Proposals for the HatchDAO

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Proposal Title: 75% Governance Giveback

Description:

This proposal refers to the "75% Governance Giveback" topic of the No Abnormal Intervention proposal, which was part of the Impact Hour Intervention voting session that happened on TokenLog in July 2021.

Background: 48 contributors that were compensated by the Commons Stack, Giveth, Commons Swarm or General Magic for the work done in the TEC received an IH deduction during praise quantifications. Deductions varied wildly. Some contributors were mostly volunteering, and some were paid almost the full time.

Problem: During the Praise Analysis Process, this deduction was claimed unfair by part of the community and was defended by another.

- 1. **Unfair:** One of the arguments to change the deduction system was that it makes little sense to penalize members who are so dedicated to the project, this actually hurts the TEC as we will lose their valuable perspective in our governance.
- 2. **Fair:** One of the arguments to not change the deduction system is that it is not fair to double reward the people who are receiving compensation financially since many volunteers were offered compensation but chose to work for Impact Hours, knowing they would later become tokens.

Solution: The No Abnormal Intervention Proposal, which got the most votes front he community in the Praise Debates proposed a "**75% Governance Giveback**" acknowledging the intertwining of money and governance rights is not ideal and strikes a compromise between both points.

The goal is to replace 75% of the governance rights that were deducted from these 48 contributors **without giving them any monetary rewards**, effectively giving them back some of the voice that earned but taken away because of their monetary rewards.

This vote will be held on snapshot

Proposal Details

<u>The Impact Hour Intervention vote ended with a compromise</u> between Praisemagedon and No Abnormal Intervention due to a polarized scenario. Deductions were lessoned by the inclusion of Praisemagedon, but there were still deductions in Praisemagedon's revised distribution.

If we were to reward 75% of the Governance rights to those with deductions, this is what it

would look like:

```
| 75% Gov Rights | |
    Handle
|:----:|-----|
   GriffGreen | 16,413.08 | TEC |
   sembrestels | 15,371.16 | TEC |
    liviade
            | 15,299.92 | TEC |
   Tam2140
               | 12,268.39 | TEC |
   JuankBell
              | 12,216.29 | TEC |
 JessicaZartler | 11,401.58 | TEC |
   paulo c2d
                 9,964.25 | TEC |
  chuygarcia92 | 8,212.31 | TEC |
                7,835.72 | TEC |
    markop
             | 7,136.64 | TEC |
   vegayp
   iviangita
            | 6,703.18 | TEC |
  jeffemmett | 6,275.71 | TEC |
   freedumbs00 | 5,451.34 | TEC |
 VitorMarthendal | 5,407.21 | TEC |
 divine_comedian | 4,751.74 | TEC |
               | 4,453.36 | TEC |
   Suga#8514
   naynaysoo
              | 4,141.61 | TEC |
   Laurenluz | 3,763.14 | TEC |
           | 3,586.76 | TEC |
   fabimol
  Vyvy-vi#5040 | 3,559.03 | TEC |
   Krisjones
             | 3,539.05 | TEC |
   mateodaza
               | 3,203.42 | TEC |
   zeptimusQ | 3,157.38 | TEC |
  ygganderson | 2,905.86 | TEC |
  fabiosmendes |
                  2,358.31 | TEC |
                | 1,852.94 | TEC |
   knobsDAO
    xgabi
               1,317.33 | TEC |
| kristoferkristofer | 1,171.36 | TEC |
   vivszaid
                989.52
                         | TEC |
    atacas
                916.12
                         | TEC |
   fiorebotta
                 811.88
                         | TEC |
   aminlatifi
                597.86
                         | TEC |
   heater03
                 506.40
                         | TEC |
 Mount Manu#3530 |
                      476.69 | TEC |
 acidlazzer#5796 |
                    473.32
                           | TEC |
  geleeroyale |
                  441.26
                          | TEC |
   lescanore
                 400.44
                          | TEC |
  rubenrussel7 |
                   363.82
                          | TEC |
   danibelle
             326.34
                         | TEC |
  katalenacaban |
                   314.00
                            |TEC|
```

```
sgonzt
                307.74 | TEC |
                  283.06
  anthonyoliai |
                          | TEC |
  jukren#8803
              283.01
                           I TEC I
              278.58
   gfriis
                       | TEC |
  MerlinEgalite |
                  271.80 | TEC |
   freshelle
            52.09
                       | TEC |
  bradleyc#1813
                    33.37
                            | TEC |
| Ekeneodigwe#1502 |
                       31.59 | TEC |
```

The math behind this Calculation can be seen here:

https://docs.google.com/spreadsheets/d/1qvmwwlUHnQWYc2JQRoE1Qo_IKx6a4Cl9ehWlMvkiqFc/edit?usp=sharing

