

EXHIBIT 16

Tezos Contribution and XTZ Allocation Terms and Explanatory Notes

1. Principles

1. The following Terms (“Terms”) govern the contribution procedure (“Contributions” collectively, and “Contribution” individually) to the Tezos Foundation (“TEZOS”) by contributors (“Contributors” collectively, and “Contributor” individually) and the subsequent genesis allocation of transferable cryptographic blockchain-based digital information units called tez (“XTZ”) to Contributors.
2. TEZOS promotes and develops new technologies and applications, especially in the fields of new open and decentralized software architectures. A dominating, but not exclusive focus is set on the promotion and development of the so-called Tezos protocol and the related technologies, as well as the promotion and support of applications using the Tezos protocol. TEZOS will mainly promote the development of software technology (“the Client”) that can handle different sorts of blockchain algorithms and can be used to design a blockchain, which can amend itself to perform new functionalities over time (“Tezos Network”). Operation of the Tezos Network involves transferable cryptographic blockchain-based digital information units called tez (XTZ). XTZ is a token that allows the holder to deploy and run software code, vote on network governance issues and support operation of the network through “block creation and validation”. TEZOS will have a veto power regarding all votes cast by the XTZ holders for one year following the launch of the Tezos Network.
3. When TEZOS judges that the Client has been sufficiently developed to allow the Tezos Network to be launched, TEZOS will issue a public announcement recommending what initial state (“Genesis State”) it should have. The Genesis State will include allocations of XTZ that are essential for the Tezos Network to operate. The recommended allocations of XTZ will reflect early contributions made towards the development of the network, and Contributions made to support TEZOS. However, since the Tezos Network will be operated by an independent community of participants around the world using The Client, the community has discretion to adopt or not to adopt the recommendation. Therefore, TEZOS cannot guarantee to any party that they will have an initial allocation of XTZ, because this depends upon the discretion of the community. **The Contributor understands and accepts that TEZOS cannot guarantee that Contributors shall have any allocation of XTZ when the TEZOS Network is created.**
4. The Contributor understands and accepts that while the individuals and entities, including involved entities assigned to this task, will make reasonable efforts to develop and complete the Tezos Network, **it is possible that such development may fail and that the Tezos Network and any XTZ will not be created, become useless and/or valueless due to technical, commercial, regulatory or any other reasons** (see also section 7 regarding Risks).
5. The Contributor is also aware of the risk that even if all or parts of the Tezos Network are successfully developed and released in full or in parts, due to a lack of public interest, the Tezos Network could be fully or partially abandoned, remain commercially unsuccessful, or shut down for lack of interest or other reasons. **The Contributor therefore understands and accepts that the Contribution to TEZOS, and/or the allocation, use and ownership of XTZ, carries significant financial, regulatory and/or reputational risks (including the complete loss of value (if any) of XTZ and attributed features).**

6. By contributing to TEZOS, the Contributor expressly agrees to all of the terms and conditions set forth in the "Contribution Software System" or "CSS", existing on the blockchain at the addresses published before the start of the Contribution Period at: <https://crowdfund.tezos.com>, and in this document (together the "Terms"). The Contributor further confirms to have carefully reviewed the Terms and fully understands the risks and costs of making a Contribution to TEZOS.
7. The Contributor also understands and accepts that - as the issuance of allocation proposals of XTZ is software based - the functions, terms and conditions applicable thereto are set forth in the CSS. To the extent the terms contained herein or in any other document or communication contradict the ones set forth in the CSS, the terms of the CSS prevail. Furthermore, no other document or communication may modify or add any additional obligations or covenants to TEZOS beyond those set forth in the CSS or in this document.
8. This document does not constitute a prospectus of any sort, is not a solicitation for investment and does not pertain in any way to an offering of securities in any jurisdiction. It is a description of the functionality of a software-based fundraising campaign.
9. By donating to TEZOS, and/or by receiving, using and holding XTZ, no form of partnership, joint venture or any similar relationship between the Contributors, TEZOS and/or other individuals or entities involved with the Tezos Network is created.

