Maple DAO Governance Process Document

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2. Glossary of Terms / Definitions

For the purpose of this document, the following definitions apply:

Term	Definition
Maple DAO Governance Process Document	The 'Maple DAO Governance Process Document' refers to this written document and is sometimes referred to as simply 'the Document'. The Maple DAO Governance Process Document details all Maple DAO participants and their roles and responsibilities, alongside the approach and technology used for proposing projects and making and enforcing decisions for the Maple protocol.
Maple DAO	Maple DAO refers to the collective parties which contribute to Maple DAO. DAO is an acronym for Decentralized Autonomous Organization.
Governance Forum	'Governance Forum' refers to the venue where governance discussions and proposals are shared. The Governance Forum is located at https://community.maple.finance.
MIP	'MIP' is an acronym for Maple Improvement Proposal. A proposal that aims to change, develop, upgrade or expand the Maple ecosystem.
MIP Template	'MIP Template' refers to the template that shall be followed when proposing a MIP.
SYRUP	'SYRUP' is the governance & utility token of the Maple protocol, with the Ethereum token contract: 0x643C4E15d7d62Ad0aBeC4a9BD4b001aA3Ef52d66.
stSYRUP	'stSYRUP' is the staked version of the SYRUP governance & utility token of the Maple protocol, with the Ethereum token contract: 0xc7E8b36E0766D9B04c93De68A9D47dD11f260B45.
Maple Labs	Maple Labs refers to the incorporated entity which performs services for the Maple Protocol. It is funded by grants from the Maple Treasury.
Maple Core Contributor	Maple Core Contributor refers to a person or persons which receives grants from the Maple DAO to perform services for the Maple Protocol.

Maple Community	Maple Community refers to holders of SYRUP and stakers into stSYRUP, where the latter has the utility to propose, consult on, and vote on MIPs.
Council	'Council' refers to the persons responsible for decision-making regarding the Maple Protocol's technical roadmap, enforcing policies and rules, and making strategic decisions.
Maple Protocol	'Maple Protocol' refers to the technology, marketplace and services delivered by Maple Finance as a whole.
Grant Request	'Grant Request' refers to the template that requires completion by a Maple Core Contributor to request a grant from the Maple Treasury.

3. Purpose of the Maple DAO Process Document

The Maple DAO Process Document is a written document which details the governance framework of the Maple DAO. The DAO Process Document is a single source of truth for matters relating to the governance of the Maple DAO and aims to provide clarity to all stakeholders by detailing Maple DAO participants and the process for making and enforcing decisions for the Maple protocol. The Document may be amended from time to time in accordance with the methods and requirements stated herein.

Unless highlighted, the DAO Process Document does not provide forward looking statements or proposals.

4. Introduction to Maple

Maple is a blockchain-based financial technology provider on a mission to reshape debt-capital markets.

Maple has three core customers: Lenders, Borrowers and Pool Delegates. Maple provides credit professionals (Pool Delegates) with an integrated lending product that drives more deal flow at better margins, digital asset holders (Lenders) access to previously private lending markets and innovative companies (Borrowers) with access to efficient financing through its marketplace app.maple.finance.

The pillars of Maple's culture are to Take Ownership, Focus and Execute, Be Innovative and put Users First.

The objectives of Maple are disclosed in communications published to the website https://maple.finance/news/. Objectives are announced annually and quarterly.

For the purpose of the Document and for alignment towards these objectives, the objectives of the Maple Protocol are listed here:

- Become the most used on-chain infrastructure for Lending Capital Markets
- Deliver access to capital markets with an exceptional customer experience

5. SYRUP and stSYRUP

MPL is the protocol's native ERC-20 token. stSYRUP is the staked version of this token. Only stSYRUP has the ability to vote on MIPs. SYRUP holders can simply stake their SYRUP to participate in governance. A wallet's voting power is directly proportional to the amount of SYRUP they hold, voting rights cannot be delegated.

Any future changes to the SYRUP token design will require a governance vote in accordance with the Maple DAO Governance Process Document.

6. Decentralized Governance

Governance should be a toolkit that enables the Maple Protocol to effectively withstand challenges and achieve its goals. Maple is becoming increasingly decentralized and decentralization is occurring in stages to allow for thoughtful development and avoid challenges and risks witnessed across the ecosystem. The Maple DAO approach to governance does not reinvent the wheel and much of what you see is inspired by commonplace approaches adopted by established DAOs ensuring familiarity and coherence within the ecosystem. Notably, the framework provides a sturdy foundation for protocol participants to contribute, adapt, and develop over time.

Looking ahead
The first significant step towards decentralization is the implementation of a refreshed governance framework. Items are provided as bullet points here and detailed throughout the Document.
- Introduction of Maple DAO Principles.

- Defined roles and responsibilities for Maple DAO contributors.
- The establishment of a Maple Council.
- The establishment of a MIP template.
- The implementation of new tools used for consultation and voting.
- The Implementation of Grant Request process and Grant Request template.

