House of Stake Delegates - Transparent Peer-Review Compensation Framework

Executive Summary

This framework establishes a transparent and performance-driven compensation structure for the House of Stake Delegates, combining proven market-based principles with peer accountability mechanisms. Each delegate receives base USDC compensation plus $NEAR token incentives and comprehensive benefits including travel compensation.

Compensation Principles

1. **Transparency:** The House of Stake is an open organization and we want to be as transparent as possible about our compensation principles. Our compensation model is open to data driven iterations.
2. **Local Market Rates:** We are paying local rates based on the cost of labor in specific markets.
3. **Competitive Positioning:** Compensation aims to be at a competitive rate for your job family, location, level, experience, and contract type.
4. **Calculator-Based Consistency:** We use a compensation calculator to ensure transparent and consistent compensation.
5. **Individual Privacy:** We do not disclose individual compensation since compensation is not public.
6. **Data-Driven Adjustments:** We adjust our calculator based on survey data, feedback from applicants and team members, and candidate data.
7. **Token Incentives:** We offer partially-locked $NEAR token incentives to align delegate success with ecosystem growth.
8. **Performance-Based:** We base compensation on current position and performance (not on what you were paid last month) and we don't generally reduce compensation.
9. **Merit Increases:** Increases within the market pay bands will be based on performance.
    - At hire, we base our compensation offer on the position and experience in the market
    - For promotions, increases are based on ensuring alignment to the new role's market range
    - At Annual Compensation review, increases will ensure alignment to the market, and resources will be allocated to top performing team members
10.

11. **Continuous Improvement:** We will update this page and the processes throughout the year.
12. **Role-Based Reviews:** We'll review your pay as soon as your job-family or level factor changes.
13. **Benchmark Updates:** If we change our benchmark for a job family without changing the requirements, we review the compensation both for existing team members and new hires.
14. **Value-Based Benefits:** We offer token incentives and meaningful benefits, such as travel compensation, based on shared delegate values. These benefits are prioritized when delegates believe it's important to support flexibility, personal growth, or alignment with the broader ecosystem.
15. **Strategic Geography:** We hire across the globe, but we're not location agnostic. Your timezone and the location factor in your region.
16. **Performance Incentives:** Delegates have variable $NEAR compensation that represents up to 90% of their total target earnings, based purely on peer-assessed performance.
17. **Governance Decisions:** Compensation decisions around level and experience levels and for functions not in the calculator are taken by the Compensation Committee.

Compensation Structure

1. Base USDC Compensation: $1,000-$3,000/Month -

Purpose: Provides stable, predictable income adjusted for local market rates
Formula: Base USDC = $1,000 × Location Factor × Experience Multiplier

Location Factors (based on cost of labor market):

- Tier 1 (1.0): San Francisco, New York, London, Zurich, Singapore
- Tier 2 (0.85): Los Angeles, Boston, Paris, Berlin, Tokyo, Sydney
- Tier 3 (0.70): Austin, Denver, Barcelona, Amsterdam, Tel Aviv
- Tier 4 (0.55): Prague, Buenos Aires, Mexico City, Warsaw
- Tier 5 (0.40): Kyiv, Lagos, Mumbai, Jakarta, Manila

Experience Multipliers:

- Senior Delegate (3.0): 3+ years governance experience, recognized expertise
- Standard Delegate (2.0): 1-3 years experience, proven track record
- Junior Delegate (1.0): <1 year experience, learning phase

Example 1: San Francisco with 3 Years Experience

- Location: San Francisco = Tier 1 = 1.0 location factor
- Experience: 3 years = Senior Delegate = 3.0 multiplier
- Calculation: $1,000 × 1.0 × 3.0 = $3,000 USDC/month

Example 2: Jakarta with 2 Years Experience

- Location: Jakarta = Tier 5 = 0.40 location factor
- Experience: 2 years = Standard Delegate = 2.0 multiplier
- Calculation: $1,000 × 0.40 × 2.0 = $800 USDC/month

