

## **Anahata DAO Governance**

In order to promote community governance for the Anahata DAO network, our native YAM tokens would allow holders to propose and vote on governance proposals to determine actions, features and/or parameters of the Anahata DAO ecosystem, with voting weight calculated in proportion to their token holdings. For the avoidance of doubt, the right to vote is on the Anahata DAO ecosystem, such as proposing new projects, activities and features through allocation of treasury funds.

## **Governance Rewards**

Governance rewards would allow YAM token holders additional YAM for staking in the governance contract to vote for the first year of operations. It is important for a diverse community of users to step up to share and exchange balanced views on the overall direction of the project, and govern the Anahata DAO ecosystem, because the Anahata DAO team intends to fully handover such tasks to the community by the end of 2022.

It is these community members which would drive development of the Anahata DAO ecosystem, so YAM token incentives would need to be distributed to compensate them for their time, expertise and effort.

Following this initial phase, Anahata DAO governance may vote to extend governance rewards funded by the treasury.

## **Anahata DAO Governance Process**

This document is a living document which represents the current process guidelines for developing and advancing Anahata DAO Governance Proposals.

Several governance venues are available to Anahata DAO governance, each serving its own particular purpose.

1. [gov.anahatadao.org](http://gov.anahatadao.org)

gov.anahatadao.org is a Discourse-hosted forum for governance-related discussion. Community members must register for an account before sharing or liking posts. New members are required to open/read a minimum of 6 topics/posts before they are permitted to post themselves.

2. [Snapshot.org](http://Snapshot.org)

Snapshot is a simple voting interface that allows users to signal sentiment off-chain. Votes on snapshot are weighted by the number of native YAM tokens delegated to the address used to vote.

### 3. [Governance Portal](#)

The formal governance portal can be accessed directly through the Anahata DAO app interface. Votes are delegated and cast through the portal.

Below we outline a preliminary draft for the Anahata DAO governance process, detailing exactly where these venues fit in. These processes are subject to change according to feedback from the Anahata DAO community.

#### **Phase 1: Temperature Check — Discourse/Snapshot**

The purpose of the Temperature Check is to determine if there is sufficient will to make changes to the status quo.

To create a Temperature Check:

1. Ask a general, non-biased question to the community on gov.anahatadao.org about a potential change (example: "Should Anahata DAO release its 2% token supply allotted to Airdrops?"). Forum posts should be labeled as follows: "Temperature Check - [Your Title Here]". The forum post should include a link to the associated Snapshot.org poll.
2. Voters use Snapshot to indicate their interest in bringing it forward to the next stage. Snapshot poll lengths should be set to 6 days. This action requires at least 3,000 YAM tokens delegated or self-delegated.

That's it! You've just started the process of gaining support for a proposal. At the end of the 6 days, a majority vote with a 75,000 YAM token yes-vote threshold wins.

If the Temperature check does not suggest a change from the status quo, the topic will be closed on the governance site. If the Temperature Check does suggest a change, proceed to Stage 2: Consensus Check.

#### **Phase 2: Consensus Check — Discourse/Snapshot**

The purpose of the Consensus Check is to establish formal discussion around a potential proposal.

To create a Consensus Check:

1. Use feedback from the Temperature Check post and create a new Snapshot poll which covers the options which have gained support. This poll can either be binary or multiple choice but you are required to include the option "Make no change" or its equivalent. Set the poll duration to 9 days.
2. Create a new topic in the Proposal Discussion category on gov.anahatadao.org titled "Consensus Check — [Your Title Here]". This will alert the community that this topic has already passed Temperature Check. Any topics beginning with Consensus Check that have not passed Temperature Check will immediately be removed by moderators. Make sure that the discussion thread links to the new Snapshot poll and the Temperature Check thread.

3. Reach out to your network to build support for the proposal. Discuss the proposal and actively solicit delegates to vote on it. Be willing to respond to questions on the Consensus Check topic. Share your view point, although try to remain as impartial as possible.

At the end of 9 days, whichever option has the majority of votes wins, and can be included in a governance proposal for Stage 3. A 150,000 YAM token yes-vote quorum is required for the Consensus Check to pass.

If the option "Make no change" wins, the Consensus Check topic will be closed by the moderators.

### **Phase 3: Governance Proposal — Governance Portal**

Phase 3 — Governance Proposal — is the final step of the governance process. The proposal should be based on the winning outcome from the Consensus Check and can consist of one or multiple actions, up to a maximum of 10 actions per proposal.

To create a Governance Proposal:

1. Write or connect with our community programmers for the code for your proposal, which will be voted on through the Governance Portal. All proposed code should be audited by a professional auditor. This auditing process may be reimbursed by the community treasury, once the governance proposal is approved with a vote on-chain.
2. Ensure that you have at least 7.5 million YAM token delegated to your address in order to submit a proposal, or find someone who has enough YAM tokens to meet the proposal threshold to propose on your behalf.
3. Create a topic in the Proposal Discussion category on [gov.anahatadao.org](http://gov.anahatadao.org) titled "Governance Proposal — [Your Title Here]" and link to any relevant Snapshot polls/discussion threads as well as the code audit report. Topics that begin with "Governance Proposal" that have not successfully passed through the Temperature Check and Consensus Check stages will be removed by moderators.

Once the propose() function has been called, a 12 day voting period will start. Ongoing discussion can take place in the [gov.anahatadao.org](http://gov.anahatadao.org) forum, discord discussions and community calls. If the proposal passes successfully, a three day timelock will follow before the proposed code is executed.

### **Soft governance**

The process described above lays out a structure for those wishing to host a formal vote around a particular issue.

However, governing this system also requires a degree of "meta governance", discussions that inform the direction of and the implementation processes behind policy but which don't qualify as policy themselves.

The community may discuss new ideas and strategies for governance — including changes to the three-step process outlined above. On-chain voting is not necessary to make updates to off-chain processes.

## Governance Glossary

- **YAM:** A token that designates the weight of a user's voting rights. The more YAM a user has in their wallet, the more weight their delegation or vote on a proposal holds.
- **Delegation:** YAM holders cannot vote or create proposals until they delegate their voting rights to an address. Delegation can be given to one address at a time, including the holder's own address. Note that delegation does not lock tokens; it simply adds votes to the chosen delegation address.
- **Proposal:** A proposal is executable code that modifies the governance contract or treasury and how they work. In order to create a proposal, a user must have at least 7.5 million of YAM but no less than 0.25% of existing circulating supply. Proposals are stored in the "proposals" mapping of the Governor smart contract. All proposals are subject to a 12-day voting period. If the proposer does not maintain their vote weight balance throughout the voting period, the proposal may be canceled by anyone.
- **Quorum:** In order for a vote to pass, it must achieve quorum of 4% of all circulating YAM token supply, with majority vote in the affirmative. The purpose of the quorum is to ensure that the only measures that pass have adequate voter participation.
- **Voting:** Users can vote for or against single proposals once they have voting rights delegated to their address. Votes can be cast while a proposal is in the "Active" state. If the majority of votes (and a 4% quorum of circulating YAM token supply) vote for a proposal, the proposal may be queued in the Timelock.
- **Voting Period:** Once a proposal has been put forward, Anahata DAO community members will have a twelve (12) day period (the Voting Period) to cast their votes.
- **Timelock:** All governance and other administrative actions are required to sit in the Timelock for a minimum of 3 days, after which they can be implemented.