2. Representations and Warranties of Contributor

10. The Contributor understands and accepts that XTZ do not represent or constitute any ownership right or stake, share or security or equivalent right in or relating to TEZOS, the Client, the Tezos Network and/or any software, any public or private company, corporation, entity or property.
11. By donating to TEZOS, and/or by receiving, using and holding XTZ, the Contributor represents and warrants that:
 - a. the Contributor deeply understands the functionality, usage, storage, transmission mechanisms and intricacies associated with cryptographic tokens, such as bitcoin (BTC) and ether (ETH), and blockchain-based software systems and intends to use XTZ to participate in network governance, mining activities or connecting private networks;
 - b. the Contributor is legally permitted to receive and hold and make use of XTZ in the Contributor's jurisdiction;
 - c. the Contributor is legally permitted to receive software and contribute to TEZOS;
 - d. the Contributor is of a sufficient age to legally obtain XTZ;
 - e. the Contributor will take sole responsibility for any restrictions and risks associated with receiving and holding XTZ;
 - f. the Contributor is not contributing to TEZOS to obtain XTZ for the purpose of speculative investment;

- g. the Contributor is not obtaining or using XTZ for any illegal purposes;
- h. the Contributor waives the right to participate in a class action lawsuit or a classwide arbitration against any entity or individual involved with the Contribution to TEZOS, with the allocation of XTZ and with the operation of the Tezos Network;
- i. the Contributor understands the Contribution to TEZOS and the allocation of XTZ do not involve the purchase of shares or any equivalent in any existing or future public or private company, corporation or other entity in any jurisdiction;
- j. the Contributor understands and expressly accepts that there is no warranty whatsoever on XTZ and/or the success of the Tezos Network, expressed or implied, to the extent permitted by law, and that XTZ is created and obtained at the sole risk of the Contributor on an “as is” and “under development” basis and without, to the extent permitted by law, any warranties of any kind, including, but not limited to, warranties of title or implied warranties, merchantability or fitness for a particular purpose;
- k. the Contributor understands and accepts that the Contribution Software and/or the CSS and/or underlying protocols may either delay and/or not execute a Contribution due to the overall Contribution volume, mining attacks and similar events;
- l. the Contributor understands with regard to XTZ no market liquidity may be guaranteed and that the value of XTZ over time (if any) may experience extreme volatility or depreciate in full;
- m. the Contributor understands that the Contributor bears the sole responsibility for determining if the Contribution to TEZOS, the allocation, use or ownership of XTZ, the potential appreciation or depreciation in the value of XTZ over time (if any), the sale and purchase of XTZ and/or any other action or transaction related to the Tezos Network have tax implications; by contributing to TEZOS, and/or by receiving, using or holding XTZ, and to the extent permitted by law, the Contributor agrees not to hold any associated party (including developers, auditors, contractors or founders) liable for any tax liability associated with or arising from the Contribution to TEZOS, the allocation, use or ownership of XTZ or any other action or transaction related to the Tezos Network;
- n. the Contributor accepts any and all risks, costs and damages associated with Contributions from any US persons or US entities related in any way to the Contributor.

3. TEZOS Contribution Procedure

3.1. Qualification

12. Any contribution made to TEZOS during the Contribution Period as described below is qualified as a non-refundable donation, except a respective portion of a non-refundable

administration support fee of USD 150,000 in total, calculated using the exchange rates as reported by <http://www.coindesk.com/price/> at the end of the Contribution Period.

3.2. Contribution Period

13. The contribution period starts on Saturday, July 1, 2017 at 6 am UTC and will last for 2000 bitcoin blocks, which should correspond approximately to 14 days (“Contribution Period”).
14. Contributions can be made using ether (ETH) or bitcoin (BTC).
15. The minimal Contribution amount per User will be 0.1 BTC. If a User makes a contribution of less than 0.1 BTC, this will still be counted as a Contribution and no refund is possible. However, any recommendation for XTZ allocation (as set forth below, see section 4) in such a case, is fully at the discretion of the Foundation, and cannot be expected. The ETH amounts will be calculated according to the mechanism as defined in paragraph 25.
16. There is no cap regarding possible Contributions.

