

tokeny *The Most Trusted ICO Platform*

The sustainable ICO protocol.

A proposed Certification Methodology for Initial Coin Offerings

VERASITY.IO REPORT

V.0.9 - March 2018

tokeny *The Most Trusted ICO Platform* - www.tokeny.com - contact@tokeny.com



This work is licensed under a [Creative Commons Attribution-NonCommercial 4.0 International License](https://creativecommons.org/licenses/by-nc/4.0/). You should not rely on this framework as legal or financial advice. It is designed for general informational purposes only. This framework is provided "as is" with no representations, warranties or obligations to update, although we reserve the right to modify or change this framework from time to time.

General Purposes

The Sustainable ICOs Protocol (SICOP) defines a methodology to conduct successful, secure and sustainable Initial Coin Offerings (ICO) by standardizing good practices and ethical rules.

This purpose of this report is to analyze Verasity's project and Token Sale/ICO in order to verify whether or not the project meets the standards of Tokeny's SICOP. Tokeny has studied all of the available documentation and technology made available to them by Verasity in order to come to a consensus on whether or not the project meets the SICOP specifications. Tokeny also discussed the project with Verasity's founders in order to answer questions more clearly and offer advice that would make the project more aligned with the SICOP. Projects that are found to align with the SICOP will have the ability to have their ICO operational on Tokeny's ICO network.

DISCLAIMER: This report does not constitute financial or legal advice. Any person seeking financial or legal advice should hire their own certified professional. This report is meant for informational and educational value only. Tokeny's role and objective in producing this report is to verify the veracity and completeness of the main information provided by Verasity.

Project Name: Verasity

Person in charge: David Archer, Director

Applicable jurisdiction: Cayman Islands

Website: verasity.io

White paper: https://verasity.io/documents/verasity_whitepaper_eng.pdf

We would like to thank the following people for their work:

Eamon Walsh - *VP of Compliance* at tokeny.com

Luc Falempin - *Founder & CEO* at tokeny.com

Arthur Nguyen - *CTO* at tokeny.com

Dilip Chouhan - *Chief Blockchain Architect* at tokeny.com

Mathieu Cottin - *Head of Business Development* at tokeny.com

tokeny *The Most Trusted ICO Platform* - www.tokeny.com - contact@tokeny.com



This work is licensed under a [Creative Commons Attribution-NonCommercial 4.0 International License](https://creativecommons.org/licenses/by-nc/4.0/). You should not rely on this framework as legal or financial advice. It is designed for general informational purposes only. This framework is provided "as is" with no representations, warranties or obligations to update, although we reserve the right to modify or change this framework from time to time.

GLOSSARY	
SICOP	The proposed Sustainable ICOs Protocol (SICOP) defines a methodology to conduct successful, secure and sustainable Initial Coin Offerings (ICO) by standardizing good practices and ethical rules.
Project Leaders / Issuer	Project Leaders / Issuer refer to the representatives of the team launching an ICO.
Contributors	Contributors are the project community members buying tokens during the initial coin offering. They purchase tokens for financial utility or for application utility.
Advisors	Advisors are all the individuals providing advice to the project leaders regarding marketing, legal or technical aspects.
Regulators	Government issued authorities regulating local or global financial markets.
Community	The community is the group of people following, interacting or participating in the project development. It could be Contributors, Advisors, Partners, Project leaders, team members and even Regulators.
White Paper	A White Paper is an informational document issued by Project leaders to explain, promote or highlight the features of their solution. Even if they explain the tech considerations of the project, White Papers are sales and marketing documents used to entice or persuade contributors of the utility and sustainability of their token. A Whitepaper is a marketing tool before a sale, it is not a user manual and has a limited juridical value.
Smart contract	A Smart contract is a computer protocol intended to facilitate, verify, or enforce the negotiation or performance of a contract. More so, smart contracts not only define the rules and penalties around an agreement in the same way that a traditional contract does, but also automatically enforce those obligations.
Token	A token is a private key which represents the right to perform some operations through a smart contract.
KYC	Know Your Customers (KYC) is the process of a business identifying and verifying the identity of its clients.
AML	Anti-money laundering (AML) refers to a set of procedures, laws and regulations designed to stop the practice of hiding the source of illegal income.

