



HERBY

**Blockchain-based platform for
the legal marijuana market.**

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1. THE IDEA

Herby is a blockchain platform for creating an associated network of cooperators in the legal marijuana market, united by a single quality brand. We unite the companies participating at all stages: growing, processing, and sale of the goods from natural hemp by introduction of technology of the blockchain.

We promote the entry of new SMB players into the market and strive to create a well-developed business infrastructure in a society free from restrictions related to the use of marijuana.

To date, there are a number of problems with the development of a legal marijuana market:

- Scientific studies from the 60's are still the basis for the input of multiple legislative and financial constraints;
- Historically, the prevailing public disapproval of marijuana;
- Absence of a unified system of product quality standards and workflow;
- Significant differences in the legislation of different states and regions;
- Absence of an effective system of distribution of products;
- Banks are very limited by local legislation, which makes the crediting process virtually impossible for the industry, access to financing for such companies is conditionally blocked.

These problems significantly complicate the life of legitimate industry participants and force them to go to the black market, which contributes to the growth of illegal trade in marijuana and the establishment of even greater restrictions.

Herby's mission is to create and develop an ecosystem with a rich variety of relationships between marijuana market participants based on blockchain technology.

Establishment of a decentralized blockchain standardization system for the marijuana market.

The introduction of the unique HBY token into circulation, which in turn minimizes the turnover of fiat assets in the industry.

Promoting marijuana and reducing moral constraints in modern society.
Financial and legal support for beginning industry participants.

2. BACKGROUND

Currently, 21% of the US population lives in states where smoking marijuana is legalized. The recreational use of cannabis is fully legalized in 8 states and in the District of Columbia, in 28 states marijuana can be purchased for medical purposes. Dozens of medical studies are conducted to confirm the useful properties of marijuana. All this generates a huge public resonance.

The process of using marijuana becomes a cult. According to polls, about 60% of Americans support the full legalization of cannabis throughout the country. Now the marijuana market is in a transitional stage until full legalization, we believe that the technologies implemented by our company will have a significant impact on this process, and this will help us become the undisputed leader of the industry.

First, the introduction of blockchain technology will make the process of research, testing, and certification of products as transparent as possible.

Secondly, the partnership network of Herby, where everyone has a voice, will have a significant impact on the development of the industry.

Thirdly, participation in investment of start-up projects of the industry will strengthen the capital adequacy of the fund, which will ensure a stable increase in the cost of the HBY token on crypto-exchange sites.

Fourthly, the use of HBY tokens in the network reduces expenses and, consequently, the price of the final product.

3. ANALYSIS OF THE MARKET SIZE

In 2016, residents of the United States and Canada spent 53.3 billion dollars to buy marijuana, including legal purchases for medical purposes. According to ArcView Market Research, this is more than the North Americans spent during the year in fast food restaurants McDonald's and Starbucks.

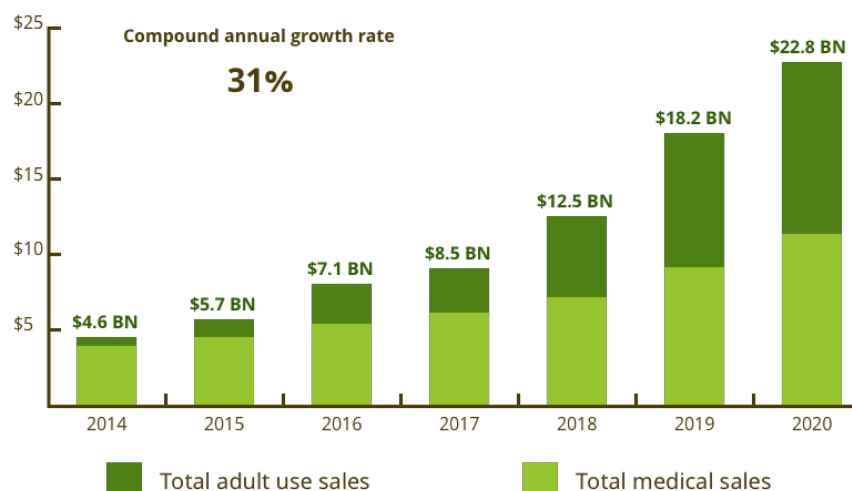
The marijuana black market is losing ground, the purchase of cannabis is gradually legalizing - consumers are spending more money on legal purchase of cannabis, but this process is still rather slow.