3.3. Contribution Software and Contribution Procedure

17. Contributions in ETH or BTC must be made by using the contribution software (“Contribution Software”) provided by TEZOS. The Contribution Software creates a key pair for every Contributor (“Key Pair”), consisting of the private key (encrypted with a password provided by the Contributor) and a public key. The Contributor will have to download and store a copy of the Key Pair.
18. Within the Contribution Software, the Contributor may choose, whether he wants to contribute in ETH or in BTC. Generally, a Contribution in BTC is recommended. Any ETH or BTC Contribution to TEZOS without using the Contribution Software will not lead to a recommendation for XTZ allocation as set forth below (see section 4). TEZOS is aware that Users may be able to participate via exchangers and other intermediaries. The use of such exchangers or intermediaries is solely at the Users’ own risk and TEZOS accepts no responsibility for their use.
19. If Contributor contributes BTC, the Contribution Software will derive a unique BTC address associated with the User’s newly generated public key (“BTC Contribution Address”). This will be a P2SH multisignature address, which starts with an OP_Pushdata operation containing the hash of the public key of the Contributor. Contributions to BTC Contribution Addresses must be linked to this hash, otherwise no recommendation for an allocation to the Contributor may be made. The amount of BTC, the date of the Contribution and the public key of the Contributor will be recorded on the Bitcoin blockchain and later extracted by the CSS and used for the recommendation of allocation of XTZ.
20. If Contributor contributes ETH, he sends the Contribution to an Ethereum contract that is a part of the CSS (“Contribution ETH Contract”). The Contributor sends a hash of his Tezos public key generated by the CSS. The value of ETH Contributions will be recorded according to paragraph 25. The information regarding the Contributions to the Contribution ETH Contract, specifically source, amount, value and the hash of the public key will be extracted by the CSS and used for the recommendation of allocation of XTZ. The Contributor has to ensure, not to send the wrong hash of the Tezos public key. Failure to

do so may have the result, that Contributor will not get a recommendation of XTZ allocation.

21. Contributor will have the possibility to check via a link at <https://crowdfund.tezos.com>, if all information has been transferred properly.
22. During the Contribution Period, the Tezos team may, for security reasons, pause the contribution function until the security issues have been resolved.

3.4. Recorded Information

23. Contributions made to TEZOS during the Contribution Period will be recorded on the BTC blockchain (BTC Contributions) or on the ETH blockchain (ETH Contributions) as contribution information ("Contribution Information").
24. Upon a successful Contribution having been made, the Contribution Information will be recorded, reflecting the quantity of XTZ that TEZOS shall propose to allocate to the Contributor in proportion to his Contribution. Such allocation shall be proposed in accordance with the mechanism set forth below (see section 4).
25. The CSS will record the equivalent value of Contributions in BTC. The BTC equivalent for ETH shall be calculated using the historical exchange rate of BTC/ETH at approximately the time of the ETH Contribution, calculated by TEZOS based on data provided by Poloniex, Kraken and Gdax, or three other major exchanges chosen at the discretion of TEZOS (if required because of technical difficulties). These calculations will be made on a best effort basis by TEZOS.

3.5. Bonus System

26. When Contributions are recorded by the CSS, a bonus system is applied for the purpose of XTZ allocation ("Contribution Bonus"). The basis of the bonus system is the conversion of the Contribution Period into bitcoin blocks ("Blocks"). The Contribution Bonus will be granted for Contributors, who contribute early in the Contribution Period and decreases from 20% to 0% over a period of (2000) Blocks as follows:
 - a. Blocks 0 to 399 (inclusive): Contribution Bonus of 20%;
 - b. Blocks 400 to 799 (inclusive): Contribution Bonus of 15%;
 - c. Blocks 800 to 1199 (inclusive): Contribution Bonus of 10%;
 - d. Blocks 1200 to 1599 (inclusive): Contribution Bonus of 5%;
 - e. Blocks 1599 to 1999 (inclusive): Contribution Bonus of 0%;

4. XTZ Allocation Proposal

27. When TEZOS judges in its sole discretion both that the Client is sufficiently developed to launch the TEZOS Network and that it is an appropriate time to launch the Tezos Network, it will issue a public announcement recommending what the Genesis State should be. It shall recommend the allocations of XTZ in the Genesis State as set forth below.

