

PAYWARD LTD
CRYPTO ASSET RISK DISCLOSURE
QuackAI (Q)

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Disclaimer

Please note that this risk disclosure is not exhaustive of all risks associated with trading Q. 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 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.

At the time of writing, the token is not live. The team plans for Q 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% |

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|-------------------------------------|-------------------|-------------|
| 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 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 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 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 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 the UK, 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.

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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