BUSINESS	
Project Relevancy	
Vision	<p><i>The founders should communicate on a long-term vision. The Mission of the company is well defined.</i></p> <p>The Verasity project is a Proof-of-View (PoV™) and Delegated Proof of Stake (DPoS) blockchain enabled video sharing platform that facilitates and rewards direct value exchange between video viewers and content publishers or creators.</p> <p>The company enables viewers to earn while they watch and provides the ability for the community to take a stake in their favourite content creators. Publishers and creators will be able to directly monetize their content without the middlemen whilst producing new ways to finance growth.</p> <p>Verasity has committed to a long-term vision which is clearly defined throughout their white paper.</p>
Problems	<p><i>Malfunctions of the market and their causes are well identified.</i></p> <p>There are many issues with current video platforms including excessive advertising, content creators being left out of a major portion of the revenue, viewers not getting as wide a market of choices as should be possible, scaling issues due to platforms wanting more viewers and advertisers while content creators have to cut costs and viewers don't want to deal with advertising.</p> <p>Verasity has clearly identified the malfunctions and the causes thereof in the video platform market, as described in the Whitepaper.</p>
Value proposition	<p><i>The value proposition is simple and understandable by anyone. The proposed solutions can be implemented and there is no insurmountable barrier such as legal issues or strong monopole on the market.</i></p> <p>There is a clear value in being able to implement a new decentralized marketplace for video sharing. There could be legal issues as far as copyrights and illegal video in certain countries but Verasity has proposed a program to combat these issues.</p> <p>There are large companies like YouTube (Alphabet) or Vimeo on the actual market but no strong monopole and Verasity has a good knowledge of the market and the key players and rival companies.</p> <p>Verasity's value proposition is clear and the solutions can be implemented without a clearly identifiable insurmountable barrier thanks to blockchain technologies.</p>
Revenue model	<p><i>The company must explain how it will benefit from the use of the network to earn money and be able to finance its future developments.</i></p> <p>Each transaction in the Verasity system will require a small transaction fee, these fees will be pooled together and part of that pool will go to the further development of Verasity.</p> <p>Tokens will be used to transfer data and incentivize both viewers and content providers.</p>
Network effect / Fat protocol	<p><i>The token sale allows the company to solve a chicken-egg problem and to reach the critical size needed to incentivize each participant of the network.</i></p> <p>Verasity has identified their token mechanism as an incentive based program where viewers and content providers can earn tokens as well as VERAfiers users who help keep the system running. This causes a marketplace where everyone is rewarded for their participation, generating positive network effects.</p>

tokeny The Most Trusted ICO Platform - www.tokeny.com - contact@tokeny.com



This work is licensed under a [Creative Commons Attribution-NonCommercial 4.0 International License](https://creativecommons.org/licenses/by-nc/4.0/). You should not rely on this framework as legal or financial advice. It is designed for general informational purposes only. This framework is provided "as is" with no representations, warranties or obligations to update, although we reserve the right to modify or change this framework from time to time.

Market size	<p><i>The market should be big and open enough to attract worldwide Contributors.</i></p> <p>Veracity has identified a very large market that includes casual viewers, filmmakers, content providers, advertisers and has clearly shown that the digital video platform is large worldwide platform. Veracity is designed to attract worldwide contributors.</p>
Timing	<p><i>The market should be ready to adopt the disruption brought by the project. Also, some external events can impact the project's relevance (new law, etc.) and these risks should be identified.</i></p> <p>Veracity has identified a market that is evolving in a way the viewers and content providers want more power but it's taken away from them by middlemen and the video platforms that run the system. The market is ready for a video platform that gives more independence to all parties and cuts out the middlemen and limits advertising.</p> <p>For external events Veracity has identified some legal issues that can face video sharing platforms such as the use of copyright video, illegal pornographic or violent video and has also identified ways to combat these issues.</p>
Competitors	<p><i>Competitors trying to solve the same issues have to be on the market as well. The project should have a competitive advantage on these competitors (secret sauce).</i></p> <p>There are some competitors on the market. Most of them are young but well funded projects:</p> <ul style="list-style-type: none"> • Basic Attention Token: 35m\$ raised during the ICO. Digital ad exchange that works within the Brave browser, Youtube will soon cease from operating within Brave • Steem: 1.2B\$ marketcap as of January 2018. Roughly 34M users. • Props: Live streaming video based on Ethereum Blockchain with established investors. • Flixo: P2P, decentralized video platform. Raised 12M\$ during it's ICO, current market cap of 68M\$ with no live product. <p>The major distinction between Veracity and these projects is that Veracity will have it's own Decentralised Proprietary Blockchain which will help slow congestion and lower the risk in the economy. It will also utilize a Centralized Video Distribution which will guarantee easy scalability, much higher quality video playback with much lower downtime than a P2P network and its platform and player already output more than 8 PB of data per month, so it is a proven working system. You can see the Player on veracity.io.</p>
Token Economics	
Token Utility Value	<p><i>The issued tokens should have a strong utility value within the network and are not only a fundraising or payment system. The associated rights have to be clear and should be usable from day one of the token issuance.</i></p> <p>Once the Veracity ecosystem is up and running the tokens are a vital part of the operation of the ecosystem. All transactions including paying content providers and viewers are done with the VERA token. Advertisers must pay VERA token into the system. Basically, the VERA token is powering the whole economy.</p> <p>The ERC20 tokens that will be issued during the token sale are not the tokens that will power the system: they will be exchange on a 1:1 ratio with the tokens from the new blockchain when it will be operational.</p>
Token Price	<p><i>The token prices must be the result of a formula based on market facts and taking into account the anticipated supply and demand fluctuations.</i></p>

