Quantoz Payments B.V.

USDQ White Paper

(Articles 51 to 53 of MiCA regulation)

This white paper was notified to *De Autoriteit Financiële Markten (AFM)* on October 10th, 2024, and amended on March 3th, 2025.

This crypto-asset white paper has not been approved by any competent authority in any Member State of the European Union. The issuer of the crypto-asset is solely responsible for the content of this crypto-asset white paper.

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I.01	Date of notification	2024-10-01. This white paper was notified to *De Autoriteit Financiële Markten (AFM)* on October 10, 2024.

I.02	Regulation (EU) 2023/1114	This e-money token ("**EMT**") white paper ("**White Paper**") has not been approved by any competent authority in any Member State of the European Union ("**EU**"). The issuer of the crypto-asset is solely responsible for the content of this White Paper.
I.03	Compliance statement in accordance with Article 51(5) of Regulation (EU) 2023/1114	This White Paper complies with Title IV of Regulation (EU) 2023/1114 and to the best of the knowledge of the management body, the information presented in the White Paper is fair, clear and not misleading and the White Paper makes no omission likely to affect its import.
I.04	Warning in accordance with Article 51(4), points (a) and (b) of Regulation (EU) 2023/1114	The e-money token USDQ ("**USDQ**") issued by Quantoz Payments B.V. ("**Quantoz Payments**") is not covered by the investor compensation schemes under Directive 97/9/EC. USDQ is not covered by the deposit guarantee schemes under Directive 2014/49/EU.

	Executive Summary	

I.05	Warning in accordance with Article 51(6), second subparagraph of Regulation (EU) 2023/1114s	This executive summary should be read as an introduction to the White Paper. The prospective holder should base any decision to purchase USDQ on the content of the White Paper as a whole and not on this summary alone. The offer to the public of USDQ does not constitute an offer or solicitation to purchase financial instruments and any such offer or solicitation can be made only by means of a prospectus or other offer documents pursuant to the applicable national law. This White Paper does not constitute a prospectus as referred to in Regulation (EU) 2017/1129 of the European Parliament and of the Council (36) or any other offer document pursuant to EU or national law.
I.06	Characteristics of the crypto-asset	USDQ is a United States (US) dollar-backed stablecoin issued by Quantoz Payments. It is classified as both electronic money and an electronic money token, designed to maintain a stable value equivalent to the US dollar. This stability is achieved through a pegging mechanism, with each USDQ token fully backed by an equivalent of one (1) US dollar fiat reserve. To ensure that the funds are segregated from Quantoz Payments' assets, the funds are held by Stichting Quantoz (hereafter Quantoz Foundation), a bankruptcy remote setup which will ensure that customer funds are fully protected from any potential liquidation of

		Quantoz Payments. Both Quantoz Payments and Quantoz Foundation are prudentially supervised by the Dutch Central Bank (“**DNB**”), subject to the EMI license of Quantoz Payments. USDQ will be issued as an ERC-20 token on the Ethereum ("**ETH**") Blockchain, ensuring broad compatibility with various wallets and exchanges and will be pegged to the US Dollar on a 1:1 basis.
I.07	Right of redemption	Registered holders of the USDQ e-money tokens, resident in the EEA, have the right of redemption at any time and at par value, under the conditions that the holder signed up to create an USDQ account with Quantoz Payments (“**USDQ Account Holder**”) and provided valid KYC/AML and bank details. Registered USDQ Account Holders must submit their redemption requests directly to Quantoz Payments via email or other agreed communication channel. Quantoz Payments will acknowledge receipt of the redemption request within two (2) business days, contingent on the completion of compliance checks. Once confirmed, USDQ Account Holders should initiate a transfer of USDQ to the public address managed by Quantoz Payments. Quantoz Payments will send the corresponding amount in US dollars to the USDQ Account Holder's bank account, within two business days after receipt of USDQ on the public address. Holders of USDQ tokens who do not have an USDQ account with Quantoz Payments or are not resident in the EEA, can exchange their USDQ tokens for fiat US dollars via third parties offering USDQ to the public ("**Partners**"), listed in Section D.1 “Holder’s rights and Obligations”.
I.08	Key information about the offer and/ or admission to trading	USDQ is an e-money token (EMT) issued exclusively by Quantoz Payments. USDQ is issued on the Ethereum network. In the future, USDQ may be issued on other networks. There is no limit to the total amount of USDQ available for public offering, ensuring flexibility in supply. The issue price of USDQ will always maintain a 1:1 parity with the US dollar, meaning that each USDQ token is issued to, or redeemed by, USDQ Account Holders for exactly one US dollar. Quantoz Payments has set a minimum funding threshold of 100,000 US dollars to purchase USDQ. Information on all current third parties ("Partners") offering USDQ to the public, as well as any future authorizations or trading admissions of USDQ, will be made available on this page of the Quantoz Payments website: https://quantozpay.com/ThirdParties

		Before purchasing USDQ from any source, Quantoz Payments strongly recommends prospective purchasers to visit the Quantoz Payments website to verify that the entity offering USDQ is a partner. If USDQ is purchased from sources not listed on this page, Quantoz Payments cannot guarantee the legitimacy or reliability of those providers. This white paper will be updated as necessary to reflect any material developments.

	PART F - INFORMATION ON THE RISKS	

F.1	Issuer-Related Risks	**Regulatory Risk** The legal and regulatory landscape surrounding e-money tokens is still evolving, potentially subjecting customers to uncertain or fluctuating rules and requirements. To mitigate this risk, Quantoz Payments is committed to maintaining transparent communication with relevant regulatory authorities and advisors, seeking guidance and clarification on evolving regulations. By closely monitoring regulatory changes, Quantoz Payments can stay informed about any new rules or requirements that may impact its operations. In addition, there is also a risk of potential regulatory arbitrage, wherein competitors may exploit differences in regulatory requirements across jurisdictions to gain a competitive advantage. This could pose challenges for Quantoz Payments in terms of maintaining a level playing field. To address this risk, Quantoz Payments will closely monitor regulatory developments in various jurisdictions and proactively engage with regulatory authorities to ensure compliance with the current regulations. Quantoz Payments will assess the regulatory frameworks to identify any potential gaps or inconsistencies that could be exploited by competitors and will take appropriate measures to mitigate such risks. Quantoz Payments engages reputable independent legal counsel to seek advice and ensure continued compliance with applicable regulations. **Conflict of Interest risk** In addition to USDQ, Quantoz Payments issues two other electronic money tokens, EURD and USDQ, which may lead to potential conflicts of interest between the tokens. The introduction of more e-money tokens in the future could further amplify these risks. To address this, Quantoz Payments must ensure careful management and balance of its commitments, so that the interests of each token holder are fairly represented.

		Bankruptcy risk Although the risk is very small given that Quantoz Payments and the financial partners it works with are supervised by DNB and meet strict prudential requirements, Quantoz Payments could go bankrupt, or face problems if one of its partner banks goes bankrupt. The management team runs the company in a professional manner, acts honestly and fairly and is assessed by the supervisory board and has implemented procedure to monitor financial performance of the company and its financial partners. **Treasury Risk** Treasury risk encompasses the potential for adverse financial impacts resulting from fluctuations in interest rates, foreign exchange rates, credit spreads, and other financial variables. For e-money issuers, treasury risk primarily relates to the management of their asset portfolios and exposure to various financial instruments. Given that Quantoz Payments is required to comply with MiCAR requirements regarding the safeguarding of funds received in exchange for e-money tokens, Quantoz Payments may only invest in secure, low-risk assets that qualify as highly liquid financial instruments with minimal market risk, credit risk and concentration risk and denominated in US dollars. However, for instance, fluctuations in interest rates could impact the value of such financial instruments (including bonds), potentially resulting in situations where instruments will be sold at a loss. This risk is particularly pertinent during scenarios like a bank run, where customers seek to liquidate all of their USDQ simultaneously. In such instances, Quantoz Payments may be forced to liquidate the relevant assets at a loss or temporarily set daily redemption limits. **Reputation Risk** There exists the potential for negative public perception or a loss of trust in Quantoz Payments or USDQ itself, which could adversely affect its reputation and credibility. To mitigate this risk, Quantoz Payments maintains a robust governance framework and adheres to high ethical standards across all aspects of its business operations. This includes a commitment to transparency and full compliance with all relevant regulations, ensuring accountability and trustworthiness in its practices. Quantoz Payments engages reputable third-party auditors to conduct regular audits, verifying its adherence to industry standards and best practices. This not only adds credibility to the Issuer but also enhances its reputation in the eyes of stakeholders. Furthermore, Quantoz Payments recognizes the inherent risks associated with conducting business with customers or third parties engaged in money laundering or corrupt practices. Such associations can significantly damage Quantoz Payments' reputation and credibility. To mitigate this risk effectively, Quantoz Payments has implemented rigorous Know Your Customer (KYC) and Anti-Money Laundering (AML) rules and practices.

