

PAYWARD LTD
CRYPTO ASSET RISK DISCLOSURE
Humanity Protocol (H)

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Disclaimer

Please note that this risk disclosure is not exhaustive of all risks associated with trading H. Investors should perform their own assessment to determine the appropriate level of risk for their personal circumstances. Be sure to do your own research and due diligence while taking into account your own financial situation and risk tolerance. Please review the [Risk Summary](#) for additional discussion of general risks associated with the assets made available in the 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 risk disclosure is based on publicly available information that may be inaccurate, incomplete, or change at any time.

What is the Humanity Protocol and how does it work?

Humanity Protocol is a decentralized identity network that uses non-invasive palm scans and zero-knowledge proofs to ensure each on-chain identity corresponds to a unique real human. Users enroll by scanning their palm through a mobile app or compatible hardware, receiving a Human ID and basic proof of humanity. Trusted Identity Validators stake H tokens to verify biometric data and issue Verifiable Credentials (VCs), and zkProoifiers validate those credentials on-chain without revealing personal information, enabling private yet provable digital certificates (such as age or educational status).

At the time of writing, the token is not live, but the team plans to have H as the native utility token of Humanity Protocol, powering core network operations: it will be staked by Identity Validators to secure the network; used by participants to pay transaction and service fees (such as attestations, identity verification, and credential issuance); and grant token holders voting rights in the DAO to propose, discuss, and decide on protocol upgrades.

Who is behind the project?

Humanity Protocol was created and is led by the Human Institute under founder Terence Kwok.

Tokenomics of H

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

H Allocation	H tokens	% of Total supply
Early Contributors (Team)	1.9 billion	19%

Investors	1 billion	10%
Human Institute Strategic Reserves	500 million	5%
Foundation Operations Treasury	1.2 billion	12%
Ecosystem Fund	2.4 billion	24%
Identity Verification Rewards	1.8 billion	18%
Community Incentives	1.2 billion	12%
Total	10 billion	100%

General Risks

Like all other digital assets, there are some general risks to investing in H. These include short history risk, volatility risk, 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 H

Competition

The Humanity Protocol network faces competition from other decentralized identity projects such as Worldcoin, Civic, and BrightID. Humanity Protocol's value derives from its broader adoption in the market. If the Humanity Protocol network fails to achieve sufficient adoption compared to these alternatives, this could negatively impact the value of H.

Due Diligence

Prior to listing on the Kraken platform, Kraken performed due diligence on H and determined that H is unlikely to be a security or derivative under UK 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 H, including the source code, security and roadmap for growth in the developer community and, if available, the background of the developer(s) that created H;
- The supply, demand, maturity, utility and liquidity of H;
- Material technical risks associated with H, including any code defects, security breaches and other threats concerning H 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 H, including (i) any pending, potential, or prior civil, regulatory, criminal, or enforcement action relating to the issuance, distribution, or use of H, and (ii) consideration of statements made by any regulators or securities regulatory authorities in the UK, other regulators of the International Organization of Securities Commissions, or the regulator with the most significant connection to H about whether H, or generally about whether the type of crypto asset, is a security and/or derivative.

Don't invest unless you're prepared to lose all the money you invest. This is a high-risk investment and you should not expect to be protected if something goes wrong. [Take 2 mins to learn more.](#)

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