

This document describes the current governance proposal process of the Optimism Collective. It will evolve, with the Collective, over time. The authoritative version is maintained [here](#) on the Optimism Foundation Github.

## Operating Manual v0.2.0: The Token House and OP Holders

Governance in the Optimism Collective begins with the launch of the Token House and its members, the OP holders.

As Token House members, OP holders are responsible for submitting, deliberating, and voting on various types of Optimism Collective governance proposals.

In carrying out these functions, OP holders may either vote their OP directly (by delegating their OP voting power to their own address), or delegate their OP voting power to an eligible third party. Addresses with delegated OP voting power are called “delegates.” Delegates are expected to exercise their authority responsibly and in accordance with community standards.

The Token House is just the first part of the Optimism Collective [governance structure](#). Launch of the Citizens' House will soon follow and this Operating Manual will be updated accordingly.

## Governance Toolkit

The primary tools for Optimism Collective governance are:

- [Snapshot

](<https://snapshot.org/#/opcollective.eth>): Where all Token House governance proposals are submitted for vote.

- [The Optimism Forum

](<http://gov.optimism.io/>): A platform for discussion and deliberation about governance proposals.

- [Discord

](<https://discord-gateway.optimism.io/>): For informal governance discussion and feedback.

## Proposal Process

The Optimism Collective makes decisions through governance proposals. Proposals are accepted or rejected using a voting process. Anyone can submit a proposal to Optimism governance. The proposal must be one of the valid proposal types

listed below, and it must follow the voting process

described here.

## Voting Process

The proposal Voting Cycle takes place in three one-week stages.

Each “week” runs from Wednesday at 19:00p GMT (12p PST) until Tuesday at 19:00 GMT (12p PST).

### Week 1: Community feedback ([Draft])

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In the first week, draft proposals are open for review by anyone in the Optimism community as a form of temperature check. Proposal authors are expected to be responsive to community feedback and use this period of time to prepare their proposal for more formal review.

Proposals should be:

- Submitted as a new discussion thread on the [Governance Forum](#) in the appropriate category.
- Marked with [Draft] in the title.

Once posted on the form create a discussion thread in the Optimism [Discord](#) in the #gov-temp-check

channel. To create a thread simply click the “+ Post” button and fill in your name, your projects name, and the link to your draft proposal.

For a proposal to proceed to Week 2 (delegate feedback), the author must update [Draft] to [Review] by Tuesday at 19:00 GMT (12:00p PST). Authors should also include a summary of incorporated feedback as a comment on their proposal thread so future reviewers can understand the proposal’s progress. If feedback was gathered outside of the Forum (e.g. on

Discord), proposal authors should include relevant links.

## **Week 2: Delegate feedback ([Review])**

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In the second week, Token House delegates are expected to provide feedback on proposals that (a) meet the requirements outlined in the proposal template, and (b) that have received feedback from the temperature check. Proposal authors are expected to engage in good faith and update their proposal based on what they believe makes sense for their project and the Optimism community.

At the start of the Review Week, a governance administrator will create a Voting Cycle Roundup thread to collect all proposals that are ready for voting in Week 3.

For a proposal to proceed to Week 3 (voting), two delegates with >0.5% of the current votable token supply must give explicit approval on the discussion thread. Delegates may not approve their own proposals. Delegates may signal approval by pasting the comment on the proposal discussion thread: "I am an Optimism delegate [link to your [delegate commitment](#)] with sufficient voting power and I believe this proposal is ready to move to a vote."

After a proposal has received two delegate approvals, the proposal author should add a link to their proposal in the Voting Cycle Roundup thread.

If a proposal author does not get explicit delegate approval or wants more time for feedback, they should return the proposal to the [Draft]

stage and continue to seek feedback from the community.

## **Week 3: Voting**

In the third week, all delegates (including OP token holders who have self-delegated) are invited to vote on proposals on Snapshot. Proposals will be included in Snapshot only if they are (a) added to the Voting Cycle Roundup thread, and (b) have two approval comments from two delegates with >0.5% voting power. Without explicit delegate approval, proposals will not move to a Snapshot vote.

A Token House governance proposal is approved

if it satisfies the following minimum vote thresholds:

- Quorum:

The minimum number of total OP votes required to be cast in connection with a proposal. Here, a quorum is measured as a % of the total votable OP supply

. "Votable supply" is the total amount of OP that has been delegated, and therefore can participate in voting. The total votable OP supply will be determined based on a reasonable estimate provided by the Optimism Foundation prior to each Voting Cycle. OP votable supply will be included in each Voting Roundup Thread.

- Approval threshold:

The minimum number of OP votes required to be cast in favor of approving a proposal. The approval threshold for each proposal is measured as % of votes cast to approve relative to the total number of votes cast in connection with a proposal

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A snapshot to determine voting power

for each delegate will be taken at the commencement of a given voting period.

Depending on the Proposal Type, exact quorum and approval threshold requirements may vary. For more information, refer to the proposal types below.

If a proposal is submitted for a vote and does not pass, the proposal will not be executed. If a proposal author wishes to iterate on a proposal that has been rejected, they should:

1. Create a new proposal thread

on the Forum.

