HarryPotterObamaSonic10Inu (HPOS10I)
White paper

In accordance with Title II of Regulation (EU) 2023/1114 (MiCA)

N	Field	Content
0	Table of content	

		relates	31
		End of the period to which the disclosure relates	31
		Energy consumption	31
		Energy consumption sources and methodologies	31
01	Date of notification	2025-06-12	
02	Statement in accordance with Article 6(3) of Regulation (EU) 2023/1114	This crypto-asset white paper has not been approved by any competent authority in any Member State of the European Union. The operator of the trading platform of the crypto-asset is solely responsible for the content of this crypto-asset white paper.	
03	Compliance statement in accordance with Article 6(6) of Regulation (EU) 2023/1114	This crypto-asset white paper complies with Title II of Regulation (EU) 2023/1114 and, to the best of the knowledge of the management body, the information presented in the crypto-asset white paper is fair, clear and not misleading and the crypto-asset white paper makes no omission likely to affect its import.	
04	Statement in accordance with Article 6(5), points (a), (b), (c) of Regulation (EU) 2023/1114	The crypto-asset referred to in this white paper may lose its value in part or in full, may not always be transferable and may not be liquid.	
05	Statement in accordance with Article 6(5), point (d) of Regulation (EU) 2023/1114	false	

06	Statement in accordance with Article 6(5), points (e) and (f) of Regulation (EU) 2023/1114	The crypto-asset referred to in this white paper is not covered by the investor compensation schemes under Directive 97/9/EC of the European Parliament and of the Council. The crypto-asset referred to in this white paper is not covered by the deposit guarantee schemes under Directive 2014/49/EU of the European Parliament and of the Council.

Summary

07	Warning in accordance with Article 6(7), second subparagraph of Regulation (EU) 2023/1114	**Warning** This summary should be read as an introduction to the crypto-asset white paper. The prospective holder should base any decision to purchase this crypto – asset on the content of the crypto-asset white paper as a whole and not on the summary alone. The admission to trading of this crypto-asset 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 crypto-asset 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 Union or national law.
08	Characteristics of the crypto-asset	HarryPotterObamaSonic10Inu (HPOS10I) is an Ethereum-based fungible crypto-asset token. It is transferable on the Ethereum network and can be freely traded or held by participants. Its value derives solely from community adoption and market demand.
09	Key information about the quality and quantity of the goods or services to which the utility tokens give access	N/A
10	Key information about the offer to the public or admission to trading	Kraken seeks admission to trading of the HPOS10I token so as to be compliant with MiCA and in keeping with its mission to make available for trading to its clients a wide range of assets.

Part I – Information on risks

I.1	Offer-Related Risks	**General Risk Factors Associated with Crypto-Asset Offerings:** The admission to trading of crypto-assets, including HPOS10I, is subject to general risks inherent to the broader cryptocurrency market. **Market Volatility:** The value of HPOS10I may experience substantial fluctuations driven by investor sentiment, macroeconomic developments, and market conditions. **Regulatory Risks:** Changes in legislation, applicable laws, compliance requirements or the implementation of new regulatory frameworks could affect the availability, trading, or use of such assets. **Security Risks:** The risk of exploitation, hacking or security vulnerabilities of the underlying protocol and or contracts of the token leading to a loss.
I.2	Issuer-Related Risks	The HPOS10I project's informal structure and lack of a formal legal entity present several issuer-related risks. **Governance and Internal Control Risks:** With an anonymous or pseudonymous team, there is limited transparency and accountability. This could lead to potential mismanagement or misalignment with community interests. The absence of formal governance frameworks increases uncertainty, as key decisions may be made without external oversight. **Legal and Regulatory Risks:** Because the project is not operated by a registered company, there is no clear legal entity accountable for HPOS10I. This could pose challenges if regulatory authorities seek compliance or if disputes arise, as holders might have limited recourse. Furthermore, changes in laws or enforcement could impact the project's ability to operate if it cannot meet regulatory requirements due to its decentralized structure.
I.3	Crypto-Assets-related Risks	**Market Volatility:** The crypto-asset market is subject to significant price volatility, which may affect the value of HPOS10I. Prices can fluctuate rapidly and unpredictably due to various factors, including market sentiment, economic indicators, technological developments, regulatory news, and macroeconomic trends. This high level of volatility may lead to sudden gains or losses and can impact the liquidity and tradability of the crypto-asset. **Liquidity:** Liquidity refers to the ability to buy or sell a crypto-asset without causing

significant price impact. HPOS10I may experience periods of low liquidity, meaning that it could be difficult to enter or exit positions at desired prices or volumes. Reduced liquidity may result from limited market participation, exchange restrictions, or broader market conditions. This can lead to increased price volatility, slippage, and difficulty in executing transactions.

