

Introduction

The Resourcing and Compensation Committee (RCC) was formed during the month of March after a successful vote for the RCC completed by the [Lido DAO via Snapshot](#). The RCC shall operationally consist of a multi-signature wallet with signers, thresholds, and future plans for the wallet outlined in the successful RCC budget proposal document found [here](#).

The three main departments that the RCC shall comprise of and exist to fund, to start, includes the Node Operator Management (NOM) department

led by the DAO's official Master of Validators, the Business Development (BD) department

led by the DAO's official Head of Business Development, and the Marketing and Community (MKTNG) department

led by the DAO's official Head of Marketing and Community. The RCC shall exist to offer these department heads relief of blockers that have slowed down and in some ways prohibited them from executing upon their Objectives and Key Results (OKRs) for 2022. These departments shall make requests to multisignature signers and overseers to the RCC (which will expand and grow in due course).

Budget Considerations

This budget was designed to ask for too much budget and not spend it, rather than ask for too little and need constant topping up. This budget makes consideration towards resourcing and compensation for an anticipated total of 15 full-time employees (FTEs), however, currently, we sit at 3 official FTEs across our three departments; four persons have joined the BD unit and one will soon be joining the NOM unit. All of these incoming, confirmed FTEs are awaiting the successful implementation of the RCC to come on payroll and begin work on an official basis.

At the current stage of growth for the Lido protocol, being blocked by a lack of capital would be a careless and unnecessary mistake. There is a limited time-window to execute on the opportunities at hand before the market becomes crowded with well-capitalized competitors. Given the amount of time it will take to hire the right people and set up internal processes, it is unlikely that the RCC will spend all of the proposed budget in its first year. Any budget not spent would either be rolled forward into the next budget period, or returned to the DAO treasury if no further budgets are approved. Subsequent budget requests will have much better calibration with actual expenses incurred.

The following considerations have been taken into account when building the proposed budget:

- A competitive salary in-line with industry standards.
- A competitive benefits package in-line with industry standards.
- The RCC will need to find and hire exceptional talent rapidly in order to scale quickly enough to meet the needs of its mandate. To this end, a large pool of capital has been allocated for recruiting, referrals, and sign-on bonuses.
- A high travel budget, in order to fund attending crypto conferences and team off-sites which are critical for remote teams to build interpersonal relationships, which are vital for collaboration and retention.
- A healthy contingency in case budget estimates are significantly off.

Budget

The yearly budget request for the RCC is \$5,368,568.84*, comprised of both USD OpEx/compensation/marketing expense as well as LDO token grants. This equates to a \$447,380.74 monthly expense to support the teams.

This budget secures a team of 15 full-time employees as well as covers all operational costs listed below.

At the end of the calendar year, any budget not spent would either be rolled forward into the next budget period, or returned to the DAO treasury if no further budgets are approved. Should the RCC shut down, all unused funds will be returned to the DAO immediately.

*The commission structure for BD is not included in the budget as it is highly variable and will be handled separately. We will be detailing the process for tracking prior to the first commission payout. The scope of the Business Development commission process is outside that of the RCC and this proposal.

Operational Procedure

The figures provided in the table below factor in token grants that are provided as part of compensation packages to employees. However, due to the 1-year cliff incorporated into token vesting schedules, within this 3-month budget period there will be 0 LDO vesting, so the RCC will not be asking for any LDO and the total amount requested will be lower.

The RCC will need \$1,057,755.00 to fulfill its need within this 3-month budget period. Of this, \$22,500 will be used to cover

gas costs related to multisig signature transactions and currency swaps. We propose that the Lido DAO withdraws the equivalent of \$1,057,755.00 in stETH held in the Lido DAO treasury to the RCC multisig wallet, and that the RCC multisig wallet sells this stETH for DAI to secure the RCC's 3-month budget. For the remaining \$22,500 required for gas reimbursements, the RCC shall instead swap this equivalent amount in stETH to ETH and store the ETH as-is as a gas reimbursement reserve.

