

TERM SHEET

This Term Sheet represents the current understanding of the parties with respect to certain of the major issues relating to the proposed private offering and does not constitute a legally binding agreement.

THE OFFERING

Issuer: MEZZONOMY, a corporation incorporated under the laws of France, will issue 2017 new shares

Amount of the offering: 11 M€ (eleven million euros), the funding is associated to technical and commercial milestones given in appendix M.

Price per share: 5454 € per share (the “Initial Price”), based on a pre-money valuation of 17 M€ and the below capitalization table.

Shareholder Name	Existing Shares	New Shares	Final Shares	Ownership %
Pierre Gradit	1560	-	1560	30.39%
François Versini	312	-	312	6.08%
BNCS	311	-	311	6.05%
SYNTYS P&E	623	2017	2640	51.43%
Option pool	311	-	311	6.05%
Total	3117	2017	5134	100%

Investor: SYNTYS P&E, as the *investor* already owns 623 shares over 3117, it will own 2640 shares over 5134, and thus the investor is detaining the simple majority of the shareholders.

– Beginning of temporary part, this should come from the investor legal production, this a mere proposition to fill the gap temporarily.

Except for the section entitled “*Binding Terms*” this summary does not constitute a legally binding obligation. Any other legally binding obligation will only be made pursuant to definitive agreements to be negotiated and executed by the parties.

This Term Sheet does not constitute an offer to sell or a solicitation of an offer to buy securities in any jurisdiction where the offer or sale is not permitted.

TERMS OF THE OFFER

Liquidation preference: The investor will have the right to receive one times the Initial Price from proceeds on a liquidation of the Corporation with balance of proceeds paid to holders of Common Shares. A sale of the Corporation’s assets, merger, reorganization or similar transaction will be treated as a liquidation of the Corporation.

Conversion: The investor may be converted at any time, at the option of the holder, into Common Shares. The conversion rate will initially be 1:1, subject to customary adjustments for stock splits, stock dividends, etc.

Automatic conversion: Each share of investor will automatically convert into common shares, at the then applicable conversion rate, upon

- (i) the closing of a firmly underwritten initial public offering of common shares (“IPO”), or
- (ii) the consent the holders of at least a majority of the then outstanding shares of Preferred.

General voting rights: Each share of Preferred votes together with the Common Shares on all matters on an as converted basis, except as specifically noted herein or required by law.

[Liquid] SHAREHOLDERS AGREEMENT

Information rights: The Corporation will provide to each holder of at least 1% of shares (“*Major Investors*”),

- 1. unaudited annual financial statements and
- 2. unaudited quarterly financial statements and an annual business plan. This right will terminate immediately prior to the Corporation’s IPO or completion of a Sale Transaction (as defined below).

Protective provisions: So long as any of the Major Investors are outstanding, consent of majority of the then-outstanding Preferred will be required for any action that

- 1. amends the Articles of the Corporation if it would adversely alter the rights, preferences, privileges or powers of Preferred;
- 2. changes the number of directors from current number; or
- 3. approves any merger, asset sale, liquidation or other corporate reorganization or acquisition.

Pre-emptive rights: Each of the Major Investors will have a right to purchase its pro rata share of any offering of new securities by the Corporation, subject to customary exceptions. This right will terminate immediately prior to the Corporation’s IPO, a Sale Transaction or 2 years after the date of Shareholders Agreement executed upon Closing.

Co-Sale Rights: In the event that any shareholder (“*Selling Party*”) proposes to sell their shares to a third party (“*Third Party*”), the Selling Party agrees not to make the sale unless Third Party includes an offer to purchase the shares of the Investors on the same terms. If Third Party has specified a maximum number of shares that they are willing to buy, then the Selling Party and interested Investors may sell their pro-rata share of the amount to be purchased by Third Party.

Election of administrators: Provision agreeing to elect the following individuals to the board

- 1. one representative designated by the Investor
- 2. one representative designated by the Founders; and
- 3. one representative designated by Common shareholders acceptable to the Investor Nominee and Founders.