The North American market of legal marijuana in 2016 amounted to about 7.1 billion dollars, which is 30% more than in the previous year. At the same time, most of the marijuana was purchased on the black market, but its share for the year fell from 90 to 87 percent.

These figures show that the legal marijuana industry is growing rapidly, but the black market is growing even faster and receiving the lion's share of revenues. The cannabis market is growing significantly faster than other consumer markets, such as food, home video or gadgets.

We can say with confidence that the market of legal marijuana is still in its infancy and has a huge potential for development.

Market of Legal Marijuana



4. DETAILED DESCRIPTION OF THE PROJECT

4.1. COMPANY MISSION

Herby is organized for the complex solution of the legal market of marijuana. The introduction of block-chain technology based on the use of intellectual contracts will ensure full transparency of relations between members of the community.



Herby's main activities:

- Creation of a single partner network of legal marijuana market participants.
- Creation and maintenance of unified standards for certification, licensing, laboratory testing, distribution, and control over the turnover of products of members of the partner network using blockchain technology.
- Creation and development of own payment system for suppliers and buyers of products based on the HBY token.
- Provision of financial, consulting and legal support to new participants in the marijuana industry by buying shares of these companies.

- Organization of educational meetings and conferences in different cities of the USA.
- Creation of communities in social networks, conducting advertising and information activities on the Internet, promoting the formation of public opinion for the full legalization of marijuana.

4.2. ADVANTAGES OF HBY TOKEN HOLDERS

Despite the fact that HBY is not a valuable or investment asset, HBY owners do not have restrictions on reselling tokens to others.

HBY owners will get an opportunity to vote on key community issues.

HBY will be accepted by community members as a right to receive discounts on goods and services produced by these community members.

In addition, the HBY will be a means of mutual settlements between members of the community.

HBY can be exchanged for fiat money (dollars, euros, etc.) in jurisdictions where such exchange will be legal or other crypto-currencies (Bitcoin, Ether, etc.) on various crypto-currency exchanges after the ITO.

4.3. COMMUNITY MEMBERS

Herby is a unique community, whose members are bound by one common idea. We try to unite participants in the full production cycle of marijuana. We invite to cooperation: production, processing and logistics companies, medical institutions and research laboratories.

All interactions between the participants will take place using the smart contracts of the Herby block chain platform. For the first time Herby will independently perform a number of roles and will be one of the key participants in the ecosystem. At the same time, the main task is to delegate these roles as fully as possible to the members of the community.

4.4. GEOGRAPHY

Despite the fact that the target market for us are jurisdictions with full or partial legalization of marijuana (the list of which is regularly updated), individuals and legal entities can take part in buying or selling tokens in jurisdictions where the distribution of crypto currency is legal.

Holders of HBY will only be able to obtain a discount on the purchase of products from marijuana in jurisdictions with legal turnover of these products, subject to compliance with the laws of these jurisdictions.

4.5. SOCIAL ECOSYSTEMS

One of Herbie's priorities is the creation and development of social communities of like-minded people who take part in the development of the industry. Farmers, distributors, scientists, journalists, investors, marketers, doctors, software developers and lawyers can take an active part in planning Herby.

And holders of HBY tokens will be able to initiate and participate in voting on especially important issues related to the development of Herby and the entire industry as a whole.

All decisions made by the community will be applied to the development of new intellectual contracts or the improvement of old ones. Educational organizations will also be active participants in the system so that members of the community have the opportunity to improve some business skills in order to increase the effectiveness of their commitments.

Based on Herby, you can create an ecosystem of creating and tracking educational tracks, develop a cloud of business trainers and consultants in the industry.

