

# Indigo DAO Voting Procedures

Indigo DAO

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## Adoption

### Adopted Pursuant to Article III, Section 3.3 of the Indigo DAO Constitution

The following Decentralized Governance Processes and Procedures (the “Procedures”) are the proposal creation and voting processes and procedures that shall apply to any vote of the Indigo DAO pursuant to the Indigo DAO Constitution (the “Constitution”).

## A. Vote Forums and Information Sources

The following sources and venues are adopted to provide Members information regarding the Indigo DAO and all Proposals:

1. <https://indigoprotocol.io/>  
The primary Indigo website with information regarding the protocol’s features and functions, and why it was built.
2. <https://forum.indigoprotocol.io/> (the “Forum”)  
The communication platform for Members and others to engage with the Indigo community regarding various Temperature Checks, Proposals, and announcements. Prior votes of Members on Proposals will be available here.
3. <https://github.com/IndigoProtocol>  
The location where implemented or proposed script or code consisting of technical Indigo software development information can be shared and viewed.
4. <http://discord.gg/indigoprotocol>  
The primary communication platform where the larger Indigo community can socialize, discuss all aspects of the protocol and the larger defi community, and learn about the community from the community itself.

## B. Proposal Creation

The following sections detail the progressive steps that one or more Members (as defined in Section E below) must follow to present a new idea or suggestion to the Indigo community for a vote. Moderators will be available to assist the community and Members with the mechanics of governance in accordance with these Procedures.

### Step 1: Temperature Check

The Temperature Check is a way for one or more community members to share a proposed idea or suggestion and receive initial feedback from the community. One does not have to be a Member to create or participate in a Temperature Check.

Through community feedback and open discourse, the submitting community members can craft a more informed proposed idea or suggestion and thereafter submit the successful Temperature Check as a Proposal to be voted on by Members.

To create a Temperature Check:

1. Ask a general question to the community in the “Temp Check Discussion” category of the Forum, and post a link to the Forum and short summary of the proposal to the Indigo DAO governance channel in Discord. For example, one may have an idea or proposal to green light the creation of a new synthetic asset, delist an existing synthetic asset, or add a new feature to benefit the Indigo protocol.  
If your proposed idea involves the whitelisting of a new synthetic asset, you must identify one or more pricing data sources which are or can be provided to an Indigo-supported Oracle service provider.  
If your proposed idea involves significant changes to the protocol, you should first start a conversation with the Core Contributors to discuss the technical aspects of the idea.  
Be engaged with the discussion and be willing to evolve your proposal based on the community feedback, as history shows that many initial ideas or proposals are materially improved by the community.

2. After you have a vetted and final proposed idea that has considered feedback from the community, create a poll in the “Temp Check Polls” category of the Forum using the “Build A Poll” feature so that others can indicate their interest in the proposal. Please include reference to any prior related Forum discussions, issues, Proposals, a summary for the proposed idea, and any prior discussions on the topic. This poll may be binary or multiple choice but must include a “No” / “Make no change” option.
3. Reach out to your personal network, social media network, and Indigo DAO Members in order to build support for the proposal. Be actively discussing the proposal and be willing to respond to questions posted. Please share your reasoning and remember that everyone’s objective is to further the philosophy and mission of the Indigo DAO. Disagreements are healthy indicators of the Indigo DAO functioning as a democracy to generate the best possible outcomes for the community and protocol.

At the end of the poll, the option with the majority of the votes wins. If “Yes” passes, the idea can proceed to Step 2 and be presented as a formal Governance Proposal.

If a Temperature Check poll does not get a majority of “Yes” votes and the community members seek to submit a revised proposed idea that takes into account the concerns raised, this Step 1 process may be repeated with each successive related post adding ‘v2, v3, etc.’ to the title of the revised ideas.

The content of a Temperature Check should not be changed after the Temperature Check poll has begun to ensure the integrity of the poll results. Moderators will flag any breach of this requirement.

## **Step 2: Governance Proposal – Governance Portal**

A formal on-chain Governance Proposal (a “Proposal”) is an idea or suggestion that has received sufficient support in the Temperature Check, and that one or more Members now wish to submit for a governance vote by Members. A Proposal must be materially identical as the successful Temperature Check. A Proposal includes only two voting options: “Yes” and “No.”

The Member(s) creating a Proposal must deposit the amount of INDY required by the “Proposal Deposit” protocol parameter in order to create the Proposal. Upon submission of a Proposal, the deposited INDY is held in custody by the protocol. Any Proposal which is not successful will result in the Proposal Deposit being distributed to the DAO Treasury.

After submitting the Proposal, the creating Member must create shards for the Proposal by depositing ADA and submitting transactions. The number of shards that must be created is defined by the “Total Shards” protocol parameter. The amount of ADA that must be deposited per shard is defined by the Cardano blockchain. Upon creation of each shard, the deposited ADA is held in custody by the protocol. After the Proposal’s Voting Period has ended, the creating Member can retrieve their deposited ADA by closing the Proposal.

