

PROPOSAL NAME:

New Compensation Structure for Stewards - ApeCoin Steward Vesting Proposal

TEAM DESCRIPTION:

- Bigbull - 2024 - Governance Steward - GWG ApeCoin DAO.

[Profile - bigbull - ApeCoin DAO](#)

[@BigBull - Governance WG Nomination 1/2024](#)

<https://www.apecoingwg.com/team>

PROPOSAL DESCRIPTION:

Shift from Stewards having compensation fixed in USDT to Compensation have a larger component in APE fixed at the conversion rate on an annual basis, and vested overtime.

APE disbursements to Stewards will be vested on a linear 18 month schedule from the time of their appointment. There will be a 3 month cliff before they can claim. Also the vesting period is 6 months longer than their term to encourage long term DAO alignment.

This vesting will be implemented by using Hedgey Finance, which allows Stewards to access the full voting power of their allocated tokens up front, whilst ensuring that the monetary value of these tokens can only be accessed based on the vesting schedule.

All APE marked for steward compensation is first transferred to the respective working group as they are AIP grant recipients. The WG will create dedicated multi-sig wallet for Compensation vesting.

BENEFIT TO APECOIN ECOSYSTEM:

- This will Better Align Stewards with ApeCoin Holders.
- The goal is to have more voters, not more liquidations of APE.
- If a steward is removed in the first 3 months they will forfeit the APE Governance Distributions, as they have not reached the Cliff for vesting.
- Better candidates as the Budget for Stewards will be pre-approved for a 12 month basis (as long as the working group is not dissolved).

DEFINITIONS:

Hedgey Finance

- Token infrastructure for onchain teams.

Vesting

- Token vesting is a mechanism used in the cryptocurrency space that involves the gradual release of tokens to stakeholders, such as investors and team members, over a predetermined period. This process is designed to prevent immediate selling or trading of tokens, thereby promoting price stability and encouraging long-term commitment from all parties involved.

Lock up Period

- Lock-up period in cryptocurrency refers to a predetermined timeframe during which tokens are restricted from being sold or transferred. This mechanism is commonly employed to stabilize token prices and prevent early investors or team members from flooding the market with their tokens immediately after issuance.

Cliff

- Cliff vesting in cryptocurrency refers to a specific type of vesting schedule where tokens or assets are locked for a predetermined period, known as the "cliff," during which no tokens are released to the beneficiaries.

Allow on-chain Governance

- Access the full voting power of their allocated tokens up front, whilst ensuring that the monetary value of these tokens can only be accessed based on the vesting schedule.

Allow transfer of plans

- Ability of users to shift or transfer their financial plans

hedgey.gitbook.io

[This is Hedgey. | Hedgey Community Docs](#)

Token infrastructure for onchain teams.

STEPS TO IMPLEMENT:

Stewards are currently compensated 9k USDT per month. The amount is given in APE from their respective Working Groups. The amount is $9,000 \times 12 = 108,000$ USDT

The suggestion to change to 6k USDT per month and 50,000 APE.

Also suggest to increase the lead Stewards compensation to 6600 USDT and 60,000 APE (20% more than other Stewards).

Annual contract compensation

It includes a USD compensation and an APE Governance Distribution component.

Option A

Role

USD

APE

Lead Steward

79,200

60,000

Other Steward's

72,000

50,000

Option B

Role

USD

APE

Lead Steward

79,200

72,000

Other Steward's

72,000

60,000

The decision on Option A or B needs to be confirmed as Stewards are taking on more risk with this structure, so the compensation amount should also be discussed. Also, the current amount is not competitive relative to other leading DAOs. Finding the best win-win situation here is critical.

For example in ENS it is 4,000 USDC per month and 10,000 ENS per year (168,600 USD at time of writing), which is equal to 220,538 APE + 4000 USDC per month. Also more USDC for lead Stewards.

[

image

1750×318 22 KB

](https://us1.discourse-cdn.com/apecoin/original/2X/1/1f6f3f7a486d0c106242845813ef7240d360b084.png)

Also, you can see the Banana Bill is also designed to have compensation with lock-up mechanics.

[AIP-454: The BANANA Bill: Apes Gotta Eat](#)

The compensation paid to each eligible Advisory Committee member will be based on their experience and skillset. However, in all cases, the total amount paid to any individual Advisory Committee member will not exceed 250,000 APE per-year, and all compensation will be subject to a 50% one-year lockup.

The APE price will be locked at the price on January 01 each year for Q4 election cycle and July 01 for Q2 Election cycle. At each election cycle the amount of APE will be re-adjusted for NEW Stewards based on XX USD amount. The current Stewards will have the amount remain locked for the 12 month period and readjusted if they are re-elected.

The Working Group Stewards cannot change their own compensation and these terms will only take effect after the next election.

The vesting contract will start of January 01 and July 01, depending on the election cycle.

How to handle current Stewards needs TBC. Should it start also for them after the snapshot passes on a pro-rata basis?

1. Vesting via Hedgey.finance

.which allows for delegated voting power. This means that tokens grant immediate voting power, which is the main goal of such grants.

1. We will deposit 50,000 APE on a vesting contract for a normal steward and 60,000 for a lead Steward. The contracts will be unrevokable and transferable.

2. The APE Tokens will be vested over a 18 month period to encourage long term decision making of Stewards.

Description

Terms

Vesting

YES

Lock up Period

18 months

Cliff

90 days

Allow on-chain Governance

Y

Allow transfer of plans

Y

Amount per Steward

50,000 APE

Amount per Lead Steward

60,000 APE

Related links

[ENS Vesting Proposal](#)

[ENS Wallets](#)

[Blog Article showing a case study in ENS](#)

REPORTING EXPECTATIONS:

The vesting schedule and amount given at each election cycle will be shared in the forum.

OVERALL COST:

This is a process proposal and 0 cost, as the Working Groups would need to include in their budget.

“Total amount requested from the ApeCoin Ecosystem Fund = \$0”

- The Working Group Budget for Steward Compensation will be approved for One Year in their respective Budget AIPs, but the USDC is paid in two tranches. The second tranche and 50% of the APE Governance Distribution component will not be included in the 250,000 USD limit requiring 69% approval.
- If a Steward is removed or resigns from their position, they forfeit all future compensation and vesting.
- If they complete their term, they receive the full amount, including the Long Tail Vesting schedule.