If this proposal is passed via Snapshot, a proposal to withdraw an amount of stETH shall be made via Aragon with a 5% premium to account for potential slippage and/or price fluctuations.

Annual Budget

Annual

Monthly

Quarterly (Budget Period)

Total budget (USD)

5,368,568.84

447,380.74

1,342,142.21

Anticipated Number of FTEs

15.00

Base comp (USD)

1,811,520.00

150,960.00

452,880.00

NOM (USD)

566,520.00

BD (USD)

795,000.00

MKTNG (USD)

450,000.00

Token comp, normalized (LDO)

362,865.38

30,238.78

90,716.35

NOM (LDO)

111,217.45

BD (LDO)

156,761.32

MKTNG (LDO)

94,886.61

15 FTEs Total OpEx (USD)

232,500.00

19,375.00

58,125.00

Hardware; laptops, phones, etc; one-time (USD)

45,000.00

Software / Subscriptions (USD)

22,500.00

Continuous Education (USD)

37,500.00

Travel & Expenses; ~2-3 trips / yr (USD)

75,000.00

Gas reimbursements (USD)

7,500.00

Legal costs / reimbursements (USD)

37,500.00

Miscellaneous (USD)

7,500.00

Departments Total OpEx (USD)

327,000.00

27,250.00

81,750.00

Legal costs (USD)

47,000.00

Operations & Gas Costs (USD)

15,000.00

Recruiting/Referral/Sign-On Bonus (USD)

150,000.00

Contingency (USD)

45,000.00

Team off-site (USD)

70,000.00

Marketing Expenditure (USD)

1,860,000.00

155,000.00

465,000.00

Sponsorships and Advertising (USD)

1,000,000.00

Events (USD)

400,000.00

Marketing Agency Support (USD)

200,000.00

PR Agency (USD)

180,000.00

NOM & BD Department Marketing (USD)

10,000.00

Merchandise Production (USD)

50,000.00

Localization (USD)

20,000.00

A more detailed budget breakdown is maintained internally by Lido contributors.

Budget Details

Compensation

The node operator, business development and marketing team are seeking to grow by 3 members (8 unofficial) to 15 total to meet the growing needs of Lido.

*For purposes of forecasting a budget only, token grants assume an LDO 30d TWAP of \$3.13**as of 04/04/2022. No token grants will be needed within the 3mo budget period, and actual token grants required within budgets will be higher than the normalized LDO amount outlined in the budget to account for prior LDO token cliffs for longer-time employees. Many contributors Token grant calculation formula is outlined in other hiring proposals for the DAO; for certain employees who have joined recently, the LDO TWAP used in their token grant calculation will differ slightly from the number used in this document.*

Recruiting/Referral/Sign-On Bonus

Recruiters are going to be critical for discovering talent, and commission for successful hires is often high, especially for more senior roles. We also want to have flexibility with offering significant sign-on bonuses to top candidates. Keep in mind many of these are one-time costs. We will also be looking to the Lido community for self selecting candidates.

Travel

Conferences and team off sites are going to be critical for Lido in fostering relationships and generating trust in the community. These are vital qualities in a culture that improves collaboration, productivity, and retention.

Conferences in particular also serve a multitude of purposes. DAO members are educated about new developments in the industry, and can apply that knowledge within the RCC and the rest of the DAO. They also are a way for the members to present seminars, giving visibility to potential customers and attracting new talent. Additionally, they serve as hotspots which can be used to connect with potential clients in a much more personal (read effective) manner.

This budget would cover logistics, travel, room, board, team-activities, and conference passes.

Legal

Coverage for legal costs including entity creation, legal officer/company insurance, as well as monthly and annual financial reporting. This will be highly variable depending on a member's legal jurisdiction.

Operations and Expenses

General operational overhead including reimbursement for expenses related to the role. This will include things such as gas costs for transaction signing and for currency swaps as different third-parties have different requirements.