Follow the applicable steps below to create a Proposal via the Governance Dashboard in the Indigo Web App.

### **Text Proposal**

A “Text Proposal” is one suggesting text that should be adopted by the Indigo DAO, such as this Procedures document or the Constitution, or to appoint or remove Moderators or Core Contributors.

1. Click on the “Create a Proposal” or similar link in the Governance Dashboard in the Indigo Web App.
2. Link the Proposal to an existing successful Temperature Check poll from the “Temp Check Polls” category of the Forum.

Upon submitting a Text Proposal, a new post will be created in the Forum under the “On-chain Proposals” category highlighting details about the active Proposal.

### **Whitelist iAsset**

A “Whitelist iAsset” Proposal is one suggesting that a new iAsset (synthetic asset) be supported by the protocol.

1. Click on the “Create a Proposal” or similar link in the Governance Dashboard in the Indigo Web App.
2. Link the Proposal to an existing successful Temperature Check poll from the “Temp Check Polls” category of the Forum.
3. Write the name of the iAsset to create.
4. Define the proposed Minimum Collateral Ratio (“MCR”) for the iAsset.
5. Input an existing secure, reliable, and Indigo-supported Oracle data price feed for the tracked asset.

Upon submitting a Whitelist iAsset Proposal, a new post will be submitted to the Forum under the “On-chain Proposals” category highlighting details about the active Proposal.

### **Update iAsset**

An “Update iAsset” Proposal is one that changes an existing supported iAsset, such as by updating its Oracle data price feed or its MCR.

1. Click on the “Create a Proposal” or similar link in the Governance Dashboard in the Indigo Web App.
2. Link the Proposal to an existing successful Temperature Check poll from the “Temp Check Polls” category of the Forum.
3. Select the iAsset to update.
4. If updating the Oracle for the iAsset, input an existing reliable Oracle data price feed that can be used for the asset.
5. If updating the MCR for the iAsset, input a new MCR value.

Upon submitting an Update iAsset Proposal, a new post will be submitted to the Forum under the “On-chain Proposals” category highlighting details about the active Proposal.

### **Delist iAsset**

A “Delist iAsset” Proposal is one suggesting that an existing supported iAsset should be no longer supported by the protocol; upon approval such iAsset should no longer be mintable by users.

1. Click on the “Create a Proposal” or similar link in the Governance Dashboard in the Indigo Web App.
2. Link the Proposal to an existing successful Temperature Check poll from the “Temp Check Polls” category of the Forum.
3. Select the iAsset to delist.
4. Define the last known price of the tracked asset.

Upon submitting a Delist iAsset Proposal, a new post will be submitted to the Forum under the “On-chain Proposals” category highlighting details about the active Proposal.

### **Whitelist LP Token**

A “Whitelist LP Token” Proposal is one that suggests distributing INDY as a reward to a specific DEX Liquidity Provider Token that is staked within the protocol.

1. Click on the “Create a Proposal” or similar link in the Governance Dashboard in the Indigo Web App.

2. Link the Proposal to an existing successful Temperature Check poll from the “Temp Check Polls” category of the Forum.
3. Input the Cardano policy ID and asset name of the LP Token to whitelist.
4. Select the iAsset the LP Token provides liquidity for.
5. Select the DEX the LP Token is issued by.

Upon submitting a Whitelist LP Proposal, a new post will be submitted to the Forum under the “On-chain Proposals” category highlighting details about the active Proposal.

### **Delist LP Token**

A “Delist LP Token” Proposal is one that suggests discontinuing distribution of INDY rewards to a specific DEX token that is staked within the protocol.

1. Click on the “Create a Proposal” or similar link in the Governance Dashboard in the Indigo Web App.
2. Link the Proposal to an existing successful Temperature Check poll from the “Temp Check Polls” category of the Forum.
3. Select the LP Token to delist.

Upon submitting a Delist iAsset Proposal, a new post will be submitted to the Forum under the “On-chain Proposals” category highlighting details about the active Proposal.

### **Upgrade Protocol**

An “Upgrade Protocol” Proposal is one that suggests updating the codebase or parameters of the protocol on the Cardano blockchain.

1. Submit the Proposal via the Cardano blockchain. Any user can submit this proposal directly to the Cardano blockchain by interacting with the protocol as described in the Indigo Yellow Paper.
2. Enter the currency symbols for each script to include in the Upgrade Path as defined in the Indigo Yellow Paper.
3. Under the “On-chain Proposals” category of the Forum create a new post titled “Protocol Upgrade [Version Number]”, including the following steps:
  - (a) Include links to the related Temperature Check and poll results, and all discussion threads.
  - (b) Describe high level changes that are included within this protocol upgrade.
  - (c) If upgrading code of the protocol, include an audit report from a reputable audit company (e.g., a Plutus-certified auditor).
  - (d) If code has been updated, include a link to the GitHub repository and the related commit hashes of the code.
  - (e) For each upgraded script, include all of the Validator Hashes as well as the related Currency Symbols. These Validator Hashes and Currency Symbols should match the compiled scripts from the GitHub repository and audit report.