	<p>Veracity's target, based on economists studies, is to achieve a stable liquid internal economy in the medium and long term with a inflation rate target of 3%. By combining Monetary and Fiscal policy, they believe this will be the first sustainable crypto transaction economy.</p> <p><i>There is a mechanism to ensure a programmed inflation rate on the token.</i></p> <p>The supply of token is limited to 12,491,500,000. Veracity has developed an economic analysis and implementation that will ensure VERA inflation will target 3% and substantially lower than the growth rate of the economy to ensure appreciating VERA value.</p> <p><i>The price of the token must be controlled by a smart contract during the ICO.</i></p> <p>The price of the token will be defined in USD and the number of allocated tokens will be automatically defined depending of the exchange rate at the moment the payment is received. There is expected to be a cap of \$43.7M for the token sale.</p> <p><i>Bonus conditions have to be transparent. Referral bonuses as well.</i></p> <p>Veracity has allocated 2.5% of the total tokens for referral bonuses.</p>
Earnings	<p><i>Future earnings associated to the tokens must be detailed in the White Paper and coded in the Smart contract.</i></p> <p>Token holders will be able to sell their tokens to invest in content providers, to purchase content, to opt out of advertising, to purchase advertising and for other uses within the ecosystem. They will also be rewarded by verifying transactions of the network if they are VERAfiers.</p> <p><i>Project leaders must indicate which entities or persons will benefit from the project earnings in case of success or who will assume the loss in case of failure.</i></p> <p>The project leaders and advisors will get 7.5% of the tokens and those tokens vest over 18 months. In case of success or failure of the company, the identified project leaders will be responsible under the terms of the jurisdiction of the company.</p>
Supply & Demand	<p><i>Liquidity conditions and rules related to the tokens creation/destruction must be clearly explained. Also, tokens should respect standardized protocol to facilitate their liquidity (ERC20, Waves, Neo, etc.) on third-party services.</i></p> <p>The token supply is based on the velocity of the market within the ecosystem. Veracity has committed to continually calculating and refining the algorithms used.</p> <p><i>Before the ICO, Project leaders must define the number of tokens issued and the minimum and maximum tokens to purchase per Contributor.</i></p> <p>There will be a total supply of 12,491,500,000 Veracity tokens with 50% of the total supplied being offered for the Token sale (6,245,750,000). 2,000,000,000 tokens were sold during a private sale, all private sale token purchases vest over 9 months. The core team and founders will receive 20% of the total tokens offered which vest for 18 months.</p>
Team and Governance	
Founders	<p><i>Project leaders must comply with KYC requirements and should be experienced professionals in their market.</i></p>