28. For every Contribution of BTC and/or ETH, as recorded by the Contribution Information, TEZOS will recommend the allocation of XTZ in the Genesis Block as follows:

One XTZ shall be allocated for the amount (or equivalent according to paragraph 25) of 0.0002 BTC. Additionally, there shall be allocated the number of XTZ, according to the Contribution Bonus system (see paragraph 26), if such a Contribution Bonus applies.

29. It remains in the community's discretion to adopt or not to adopt the Genesis State that TEZOS recommends. TEZOS cannot guarantee to Contributors that they shall have any allocation and/or creation of XTZ as set forth in these terms.
30. TEZOS shall recommend the allocations of XTZ in the Genesis State according to the principles set forth below and under section 3.5 above:

- **Pool A:** Consists of an open amount of XTZ that shall be allocated to Contributors who made Contributions to TEZOS during the Contribution Period.

For Pool A, TEZOS will recommend XTZ to be created in the Genesis State and allocated to the Contributors according to their respective Contributions as recorded in the Contribution Information and reflecting the individual Contribution Bonus granted according to paragraph 26.

- **Pool B:** Consists of the amount of XTZ equivalent to USD 893'200.77, plus a Contribution Bonus of 20% at the start of the Contribution Period. The exchange rate of BTC/USD will be calculated based on the closing rate on the last day before the start of the Contribution Period, as reported by <http://www.coindesk.com/price/>. The Genesis State shall allocate Pool B to early backers, who have contributed in advance of the Contribution Period ("Early Backers").

For Pool B, TEZOS will recommend the individual amounts of XTZ, which shall be created and allocated to Early Backers in proportion to their Contributions.

- **Pool C:** Consists of the amount of XTZ equivalent to USD 422'000.00, plus a Contribution Bonus of 20% at the start of the Contribution Period. The exchange rate of BTC/USD will be calculated based on the closing rate on the last day before the start of the Contribution Period, as reported by <http://www.coindesk.com/price/>. The Genesis State shall allocate Pool C to Advisors, Management, Founders and other persons who have supported the Tezos Project in an early stage.

- **Pool D:** 1/8 of the amount of XTZ of Pool A, B and C combined (approx. 10% of the total amount of XTZ) shall be allocated by the Genesis State to TEZOS itself. These XTZ will be used at the complete discretion of TEZOS for the development and maintenance of the Tezos Project and/or the Tezos Network. The XTZ of Pool D shall vest over a period of 4 years.

- **Pool E:** 1/8 of the amount of XTZ of Pool A, B and C combined (approx. 10% of the total amount of XTZ) shall be allocated by the Genesis State to TEZOS and shall be used to finance the purchase of the shares of Dynamic Ledger Solutions Inc. by TEZOS. If this purchase effectively takes place, the XTZ of Pool E will be transferred to the sellers of Dynamic Ledger Solutions over a duration of 4 years. Any XTZ of Pool E, which have not been used for the purchase of the shares of Dynamic Ledger Solutions

Inc., may be used by TEZOS at its own discretion to further develop and maintain the Tezos Network and the Tezos Project.

31. Contributors will have to download encrypted wallets ("XTZ Wallet"), which will be necessary to claim XTZ as soon as the Tezos Network has been launched. Technically, the Contributor will have to import his XTZ Wallet into the Tezos Client after the Launch of the Tezos Network, in order to claim his XTZ. The XTZ will then be allocated to this wallet address. Contributor hereby agrees and accepts, that he will not gain access to his XTZ, if he does not download the respective XTZ Wallet, or loses the password and/or private key or fails to secure the XTZ Wallet against unauthorized access. In any such case, neither TEZOS, nor any other of the involved persons will be able to restore the information and the XTZ will be irretrievably lost.
32. The Contributor understands and accepts, that the Tezos Network will create new XTZ as a reward for "block creation and validation". These rewards will create nominal inflation of XTZ and may therefore lead to a dilution of the overall amount of XTZ.