Sale Transaction: A “Sale Transaction” shall mean

- 1. any merger, amalgamation, reorganization, consolidation or other transaction involving the Corporation and any other corporation or other entity or person in which the persons who were the shareholders of the Corporation immediately prior to such merger, amalgamation, reorganization, consolidation or other transaction own less than fifty percent (50%) of the outstanding voting shares of the surviving or continuing entity after such merger, amalgamation, reorganization, consolidation or other transaction;
- 2. the sale, exchange or transfer by the Corporation’s shareholders, in a single transaction or series of related transactions, of all of the voting shares of the Corporation; or
- 3. the sale of all or substantially all of the assets of the Corporation.

[Liquid] OTHER MATTERS

Option pool: The number of Common Shares reserved for issuance under the Corporation’s stock option plan will be increased to equal 311 shares outstanding after issuance of the Preferred to Investors.

Share purchase agreement: The Corporation and Investors will enter into a share purchase agreement containing standard representations and warranties, with survival period of 5 years.

Founder matters: Each Founder shall have transferred all relevant intellectual property to the Corporation, entered into an employment agreement with the Corporation and signed agreements with respect to voting and vesting their Founders shares over an agreed term of 6 years, the terms of such agreements satisfactory to Investors prior to Closing Date. The vesting agreement will provide for full acceleration of vesting for all shares held by the Founders on the completion of an IPO or Sale Transaction.

Expenses and fees: The Corporation will reimburse counsel to Investors for legal fees and disbursements, up to a maximum cap of ...

Expiration date: These terms are valid until, and will expire on, 2022

Binding Terms: For a period of thirty days, the Corporation agrees not to solicit offers from other parties for any financing. Without the consent of Investors, the Company will not disclose these terms to anyone other than officers, directors, key service providers, and other potential Investors in this financing.

– End of temporary part.

APPENDICES TO THE CONTRACT

The other contract clauses are given in four distinct chapters, each one signed and possibly amended independantly.

- **Chapter S:** Stakes
- **Chapter G:** Governance and Organisation
- **Chapter K:** Key performance indicators
- **Chapter M:** Company Road Map and Fund Drop

This Term Sheet may be executed in counterparts, which together will constitute one document. Electronic signatures shall have the same legal effect as original signatures.

MEZZONOMY

SYNTYS P&E

Signature

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Print name

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Chapter S: Stakes

S-A. RETURN ON INVESTMENT

S-A-Profit. The company has to be profitable as soon as possible

[Breakeven is defined in Agenda appendix.]

S-A-WW. The company expects to develop a global presence on its segments in terms of communication visibility, technological influence and valorisation.

[Segments are defined in Stakes appendix, Growth and reporting chapter.]

S-A-SYNTYS. The company technology must empower other SYNTYS affiliate or peer company businesses

[Arbitrating between specialisation and genericity of the platform is the mission of the board detailed in Governance appendix.]

S-R. PRODUCT CAPACITIES

– CORE CAPACITIES

S-R-CLM. The product manages contract lifecycle using blockchain techniques

[Allowing any users to easily contract with any peers and with any exchange granularity insuring outstanding security, quality and integrity of any trade process]

S-R-Init. The product provides contract templates to initiate a given shared intention of trade or production process linked to a trade operation

[Blue stage of the generic process]

S-R-Nego. The product provides negotiation capability over the contract – tune, amend and sign

[Green stage of the generic process]

S-R-Exec. The product provides execution capability over the contract – interpret, control and monitor

[Red stage of the generic process]

S-R-Record. The product provides recording capability over the contract execution

[Yellow stage of the generic process]

– MANDATORY CAPACITIES

S-R-W3C. The product uses W3C standard as soon as they are applicable

S-R-Q. Any product recording is an elementary contract amendment called quantum

[In bitcoin, a quantum is a transaction, defining part of context which lost, the spent tokens and the created context of the transaction. The transaction is valid when lost context is property of the transaction signing peer. Integrity of the blockchain relies on the independance of a majority of miners]

[In standard social contract issuing, the parliamentary process, a quantum is an amendment of a preceding law. The amendment is validated by a majority vote]

[In our platform, quantum are XML fragment with double entry attributes]

S-R-QF. Any quantum has unfalsifiable indication of source and issuing time

*[These fragments may contain double-entry attribute : **symbols** are spatial links between two fragments, **addresses** are backward time links between two fragments, used to define context of an amendment, **coins** are forward time links between two fragments, used to represent an asset movement, for example a monetary exchange through standard banking system]*

S-R-QV. The product has no other restriction on contracts terms than the language used to validate a quantum.

