Radiant Capital DAO
RFP-51 Addendum 2
Fee Distribution Math

Current (RFP-7) Fee Distribution (Absolute/Fixed):

- 60% of protocol fees are streamed to Dynamic Liquidity (dLP) lockers
- 25% allocated as the base APY to lenders
- 15% streamed to a DAO OpEx wallet

Programmatically:

1. **Lenders' Base APY** → **(100% - Reserve Factor%)** goes to lenders.
    - Example: **25% of fees** if the Reserve Factor is **75%**. (100%-75%=25%)
2. **DAO OpEx Wallet** → **(Reserve Factor% × OpEx%)** funds salaries, listings, bounties, and marketing.
    - Example: **15% of fees** if OpEx% is **20% and** the Reserve Factor is **75%**. (75%*20%=15%)
3. **dLP Lockers** → **(Reserve Factor% × (100% - OpEx%))** supports liquidity providers.
    - Example: **60% of fees** allocated. (75%*(100%-20%)=60%)

New (RFP-51) Fee Distribution (Relative):

- 60% of protocol fees are streamed to Dynamic Liquidity (dLP) lockers
- 15% allocated to Emissions Reserve
- 15% streamed to a DAO OpEx wallet
- 10% streamed to Guardian Fund

Programmatically:

4. **Lenders' Base APY → (100% - Reserve Factor%)** goes to lenders.
    - Example 1: **25% of fees** if the Reserve Factor is **75%.** (100%-75%=25%)
    - Example 2: **60% of fees** if the Reserve Factor is **40%.** (100%-40%=60%)

Then revenue is distributed Dynamically:

5. **DAO OpEx Wallet → (Reserve Factor% × OpEx%)** funds salaries, listings, bounties, and marketing.
    - Example: **6% of fees** as OpEx% is **15% and** the Reserve Factor is **40%.** (40%*15%=6%)
6. **DAO Emissions Reserve OR Remediation Wallet → (Reserve Factor% × eRes%)** allocated to Emissions Reserve.
    - Example: **6% of fees** as **eRes%** is **15% and** the Reserve Factor is **40%.** (40%*15%=6%)
7. **Guardian Fund Wallet → (Reserve Factor% × Guardian%)** allocated to Guardian Fund.
    - Example: **4% of fees** as **Guardian%** is **10% and** the Reserve Factor is **40%.** (40%*10%=10%)
8. **dLP Lockers → (Reserve Factor% × dLP%)** supports liquidity providers.
    - Example: **24% of fees** as **dLP%** is **60% and** the Reserve Factor is **40%.** (40%*60%=24%)