

Governance

Rather than a flat governance structure wherein every protocol-level decision is put to a vote for participation by all governance tokenholders, the vast majority of decisions (other than those which the committees deem outside the scope of their remit) are delegated by the DAO to the relevant committees described in this section. Each committee will have a clearly defined and siloed role within the broader governance framework and ecosystem.

The primary role of \$ENA governance tokenholders is initially to appoint committee members on a rotating basis; however, governance going forward will be a generally iterative process where all stakeholders will adapt and tweak the system on a collective basis to move towards an efficient system that enables an appropriate balance between efficient and informed decision-making and enabling stakeholders in the community to have adequate input where it makes sense.

Why Govern by Committee?

Due to the design of Ethena (e.g., the necessity for off-chain infrastructure), fully on-chain governance is not a practical or viable option at present. The Committee approach reflects prioritizing practicality while adding external checks and balances to that off-chain infrastructure and governance environment.

In this framework, \$ENA governance tokenholders are able to delegate everyday decision-making with respect to key aspects of the ecosystem to sophisticated, expert-level stakeholders - most of whom provide advisory and similar services to other projects and protocols in the industry - while retaining transparency during the process. In addition, the vetting process is put in place to reduce the risk of future Committee members being appointed who are ill-equipped to understand, analyze, and implement these initiatives and decisions.

Links

[Forum](#)

Snapshot Voting

Risk Committee

The Risk Committee's mandate is to generally identify, evaluate, and manage risk within the ecosystem

Members

With regards to the Risk Committee, every 6 months, the initial terms for 3 out of 6 members of each committee will lapse, and their positions will be put up to governance via broad vote for either (i) confirmation for another term or (ii) to be filled by a replacement member.

For the first six month term, the Risk Committee members are as follows:

- Gauntlet
- Block Analitica
- Steakhouse
- Blockworks Research
- LlamaRisk
- Ethena Labs Research

ENA holders with more than 1,000 \$ENA may nominate potential committee members in the governance forums. If the potential committee member accepts the nomination, the members of the Committee upon which a seat is being filled will conduct a confirmation vote after satisfying themselves regarding the suitability of the nominated candidate. A nominee advancing past the foregoing stages will then be subject to KYC/KYB screening by the Ethena Foundation, and if it passes those checks, will be included in the broader governance vote for the open Committee seats. The two nominees that garner the most votes will be named to the relevant Committee and execute a Governance Committee Service Agreement with the Ethena Foundation, which outlines the rights, obligations, compensation, and other terms associated with serving on the relevant Committee. A template of the Governance Committee Service Agreement will be published for public reference.

Committees will hold regular meetings as determined by the members, with support from the Ethena Foundation.

Committee Decisionmaking Procedure

A member of a Committee wishing to make a specific change is required to propose the particular changes or decisions in the governance forums located at gov.ethenafoundation.com. Following posting, a seven-day deliberation period begins, during which the members of the relevant Committee discuss the merits of the proposal. At the end of the deliberation period, a vote will be held amongst all voting members of the Committee. All changes require unanimous approval of the voting members.

If the proposal successfully passes, the Committee will instruct the relevant parties to implement the decision, subject to oversight by the Foundation. If the proposal is defeated, unless no Committee member other than the member who made the initial proposal votes in favor, Committee members who vote against the proposal are encouraged to provide a detailed response as to its rationale, and, if relevant, proposed amendments to the proposal it would suggest, to support the possibility of reaching consensus.

Committee members are required to recuse themselves from the decisionmaking process with respect to proposals in which they have a direct financial interest - namely, where a product or service offered by the member is implicated by a proposal whereby the member stands to gain financially.

Ethena Labs Research

Ethena Labs Research will sit on the committee initially as a nonvoting member (though it may make proposals) and will receive no compensation. Its seat will be subject to confirmation or replacement at the conclusion of its term as any other member. If replaced, the replacement member will become a voting member.