		Compliance Risk In the context of banking and financial services, compliance risk encompasses various regulatory requirements related to anti-money laundering (AML), know-your-customer (KYC) rules, counter terrorism financing (CTF), consumer protection laws, data privacy regulations, and other applicable statutes. To mitigate compliance risk, Quantoz Payments implements robust compliance programs, including regular monitoring, risk assessments, and the establishment of effective control mechanisms. Additionally, maintaining open communication with regulators, staying abreast of regulatory developments, and conducting periodic compliance audits are essential components of managing compliance risk effectively. When using public blockchains each transaction on a new block requires a small transaction fee in the native blockchain currency. The fees are collected by the mining/validator nodes. Based on the used decentralized protocol, in theory the mining of a new block could be done by a sanctioned entity. In that case these transaction fees are paid to a sanctioned entity. **Counterparty Risk** Counterparty risk refers to the risk that one party in a financial transaction may default or fail to fulfil their obligations, leading to financial losses for the other party. If Quantoz Payments would become insolvent, the USDQ backed fiat currency remains available in Quantoz Foundation. The Quantoz Foundation is exposed to banking risk for the fiat US dollars deposits held on the bank, wherein its operations rely on the bank's ability to meet its obligations. To mitigate such risk, the Issuer has accounts with multiple banks and conducts regular audits and thorough due diligence of its counterparties to assess their financial stability and risk profiles, ensuring engagement only with reliable and trustworthy entities. Professional legal advisors are also engaged to establish or review contractual agreements with counterparties, clearly outlining terms, conditions, and dispute resolution mechanisms in case of defaults or insolvencies. These measures form part of a comprehensive risk management framework established to identify, monitor, and mitigate counterparty risk, including the development of contingency plans for potential defaults or insolvencies. **Third party Risk** Quantoz Payments relies on various external service providers, such as banks, to perform essential functions like safeguarding assets and facilitating settlements. This reliance means that if these third parties encounter issues, it could directly impact Quantoz Payments ability to operate effectively. Potential Issues: If a third-party service provider fails to deliver its services (e.g., due to technical problems, insolvency, or regulatory issues), this could hinder Quantoz Payments ability to issue, manage, or

redeem USDQ. This creates a vulnerability where Quantoz Payments operations are contingent on the performance of others.

Lack of Control Over Third Parties: Third parties can choose to support USDQ on their platforms without any authorization from Quantoz Payments. This means that Quantoz Payments has no control over how USDQ is managed or represented by these external platforms.

No Endorsement: Just because a third party supports USDQ does not mean Quantoz Payments endorses that platform. This lack of endorsement indicates that Quantoz Payments does not guarantee the legality, stability, or suitability of services provided by these third parties.

Liability Disclaimer: Quantoz Payments explicitly states that it is not responsible for any losses or problems Holders may encounter when using USDQ on platforms that are not directly managed by Quantoz Payments. This disclaimer limits Quantoz Payments liability concerning any issues arising from third-party interactions.

Market Risk

Regarding investments (excluding the fiat reserves of at least 30% which are held with credit institutions), their value may vary according to market conditions. As a result, there is a possibility that the 1:1 coverage may no longer be assured. USDQ reserves may consist of assets that are not guaranteed to be readily realisable, including certain short-term financial assets. Consequently, if there is an unusually high demand for USDQ redemptions, Quantoz Payments may not be able to meet all redemption requests within the timeframe set out in the Redemption Policy.

Technology Risk

The technology behind USDQ, including smart contracts and blockchain networks, might be exposed to potential vulnerabilities and cyber threats. While independent audits have validated the security of these systems, unforeseen vulnerabilities or cyber-attacks could still pose risks to USDQ's integrity. Quantoz Payments conducts regular security audits, continuously monitors for vulnerabilities, and utilizes advanced cybersecurity measures to safeguard the system.

Risk of privacy/GDPR breach

Personal data of Quantoz Payments customers may be leaked or stolen due to a security breach.

Operational Risk

Quantoz Payments' efficient operation depends on strong internal processes and systems. Failures or disruptions, such as human errors, system breakdowns, or insufficient internal controls, could negatively impact the issuance and redemption of USDQ tokens. Mitigation

		strategies include regular audits, comprehensive employee training programs, and the deployment of advanced internal control systems. **Environmental, Social, and Governance (ESG) Risk** With the growing global focus on ESG factors, failing to uphold sustainable and ethical practices could harm Quantoz Payments' reputation and operations. This encompasses the environmental impact of blockchain activities, social responsibility, and governance standards. To address these risks, Quantoz Payments will adopt sustainable business practices, maintain transparency in governance, and actively engage in social responsibility initiatives.
F.2	Token-Related Risks	**Liquidity Risk** Liquidity risk refers to the possibility that an e-money issuer may encounter difficulties in meeting its short-term financial obligations due to a lack of sufficient liquid assets or marketability of its assets. For an e-money issuer, liquidity risk primarily arises from the need to fulfil redemption requests from customers who want to convert their e-money tokens back into fiat currency. As Quantoz Payments holds the backed e-money in assets like US dollar-backed bonds, in addition to funds that are deposited in separate accounts in credit institutions (amounting to at least 30% of the funds received, as required by MiCAR), there may be challenges in quickly liquidating these bonds to fulfil withdrawal requests from customers simultaneously. However, US dollar based government bonds are typically highly liquid and can be sold swiftly in active markets. **Risk of Under-Collateralisation** The Risk of Under-Collateralisation refers to the possibility that the assets backing USDQ become insufficient to meet redemption obligations when the reserves intended to support its value fall below the total amount issued and in circulation. This situation may arise due to factors such as fraud, where malicious activities like embezzlement or financial manipulation lead to improper reporting or depletion of reserves, and mismanagement, where poor financial practices by Quantoz Payments or its third-party providers result in inadequate oversight of the backing assets. If the market perceives that Quantoz Payments might fail to redeem USDQ at its promised value, it could trigger a loss of confidence, causing the market value of USDQ to drop significantly and creating a disparity between its issued value and trading price. Ultimately, insufficient collateral could prevent Quantoz Payments from redeeming USDQ holders at the promised rate or within a reasonable timeframe, resulting in dissatisfaction and eroded trust among users. **Technological Risk**