4.6. DECENTRALIZATION

Herby provides an opportunity for mutual settlements between citizens and legal entities from different countries/states. At the moment, most banks are blocking the possibility of conducting similar operations for the industry. Herby's task is to completely solve this problem.

Decentralization of the system will make it possible to flexibly use its capabilities regardless of the jurisdiction of the partners. Our model will allow to organize professional communities in any country/state and easily establish interaction with communities in other jurisdictions.

4.7. PARTNER NETWORK

Each partner of our network agrees to accept Herby's quality standards voluntarily and comply with the terms of the smart contracts.

Herby's primary priority is to take care of the end user of the product. The introduction of the Herby quality mark will ensure the confidence of the end user and the continued growth in the cost of the HBY token on crypto-exchanges.

4.8. MUTUAL RESPONSIBILITY

An obligatory condition for the formation of a partner network is the creation of an insurance fund (30% of the collected funds at ITO.) The management of the insurance fund will be carried out by a common vote of participants of the partner network.

Herby's partner network will work according to the rules of self-regulation, which will allow partners to change the quality standards through a general vote. Also, it will allow making decisions on accepting or excluding partners from the partner network.

4.9. FINANCING OF CANNABIS ENTERPRISES

Any enterprise in the industry can apply for funding in the Herby investment fund.

Obligatory conditions for obtaining financing are:

- Joining Herby's affiliate network;
- Consent to Herby's participation in the share capital of the applicant;
- Accept HBY as a means of mutual settlements with other members of the Herby network.

5. COMPETITORS

Herby has no competition policy: we are ready to cooperate with any service or tokenization platform in the cannabis industry.

As part of the market research, various online and offline services were analyzed, using and without blockchain technologies.

List of companies and projects reviewed:

- Paragon - <https://paragoncoin.com>
- CannabisCoin - <http://cannabiscoin.net>
- MarijuanaCoin - <https://marijuanacoin.net>
- Weedcurrency - <http://weedcurrency.com>
- Terra Tech Corp - <https://www.terratechcorp.com>
- Leafly - <https://www.leafly.com/>

Study Summary:

If compared with other projects, the main differences of Herby are:

- HBV token will be reinforced by the participation in the share capital of partner companies;
- The ability to use the HBV token to receive discounts in the sales network;
- Decentralization of economic relations of network partners;
- Members of the partner network can create for themselves an endless variety of different relationships.
- The open market allows users to decide for themselves which types of relationships are best suited for specific situations.
- Self-regulating partner network;

Creation of economy of mutual offsets.

6. DESCRIPTION OF INTERACTION OF PARTNER NETWORK PARTICIPANTS

- Members of the partner network pass mandatory registration in the system and get access to their personal account to view available smart contracts and community news.
- To enter the transaction management panel, the user must follow the KYC (Know Your Client) procedure: make complete business information for your company. We will contact each member of the partner network for more information and discuss the details of the cooperation.
- When entering a transaction, participants sign an electronic contract that has legal force. In addition, participants will be able to connect to the transaction to other members of the partner network.

- Herby will provide an independent escrow account for fiat currency or crypto escrow for crypto assets.
- When signing a contract, the system adds a note with the number of the electronic contract.
- A smart-contract analyzes transactions and monitors the fulfillment of obligations.
- Herby registers all actions of partners in a blockchain.
- Following the execution of the contract, Herby registers the closing of the transaction in a blockchain.

In the process of relationships, network members can contact platform specialists to obtain additional services: valuation, analytics, legal support.