[All restrictions due to the use of a blockchain as domain persistency mechanism has to be embedded in forging – and by extension any composing - language restrictions]

S-R-XSL. The product uses a contract development language as close as possible to existing W3C standard.

[The capacity to use XSL as this language for this purpose was clear to the founder since 2001. This allows to widely spread the technique as XSL programmer are not common but not rare. No need to learn a new language, all you need to understand is what are symbols, addresses and coins. That's all. Two days formation.]

S-R-Except. The product provides exception treatment during any contract execution

[You are not limited to what the developers have foreseen. You can create any amendment you want, with the language you need. Maybe it won't reach consensus and solidity in this form, but it must reach solidity in a valid form before your emergency contribution can be coined and forgotten]

S-R-RT. The product response time is below human perception

[usually tenth of a second]

S-R-FRT. The product advert any faulty response time

[usually with a spinning wheel after half a second]

S-R-GV. The product allows non technicians to negotiate through graphical interface of quanta-algebra

[An algebraic technique extending double-entry bookkeeping provides amendment aggregation system both structured (database), non-structured (text) and graphical (network). A « text network database » is a good hint of what is the nature of the system.]

S-R-Sp. The product allows non technicians to negotiate through standard spreadsheets composition process

[This is in real world the basic negotiation tool for 90 % of real use : MS-Excel and an e-mail client insuring transmission and stamping. This process is so poor, its cost are so high, it was not even possible to speak openly about it before blockchain hype erupts in 2015.]

S-R-XML. The product has a universal editing web interface

S-R-XSL. The product has a development web interface

S-R-Domain. The product can associate to each blockchain a subnetwork (or domain)

[This feature allow us to cut the Gordian Knot of blockchain offering both sufficient anonimity to trade and traceability for improvement and adaptation to regulatory changes]

S-R-Manage. The product can manage in domain contract the rules of source admission, socket registration, block recording

S-R-PS. The product allow partial sharing of a domain content by contractual visit

[For example, you may allow, for the duration of a negocation to divulgate some data to assert facts or conjectures but not after the closure]

S-R-Blokchain. The product can manage each domain regarding their contract either as a private, a consortium or a public blockchain

S-R-Ast. The product maintain contract as a non-duplicable asset by use of partial sharing

[This is the 2010 mezzonomy patent]

S-R-BO. The product can be interfaced with bank accounts

[As they follow double-entry bookeeping principle]

S-R-SB. The product provide a testing sandbox environnement

– OPTIONAL ADVANCED CAPACITIES

S-R-C. The product should provide a compressing-noising tool for support sandbox use

S-R-TPS. The product should be embeddable in third-party softwares

S-R-PSM. The product should be interfactable with publish-subscribe middlewares with domain management (eg. DDS)

S-R-BC. The product can express a bitcoin solution

S-R-Git. The product should interfaced with Git

S-R-DFS. The product should host a distributed filesystem protocol

S-R-PB. The product should be interfactable with public blockchains

S-R-Inf. Whole product infrastructure should be managable though the product

S-R-Nat. The product should allow non technicians to negotiate by natural language supervision

S-R-Market. The product should manage a world-wide contract defining a global marketplace of agile contracts

S-R-Smart. The product should be used through a smartphone

[Our theory recognize drag&drop as a fundamental operation, leading to fluid and intuitive smartphone applications]

S-C. COMPANY « GO TO MARKET » STRATEGY

S-C-Op. Opportunity lies in all processes whose **contract complexity is ruining profitability** and/or legal safety.

[This complexity can come from three different directions, defining three main markets. There is a global issue not depicted here due to its complexity. But in fact, any contract needs another to be redacted, and the versatility of these regulatory requirements impacts all economic activity.]

S-C-FM. The first market is defined by a **heavy contract frequency**

[These contracts are not very complex, does not involve many participants, but their frequency is so high that they are not properly tuned to the situation or the regulatory environment. In terms of mezzonomy legacy, this is the last slot explored since 2015 but it is the more promising for a swift start because the current situation needs are urgent, both from a field point of view and a regulatory one.]

S-C-FT. The first market targets are **Supply-Chain, E-Health and Training**

[These contracts are not very complex, does not involve many participants, but their frequency is so high that they are not properly tuned to the situation or the regulatory environment.]