	<p>Project leaders can be identified through Veracity's website and documents. Leaders have committed to pass the KYC checks. IDs will be verified and their profile will be compared with international watch lists.</p> <p><i>They have to demonstrate that they are able to manage, control and conduct their business effectively with due skill, care and diligence. They should engage themselves to take in high consideration the risks related to their business and customers.</i></p> <p>The founders are experienced professionals with a proven record of high performing businesses in the media, video and technology sectors.</p> <p><i>Project leaders must sign a Chart of Ethics, which can be recorded on a Blockchain (Proof of Ethics). Veracity has committed to signing and developing a Chart of Ethics at this time.</i></p>
Team	<p><i>A complementary team should be in place and already working on the product for a minimum of 3 months.</i></p> <p>The core team has been involved with the project since July, 2017 but some of the features such as the video player have been in development for years and the development and management team have been working together for four years.</p> <p><i>Project leaders must ensure necessary human, technological and capital resources to guarantee a proper and secure service to Contributors.</i></p> <p>Veracity has funding in place including a \$500K marketing budget that will not endanger the project. The leaders have put together a good team with technological and capital resources that will provide secure services to Contributors.</p>
Advisors	<p><i>The ICO documentation should describe the participation of each Advisor.</i></p> <p>The Advisors are listed in the whitepaper and their experience and participation is also listed.</p> <p><i>If the Advisors will receive any kind of remuneration for their advice it should be mentioned.</i></p> <p>Veracity will allocate 7.5% of the total supply to award advisors, those awards vest for 18 months.</p>
Early Contributors / Investors	<p><i>Previous investors, incubators, accelerator or advisors can be mentioned.</i></p> <p>Investors, advisors, and partners are mentioned in the whitepaper.</p>
Governance	<p><i>Effective corporate governance mechanisms such as a voting process should be defined: Nominating a board with 4-10 persons is a good practice. At least one member of the board should not be part of the company as a shareholder.</i></p> <p>The Veracity Foundation will be responsible for ensuring the vision of the White Paper is adhered to and funding the development and support of the community. The Foundation will be led by David Orman and David Archer and may be expanded in the future.</p> <p><i>One corporation or person must be designated to represent and take responsibility for the team.</i></p> <p>Currently, The Veracity Foundation will represent the Veracity project and take responsibility for the team.</p>
Spending	<p><i>Before the ICO, Project leaders must edit an exhaustive list of the distribution of the funds raised (taxes, future developments, reserve, project leaders remuneration etc.).</i></p>

	<p>Veracity has provided some insight into how funds will be used to develop the ecosystem and blockchain and will also be reserved in a pool for future development.</p> <p><i>After the ICO, all expenses superior to 500,000 euros that did not appear in the pre-ICO forecast should be published to token holders. Quarterly Spending communication by the Foundation to all members</i></p> <p>After the ICO, Veracity will provide quarterly updates of spending and forecasts and will be communicated to all token holders. Use of Funds will be provided in the report as well as a forecast of Use of Funds.</p>
Team tokens	<p><i>Tokens allocated for Project leaders, Partners and Advisors must be locked up for a minimum of 180 days posterior to the ICO end date.</i></p> <p>Yes, Veracity has committed to locking in tokens to Founders, Leaders, Advisors for 18 months.</p> <p><i>Project leaders should not be able to buy or sell their tokens during at least the 15 days prior to the announcement of the quarterly management reports to avoid insider trading practices.</i></p> <p>Veracity has agreed to these limitations on token sales in their Code of Ethics.</p>
Key Partners	
Partners	<p><i>Partners within and outside the industry must be highlighted. In case partners logos appear on any commercial material, a clear explanation of the relationships between the two entities must be given.</i></p> <p>Veracity has clearly listed partners within and outside the industry and has included their logos and information in the White Paper</p>

TECHNICAL	
Project Technical Feasibility	
State of the Art	<p><i>The underlying technology is described and commented on, by professional and scientific researches/ reports, proving the theoretical feasibility of the project.</i></p> <p>Veracity extensively outlines the various underlying technology that will be used for the project and shows that it has been well tested.</p> <p>The technology that will be utilized is well described and layed out in the white paper. It's based on similar principles to some competitors and on recommendations of research papers while also setting itself apart from competitors with its proprietary blockchain and centralized video sharing. They also have their own well tested video player on its online video platform and prototype player wallet available now.</p>
Tech stack	<p><i>The main technologies used to build the product should be described.</i></p> <p>Veracity will use a Proof of View (PoV™) stake on their Delegated Proof of Stake (DPoS) blockchain. The blockchain will be based on Graphene's open source DPoS Blockchain.</p>
Proof of concept	<p><i>A MVP (minimum viable product) must be shared with the Contributors, at least in Alpha version.</i></p> <p><i>Yes, a demo of the play platform is available as well as a player wallet on the blockchain prototype.</i></p>
ICO Smart Contract	

