

# Community DAO Charter

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**\*\***[Annexes](#) are a separate fungible document to be modified by each elected DAO and attached separately**\*\***

# Introduction

The Community DAO (CDAO) is the DAO that represents the entirety of the Harmony community.

The Harmony Community DAO mandates are as follows. These mandates serve as the ultimate role for the Harmony Community DAO:

**Growth** : board users on missions and culture, pollinate values across communities

**Engagement** : Amplify content of roadmap and milestones, creative campaigns of products

**Diversity** : Solicit voices and votes in forums, reinforce strong governance participation

## General Principles

- The CDAO is a Decentralized Autonomous Organization owned by Harmony ONE holders.
- The CDAO is built on principles of open participation and accessibility.
- The CDAO promotes the consolidation and development of the \$ONE holders staking ecosystem, of its decentralised consciousness, and culture, and also the development of the autonomous identity of all Validators and Delegators.
- The Harmony community holders are the bearers and the only source of power in the CDAO.
- The Harmony community holders exercise power directly through voting on governance proposals.
- The right to determine and change the charter of the CDAO belongs exclusively to the Harmony community holders.

# Governance

- Governance is designed to give a voice to the Harmony community holders and enable them to shape the future of the blockchain.
- Every Harmony community holder can choose to participate in governance directly on the Harmony talk forum and Snapshot site.

## 1. Charter Ratification process

Ratifying the CDAO charter requires 66% of the members of the CDAO to agree to the final charter prior to submitting the ratification proposal to a vote. The charter will be posted on talk.harmony.one as a HCIP proposal. The HCIP proposals will be broadcast on all channels for no less than 7 days prior to submitting the proposal to a vote on <https://gov.harmony.one/#/harmony-community-dao>.

The ratification proposal requires a majority “Yes” vote in order to be considered ratified. Once ratified, the charter is non-fungible and will govern the CDAO in perpetuity

## 2. Charter Amendment process

All amendments to the charter require 51% of all members of the CDAO to agree to an amendment prior to submitting the amendment proposal to a vote. The charter amendment will be posted on talk.harmony.one as a HCIP proposal. HCIPs defined in section 3 of charter.

To ratify an amendment requires a majority “Yes” vote in order to be considered amended.

## 3. Community DAO Business Processes

### a. HCIP DAO initiatives

The HCIP proposals (as defined in section 4) will be broadcast on all channels with a corresponding thread on <https://talk.harmony.one> for no less than 7 days prior to submitting the proposal to a vote on <https://gov.harmony.one/#/harmony-community-dao>. The vote will be pending for 3 days before going live for a period of 5 days. To pass the HCIP proposals must receive a simple majority yes vote. All major funding proposals must go through the HCIP process in order for the initiative to be put into practice. In some instances, funding requirements for an initiative may be minimal and can be left to a majority vote by the current council if it falls within the approved discretionary budget defined under heading c of this section.

### **b. Simple Initiatives and Day to Day Operations**

Simple initiatives not requiring use of Community DAO funds will require a simple majority to approve in text through official communications channels whereby all members of the Community DAO can view other member decisions. Defining the scope of these initiatives will be at the discretion of the Community DAO.

### **c. Discretionary Budget**

Each council may request a discretionary budget to have at its disposal each month to facilitate a quicker response to small initiatives that a majority of Council members agree will advance the mandates set forth within this document. To approve a discretionary budget, a council must submit a request for the funding by way of HCIP with the requested amount included. If approved, the funding shall be included as a fungible annex to the charter, allowing for funding amount to remain fluid.

## **4. HCIP Public Voting - Decision Making process**

**The Harmony Improvement Proposal (HCIP) Decision Making Process includes 3 main phases:**

- talk.harmony.one: Proposal Notification
- Pending Snapshot proposal
- Live Snapshot proposal

### **a. Talk.harmony.one: Proposal Notification**

The CDAO (upon coordination with applicable community members) will create a talk thread in the Community section. Proposals should be in standardized HCIP format with a title but should not include an HCIP number until it meets the gate requirements to move to a vote. A majority poll will be inserted into the thread and if a majority vote is established then the topic can be assigned a number and moved to a pending proposal on Snapshot. The duration of the forum post will be 1 week.