1. Include a link to the first proposal that did not pass.
2. Clearly identify what has changed in the new proposal.

## Valid Proposal Types

All v0.2 governance proposals must fall within one of the following categories:

- Governance Fund (Phase 0 or Phase 1)
- Protocol Upgrade
- Inflation Adjustment
- Director Removal
- Treasury Appropriations
- Rights Protections

The different requirements for submission and approval of each Proposal Type are summarized below.

In the table below, Quorum

is the minimum % of votable OP supply actually voted. Approval Threshold

is the minimum % of votes cast to approve relative to total votes cast.

Proposal Type

Description

Submission Requirements

Vote Duration

Quorum

Approval Threshold

Governance Fund (Phase 1)

OP distributions to proactively incentivize future growth of projects and communities in the Optimism ecosystem. Proposals should follow [this template](#).

Forum + Snapshot

one three-week cycle

30%

51%

Protocol Upgrade

Scheduled changes to the on-chain smart contracts comprising the mainnet Optimism protocol

Snapshot

three-week cycle plus two week extended vote window

30%

76%

Inflation Adjustment

Changes to the inflation rate of newly minted OP (currently capped at 2% annually)

Snapshot

three-week cycle plus two week extended vote window

30%

76%

Director Removal

Removal of a director of the Optimism Foundation

Snapshot

three-week cycle plus two week extended vote window

30%

76%

Treasury Appropriations

The amount of OP the Optimism Foundation may spend or distribute annually, beginning in Year 2 of its existence (the Year 1 budget is 30% of the initial total OP supply)

Proposals to be initiated by the Foundation

three-week cycle plus two week extended vote window

30%

51%

Rights Protections

OP holders must consent to any changes to the founding documents of the Optimism Foundation, if those changes would materially reduce their rights

Proposals to be initiated by the Foundation

three-week cycle plus two week extended vote window

30%

51%

## Implementation and Administration

In all cases, Optimism Collective governance is intended to be carried out consistent with the terms of its [Working Constitution](#), the spirit of its [Contributor Code of Conduct](#) and upcoming Delegate Code of Conduct, and the pursuit of its [Optimistic Vision](#). The Optimism Foundation will steward this process as described below.

Administration

The Optimism Foundation will facilitate the administration of the governance procedures described in this Operating Manual with the aim of ensuring that OP holders may participate thoughtfully in Token House governance. Such administrative services may include:

- Moderation of governance proposals to ensure they are validly submitted and voted upon;
- Removal of proposals that reasonably appear to be fraudulent, spam-oriented, defamatory, hateful, or otherwise inappropriate or inconsistent with the values of the Collective;
- Monitoring of votes, the votable token supply, and voting periods for purposes of determining whether quorums and approval thresholds are met;
- Management of mutually contradictory proposals that are submitted simultaneously or in close proximity to one another;
- Administration of network maintenance, such as emergency bug fixes or release rollbacks (with or without a governance vote); and
- Such other things as the Foundation deems appropriate in connection with the above.

Implementation

Approved Token House governance proposals will be routed to the Optimism Foundation for implementation.

Upon receipt of an approved proposal, the Optimism Foundation will determine whether the proposal is safe, secure, consistent with the purposes of the Foundation and the Collective, and capable of being implemented in a legally compliant manner.

- If it is, the Foundation will act diligently and in a commercially reasonable manner to cause the proposal to be

implemented.

- If it is not, the Foundation may remove the proposal for resubmission or cause the proposal to be implemented with certain guardrails, in its discretion, and coupled with an explanation to the Collective as to why the proposal was rejected or limited.

The Optimism Foundation will undertake this ministerial work with a view towards increasingly decentralizing its role over time.

## Amendments

The procedures described in this Operating Manual will go into effect as releases are published on GitHub. Major releases to the manual will be made in connection with a series of governance experiments ("Seasons"). These changes include but are not limited to introducing the Citizens' House, and adding, removing, and modifying Proposal Types and rules relating to voting processes. Any non-clerical updates to the Operating Manual will be reflected with a new version number at the top of this document, at which point the updated version will go into effect.

## Process TLDR

- Optimism has a three-week proposal review cycle.
- When you're ready, draft a proposal and post it on the Forum with [Draft]

in the title for feedback from the community. Remember to post your proposal in the #gov-temp-check channel on Discord to get community feedback.

- When you're ready for formal review from Token House delegates, update [Draft]

to [Review]

. You are expected to have made an effort to get community feedback before submitting for formal review. During the next Review Week (every three weeks), delegates will provide feedback on your proposal. Use your judgment to incorporate feedback.

- Once your proposal has been approved for a vote by two delegates with >0.5% of voting supply, you may add a link to your proposal to the Voting Cycle Roundup thread. The proposal will be automatically added to Snapshot during the next one-week voting window.
- If your proposal is passed, the Optimism Foundation will facilitate its administration, including by distributing any approved OP grants. Note the Foundation may be in touch to collect additional information from your project in order to execute the grant.
- If your proposal fails, you can make a new proposal in the next cycle specifying how you have incorporated significant changes from your first proposal.