Cybersecurity & Technology Risks:
Risks arising from vulnerabilities in the blockchain technology used by the project or platforms. Example risks include smart contract exploits, compromise of platforms, forking scenarios, compromise of cryptographic algorithms.

Adoption Risks:
The risk associated with the project not achieving its goals leading to lower than expected adoption and use within the ecosystem, the impact leading to a reduced utility and value proposition.

Custody & Ownership Risk:
The risk related to the inadequate safekeeping and control of crypto-assets e.g. loss of private keys, custodian insolvency leading to a loss."

I.4	Project Implementation-Related Risks	The implementation of the HarryPotterObamaSonic10Inu project may face challenges that could adversely affect its success. **Operational Challenges:** As a community-driven initiative without formal management, coordinating development, marketing, and community engagement can be difficult. The lack of a structured management process might result in inefficiencies or inconsistent progress. **Team Continuity Risk:** The project's progress depends on its contributors. If key community leaders leave the project or lose interest, there may be setbacks or discontinuation of certain project aspects.
I.5	Technology-Related Risks	**Smart contract risks:** HPOS10I uses smart contracts to facilitate automated transactions and processes. While these contracts enhance efficiency and decentralization, they also introduce specific technical risks. Vulnerabilities such as coding errors, design flaws, or security loopholes within the smart contract code may be exploited by malicious actors. Such exploits could result in the loss of assets, unauthorized access to sensitive information, or unintended and irreversible execution of transactions. **Blockchain Network Risks:** HPOS10I operates on a public blockchain infrastructure, which is maintained by a decentralized network of participants. The functionality and reliability of the

		crypto-asset are dependent on the performance and security of the underlying blockchain. Risks may include network congestion, high transaction fees, delayed processing times, or, in extreme cases, outages and disruptions. Additionally, vulnerabilities or failures in the consensus mechanism, attacks on the network (e.g., 51% attacks), or protocol-level bugs could impact the operation and availability of HPOS10I. **Risk of Cryptographic Vulnerabilities:** Technological advancements, such as quantum computing, could pose potential risks to cryptocurrencies. **Privacy:** Transactions involving HPOS10I are recorded on a public blockchain, where transaction data is transparent and permanently accessible. While public addresses do not directly reveal personal identities, transaction histories can be analyzed and, in some cases, linked to individuals through data aggregation or external information sources. This transparency may pose privacy concerns for users seeking confidentiality in their financial activity. Participants should be aware that transaction data on public blockchains is not inherently private and could be subject to scrutiny by third parties, including regulators, analytics firms, or malicious actors.
I.6	Mitigation measures	**Use of Established Standards:** HPOS10I is implemented using a well-tested token standard, ERC20 on Ethereum, which has been widely used and vetted. By adhering to a standard protocol and not using unproven custom code where unnecessary, the project reduces the likelihood of unknown bugs. **Audit:** A basic security step taken was a third-party audit of the token's smart contract, which aimed to identify and address potential vulnerabilities.

Part A - Information about the offeror or the person seeking admission to trading

A.1	Name	N/A
A.2	Legal form	N/A
A.3	Registered address	N/A

A.4	Head office	N/A
A.5	Registration Date	N/A
A.6	Legal entity identifier	N/A
A.7	Another identifier required pursuant to applicable national law	N/A
A.8	Contact telephone number	N/A
A.9	E-mail address	N/A
A.10	Response Time (Days)	N/A
A.11	Parent Company	N/A
A.12	Members of the Management body	N/A
A.13	Business Activity	N/A
A.14	Parent Company Business Activity	N/A

A.15	Newly Established	N/A
A.16	Financial condition for the past three years	N/A
A.17	Financial condition since registration	N/A

Part B - Information about the issuer, if different from the offeror or person seeking admission to trading