5. TEZOS Project Execution

33. It remains at TEZOS' sole discretion to decide how to use the received Contributions to develop and execute the Tezos Project. A part of the Contributions will be used to purchase all shares of Dynamic Ledger Solutions, Inc. This part (which is independent from Pool E) maximally amounts to 8.5% of the Contributions made. If this part has not been used (partially or entirely) for the purchase of the shares of Dynamic Ledger Solutions Inc., it may be used by TEZOS at its own discretion to further develop and maintain the Tezos Network and the Tezos Project.
34. The Contributor understands and accepts that he does not have any influence over the governance of TEZOS.
35. TEZOS has the right to engage subcontractors to perform some or all of the development and execution of the Tezos Project.
36. The Contributor understands and accepts that the Tezos Network is undergoing substantial development which may involve significant conceptual, technical and commercial changes before release.

6. Audit of the Contribution Software and the CSS

37. The Contribution Software and the CSS have been, on a reasonable effort basis, audited and approved by technical experts with regard to their functionality. The technical experts have further confirmed that the Contribution Software and the CSS have, with regard to both accuracy and security, been programmed according to the current state of the art.
38. However, the Contributor understands and accepts that the used software and technology is still in an early development stage and its application is of an experimental nature which carries significant operational, technological, financial, regulatory and reputational risks. Accordingly, while the conducted audit raises the level of security and accuracy, the Contributor understands and accepts that the audit does not amount to any form of warranty, including direct or indirect warranties that the Contribution Software and the CSS are fit

for a particular purpose or do not contain any weaknesses, vulnerabilities or bugs which could cause, inter alia, the complete loss of BTC, ETH and/or XTZ.

7. Risks

39. The Contributor understands and accepts the risks in connection with the Contribution to TEZOS, and/or with the allocation, use and ownership of XTZ. In particular, but without being limited to these examples, the Contributor understands the inherent risks set forth above and hereinafter:

- **Risk of software weaknesses:** The Contributor understands and accepts that the underlying software application and software platform, the Tezos Network, the Client, the Contribution Software, the CSS and other involved software and technology and technical concepts and theories are still in an early development stage and unproven, that there is no warranty that the process for receipt, use and ownership of XTZ will be uninterrupted or error-free and that there is an inherent risk that the software and related technologies and theories could contain weaknesses, vulnerabilities or bugs causing, inter alia, the complete loss of XTZ.
- **Regulatory risk:** The Contributor understands and accepts that blockchain technologies allow new forms of interaction and that it is possible that certain jurisdictions will apply existing regulations on, or introduce new regulations addressing, blockchain technology-based applications, which may be contrary to the current setup of the CSS and which may, inter alia, result in substantial modifications of the Tezos Network, including its termination and the loss of XTZ for the Contributor. Further, the Contributor accepts and bears the risks with respect to US regulations that may regulate Contribution and/or potential custody of XTZ.
- **Risk of abandonment / lack of success:** The Contributor understands and accepts that the allocation of XTZ and the development of the Tezos Network may be abandoned for a number of reasons, including lack of interest from industry and/or the public, lack of funding, lack of commercial success or prospects (e.g. caused by competing projects). The Contributor therefore understands that there is no assurance that, even if the Tezos Network is partially or fully developed and launched, the Contributor will receive any functionality through the XTZ held by him.
- **Risk associated with other applications:** The Contributor understands and accepts that the Tezos Network may give rise to other, alternative projects, promoted by unaffiliated third parties, under which XTZ will have no intrinsic value.
- **Risk of loss of private key:** XTZ may only be accessed using a private key that corresponds to the address at which it is stored. The Contributor understands and accepts that if his private key, or the “seed” used to create his address and corresponding private key is lost or stolen, the obtained XTZ associated with the Contributor’s address will be unrecoverable and will be permanently lost.
- **Risk of theft:** The Contributor understands and accepts that the underlying software application and software platform, the Tezos Network, the Client, the Contribution Software, the CSS, other involved software, other technology components and/or platforms may be exposed to attacks by hackers or other individuals that could result in theft or

loss of XTZ, or the theft or loss of Contributions, impacting the ability to develop and launch the Tezos Network.