		Any technical issues, vulnerabilities, or failures in the Ethereum blockchain network could affect the functionality and transferability of USDQ tokens. Additionally, smart contract vulnerabilities could lead to security breaches or malfunctioning of USDQ operations. Quantoz Payments performs regular audits and security reviews of the smart contracts and continuously monitors of the Ethereum network. **Market Risk** USDQ value and demand may be affected by overall market conditions, such as fluctuations in the cryptocurrency market, shifts in investor sentiment, and macroeconomic factors. The market value of USDQ on the secondary market might not be stable compared to the US Dollar. These dynamics may affect the liquidity and stability of USDQ. **Taxation Risk** The taxation regime that applies to USDQ transactions will depend on each holder's jurisdiction. Transactions involving USDQ may have tax consequences. **Scam Risks** USDQ holders may suffer scam or fraud actions including phishing, identity theft, fake USDQ tokens from malicious actors. **Smart Contract Risk** The smart contract is critical for USDQ functionality. Vulnerabilities in a smart contract might lead to security breaches, unauthorized transactions, or loss of tokens and have a negative impact on the market value of USDQ. Quantoz Payments audits and reviews its smart contracts on a regular basis.
F.3	Technology-Related Risks	**Reliance on third-party infrastructure** USDQ relies on third-party blockchain networks and service providers to operate. Disruptions, outages, or security breaches in these third-party services could impact USDQ's functionality and security. Forging strong partnerships with reputable third-party providers and developing contingency plans to address potential disruptions mitigates these risks. **Blockchain Risk** The most important risk Quantoz Payments is subject to is blockchain risk. Blockchain risk for an e-money issuer refers to the potential challenges, vulnerabilities, and uncertainties associated with utilizing blockchain technology in the issuance, management, and transfer of e-money tokens. The blockchain risk consists of several components:

- *Operational availability*: As any technology application a blockchain could experience technical issues that disrupt availability. However, because of the distributed nature (preventing cyberattacks) and strict review process on the source code (preventing software bugs) blockchains in general show a very robust availability. In practice blockchain applications are typically more reliable than traditional banking applications (availability >> 99,9%).

- *Ethereum blockchain hack*: Although the risk is very low, a hack of the Ethereum blockchain would lead to a loss of trust in Ethereum. It would also hinder Quantoz Payments' USDQ operations.

- *Discontinuation of service*: Theoretically a public blockchain could lose community support with decreasing development effort and foundation funding, and a decreasing number of validator nodes as result. The public blockchain consensus will no longer be reliable. A possible exit scenario could be to start running the blockchain privately (Quantoz Payments forks the public blockchain and starts running private blockchain nodes).

- *Risk of malicious use of software bugs*: The core code of the blockchain nodes is open source and follows a strict review process before being published for production. At the same time a bug in a blockchain can be very attractive for hackers and there will be continuous attempts to find weaknesses. As a result, blockchain applications are one of the best tested and best reviewed software in existence, and all stakeholders have incentives and means to check, prevent and fix vulnerabilities. Almost all known past blockchain exploits have not been on the core blockchain code, but in smart contract applications running on the core. Quantoz Payments uses an audited and battle-field tested smart contract template for its USDQ e-money token.

- *Risk of blockchain scalability and economics*: Public blockchains have a limitation on the maximum transaction throughput. When a blockchain is very popular it could reach its technical limits. This will result in rising transaction fee costs for getting transactions on the next blockchain block. The Ethereum community has addressed this topic and works on increasing the transaction processing capacity. Quantoz Payments might decide to offer USDQ on other EVM-compatible blockchains.

- *Loss of keys by Quantoz Payments*: Quantoz Payments has certified security and backup procedures in place. Keys are only accessible by security assigned personnel. Furthermore, Quantoz Payments uses deterministic key generation. Therefore, the original (offline held) seed codes can be used to reconstruct all private keys.

		• *Forking Risk:* The Ethereum blockchain might "fork" and the blockchain splits into two separate blockchains with a different consensus. Quantoz Payments will follow the one that is supported by the Ethereum Foundation. • *Risk of 51% attack*: At all-time a "51%-attack" needs to be prevented where a single entity dominates the validation and can influence the addition (and rejection) of new transactions. This risk is small for the reputational blockchains with a well-established governing foundation, active and diverse user community and substantial transaction volume. In that case all blockchain participants and stakeholders are motivated to support the consensus model. During the last 10 years of blockchain applications no successful 51%-attack on such blockchain is known of. • *Risk of (continued) use of tokens by blacklisted customers*: The e-money tokens of Quantoz Payments may not be used from blacklisted accounts. Therefor it should be possible for Quantoz Payments to freeze the USDQ tokens on such accounts and preferably also to be able to clawback (recover) these tokens to the issuing account of Quantoz Payments itself. To mitigate this risk Quantoz Payments will enable the (un)freeze, blacklisting addresses, and recovery functionality in the USDQ ERC-20 smart contract.
F.4	Mitigation measures	Regarding the different risks identified in Sections F.1, F.2 and F.3, Quantoz Payments implements appropriate measures to mitigate these risks and protect USDQ holders: **Mitigation measures concerning issuer-related risks** • In the event of Quantoz Payments's bankruptcy, USDQ holders' rights are protected by law, ensuring that USDQ reserves remain untouched by other creditors and will be refunded during bankruptcy proceedings. • The company conducts extensive vendor assessments for third-party service providers per ISO 27001 standards. • Despite market volatility, USDQ redemptions are guaranteed according to the Redemption Policy. • USDQ holders retain their redemption rights even if the company incurs losses, with contingency plans in place for extreme situations. • To combat AML/CFT risks, USDQ issuance to, and redemption from, is limited to known wallets, with the ability to freeze suspicious transactions as per legal requirements.

		• Quantoz Payments also adheres to GDPR, ensuring the security and integrity of personal data against unauthorized access or damage. **Mitigation measures concerning USDQ-related risks** • Quantoz Payments has outlined several key risks associated with the use of USDQ. • To ensure financial stability, our internal procedures aim to maintain reliability under all market conditions. • In cases of under-collateralization, measures from the Quantoz Payments Recovery or Redemption Plan will be implemented to resolve any deficits, potentially by strengthening our capital position. • A Redemption Policy addresses liquidity risks by ensuring prompt redemption, even under extreme demand and unfavourable market conditions. • While Quantoz Payments cannot prevent scams, our terms specify no liability for losses due to fraud, though we can freeze affected USDQ. • Taxation risks are the responsibility of individual USDQ holders, who should seek independent advice, as Quantoz Payments does not provide legal, tax, or accounting guidance. **Mitigation measures concerning technology-related risks** • Blockchain related Risks. While risks exist for all blockchain networks, the Ethereum network is the most used Distributed Ledger infrastructure.

	PART A - INFORMATION ABOUT THE ISSUER OF THE E-MONEY TOKEN	

A.1	Statutory Name	Quantoz Payments B.V.
A.2	Trading Name	Quantoz Payments
A.3	Legal form	54M6 - Besloten Vennootschap
A.4	Registered Address	Europalaan 100, 3526 KS Utrecht, The Netherlands

A.5	Head Office	Europalaan 100, 3526 KS Utrecht, The Netherlands
A.6	Registration Date	September 30, 2021
A.7	Legal Entity Identifier	7245008P1HPUPVM7XL94
A.8	Another Identifier	Company Registration Number: 84071745
A.9	Contact telephone number	+31 30 2272621
A.10	Contact email address	contact@quantozpay.com
A.11	Response time (days)	7
A.12	Parent Company	Quantoz N.V., having its registered office located at Europalaan 100, 3526 KS Utrecht, The Netherlands
A.13	Members of the management body	Quantoz Payments has a Board of Directors consisting of four directors being the decision makers for the Company: A. Star Busmann *CEO (General Management)* N. Haasnoot, *CFRO (, Finance, HR, Legal, Compliance)* H. de Jong, *COO (Business Development, Marketing and Sales)* G. Hendriks, *CTO (Technology, Systems and Operations)* Quantoz Payments has installed a Supervisory Board, consisting of two members: one independent expert in the field of payments and related regulations, and one representing the shareholders. R. Berndsen, the independent expert, chairs the Supervisory Board. E. Dekkers, represents the shareholders The Supervisory Board oversees the functioning of Quantoz Payments and its Board of Directors. All members of the Quantoz Payments Management team and the Quantoz Payments shareholders have been non-objected and passed fit & proper assessments by the DNB. The shareholders have DNOs (declarations of no objection) granted by DNB. The business address of the members of the Board of Directors and the members of the Supervisory Board is: Europalaan 100, 3526 KS Utrecht, The Netherlands.

