ZAR Universal White Paper

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PART 2.00 - SUMMARY		
2.01	Warning / risk statement	This summary should be read as an introduction to the digital-asset white paper. The prospective holder should base any decision to purchase this stablecoin on the content of the white paper as a whole and not on this summary alone.
2.02	Characteristics of the crypto-asset	Crypto assets are a declared financial product under the Financial Advisory and Intermediary Services Act (**FAIS**), and are regulated by the Financial Sector Conduct Authority (**FSCA**). BlockTower is authorised as a Financial Services Provider (FSP No. 55172) to render financial services in respect of crypto assets, including ZARU.
2.03	Key information about the offer/or admission to trading	ZARU is only available for issuance through the BlockTower account service and it is accessible to institutions located in supported jurisdictions. ZARU is listed across several regulated crypto-asset service providers.
PART 3.00 - INFORMATION ABOUT THE ISSUER OF ZAR UNIVERSAL		
3.01	BlockTower South Africa (Pty) Ltd	Loop South Africa Proprietary Limited, trading as BlockTower, (hereafter referred to as "**BlockTower**") is a South African entity registered with the Companies and Intellectual Property Commission (CIPC). BlockTower is a licensed Financial Services Provider (FSP No. 55172) authorised by the Financial Sector Conduct Authority (FSCA) to render financial services in respect of crypto assets. It serves as the operational entity responsible for reserve management, institutional onboarding, KYC and AML compliance, partner relationships, and day-to-day governance of the ZARU ecosystem within South Africa. All reserve assets backing ZARU are held in South African rand in segregated accounts under BlockTower South Africa's operational oversight.
3.02	Banking Partners	ZARU's reserve and operational banking infrastructure is structured to ensure full segregation of reserve assets, institutional-grade custody, and resilience across counterparties. BlockTower has established banking relationships with multiple regulated South African financial institutions to support ZARU's minting, redemption, and reserve operations. Standard Bank of South Africa serves as ZARU's primary banking and custody partner. BlockTower utilises Standard Bank for transactional banking services to receive mint deposits, as well as a dedicated custodial account for holding reserve securities such as floating rate

		notes. This structure ensures complete separation between BlockTower's operational accounts and ZARU's reserve assets — meaning reserve funds are legally ring-fenced and not available to BlockTower's creditors, including in the event of its insolvency, subject to applicable law.
3.03	Asset Liability Manager	Effective reserve management is central to the integrity of any fully-backed stablecoin. ZARU's reserves are not simply held — they are actively managed within a disciplined investment and risk framework designed to ensure that redemption obligations can be met at all times and under all market conditions. Sanlam Specialised Asset Manager Proprietary Limited, part of the Sanlam Group ("**Sanlam**"), serves as the asset-liability manager (ALM) for ZARU. In this capacity, Sanlam is responsible for overseeing the allocation, management, and risk controls applied to all reserve assets backing ZARU in circulation. Sanlam manages the reserve portfolio in accordance with a conservative mandate that prioritises capital preservation, liquidity, and redemption readiness above all other considerations. The portfolio is restricted to high-quality, short-dated instruments — including cash and call deposits, South African Government securities, floating rate notes, over-collateralised reverse repos, and approved money market funds — ensuring that reserves can be liquidated rapidly to meet redemption requests at par. As ALM, Sanlam conducts daily and intraday liquidity monitoring across all segregated reserve accounts, tracks settlement flows, and ensures compliance with ZARU's Treasury Management Policy at all times. Its role provides independent oversight of BlockTower's reserve activities and reinforces the institutional governance standards expected of regulated stablecoin infrastructure. Sanlam is one of Africa's largest non-bank financial services groups, managing hundreds of billions of rand in assets across insurance, asset management, retirement solutions, and wealth advisory. Its appointment as ALM for ZARU reflects the institutional-grade standards to which ZARU's reserve framework is held.

