

A reference post providing context and detailed information on the reorganisation of Lido contributors into sustainable groups under the title of the “Lido Contributors Group”. The group consists of four elements: the RCC, a freelance group, and two legal entities that have recently been incorporated by Lido DAO contributors.

A separate 6-month budget request in the coming days from the Lido DAO finance workstream will go deeper into the funding envelopes, multisignature address signers, and more.

The two companies are:

- Pool Maintenance Labs Ltd (PML), a Not-For-Profit Company Limited by Guarantee in the British Virgin Islands, set to receive any grants from the DAO into a 4/7 multisignature address authorised by PML;
- Argo Technology Consulting Ltd. (ATC), a Panama limited company operated as a Not-for-Profit, set to receive any grants from the DAO into a 4/7 multisignature address authorised by ATC.

## Background

Lido has seen impressive growth. Things have moved so quickly that our pace of growth has sometimes outrun the way our contributors and tools of production were organised.

As we continue to grow, we all have a role to play in ensuring that we work together in an efficient and effective way presenting ourselves as a team that is a responsible steward of our treasury.

The subject of this post is mitigating business continuity risks by organising Lido contributors and Lido SaaS accounts and moving them into two new operating not-for-profit companies while we maintain and advance decentralised protocol governance within the established order.

The business continuity risks here mean: the supply of talent, the supply of tooling, and the supply of infrastructure that support and develop the Lido ecosystem.

## Problem

The first supply issue is the inability for freelance contractors to invoice Lido and to meet their lawful accounting and tax compliance burdens in their home jurisdictions. Individual tax compliance is an inescapable phenomenon of the established order. This invoice issue is a disincentive for freelancers to remain with Lido and a material risk to disrupt current and future projects. There is an urgent need to transition the bulk of Lido contributors into an arrangement where they can issue invoices that comply with the laws of where they live. The absence of a suitable arrangement to ensure the supply of scarce, specialised and experienced talent is an elevated risk which can be reduced, because it is a self-made problem entirely within the Lido community’s control.

A second supply issue is the ability to maintain certainty of SaaS access. Our long-term production aim is to either reduce the dependence on centralised SaaS or make it redundant to increase resilience over time. As we work towards that objective, continuous access to SaaS is a precondition to developing and growing the Lido ecosystem. SaaS licensing is another phenomena of the established order. If unmitigated, the way we organise our SaaS licensing presents a material risk to disrupt current and future projects. There is a need to flip the situation and to reposition SaaS licences to a position of strength where they are enforceable on the SaaS providers for specific performance to mitigate disruptions.

Both of the above outcomes, if left unaddressed, set the stage for avoidable talent departures and SaaS account suspensions. But more importantly, they also present an opportunity to advance the Lido ecosystem and its protocol governance by stripping out functions that may not be ripe in time to be under the direct umbrella of the DAO.

## Solution

Conversations about compliance, and talent retention, and the formation of legal entities to meet those needs were previously raised by the Lido community in a legal engineering RFP in March 2022: [Legal Engineering RFC/RFP: Establish Lido Legal Entities](#)

During that time the Lido DAO community engaged with various legal advisors and thought leaders on the issues. There has been many back-and-forths with Lido DAO community contributors and stakeholders intimately considering requirements that are both publicly and privately disclosed in nature.

## Lido Contributors Group

A conclusion was reached that the above identified risks could be mitigated by moving some functions out from under the RCC and redistributing them under a wider “Lido Contributors Group”. The Lido Contributors Group would consist of a reduced RCC and three other groups independent from one another.

This would allow the DAO to retain focus on broad policy, strategic direction and treasury management, while the formation of a “Lido Contributors Group ” consisting of the RCC and the new groups which could concentrate on execution, sponsorship, development support. The reasoning behind multiple groups is compartmentalisation, resilience and redundancy.

Group 1 was for contributors working directly with the DAO as freelancers for whom the issues above were not relevant. They are free to contract through personal entities or through cooperatives such as Opolis, and that group has already begun its transition to that format. No further action to integrate this group is required.

- [Proposal to form Resourcing and Compensation Committee \(RCC\)](#)
- [\[RCC-1\] Apr 1, 2022 - June 30, 2022 Budget Request](#)
- <https://research.lido.fi/t/rcc-2-july-1-2022-september-30-2022-budget-request/>
- [\[RCC-3\] October 1, 2022 - October 31, 2022 Budget Request](#)

The remaining contributors for whom Group 1 was not appropriate, were recommended to contract either through Group 2 or Group 3.

Group 2 is a legal entity, Pool Maintenance Labs Ltd (PML), a Not-For-Profit Company Limited by Guarantee in the British Virgin Islands.

Group 3 is a legal entity, Argo Technology Consulting Ltd.(ATC), a Panama limited company also operated as a not-for-profit. Both of these entities are new start-ups formed to support select DAO activities and mitigate risks within the Lido Contributors Group.

