

The Introduction

GMD Protocol is a Yield Aggregator that uses smart vaults with delta-neutral and pseudo-delta-neutral strategies built on top of applications such as GMX, and other real yield generators on other protocols, to optimize yields for GMD Protocol's token holders.

The Proposal

We are aiming to complete an OTC swap between GMX and GMD Protocol of \$80,000 worth of esGMX for \$85,000 worth of esGMD (GMD on Arbitrum) and esAGMD (GMD on Avalanche):

- The \$85,000 will be split into \$42,500 worth of esGMD, and \$42,500 worth of esAGMD
- The amount of tokens to be swapped will be determined by the 30-day-trailing trading price of the token on the day of the swap.
- GMD Team is readily giving GMX a \$5,000 discount for this swap to compensate for the additional volatile nature of \$GMD compared to \$GMX, and as a sign of goodwill.

The Usage:

The esGMX and esGMD swap will take place as follows:

- 100% of the esGMX and esGMD will be immediately staked into the respective vaults by both parties.
- 100% of the esGMX and esGMD will be staked by both parties for at least 2 years from the moment of the swap.
- Each protocol will hold the respective tokens in their treasury indefinitely. After 2 years, a review of the tokens will be considered to see if changes in tokenomics/functionality warrant a reconsideration of the terms to hold the respective tokens indefinitely.
- Neither protocol intends to vest their esGMX/esGMD in pursuit of the abovementioned point of indefinite holdings in the spirit of long-term interest alignment

For GMD Protocol, the yield generated by the esGMX will be used for the following purposes:

- 50% of the yield generated from the esGMX will be used for The GMD Reserve, which will increase GMD's GLP Vaults performance and safety, which, in turn, will increase usage, adoption, and liquidity of GLP.
- The remaining 50% will be used strictly for building a GMD Vault that integrates into GMX's Synth Markets, once Synth Markets are live. The fund can be used for, but not limited to, the following purposes:
 - Vault Development Expenses
 - Marketing Fees
 - Team Administration Expenses
 - Auditing Fees
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 - Marketing Fees
 - Team Administration Expenses
 - Auditing Fees

GMD Protocol's Future Synth Markets Adoption:

The increased trust and marketing boost gained from this treasury swap will help put GMD in a great position to quickly and effectively build and introduce vaults based on GMX Synth Markets.

This token swap will allow GMD to prepare for and prioritize GMD Products for GMX Synth Markets, which will be effective in helping to promote user adoption of GMX.

The Main Goal:

GMX Synth Markets is essential to GMD Protocol's future product development of an additional Delta-Neutral Vault. As such, we believe this integration and the trust granted to us through this swap by GMX will be vital to our development process of a functional vault on GMX Synth Markets.

GMD Protocol has so far proven itself by rolling out products quickly and effectively, and we believe this integration between

the two protocols will vastly improve our capabilities and trustworthiness.