## **C. General Procedures applicable to all Proposals:**

### **1. Temp Check or Proposal Withdrawal**

A Temperature Check may be withdrawn at any time. A Proposal may not be withdrawn once submitted.

## 2. Moderator Assistance

Moderators are available to assist with developing and submitting proposals at any stage. Anyone who repeatedly utilizes the Forum for Proposals which don't meet the foregoing requirements may be temporarily or permanently banned by the Moderators from creating accessing the Forum.

## 3. Proposal Vote Schedule

Once a Proposal has been successfully submitted, it will be placed in line for a vote. Proposals will be voted on in the order submitted. Ongoing discussions may take place under the related post in the "On-chain Proposals" category of the Forum until the Voting Period has ended.

## 4. Voter Eligibility

Only Members are eligible to vote on Proposals. In order to vote on a Proposal, the Member must link a compatible wallet containing INDY to the Governance Contract.

## 5. Proposal Voting Process

A Proposal open for voting will appear in the Governance Dashboard. You may review all current and former Proposals there and see the applicable voting time windows for pending Proposals. If a Proposal is currently open for voting it will be shown as active. Clicking on the Proposal within the Governance Dashboard will display a link to the Proposal's associated information, documentation, and prior discussion on the Forum.

To vote on a Proposal, a Member must delegate INDY tokens that they have already staked to the Governance Contract. A Member may not change or withdraw a previously cast vote. Delegated INDY will be released after the Voting Period for the Proposal.

## 6. Successful Proposal Execution Delay

If a Proposal passes successfully, an Execution Delay (defined by a protocol parameter) will commence prior to the Proposal being eligible for execution.

# D. Moderator Roles and Obligations

## 1. Moderator Selection

Moderators will be selected by vote of the Members (using a "Text Proposal"). The number of Moderators will be three; the number of Moderators can be changed by a vote of the Members. Each Moderator will provide a Forum username and will be listed publicly as a confirmed Indigo DAO Moderator. Each Moderator will have a one-year term; however, the initial three Moderators will have terms of 6 months, 9 months, and 12 months, respectively, so that in the future there are always incumbent Moderators available to help newly selected Moderators assimilate into the role.

## 2. Moderator Duties:

1. To be a fair and neutral administrator of the Indigo governance process to help support the growth, reliability, and trustworthiness of the Indigo protocol. Unless stated otherwise, all Moderator actions should be collectively decided and agreed on by at least two-thirds of all Moderators.
2. Be the primary source for information regarding the Indigo DAO Constitution and these Procedures within the Forum and fulfill the Moderator duties set out in these Procedures.
3. Communicate with Members pursuing a Temperature Check or Proposal at each stage in the process to assist them in complying with these Procedures and the Constitution. Promptly review all Temperature Checks or Proposals and communicate to the sponsoring Member(s) and/or the Indigo community regarding any elements that do not or may not comply with the Constitution or these Procedures.

4. Moderate the Forum, communicate with Members regarding governance matters and proposals, and enforce all community standards within the Forum applicable to these Procedures.
5. Support the Indigo Foundation as requested to implement any successful Proposal or otherwise.

An overall goal applicable to all Moderator duties is to create a supportive and collaborative environment that encourages participation in the Indigo governance process to help ensure the greatest Member participation possible, while also ensuring that the Indigo governance process functions in accordance with the Constitution, these Procedures, and any laws that may apply.

## E. Definitions

The following capitalized terms are defined in the Indigo DAO Constitution:

**Member (Const., Art. II, Sec. 2.1):** A person or entity that (a) holds the private keys controlling any INDY token staked to the Governance Contract; (b) seeks to contribute to, build on, or use the services of Indigo DAO, and (c) is willing to accept the responsibilities and terms of the Constitution.

**Governance Contract (Const., Art. IX):** The suite of Indigo DAO governance smart contracts deployed to the Cardano blockchain.

The following capitalized terms used herein are defined as follows:

**Execution Delay:** The time period defined by the “Effective Delay” protocol parameter that must pass before executing a passed Proposal.

**Moderator:** An individual who has been selected by the Members as a neutral administrator to facilitate and manage the governance process in accordance with the Constitution and these Procedures.

**Oracle:** A third-party service that feeds external data into the protocol.

**Proposal Deposit:** The number of INDY tokens defined by the “Proposal Deposit” protocol parameter that a Member must deposit as collateral in order to open a new Proposal.

**Vote:** A vote placed through the Governance Contract indicating either support or rejection for a Proposal. A voter must be a Member and have INDY staked to the Governance Contract to vote.

**Voting Period:** The time period defined by the “Voting Period” protocol parameter in which Members can vote on a Proposal.