7. DEVELOPMENT OF THE PROJECT (ROAD MAP)

Q4 2017	Q1 2018	Q2-Q3 2018	Q4 2018
<p>Pre ITO</p> <ul style="list-style-type: none"> • <p>Preparation of legal framework for the ITO</p> <ul style="list-style-type: none"> • <p>Choosing Escrow, Legal and Security Partners for the ITO</p> <ul style="list-style-type: none"> • <p>Opening of a non-profit foundation</p> <ul style="list-style-type: none"> • <p>Prototyping</p> <ul style="list-style-type: none"> • <p>PR campaign for the ITO</p>	<p>ITO and access to crypto-exchangers</p> <ul style="list-style-type: none"> • <p>Preparation of smart contracts for network partners, preparation of legal basis for standardization of quality</p> <ul style="list-style-type: none"> • <p>Involving the first network partners</p> <ul style="list-style-type: none"> • <p>Opening of representative offices in California and Colorado</p> <ul style="list-style-type: none"> • <p>Launching the platform, forming base contracts</p> <ul style="list-style-type: none"> • <p>Formation and support of social communities</p>	<p>Use of the token in mutual payments of network partners</p> <ul style="list-style-type: none"> • <p>The conclusion of contracts with laboratories and scientific centers</p> <ul style="list-style-type: none"> • <p>Financing partners, the formation of the investment portfolio</p> <ul style="list-style-type: none"> • <p>Opening of representative offices in other states with legalization</p> <ul style="list-style-type: none"> • <p>Extending the functionality of the platform</p> <ul style="list-style-type: none"> • <p>PR to attract and accelerate Industry startups</p>	<p>Maintaining the value of the token by expanding the investment partnership</p> <ul style="list-style-type: none"> • <p>Running Herby's quality mark</p> <ul style="list-style-type: none"> • <p>Launching a sales network using a token</p> <ul style="list-style-type: none"> • <p>Opening offices outside the United States</p> <ul style="list-style-type: none"> • <p>Creation of Herby-card as a universal means of payment</p> <ul style="list-style-type: none"> • <p>PR for the retail network</p>

8. FINANCIAL

8.1. TOKENS

Tokensale price: 1 HBY = 0,001 ETH

Issue of tokens will take place during crowdsale, on the basis of the mint-contract. Bonuses are calculated automatically.

Crowdsale will be automatically stopped after reaching the hardcap.

The number of bounty tokens and team tokens will be determined by the result of the crowdsale.

Extra tokens will not be released.

8.2. PPESALE

Start: November 20, 2017.

Finish: either by reaching Hard Cap or by reaching December 4, 2017.

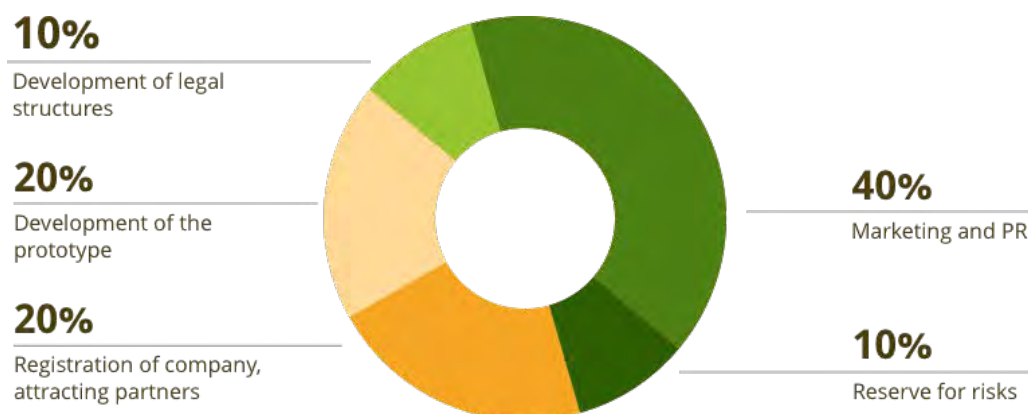
Soft Presale Cap: 400 ETH

Hard Presale Cap: 2000 ETH

8.2.1. PRESALE PROCESS

- On November 13 registration in the whitelist will be opened through the official site <https://herby.money>
- Organizers of token sale have the right to exclude a user from the whitelist if there are inconsistencies in the user's requirements regarding AML or CTF.
- On November 19, registration in the whitelist will be closed.
- On November 20, access to buying tokens in exchange cups is open for whitelist participants.
- On November 21, access to buying tokens in exchange cups is open to the public.
- Bonuses for tokens for the first participants:
 - o 50% - for buyers registered in our PRE-ITO Whitelist,
 - o 40% - for other participants of the presale.
- In the event that the Soft Cap is not reached, all the funds spent for the purchase of HBY will be returned to investors in their wallets. This condition will be spelled out in a smart contract.