A.14	Business Activity	Quantoz Payments has an E-money license in the EEA with De Nederlandsche Bank (DNB) and issues EMTs under this license, and specializes in developing and delivering secure, efficient, and compliant digital financial solutions, for these EMTs. Every EMT is pegged to one official currency. The funds received by Quantoz Payments in exchange for the e-money tokens are safeguarded in compliance with the relevant requirements under MiCAR article 54. At least 30 % of the funds received are always deposited in separate accounts in credit institutions to meet anticipated redemptions. The remaining funds received are invested in secure, low-risk assets that qualify as highly liquid financial instruments with minimal market risk, credit risk and concentration risk and are denominated in US Dollar. The funds are safeguarded through a bankruptcy-remote structure in the form of the Quantoz Foundation. Such a structure is common in the Netherlands for electronic money institutions and payment service providers. Reference is made to the DNB register, in which the Quantoz Foundation is mentioned in relation to the registration of Quantoz Payments, with the following explanation: "Stichting Quantoz is as escrow party related to Quantoz Payments and in that matter supervised by De Nederlandsche Bank". The European Economic Area is Quantoz Payments' principal market. The company's primary revenue-generating activities are derived from the interest generated by the asset-reserves backing the issued EMTs along with offering additional services related to EMTs. Besides USDQ, Quantoz Payments issues two other electronic money tokens, EURD and EURQ, EURD is used for Payments. For payment applications, involving payment ecosystems of traditional corporate entities, users of the tokens typically do not touch or own cryptocurrencies and prefer to limit token distribution to whitelisted blockchain accounts only. The primary goal of EURQ and USDQ is to offer a digital alternative to traditional money that is more efficient, secure, and accessible. Quantoz Payments envisions EURQ and USDQ to have applications ranging from online transactions and cross-border payments to trading liquidity and decentralized finance (DeFi) solutions. Key customers of Quantoz Payments include financial institutions, Crypto Asset Service Providers, Market Makers, and businesses improving their operations by using regulated programmable EMTs. By leveraging advanced blockchain technology and robust security measures, Quantoz Payments aims to position itself as a leader in the digital finance sector by being committed to innovation, transparency, and regulatory compliance.

A.15	Parent Company Business Activity	Quantoz N.V. is the holding company for the three entities of the Quantoz group: Quantoz Technology BV employs most of the staff and develops the NEXUS platform, a gateway between fiat money and public and private blockchains. Through NEXUS, Quantoz Technology's partners can manage their custom token ecosystem without the need to deal with the technical aspects. Quantoz Blockchain Services BV operates the blockchain platform NEXUS, developed by Quantoz Technology BV, as a SaaS to third parties. Quantoz Blockchain Services BV facilitates both internal (intragroup) and external partners. Quantoz Payments, issues Electronic Money Tokens under its EMI license with DNB.
A.16	Conflicts of Interest Disclosure	The entities in the Quantoz group are interdependent and reliant on each other, but also have external customers and their own (corporate) responsibilities. Should these relationships have a direct impact on the activities of Quantoz Payments, the impact would be identified, disclosed and managed transparently to avoid any undue influence on operations. Quantoz Payments issues two additional electronic money tokens, EURQ and EURD, which may lead to potential conflicts of interest in terms of resource allocation, marketing focus, and strategic direction between the tokens. In order to describe how Quantoz Payments identifies and manages possible Conflicts of Interest within its organization, a 'Conflicts of Interest Policy' has been adopted. This policy applies to everyone working for, or on behalf of, the Company.
A.17	Issuance of other crypto-assets	Yes. The Company also issues EURQ and EURD, two Euro-backed EMTs within the EEA.
A.18	Activities related to other crypto-assets	Quantoz Payments also provides services related to the issuance of its EURQ and EURD EMTs.
A.19	Connection between the Issuer and the entity running the DLT	No
A.20	Description of the connection between the Issuer and the entity running the DLT	No

<table>
<tr><td>A.21</td><td>Newly Established</td><td>No</td></tr>
<tr><td>A.22</td><td>Financial conditions for the past three years.</td><td>
Quantoz Payments has consistently maintained a robust and regulatory-compliant reserve. All EMTs issued by Quantoz Payments are fully backed by equivalent reserves held in regulated financial institutions. These reserves are kept separate from Quantoz Payments' own funds to protect the assets of the EMT holders, ensuring their security even in the event of Quantoz Payments' insolvency.
Quantoz Payments has maintained capital reserves ensuring robust backing for its organisation. As Quantoz Payments is in early stage, modest starting costs dominated the profit & loss account. The license was granted in October 2023. Before that time revenue was not allowed.
<table>
<tr><td>Year</td><td>2021</td><td>2022</td><td>2023</td></tr>
<tr><td>Revenue</td><td>0</td><td>0</td><td>0</td></tr>
<tr><td>Equity (Tier 1 capital)</td><td>502</td><td>430</td><td>592</td></tr>
<tr><td>Capital requirement</td><td>350</td><td>350</td><td>350</td></tr>
</table>
All values 1.000 €
Remarkable events:

2021
30th September: Foundation of the company to enable the application for an EMI license.
2022
Year dedicated to license application
Installation of Supervisory Board
Engagement of external advisor
2023
13th October: License granted by the Dutch Central Bank

The company has ample liquidity and sufficient capital resources from its existing shareholders, with financial statements detailing its performance reported to authorities without issues. Quantoz Payments' commitment to transparency, regulatory compliance, and sound financial practices has positioned it well in the digital finance sector, particularly with EMTs. The company focuses on innovation, expansion, financial health, and stakeholder value.
</td></tr>
<tr><td>A.23</td><td>Financial conditions since registration</td><td>N/A</td></tr>
<tr><td>A.24</td><td>Exemption from authorisation</td><td>No</td></tr>
</table>

A.25	E-money Token Authorisation	Electronic Money Institution license (EMI) License granted: 13 October 2023 License relation number: R186418
A.26	Authorisation Authority	De Nederlandsche Bank (DNB). *Dutch Central Bank*
A.27	Persons other than the issuer offering to the public or seeking admission to trading of the e-money token according to Article 51(1), second subparagraph of Regulation (EU) 2023/1114	USDQ is made available to the public through third parties ("Partners"). The Quantoz Payments website https://quantozpay.com/ThirdParties displays a current list of MiCAR-compliant third parties that offer one or more EMTs issued by Quantoz Payments. Before purchasing USDQ from any provider, Quantoz Payments strongly advises potential buyers to verify that the entity offering USDQ is included on this list. This list may change over time.
A.28	Reason for offering to the public or seeking admission to trading of the e-money token by persons referred to in Article 51(1), second subparagraph of Regulation (EU) 2023/1114	Allowing Partners to offer USDQ to the public can expand its availability across multiple platforms, enhancing liquidity and accessibility. This makes it easier for users to buy, sell, and trade USDQ. Offering USDQ on established platforms also helps build trust and credibility among (potential) users, fostering wider adoption. Moreover, listing USDQ on trading platforms can create new revenue opportunities.

	PART B - INFORMATION ABOUT THE E-MONEY TOKEN	

B.1	Name	Quantoz USDQ	
B.2	Abbreviation	USDQ	
B.3	Details of all natural or legal persons involved in design and development	Legal	Finnius Advocaten. Jollemanhof 20 A, 1019 GW Amsterdam, The Netherlands De Roos Advocaten. Hamerstraat 19, 1021 JT Amsterdam, The Netherlands

		<table><tr><td>Technology</td><td>Quantoz Technology B.V. Europalaan 100, 3526 KS Utrecht, The Netherlands Quantoz Blockchain Services B.V. Europalaan 100, 3526 KS Utrecht, The Netherlands</td></tr></table>
B.3	Partners	Design and development of USDQ was done by subsidiaries of Quantoz NV. The relevant business entities of Quantoz N.V. are: • Quantoz Technology BV, employs most of the staff • Quantoz Blockchain Services BV, providing the backend platform ("NEXUS") as a SaaS solution to its partners • Quantoz Payments BV, issuer of the USDQ and providing a licensed e-money solution All business entities within the Quantoz NV group are ISO 27001 certified.
B.4	Type of white paper	EMTW (Electronic-Money Token White Paper)
B.5	The type of submission	NEWT
B.6	Crypto-Asset Characteristics	USDQ classifies as a crypto-asset under Art. 3(1)(7) of MiCAR, more specifically the category of electronic money tokens or e-money tokens (EMTs). USDQ is a US dollar-backed regulated stablecoin issued by Quantoz Payments. Quantoz Payments is supervised by the Dutch Central Bank. USDQ is fully backed by equivalent reserves in US dollars, managed by the independent Quantoz Foundation and is legally considered as electronic money and as an EMT. USDQ is a digital alternative to traditional money that is more efficient, secure, and accessible. Quantoz Payments envisions EMTs used in applications ranging from online transactions and cross-border payments to trading liquidity and decentralized finance (DeFi) solutions. The tokens are initially issued to primary institutional customers (USDQ Account Holders) and can be further distributed by third parties like Crypto Asset Service

