Onchain Proposals

1. Entropy Advisors: Exclusively Working With Arbitrum DAO (voting ends on Friday, Aug 23)

· Entropy Advisors is requesting 6M ARB

to work exclusively with the ArbitrumDAO for one year. This consists of US\$2.47M in ARB for an operating budget with a ~10% margin/contingency, and a potential bonus of 1.5M ARB maximum which the DAO can decide to distribute near the end of the 1 year mark. * The receiving address for the 6M ARB will be a Foundation-controlled multi-sig SAFE address. Any excess ARB not monetized (or stored for the potential bonus below) and excess stables from lower payments during the initial scaling of Entropy will be sent back to the DAO by the Foundation.

- The receiving address for the 6M ARB will be a Foundation-controlled multi-sig SAFE address. Any excess ARB not monetized (or stored for the potential bonus below) and excess stables from lower payments during the initial scaling of Entropy will be sent back to the DAO by the Foundation.
- Entropy Advisors aim to be a Proposals-as-a-Service (PaaS) broker for the the DAO, and serve as a liaison between key stakeholders in the ArbitrumDAO and ecosystem. This enables the DAO to expedite and refine proposals more precisely, addressing the recurring issue of proposals being approved without sufficient details on execution and long-term planning.
- Since inception 5 months ago, Entropy has led key discussions and proposals like<u>GovHack Brussels</u>, <u>adjusting the minimum base fee</u>, the <u>multi-sig support (MSS) service for the DAO</u>, and <u>improving predictability for DAO ops</u>.

2. [Funds to bootstrap the first BoLD validator

(https://www.tally.xyz/gov/arbitrum/proposal/30828395120264250515588826110157291466999820796280987022346439005676672544691) (voting starts on Thur, Aug 22)

· The Arbitrum Foundation is requesting for 5,134 ETH

from the L2 Treasury Timelock (ETH treasury) to run a BoLD validator and fulfill the role of being the first honest and active proposer.

This proposal is contingent

on the proposal AIP to upgrade the DAO-governed chains to use BoLD being approved by the ArbitrumDAO down the line, and all funds will be returned to the ArbitrumDAO within 30 days of the BOLD proposal being hypothetically rejected.

- If this proposal passes, the ETH received will be split into 2 multi-sigs -
- The first multi-sig (Multi-Sig A) will receive a total of 4,234 ETH. 3,600 ETH will be used to run the first BOLD-enabled proposer for Arbitrum One, and 634 ETH (555 + 79) budget to counter one BOLD challenge
- The second multi-sig (<u>Multi-Sig B</u>) will receive 900 ETH, where 500 ETH as service fees for active BOLD proposers (excluding the Arbitrum Foundation
-), and 400 ETH to reimburse honest parties on their L1 gas costs for 3 years.
 - The first multi-sig (Multi-Sig A) will receive a total of 4,234 ETH. 3,600 ETH will be used to run the first BOLD-enabled proposer for Arbitrum One, and 634 ETH (555 + 79) budget to counter one BOLD challenge
 - The second multi-sig (Multi-Sig B) will receive 900 ETH, where 500 ETH as service fees for active BOLD proposers (excluding the Arbitrum Foundation
-), and 400 ETH to reimburse honest parties on their L1 gas costs for 3 years.
 - The ArbitrumDAO reserves the right to revoke the Arbitrum Foundation's proposer at any time and return the all funds back to the treasury.

3. ARB Staking: Unlock ARB Utility and Align Governance (voting starts on Thur, Aug 22)

• Tally is proposing to improve the governance and security of the Arbitrum protocol by implementing ARB staking, without yet turning on fee distribution to stakers.

ARB staking allows for: * the voting power of staked ARB tokens to be delegated to active delegates (determined by Karma score, which is a combination of delegate's Snapshot voting stats, onchain voting stats and their forum activity), and

- the creation of a mechanism to stream future rewards from DAO-generated sources like sequencer fees, MEV fees, validator fees, token inflation, and treasury diversification.
- the voting power of staked ARB tokens to be delegated to active delegates (determined by Karma score, which is a combination of delegate's Snapshot voting stats, onchain voting stats and their forum activity), and
- the creation of a mechanism to stream future rewards from DAO-generated sources like sequencer fees, MEV fees, validator fees, token inflation, and treasury diversification.
- This proposal includes \$200k in ARB

of funding to cover the costs of: * developing staking smart contracts,

- · integration of ARB into Tally and of Karma into ARB staking,
- · audit costs for staking smart contracts, and
- · funding of a working group to research on staking rewards and delegation designs.
- · developing staking smart contracts,
- · integration of ARB into Tally and of Karma into ARB staking,
- · audit costs for staking smart contracts, and
- funding of a working group to research on staking rewards and delegation designs.

