With so much discussion on GLP compensation in TG group. I would like to open this thread for discussion here. Just re post my writing in TG.

Guys,

I have been thinking about GLP compensation lately. Here is my line of thinking.

1. 3 elements for GLP compensation: capital gain/loss + yield + esGMX.

esGMX is fixed on 100K/month now. Don't want to touch it here. Will come back later.

1. The question is how we can mix without fee GLP price change and yield to divide the fee fairly to GMX and GLP ?

I propose a dynamic compensation schedule as follow:

- Red Zone: IF GLP w/ fee price loses X% THEN GLP:GMX is 70:30.

- Green Zone: IF GLP w/ fee price gains X% THEN GLP:GMX is 30:70.

- Yellow Zone: IF GLP w/ fee price falls between -X% and X% THEN GLP:GMX is 50:50.

How much X% is open to discussion.

1. For example, X% is 5%. This week's total fee is $1.2M. GLP Price belongs to Yellow Zone.

So the fee distributed to GLP:GMX is 50:50.

GLP holders got $600K or 29% ETH APR.

GMX holders also got $600K or 13.5% ETH APR.

1. The question is sometime we want to increase APR to grow GLP ?

esGMX entered here. We can change esGMX based on growth campaigns.

So probably we should simplify dynamic fee schedule to two zone

- Red Zone: IF GLP w/ fee price <= -2% THEN GLP:GMX is 70:30.

- Green Zone: IF GLP w/ fee price > -2% THEN GLP:GMX is 50:50.