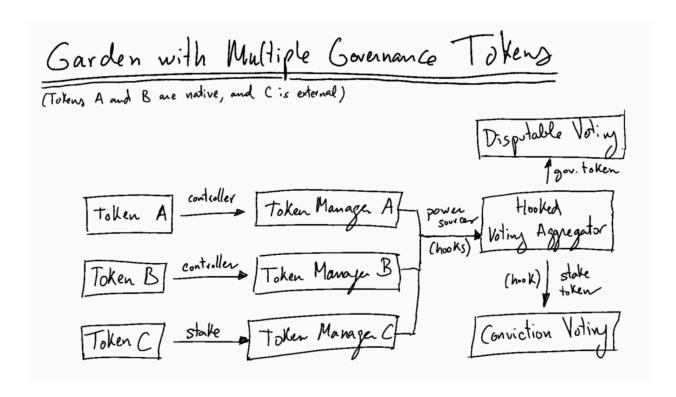
Potential Technical Solutions

There are 2 main technical solutions. We respectfully ask that if this proposal passes we let the **Commons Swarm** debate the merits of both technical solutions and research them further before deciding which one to pursue.

#1 Quick and Dirty: The quick solution is to make a one character change to the smart contract that would enable us to mint TEC tokens without affecting the bonding curve but place them in a vesting contract that will lock them forever. This solution is being reviewed for security issues by our smart contract reviewers. If it is deemed to be secure, it is a very simple and practical solution as it requires almost no work to implement and it could be implemented in the Commons Upgrade. However, it is not elegant. Changing the bonding curve to ignore these tokens could be confusing especially since it will look like each of these 48 contributors will have these funds in their address, but they will not be able to transfer them out.

#2 Slow and Steady: A better solution would be to create a different non-transferable token that could be used alongside the TEC token for governance decisions. Unfortunately the tooling to do this does not exist for Conviction Voting which currently can only support voting with 1 token. We would need to fund the creation of an Aragon app that could aggregate multiple tokens for voting on Conviction Voting. This is the better approach and it is very likely that this solution would solve other problems for other communities using Conviction Voting. In fact, it is likely to be pursued eventually no matter what the outcome of this vote is, however this will take many months to design, build, test, review, and deploy and technical challenges may arise that can make it more difficult than we expect. It is unclear when it would be prioritized to be built, who would fund it (likely 1hive and the TEC?) and there is no way that it will be done before the Commons Upgrade, so it would require the TE Commons to vote to upgrade Conviction voting later to include it.

Here is a diagram Sem drew of the Slow and Steady solution, the Hooked Voting Aggregator is the App that needs to be built.



#3 The Unknown Better Solution: Potentially another solution could emerge as an option as well. We are open to various technical solutions to achieve this outcome. If this vote passes the developers that will implement the solution will review the options and choose the best path forward.

Expected duration or delivery date

How long do you think it will take to deliver on your proposal?

We will work with the Commons Swarm to have the best possible solution up as soon as possible. Either in conjunction with the Commons Upgrade or after depending on the solution chosen.

How does this benefit the Token Engineering community?

The deductions that were made took well deserved governance rights away from important contributors. Their knowledge of the ins and outs of the TEC are very valuable and their voice being given extra power will help the DAO make better decisions.

Team Information

Names, usernames, and/or relevant social links for team members (Twitter, Github, TEC Forum, etc.)

Griff

Juanka

Sem

Paulo

Bradley

Proposal Title: Burn and Remint TECH tokens for people who lost their keys or want to switch their address.

→ Latest version is <here>!

Description:

An accurate and detailed description of what you are proposing

Several people have lost their private keys or want to switch their addresses for one reason or another. I propose to:

- 1. Gather the information from each person that needs to change their address in a spreadsheet.
- 2. Burn and remint their tokens in one transaction.

What value will this provide for the TEC?

In the TEC Hatch DAO, we are a curated group of individuals who are value aligned and committed to nurture the TEC economy in its early stage, while focused on long term success. It is important that everyone in this group has a holding of their tokens and feels comfortable with their address to engage in upcoming decisions.

Expected duration or delivery date

How long do you think it will take to deliver on your proposal ??

Team Information

Names, usernames, and/or relevant social links for team members (Twitter, Github, TEC Forum, etc.)

Proposal Title: TEC makes the initial buy into the Augmented Bonding Curve with its own treasury.

→ Latest version is <here>!

Description:

It is common, when launching a bonding curve, that bots programmed by anonymous people are ready to buy into the very start of the curve, so they get a market advantage in these tokens. If bots can have this advantage, why can we?

In honor of our regenerative economy principles and the values of this community, I propose we do an initial buy of ??? TEC tokens and transfer this amount to the Reward DAO to be distributed to SourceCred and Praise contributors.

Proposal Details

What value will this provide for the TE community?

Expected duration or delivery date

How long do you think it will take to deliver on your proposal

Team Information

Names, usernames, and/or relevant social links for team members (Twitter, Github, TEC Forum, etc.)