2. $NEAR Token Incentives: 0-3,000 $NEAR/Month

Purpose: Aligns delegate success with ecosystem growth and provides performance-based rewards

Allocation Pool: 3,000 $NEAR per delegate per month maximum (assuming $NEAR is trading at ~$3.00)

- Distributed based on peer assessment scores
- Vesting Schedule: 70% liquid immediately, 30% locked and vested linearly but stakable over 12 months
- Minimum threshold: 40/100 points for any $NEAR allocation

$NEAR Token Calculator

Individual $NEAR Allocation = (Delegate's Median Score / Total Score Pool) × Total Monthly $NEAR Pool

Where:

- Total Monthly $NEAR Pool = Number of Delegates × 3,000 $NEAR
- Total Score Pool = Sum of all delegates' median scores above 40 points
- Quality Bonus: Top 20% performers receive 25% additional $NEAR
- Minimum Threshold: 40 points required for any $NEAR allocation

Vesting Example:

- Delegate earns 2,000 $NEAR in January
- Immediate: 1,400 $NEAR (70%) available immediately
- Vested: 600 $NEAR (30%) locked, releasing 50 $NEAR monthly for 12 months. The locked NEAR can earn staking yield

3. Benefits Incentive Package -

Travel Compensation

- Conference Attendance: Up to $5,000/year for approved blockchain conferences
- Educational Events: $2,000/year for workshops, courses, and training

Additional Benefits

- Health Stipend: $200/month for health and wellness
- Technology Allowance: $1,500/year for equipment and tools
- Professional Development: $1,000/year for courses, certifications, books
- Co-working Allowance: $300/month for shared workspace access

Lottery Factor Consideration: When assessing competitive rates for individual delegates, we consider their "lottery factor" - if this delegate won the lottery and left the House, what impact would that have on our governance capabilities and ecosystem development?

Peer Assessment Framework

This peer assessment model aims to reward impact, encourage collaboration, and ensure accountability. It must evaluate the quality and consistency of contributions, rather than popularity or visibility alone.

Assessment Criteria (100 points total)

1. Governance Leadership (25 points)

- Proposal Quality: Well-researched, clearly written governance proposals and decisions
- Strategic Thinking: Long-term vision and proven commitment for ecosystem development
- Decision Making: Sound judgment on complex governance issues
- Initiative: Proactively identifies and addresses ecosystem needs

2. Community Engagement (25 points)

- Communication: Regular, constructive participation in delegate forums
- Responsiveness: Timely responses to community questions and concerns
- Collaboration: Works effectively with other delegates and stakeholders
- Transparency: Shares progress updates and decision-making rationale

3. Technical Contribution (25 points)

- Protocol Understanding: Demonstrates deep technical knowledge of NEAR
- Innovation: Proposes creative solutions to protocol challenges
- Security Focus: Identifies and addresses potential vulnerabilities
- Documentation: Creates clear technical documentation and guides

4. Ecosystem Development (25 points)

- Partnership Building: Develops relationships with key stakeholders
- Education: Mentors new participants and creates educational content
- Growth: Contributes to ecosystem expansion and adoption
- Representation: Effectively represents NEAR in external forums

Assessment Process

Monthly Peer Review Cycle

1. Assessment Period: Days 1-28 of each month
2. Scoring Window: Days 29-31 (3-day window for peer assessments)
3. Score Compilation: Automated calculation and transparency report
4. Payment Processing: By the 5th of the following month

Scoring Methodology

- Each delegate scores every other delegate (not themselves)
- Scores range from 0-100 points across the four criteria
- Final score = median of all peer scores (eliminates outliers)
- Minimum 75% participation required for assessment validity

Location Factor Methodology

Data Sources for Location Factors

We analyze multiple data sources to determine fair location factors:

1. Primary Sources:
   - ERI Economic Research Institute compensation data
   - Numbeo cost of labor indices
   - Government labor statistics
   - Industry-specific salary surveys

2. Validation Process:
   - Quarterly review of location factors
   - Market data from at least 3 sources required

    - Adjustment only if 15%+ variance detected
    - Community feedback integration

3. Special Considerations:
    - Remote work hubs (90-minute rule from major city)
    - Economic volatility adjustments
    - Cryptocurrency adoption rates in region
    - Local regulatory environment