8.2.2. PRE-ITO TOKENS DISTRIBUTION



- Development of the prototype:-20%
- Development of legal structures: – 10%
- Registration of company, attracting partners – 20%
- Marketing and PR: – 40%
- Reserve for risks: – 10%.

8.3. TOKEN SALE

Start: January 2018.

Soft Cap: 14,000 ETH

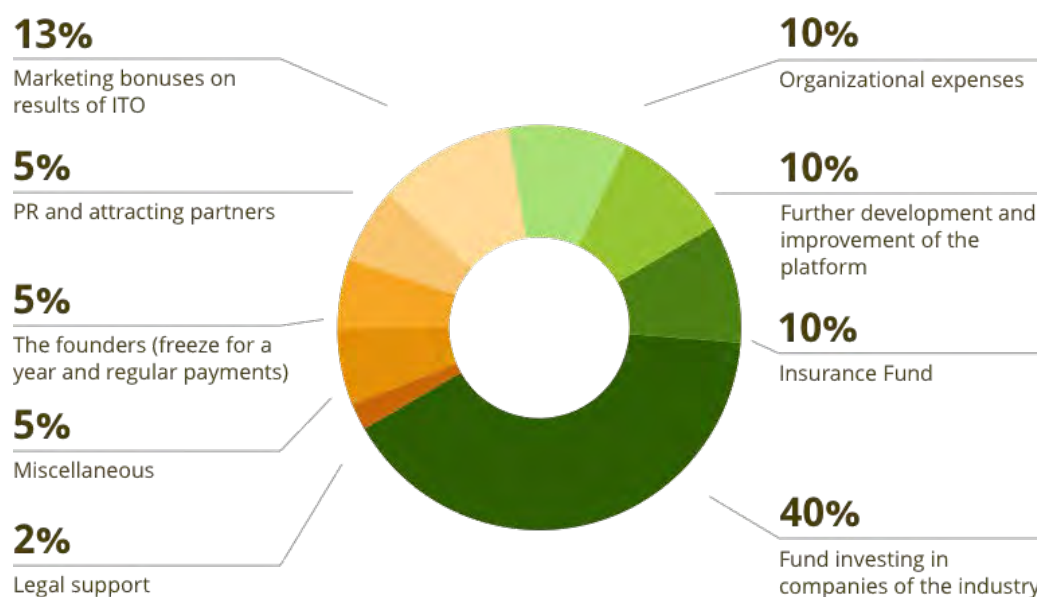
Hard Cap: 70,000 ETH

8.3.1. TOKEN SALE PROCESS

- ITO Bonuses
 - o 30% - for buyers registered in our ITO Whitelist,
 - o 25% - first week buyers,
 - o 20% - second week buyers,
 - o 10% - third week buyers,
 - o 5% - fourth week buyers.

Detailed instructions on participating in the sale of tokens will be published in advance, consultation on participation will be available on the official channels of the project.

8.3.2. ITO TOKENS DISTRIBUTION



- Further development and improvement of the platform: – 10%
- Fund investing in companies of the industry: – 40%
- PR and attracting partners – 5%
- Marketing bonuses on results of ITO: – 13%
- Organizational expenses (opening of representative offices, etc) – 10%
- Insurance Fund: – 10%
- Legal support: – 2%
- The founders (freeze for a year and regular payments) – 5%.
- Miscellaneous – 5%

8.4. HBY TOKEN CAPABILITIES

8.4.1. DISCOUNTS FOR PURCHASE OF GOODS FROM CANNABIS

The main driver of the token price increase:

- The owners of the token will be able to exchange HBY for a discount of up to 100% on the purchase of the final products in the industry. With the exception of payment of taxes, depending on the jurisdiction of outlets and networks.
- The initial value of the token is calculated as the cost of one ounce of cannabis (excluding tax payment)
- Participants of transactions will buy HBY tokens through the exchange automatically.
- If you keep the total number of tokens and the increasing demand, the token will grow in price.
- With the increase in the rate, the number of those who want to buy tokens will grow, which will create an additional supply deficit. If the HBY rate doubles, then people will get 2 times more rights to receive discounts in the partner network.

