

# Token Economics

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The Melior token (MEL) is a cryptographic project token which has an integral use within Melior's ecosystem:

## MEL: Utility Coin

All customers using the Melior network will be required to pay 10% of their fees in Melior tokens which will be used in the Melior token-buy-back scheme. This will include Enterprise customers who will pay in fiat (i.e. currency that a government has declared to be legal tender) but will have 10% of their spend automatically allocated to a token buy-back account.

The money in the token-buy-back account will then be used by Melior to purchase MEL tokens on the public exchange at the prevailing rate. These tokens will then be destroyed, which will be done by sending them to a public wallet from which they cannot be recovered.

The net result of the token buy-back scheme is that every customer Melior acquires will become a purchaser of MEL tokens, via the Pay-As-You-Go (PAYG) system or through Melior's accounting systems as an Enterprise customer. The buy-back scheme will also reduce the amount of tokens in circulation and look after the interests of token holders by reducing the number of tradeable tokens in existence.

Enterprise clients will be required to pay 10% of their monthly fees in MEL token. PAYG customers purchase MEL tokens as a deposit, and the tokens will also act as a unit of currency for PAYG customers and developers within the Melior Marketplace.

**Token purchases will be orchestrated seamlessly behind the scenes. Customers will only have to worry about fiat payments.** It means that both Enterprise and PAYG customers generate the need to continually hold tokens. In case of PAYG customers it is to cover the cost of paying the milestone fees and the deposit. In case of the Enterprise clients it is 10% of their SaaS fees that is to be converted into MEL token. Therefore token liquidity is created and token scarcity is further increased.

A PAYG customer's deposit is always held within their wallet, and they are able to sell at any time after ceasing to be a Melior customer.

## Powering the System

PAYG customers get instant access to MINNIE through our online configurator after having made a minimal required deposit.

Once a milestone transaction is reached a small fee is paid both to Melior and to any applicable third-party developer within the marketplace. This fee is denominated against fiat in the local currency and the transaction settled in MEL tokens, thereby delivering a post-sale cost advantage to the customer rather than a pre-sale cost.

MEL tokens are a fundamental part of the Melior economic system. Every PAYG customer is required to have a fixed amount of tokens in a dedicated wallet that is held as a deposit in order for the PAYG system to function. Deposits are recorded on Melior's blockchain, as are all transactions.

Using Melior tokens as deposits is advantageous in helping increase token price. As every Melior customer is required to take a fixed number of MEL tokens out of circulation while they remain a customer of the company, this limits the supply of tokens available on the open market and increases its value due to scarcity.

## Store of Value

As the use of our products requires MEL token purchase, every Melior customer will contribute to the scarcity of the MEL token.

All PAYG customers will also have an ongoing need for additional tokens to pay the continual fees for Melior's services.

New customers will not be negatively affected in the event of a rise in value of the MEL token as fees are always denominated in fiat. What is more: a rise in the token's value will increase a customer's deposit in their wallet.

## Generating Value for Token Holders

Customers using Melior products and developers within the Melior Marketplace will be required to pay a deposit in MEL tokens in order to run any Melior products. They will have the option to either buy tokens on the market or pay Melior in fiat so we can take care of the conversion behind the scenes. Melior will undertake to do all fiat to token transactions by buying on public exchanges at the current market rate. These will then be allocated to a wallet affiliated to the client account where the deposit keeps their products working.

This structure has been designed in order to look after the interests of token holders who participate in the token sale, on the basis that every client that Melior acquires will take more tokens out of circulation, thereby increasing the price of the tokens. In this manner token holders will directly benefit from the growth of Melior as a company.

To further align the interest of token holders alongside the interest of the company, Melior will also undertake to spend a fixed percentage of all company revenue on buying back MEL tokens on public exchanges and putting these tokens into a "black hole" wallet from which they can never be recovered - i.e. a buy and burn programme.

This will also have the effect of reducing the amount of tokens in general circulation and will increase the value of those that do remain tradeable.