

Sonic Governance Framework

Sonic's governance system ensures a decentralized, community-driven approach to decision-making, allowing SONIC holders, builders, validators, and users to participate in the shaping of the Sonic ecosystem. The governance process will include phases such as temperature checks, proposal submissions, voting, and on-chain execution. Below are the details of the governance structure.

Understanding Sonic Governance

Voting on Proposal

To vote on proposals within the Sonic ecosystem, users must convert their SONIC tokens into veSONIC to gain voting power. Additionally, all HyperFuse Guardian Node operators can earn veSONIC rewards by maintaining the HyperGrid Network, which can also be directly used for proposal voting.

Voting Power Decay

To protect against manipulation by large token holders and promote fairer decision-making, a user's voting power on individual proposals starts to decay halfway through the voting period. This mechanism helps prevent last-minute large-scale votes that could disproportionately influence the outcome.

Moreover, overall voting power decays linearly over time, gradually reducing the impact of any large, concentrated voting power.

Example: Imagine a user begins the voting process for a proposal with 100 veSONIC tokens. If the voting period lasts for 7 days, the user's voting power will initially remain at 100 veSONIC for the first 3.5 days (half of the voting period). However, after this midpoint, the user's voting power will begin to decrease progressively at a steady rate. By day 5 (which is two-thirds of the way through the voting period), the user's voting power would have already been reduced to 66 veSONIC. By the time the voting period concludes on day 7, their voting power would have diminished further, nearing 0 veSONIC.

Voting Power

veSONIC stands for vote-escrowed SONIC. Users can convert their SONIC into veSONIC on a 1:1 basis to gain voting power. Additionally, all HyperFuse Guardian Node operators can earn \$veSONIC rewards by running or delegating nodes to maintain the HyperGrid Network. These rewards can also be used for proposal voting.

A HyperFuse Guardian Node within Sonic's HyperGrid Framework is designed to detect and alert the network of any discrepancies in transactions or state transitions. These nodes act as a safeguard, ensuring that all operations within the Grid's rollup adhere to the highest standards of accuracy and integrity. For more information about HyperFuse Guardian Nodes, you can refer to the following link: [HyperFuse Docs](#).

Governance Phases

Phase 1: Initial Feedback & Discussion

The first phase allows the community to discuss proposals and provide feedback before they move forward to a formal vote.

Platform

- Sonic Research Forum (for community discussions and idea refinement).

Discussion Timeframe

- Minimum 7 working days for community feedback and objections.

Key Features

- All proposals must be submitted on the Forum for community input.
- This phase serves to refine ideas, gauge interest, and gather community feedback.
- Only proposals with sufficient support will be moved to Phase 2.

Phase 2: Proposal Submission & Final Voting

Once the proposal has been discussed and refined, a certain amount of veSONIC must be locked in order to initiate the voting process for that proposal.

Creating Official Proposals

- After the discussion and refinement, a formal proposal will be created and opened for public voting. During this process, the proposer is required to lock [120,000] veSONIC.

Voting Mechanism

- Each veSONIC token entitles the holder to one vote.
- Voting Power Decay - a user's voting power on individual proposals starts to decay halfway through the voting period.

Voting Period

- Voting is open for 14 days, with the ability for any community member to trigger execution.

Voting Quorum

- In this system, only "YES" votes are considered when calculating the quorum. To pass a proposal, at least [30] million veSONIC "YES" votes are needed.

Voting Delay

- 2-day delay before the snapshot results are finalized.

Phase 3: Ongoing Feedback & Future Planning

- A mechanism for ongoing feedback on governance proposals and execution.
- Hold regular community evaluations and discussions to adapt to changes and challenges after implementation.
- **Long-Term Goal:** Transition to a fully decentralized autonomous organization (DAO), where governance decisions are made collectively by the community without centralized authority.

Governance Powers

Community governance will have the power to manage key aspects of the Sonic ecosystem:

- Set Minimum Quorum

- Set Voting Period
- Set Voting Delay
- Set ProposalThreshold

Committees

In addition to the main governance framework, certain aspects of Sonic's operations will be governed by specialized committees. These committees help streamline decision-making processes.

Maintenance Committee

- Ensures proposals meet community standards and follow proper governance procedures, with a set of predefined criteria for blocking proposals.
- Blocks proposals that do not follow proper governance steps.
- Facilitates upgrades and changes to the Sonic.
- Deals with highly dynamic issues such as royalties and contract changes.

Incentive Committee

- Manages incentives for Sonic ecosystem participants, including users and developers.
- Can allocate up to n% of the total Supply for ecosystem rewards and incentives.

Conclusion

Sonic's governance framework is designed to ensure that all participants—whether they are token holders, builders, or users—have a voice in the evolution of the ecosystem. With clear governance phases, participation mechanisms, and incentive structures, Sonic aims to foster a decentralized, thriving Web3 game economy.