Prom DAO Memorandum

Introduction

Prom DAO is a decentralized autonomous organization built for Prom, a high-performance scalable network based on Polygon CDK. Prom DAO operates with the help of DeXe platform, leveraging its robust tools for decentralized governance.

Prom DAO manages the Prom network through the voting power of token holders, ensuring a community-driven approach to governance and development. It employs an on-chain governance structure, allowing token holders to directly participate in the decision-making process through proposing, discussing, and voting on initiatives.

The DAO utilizes a Linear Voting Model, where each token represents one vote, ensuring a straightforward and equitable system for member participation. This model aims to foster active engagement, encourage innovation, and maintain transparent management of DAO resources.

As Prom evolves, Prom DAO plays a crucial role in guiding its development, adapting to challenges, and seizing opportunities in the decentralized technology landscape. The open nature of the platform encourages community contributions, driving the continuous improvement and expansion of Prom’s ecosystem.

Membership

Holders

Prom DAO acknowledges each PROM token holder as a crucial participant in the Protocol and a member of the DAO. We emphasize the significance of active member involvement in influencing the future of the Protocol and decentralized governance technologies. Members are given the power to participate in decision-making through voting and proposal initiatives, provided their voting power meets the minimum thresholds specified by the DAO's voting regulations. These regulations are set and can be modified by the DAO, currently outlined in the DAO's Constitution, and managed through on-chain proposals accessible via the DAO’s profile link. The standard overview of voting parameters and minimums is detailed in the “Governance model.”

PROM holders also gain from internal incentives for active participation as determined by Prom DAO through the proposal and voting process.

Experts

Prom DAO is tasked with appointing experts, who may be individuals or other DAOs, and must be contributors to the Protocol. As the governing body, the DAO can assign voting roles to local experts operating solely within the DAO and global experts whose influence spans all DAOs created within the Protocol.These designated experts may receive token delegations from the Treasury or holder balances. This strategic delegation enables experts to enhance the decentralization and knowledge base of the decision-making process within the DAO. Essentially, the DAO uses expert appointments to improve decentralization and expertise in its governance systems. This approach aligns with Prom DAO's primary goal — promoting decentralized decision-making by involving qualified and trusted experts, whether they function locally within the DAO or globally across its protocol creations.

Validators

Validators are tasked with maintaining the Protocol's integrity and security. They vote on proposals that have passed the initial member voting phase to ensure the proposal aligns with the correct strategic curve of the product. The DAO appoints or removes validators to ensure a reliable governance system. Validators can also propose independent and transparent initiatives ("Validators' voting") designed by Prom DAO to address specific operational needs without requiring participation from Prom DAO members.

Council

The Association's Council acts as an off-chain ministerial entity, primarily tasked with managing the off-chain Treasury and executing the DAO's decisions through off-chain tools. Its main responsibilities include carrying out the DAO's decisions related to fund transfers, managing grant programs, hiring service providers for Protocol development, and performing other beneficial off-chain activities. The Council operates within the parameters set by the DAO and has the authority to allocate funds from the Treasury for operational purposes. The membership of the Council can be altered based on decisions made by the DAO.

Delegated governance

The governance structure of Prom DAO incorporates a delegation system where participants can entrust their voting authority to other members or designated experts by allocating their PROM tokens. A sophisticated smart contract manages this delegation mechanism, adjusting voting power calculations based on delegate classifications, with expert status carrying enhanced voting coefficients. Participants retain complete control over their tokens, with the ability to reclaim them at any moment, including during ongoing voting processes, though such actions may result in additional gas expenses due to required recalculations.

A distinctive feature allows Prom DAO to utilize Treasury tokens for delegation purposes, strengthening community engagement and furthering decentralization efforts. This comprehensive approach seeks to boost participation in decision-making processes, ultimately creating a more balanced, transparent, and decentralized organizational framework.

DAO Constitution

Voting rules

Prom DAO was initially configured with voting parameters established by contributors at the time of Protocol deployment. With the publication of this Memorandum, a crucial shift occurs as the ongoing development of these parameters transitions to DAO member control. The contributors and community have established a progressive pathway towards decentralized governance.

This strategic approach has dual objectives: achieving a majority quorum through gradual implementation, and establishing a comprehensive delegated management framework. The latter involves distributing tokens from the Treasury to qualified experts, which may include individuals, legal entities, or other DAOs, thereby enhancing the expertise involved in the decision-making process. Current Voting rules contained within Prom DAO's Constitution can be viewed at any time through the DAO's profile on the Venue.

Voting power

Prom DAO employs a straightforward and transparent voting mechanism known as the Linear Voting Model. This model ensures that each member's influence in the decision-making process is directly proportional to their token holdings.

In the Linear Voting Model adopted by Prom DAO, the principle is simple: each token held by a member grants them one vote in the DAO's governance process. This approach offers simplicity, direct representation, and scalability. As members acquire more tokens, their voting power increases linearly, providing a clear incentive for greater participation and investment in the DAO.