3.04	Independent Attestation Provider	Independent third-party assurance is a core pillar of ZARU's transparency and governance framework. Token holders and institutional counterparties require verifiable, objective confirmation that ZARU in circulation is fully backed at all times — and that this backing is confirmed by a party entirely independent of the issuer. Moore Johannesburg Inc. (Moore) has been appointed as ZARU's independent reserve attestation provider. Moore is a fully independent audit firm registered with the Independent Regulatory Board for Auditors (IRBA) under Practice Number 904244 (Reg. No. 2012/176117/21), and a member of Moore Global — one of the world's largest accounting and advisory networks, with representation across more than 100 countries. Each month, Moore conducts a structured attestation of ZARU's reserve position, independently confirming that all tokens in circulation are fully backed by high-quality, liquid assets held in fully segregated accounts. The attestation process includes direct confirmation of reserve balances with Standard Bank and Sanlam, on-chain verification of total ZARU supply, reconciliation of liabilities against reserve assets, and an independent review of account segregation to confirm that reserve funds are held separately, for the exclusive benefit of token holders, and structured to be insulated from BlockTower's creditors in the event of its insolvency, subject to applicable law. Finalised attestation reports are published publicly each month, providing ongoing, verifiable transparency to token holders, institutional counterparties, and regulators. This recurring, independent assurance cycle is a defining characteristic of ZARU's governance model and reflects the standards expected of regulated financial market infrastructure.
PART 4.00 - ZAR UNIVERSAL (ZARU) STABLECOIN		
4.01	Overview	ZAR Universal (ZARU) is a single-currency stablecoin pegged to the South African rand (ZAR). ZARU will be issued initially on Solana, with the intention to expand across multiple layer-1 and layer-2 networks to support broad interoperability and real-time settlement across Africa and globally. ZARU is designed to serve as reliable market infrastructure—supporting financial institutions, PSPs, telcos, fintechs, and cross-border commerce across Africa—while maintaining high standards of transparency, operational integrity, and regulatory compliance.
4.02	Project Description	The objective of this token offering is to establish ZAR Universal (ZARU) as the institutional-grade rand-pegged stablecoin — purpose-built to

		serve regulated financial institutions, payment service providers, fintechs, telcos, and enterprise networks operating across South Africa and the broader African continent. ZARU addresses a clearly identified gap in South Africa's digital financial infrastructure: the absence of a fully-backed, regulated, and institutionally credible rand-denominated digital currency. Existing stablecoins are predominantly dollar-denominated, leaving rand-based commerce, settlement, and cross-border flows without a native digital instrument suited to local regulatory and market requirements.
4.03	ZARU Network Founding Members	Each founding member organisation contributes scale, regulatory credibility, distribution strength, and specialised infrastructure that collectively reinforce ZARU's liquidity, trust, and operational resilience — embedding ZARU within South Africa's existing financial system and payment landscape. **Luno – One of South Africa's Largest and Longest-Established Regulated Digital Asset Platforms** Luno launched in South Africa in 2013 and is one of the country's largest and longest-established crypto platforms, serving 6 million South African customers as at July 2026. It was among the first local platforms to operate under the FSCA's crypto asset regime, and has built deep expertise in compliance, custody, risk management, and retail distribution. As a ZARU Network Advisory Committee member, Luno provides significant market access, institutional-grade security standards, and mature digital asset infrastructure. Its participation ensures that ZARU is integrated into a trusted, regulated digital asset environment capable of supporting large-scale usage. Website – https://www.luno.com/en-za/ **EasyEquities – One of South Africa's Largest Retail Investment Platforms** EasyEquities has transformed retail investing in South Africa and is one of the country's largest investment platforms with R100B assets under management, as at July 2026. It provides millions of users with simple, transparent, low-cost access to equities, ETFs, and retirement products. As a ZARU Network Advisory Committee member, EasyEquities brings broad retail distribution, investment-grade systems, and a brand synonymous with accessibility and trust. Its involvement strengthens

