

Decentralized Governance Process & Procedures

SundaeSwap DAO

The following Decentralized Governance Processes and Procedures (“Procedures”) are the improvement suggestion processes and procedures that apply to any vote of the SundaeSwap DAO members (“Member”). These Procedures can be revised at any time by a vote of the Members.

A. Voting Forums & Information Sources

The following sources and venues are adopted to provide Members with information regarding the SundaeSwap Protocol (“Protocol”), the SundaeSwap DAO, and discussions regarding SundaeSwap DAO proposals.

1. [SundaeSwap.Finance](https://sundaeswap.finance)
The primary SundaeSwap website with information regarding the Protocol’s features, functions, investors, and partners.
2. <https://forum.sundaeswap.finance/> (the “Forum”)
The SundaeSwap DAO will use the Discourse platform as a formal venue for discussing Temperature Checks (preliminary improvement ideas), Proposals (built-out ideas with community interest), and uncategorized DAO discussions (regarding off-chain discussions of Protocol features such as website feedback).
3. <https://discord.com/invite/Sundae>
The official SundaeSwap discord. There are various chat rooms and active members who are happy to help guide answers and drive solutions for the advancement of the Protocol.
4. <https://governance.sundaeswap.finance> (the “Governance Portal”)
The location where a Member can create a Proposal following a successful Temperature Check.

B. Proposal Creation

The following sections detail the progressive steps that one or more Members must follow to present a new idea or suggestion to the SundaeSwap community for a vote. Moderators will be available to assist Members with the mechanics of governance under these Procedures.

Step 1: Temperature Check – Forum

The Temperature Check is a way for one or more community members to share a proposed idea or suggestion and receive initial feedback from the community. One does not have to be a Member to create or participate in a Temperature Check.

Through community feedback and open discourse, the submitting community members can craft a more informed proposed idea or suggestion and thereafter submit it as a Proposal to be voted on by SundaeSwap DAO Members.

To create a Temperature Check, navigate to the appropriate category:

<https://forum.sundaeswap.finance/c/temperature-check/>.

1. Title your temperature check with a short, clear description of your idea
2. Description: Ask the community a general, non-biased question about a potential Protocol change (for example, “Should SundaeSwap add yield farming for XYZ token?”).

Please reach out to moderators, or other community members to ensure the delivery of a polished temperature check before submitting it through the Forum.

3. Voting Poll Creation: Click the cog wheel icon.
4. Select “Build Poll”
5. Select “Single Choice” voting.
6. Enter two options via the “Add Option” selection. The first should be labeled as “Interested” and the second should be “Uninterested”
 - a. Additional vote options are available by selecting “Settings Wheel” followed by “Add More Details.” From here, the choices may be listed in greater detail (i.e., “10%,” “20%,” “50%,” etc.). Importantly, please maintain the “Uninterested” choice, or else a moderator may remove the post.
7. Publish the Temperature Check
8. Reach out to other Members to build support for your improvement suggestion. By actively participating in the temperature check discussion, and by being willing to respond to questions posted, you help further develop the ideas. Please share your reasoning, and remember that everyone’s objective is to further the philosophy and mission of the SundaeSwap DAO; please be respectful.
9. The poll may be voted on 48 hours from when it is made. If the poll gains a minimum of 20 “Interested” votes, then proceed to Step 2. If the post fails to get sufficient support, then the post will remain archived for future SundaeSwap community members to learn about the discussion that took place and understand the reasoning behind governance decisions. Please feel free to resubmit a revised version of the temperature check and ensure the title reflects that the temperature check has been amended by denoting the Title with a ‘v2, v3, v4, etc.’

Step 2: Governance Proposal – Governance Portal

A “Proposal” is an idea or suggestion that has received sufficient support in the Temperature Check, and that one or more Members now wish to submit for a governance vote. A Proposal must be materially identical to the successful Temperature Check, including as to vote options. The Member must link a wallet with a minimum of 10,000 SUNDAE in order to publish a Proposal.

The Governance Portal [[hyperlink](#)] allows users to create proposals. The Proposal’s required information includes the Author (Cardano address), a Title, a Description, a list of voting choices, a hyperlink to the Temp Check, a ‘createdAt’ Cardano slot, the Governance Portal version, the voteStart (a Cardano slot number after which votes will be accepted), a voteEnd (a Cardano slot after which votes will not be accepted), a voteSnapshot (a Cardano slot number used for evaluating voters voting weight), and a cryptographic signature from the private key of the ‘author’.

In addition the ‘createdAt’ slot must be within 5 minutes of the server time (this prevents “replaying” of proposals with someone’s signature and maintains the accuracy of voteStart, voteEnd, and voteSnapshot). When this information is submitted, the SundaeSwap backend server which houses a reserve pool of ADA will publish transactions with the respective metadata onto the Cardano blockchain.

Follow the steps below to create the Proposal.

1. Submit the Proposal via the [Governance Dashboard](#).
2. Title should be short and descriptive, and match the [Title] from the temperature check.