Proposal Title: TEC Community Covenant

Description:

An accurate and detailed description of what you are proposing

https://docs.google.com/document/d/1inHqkkQuZzWQQhuq5A6sVwV0a3oQwfuDRv5nctYj8IE/e dit#

Proposal Details

detailed rationale for why this proposal exists and should matter to TEC holders, the Token Engineering community, and/or DAO ecosystem.

What value will this provide for the TE community, commons and ecosystem?*

Expected duration or delivery date

How long do you think it will take to deliver on your proposal

How does this help Token Engineers and benefit the Token Engineering community?

Team Information

Names, usernames, and/or relevant social links for team members (Twitter, Github, TEC Forum, etc.)

Proposal Title: Reward System moving forward

Description:

The Praise data analysis that happened a couple of months ago showed us many routes for improving Praise. The quantification and analysis processes were two main points that needed improvement, and the interoperability with SourceCred is a desired addition that has been discussed for a while. This proposal is a first step to move forward, considering that other more complex improvements can be proposed in the future when the results from the Reward System's research group from the Governauts will be available.

Problem

- Quantification process is time consuming
- Only a few people were volunteering to do it
- Data set was dirty and the data analysis was looking into one year of data.
- Praise and SourceCred are rewarding similar things

Proposed solution

- Quantification process being partially asynchronous
- Have one short meeting to chat about questions and reflections of the async process
- Having a brief report, analysis and distribution every 2 weeks
- Distribute it via Reward DAO (the one we've been using for SourceCred) in TEC tokens
- Limit Praise to tasks that aren't rewarded by SourceCred
- Implement Alexandra the bot that records the time people spent in a discord call, developed by Johann Saurez from LTF

Proposal Details

Steps required for Praise:

- 1. Take the csv file of all praises (which is already being generated)
- 2. Load the csv file in Python
- 3. Write to new csv files or separate sheets in an Excel file
- 4. Automatically push to GitHub or post on Google Docs
- 5. Create a list that randomly assigns sheets to a set of judges (to minimize correlation of similar judges who think alike)
 - The same sheet would be handed to 2 or 3 people so we continue having the average as the final result, instead of just one person deciding the value of one praise.
- 6. Pull the finished sheets back into a single document
- 7. Auto generate Gini Coefficient, Histograms, or the metrics we find useful.

- 8. Have a call to discuss the analysis and the quantification process This will bring us cultural insights and help us find problems and strengths in early stages.
- 9. Write a brief report to add transparency. (it can be the notes of this call being published)
- 10. No deductions will be made in the final data like we had for paid contributors.

This model will distribute the work among multiple people and minimize the time each person spends on quantification. It means we'll need 10 to 15 people to be quantifiers. **This is a role that can be compensated by the Commons.**

The compensation amount should be discussed, but it can be part of the Reward Proposal that needs to be templated to be sent to the DAO on a frequent basis - maybe every 2 or 3 months.

This can be a role taken by people who want to get more involved in the community since praise is a good informative of what happens and what is valued. We should aim for cultural diversity in the group of quantifiers, as well as experience diversity, some older members mixed with newer ones.

Interoperability with SourceCred and Alexandra

- <u>SourceCred</u> is <u>currently capturing</u> Github and Discourse contributions.
- Praise captures a multitude of subjective and objective contributions.
- Alexandra hasn't been implemented yet, but it captures time spent in calls.

Integrating these 3 tools should mean that the scope of Praise is reduced. We'll need cultural guidelines and training to get there, but it will be incredibly valuable for us, reducing even more the admin time spent in quantifications, and shaping Praise to be an even better tool for subjective contributions.

Distribution

I propose we use the <u>Reward DAO</u> instance we've been using for SourceCred to send praise and SourceCred rewards to all the contributors.

The DAO will only have these 2 functions plus sending compensation to the Quantifiers. It will be managed by the <u>SourceCred Committee</u>, which will become the **Reward System Committee**.

- Every 2 or 3 months a proposal is submitted to the TEC by a committee member requesting funds to the Reward DAO
- It's interesting we use TEC tokens to empower our economy, so a designated member of the committee would swap wxDAI for TEC tokens
- Every 2 weeks, after the quantification, rewards are sent in TEC tokens to the contributors from the Reward DAO

What value will this provide for the TE community, commons and ecosystem?*

- 1. A continuous stream of funding for all TEC collaborators
- 2. Quantifiers could work on their own schedule, as long as they were finished by a predetermined time.
- 3. There would be less social influence of Quantifiers on each other and no "doctoring" of numbers possible,
- 4. Analysis would be instant and frequent.
- 5. Data driven cultural insights will be constantly available.
- 6. Tool interoperability will be tested
- 7. Rewards will bring movement to the TEC token economy and people contributing work will have a governance voice as well.

Expected duration or delivery date

How long do you think it will take to deliver on your proposal

The Commons Upgrade is the deadline.

Team Information

Names, usernames, and/or relevant social links for team members (Twitter, Github, TEC Forum, etc.)

SOFT GOV wg, LABS wg, LTF team support