B.1	Issuer different from offeror or person seeking admission to trading	true
B.2	Name	Not available
B.3	Legal form	Not available
B.4	Registered address	Not available
B.5	Head office	Not available
B.6	Registration Date	Not available
B.7	Legal entity identifier	Not available

B.8	Another identifier required pursuant to applicable national law	Not available
B.9	Parent Company	Not available
B.10	Members of the Management body	Not available
B.11	Business Activity	Not available
B.12	Parent Company Business Activity	Not available

Part C- Information about the operator of the trading platform in cases where it draws up the crypto-asset white paper and information about other persons drawing the crypto-asset white paper pursuant to Article 6(1), second subparagraph, of Regulation (EU) 2023/1114

C.1	Name	Payward Global Solutions LTD
C.2	Legal form	N/A
C.3	Registered address	N/A
C.4	Head office	N/A
C.5	Registration Date	11-07-2023

C.6	Legal entity identifier of the operator of the trading platform	9845003D98SCC2851458
C.7	Another identifier required pursuant to applicable national law	N/A
C.8	Parent Company	N/A
C.9	Reason for Crypto-Asset White Paper Preparation	Kraken seeks admission to trading of the HPOS10I token so as to be compliant with MiCA and in keeping with its mission to make available for trading to its clients a wide range of assets.

C.10	Members of the Management body	

Full Name	Business Address	Function
Shannon Kurtas	70 Sir John Rogerson's Quay, Dublin 2, Ireland	Board Member
Andrew Mulvenny	70 Sir John Rogerson's Quay, Dublin 2, Ireland	Board Member
Shane O'Brien	70 Sir John Rogerson's Quay, Dublin 2, Ireland	Board Member
Laura Walsh	70 Sir John Rogerson's Quay, Dublin 2, Ireland	Board Member
Michael Walsh	70 Sir John Rogerson's Quay, Dublin 2, Ireland	Board Member

C.11	Operator Business Activity	PGSL is the operator of a Trading Platform for Crypto Assets, in accordance with Article 3(1)(18) of Regulation (EU) 2023/1114 (MiCA).
C.12	Parent Company Business Activity	Payward, Inc., a Delaware, USA corporation, is the parent company of a worldwide group of subsidiaries (the following paragraphs use the term "Payward" or "Payward Group" to refer to the group) collectively doing business as "Kraken." Payward's primary business is the operation of an online virtual

		asset platform that enables clients to buy and sell virtual assets on a spot basis, including the transfer of crypto-assets to and from external wallets. Payward, through its various affiliates, offers a number of other services and products, including: * A trading platform for futures contracts on virtual assets ("Kraken Derivatives"); * A platform for buying and selling NFTs; * An over-the-counter ("OTC") desk; * Extensions of margin to support spot trading of virtual assets; * A benchmark administrator; and * Staking services.
C.13	Other persons drawing up the crypto-asset white paper according to Article 6(1), second subparagraph, of Regulation (EU) 2023/1114	N/A
C.14	Reason for drawing the white paper by persons referred to in Article 6(1), second subparagraph, of Regulation (EU) 2023/1114	N/A

Part D- Information about the crypto-asset project

D.1	Crypto-asset project name	HarryPotterObamaSonic10Inu
D.2	Crypto-assets name	HarryPotterObamaSonic10Inu

D.3	Abbreviation	HPOS10I
D.4	Crypto-asset project description	HarryPotterObamaSonic10Inu is a meme-themed crypto-asset project centered around an Internet community. The project's concept is to combine widely recognized cultural references in a humorous way, creating a token that serves as social commentary on the crypto space. HPOS10I has no inherent utility or underlying platform; its primary purpose is to engage a community of enthusiasts in creating and sharing meme content.
D.5	Details of all natural or legal persons involved in the implementation of the crypto-asset project	HarryPotterObamaSonic10Inu was developed by a pseudonymous team with no publicly known legal entity behind it.
D.6	Utility Token Classification	false
D.7	Key Features of Goods/Services for Utility Token Projects	N/A
D.8	Plans for the token	Please refer to project team website for any further information regarding future milestone
D.9	Resource Allocation	No information on dedicated resources for the project has been publicly disclosed. The development and promotion of HPOS10I to date appear to rely on community contributions and organic participation, with no specific budget or funding allocations announced.
D.10	Planned Use of Collected Funds or Crypto-Assets	N/A

