

Governance

The Autonolas DAO will be made up of holders of veOLA. In this section we introduce the key aspects of governance of the Autonolas protocol, including the governance process, key features of Autonolas' governance architecture, and the importance of the community's role in governance.

The Governance Process

Building on the experience of existing decentralized protocols, such as Compound, we envision three distinct components for governance: the veOLA virtualized-token (locked claim on OLA), a governance module, and Timelock. Together, these components will allow the community to propose, vote, and implement changes. Proposals can notably modify system parameters, support new technological directions, or add entirely new functionality to the protocol.

veOLA holders have non-delegatable voting rights. This is enabled by two thresholds that must be met. First, any address that locks a certain **eligibility threshold** quantity of veOLA can create a proposal. Second, once the address has been delegated a certain **governance threshold** number of veOLA, the proposal becomes a governance proposal and be voted upon by voters.

When a governance proposal is created, it enters a **review period**, after which voting weights are recorded and voting begins. Voting lasts for a certain number of **election duration** days. If a majority of at least **approval threshold** of votes are cast for the proposal, it is queued in the Timelock, and can be implemented a number of days later, called the **preparation period**.

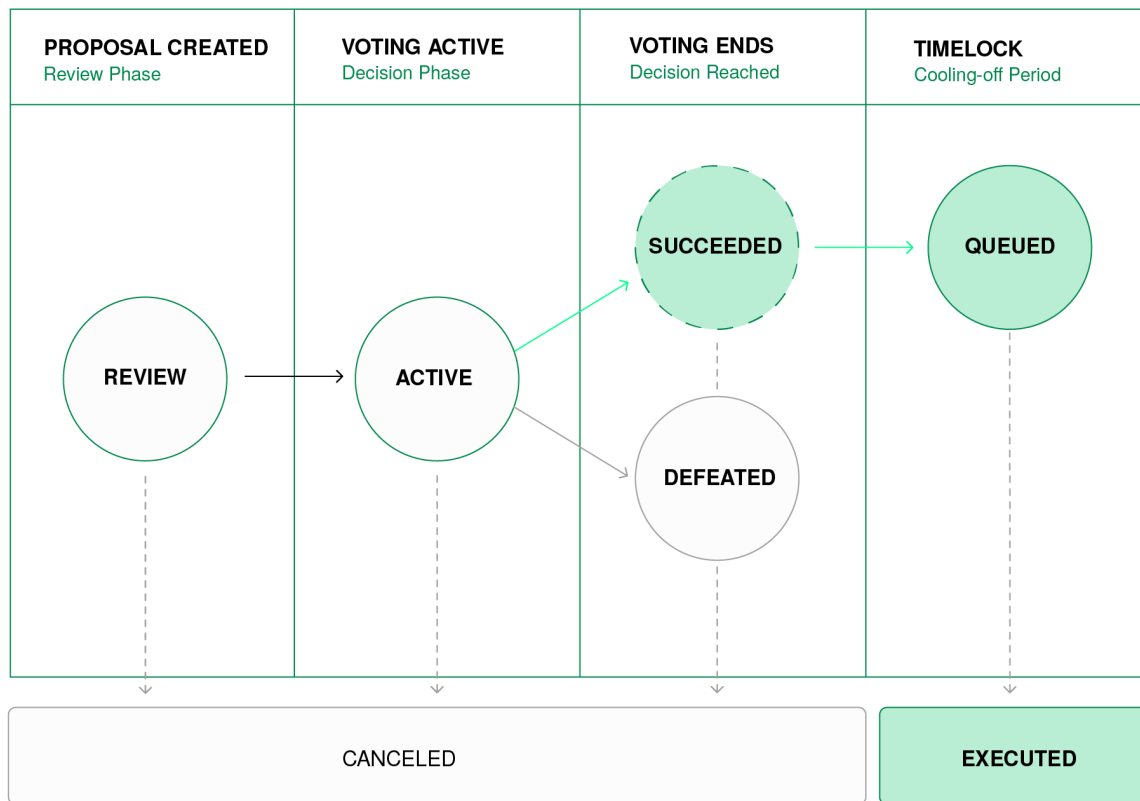


Fig. 11: The Autonolas voting process

Optionally, the on-chain proposal stage can be preceded by an off-chain signaling vote, for example on platforms like Snapshot. Off-chain signaling can be a good tool to gauge the interest of community participants with low willingness to pay for on-chain voting, who might otherwise be unable to express their preferences.

Governance Architecture

Inspired by Compound governance architecture, the following set of contracts are part of the Autonolas Protocol governance module: the veOLA virtualized-token, the Governor Bravo (with its proxy and implementation), and the Timelock. Here, we will highlight some aspects of this architecture:

- Upgradable** The Governor Bravo contract implements the core mechanics of the governance module. It's an upgradeable contract following the usual proxy-based pattern. This provides the needed flexibility for an ever-evolving governance contract that will be able to adapt to future community needs (or fixing bugs).

- Administrative powers** Secure access controls play a significant role in the security of governance modules, usually having sensitive parameters. The contract allows an administrator account to change a number of sensitive parameters: the voting period, the proposal threshold, and the voting delay.
 Note: the administrator account is the Timelock contract, so changes to governance itself are time-delayed.
- Community multisig:** Some changes to the Autonolas Protocol will not go through governance. Instead, they would be executed by a multisig wallet. This is limited to a set of specific, sensitive changes in the protocol, which could be applied rapidly without needing to rely on the formal governance processes. This allows a set of trusted actors to overrule governance in certain aspects, e.g. a security exploit that needs to be patched quickly and privately.

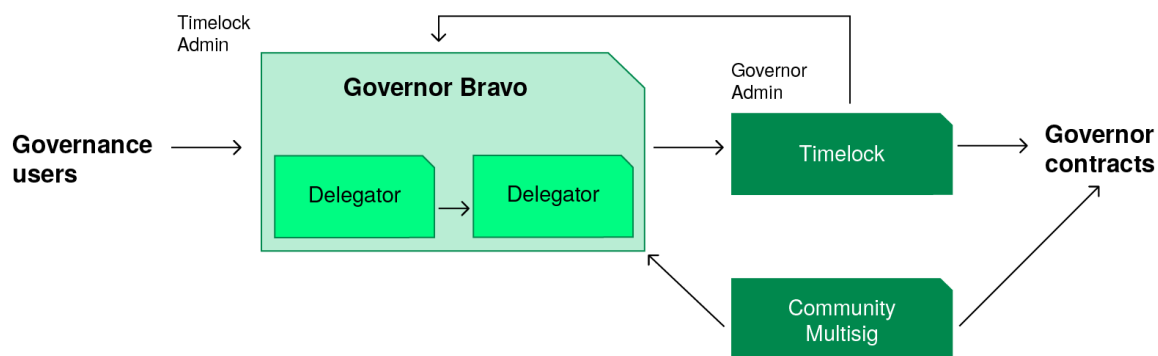


Fig. 12: The Autonolas governance architecture