		ZARU's position as a mainstream, consumer-facing digital settlement asset embedded within the local investment industry. Website – https://www.easyequities.co.za/ **Sanlam – One of Africa's Largest Non-Bank Financial Services Groups** Founded over a century ago, Sanlam is one of Africa's largest non-bank financial services providers, spanning insurance, asset management, retirement solutions, wealth advisory, and institutional investment. Sanlam manages hundreds of billions of rand in assets and is one of the continent's most established financial institutions. As a ZARU Network Advisory Committee member, Sanlam brings significant financial industry expertise. Sanlam acts as Asset-Liability Manager (ALM) for ZARU's reserves, ensuring reserve assets are managed with institutional discipline, governance, and risk controls aligned with international best practice. Its role reinforces regulatory confidence and underpins the prudential strength of ZARU's reserve framework. Website – https://www.sanlam.com/ **Lesaka – A Leading South African Fintech and Merchant Payments Platform** Lesaka is one of South Africa's largest independent fintech and payments groups, serving merchants, enterprises, and underserved communities through integrated transactional banking, lending, and card acquiring solutions. With deep penetration into SME and township markets, Lesaka operates at the centre of the country's real-economy payments infrastructure. As a ZARU Network Advisory Committee member, Lesaka brings deep expertise in high-volume merchant payment flows and established acquiring networks, providing guidance on real-world circulation, liquidity generation, and seamless interoperability with existing payment rails. Website – https://www.lesakatech.com/
4.04	Token Characteristics	• Blockchain & Standard: ZARU is issued using the Token-2022 (Token Extensions) program on Solana - an advanced token standard that enables programmable compliance controls including freeze authority, transfer hooks, and permanent delegate, beyond those available under the basic SPL standard.

		Expansion to additional public blockchains is planned to support broader accessibility and interoperability. ● Peg & Backing: 1 ZARU = 1 ZAR at all times. Every token in circulation is backed 1:1 by rand-denominated assets. No ZARU can be issued without equivalent rand first being received in reserve. ● Minting & Redemption: Tokens are created when rand enters the reserve and destroyed when ZARU is redeemed — automatically and programmatically. Direct access is available to verified institutional clients. Retail holders access ZARU through authorised network partners. ● Supply: ZARU's supply is elastic and demand-driven — it grows when rand is deposited and contracts when tokens are redeemed. There is no pre-minted supply or founder allocation. Total supply is publicly verifiable on-chain at any time. ● Rights & Transferability: ZARU is freely transferable between compatible wallets. It does not confer voting rights, equity, or profit participation in BlockTower. It is a payment and settlement instrument, not an investment product. BlockTower retains freeze and recovery authority over ZARU and may freeze or recover tokens where required for legal, regulatory, or security reasons.
4.05	Sustainability & Scalability	ZARU is built on a structurally resilient business model. Revenue is generated through reserve income on rand-denominated assets, minting and redemption fees, and distribution arrangements with network partners. As ZARU's circulating supply grows, reserve income scales with it — creating a self-reinforcing dynamic that does not rely on speculation or external fundraising. - **Distribution**: ZARU launches with distribution already embedded across four of South Africa's most established financial platforms — Luno, EasyEquities, Sanlam, and Lesaka. This provides immediate access to millions of retail and institutional users without building adoption from scratch. Additional partners will be onboarded over time, extending ZARU's reach across Africa. - **Technology**: ZARU is deployed initially on the Solana network, capable of processing up to 65,000 transactions per second at sub-cent fees. Planned expansion to additional layer-1 and layer-2 networks ensures infrastructure keeps pace with demand. - **Regulation**: BlockTower South Africa operates within the FSCA and SARB regulatory framework and is actively engaged as South Africa's digital asset regulation evolves. ZARU's reserve

		structure, governance model, and independent attestation framework are designed to meet or exceed any forthcoming stablecoin-specific requirements.
4.06	Token Rights & Conditions	**Rights of Token Holders** ZARU holders have three core rights: the right to redeem ZARU for South African rand at a 1:1 ratio, subject to identity verification; the right to transfer ZARU freely to any compatible wallet address on a peer-to-peer basis; and the right to independently verify ZARU's total supply on-chain and access monthly reserve attestation reports. **What ZARU Does Not Confer** ZARU is a payment and settlement instrument. It does not represent equity, ownership, or profit participation in BlockTower South Africa. It carries no voting rights and does not earn interest or yield. ZARU is not a deposit, security, or investment product. **Conditions** Direct minting and redemption is available to verified institutional clients only, following completion of BlockTower's KYC and AML onboarding. Retail holders access ZARU through authorised network partners operating under their own compliance frameworks. Minimum redemption thresholds may apply. Full terms are set out in the BlockTower Platform Terms of Use and ZARU Terms
4.07	Token Distribution	ZARU is distributed through two channels: direct institutional access via BlockTower South Africa, and retail access through authorised network partners. **Institutional Access:** Verified institutional clients — banks, PSPs, exchanges, fintechs, and asset managers — may mint and redeem ZARU directly with BlockTower following completion of KYC and AML onboarding. Onboarding takes up to two weeks. **Retail Access:** Retail holders access ZARU through authorised consortium partners operating under their own regulated compliance frameworks. Retail clients may not mint or redeem directly with BlockTower. **Distributors** ● **Luno** — South Africa's largest digital asset exchange and retail crypto user base ● **EasyEquities** — millions of active retail investment account holders