### **b. Pending Snapshot Proposal**

Upon a majority vote received on a topic on the talk forum, an HCIP proposal will be initiated on Snapshot. It will be in pending status for 3 days and consist of a summary of the proposal and direct link to the thread on the talk forum.

### **c. Voting**

Upon completion of the 3 day pending period the proposal will automatically become an active proposal for the community to vote on. The voting period shall last 5 days whereby the proposal must reach a majority vote of “Yes” in order to pass.

## **5. Governor Elections:**

- All Governors must be formally elected.
- There will be 9 Governors elected per DAO term.

### **a. Initial Term**

- The initial council term was 3 months; the first persistent council term is 6 months in order to ratify a charter and set operating standards for future persistent councils.

### **b. Subsequent Terms**

- Upon completion of the first persistent council's term, each council thereafter will serve a 3 month term in perpetuity.

### **c. Quarterly Governor Election Dates and Intervals**

- Governors will be responsible for arranging elections when it becomes time until future developments allow for a separate autonomous body to be responsible for carrying out elections. Such a change would require an HCIP proposal and an annex to be added to the charter. The initial post notifying members of the community will be posted on Talk.Harmony.One. Following the initial announcement for the elections, this information must be posted on common social media platforms and any future developments.
- Governor Election via CDAO Governance every quarter (3 months).
  - Nominations start three weeks prior to the next election and will be open for two weeks. Information campaigns, including AMAs, will take place in the final week leading up to elections..
  - Elections will be completed 5 days before the end of the current council's term.

- Election mechanisms must be included as an annex to the charter and approved by way of an HCIP proposal.

#### **d. Term Limits**

- No Governor may serve more than 12 consecutive months unless no candidate runs to fill the position.
  - The initial DAO Governors may run for 12 consecutive full months. A partial term for the initial DAO will not disqualify them from serving 12 full months.
  - Upon completion of a 12 month term, a candidate must abstain from participation on the council for a term no shorter than one quarter

#### **e. Transition Period**

- After an election takes place, a transition period will happen for the duration of 48 Hours in which governors can assist with handing over material, handing over social accounts, etc. and any relevant information. The previous governors will be paid from the Harmony Community DAO treasury for the hours they spend transitioning the new governors into their new positions.
- Multisig – The handover of access to the Multi-Sig treasury must take place as soon as the new governor's come on board; a meeting in which necessary DAO participants past and present must attend.
- A register for the Multi-sig holders is to be shared with the Harmony Protocol/Harmony Foundation which includes the governor's community name and signing wallet address. Details of the Governors are to be shared directly with the DAO.

## **6. Process for Removal of Council Governor**

#### **a. Vote of No Confidence**

- In the unfortunate event that a Governor is deemed unfit (a malicious actor or unable to perform their duties for a variety of reasons), the other Governors may hold a vote to remove a current member.
- 75% of the remaining Governors must vote yes to remove an active member.
- The no confidence vote must be moved to a governance vote using the same process as a Charter Amendment listed in paragraph 2 of this document. The proposal must

include a description of why the no confidence vote was necessary, but cannot include any personal health related reasons associated with the removed individual.

- The open role will be filled by a special election held using the quarterly CDAO elections rules selecting the number of spots required to be replaced.
- In the event a council has voted to remove a current governor, the individual being considered for removal will be removed from the multisig wallet pending the results of the community vote.
- Self-dealing, violations of good faith and fair dealing will not be tolerated. Ultimately, this DAO represents an enfranchisement of the Harmony community to contribute to the direction and growth of the Harmony blockchain project.

#### **b. Self Removal from Council**

- If a governor decides to step down from the council, the open role(s) will be filled by a special election held using the quarterly CDAO elections rules selecting the number of spots required to be replaced.

## **7. Compensation**

- Each persistent council will determine the compensation structure for their term and ratify it within the first two weeks of being elected. An amendment will be added as an annex by the first persistent council of their payment structure for future councils to reference.
- Compensation is not to exceed the budget of the treasury.
- It is incumbent upon the DAO to maintain the treasury funds in perpetuity.
- Proposals for treasury funding mechanisms of the DAO are to be decided upon by the current council by way of poll in the primary CDAO channel of communication.
- All previous council's funding mechanisms will remain in place unless voted on by the current council to be removed.