Part E - Information about the offer to the public of crypto-assets or their admission to trading

E.1	Public Offering or Admission to trading	ATTR
E.2	Reasons for Public Offer or Admission to trading	Making secondary trading available to the consumers on the Kraken Trading platform in compliance with the MiCA regulatory framework
E.3	Fundraising Target	N/A
E.4	Minimum Subscription Goals	N/A
E.5	Maximum Subscription Goal	N/A
E.6	Oversubscription Acceptance	N/A
E.7	Oversubscription Allocation	N/A
E.8	Issue Price	N/A
E.9	Official currency or other crypto-assets determining the issue price	N/A
E.10	Subscription fee	N/A

E.11	Offer Price Determination Method	N/A
E.12	Total Number of Offered/Traded crypto-assets	1 000 000 000 maximum supply
E.13	Targeted Holders	ALL
E.14	Holder restrictions	N/A
E.15	Reimbursement Notice	N/A
E.16	Refund Mechanism	N/A
E.17	Refund Timeline	N/A
E.18	Offer Phases	N/A
E.19	Early Purchase Discount	N/A
E.20	time-limited offer	N/A
E.21	Subscription period beginning	N/A
E.22	Subscription period end	N/A

E.23	Safeguarding Arrangements for Offered Funds/crypto-assets	N/A
E.24	Payment Methods for crypto-asset Purchase	N/A
E.25	Value Transfer Methods for Reimbursement	N/A
E.26	Right of Withdrawal	N/A
E.27	Transfer of Purchased crypto-assets	N/A
E.28	Transfer Time Schedule	N/A
E.29	Purchaser's Technical Requirements	N/A
E.30	crypto-asset service provider (CASP) name	N/A
E.31	CASP identifier	N/A
E.32	Placement form	NTAV

E.33	Trading Platforms name	N/A
E.34	Trading Platforms Market Identifier Code (MIC)	N/A
E.35	Trading Platforms Access	N/A
E.36	Involved costs	N/A
E.37	Offer Expenses	N/A
E.38	Conflicts of Interest	All listings decisions made by Payward Global Solution Ltd are made independently by staff of the entity in line with internal policies. PGSL publishes a conflicts of interest disclosure on its website advising of potential conflicts that may arise.
E.39	Applicable law	Any dispute relating to this white paper shall be governed by and construed and enforced in accordance with the laws of Ireland without regard to conflict of law rules or principles (whether of Ireland or any other jurisdiction) that would cause the application of the laws of any other jurisdiction, irrespective of whether HPOS10I tokens qualify as right or property under the applicable law.
E.40	Competent court	Any disputes or claims arising out of this white paper will be subject to the exclusive jurisdiction of the Irish courts.

Part F - Information about the crypto-assets

F.1	Crypto-Asset Type	HPOS10I is classified as a crypto-asset other than an asset referenced token or e-money token under MiCA, (EU) 2023/1114.
F.2	Crypto-Asset Functionality	HPOS10I is a simple ERC20 token that primarily functions as a transferable digital asset on the Ethereum blockchain. It does not have any built-in utility features. Holders can send and receive HPOS10I using Ethereum wallets, and they can trade the token on exchanges that support it.

F.3	Planned Application of Functionalities	There are currently no known additional token functionalities pending activation or launch for HPOS10I.

A description of the characteristics of the crypto-asset, including the data necessary for classification of the crypto-asset white paper in the register referred to in Article 109 of Regulation (EU) 2023/1114, as specified in accordance with paragraph 8 of that Article

F.4	Type of white paper	OTHR
F.5	The type of submission	NEWT
F.6	Crypto-Asset Characteristics	HPOS10I is a fungible digital token with a fixed total supply of 1 000 000 000 that was defined at the time of its creation.
F.7	Commercial name or trading name	No dedicated commercial entity exists for the project.
F.8	Website of the issuer	https://hpos10i.com/
F.9	Starting date of offer to the public or admission to trading	2023-05-11
F.10	Publication date	2025-07-10
F.11	Any other services provided by the issuer	N/A

F.12	Identifier of operator of the trading platform	PGSL
F.13	Language or languages of the white paper	English
F.14	Digital Token Identifier	Not available
F.15	Functionally Fungible Group Digital Token Identifier	N/A
F.16	Voluntary data flag	Mandatory
F.17	Personal data flag	false
F.18	LEI eligibility	N/A
F.19	Home Member State	Ireland
F.20	Host Member States	Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden

Part G - Information on the rights and obligations attached to the crypto-assets

G.1	Purchaser Rights and Obligations	**Transferability and Trading:** Holders have the ability to transfer their HPOS10I tokens to others (on-chain) or to trade them on available markets at will.