		Providers (CASPs), that list the token in their trading pairs to users on the secondary market. Quantoz Payments may, at its discretion and without requiring the consent of USDQ holders, mint and issue additional USDQs that carry the same rights as described in this White Paper. These new USDQs will be treated the same as the existing USDQs and will be fully fungible with them immediately upon issuance. The issue price of new USDQ will always maintain a 1:1 parity with the US dollar, meaning that each USDQ token always is valued at one US dollar. USDQ Account holders can always redeem their EMT at par value.
B.7	Website of the Issuer	www.quantozpay.com
B.8	Starting date of offer to the public or admission to trading	2024-11-18
B.9	Publication date	2024-11-15
B.10	Any other services provided by the Issuer	No
B.11	Identifier of operator of the trading platform	N/A
B.12	Language or languages of the white paper	English
B.13	Digital Token Identifier Code	H9F75TNLH
B.14	Functionally Fungible Group Digital Token Identifier	Token Type: Auxiliary Digital Token Auxiliary Digital Token Mechanism: Ethereum ERC-20
B.15	Personal data flag	YES
B.16	LEI eligibility	YES
B.17	Home Member state	Netherlands

B.18	Host Member states	Austria Belgium Bulgaria Croatia Cyprus Czech Republic Denmark Estonia Finland France Germany Greece Hungary Iceland Ireland Italy Latvia Liechtenstein Lithuania Luxembourg Malta Norway Poland Portugal Romania Slovakia Slovenia Spain Sweden

	PART C - INFORMATION ABOUT THE OFFER TO THE PUBLIC OF THE E-MONEY TOKEN OR ITS ADMISSION TO TRADING	

C.1	Public Offering or Trading	This White Paper concerns the Admission to Trading (ATTR) and Offer to the Public (OTP) of USDQ.
C.2	Number of units	There is no limit to the amount of USDQ that may be issued by Quantoz Payments. The total number of USDQ to be issued will depend on market demand and will correspond directly to the amount of US dollars held in reserve, maintaining a 1:1 backing ratio. This method ensures flexibility in addressing user needs while preserving USDQ's stability. Only Quantoz Payments can change the amount of USDQ in circulation. Information about the total number of USDQ in circulation on a blockchain is available through the following link: website https://etherscan.io/token/0xc83e27f270cce0A3A3A29521173a83F402c1768b
C.3	Trading Platforms name	A list of CASPs, supporting USDQ is available on the Quantoz Payments website: https://.quantozpay.com/ThirdParties Before purchasing USDQ from any trading platform, Quantoz Payments strongly advises potential buyers to visit www.quantozpay.com/ThirdParties to verify that the entity offering USDQ is authorized by Quantoz Payments. Quantoz Payments intends to keep these listings active as long as these Partners comply with relevant laws and will actively pursue additional trading admissions for USDQ through other CASPs.
C.4	Trading Platforms Market Identifier Code (MIC)	N.A.
C.5	Applicable law	The use of USDQ is subject to the laws of the Netherlands (the "**Applicable Laws**").
C.6	Competent court	Any legal action or proceeding arising from using USDQ shall be initiated before the District Court of Midden-Nederland in Utrecht, the Netherlands

	PART D - INFORMATION ON THE RIGHTS AND OBLIGATIONS ATTACHED TO E-MONEY TOKENS	

D.1	Holder's rights and Obligations	**Holders' Rights**
		
		1.1 Right to Use the Service
		
		• **Eligibility:** Holders who are legally recognized entities or individuals within eligible regions (EEA, UK, Switzerland) can register and use the USDQ services provided they comply with all KYC/AML requirements and relevant legal capacities.
		
		• **Fees**: Holders should be aware that fees associated with the Service may apply. Fees are determined in accordance with the Fee Schedule available at https://quantozpay.com/fees.
		
		1.2 Right to request the issuance of TOKENS
		
		• **Issuance of TOKENS:** Holders have the right to request the issuance of TOKENS, and once issued, the TOKENS are owned solely by the USDQ Account holder.
		
		• To initiate the issuance of TOKENS, the customer must notify Quantoz Payments of their intention by providing details of the token type, amount, and the receiving blockchain address.
		
		• **Minimum Threshold**: Holders must meet a minimum funding threshold of 100,000 euros per transaction to purchase USDQ.
		
		1.3 Right to Redemption
		
		• **Redemption:** Holders of USDQ TOKENS shall have the right to redeem TOKENS at their nominal or face value at any time, subject to compliance with all applicable policies, provided that no regulatory restrictions are in effect.
		
		• **Registered USDQ Account Holders:** Redemption directly through Quantoz Payments shall be available to Registered USDQ Account Holders. For the purposes of this document, an "Registered USDQ Account Holder" is defined as any Holder who:
		    o Is a resident of the European Economic Area (EEA), Switzerland, or the United Kingdom; and
		    o Has minted a minimum of €100,000 worth of TOKENS for each transaction; and
		    o Has established an USDQ account with Quantoz Payments by completing the required onboarding procedures, including but not limited to the successful verification of Know Your Customer (KYC) and Anti-Money Laundering (AML) compliance, as well as bank account verification.
		    o Has a bank account validated by our designated banking partner

- **Non-Registered USDQ Account Holders:** Holders who do not qualify as Registered USDQ Account Holders, including those residing outside of the EEA, Switzerland, or the United Kingdom, may initiate their redemption of USDQ TOKENS through:
  - A partner institution of Quantoz Payments or;
  - The submission of a redemption form provided by Quantoz Payments.
  - Non-Registered USDQ Account Holders must undergo onboarding procedures as required by the Partner before any redemption request can be processed. A list of authorized Partners is maintained on the Quantoz Payments website, available at: https://quantozpay.com/ThirdParties.
  - Non-Registered TOKEN Account Holders are advised to initiate their redemption through an authorized partner as this results in the fastest way to redeem USDQ TOKENS.

- **Submission Process**: Registered USDQ Account Holders shall have the right to submit redemption requests directly to Quantoz Payments through designated communication channels, such as email or any other communication medium agreed to by both parties. Redemption requests shall be processed within the specific redemption timing
- corresponding with the specific account Tier chosen. https://quantozpay.com/fees.

- **Execution and Fund Transfer**: Following the acknowledgment and compliance verification of the redemption request, Registered USDQ Account Holders shall initiate the transfer of their USDQ TOKENS to the public address managed by Quantoz Payments. Upon receipt of the USDQ TOKENS at the designated public address, Quantoz Payments shall remit the equivalent value in euros to the Registered USDQ Account Holder's verified bank account within two (2) business days

- **Redemption Thresholds**: Redemption requests for USDQ TOKENS that equal or are less than one (1) euro will not be processed and will be ignored without further notice.

- **Redemption Timing**: The processing times for redemption requests vary based on the amount redeemed, as follows:
  - Less than €1M: Processed within 1 business day.
  - Between €1M and €10M: Processed within 3 business days.
  - Between €10M and €100M: Processed within 5 business days.
  - Exceeding €100M: Processed within 20 business days.

- **Notice Periods:** Registered USDQ Account Holders must adhere to the following notice periods for timely redemption:
  - Less than €1M: No advance notice required.
  - Between €1M and €10M: Submit requests 2 business days in advance.
  - Exceeding €10M: Submit requests 5 business days in advance.