Accessibility	<p><i>The smart contract source code must be available and easily shareable within the community: The smart contract is an agreement between the Project Leaders and the Contributors and everybody should be able to understand it properly.</i></p> <p><i>The smart contract must be available on blockchain scanners (etherscan for example).</i></p> <p><i>It must be commented on and explained: The functions within smart contracts must be explained using proper comments, for easy understanding.</i></p> <p><i>The documentation of the ICO project should include a report on the smart contract features: A clear english translation of the detailed review by experts on the contract's features, including the power held by its owners, token features and upgrade mechanisms.</i></p> <p>For the ICO smart contracts, Verasity has committed to respecting the SICOP good practices. Verasity has committed to having the smart contract audited by a third party and available on etherscan.</p> <p>There is fairly clear documentation as to how the contracts will work, how the tokens will flow and the power and functionality of the token owners. The features of the the smart contract are well described.</p>
Transactions	<p><i>Every single transaction during sale and presale must be recorded on the Blockchain.</i></p> <p>Verasity will accept ETH and BTC during the ICO Therefore, every ETH transaction will be recorded on the blockchain.</p>
Payments handling	<p><i>The information on token price in the blockchain currency must be provided (during event or transaction).</i></p> <p>The token price is based on USD and the exchange rate will be determined at the point of sale.</p> <p><i>A transaction notice should be sent to contributors after payment.</i></p> <p>Verasity has committed to respecting these engagements. A confirmation email will be send to the token buyers.</p>
Payment methods	<p>The Contributors should be able to pay their tokens with the currency of the blockchain protocol used for the ICO.</p> <p>Contributors will be able to pay in ETH and BTC.</p> <p><i>The Project leaders can facilitate payments by proposing bridges with other currencies. When payments are done with other currencies, exchange rates, fees, methods and service providers have to be as transparent as possible.</i></p> <p>If Verasity decides to accept other currencies, Shapeshift and Coinpayments will be considered.</p> <p><i>If the ICO's smart contract accepts other currencies whether crypto or fiat, then another smart contract must be set up to handle said currencies and maintain transparency on the blockchain.</i></p> <p>Verasity will develop, with the assistance of specialized developers or solutions, smart contracts oracles for the various currencies they will accept for their crowdsale if they decide to accept addition currencies besides ETH.</p>
Escrow system	<p><i>Raised funds must be locked up in an escrow system during sale and pre-sale to ensure and protect contributors rights.</i></p> <p>At this point there is no escrow system described in the documentation. ETH payments will remain in the smart contract vault until the end of the ICO. BTC payments will arrive on Verasity's wallets.</p>

Min cap / Max cap	<p><i>The ICO should have a min cap (goal) and a max cap. Min cap is the minimum amount required to carry on with the project. Max cap represents the maximum amount the project will need.</i></p> <p>Veracity proposes to raise \$43.7M with a minimum soft cap of \$4 M.</p> <p>Veracity is working with a Swiss Company, Centre for Cryptoeconomics, on the token economics and an Economic White paper is available.</p> <p><i>The ICO contract should stop the crowdsale once the max cap is reached, continuing the sale can lead to token devaluation.</i></p> <p>The sale is expected to end when the hard cap is met. It will be coded and made public in the Smart contract.</p> <p><i>The ICO contract should refund contributor's money in case they fail to reach their goal.</i></p> <p>The ICO smart contract will include a refund function.</p>
Period	<p><i>ICO start and end conditions must be controlled by a Smart contract.</i></p> <p>Veracity has committed to respect this guideline.</p>
Prepare for failure	<p><i>The code must be able to respond to bugs and vulnerabilities gracefully:</i></p> <ol style="list-style-type: none"> 1. <i>Pause the contract when things are going wrong ('circuit breaker').</i> 2. <i>Manage the amount of money at risk (rate limiting, maximum usage).</i> 3. <i>Have an effective upgrade path for bugfixes and improvements.</i> 4. <i>Test contracts thoroughly, and add tests whenever new attack vectors are discovered.</i> 5. <i>Provide bug bounties starting from alpha testnet releases.</i> <p><i>Upgrades to the latest version of any tool or library have to be done as soon as possible.</i></p> <p>Veracity has committed to respect these good practices.</p>
Simplicity of code	<p><i>Contracts should remain simple. Complexity increases the likelihood of errors. The code should be modularized to keep contracts and functions small.</i></p> <p><i>Already-written tools or code (such as Zeppelin-Solidity) should be used where possible.</i></p> <p><i>Clarity should be preferred to performance whenever possible.</i></p> <p>Veracity appears to be utilizing code, tools, and software that is readily available and tested and used by other businesses.</p> <p>The Smart contracts will also respect these principles.</p>
Blockchain within the project	
General use	<p><i>Project leaders have to use the blockchain only for the parts of the system that require decentralization.</i></p> <p>Veracity will only be using the blockchain when necessary for decentralization and encryption of datasets. The team understand well the advantages and disadvantages of decentralized applications.</p> <p><i>The project must have a globally distributed node network.</i></p> <p>The project will be using a custom blockchain with certified users called VERAfiers that will work as the nodes.</p>
Trustless practices	<p><i>Token holder rights must be protected in a trustless way.</i></p>

