

PAYWARD CANADA INC.

CRYPTO ASSET STATEMENT

Q

Last updated on March 20, 2026

Disclaimer

Payward Canada Inc. (Kraken) is registered under Canadian securities laws as a restricted dealer and is offering Crypto Contracts on crypto assets in reliance on a prospectus exemption contained in the exemptive relief decision [Re Payward Canada Inc.](#), dated 04/01/2025 (the Decision). The statutory rights in section 130.1 of the Securities Act (Ontario), and, if applicable, similar statutory rights under the securities legislation of each other province and territory in Canada, do not apply in respect of the Crypto Asset Statement to the extent a Crypto Contract is distributed under the prospectus relief in the Decision.

No securities regulatory authority has expressed an opinion about the Crypto Contracts or any Crypto Assets (as defined in the Risk Statement) made available on the Kraken platform, including an opinion that Q is not itself a security and/or derivative. Changes to applicable law may adversely affect the use, transfer, exchange, or value of any of your crypto assets, and such changes may be sudden and without notice.

Please note that this Crypto Asset Statement may not be exhaustive of all risks associated with trading Q. Please review the [Risk Statement](#) and [Fee Schedule](#) for additional discussion of general risks and transaction fees associated with the Crypto Contracts and Crypto Assets made available through the Canadian Platform. These materials are for general information purposes only and are not investment advice or a recommendation or solicitation to buy, sell or hold any crypto asset or to engage in any specific trading strategy. The information contained in this Crypto Asset Statement is based on publicly available information provided by third parties.

What is Quack AI and how does it work?

Quack AI is a modular, AI-powered governance layer that runs on BNB Chain, Arbitrum, Metis, DuckChain and other planned networks. Through its web dashboard, communities submit proposals, delegate votes to on-chain AI agents and have approved actions executed automatically across chains. Smart contracts bundle a Proposal Engine, Delegation Layer and Execution Router, so the system filters and scores proposals, carries out reputation-based delegation and routes execution without human bottlenecks.

The Q is intended to be used for governance participation including voting on and executing proposals, staking and delegation to earn rewards and automate decision making via AI agents, payment of proposal fees, access to advanced AI powered analytics and insights, and settlement of subscription or licensing fees for projects integrating Quack AI's governance tools.

Who is behind the project?

Quack AI's team remains anonymous and undisclosed, no individual contributors or leadership profiles are publicly available.

Tokenomics of Q

The total supply of Q is 10 billion tokens which is distributed as follows:

Q Allocation	Q tokens	% of Total supply
Community Airdrop	1 billion	10%
Governance Test Incentives	0.5 billion	5%
Initial Liquidity Provision	0.3 billion	3%
Marketing	0.5 billion	5%
AI Governance Mining Incentive Pool	2.8 billion	28%
Ecosystem Fund	1.5 billion	15%
Advisors	0.5 billion	5%
Team	1 billion	10%
Investors	0.9 billion	9%
DAO Treasury	1 billion	10%
Total	10 billion	100%

General Risks

Like all other digital assets, there are some general risks to investing in Q. These include short history risk, volatility, and liquidity risk, demand risk, forking risk, code defects, cryptography risk, regulatory risk, concentration risk, electronic trading risk and cyber security risk. For more information on general risks associated with smart contracts and digital assets, see [Kraken's Risk Statement](#).

Risks specific to Q

Competition

The Quack AI project faces competition from other automated governance platforms such as Aragon. Q's value derives from its broader adoption in the market. If the Quack AI project fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of Q.

Due Diligence

Prior to listing on the Kraken platform, Kraken performed due diligence on Q and determined that Q is unlikely to be a security or derivative under Canadian securities legislation. Our analysis generally includes, but is not limited to, reviewing publicly available information on the following:

- The creation, governance, usage and design of Q, including the source code, security and roadmap for growth in the developer community and, if available, the background of the developer(s) that created Q;
- The supply, demand, maturity, utility and liquidity of Q;

- Material technical risks associated with Q, including any code defects, security breaches and other threats concerning Q and its supporting blockchain (such as the susceptibility to hacking and impact of forking), or the practices and protocols that apply to them; and
- Legal and regulatory risks associated with Q, including (i) any pending, potential, or prior civil, regulatory, criminal, or enforcement action relating to the issuance, distribution, or use of Q, and (ii) consideration of statements made by any regulators or securities regulatory authorities in Canada, other regulators of the International Organization of Securities Commissions, or the regulator with the most significant connection to Q about whether Q, or generally about whether the type of crypto asset, is a security and/or derivative.