1.4 Right to Terminate the Agreement

- **Account Termination**: Registered TOKEN Account Holders may terminate their relationship with Quantoz Payments at any time by closing their account, subject to redeeming or transferring any remaining TOKENS. Upon termination, all account privileges and access to services cease.

1.5 Right to Access Information

- **Transaction Information**: Quantoz Payments will provide holders with details of their TOKEN transactions through the Service or in writing.

1.6 Right to Privacy and Fair Treatment

- **Data Privacy:** Holders have the right to expect that any personal information provided to Quantoz Payments during registration and account use will be handled securely and confidentially.

- **Fair use policy**: To ensure operational resilience and counter spam redemption requests, Quantoz Payments reserves the right to process a maximum number of redemption requests per day per individual to prevent system overload.

1.7 Right to Third-Party Interactions and Content Responsibility

- **Third-Party Interactions**: Holders may interact with third-party platforms through Quantoz Payments' services. However, Quantoz Payments assumes no responsibility for the content or actions of these third-party platforms. Holders bear full responsibility for their interactions with such platforms and the accuracy of the information they disclose.

1.8 Protection Against Unlawful Actions

- **Liability Limitations**: Holders are entitled to know that Quantoz Payments is not liable for damages arising from circumstances beyond its control, such as compliance with conflicting laws or force majeure events. Liability is also limited to the amount paid for the Service in the preceding month.

2. Holders' Obligations

2.1 Compliance with Legal and Regulatory Obligations

- **Adhering to Laws**: Holders must comply with all applicable laws and regulations, including AML and CTF requirements, and fulfill any tax obligations arising from holding or using USDQ tokens. Holders are solely responsible for ensuring TOKEN use complies with legal requirements. If TOKEN use involves activities needing a financial license or regulatory approval, holders must secure it.
- **Sanction Compliance**: Holders represent that they are not restricted persons appearing on OFAC, UN, EU, or Dutch Sanction lists and are not holding USDQ on behalf of a restricted person. They are also obligated not to offer, sell, trade, pledge, convert, transfer, or deliver USDQ, either directly or indirectly, within the United States.
- **U.S. Persons Restriction**: Holders affirm that they are not classified as a U.S. Person under Regulation S of the U.S. Securities Act of 1933, do not fall under any definition of a U.S. Person according to the U.S. Commodity Exchange Act of 1936, or any related rules or orders issued by the Commodity Futures Trading Commission (CFTC). They are not considered a U.S. Person under the final rules implementing the credit risk retention requirements of Section 15G of the U.S. Securities Exchange Act of 1934.

2.2 Providing Accurate Information

- **Information Obligations**: Holders must provide accurate, sufficient, and up-to-date information during registration and throughout their use of the Service. Changes to personal details, such as name or address, must be reported to Quantoz Payments immediately. Any failure may result in penalties or account termination.

2.3 Account Security and Proper Use

- **Account Ownership**: Accounts are strictly personal and non-transferable. Holders must take responsibility for preventing unauthorized access to their account.
- **Device Security**: Holders are responsible for maintaining the security of their electronic devices, ensuring they are free from malware, updated, and secure.
- **Holder Conduct**: Holders must diligently act in their interactions with Quantoz Payments, take responsibility for their actions, and ensure they sign out of their account after use to maintain security.

2.4 Use of the Service

- **Transaction Execution**: TOKEN transactions will only be executed when sufficient information, explicit consent, and

		applicable fees are provided. Holders must ensure the accuracy of transaction details. Quantoz Payments may refuse a transaction if the required information is incomplete or there is another justified reason.
		
		• **Interest disclaimer:** Although Quantoz Payments may place the USDQ reserves in interest-bearing accounts or other yield-generating instruments, Holders agree that they have no claim to any interest or returns earned from these funds. USDQ itself does not generate interest or returns for Holders; it solely represents the right to redeem USDQ for an equivalent amount in euros, as outlined in this white paper
		
		• **Service Tiers:** Holders may select from a range of service tiers tailored to their minting and redemption needs. The specific limits, fees, and redemption timings applicable to each tier are detailed in the Pricing List: https://quantozpay.com/fees.
		
		2.5 Redemption Process
		
		• **Communication channels**: Holders must submit their redemption requests through designated communication channels specified by Quantoz Payments. Requests made outside of these channels shall not be accepted.
		
		• **Partner Onboarding:** Non-Registered TOKEN Account Holders must complete onboarding with an authorized Partner institution for redemption. Such Holders are responsible for ensuring that appropriate due diligence is performed on the selected Partner to evaluate reliability and suitability.
		
		• **Additional Requirements**: Non-registered TOKEN account holders are subject to the following requirements:
		  ○ Each redemption request requires a €0.01 bank transaction for verification purposes.
		  ○ Each redemption request must include the completion of a redemption form and is subject to Tier 3 Enhanced Customer Due Diligence procedures. This includes but is not limited to KYC (Know Your Customer) and AML (Anti-Money Laundering) verification to ensure compliance with regulatory standards. For more details see our CDD Redemption policy.
		
		• **Transfer Obligations:** Registered USDQ Account Holders are required to initiate a transfer of the specified USDQ TOKENS to the designated public address managed by Quantoz Payments as part of the redemption process. Non-compliance with this requirement shall lead to delays or the cancellation of the redemption request.

- **Bank Account Requirements:** Registered USDQ Account Holders must fund their USDQ accounts solely through a euro-denominated bank account registered in their name. Only SEPA-compliant, Swiss, and/or UK bank accounts are accepted, and all transactions must be conducted in euros.

2.6 Prohibited Activities

- **Interference with Services**: Holders must not engage in actions that interfere with or disrupt the proper functioning of the USDQ services, servers, or networks (e.g. spam redemptions)
- **Illegal Activities and Intellectual Property**: Holders are strictly prohibited from engaging in illegal activities, including fraud and money laundering. They must respect intellectual property rights, refraining from unauthorized use, reproduction, or modification of proprietary content.

2.7 Wallet Blacklisting and Freezing of TOKENS

- **Wallet Blacklisting**: Quantoz Payments reserves the right to blacklist wallets or freeze TOKENS if they are linked to illegal activities or violations of the Terms. This may be done either at Quantoz Payments' discretion or as directed by the FIU. Any TOKENS involved in blacklisted wallets may be frozen, accounts terminated, and related rights forfeited if required by the FIU.

2.8 Compliance monitoring and Enforcement

- **General compliance**: Quantoz Payments monitors USDQ transactions to ensure compliance with relevant laws, including AML and Sanction Law. In case of violations, Quantoz Payments may block USDQ addresses or terminate Holder accounts without prior notice. Depending on the severity of the violation, measures can include suspension, blocking, or full termination to maintain the integrity of the service and comply with applicable regulations.

- **Redemption Compliance**: Redemption requests are subject to compliance checks, which must be successfully completed before the request is acknowledged. Registered USDQ Account Holders must transfer the specified USDQ TOKENS to the public address managed by Quantoz Payments. Upon receipt of the TOKENS, the equivalent fiat value will be remitted to the Holder's verified bank account.