## 8. Annexes

Annexes are fungible items that can be added to, removed from, or edited within the charter. Each change or addition must be approved by way of an HCIP proposal.

### I. Election Mechanisms

- Multiple choice vote
- Elections will be held via Snapshot
- Community holders will choose at least 5 (up to 9) candidates for the DAO
- Election results during the active voting will be hidden until results are final
- Holders will have to a minimum of 100 ONE in wallet (staked or unstaked)
- Votes are final once cast and cannot be changed
- The top 9 candidates with the most votes are elected to the council

### II. Compensation

- Governors will receive compensation for the previous month's work in the first week of the next month.
- Funding will be requested from the DAO grant to replace payroll and any other expenses incurred by the DAO in the previous month until the CDAO secures funding mechanisms to become self-sustaining.

### III. Discretionary Budget

*Guidelines regarding discretionary fund payments which will be adhered to stated below:*

- A hard cap of 500 USD (equivalent in ONE) per month will be set for discretionary fund payments.
- Governors will only use discretionary fund payments for small transactions and will aim to spend less than 250 USD (equivalent in ONE) per month if used at all
- These funds will be kept in the Multisig wallet with the Harmony Community DAOs funds in case it's needed.
- All transactions will be made transparent through a PDF listing of individual payments along with Multisig address and transaction ID, when payments are made the rate of the current price of harmony will be displayed along with payment information.
- All significant payments will be made through the HCIP proposal process.
- The governors will not pay themselves through this method for work performed.



- Governors will only use discretionary funds for contributors when necessary and will not be used as a go-to payment method.
- When the implementation of an easier way to make payments to contributors becomes available to the DAO, this will be reviewed and potentially removed.
- All discretionary fund expenses will require a simple majority vote of approval by CDAO governors

#### **IV. Campaign Rules and Guidelines**

- All candidates will have equal exposure through the Community DAO, meaning all candidates will be given the same chance to participate in any questioning and/or promotion regarding the election at hand. No candidate shall receive special concessions or exclusions from the Community DAO itself. The only exception would be if a candidate refuses the opportunity to participate in any election related matter and is therefore not present.
- Potential candidates shall be required to answer a set of questions agreed upon by the existing council within their candidacy announcement post. These questions could provide insight to potential skills, experience, and availability as well as other potential traits deemed to be helpful for the DAO. The questions must be equitable and not favor any race, gender, nationality, or sexual orientation.
- An individual's candidacy announcement post must be shown support by at least 5 community members in its comments in order for inclusion in the election. Current governors would be allowed to announce their support in such a post.
- A candidate CANNOT offer any incentive in exchange for a vote (i.e. Coins or NFTs, etc. to the wallets that cast a vote for that person).
- A candidate CANNOT offer any giveaways as part of any campaign related post (i.e. Coins or NFTs to be given away for likes and retweets of posts regarding campaign related material)
- A candidate being paid directly by the Harmony Core team as a regular contributor CAN fill a position on the CDAO.
- A candidate CANNOT spam Harmony Core DAO accounts as well as current council governors' posts with unsolicited campaign posts. It would still be permissible for a candidate to comment with campaign material if the DAO or governors invite candidates to do so.
- A candidate CANNOT spam any posts of community members with unsolicited campaign promotions. It would still be permissible for a candidate to comment with campaign material if a community member invites candidates to do so.
- A candidate is limited to posting from their own personal account about their candidacy unless a post or medium specifically allows for it.
- Community DAO governors CAN campaign openly for their candidates of choice as long as it is done from their personal accounts and not any DAO accounts.

- Candidates and current council members CAN share negative opinions/accusations of other candidates, but the accuser IS REQUIRED to provide proof of the accusation.
- The worst violations, as voted on by the community, are categorized as a level 1 violation and are grounds for immediate removal from candidacy. Other less severe violations are categorized as a level 2 violation. For level 2 violations, the candidates will be given an opportunity to rectify their violation. Unwillingness to comply with two level 2 rules and requests to rectify the violation will result in removal from candidacy.
- Level 1 Violations:
  - A candidate CANNOT provide any incentive for votes or spreading of campaign material. This has been decided by community vote as grounds for immediate removal from candidacy.
- All other rules listed above are considered level 2 violations. The community poll concluded that two level 2 violations are grounds for removal.