	<p>The tokens will be defined by the Smart contracts during the ICO. Veracity has committed to a smart contract that will be written to protect holder's rights after the airdrop to replace ETH once the platform is ready.</p> <p><i>Digital Records: All the transactions must be part of a digital record system, which is accessible to all and maintains transparency for the users.</i></p> <p>The Ethereum blockchain will be used for the ICO so transactions will be accessible publicly. On the Veracity Blockchain, logs will be published to ensure an accurate and transparent Proof of View (PoV™). These logs will contain all views and content recommendations along with anonymized viewer information.</p> <p><i>Secure: By using a blockchain (which is virtually unhackable), it must be impossible for the Project leaders to add, remove or edit data without being detected by others.</i></p> <p>The system will use blockchain to make the data as immutable as possible. As this data is stored in a decentralized manner, third parties are able to prove that each top hash added to the Veracity Blockchain is accurate and unchanged. This allows any third party to verify that the logs added within each new block on the Blockchain have not been tampered with, changed, branched or forked.</p> <p><i>Decentralized: All transactions must be verified by a consensus, not by any central authority.</i></p> <p>Veracity's Blockchain will be based on the Graphene Delegated Proof of Stake (DPoS) Blockchain. The consensus is well described in the White paper.</p> <p><i>Removing Intermediaries: The best effort should be done to disintermediate middlemen by replacing costly third parties with decentralized and immutable counterparties, who can independently transact and verify the data on a ledger.</i></p> <p>It will be the main advantages of Veracity on the existing centralized competition.</p>
Must Do's for Developers	<p><i>Project leaders should:</i></p> <ul style="list-style-type: none"> - <i>Be aware of the tradeoffs between send(), transfer(), and call.value(). Until very necessary use transfer().</i> - <i>Favor pull over push for external calls. This helps with solving the problem of Reentrancy in Solidity. Pull means there should be a function for users to pull their investments from the smart contract. In Push, Smart contract owner will push contributors investment to him.</i> - <i>Use assert() and require() properly, assert() is to check invariants and require() is to check incoming parameters.</i> - <i>Beware of rounding with integer division and division by '0'. This will be solved in later versions of solidity.</i> - <i>Remember that Ether can be forcibly sent to an account (using selfdestruct() function).</i> - <i>Keep fallback functions simple. As gas assigned to transfer can only be used to log an event.</i> <p>Veracity has committed to respect these good practices.</p>

LEGAL

Incorporation & Jurisdiction	<p><i>Project leaders must explain their choice of jurisdiction regarding the country of incorporation of the existing or future entity.</i></p> <p>Veracity is legally established in the crypto friendly Cayman Islands.</p>
------------------------------	--

tokeny The Most Trusted ICO Platform - www.tokeny.com - contact@tokeny.com



This work is licensed under a [Creative Commons Attribution-NonCommercial 4.0 International License](https://creativecommons.org/licenses/by-nc/4.0/). You should not rely on this framework as legal or financial advice. It is designed for general informational purposes only. This framework is provided "as is" with no representations, warranties or obligations to update, although we reserve the right to modify or change this framework from time to time.

	<p><i>Project leaders must designate the competent court in case of litigation.</i></p> <p>The Verasity Foundation is duly incorporated and validly existing under the laws of the Cayman Islands and has the power and authority to own, lease, and operate its properties and carry on its business as now conducted.</p>
Legal Reviews & Consulting	<p><i>Project leaders must get a legal opinion regarding the choice of jurisdiction to run the ICO and the nature of the issued tokens.</i></p> <p><i>Project leaders could record the legal opinion on a public Blockchain as a proof of legal compliance.</i></p> <p><i>Project leaders should be transparent regarding the law firms and legal advisors associated with the project.</i></p> <p>Verasity has a legal officer on their advisory team and has also obtained the services of respected and experienced law firms: Ogier and Pitmans.</p>
KYC & AML	<p><i>A compliant process to collect and verify information of the Contributors must be implemented in the registration process for the ICO (identity and watch lists verifications).</i></p> <p>Verasity will do KYC checks for each Contributor as necessary. The Projects leaders will do:</p> <ul style="list-style-type: none"> • Identity check: It verifies an applicant's name, address and date of birth by cross-referencing their details against a range of verified databases. This includes a database of 1.2m stolen identities. • Document check: It consists of a visual image scan which analyses passports and other identity documents to verify that they are valid. The technology will also identify whether the document has been recorded as lost, stolen or compromised. • Watchlist check: It will identify whether your applicant is listed on any global watchlists. This includes: <ul style="list-style-type: none"> ○ Government Sanctions Lists ○ Politically Exposed Person Lists ○ Anti-Terrorism Watchlists ○ Anti-Money Laundering (AML) Watchlists ○ CIA Watchlists ○ Global ○ Disqualified Directors
Accounting and Taxes	<p><i>The Project leaders should describe the tax system they will apply following the ICO.</i></p> <p>Verasity doesn't precise any tax recommendation for Contributors but they will be using a well established company that does tax work and recommendations for crypto related businesses.</p>