2.9 Restriction on Use and Distribution of TOKENS

- **TOKEN Use**: Holders may use TOKENS solely for their purposes and must not act as distributors unless they have a formal

		agreement with Quantoz Payments. This restriction is in place to ensure TOKENS are not misused for unauthorized purposes. **2.10. Reversibility of USDQ Transactions** • **Transaction Irreversibility**: USDQ transactions are irreversible. Once a Holder sends USDQ to a specific address, they accept the risk of permanently or indefinitely losing access to or any claim on that USDQ. This may occur due to the following reasons: • The address was entered incorrectly, and the rightful owner cannot be identified; • The Holder loses or never had the private key associated with that address; • The address belongs to an entity unwilling to return the USDQ or; • The entity may be willing to return the USDQ but requires certain actions, such as verifying the Holder's identity. • Quantoz Payments has no obligation to track, verify, or determine the origin of USDQ balances or any associated security claims, unless explicitly required by applicable laws. For more details regarding the rights and obligations of USDQ holders, please refer to: https://quantozpay.com/terms/ USDQ
D.2	Conditions of modifications of rights and obligations	Quantoz Payments reserves the right to periodically amend these rights and obligations. USDQ holders will be informed of such changes via updates to this white paper, the Redemption Policy on Quantoz' website, or any other valid communication channel. The rights and obligations of USDQ users may be subject to modification for example under the following conditions: • Compliance with applicable laws and regulations: changes may occur to ensure adherence to the prevailing laws and regulations within the operational territory of Quantoz Payments. • Improvement of services: modifications may be made to enhance the quality and efficiency of services provided to USDQ users, ensuring a better user experience and satisfaction. • Enhancing Security Measures: updates may be implemented to bolster security protocols, safeguarding user assets and data against evolving threats in the digital landscape. • A Force Majeure Event. As a result, it becomes impossible for Quantoz Payments to fulfil its obligations and the continuation of USDQ becomes definitively impossible. Notification of a force majeure event may be communicated through the Service, the official website, media outlets, or other appropriate channels. Proposed changes will be announced to holders with a 30-day notice period, allowing them time to review and prepare for the updates.

		However, if changes are required by a legally binding request from a competent authority or deemed necessary by Quantoz Payments to meet regulatory, legal, or compliance obligations, they will take effect immediately. Such immediate modifications will be communicated promptly, just as with other changes.
D.3	Description of the rights of the holders	Quantoz Payments upholds high standards for safe and sound financial management to mitigate risks of insolvency. In situations of financial distress or economic uncertainty, Quantoz Payments has established contingency plans to ensure the continuity of its operations, including the issuance of USDQ, and to protect the rights of USDQ holders. If Quantoz Payments is unable to meet its obligations or faces insolvency, USDQ reserves are safeguarded in full compliance with applicable laws. Specifically, funds received in exchange for the issuance of USDQ are shielded from any claims by other creditors of Quantoz Payments, including during enforcement or insolvency proceedings. In the event of financial distress or insolvency, Quantoz Payments will activate its Recovery and/or Redemption Plan, enabling USDQ holders to exercise their redemption rights, as detailed in Sections D.4 and D.5 below.
D.4	Rights in implementation of recovery plan	Quantoz Payments might take the following measurements to execute the recovery plan. • Restriction on Inflow of new customers As part of the recovery plan, Quantoz Payments might limit the number of new customers. This will help Quantoz Payments manage its resources better and keep the operations stable during challenging times. • Limitation on customer volume Quantoz Payments has the contractual right to limit the amount of funding its customers can do. This helps Quantoz Payments to manage its financial responsibilities and reduce potential risks. Quantoz Payments is committed to quickly inform customers about any such limits to ensure transparency and support effective cooperation. Other measurements may include • Liquidity fees on redemptions • Daily limits on the amount of USDQ that can be redeemed, set both at an aggregate level (e.g., as a percentage of the total tokens issued) and at the individual wallet level • Suspension of redemptions, as a last resort

		USDQ holders will be promptly informed of any such restrictions via the Quantoz Payments website. The recovery plan will be published within six months after publication of this white paper. This white paper will be updated to reflect the approved recovery plan, once regulatory authorization has been received.
D.5	Rights in implementation of redemption plan	Depending on the specific circumstances under which the redemption plan is triggered, Quantoz Payments may need to impose restrictions on the redemption of USDQ. USDQ holders will be notified of any such restrictions on the Quantoz Payments website. If the Redemption Plan is initiated, individual claims, as noted in Section D.1, will be temporarily suspended. Instead, Quantoz Payments will begin an organized redemption process for all token holders, conducted equitably, in accordance with the Redemption Plan and in cooperation with relevant authorities. As part of this process, a notice will be issued to inform all USDQ holders about the procedures and deadlines for submitting redemption claims. The notice will outline the main steps of the redemption process, including the exact date and time of the plan's activation, the required information for filing a claim, the submission location, and the timeframe within which USDQ holders must submit their claims. It will also provide essential details about redemption conditions and available technical support. Redemption requests submitted through the claim form will need to meet certain eligibility criteria, such as proof of identity, token holdings, AML/CFT compliance, bank account information, and other necessary details to complete the request. The redemption plan will be published within six months after publication of this white paper. The processes described in the Redemption Plan will be designed to ensure fair treatment for all USDQ holders and to protect their redemption rights. This white paper will be updated to reflect the approved redemption plan, once regulatory authorization has been received.
D.6	Complaint Submission Contact	Customers can file a complaint by sending an email to the following email address: support@quantozpay.com, with the word "complaint" in the subject. To handle complaints in the best possible way, the following information will be requested: • Full name of the Customer • The Customer Account Code provided by the Quantoz Payments • E-mail address • A description of the complaint

D.7	Complaints Handling Procedures	Upon receipt of a complaint the Staff involved with customer support will: • Assess the information sent by the Customer and confirm receipt of the complaint by email and informs the Customer within which period the complaint will be dealt with (which timeframe will in principle be 15 working days from the date of receipt of the complaint, save in exceptional circumstances). • The confirmation of receipt may – if applicable – comprise a request for additional information required to complete and commence handling the complaint. In such case the timeframe will commence after Quantoz Payments has received the additional information. • The complaint will be analysed by the Customer support desk and relevant departments of Quantoz Payments. • Ultimately within 15 working days from the date of receipt of the complaint (or receipt of the additional information as applicable), inform the Customer of the outcome thereof, including possible compensation of damages incurred. This period may be extended up to 35 working days (in total) in exceptional circumstances which are not a result of an act or omission by Quantoz Payments, provided the Customer has been informed on the reasons for extension of the response period and agreed thereto. • The Customer will be given the opportunity to respond to the outcome of the complaints process within 10 working days. In case such response requires additional research or analysis into the complaint, the complaint will be re-assessed taking into account the information provided by the Customer. Quantoz Payments will send a final response to the Customer within 10 working days after having received the Customer's response. • The Customer will be informed that Quantoz Payments has finalized handling the complaint and that the complaints handling procedure will be closed. The Customer will also be informed and about the possibility of initiating legal proceedings through a civil court. • Close the complaint handling process and record the information and correspondence with respect to the complaint. Quantoz Payments has a complaints procedure in place with a view to resolve complaints in an efficient, effective, and professional manner and to minimize complaints and claims. The complaints procedure is available on the Quantoz Payments' website: https://quantozpay.com/complaints
D.8	Dispute Resolution Mechanism	Quantoz Payments has a clear dispute resolution process for USDQ holders. In the event of a dispute, holders should submit their concerns in writing via email or official channels. The dispute will be promptly

		acknowledged and documented by a designated team member and then thoroughly investigated with input from relevant departments. Quantoz Payments' goal is to provide an initial response within ten business days outlining the steps being taken. If further investigation is required, holders will be kept informed of progress and timelines. If dissatisfied with the initial resolution, holders may escalate the matter to senior management for further review, ensuring higher level involvement for a fair outcome. If internal efforts fail to resolve the issue, holders may seek external resolution through legal channels or alternative dispute resolution methods, such as arbitration or mediation, as set forth in Quantoz Payments' Terms and Conditions. Committed to transparency, fairness and efficiency, Quantoz Payments maintains detailed records of each dispute in order to improve service and address systemic issues. This structured approach ensures that all disputes are handled professionally and promptly, and that the rights and interests of USDQ holders are protected.
D.9	Token Value Protection Schemes	YES
D.10	Token Value Protection Schemes Description	The amount of issued USDQ has a 1:1 correspondence with the fiat US dollars amounts and backed by a 100% reserve of which at least 30% is always deposited in a trusted bank account managed by the Quantoz Foundation. The remaining funds are invested in secure, low-risk assets that qualify as highly liquid financial instruments with minimal market risk, credit risk and concentration risk, in accordance with Article 38(1) of MiCAR and are denominated in US dollars. In the event of insolvency or financial instability of Quantoz Payments, these reserves are specifically designated to meet USDQ holders' redemption requests at par value, thereby protecting the value of the USDQ. Regular certifications verify the adequacy of these reserves, increasing transparency and trust.
D.11	Compensation Schemes	No
D.12	Compensation Schemes Description	N/A
D.13	Applicable law	The use of USDQ is subject to the laws of the Netherlands (the "**Applicable Laws**").

