944
A reachable exception (opcode bare) has been detected. This can be caused by type errors, division by zero, out-of-bounds array access, or assert violations. This is acceptable in most situations. Note however t hat "assert()'s should only be used to check tivariants. use "require()' for regular input checking.
In file: Market.sol:527
Order memory order = orders[order1D]
smas Integer Overflow smas
Type: Warning
Contract: Unknown
runction name; Leturoerrarans(Lintzso) Pr_addrases: 622
A possible integer overflow exists in the function 'GetOrderParans(uint256)'.
The addition or multiplication may result in a value higher than the maximum representable integer.
The film involves collector
IN THE HARKELSULSET
Order memory order = orders[orderID]







Pic. 16 Mythril Market automated report





Pic. 17 Solc SimpleGatekeeperWithLimit automated report



mmissionBalance = 0

=== Message call to external contract ==== ype: Informational potract: Unknown

- ntract: Waknown nction make: gyn(nuint256) address: 2053 Is contract executes a message call to to another contract. Make sure that the called contract is trusted and does not execute user-supplied code. Is contract executes a message call to to another contract. Make sure that the called contract is trusted and does not execute user-supplied code.
- n file: SimpleGatekeeperWithLimit.sol:78

Pic. 19 Myhtril SimpleGatekeeperWithLimit automated report

Type: Warning Contract: Winknown Function name: Payin(uint256) PC address: 2126 A possible integer overflow exists in the function 'Payin(uint256)'. The addition or multiplication may result in a value higher than the maximum representable integer.
In file: SinpleGateKeeperHithLInlt.sol:79
transactionAnount + 1
<pre>state change after external call ==== Type: Warning Contract: Wuknown Function name: PayIn((unt256) PC address: 2131 The contract account state is changed after an external call. Consider that the called contract could re-enter the function before this state change takes place. This can lead to business logic vulnerabilities.</pre>
In file: SinpleGateKeeperWithLintt.sol:79
transactionAmount = transactionAmount + 1
seme State change after external call ==== Type: Warning Contract: Unknown Function name: Payln(uint256) PC address: account state is changed after an external call. Consider that the called contract could re-enter the function before this state change takes place. This can lead to business logic vulnerabilities. The contract account state is changed after an external call. Consider that the called contract could re-enter the function before this state change takes place. This can lead to business logic vulnerabilities. The contract account state is changed after an external call. Consider that the called contract could re-enter the function before this state change takes place. This can lead to business logic vulnerabilities.



Pic. 20 Myhtril SimpleGatekeeperWithLimit automated report



Pic. 21 Myhtril SimpleGatekeeperWithLimit automated report







max-VirtualBox:~/solidity/projects/sonm\$





Pic. 24 Solc SimpleGatekeeperWithLimitLive automated report





Pic. 25 Myhtril SimpleGatekeeperWithLimitLive automated report



Pic. 26 Myhtril SimpleGatekeeperWithLimitLive automated report