8.4.2. USE OF THE TOKEN IN THE MUTUAL CALCULATIONS OF THE NETWORK PARTNERS

Each network partner will be able to use HBY as a means of mutual settlements with other partners

The cost of executing smart contracts will be calculated in HBY, which, given the increase in the cost of the token, will be an attractive means of payment within the network and will provide additional exchange demand.

8.4.3. OPERATING INCOME

We plan to receive commission from the turnover of HBY under the smart contracts of the Herby system.

Due to a constant increase in the capitalization of the fund, the amount of the commission will not exceed 1% of the value of the contract.

The profit received as a result of the commission, compensates the economic expenses of Herbie. Excess of profit will be transferred to an investment fund.

8.4.4. SPECIAL FEATURES FOR THE KEY TOKEN HOLDERS

The key holder of the token is the holder of more than 50,000 HBY

The key holder has the right to participate in decision-making by open voting:

- on the introduction of new versions of a project;
- investment strategy;
- updating the business logic of the system operation;
- other strategic issues.

8.4.5. TECHNICAL FEATURES OF THE TOKEN

- The token to be issued with smart contract, Blokchejn: Ethereum written on Solidity.

- Automatic payments of Ethereum platform commissions
- Built-in exchange for Ethereum
- Ability to set commissions for transactions
- Compatibility with the ERC20 standard

8.5. NEW TOKEN EMISSIONS AFTER THE TOKEN SALE

Additional emissions of tokens after the completion of the crowdsale are impossible.

8.6. SAFETY OF INVESTMENTS

- During the main ITO, the collected funds will be stored on a multisig wallet, where at least three signatures out of four are required to withdraw funds.
- The right to sign will have two team members and two escrows.
- 85% of the funds raised at the ITO can be spent only for the intended purpose, and escrow signatures will be required.

- Team Tokens will not be sold during the first year of project life.
- Team members do not intend to sell tokens for 2 years.

8.7. DIVIDENDS ARE NOT PAID

Herby is a non-profit project, and the HBY token is a utility-token. It creates many opportunities for earning, but in order to do this, token holders will have to commit labor.

If the surplus of income accumulates in the ecosystem, it will be distributed in several directions:

- Formation of an insurance fund for partial compensation of defaults.
- Formation of a fund for granting preferential loans to participants in the ecosystem.
- Reverse foreclosure on the market.
- An endowment fund to serve the community of project developers for as long as possible.

8.8. INVESTMENT FUND

To form a market maker on the platform (a participant who is able to provide liquidity and always act as an industry lender), a portion of the funds raised at ITO in the amount of 40% will be directed towards the creation of an investment fund. The planned income of the fund will be about 10% per annum in USD.

8.9. INSURANCE FUND

Herby, being a non-profit organization, directs most of its surplus earnings to the insurance fund, partially offsetting possible defaults within the ecosystem.

8.10. REFUNDS AND REDEMPTION OF TOKENS

If we collect less than 50% of the requested amount on the main ITO, our company focuses on investing in the fiat companies of the industry. That will ensure the growth of HBY's capitalization.

Then there are two possible scenarios for the sequential implementation of business plan steps:

- The second round of crowd sale on the basis of an operating enterprise to attract new investors.
- The introduction of subsequent stages of development of Herby at the expense of profits received by the organization in the first year of operation (that is, by reinvesting).

Decisions on this issue will be made by tokens holders via online voting.

The minimum amount of ITO necessary for the launch and profitable activity of Herby is 14,000 ETH, which is 20% of the total requested amount. In the case of collecting at least 15% of the ITO funds, all the money spent on HBY purchase are returned to investors. This condition will be spelled out in a smart contract and must be enforced. If more than 20% of the required funds are collected, the trade in distributed tokens on cryptocurrency exchanges will be opened 1 month after the end of the main ITO. The team's tokens are guaranteed not to be sold during the first year of project life. Team members do not intend to sell tokens for 2 years.