S-C-SM. The second market is defined by the **huge complexity of contracts**

[These contracts are not very complex, does not involve many participants, but their frequency is so high that they are not properly tuned to the situation or the regulatory environment.]

S-C-ST. The second market targets are **industrial big accounts**, with a particular focus on subcontractors relationships

[These contracts are the legacy market of mezzonomy, where contracts are so complex they are called specifications and can contain thousands of pages with complex traceability relationships. The first expression of the project in 1997-2000 was a « LATEX of process specifications » in a THALES led European Project called ASIA. The founder thesis explores this concept in its last part and in conclusion. During the 2001-2005 period, the project migrates to an « XML process management system » with two main realisations (PTIV, DRONE) in embedded software for SAFRAN at different subcontracting levels. The last stage of project incubation before mezzonomy was held in a transnational and transdisciplinary project ISAMI for the structural analysis of the A350XWB. The founding of mezzonomy is a consequence of the discovery of what is now called « quantum algebra » in 2008 and the first development project known as MIRZA (2008-2011) was meant for this segment.]

S-C-TM. The third market is defined by **innovation in contract management**

S-C-TT. The third market targets is **sharing economy**, with a particular focus on ecosystemic relationships and contract dynamicity

[These contracts were studied by mezzonomy during the 2012-2015 phase, which led to the concept of golden data and monetisation of knowledge. Bitcoin hits us in 2015, offering us the physical layer we expected for a decade.]

S-C-BI. Both direct and indirect approaches will be considered for international development.

S-C-BI. International development will consider Europe, North America and South-East Asia as priorities for direct approaches.

[See Agenda appendix]

S-C-SP. Short-term objective is the development of the product

[See Agenda appendix]

S-C-MS. Short-term revenue comes from software-as-a-service selling in the first market

[Competitors are known as « Contract Lifecycle Management » company, and blockchain smart contract companies (otonomos, mirror, ...). Our key differentiator is the use of a widely known W3C standards to provide applications/contracts.]

S-C-SL. Mid-term revenue comes from virtual machine licensing when client participate to infrastructure, mainly in second market

S-C-MR. Mid-term credibility and notoriety comes from direct selling to risk sharing partners in the second market

S-C-LM. Long-term growth and viral explosion comes from the marketplace revenues and third market ignition

S-C. COMPANY REPORTING

S-R-Exp. The company shall inform the investor on any expenses by publishing invoices through secured means reserved to both parties, under a week time.

[This is a very good example of a partial sharing involving files as part of a social contract]

S-R-Ind. The company shall publish to the investor on a quaterly basis all indicators given in chapter K.

S-R-Min. The company shall publish to the investor meeting minutes of governance organs depicted in chapter G.

MEZZONOMY

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Chapter G: Governance and Organisation

A-G-S. Supervisory Board :

[mission] Arbitrate conflicts between ROI contradictions

[periodicity] Quaterly

[members] all associates not involved in executive functions

[members] three external administrators appointed as in term sheet

A-G-E. Executive committee :

[mission] Execute arbitrations with ambitious and realistic objectives

[periodicity] monthly

[members] all associates involved in executives functions

[members] Department executives

[guests] Concerned teams leaders

A-G-A. Radar committee :

[mission] Mitigate and alert on conflicts raised by objectives

[periodicity] monthly

[members] Team leaders

[guests] Concerned departements executive

A-G-O. Organization : Matrix of 4 departments and 4 teams

Departments manages execution, and teams manage risks.

Platform

[add intelligence to ease initiation with a focus on source identity, history and intention]

[PR] Intention Recognition – eye

[intelligence in source identity, history and intention – these developements are private]

[PA] Contract Application – hand

[full stack development and improvement (JS/XSL) – these developement are mostly consortium based and intended to be forged inside the system]

[PM] Quantum Machine – body

[quantum algebra engine leading to the intricated virtual machine– this component is meant to work open-source after First User Conference (see Agenda)]

[PB] Contract Base – support

[test and maintain all known social contracts of interest in a dedicated space in the backbone which will become the sandbox]

Operations

[OF] Finance and Legal

[Manages strategic financial and juridical survey, this topic may involve cooperation with third parties]

[OR] Human resources

[Manages recruitment and person movement]

[OA] Administration

[Agencies need to be run as entities and deal with all invoices for transportation, production and prospection needs]