Tools/Services/Devices/Software

New team members will be provided with licenses for essential productivity software as well as equipment, if necessary to complete their roles.

Contingency

With the pace of change and many unknowns as a new protocol, it is important to account for unexpected costs that arise or prepare for estimates that are off in any particular category. The contingency represents 5% of the total budget and is there to act as a safety buffer.

Marketing Expenditure

Lido needs to lean hard into its early mover advantage by investing heavily in brand strategy and development, content creation and event sponsorship opportunities. At the same time as standing up an expanded marketing function, we will be looking to improve our efficiency of spend and find scalable repeatable actions that drive measurable results.

Budget Distribution

The budget is to be distributed on a quarterly (every 3 months) basis to the RCC, which will be an instance of a Gnosis Safe multi-sig. To start, the multisig has a 3/6 threshold (see below). This ensures that no rogue member is able to control the funds. The goal is to quickly expand with community members to a 4/7 to increase security.

Details:

- RCC Multisig - 0xDE06d17Db9295Fa8c4082D4f73Ff81592A3aC437
- Designated Contact: TG - @jbeezy1
- Quorum - 3/6 to start, transition to a higher threshold with community oversight

Proposed initial signers

- Jbeezy from Lido, Business Development Lead
- address: 0x039bDD285d3eDb1D9B6001d3097067Aa2AF7d826
- address: 0x039bDD285d3eDb1D9B6001d3097067Aa2AF7d826
- Izzy from Lido, Master of Validators
- address: 0x783EA934d543CD1ccfd920639A7539a0BD3895e2
- address: 0x783EA934d543CD1ccfd920639A7539a0BD3895e2
- Kadmil from Lido, Technical manager for the DAO
- address: 0x9A3f38AF97b791C85c043D46a64f56f87E0283D4
- address: 0x9A3f38AF97b791C85c043D46a64f56f87E0283D4
- Aurelius from Lido, Operational Manager Candidate
- address: 0x7A29c1197962D1b42FcfA8095fA1dF66E489fCd6
- address: 0x7A29c1197962D1b42FcfA8095fA1dF66E489fCd6
- AD from Lido, Marketing Lead
- address: 0x0d22e69ce47818c3524Fe952e8De7AF78cC3C43b
- address: 0x0d22e69ce47818c3524Fe952e8De7AF78cC3C43b
- Zuzu_eeka, DAO Ops Manager [NEW ADDITION]
- address: 0x004812da927b5dcd07e7329609edd75e25d2d295
- address: 0x004812da927b5dcd07e7329609edd75e25d2d295

Continuous Operation

The reasoning behind 3 month lump distributions is to ensure continuous operations in the event of any extreme circumstances as well as providing a level of guarantee to new members that barring performance issues they will be paid and on time.

Note that this multisig is not controlled by Lido Governance but rather exclusively by the committee managers and overseers. This is intentional to protect the funds in an event of a governance attack. Governance can use a failsafe option to claw these funds back through a consensus of the overseers.

Defining Leadership & Oversight Team

The RCC shall also define a leadership & oversight team that participates in the process of voting and achieving social consensus on a token grant multiplier (k), as part of a new 3-year vested token grant option calculation that will be used in the compensation structure for future role proposals and contributor hires. The formula and details of the token grant multiplier will be detailed in role proposals themselves. The RCC's Leadership & Oversight Team shall consist of:

- Isidoros Passadis, Master of Validators
- Jacob Blish, Business Development Lead
- Vasiliy Shapovalov, founding member of Lido
- Konstantin Lomashuk, founding member of Lido

Benefits to Lido

- Streamline the onboarding and operational process of bringing onboard new full time members
- Increase transparency about efficiency of the hiring process and use of funds
- Lower the operating overhead for initiating new teams in the future
- Allow flexibility to try new decentralized governance methods
- Increase community feedback