		No Speculative Distribution: ZARU is never sold to investors. There is no pre-minted supply, no founder allocation, and no token sale. Every ZARU in circulation corresponds to one rand held in reserve, and tokens can only be acquired at face value — 1 ZARU = 1 ZAR.
4.08	Technical Description	**Blockchain**: ZARU is deployed initially on Solana, a high-performance, permissionless layer-1 blockchain. Solana processes up to 65,000 transactions per second at sub-cent fees, making it well-suited for high-frequency payment and settlement use cases. Its mature ecosystem of wallets, exchanges, and payment applications ensures ZARU is compatible with existing infrastructure from day one. **Token Standard**: ZARU is issued using the Token-2022 (Token Extensions) program on Solana. These tokens are compatible with all wallets, exchanges, and on-chain payment rails that support the standard. Total supply, individual balances, and transfer history are publicly verifiable via Solana's block explorer. **Consensus:** Solana combines Proof of History (PoH) with the Tower BFT proof-of-stake mechanism. PoH creates a cryptographic time record that lets validators reach consensus rapidly without exchanging timestamps. Blocks are produced roughly every 400 milliseconds, with transactions typically confirmed in under a second. **Minting & Burning**: BlockTower holds exclusive mint authority. Tokens are minted when rand is confirmed in a designated reserve account and burned immediately upon redemption. All mint and burn events are recorded immutably on-chain and publicly verifiable. **Multi-Chain Expansion**: Following Solana, ZARU will expand to additional layer-1 and layer-2 networks using each network's native token standard. Security and audit requirements will be applied consistently across all deployments. **Wallet Requirements**: Holders require a Solana-compatible wallet (e.g. Phantom, Solflare, Backpack, or Ledger hardware wallet). ZARU is non-custodial — BlockTower does not manage wallets on behalf of clients.
4.09	Smart Contracts	ZARU's minting, burning, and transfer logic is governed by smart contracts on the Solana blockchain. All contracts are publicly accessible on-chain. **Architecture & Access Control**: BlockTower South Africa holds exclusive mint authority, secured under multi-signature controls and hardware security modules (HSMs) to prevent unauthorised issuance.

		Contract address: 2WvREMqcoxtGuKTyyuzVMH7xDkeH8mY6phduvUofPRXN **Audit**: All new contracts are independently audited prior to mainnet deployment. Audit reports will be published on BlockTower's website, with any material findings disclosed before launch. **On-Chain Transparency**: ZARU's contract address, total supply, and full transaction history are publicly accessible via Solscan or Solana Explorer — allowing anyone to independently verify circulating supply against BlockTower's monthly reserve attestation reports.
4.10	Key Product Features	As a rand-backed stablecoin, ZARU offers all the core benefits of fiat-collateralised digital money: ● **Availability** - ZARU is issued on public, permissionless blockchains, making it accessible 24/7. Transfers can occur at any time, independent of bank operating hours or traditional payment-rail constraints. ● **Accessibility** - Anyone with a compatible blockchain wallet can hold or transfer ZARU. This expands access to stable, digital rand liquidity for individuals and businesses across Africa—particularly in markets where traditional banking infrastructure is limited or expensive. ZARU allows users to interact directly with the rand as a digital asset. ● **Speed** - ZARU transactions settle in minutes (or seconds on certain networks), compared to the delays common in traditional interbank or cross-border settlement. This enables real-time payments, remittances, and treasury movements. ● **Programmability** - ZARU operates via smart contracts, enabling predictable, rule-based transactions and reducing operational errors associated with manual processes. Developers can incorporate ZARU into smart-contract systems to build new financial products, automated settlement flows, and next-generation payment experiences. ● **Stability** - ZARU is fully backed 1:1 by rand-denominated reserves and redeemable for ZAR through authorised channels. Reserves are held in segregated accounts, ensuring strong consumer protections in line with applicable regulations. Users gain the benefits of digital assets without sacrificing the stability of fiat currency.