D.14	Competent court	Any legal action or proceeding arising from using USDQ shall be initiated before the District Court of Midden-Nederland in Utrecht, the Netherlands.

	PART E - INFORMATION ON THE UNDERLYING TECHNOLOGY	

E.1	Distributed ledger technology	Quantoz Payments issues USDQ on Ethereum, a decentralized, open-source blockchain that extends beyond simple financial transactions by enabling smart contracts and decentralized applications (dApps). Launched in 2015 by Vitalik Buterin, Ethereum revolutionized blockchain technology by allowing developers to build and execute code on its platform. Its native cryptocurrency, Ether (ETH), is used to power the network and compensate participants, particularly for validating transactions and running applications. Smart contracts are self-executing programs stored on the blockchain, ensuring that terms of an agreement are automatically enforced. These contracts eliminate the need for intermediaries, making processes more efficient and transparent. Ethereum transactions incur fees, known as "gas," which compensate network participants for the computational work required to process and validate them. The gas fee structure ensures that validators prioritize higher-fee transactions during periods of network congestion. Gas fees are paid in ETH and can vary depending on network demand. After Ethereum's upgrade to Proof of Stake (PoS) in 2022, validators, instead of miners, are responsible for securing the network and confirming transactions, making the network more energy-efficient and scalable. Overall, Ethereum serves as the backbone for a wide array of decentralized finance (DeFi), non-fungible tokens (NFTs), and other blockchain-based innovations. Quantoz Payments may also decide to issue USDQ on other distributed ledgers in the future. Quantoz Payments has neither the ability nor the obligation to prevent or address attacks or resolve any technical issues that may occur on any blockchain supporting USDQ.
E.2	Protocols and technical standards	**Ethereum Blockchain**: Ethereum is a decentralized, open-source blockchain that enables the creation of smart contracts and decentralized applications (dApps). Ethereum provides a flexible platform for programmable transactions and services. Its consensus mechanism, initially Proof of Work (PoW), has transitioned to Proof of Stake (PoS) with Ethereum 2.0. **Smart Contracts**: Smart contracts are self-executing contracts with code that enforces the terms of an agreement. Once deployed on

		Ethereum, they automatically execute predefined actions when certain conditions are met, eliminating the need for intermediaries and enabling decentralized applications. **Ethereum Virtual Machine (EVM)**: The EVM is the runtime environment where all smart contracts on Ethereum are executed. It's a virtual machine that ensures code is run consistently and deterministically across the network. The EVM can execute scripts using Ethereum's bytecode, making it the backbone of Ethereum's decentralized computation. **ERC-20 Tokens**: ERC-20 is a technical standard used to define tokens on the Ethereum blockchain. It ensures that tokens follow specific rules and can interact seamlessly with other smart contracts and decentralized apps. ERC-20 tokens represent various assets like stablecoins, utility tokens, or even NFTs. **Minting**: Minting refers to the creation of new ERC-20 tokens by a smart contract, increasing the total supply. **Burning**: Burning is the process of permanently removing ERC-20 tokens from circulation by sending them to an unusable address, effectively reducing the total supply. **Issuing**: Issuing refers to bringing ERC-20 tokens into circulation by Quantoz Payments. **Transactions**: ERC-20 token transactions involve transferring tokens between wallets using Ethereum's network. Each transaction requires a small gas fee paid in ETH, and it is processed and recorded on the blockchain, ensuring security and transparency. An **Ethereum public address** is a unique identifier used to receive tokens. The **private cryptographic key** is a secret code that grants access to control and transfer those tokens. Ownership of tokens is secured by the private key, ensuring only the owner can authorize transactions from the public address. USDQ is an ERC-20 Token. Minting and burning of USDQ will only be performed by Quantoz Payments by interacting with the USDQ smart contract. The smart contract includes a balance with which all USDQ public addresses will interact. USDQ holders can transfer their USDQ using their private cryptographic key to sign the transactions, which are integrated into a new block and sent to the Ethereum network once validated, without any action or control by Quantoz Payments or any third party.
E.3	Technology Used	Quantoz Payments uses technology services to manage the USDQ operations: • A service to KYC / AML primary market participants.

		• A service to monitor on-chain transactions and wallets. • A service to create and manage EVM blockchain transactions. • A secure method for managing access to its digital wallets by implementing multi-signature technology on EVM-compatible wallets. This approach enhances security by requiring multiple approvals for transactions, making it safer for USDQ holders and the USDQ ecosystem itself.
E.4	Purchaser’s technical requirements	USDQ Holders can either manage their USDQ tokens in self-custody, or in a custody solution provided by a Crypto Asset Service Provider. To manage USDQ tokens in self-custody, the holder must fulfil several technical requirements: • The holder needs a digital wallet compatible with ERC-20 tokens on Ethereum. • The holder must also securely generate and store public and private keys. The public key receives USDQ tokens, while the private key is necessary for accessing and authorizing transactions. Secure storage of the private key is crucial, as it grants control over the tokens. • The digital wallet must be correctly set up and connected to the Ethereum network. • The holder must have sufficient Ether (ETH) to cover transaction fees, ensuring that transactions can be processed and validated on the Ethereum blockchain.
E.5	Consensus Mechanism	Ethereum uses the Proof of Stake (PoS) consensus mechanism. PoS requires validators to stake ETH as collateral into a smart contract in order to qualify as a validator. Validators are selected for consensus based on the proportion of tokens they have staked. Validators are responsible for checking that new blocks propagated over the network are valid and occasionally create and propagate new blocks. If a validator tries to defraud the network, some of its staked ETH can be destroyed. More information about the consensus mechanism is available on this page of the Ethereum website: https://ethereum.org/en/developers/docs/consensus-mechanisms
E.6	Incentive Mechanisms and Applicable Fees	Validators secure the network through the PoS consensus mechanism and are incentivized to act honestly by earning transaction fees and staking rewards, which are distributed based on their staked amount and participation in the consensus process. Transaction, or "gas" fees are assessed based on the complexity of the transaction and the congestion on the Ethereum network. These fees are paid by users (i.e. USDQ-holders) and incentives validators to include

		transactions in blocks and prioritize transactions based on the fees attached to them.
E.7	Use of own Distributed ledger technology	No
E.8	DLT Functionality Description	N/A
E.9	Audit	Yes: Since 2020, an external ISO/IEC 27001 audit for the Quantoz organisation is performed every year. Yes: The USDQ Ethereum Smart Contract uses the ERC-20 contract implementation. Audit of the smart contract implementation was performed by Otter Audits LLC.
E.10	Audit outcome	Since 2020, the Quantoz organisation is an ISO/IEC 27001 certified company. With this ISO certificate, Quantoz demonstrates that it has implemented an information security management system in which all processes and procedures have been carefully designed and tested according to the international ISO standards. The outcome of the used ERC-20 smart contract audit is: no known vulnerabilities.

	PART G - INFORMATION ON THE SUSTAINABILITY INDICATORS IN RELATION TO ADVERSE IMPACT ON THE CLIMATE AND OTHER ENVIRONMENT-RELATED ADVERSE IMPACTS	

G.1	Adverse impacts on climate and other environment-related adverse impacts	Quantoz Payments is committed to providing clear and detailed information on the environmental impacts of its operations. USDQ is not issued yet, and as such no transactions are recorded. USDQ will become available on the Ethereum blockchain, which uses a Proof of Stake (PoS) consensus mechanism as an ERC-20 Token. For ERC-20 transactions specifically, the energy consumption can vary slightly due to smart contract complexities, but it remains in a similar range to typical Ethereum transactions. Thus, an USDQ ERC-20 transaction will use approximately 0.03 to 0.05 kWh per transaction.