The Linear Voting Model has significant implications for Prom DAO's governance. It ensures proportional influence, with larger token holders having more say in decision-making processes, reflecting their greater stake in the DAO's success. This system encourages participation by incentivizing members to acquire and hold more tokens to increase their voting power and influence within the DAO.

It's important to note that each proposal must pass through the entire proposal circuit before it can be implemented into the Protocol. This process ensures thorough consideration and vetting of all proposed changes or actions, maintaining the integrity and stability of the DAO's governance structure.

Proposal circuit

1. Idea Incubation

The DAO community serves as a breeding ground for new ideas. Members are invited to initiate discussions about novel concepts, tapping into the community's collective wisdom and varied insights. This phase enables members to introduce and explore potential initiatives, refining them through community engagement.

For emerging concepts, members are encouraged to conduct thorough research and share their thoughts in dedicated communication channels, particularly Discord.

The concepts that have met the interests of the community and have reached a certain complexity should undergo validation through off-chain proposals on the DAO platform, through a specific "For/Against" proposal framework.Community members can review, comment, and vote on these proposals to indicate their support or opposition. Any DAO member possessing minimum voting power set by DAO for off-chain discussion proposals can submit such proposals.

2. Initiation

Members meeting the minimum threshold requirements can submit either on-chain or off-chain proposals. Off-chain proposals are utilized for initiatives requiring external actions or concept validation within the community.

All Prom DAO members can participate in proposal discussions by commenting in the proposal thread, fostering constructive dialogue.

Off-chain and on-chain proposals can complement each other. Positive feedback on an off-chain proposal might motivate the author to transition it into an on-chain proposal.

3. Members' Voting

Upon proposal publication, DAO members can cast their votes. To prevent bias in decision-making, members must vote before viewing current voting results.
For proposal approval, two key criteria must be satisfied:

- Achievement of minimum quorum
- Majority "Yes" votes

4. Completion

The members' voting round concludes when quorum is reached, unless "early voting completion" is terminated by DAO decision. Otherwise, voting continues until the "voting duration" expires. Approved on-chain proposals become eligible for execution by any DAO member. Off-chain proposals either proceed directly to implementation or may evolve into on-chain proposals following concept validation.

5. Validators' Review
If Prom DAO has appointed validators, they conduct an additional voting round to verify the proposal's safety for protocol's integrity. Validators' voting does not apply to off-chain proposals or proposals specifically concerning validator appointment or removal.

6. Execution
After an on-chain proposal successfully passes all voting rounds, any DAO member can execute its transaction. The executor pays a small gas fee, which is reimbursed through an execution reward (if enabled by DAO decision). Certain proposal types may include an "execution delay" - a mandatory waiting period between approval and execution.

7. Implementation
Smart contracts (and/or the Association's Council where necessary) execute and implement approved proposal initiatives.

Each proposal must be crafted and submitted with sincere intention to enhance and benefit both the Protocol and the DAO.

All discussions and proposals should maintain a professional and respectful tone, demonstrate clear value to the community, and contribute meaningfully to the ecosystem's development. Participants are expected to engage in constructive dialogue, provide well-researched arguments, and maintain ethical standards in their interactions.

Treasury

A designated portion of PROM and other assets (as determined by Prom DAO) will form the DAO's Treasury. These funds serve the current and future requirements of Prom DAO, including its governance operations. The Treasury management falls under DAO control, with all fund allocation decisions made through the proposal voting system.

Treasury Allocation Purposes

Community Incentives

The DAO may implement internal incentive programs to encourage active ecosystem participation and community engagement.

Grant Initiatives
The DAO supports broader blockchain and DeFi ecosystem development through:
- Funding programs for emerging projects and startups
- Bug bounty programs
- Reward-based initiatives to attract new members and ideas

Professional Services
Treasury funds may cover compensation for:
- Protocol and governance auditors
- Development teams
- Marketing specialists
- Legal consultants
- Other necessary experts selected through DAO voting
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Marketing and Promotion
Treasury allocation for market expansion includes:
- Interactive community campaigns (quizzes, contests, competitions)
- Influencer partnerships
- Professional marketing services
- Design and advertising agency collaborations

Liquidity Support
The DAO maintains authority to allocate Treasury assets for liquidity provision purposes.

Final Vision

Prom DAO strives to serve as both an exemplar and operational framework for DAOs and their participants, with core principles centered on meritocracy, democratic governance, and operational transparency. Our comprehensive model provides diverse opportunities for contribution and rewards, creating harmony between personal and collective interests.

The Protocol enables organizational adaptability for various groups, communities, and enterprises, empowering members to develop and implement governance structures that best suit their specific requirements. This flexible approach promotes collaborative efforts and ensures sustainable growth for all participants.