3. Voting for the proposal will start immediately, and run for 15 days.
4. Describe in detail how the Proposal benefits or impacts the Protocol, Members, SundaeSwap participants, and/or scoopers. The value of the Proposal should be easily understood and must include the following:
 - a. A 2-3 sentence description talking about how we got here. Provide some historical context around why this proposal is being submitted.
 - b. A Problem Statement. The goal here is to identify in plain language who is being affected, what pain they're experiencing, and what would happen should that pain be alleviated.
 - c. A Hypothesis. Based on what you know about the problem, create a hypothesis around what we could potentially do for the customer/partner and how we might test its validity. Think about a critical assumption you're making that if proven wrong, invalidates your entire proposal.
 - d. Beneficiary Discovery. List out who, specifically we should talk to about this problem. This should be a mix of beneficiaries who are actually experiencing the problem, and other people in the problem's ecosystem like stakeholders, subject matter experts, etc.
 - e. Long-term Goal. What happens as a downstream result of this problem being solved. Don't confuse this with the Beneficiary's Desired Outcome - think longer term.
 - f. Current Landscape. What environmental factors/variables do we need to consider?
 - g. Solution Idea. Only to be completed once the problem is appropriately identified and scoped. Limit yourself to 500 characters and try to avoid using overly technical jargon.

C. General Procedural Information:

1. **Withdrawal:** A Member may withdraw their Temperature Check at any point in time. However, a Proposal may not be withdrawn once submitted.
2. **Assistance:** Moderators are available to assist Members with developing and submitting Temperature Checks and Proposals at any stage.
3. **Failure to Conform to Procedures:** Any Member who repeatedly utilizes the Forum or Governance Portal for suggestions that don't meet the foregoing requirements may be temporarily or permanently banned by the Moderators from creating additional Temperature Checks or Proposals and/or accessing the Forum and Governance Portal.
4. **Editing:** Proposals submitted through the Governance Portal may not be edited once they are submitted; however, Temperature Checks may be edited. Any edits should include a timestamp, the reasoning, and the prior text to maximize transparency.
5. **Restricted Topics:** Please do NOT submit Temperature Checks regarding support requests or off-topic conversations. This will help the moderation team maintain the Forum's health. Instead, direct these types of comments to the appropriate rooms in the [SundaeSwap Discord server](#).

D. Proposal Votes

Members may vote on a Proposal by linking a wallet containing SUNDAE to the Governance Portal and following the instructions.

Once voting has started, information regarding the status of the vote will be available on the Governance Portal. Members will typically vote off-chain and a snapshot at the close of the voting period will determine the outcome of the Proposal; however, it is also possible for a Member to publish their vote on-chain. This allows Members with cold storage devices to participate, and gives Members a way to circumvent suspected accidental or intentional censorship. To do this, create any transaction that is signed by the Member's staking key, and includes the vote in the correct format in the transaction Metadata. A mechanism to do this is provided through the governance portal UI for convenience, though any vote detected on-chain within the start and end times of the vote will be counted."

The votes and voting results will be collected from off- and on-chain voting, audited by a committee (which membership may be changed by DAO vote), and verifiable on the Cardano blockchain. The initial members of the vote audit committee are Smaug pool, Eternl, cexplorer.io, and DripDropz. The committee will review all proposal votes and report a separate tally for each proposal; if they identify any discrepancies that indicate a bug in the tallying process, the committee will work together to resolve the bug and produce a more accurate tally or, under extreme circumstances of a clearly manipulated vote, invalidate the vote and return the proposal for a new vote.

E. Moderator Roles & Obligations

1. Moderator Selection:

Moderators will be selected by a vote of the Members. The number of Moderators will be three; the number of Moderators can be changed by a vote of the Members. Each Moderator will provide a Cardano wallet address and will be listed publicly as a confirmed SundaeSwap DAO Moderator. Each Moderator will have a one-year term; however, the initial three Moderators will have terms of 6 months, 9 months, and 12 months, respectively, so that in the future there are always incumbent Moderators available to help newly-selected Moderators assimilate into the role.

2. Moderator Duties:

- a. To be a fair and neutral administrator of the SundaeSwap governance process to help support the growth, reliability, and trustworthiness of the SundaeSwap Protocol. Unless stated otherwise, all Moderator actions should be collectively decided and agreed on by at least two-thirds of all Moderators.
- b. Be the primary source for information regarding the SundaeSwap DAO Constitution and these Procedures within the Forum, and fulfill the Moderator duties set out in these Procedures.
- c. Communicate with Members pursuing a Temperature Check or Proposal at each stage in the process to assist them in complying with these Procedures. Promptly review all Temperature Checks or Proposals and communicate to the sponsoring Member(s) and/or the SundaeSwap community regarding any elements that do not or may not comply with the SundaeSwap DAO Constitution or these Procedures.

- d. Moderate the SundaeSwap governance channel(s) in communication applications (e.g., Forum and Discord), communicate regarding governance matters and proposals on social media applications, and enforce all community standards applicable to each such application.
- e. Support the SundaeSwap Protocol as requested to implement any successful Proposal or otherwise.
- f. An overall goal applicable to all Moderator duties is to create a supportive and collaborative environment that encourages participation in the SundaeSwap governance process to help ensure the greatest Member participation possible, while also ensuring that the SundaeSwap governance process functions in accordance with these Procedures, and any laws that may apply.

G. Definitions

The following capitalized terms are defined as follows:

Member: a person or entity that (a) holds the private keys controlling any SUNDAE token staked to the Governance Contract ; (b) seeks to contribute to, build on, or use the services of SundaeSwap DAO, and (c) is willing to accept the responsibilities and terms of the Constitution.

Voting Period: The period (in days) in which Members who have staked SundaeSwap to the governance contract can vote on a Proposal.

Execution Delay: A period (defined by a Protocol parameter) before executing a passed Proposal.

Vote: Placing a vote through the Governance Contract on an open Proposal. The signer must have SUNDAE staked to the Governance Contract to vote, and votes may be changed or withdrawn up to 36 hours before the end of the voting period.

Proposal Stake: The number of SUNDAE tokens needed to be deposited to create a new Proposal.