

Summary

A proposal to engage a Master of Validators

(the “Service Provider”) for Lido, including proposed duties, compensation, and incentive awards.

Motivation

As Lido rapidly grows (increasing TVL, expanding validator set, introduction of staking solutions for new networks), there are increasing challenges in coordinating Lido community participants, aligning operational strategies across networks, and ensuring that node operators are performing according to expectations. Thus, a Master of Validators

role is needed for Lido.

Objectives & Responsibilities

The objectives of the Master of Validators

would be to help Lido grow the node operator community, work closely with organizations looking to or already running nodes for Lido on different networks, establish governance and incident response processes, and help the DAO implement a strategy to work towards its goals of decentralization and trustlessness.

Responsibilities would include helping Lido:

- manage Lido’s node operator community across networks. Track uptime and other node operator performance metrics and communicate with node operators to inform them about upgrades, their performance, and to troubleshoot issues. Collect feedback and help to create and document best practices with the goal to improve the reliability and security of Lido’s node operators;
- create an efficient and transparent process for onboarding new node operators and distributing deposited assets among them;
- develop and execute a strategy of decentralization for the node operators set, together with the Lido Node Operator Subgovernance Group. Organize, document, and do external communications for this group that is tasked with evaluating new operators and representing node operators in the overall DAO power structure; ,
- onboard new networks to Lido. Find and encourage suitable candidates to expand Lido to other networks with a staking mechanism by supporting them in the process including e.g. creating a proposal to Lido, finding the initial validator set, figuring out and connecting them with potential integration partners, etc.

Compensation

The proposed recurring compensation for the to be provided by Master of Validators

has two components:

1. Cash compensation of \$10,000.00 per month, payable in DAI from Lido, to be paid at the end of every calendar month.
2. Token-based compensation of 120,000 LDO from Lido, effective as of the ratification date of a corresponding candidate proposal, and structured to vest over three years as follows:
3. 40,000 LDO, vesting on the 12-month anniversary of continuous service to Lido;
4. and ~3,333.33 LDO, vesting upon completion of each subsequent month of continuous service to Lido.

The service-based vesting outlined above represents a contingency for each of the described periods; thus, if the individual quits or is terminated before completing the first 12 months of service, they would have earned no LDO. If they quit or are terminated during month 13, they would have earned 1/3rd of the total possible LDO (40,000) but would not have earned the rest of their potential LDO compensation (80,000). There are no further lockups on fully vested LDO (i.e., once they vest in some # of LDO, they can sell that # of LDO at any time).

One-time sign-on costs

A one-time welcome payment of 10,000 DAI, to be disbursed within one month of ratification of this proposal, with the purpose of compensating the candidate for:

- legal and administrative expenses related to the provision of the required services (approx. 70% of the payment),
- cost of hardware associated with the provision of the required services (laptop computer, mobile telephone) (approx.

30% of the payment).

Compensation of expenses related to provision of service

- Travel & Expenses: Lido will either pay for or retroactively compensate the Service Provider for expenses related to travel for participation in industry events and team or DAO off-sites, within reason and subject to approval by the DAO or any duly ratified delegate.
- Tooling/Software: Lido will either pay for or retroactively compensate the Service Provider for access or subscriptions to tooling/software relevant to the provision of the required services, within reason and subject to approval by the DAO or any duly ratified delegate.
- Miscellaneous expenses (e.g. gas costs): Lido will retroactively compensate the Service Provider for other miscellaneous costs incurred in the provision of the required services, within reason and subject to approval by the DAO or any duly ratified delegate.

Oversight; Nature of Service

The Service Provider will provide periodic updates to the DAO through posts in the forum. The Service Provider is an independent contractor with respect to the DAO in all respects, including with respect to the provision of the services provided as Master of Validators

and such services may be terminated by either the Service Provider or the DAO at any time, and without payment of penalty, upon thirty (30) days written notice.