4.11	Reserves	ZARU is fully redeemable from the Issuer on a one-to-one basis for South African rand (1 ZARU = 1 ZAR). Tokens are minted only after the equivalent rand has been received in the designated reserve accounts, and they are burned immediately upon redemption, ensuring strict one-to-one backing at all times. Sanlam Specialised Asset Manager serves as the asset-liability manager (ALM) for ZARU, overseeing reserve allocation, liquidity management, and risk controls to ensure redemption obligations are consistently met. Reserve assets are held entirely in segregated current, call, and custodial accounts established specifically for ZARU reserves. These accounts are legally and operationally separate from BlockTower's corporate accounts, which are used solely for operational fees such as banking charges and interest. This structure is designed so that ZARU reserve assets are ring-fenced from the creditors of BlockTower and its affiliates, including in the event of insolvency, subject to applicable law. The Issuer has appointed Standard Bank as its primary banking and custody partner for ZARU. Standard Bank maintains the segregated current and call accounts used for receiving mint deposits, along with a dedicated custodial account for holding securities. This custodial structure ensures full segregation between operational funds and reserve assets and supports a robust, institution-grade reserve model. Standard Bank is among South Africa's largest banks, with strong credit ratings (S&P: BBB-, Fitch: BBB-, Moody's: Baa3), reflecting strong financial stability and a broad African footprint that strengthens operational reliability, including cross-border flows. ZARU holders do not earn interest on reserve assets. Further detail on reserve composition, custody arrangements, and ALM practices will be outlined in the ZARU Terms and Conditions.
4.12	Reserve Investment Policy	BlockTower prioritises capital preservation, liquidity, and prudential management above all other considerations when managing ZARU reserves. The reserve portfolio is managed in accordance with a conservative mandate overseen by Sanlam Specialised Asset Manager, acting as the asset-liability manager (ALM) for ZARU. BlockTower maintains a robust daily and intraday liquidity management process to monitor cash positions, settlement flows, and custody balances across all segregated banking and custodial accounts. Key considerations include: ● Redemption liquidity and the ability to meet ZARU conversion requests on demand

		● Counterparty and single-bank exposure limits ● Market liquidity conditions within the South African fixed-income market ● Regulatory compliance and internal risk-management thresholds The allocation between (1) cash and call deposits, (2) South African Government securities, (3) floating rate notes (FRNs), (4) over-collateralised reverse repos, and (5) approved money market funds will vary over time. Adjustments are driven primarily by: ● Customer minting and redemption activity ● Prevailing interest-rate and liquidity conditions ● Asset maturity profiles and rollover cycles ● Broader treasury and risk-management requirements Although the portfolio follows a buy-and-hold oriented strategy, the short-dated and highly liquid nature of the underlying instruments provides sufficient flexibility to rebalance or liquidate positions as required to maintain full backing and meet redemption obligations at par.

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<tr><td>4.13</td><td>Oversight</td><td>Robust oversight, transparency, and strong consumer protection are essential for trust in any stablecoin ecosystem. ZARU has been designed from inception to meet these expectations by combining regulated financial partners, segregated reserve structures, and independent third-party assurance.

BlockTower operates ZARU within a framework that aligns with the prevailing requirements of the Financial Sector Conduct Authority (FSCA) and South African Reserve Bank (SARB) for financial services, custody arrangements, and anti-money-laundering controls. As South Africa progresses toward a dedicated regulatory regime for digital asset tokens, BlockTower is committed to meeting or exceeding evolving standards relating to:

● Value stability and full reserve backing
● Segregation and protection of customer assets
● Capital and liquidity expectations
● Redemption at par
● Transparent disclosures
Reserve assets backing ZARU are held entirely in segregated current, call, and custodial accounts for the exclusive benefit of ZARU holders. These safeguards are designed so that reserve assets are ring-fenced from BlockTower's creditors, including in the event of insolvency, subject to applicable law.