ICO ORGANIZATION	
Raising Process	
Community	<p><i>Communication channels must be set up and animated by the Project leaders. Social media, newsletter and chat system are essential to communicate properly with Contributors.</i></p> <p>A newsletter signup is available. Twitter, Bitcointalk and Telegram is available to discuss the project and get the latest news.</p> <p><i>Rules should be setup to motivate good behaviour among the Community and to penalise the bad ones.</i></p>

tokeny The Most Trusted ICO Platform - www.tokeny.com - contact@tokeny.com



This work is licensed under a [Creative Commons Attribution-NonCommercial 4.0 International License](https://creativecommons.org/licenses/by-nc/4.0/). You should not rely on this framework as legal or financial advice. It is designed for general informational purposes only. This framework is provided "as is" with no representations, warranties or obligations to update, although we reserve the right to modify or change this framework from time to time.

	<p>Veracity is setup so that good behaviour is awarded with the earning of tokens. A bounty program will be available for the community before and during the sales. Tokens will be placed in escrow before publishing the campaign.</p>
Participation	<p><i>Contributors must comply with KYC requirements. This rule ensures the identification of Contributors to detect and disclose financial crime risks such as anti-money laundering (AML) and countering terrorist financing (CFT). It also ensures that all Contributors belong to authorized jurisdictions defined by project leaders.</i></p> <p>Veracity plans to utilize recognized KYC and AML solutions for all contributors.</p>
Privacy policy	<p><i>A privacy policy should be available on the ICO participation website.</i></p> <p><i>Project leaders engage themselves to ensure privacy of Contributors unless they receive specific demands from authorities.</i></p> <p>The Privacy Policy, Cookies Policy and Terms and Conditions are available on the website.</p>
Marketing Practices	<p><i>Project leaders must ensure a proper communication before, during and after the ICO. Communication must be fair, clear and not misleading.</i></p> <p>Veracity plans to be as fair and transparent as possible during their communication. They commit to express their value proposition to the token buyers without making false promises or unclear statements. They recognize the need to build a user base in order to build out the ecosystem and to market to that user base properly.</p> <p><i>Project leaders must publish a detailed white paper. All the trusted sources and channels of information must appear in the white paper.</i></p> <p>Veracity has committed to updating their white paper with additional information, documentation, statistics, charts and will work with partners to translate the white paper into additional languages. It is implied that advisors showcased in the white paper validated the information and could be held responsible with Project leaders in case of fraud.</p> <p><i>Project leaders must conduct reasonable marketing campaigns and not endanger the company.</i></p> <p>Veracity has established a desire to work with specialized marketing companies because content creators and viewers make more as the ecosystem grows they will have incentives to market the service.</p> <p><i>Bonus, discounts and gifts, should be publicly declared.</i></p> <p>Veracity has committed to disclosing any bonuses, discounts, or gifts to the public and has a program in place to give out these such awards.</p>
Customer service	<p><i>Project leaders must run proper customer service and frequently update an FAQ database.</i></p> <p>Veracity agrees with these statements and will allocate the right resources to customer service.</p>
ICO Safety/Risks	
Security	<p><i>Security access protocols must be maintained to appropriately high standards.</i></p> <p>Veracity will use third party auditors to increase security and have committed that best security practices will be respected by the team.</p>