9. LEGAL ASPECTS

9.1. LEGAL STATUS OF THE TOKEN

- Token buyers are not investors, and a token is not an investment
- HBY — application (utility) token.
- Buying a token is buying a license to access software and data. The more tokens the higher the privilege of access. In addition, HBY is entitled to a discount on the purchase of cannabis products in the Herby partner network. The more tokens, the higher the access privilege.
- The sale of tokens will occur on the basis of an offer.
- Token owners will not have restrictions on reselling tokens to others
- In order to follow AML (Anti-money laundering) requirements, the procedure KYC (know your client) will be conducted.
- Participation in the token for the US and Chinese citizens will be limited.
- The Token is not a security/investment according to the Howey Test:
 - o The Token is purchased for money or its equivalent.
 - o The token organizers are a group of persons united into one enterprise.
 - o The Token does not satisfy the third requirement of the Howey Test (With a reasonable expectation of profits derived solely or predominantly from the efforts of others) because:
 - Dividends are not being paid or planned to be held by the holders of the tokens.
 - A token is not a bond; the issuer does not pay the token holders a regular percentage on the loan.

- To make a profit from the token holders, it is necessary to make efforts: to use the software, to make transactions within the platform.

- Due to this legal status, a token can be legally bought and sold both for crypto assets and for fiat money, including US and Chinese citizens.

9.2. ORGANIZATIONAL AND LEGAL STRUCTURE

For the purposes of the Herby Project, a holding structure will be created.

9.2.1. NON-PROFIT FOUNDATION

Will be established in the form of stitching. The charter of the fund will set a limit on the payment of dividends - the fund will not pay them. In this regard, the fund will not have beneficiaries.

9.2.2. HOLDING COMPANY

The fund will act as a 100% founder of the Dutch holding company. The company will have a full-fledged functioning office in the city of Almere (Almere). The company will be the legal owner of all assets related to the intellectual property of Herby. In the framework of ITO, on the basis of the contract-offer, tokens will be issued.

9.2.3. OPERATING COMPANIES

Operating companies in the territories of doing business. The Dutch holding company will become a 100% founder of local operating companies. Some jurisdictions require a license to carry out activities. In some countries, a local legal entity will be required to work with the local currency, in some it will be more beneficial from a tax point of view to work through a local operating company.

9.2.4. TOKEN SALE OPERATOR

An independent European company will be engaged to conduct ITO. This company will be responsible for compliance with AML and KYC procedures in the implementation of Dutch company tokens. Perhaps the project will require additional structures in other jurisdictions. The choice of these jurisdictions is preliminary. The issue will be studied in detail during the preparation for the main ITO.

9.3. SMART CONTRACTS

The flow of documents in the partner network will be done electronically and recorded in the blockchain. Countries in which courts do not accept electronic contracts will not be connected to the platform.

Examples of electronic contracts:

- The supply contract
- Contract for laboratory studies
- Investment agreement
- Surety Agreement
- Currency transaction passport
- Hedging of currency risk
- Insurance contract
- Pledge contract
- Claims and collective actions
- Settlement agreements
- Assignment of claims

9.4. RISKS

You must carefully read and assess each of the following risks and other information specified in this document before deciding to participate in the release of HBY tokens. If any of the potential risks listed below proves to be real, the business, financial condition and/or performance of the Company, the volume of use of the Herby platform and the cost of the HBY token may materially change. In such cases, the stock price of HBY tokens (provided that the token is traded on the crypto-currency exchange) may fall due to any of the following circumstances, uncertainties or material risks, and you may lose all or part of your HBY tokens.