BlockTower has appointed Sanlam Specialised Asset Manager as the asset-liability manager (ALM) responsible for investment oversight, adherence to the reserve policy, and independent verification of compliance with ZARU’s risk and liquidity requirements.

To support transparency and market confidence, BlockTower will implement:

● Monthly independent reserve attestations
● Annual external audits of reserve assets and operational controls
● Ongoing monitoring of custodial arrangements and risk-management procedures
● Public disclosures of ZARU supply and reserve composition

This oversight structure brings together the regulatory environment, established financial institutions, and independent assurance, ensuring that ZARU operates with the discipline and transparency expected of modern financial-market infrastructure.</td></tr>
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4.14	Attestation and Auditing	To ensure transparency and maintain confidence in the ZARU reserve structure, BlockTower has appointed Moore Johannesburg Inc. (Moore) as the independent attestation provider responsible for monthly reserve attestations. Moore is a reputable, fully independent audit firm registered with the Independent Regulatory Board for Auditors (IRBA) under Practice Number 904244 (Reg. No. 2012/176117/21). Their role is to provide recurring, independent verification that all ZARU tokens in circulation are fully backed by high-quality, liquid assets held in fully segregated accounts. **Scope of the Monthly Attestation** Each month, Moore conducts a structured attestation that includes: ● **Verification of ZARU supply** Direct validation of the total ZARU token supply using on-chain data and internal issuer records. ● **Independent confirmation of reserve assets** Confirmation of cash balances, call deposits, and custodial reserve securities directly with Standard Bank and any other appointed custodians. These confirmations independently verify asset quality, liquidity, and full segregation from operational funds. ● **Reconciliation of liabilities vs. reserves** Validation that the total reserves meet or exceed the value of ZARU in circulation, in accordance with BlockTower's Treasury Management Policy (Annexure A). ● **Assessment of account segregation** Review of the separation between operational accounts and reserve accounts, confirming that reserve assets are held separately and structured to remain available for token-holder redemption, including in the event of BlockTower's insolvency, subject to applicable law. ● **Draft and final reporting process** Preparation of a draft attestation report, verification by BlockTower, and finalisation by Moore.
4.15	Publication and Transparency	BlockTower will publish each finalised monthly attestation report publicly, ensuring ongoing transparency around reserve composition, asset quality, liquidity, and full backing of ZARU tokens. These attestations reinforce the integrity of ZARU and ensure that reserve management and disclosure practices meet the expectations associated with modern, regulated financial market infrastructure.

4.16	Transaction Monitoring and Surveillance	ZARU operates on public blockchain infrastructure, enabling full transparency and an immutable record of all token movements. To ensure high standards of compliance, fraud detection, and risk management, BlockTower implements continuous transaction monitoring using Chainalysis, a leading global blockchain intelligence provider.
4.17	Rights and Obligations	**Redemption Rights** Subject to the ZARU Terms and Conditions, holders have a legal right to redeem ZARU for South African rand on a one-to-one basis. Direct onboarding with BlockTower South Africa is available to institutional clients only. Individual or retail holders may redeem ZARU through ZAR Universal Network partners, who act as authorised resellers or redemption channels on behalf of BlockTower. Key points regarding redemption: - **One-to-one backing**: All ZARU redemptions are honoured at a 1:1 ratio for South African rand, regardless of market fluctuations in the token or underlying reserve assets. - **Timely settlement**: BlockTower and its partners will make commercially reasonable efforts to process redemptions quickly. Settlement to a fiat account may take up to five business days, depending on the partner and banking processes. - **Minimum redemption amounts:** Partners may set minimum redemption thresholds, which may be updated from time to time. - **Contingency**: In the unlikely event that a partner cannot process a redemption, holders retain the right to claim redemption directly through BlockTower South Africa. Full redemption rights and procedures are detailed in the ZARU Terms and Conditions.