Snapshots 5

1. Should the DAO Create COI & Self Voting Policies? (voting ends on Thur, Aug 22)

- This proposal aims to restart the conversation around the creation of self-voting and conflict of interests policies, and outlines various options, ranging from maintaining the status quo to enforcing strict self-voting policies.
- Having COI and Self Voting policies ensures that every participant in Arbitrum governance is operating under the same set of
 expectations, and disclosure requirements brings about greater transparency which incentivizes participants to act in an ethical
 manner
- This temperature check uses <u>approval voting</u>, where each delegate can select any number of choices, each selected choice will receive equal voting power. Voting options include including a disclosure policy, and/or a responsible voting policy, and/or a strict self-voting policy, or maintaining the status quo.

2. Strategic Treasury Management on Arbitrum (voting ends on Thur, Aug 22)

· Karpatkey and Aera are proposing the creation of the Arbitrum Strategic Treasury Management Group (ASTMG)

. The ASTMG would allocate 250M ARB

to be managed by karpatkey, with the goal of ensuring effective treasury management.

- The program deliverables include yield optimization, DAO-owned liquidity, treasury swaps, as well as treasury diversification.
- · All funds will be managed using the non-custodial tooling

of Zodiac Modules and Aera Vaults. This tooling permits the DAO to retain oversight and ownership of the funds at all times while only allowing specific strategies to be employed by the ASTMG.

The ASTMG proposes a 1% management fee on the AUM.

3. An (EIP-4824 powered) daoURI for the Arbitrum DAO(voting ends on Thur, Aug 22)

- DAOstar is proposing that the DAO takes control of its data by publishing a daoURI onchain. The daoURI, following EIP-4824, will create a single source of truth on the DAO, that cannot be altered by external agencies, is fully manageable via governance, bringing helpful context on the DAO onchain.
- Adopting EIP-4824 requires no additional spend from the DAO treasury, and it makes no change to its smart contracts or governance structure.

4. ArbitrumDAO Off-site - mere temp check, (voting ends on Thur, Aug 22)

- Danielo is proposing to use this snapshot as a poll to gauge whether top delegates are interested in shaping an ArbitrumDAO offsite.
- A vote in favour of this proposal does NOT mean an offsite should be executed. A vote in favour will NOT result in a Tally proposal
 being the next step. A vote in favour only means an offsite should be EXPLORED through conversations with top delegates and key
 stakeholders.

5. Proposal to Temporary Extend Delegate Incentive System (voting ends on Thur, Aug 22)

- SEEDGov is proposing to temporarily extend the current Delegate Incentive System for up to 2 months. The current program ends on August 31.
- While a new and improved version of the Delegate Incentives Program is still being worked on, this proposed extension aims to continue to engage delegates.
- There is no additional funding request for this extension funds will come from the <u>Delegate Incentive System Multisig</u> which still has sufficient funds to run the program for 2 months.

6. Should the DAO Default to using Shielded Voting for Snapshot Votes? (voting ends on Thur, Aug 22)

• Entropy Advisors is proposing to kickstart a conversation around the adoption of Shutter's shielded voting as a default for Snapshot temperature checks. This encrypts votes during the voting period

and decrypts them only after the vote closes, mitigating bandwagon effects, voter apathy, and last-minute strategic voting.

- Shutter's shielded voting allows ArbitrumDAO to remain consistent with practice in liberal democracies that votes taken by elected officials (delegates in this case) are publicized so that citizens can judge voting records.
- There will be 4 Voting Choices: For all Snapshot Votes / For Elections Only / Against / Abstain.
- There is no cost to the DAO as shielded voting is already available to all DAOs on Snapshot.