		Obligations of Holders: There are no mandatory obligations imposed on HPOS10I purchasers.
G.2	Exercise of Rights and obligations	The primary right associated with HPOS10I – the ability to transfer or trade the token – is exercised through standard blockchain transactions.
G.3	Conditions for modifications of rights and obligations	The rights and obligations attached to HPOS10I as described in this white paper reflect information available at the time of issuance. This white paper is issued by Kraken and does not constitute a commitment or guarantee by HarryPotterObamaSonic10Inu or any other party regarding future modifications. No promises, warranties, or assurances are made herein regarding future token functionality, and this section is provided solely for informational purposes.
G.4	Future Public Offers	The HarryPotterObamaSonic10Inu project has not planned any future public offerings of the HPOS10I token.
G.5	Issuer Retained Crypto-Assets	Not available
G.6	Utility Token Classification	false
G.7	Key Features of Goods/Services of Utility Tokens	N/A
G.8	Utility Tokens Redemption	N/A
G.9	Non-Trading request	This white paper reflects a request to admit the token to trading.
G.10	Crypto-Assets purchase or sale modalities	N/A

G.11	Crypto-Assets Transfer Restrictions	Kraken may, in accordance with applicable laws and internal policies and terms, impose restrictions on buyers and sellers of these tokens.
G.12	Supply Adjustment Protocols	false
G.13	Supply Adjustment Mechanisms	N/A
G.14	Token Value Protection Schemes	false
G.15	Token Value Protection Schemes Description	N/A
G.16	Compensation Schemes	false
G.17	Compensation Schemes Description	N/A
G.18	Applicable law	Any dispute relating to this white paper shall be governed by and construed and enforced in accordance with the laws of Ireland without regard to conflict of law rules or principles (whether of Ireland or any other jurisdiction) that would cause the application of the laws of any other jurisdiction, irrespective of whether HPOS10I tokens qualify as right or property under the applicable law.
G.19	Competent court	Any disputes or claims arising out of this white paper will be subject to the exclusive jurisdiction of the Irish courts.
Part H – information on the underlying technology		

H.1	Distributed ledger technology	HPOS10I is implemented on Ethereum. Ethereum is a public, open-access blockchain that reaches consensus through Proof-of-Stake (PoS). This technology ensures that HPOS10I transactions can be recorded, validated, and secured in a decentralized manner.
H.2	Protocols and technical standards	The HPOS10I token is based on the Ethereum protocol, which utilizes decentralized Distributed-Ledger Technology. This protocol provides the foundation for secure transactions and smart contracts. ERC20 Token Standard: The ERC20 standard is a technical protocol for issuing and managing tokens, ensuring that the HPOS10I token is compatible with most wallets, exchanges, and decentralized applications (DApps).
H.3	Technology Used	The HPOS10I token uses the existing ERC-20 fungible token standard on Ethereum.
H.4	Consensus Mechanism	Ethereum uses a Proof-of-Stake (PoS) consensus mechanism, where validators are selected based on ETH stake to propose and attest to new blocks. Transactions on Ethereum typically take 12 seconds, with strong decentralization and security guarantees.
H.5	Incentive Mechanisms and Applicable Fees	HPOS10I relies on the existing incentive mechanisms and fee structures of the Ethereum blockchain.
H.6	Use of Distributed Ledger Technology	false
H.7	DLT Functionality Description	N/A
H.8	Audit	true
H.9	Audit outcome	TechRate's review of the HarryPotterObamaSonic10Inu smart-contract (dated November 2021) concluded: ● No high-severity issues ● No medium-severity issues ● One low-severity finding

Part J - Information on the suitability indicators in relation to adverse impact on the climate and other environment-related adverse impacts		
S.1	Name	Payward Global Solutions Limited
S.2	Relevant legal entity identifier	9845003D98SCC2851458
S.3	Name of the crypto-asset	harrypotterobamasonic
S.4	Consensus Mechanism	harrypotterobamasonic is present on the following networks: Base, Ethereum, Solana.