	<p><i>The Smart contract must be audited by a third party to increase security.</i> Verasity commits to get its smart contracts audited by a third party.</p> <p><i>The code should be hack proof through a bug bounty program.</i> Pre-ICO: Social media campaign bounties (post engagement levels, retweets, shares, likes, views, comments); article writing and content (blogs, articles, video); signature bounties on bitcointalk. Post-ICO: translation campaign bounties The rules and guidelines for these areas will be defined by the contact we are working with at bountyhive.</p>
Financial risks	<p><i>Financial risks associated with the ICO must be mentioned and highlighted on every single documents promoting the event to Contributors (White Paper, advertisements, emails...).</i> <i>The risks associated to the market and the volatility of prices have to be cited as well.</i> All of the financial risks have been well documented.</p>
Post ICO Management	
Roadmap	<p><i>A clear roadmap must be defined and available for the Contributors, with all the details (timeframe, features, descriptions, etc.).</i> Roadmap and Phases are defined in the White Paper.</p>
Project milestones	<p><i>The funds raised should partly remain in an escrow system and be unlocked only when pre-defined project milestones are reached and validated by the governance system.</i> Use of funds are determined by a contract between the Foundation and Veratech, the operating company so funds are milestone according to a defined agreement in place between the Foundation and Operating company.</p>
Communication	<p><i>Project leaders must edit a quarterly report to inform Contributors regarding the project evolution. This report must contain information about current developments, roadmap forecast vs. reality, financial expenses forecast vs reality, current price of the token, latest updates and board of director meetings reports.</i> The Verasity Foundation has committed to issuing quarterly and regular reports on the project evolution as well as financial statements. They have also committed to issuing reports on their website as new additions to the project evolve.</p>
Listing on exchanges	<p><i>Project leaders should do their best effort to list the token on exchanges and improve liquidity for their Contributors.</i> The Verasity team has committed to using best efforts in getting their token listed on exchanges and are open to working with partners to achieve these listings. There will also be an internal exchange for VERA.</p>

Conclusion

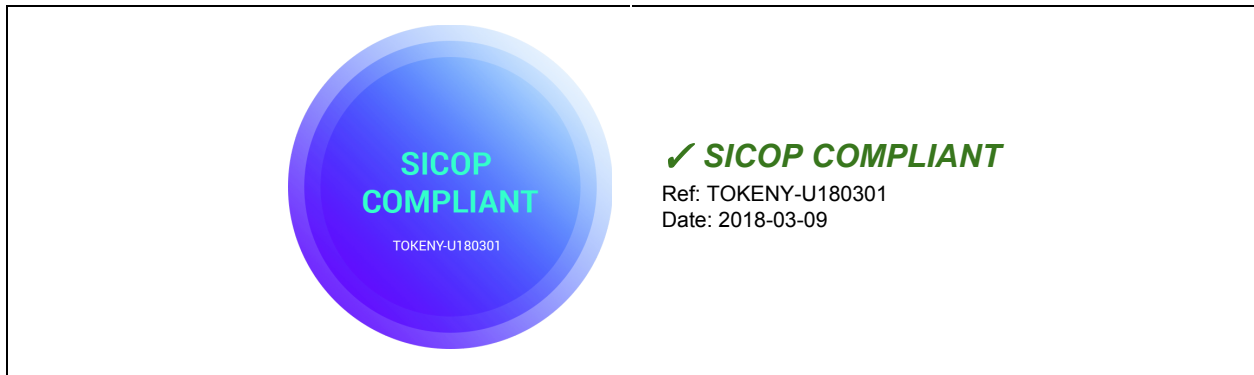
After reading the information provided by Veracity and conducting a deep study into their practices, history, and plans for the future, Veracity has committed to conducting an ICO in accordance with the Sustainable ICO Protocol.

Veracity's project has identified a clear market that can and needs to utilize blockchain technology and a token economy to better the video sharing and streaming industry. Veracity has experienced founders with a successful business history working in technology, media, video, and financial services. Veracity has advisors and team members with a recognizable and successful history in blockchain and ICO technology, marketing, and legal areas that will best help Veracity establish themselves as a major blockchain company. Veracity already has a demo version of the video platform, Player and Player wallet available on the Veracity website.

Veracity has committed to safe and secure legal and regulatory practices and will use well established solutions for AML/KYC compliance for the public sale.

Veracity has committed to receiving input and advice for advancing their market reach for their ICO and the future growth of their token economy.

Based on Tokeny's findings, Veracity is declared:



Therefore, with the contract that is signed between Tokeny and Veracity, Veracity engage itself to respect the information provided during this analysis and to work closely with Tokeny to protect the Contributors.

DocuSigned by:
Luc Falempin
 BE445BDBFBD14E3...
 17 March 2018 | 7:41 PM PDT

By: _____
 Luc Falempin, CEO
 Tokeny

DocuSigned by:
David Archer
 78507DFC8B2045B...
 18 March 2018 | 2:07 AM PDT

By: _____
 David Archer, Director
 Veracity

tokeny *The Most Trusted ICO Platform* - www.tokeny.com - contact@tokeny.com



This work is licensed under a [Creative Commons Attribution-NonCommercial 4.0 International License](https://creativecommons.org/licenses/by-nc/4.0/). You should not rely on this framework as legal or financial advice. It is designed for general informational purposes only. This framework is provided "as is" with no representations, warranties or obligations to update, although we reserve the right to modify or change this framework from time to time.