- **Risk of blockchain mining attacks:** The Contributor understands and accepts that, as with other public blockchain-based systems that depend on independent miners, the Tezos Network may be susceptible to mining attacks including but not limited to double-spend attacks, majority mining power attacks, “selfish-mining” attacks, and race condition attacks. Any successful attacks present a risk to the Tezos Network, expected proper execution and sequencing of XTZ transactions, and expected proper execution and sequencing of software computations.
- **Risk of governance attacks and failure:** The Contributor understands and accepts that the Tezos Network uses an in-built decentralized governance system (“Governance System”). It is possible that the Governance System adopts proposals that have an adverse effect on the useful functioning of the Tezos Network and/or the value of XTZ. If the Governance System is attacked, or becomes controlled either directly or indirectly by some party or parties that make unwise decisions, or the community generally makes unwise decisions, the value of XTZ held by a Contributor might be greatly reduced or even permanently lost.

8. Taxation

40. The Contributor bears the sole responsibility for determining if his Contribution to TEZOS, the allocation, use or ownership of XTZ, the potential appreciation or depreciation in the value of XTZ over time (if any), the sale and purchase of XTZ and/or any other action or transaction related to the Tezos Network have tax implications for him.
41. By donating to TEZOS, and/or by receiving, using or holding XTZ, and to the extent permitted by law, the Contributor agrees not to hold any third party (including developers, auditors, contractors or founders) liable for any tax liability associated with or arising from the Contribution to TEZOS, the allocation, use or ownership of XTZ or any other action or transaction related to the Tezos Network.

9. No Liability

42. The Contributor acknowledges and agrees that, to the fullest extent permitted by any applicable law, the Contributor will not hold TEZOS, any developers, auditors, contractors or founders and/or the Tezos Network liable for any and all damages or injury whatsoever caused by or related to the use of, or the inability to use, the Contribution Software, the CSS, the XTZ or the Tezos Network under any cause or action whatsoever of any kind in any jurisdiction, including, without limitation, actions for breach of warranty, breach of contract or tort (including negligence) and that developers, auditors, contractors or founders of the Contribution Software, the CSS, the XTZ or the Tezos Network shall not be liable for any indirect, incidental, special, exemplary or consequential damages, including for loss of profits, goodwill or data, in any way whatsoever arising out of the use of, or the inability to use of the Contribution Software, the CSS, the XTZ or the Tezos Network.
43. The Contributor further specifically acknowledges that TEZOS and developers, auditors, contractors or founders of the Contribution Software, the CSS, the XTZ or the Tezos Network are not liable, and the Contributor agrees not to seek to hold them liable, for the

conduct of third parties, including other creators of XTZ, and that the risk of creating, holding and using XTZ rests entirely with the Contributor.

44. By receiving, holding or using XTZ, and to the extent permitted by law, the Contributor agrees not to hold any third party (including, without limitation, TEZOS, developers, auditors, contractors or founders) liable for any regulatory implications or liability associated with or arising from the allocation, ownership or use of XTZ or any other action or transaction related to the Tezos Network.

10. Miscellaneous

45. The Contributor agrees that if any portion of these Terms is found illegal or unenforceable, in whole or in part, such provision shall, as to such jurisdiction, be ineffective solely to the extent of such determination of invalidity or unenforceability without affecting the validity or enforceability thereof in any other manner or jurisdiction and without affecting the remaining provisions of the Terms, which shall continue to be in full force and effect.
46. The Contribution Software and the Client are located in Alderney. Consequently, the contribution procedure, the XTZ creation and XTZ allocation is considered to be executed in Alderney.
47. The Terms govern the Contributions to TEZOS, and the allocation, use and holding of XTZ and supersede any public statements about the launch of Tezos Network and/or the XTZ made by anyone in the past, present and future.
48. The applicable law is Swiss law. Any dispute arising out of or in connection with the creation of the XTZ and the development and execution of the Tezos Network shall be exclusively and finally settled by the ordinary courts of Zug, Switzerland.