At the time of writing there were 35 existing Lido DAO contributors standing-by to sign contracts and to begin invoicing through PML, and there were another 25 existing Lido DAO contributors standing-by to sign contracts and begin invoicing through ATC. It should be highlighted that these contributors are existing Lido DAO contributors with a strong preference to contract through companies to continue to work with Lido. Additionally, there are a half dozen sponsorship agreements to promote, integrate or otherwise benefit Lido waiting for a means to be executed.

Both PML and ATC are being built-out on a daily basis with a view to be operative by November 1st. Both have negotiated with payment providers to execute payroll. Both are at the stage of readiness to onboard contractors and consultants as well as members, owners and additional directors sourced from the community.

PML and ATC are conventional technology and software development companies. They do not ICO or mint tokens or participate in any “risky” businesses. Both companies have limited liability and were chosen over other options for simple reasons. First, limited liability companies experience fewer and lower barriers to transact with new counterparties like banks, exchanges, payment providers, and enterprise SaaS licensing agreements. Second, limited companies can support unlimited participation by members of the Lido DAO community without the risk of individual members being liable for the debts and obligations of the companies. Third, compared to other options, standing up and winding down limited companies is simple, relatively quick, and amending company objects and bylaws in response to changes in the environment can occur by member vote. Lastly, the agility of these companies meets the immediate needs to mitigate the real business continuity risks above while preserving modularity and a future ability to be partnered, gifted, or settled into more complex structures, or wound up, if a need arises.

## Pool Maintenance Labs

PML is a software development and technology company structured as a not-for-profit where no member can receive any distribution from the reserves of the company during the life of the company or at the time of liquidation. The funds it receives must go to the operation of the company. Members can join the company for \$1. The objects include the promotion and adoption of liquid staking technologies, and education, advocacy and research of the same. Members elect inside directors. Flexible drafting of the articles is available. This flexibility can mimic many structures including foundations (but without the limitations or overhead), trust-like setups, or to contract with DAO members to share control of multi sigs. Thus it can be launched in one configuration, and members can elect to reconfigure it to keep its relationship with the DAO viable if the environment changes.

The current stage of PML is the founding guarantee member and director [@rotorless](#) (head of legal) is currently onboarding two additional guarantee members through the KYC processes ([@krogla](#), a protocol engineer contributing to the Lido DAO codebase; and [@mymph](#)

, a frontend engineer doing the same), and four additional directors [@krogla](#), [@mymph](#)

, as well as another two local directors in the BVI). PML is also looking to initially add another 6 guarantee members initially and up to an additional 2 directors from the Lido DAO community; a standing invitation for community members to join as members or directors is found [here](#). PML has a comprehensive set of governance and operations policies in place, including a Nomination Charter, Director’s Nomination Package, Board Charter/Mandate, a KYC/AML policy for incoming/outgoing funds and engagements, financial controls, missions/visions/values, business cycles, various lines of not-for-profit business, and more. As it currently operates and is governed, PML’s members, directors, or management will not directly custody

assets that are granted to it. Instead, PML will authorise a multisignature wallet with 7 signers and a threshold of 4 signers required for withdrawals, which will execute on PML's financial obligations, including contractor payroll, grants, scholarships, sponsorships, fellowships, and more. It is hoped that a significant subset of community members will join PML and take arms-length support to protocol governance to the next level within the DAO space.

## Argo Technology Consulting

ATC is second software development and technology company, approximately 1 week behind PML in maturity. ATC creates a redundant system and reduces attack surfaces on contributor functions. The company itself is a conventional shares company with three nominee directors. At the time of drafting the founder and sole shareholder is @aureliushl

. The invitation for community members to join ATC for leadership opportunities is live[here](#). ATC's governance will draw on PML. The same multisignature wallet control with 7 signers and a threshold of 4 signers required for withdrawals, will execute on ATC's financial obligations, including contractor payroll, grants, scholarships, sponsorships, fellowships, and more. It is hoped that hundreds of community members will join ATC and take arms length support to protocol governance to the next level within the DAO space.

## Conclusion

To summarise:

- We propose creating a "Lido Contributors Group" that consists of three distinct contributor channels that can mitigate the present business continuity risks while advancing decentralised protocol governance. This proposal would be ratified with an upcoming budget request that will officially engage the Lido Contributors Group for 6 month through a funding injection into three multisignature addresses.
- Two of the channels are PML and ATC, which are technology and software development companies. There are at least 60 Lido DAO contributors waiting to sign new contracts between these two entities. The SaaS licences used by the contributors will reside with each entity enabling contract enforceability, and to enable a better window into licence management and clarity to the DAO. The third channel will be the RCC, which has already been operational for longer than two quarters.
- Both new entities will be reliant on DAO grants, but will report finances conventionally, therefore clarity of costs and expenses to operate and develop DAO related projects will benefit from higher fidelity and clarity to the community than present arrangements.

This reference post does not ask for any funds.

It introduces PML and ATC as prospective Lido DAO Core Contributors. Engagement with the DAO would be confirmed if the DAO approves the funding request being posted in the coming days, with multisignature address signers explicitly specified beforehand.