[OP] Intellectual property

[Manages all recordings, including invoices, bank account, project unfolding, minutes... Intended to use the platform for it]

Sales and Vertical Business Development

[SB] Branding & Marketing

[observe, evaluate and digest market tendencies to propose selling strategies and provoke client interaction]

[SP] Pre-sales and proof of concepts

[Interact with client need to produce sketches and load forecast]

[SC] Commercial and project directors

[Define and monitor effort repartition to implement sketches within load forecast]

[SD] Port-folio development

[Insure continuity of service and exception treatment]

Alliances and International Development

[AC] Channel

[observe, evaluate and digest market tendencies to propose communication strategies]

[AE] Ecosystem

[animate and build consortiums]

[AO] Online Presence

[our website, which is meant to evolve into a social contract market place]

[AB] Backbone Infrastructure

[our network performances, consumption, security, integrity and intrication with partner backbones]

A-G-A. [liquid] Recruiting protocol : Recruiting a team member implies a human resource team member, the executive of concerned department team, the leader of the corresponding team. To recruit heads of teams, and head of departments will replace the concerned situation, and conversely.

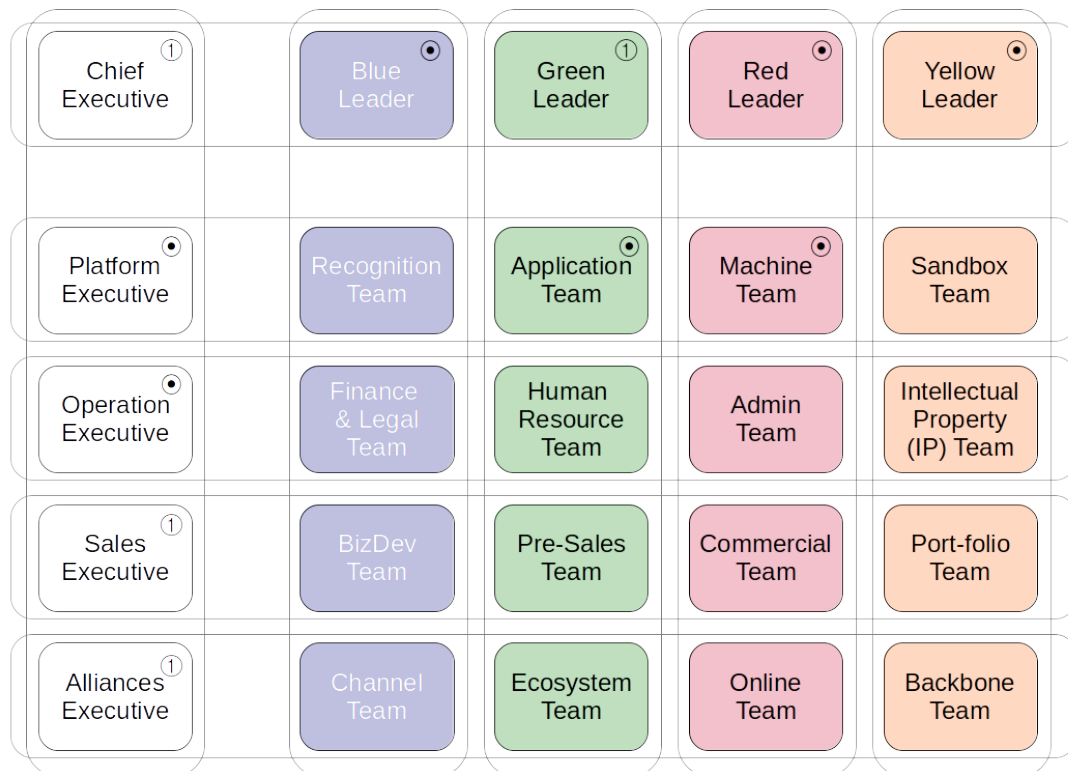


Figure 1: General Organisation Scheme with current ressources and prospersions

Important note : An additional department should created for « *interface with external environnement* ». Buy we plan to use synergies with another company of the ecosystem to manage this topic : **SmartBlend**. If this cooperation was not effective or not satisfactory, the corresponding department will be created.

