

Compute-SAFE – Standard Term Sheet



Compute for Equity · illustrative standard form

This is a non-binding template for discussion. Not legal advice, not an offer. Final terms are set per deal and papered under the applicable ADGM/FSRA framework.

Summary

A **Compute-SAFE** is a Simple Agreement for Future Equity in which the consideration is **metered**

compute rather than cash. A compute provider (the "Provider") commits a capped amount of compute,

drawn by the company (the "Company") over a window, that converts into equity at the Company's next

priced equity financing, subject to a valuation cap, a discount, and a service-level (SLA) suspension clause.

Key terms

- ▶ **Instrument:** Compute-SAFE (post-money SAFE mechanics; consideration paid in compute).
- ▶ **Principal amount:** the USD-denominated value of committed compute (e.g., \$1,000,000).
- ▶ **Consideration:** metered GPU-hours delivered by the Provider, valued at the Oracle reference

price agreed at signing, drawn against the Principal during the Draw Window.

- ▶ **Draw window:** the period during which the Company may draw compute (e.g., 6 months).
- ▶ **Valuation cap:** the maximum company valuation at which the instrument converts (e.g., \$25M).

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Discount rate: the discount to the next-round price (e.g., 20%).

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▶ **Conversion:** at the next priced equity financing, the Principal converts into the most senior class of shares issued, at the **lower of** (a) the valuation cap price and (b) the discounted round price — i.e., the price most favourable to the Provider.

▶ **SLA suspension clause:** if average GPU uptime delivered in any calendar month falls below

95%, that month's draw is rolled forward to a subsequent month at no additional dilution; the

Company converts equity only for compute actually delivered to spec.

▶ **Metering:** all compute is metered and logged; drawn value is reconciled against the Principal.

▶ **Custody & settlement:** the instrument is custodied and settled under the applicable ADGM/FSRA-regulated arrangements; client assets are held segregated.

▶ **Most-favoured-nation:** if the Company issues a SAFE or Compute-SAFE with more favourable terms

before conversion, the Provider may elect those terms.

▶ **Transferability:** the instrument may, subject to regulatory and Company consent, become

transferable on the Compute for Equity secondary market once eligible.

▶ **Information rights:** standard major-investor information rights on a pro-forma basis.

▶ **Governing law / venue:** ADGM; disputes per ADGM Courts or agreed arbitration.

Worked illustration

For a \$1,000,000 Compute-SAFE at a \$25M cap and 20% discount:

Next round (pre-money)	Governing price	Conversion price	Dilution
\$20M (bear)	discount (20% off \$20M = \$16M)	\$16,000,000	6.25%
\$30M (base)	discount (20% off \$30M = \$24M)	\$24,000,000	4.17%

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Next round (pre-money)	Governing price	Conversion price	Dilution
\$80M (bull)	cap (\$25M < \$64M)	\$25,000,000	4.00%

The dilution is bounded: the cap protects the Provider on the upside; the discount governs when the

round prices below the cap-adjusted threshold. See the live worked example at

</product/example>.

Why this structure

- ▶ **For the Company:** acquire compute without a cash leg; preserve runway; bound and defer dilution

to a priced round; shift uptime risk to the Provider via the SLA clause.

- ▶ **For the Provider:** convert idle or marginal compute into equity upside in vetted AI companies;

standardized, custodied, and (eventually) tradable.

- ▶ **For the venue:** one standard instrument that is repeatable across deals and, once standardized

at volume, supports a secondary market.

*Human TODOs before any use: counsel to finalize conversion mechanics, MFN scope, transfer

restrictions, and ADGM-specific securities language; finance to confirm the Oracle reference-price

methodology referenced at signing.*