Tracking and Approval

- The Head of Governance at the NEAR Foundation submits acting role request to HoS Compensation Committee
- Role tracked with start/end dates
- Payment processed within 30 days of completion
- Must include justification and impact measurement

Market-Based Approach Justification

We maintain a market-based approach to compensation because:

1. Adaptability: Allows us to adapt to market changes in DAO governance talent, remaining competitive for local talent
2. Consistency: Role, location, and level benchmarks keep compensation bands consistent while helping maintain fairness rather than expecting delegates to negotiate their pay
3. Wage Compression Prevention: Prevents situations where new delegates negotiate higher wages than existing high-performing delegates
4. Budget Optimization: As long as budget permits, we do what's right for the market even if it means paying a delegate higher than their calculated range

Gaming Prevention

- Maximum individual $NEAR allocation limits
- Mandatory scoring participation
- Automated alerts for suspicious voting patterns
- All scoring rationale must be documentable
- Quarterly community feedback on delegate performance

Fairness Safeguards

- New Delegate Onboarding: 30-day evaluation period with guaranteed base pay

- Performance Improvement Plans: 30 day grace period and support for delegates consistently scoring below 50
- Conflict Resolution: Clear escalation path for disputes
- Diversity Monitoring: Regular analysis for unconscious bias in peer assessments

Token Price Volatility Management

- Monthly Price Averaging: Use 30-day moving average for $NEAR calculations
- Compensation Floors: Minimum USD value guarantees for top performers
- Rebalancing Triggers: Automatic review if $NEAR price moves >50% month-over-month
- Emergency Adjustments: Compensation Committee can adjust allocations for extreme volatility
- Current Baseline: Calculations based on $3.00 $NEAR with quarterly price reviews

Implementation Timeline

Phase 1: Foundation (Months 1-2)

- Deploy compensation calculator platform
- Establish location factor database
- Train delegates on assessment criteria
- Configure USDC and $NEAR payment systems
- Conduct pilot assessment rounds

Phase 2: Launch (Month 3)

- Begin full compensation framework
- Implement monthly assessment cycles
- Launch transparency dashboard
- Establish appeals and adjustment processes
- Monitor for gaming attempts

Phase 3: Optimization (Months 4-6)

- Quarterly framework reviews based on data
- Adjust criteria weights based on ecosystem needs
- Implement advanced analytics and reporting
- Scale assessment tools for larger delegate pools
- Benchmark against other DAOs and organizations

Success Metrics & Reporting

Framework Effectiveness KPIs

- Retention Rate: Delegate satisfaction and turnover metrics
- Performance Quality: Governance proposal quality and community feedback scores
- Participation Levels: Assessment completion rates and engagement metrics
- Compensation Fairness: Distribution analysis and equity measurements across demographics
- Ecosystem Growth: Correlation between delegate performance and NEAR ecosystem metrics

Monthly Transparency Reports

Each month, we publish aggregate data including:

- Compensation distribution ranges (anonymized)
- Assessment participation rates
- Geographic distribution of delegates
- Performance trend analysis
- Token allocation efficiency metrics
- Community feedback integration

Annual Comprehensive Review

- Full framework effectiveness assessment
- Market benchmarking against similar organizations
- Location factor validation and updates
- Assessment criteria refinement
- Technology platform optimization
- Community satisfaction surveys

Conclusion: This compensation framework creates a transparent, performance-driven system that aligns delegate incentives with NEAR ecosystem success. By combining stable USDC base compensation with performance-based $NEAR rewards and comprehensive benefits, we ensure delegates are fairly compensated while maintaining strong incentives for exceptional contribution.

The framework's emphasis on transparency, regular iteration, location-based fairness, and community accountability ensures it will evolve with the organization's needs while maintaining effectiveness in compensating our most important governance contributors. The integration of $NEAR tokens directly ties delegate success to ecosystem growth, creating powerful alignment between individual performance and collective success.