- HBY tokens have never been released before and the release of tokens does not guarantee the demand or liquidity of HBY tokens;
- Future sales and release of HBY tokens can significantly change the market value of the HBY token;
- Negative publications can significantly change the cost of HBY tokens;
- Herby does not guarantee the success of our platform or any future activities;
- Funds raised during ITO can be stolen;
- The private keys of the guarantor's wallets can be compromised, and the cryptocurrency may not be distributed;
- Herby can materially suffer if it fails to effectively perform its tasks in the process of developing its business, which in turn will have a direct impact on the company's ability to service the Herby platform and/or launch new activity lines;
- Herby can experience system errors, unplanned outages of network services, hardware defects, security breaches, or other complications that could adversely affect the network infrastructure of the platform;
- We are partially dependent on third-party rooms and data-centers;
- Global market conditions may adversely affect Herby's performance, its efficiency, productivity and cash flows;

- Herby, or the HBY token may be affected by new laws and regulations;
- There may be other unforeseen risks associated with HBY tokens.
- Herby is not responsible for non-compliance with the obligations of the holder of the token caused by force majeure, including accidents, delays in the delivery of materials, embargoes, government orders, orders of civil or military authorities, actions of the carrier (cargo), emergency conditions (including weather conditions) incompatible with security or decent working conditions, or any unforeseen event that makes the work commercially unreasonable. In the event of force majeure circumstances, a party affected by default of another person may decide to suspend the performance of its obligations in full or in part during the period of force majeure. A party facing force majeure circumstances must cooperate with the injured party and provide it with all reasonable measures to minimize the impact of force majeure on the injured party.

9.5. PRIVACY

Although Herby requires that the holders of the tokens provide an Ethereum address, Herby will not publish any identifying information associated with the purchase of HBY without the prior written consent of the token holder.

Herby can contact the token holder via e-mail. Such e-mails from Herby will be exclusively informational. Herby will not ask for personal information from the holders of the tokens via e-mail.

10. LIMITATION OF LIABILITY

PLEASE READ THIS DISCLAIMER SECTION CAREFULLY. CONSULT LEGAL AND FINANCIAL EXPERTS FOR FURTHER GUIDANCE.

If you, using this site, invest in the project under the Chinese, American, Canadian or Singapore IP address, your actions can be considered illegal and can be prohibited in accordance with the laws of your country. These rules apply to all except for certified investors.

The information contained in this document does not imply any elements of the contractual relationship and may be incomplete. Despite the fact that we make every effort to ensure that all data on the website is accurate and relevant at this time, the proposed document is not an alternative to consulting a specialist. Herby does not guarantee and does not assume any legal liability arising from or related to the accuracy, reliability, relevance or completeness of any material contained herein. Individuals intending to invest in the project should seek the advice of an independent specialist before undertaking any of the actions outlined in this document.

11. GLOSSARY

Fiat assets (fiat money) — the currency, which has the position of the only legal payment means in the government. The internal cost of fiat money is either very low or non-existent. Nowadays, most banknotes are fiat, including the USA dollar. Its cost is guaranteed only by governmental authority. Fiat currency is not connected to gold, it is not supported by anything at all.

Escrow account — is a special holding account where all property, assets, documents or money are held until certain actions are implemented or fulfilled. Agreed amounts are transferred by a bank (or other guarantors) to the contracted recipients of the deal once the contractor it has fulfilled all its liabilities to the other side. In many ways, escrow accounts are similar to letters of credit or bank cells. The letter of credit is a more archaic instrument, which requires written communication to the bank, while the escrow account is more convenient for remote work.

Blockchain — a sequenced chain of blocks containing information, built according to certain rules.

Cryptocurrency — a digital accounting unit, which has decentralized issue and accounting. The function of these systems is based on the technology of blockchain. Information about transactions is usually not encrypted and is available in clear form. To ensure the stability of the transaction chain database, cryptographic elements are used.

Crypto asset — a digital derivative financial instrument that has the properties of a cryptocurrency issued by a company or a group of individuals to attract financial resources for the implementation of prospective projects or buying assets for capitalization, where the crypto asset is an instrument guaranteeing the identification of the owner of a crypto asset with the fulfilment of the issuer's obligations to the crypto agent.

Token — a cryptocurrency or a crypto asset that a company puts up for sale to collect money for its project. Tokens can play the role of stock, bonds, donations, unique identifier, and access to software or information.

ICO (Initial Coin Offering, ITO, ITG, token sale) — a mechanism for raising funds through token sales, from investors using either crypto or FIAT currencies.