Lido DAO member manual

The manual outlines Lido DAO member's role and operations. The Overview lays out the basics of the protocol.

The General section explains how the DAO is configured and how this configuration could be changed.

Voting section defines the process and rules for making proposals, voting on them and coming up with collective decisions for the DAO.

Overview

Decisions in DAO are made by voting. DAO members manage protocol parameters, lists of node operators and oracle members, and can vote on app upgrades. DAO members voting power is proportional to the share of Lido DAO tokens they hold. Voting parameters (voting duration, minimal quorum and minimal approval) are specified at the start of the DAO; DAO members specify those parameters during the protocol setup.

The voting for the Lido testnet DAO works as an Aragon app there:https://goerli.lido.fi/#/lido-dao-testnet. Any DAO member can make a proposal for the DAO to vote on. The vote on the proposal is open no longer than the voting duration. The proposal succeeds if it has 1) at least the minimal quorum of the total votes cast, and 2) at least the minimal acceptance rate of the cast votes supporting the proposal. If a proposal gains the support by at least the approval threshold of the total DAO voting power, such proposal succeeds immediately. In other cases, the protocol awaits the end of the voting duration and checks if the quorum was reached and enough votes support the proposal.

DAO members can check current protocol parameters and propose changes and questions for the vote in the web app with MetaMask, or use any of the options Aragon provides — check the Aragon docs: https://help.aragon.org/article/19-voting.

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The main Aragon interface for DAO apps

General

The role and responsibilities of a DAO member

DAO members define initial parameters of the Lido DAO, and propose and vote for initiatives: configuration changes, accepting new node operators and oracles.

DAO configuration

DAO configuration is performed via the Aragon Voting app. The app can be accessed with MetaMask browser extension or any other option the Aragon provides: https://help.aragon.org/article/7-prerequisites.

Initial parameters configuration

DAO parameters can be accessed on Lido Aragon app:https://goerli.lido.fi/#/lido-dao-testnet/0xa5d26f68130c989ef3e063c9bde33bc50a86629d/.

Lido DAO parameters

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The DAO has to configure:

1. Withdrawal credentials for the staked funds
2. Total fee amount — what fee would the protocol take on its services. The number is used for integer math and calculates as "percent amount * 100", 10% => fee=1000, etc.

3. Fee distribution — in what proportion the protocol divides fee profits between node operators, insurance fund and the Treasury fund
4. Oracle members list — DAO members can add or remove oracles working with the protocol
5. Oracle quorum — number of oracles' reports required to submit the oracle-reported values to the protocol
6. Node operators list – DAO members can add or remove node operators, as well as define amount of the funds they could stake

These parameters are defined by voting. The DAO has to have those parameters defined and agreed upon to function.

Oracles and node operators have their own Aragon apps:

1. Oracles: https://goerli.lido.fi/#/lido-dao-testnet/0x8aa931352fedc2a5a5b3e20ed3a546414e40d86c/

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Oracle list

1. Node operators:

https://goerli.lido.fi/#/lido-dao-testnet/0xb1e7fb9e9a71063ab552ddee87ea8c6eec7f5c7a/

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Node operators list

Note on adding node operators and node operators' keys

Node operators should format their signatures in a special way — basically they need to embed the DAO's withdrawal credentials there, so the DAO-managed funds would stay under the DAO's control. To make sure it's the case for every node operator coming to the system, DAO members have to check the signatures supplied by the node operators with the DAO's signature checking tool. The DAO launch team will add an actual link to the tool in this doc shortly. In the meantime, make sure to ask the DAO launch team for checking resource addresses directly.

Adding a node operator is a multi-step process:

1. One submits the address of the desired node operator to the DAO to vote for. Number of keys limit on this step must be set to zero.
2. DAO members vote for the address.
3. Node operator generates the signatures and supplies them to the DAO in the node operators list and asks to increase the limit on the number of keys to be used.
4. DAO members verify supplied keys with DAO's checking tool
5. If the supplied keys are valid, DAO votes to increase the key limit for the node operator.

System upgrades

DAO software is designed as a collection of upgradable parts. In the future it may have to change some of them to fix bugs, support new use-cases and use new blockchain features. For such cases, DAO voting will be required to perform an upgrade.

Voting process

Voting parameters

Every vote has a limited duration, minimum acceptance quorum — what percent of the total DAO token supply is needed to vote “yes” for the vote to be valid, and the minimum approval rate — what percent of voters are required to vote “yes” for the vote to pass. Both minimum acceptance quorum and minimum support must be reached for the vote to win.

How to propose a change

Changes to the protocol parameters or Oracle or Node operator lists can be proposed through the web interface using MetaMask or any other way Aragon provides — see the docs at https://help.aragon.org/article/19-voting. When a DAO member attempts to change any protocol parameter via the UI, voting will be started. Aside from the protocol parameters, DAO members can vote for free-form proposals:

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Voting proposals

How to support or disapprove of the proposal

All voting proposals can be found in the Voting web app:https://goerli.lido.fi/#/lido-dao-testnet/0xa54dbf1b494113fbda2e593419ee7241efe8b766/

For every open proposal DAO members can cast their votes or change them.

Casting a vote:

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Casting a vote on a proposal

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Changing the vote on a proposal