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Chapter K: Key performance indicators

A-K-In. Income (*amount*)

A-K-SR. [*Liquid*] Supply-Chain income (*ratio*)

A-K-BR. Cash Burn Rate (*amount*)

A-K-BS. Balance sheet (*amounts*)

A-K-NS. [*Liquid*] Non SYNTYS direct sales (*amount*)

A-K-BP. Backbone net product (*amount*)

A-K-BB. [*Liquid*] Backbone exchange balance (*amount*)

A-K-CI. [*Liquid*] Active contract initiators (*count*)

A-K-IC. Estimated initiator capital (*amount*)

A-K-HC. Head count (*FTE*)

A-K-PE. Personnel expenses (*amount*)

A-K-RD. R&D Head (*ratio*)

A-K-NR. [*Liquid*] Non R&D expenses (*ratio*)

A-K-GH. [*Liquid*] Estimation of global hacking manpower (*FTE*)

A-K-TD. Transactions per day (*count*)

A-K-BC. Backbone servers (*count*)

A-K-AC. [*Liquid*] Active coins (*count*)

A-K-AD. Active domains (*count*)

A-K-AP. Current active prospections (count)

A-K-PY. *[Liquid]* Pitches per year (count)

A-K-AA. *[Liquid]* Number of active sale agencies (count)

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Chapter M: Company Road Map and Fund Drop

A-F-0. Pre-funding : 0.147 M€ (expected July 2017)

[Needed to recover from previous auto-financed efforts]

A-A-T0 Signature of term sheet

[The signature of this document is the « *point zero* » of all the development process]

A-A-T0+2W. Launch Seminary

[three days in a given remote location, with mornings dedicated to explanations and afternoons to free discussions. Huge blackboard needed.]

A-F-1. First slice : 0.741 M€ (expected October 2017)

A-A-T0+6W. Universal interface sketches

A-A-T1=T0+12W. First demonstrator

[This demonstrator concerns third market to keep the complexity at minimum level, 2016 prototype, HARMONIE MUTUELLE « DJS » is the expected test case. It implies the use of forms as basic interface]

A-A-T1+5W. Universal interface

[Universal interface is able to append any quantum to any file and push them, it is the equivalent of the standard text editor in our context]

A-F-2. Second slice : 1.726 M€ (expected February 2018)

A-A-T1+9W. Distributed file system embedding

[The distributed file system to implement static partial sharing will probably be IPFS]

A-A-T1+13W. Banking Oracle

[The coin interface to standard bank accounts]

A-A-T2=T1+14W. Mezzonomy White Paper

A-F-3. Third slice : 1.726 M€ (expected April 2018)

A-A-T2+5W. Multi-blockchain recording and sharing

[Each blockchain can use different namespace and may declare some namespaces as private. Interaction between blockchain are provided by programmable visitors offered by the visited blockchain, as machine interfaces]

A-A-T2+9W. Spreadsheet composition demonstrator

[Negotiation template can be used for any contract, you can negotiate and operate on an abstract syntactic structure through a spreadsheet and if a text output is present, it is not directly editable. But free text labels will be editable. It combines capacities of 2011 and 2015 prototypes (= MIRZA + TED)]

A-A-T3=T2+14W. Forge demonstration

[The contract development application, our SDK]

A-F-M. Main slice : 4.811 M€ (expected July 2018) – Here is the trigger

A-A-T0+1Y. Opening First International Agency

A-A-T3+2M. Backbone Cascading Invoicing Service

[Key feature for the marketplace, a distributed service of cascading invoicing relying on our backbone to sell our products and alliance consortium we are in.]

A-A-T3+3M. Lite Node Libraries

[Capacity to embed our services in our editor products.]

A-A-T3+4M. Sandbox Demonstrator

[Key feature for the marketplace, the capacity to challenge a contract in a virtual situation.]

A-A-T3+5M. Natural language Supervision

[Capacity to pilot abstract syntactic construction through a plain language interface.]

A-A-T4=T3+6M. Official launch of « Agile Contract Marketplace »

A-F-R. Remnant slice : 1.726 M€ (expected January 2019)

A-A-T4+1M. First Press conference

A-A-T2+1Y. First international user event

A-A-T4+2M. Thousand node event

A-A-T4+3M. Smartphone use demonstration : May 2019

A-A-T0+2Y. Opening Second International Agency

A-A-T4+9M. Opening marketplace to Smartphone

A-A-T2+2Y. Second international user event

A-A-T4+15M. Breakeven

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