Base is a Layer-2 (L2) solution on Ethereum that was introduced by Coinbase and developed using Optimism's OP Stack. L2 transactions do not have their own consensus mechanism and are only validated by the execution clients. The so-called sequencer regularly bundles stacks of L2 transactions and publishes them on the L1 network, i.e. Ethereum. Ethereum's consensus mechanism (Proof-of-stake) thus indirectly secures all L2 transactions as soon as they are written to L1.

The crypto-asset's Proof-of-Stake (PoS) consensus mechanism, introduced with The Merge in 2022, replaces mining with validator staking. Validators must stake at least 32 ETH every block a validator is randomly chosen to propose the next block. Once proposed the other validators verify the blocks integrity. The network operates on a slot and epoch system, where a new block is proposed every 12 seconds, and finalization occurs after two epochs (~12.8 minutes) using Casper-FFG. The Beacon Chain coordinates validators, while the fork-choice rule (LMD-GHOST) ensures the chain follows the heaviest accumulated validator votes. Validators earn rewards for proposing and verifying blocks, but face slashing for malicious behavior or inactivity. PoS aims to improve energy efficiency, security, and scalability, with future upgrades like Proto-Danksharding enhancing transaction efficiency.

Solana uses a unique combination of Proof of History (PoH) and Proof of Stake (PoS) to achieve high throughput, low latency, and robust security.

Core Concepts:
1. Proof of History (PoH):
  - Time-Stamped Transactions: PoH is a cryptographic technique that timestamps transactions, creating a historical record that proves that an event has occurred at a specific moment in time.
  - Verifiable Delay Function: PoH uses a Verifiable Delay Function (VDF) to generate a unique hash that includes the transaction and the time it was processed. This sequence of hashes provides a verifiable order of |

events, enabling the network to efficiently agree on the sequence of transactions.

2. Proof of Stake (PoS):
   - Validator Selection: Validators are chosen to produce new blocks based on the number of SOL tokens they have staked. The more tokens staked, the higher the chance of being selected to validate transactions and produce new blocks.
   - Delegation: Token holders can delegate their SOL tokens to validators, earning rewards proportional to their stake while enhancing the network's security.

Consensus Process:

1. Transaction Validation:

   Transactions are broadcast to the network and collected by validators. Each transaction is validated to ensure it meets the network's criteria, such as having correct signatures and sufficient funds.

2. PoH Sequence Generation:

   A validator generates a sequence of hashes using PoH, each containing a timestamp and the previous hash. This process creates a historical record of transactions, establishing a cryptographic clock for the network.

3. Block Production:

   The network uses PoS to select a leader validator based on their stake. The leader is responsible for bundling the validated transactions into a block. The leader validator uses the PoH sequence to order transactions within the block, ensuring that all transactions are processed in the correct order.

4. Consensus and Finalization:

   Other validators verify the block produced by the leader validator. They check the correctness of the PoH sequence and validate the transactions within the block. Once the block is verified, it is added to the blockchain. Validators sign off on the block, and it is considered finalized.

Security and Economic Incentives:

1. Incentives for Validators:
   - Block Rewards: Validators earn rewards for producing and validating blocks. These rewards are distributed in SOL tokens and are proportional to the validator's stake and performance.
   - Transaction Fees: Validators also earn transaction fees from the transactions included in the blocks they produce. These fees provide an additional incentive for validators to process transactions efficiently.

2. Security:

		- Staking: Validators must stake SOL tokens to participate in the consensus process. This staking acts as collateral, incentivizing validators to act honestly. If a validator behaves maliciously or fails to perform, they risk losing their staked tokens. - Delegated Staking: Token holders can delegate their SOL tokens to validators, enhancing network security and decentralization. Delegators share in the rewards and are incentivized to choose reliable validators. 3. Economic Penalties: Slashing: Validators can be penalized for malicious behavior, such as double-signing or producing invalid blocks. This penalty, known as slashing, results in the loss of a portion of the staked tokens, discouraging dishonest actions.
S.5	Incentive Mechanisms and Applicable Fees	harrypotterobamasonic is present on the following networks: Base, Ethereum, Solana. Base is a Layer-2 (L2) solution on Ethereum that uses optimistic rollups provided by the OP Stack on which it was developed. Transaction on base are bundled by a, so called, sequencer and the result is regularly submitted as an Layer-1 (L1) transactions. This way many L2 transactions get combined into a single L1 transaction. This lowers the average transaction cost per transaction, because many L2 transactions together fund the transaction cost for the single L1 transaction. This creates incentives to use base rather than the L1, i.e. Ethereum, itself. To get crypto-assets in and out of base, a special smart contract on Ethereum is used. Since there is no consensus mechanism on L2 an additional mechanism ensures that only existing funds can be withdrawn from L2. When a user wants to withdraw funds, that user needs to submit a withdrawal request on L1. If this request remains unchallenged for a period of time the funds can be withdrawn. During this time period any other user can submit a fault proof, which will start a dispute resolution process. This process is designed with economic incentives for correct behaviour. The crypto-asset's PoS system secures transactions through validator incentives and economic penalties. Validators stake at least 32 ETH and earn rewards for proposing blocks, attesting to valid ones, and participating in sync committees. Rewards are paid in newly issued ETH and transaction fees. Under EIP-1559, transaction fees consist of a base fee, which is burned to reduce supply, and an optional priority fee (tip) paid to validators. Validators face slashing if they act maliciously and incur penalties for inactivity.

This system aims to increase security by aligning incentives while making the crypto-asset's fee structure more predictable and deflationary during high network activity.

Solana uses a combination of Proof of History (PoH) and Proof of Stake (PoS) to secure its network and validate transactions.

Incentive Mechanisms:

1. Validators:
    - Staking Rewards: Validators are chosen based on the number of SOL tokens they have staked. They earn rewards for producing and validating blocks, which are distributed in SOL. The more tokens staked, the higher the chances of being selected to validate transactions and produce new blocks.
    - Transaction Fees: Validators earn a portion of the transaction fees paid by users for the transactions they include in the blocks. This provides an additional financial incentive for validators to process transactions efficiently and maintain the network's integrity.
2. Delegators:
    - Delegated Staking: Token holders who do not wish to run a validator node can delegate their SOL tokens to a validator. In return, delegators share in the rewards earned by the validators. This encourages widespread participation in securing the network and ensures decentralization.
3. Economic Security:
    - Slashing: Validators can be penalized for malicious behavior, such as producing invalid blocks or being frequently offline. This penalty, known as slashing, involves the loss of a portion of their staked tokens. Slashing deters dishonest actions and ensures that validators act in the best interest of the network.
    - Opportunity Cost: By staking SOL tokens, validators and delegators lock up their tokens, which could otherwise be used or sold. This opportunity cost incentivizes participants to act honestly to earn rewards and avoid penalties. Fees Applicable on the Solana Blockchain
    -
Transaction Fees:
1. Low and Predictable Fees:
    Solana is designed to handle a high throughput of transactions, which helps keep fees low and predictable. The average transaction fee on Solana is significantly lower compared to other blockchains like Ethereum.
2. Fee Structure:

		Fees are paid in SOL and are used to compensate validators for the resources they expend to process transactions. This includes computational power and network bandwidth.
S.6	Beginning of the period to which the disclosure relates	2024-05-28
S.7	End of the period to which the disclosure relates	2025-05-28
S.8	Energy consumption	430.07502 kWh/a
S.9	Energy consumption sources and methodologies	The energy consumption of this asset is aggregated across multiple components: To determine the energy consumption of a token, the energy consumption of the network(s) base, ethereum, solana is calculated first. For the energy consumption of the token, a fraction of the energy consumption of the network is attributed to the token, which is determined based on the activity of the crypto-asset within the network. When calculating the energy consumption, the Functionally Fungible Group Digital Token Identifier (FFG DTI) is used - if available - to determine all implementations of the asset in scope. The mappings are updated regularly, based on data of the Digital Token Identifier Foundation. The information regarding the hardware used and the number of participants in the network is based on assumptions that are verified with best effort using empirical data. In general, participants are assumed to be largely economically rational. As a precautionary principle, we make assumptions on the conservative side when in doubt, i.e. making higher estimates for the adverse impacts.