6.1 Maple DAO Principles

Maple DAO Governance Process Document is the toolkit which enables the Maple DAO to deal effectively with challenges. Complex situations with lots of moving variables and unknown-unknowns will be encountered as the Maple Protocol evolves. What guides us in these moments are principles or ethical behaviors which all Maple DAO participants shall adhere to and uphold.

(a) Collective Action towards a Common Good

- Maple DAO participants shall act collectively in the interests of all or most of Maple stakeholders and therefore the Maple protocol as a whole. Participants shall pragmatically collaborate on problems and opportunities as they arise. Good ethical decision-making will create long-term value more effectively.

(b) Accountability for our work and actions

- Accountability is the acceptance of responsibility. Maple DAO participants on an individual level shall be accountable for their work and actions. Accountability implies a willingness to be judged on performance.

(c) Transparency at all times and levels

- Transparency is a core tenet of the Maple Protocol, DeFi and crypto as a whole. Maple DAO participants will share both good and bad information widely and share viewpoints and motivations freely.

6.2 Roles and Responsibilities of Maple DAO participants

There are three participant groups. Maple Community, Maple Core Contributors and the Maple Council. Collectively they are known as the Maple DAO where they are greater than the sum of their parts.

(a) Overview of Roles

Maple Core Contributors are responsible for the technical and commercial development and direction of the Maple Protocol, they submit MIPs and Grant Requests to the Maple Council. The Maple Council is responsible for decision-making regarding MIP proposals, and has a duty to communicate decisions made in a timely manner. Maple Community participants are encouraged to discuss topics, vote on MIPs as well as proposing their own MIPs. All Maple DAO participants adhere to the Maple DAO principles and have both voting responsibilities and role responsibilities.

6.3 Maple Community

Maple Community participants comprise SYRUP token holders and stakers into stSYRUP. Only stakers holding stSYRUP can participate in governance voting.

Elements and changes to the protocol that require Maple Community vote include MIPs regarding:
- SYRUP token changes and updates including modifications to staking
- Material changes to governance structure and Maple DAO Governance Process Document
- Revenue distributions
- Election of certain Maple Council members

6.4 Maple Council

Maple Council participants comprise the current Maple Investors and Advisors.

Elements and changes to the protocol that require Maple Council vote include:
- Grant Proposals from Maple Core Contributors
- Updates to Maple DAO governance framework and policies
- New Core Contributor approvals

In addition to voting requirements, the Maple Council has additional duties including:
- Adherence to the Maple DAO Governance Principles
- Participation in the Maple DAO multi-sig
- Making emergency decisions
- Acting confidentially on commercially sensitive matters

- Sharing disclosures to the Governance Forum
- Quarterly financial reporting for the Maple DAO Treasury
- Legal and compliance elements limited to Maple DAO
- Strategy and advice - provide guidance and direction to Maple Core Contributors
- Review and Approval of Maple Grant Requests
- Review and Approval of Core Contributor applications

Maple Council members, their roles and responsibilities can be changed through MIPs voted on by Maple DAO participants.

6.5 Maple Core Contributors

Maple Core Contributors comprise Maple Labs currently. It is expected that Core Contributors will expand outside of Maple Labs members in time.

Maple Core Contributors, report to the Maple Council. They are responsible for executing MIPs voted in by the Maple DAO, requesting Grant Proposals from the Maple Council, taking direction from the Maple Council and reporting performance. Their Grant Requests can be accepted, modified or denied by the Council.

There are no elements or changes to the protocol that require Maple Core Contributor vote. Maple Core Contributors, as with all Maple DAO participants, are encouraged to exercise their right to consult and vote on MIPs.

6.6 Maple DAO Governance Process

(a) Proposal Stages

There are 6 stages
1. Draft proposal (DRAFTMIP) submitted by an eligible Maple DAO participant to the Maple Governance Forum. The DRAFTMIP must follow the MIP Template.
2. Consultation phase on DRAFTMIP to take place on the Maple Governance Forum. There are different terms based on the significance of the change. At a minimum there will be a 3 day consultation phase which can extend up to 14 days for significant changes.
3. Maple Council then makes a decision to:

     a. Move DRAFT MIP to MIP. This decision is recorded in Snapshot as Approve / Deny.

          i. In case it is an emergency proposal, the voting period can be reduced from 96 hours to 24 hours.

     b. Reject with rationale.

     c. Request revisions ahead of MIP.

     d. Request to revise and resubmit DRAFTMIP.

4. DRAFTMIP revised into MIP and submitted on Snapshot.

5. Voting period opens.

6. Vote passed / not passed.

(b) Maple Core Contributor Grant Requests

Core Contributors submit quarterly Grant Requests to the Maple Council outlining strategic goals, KPIs and capital required to implement approved MIPs and other projects. Maple Council Approves or Denies the requests in Snapshot and if denied provides guidance on any issues identified so the Maple Core Contributor can resubmit another Grant Request.

There are 3 stages to Grant Requests

1. MGR (Maple Grant Request) submitted by Maple Core Contributor to Council. The MGR must follow the MGR Template.

2. Council decision to

     a. Approve

     b. Deny

     c. Request to revise and resubmit

3. Vote Implemented / other

Grant Requests follow the Maple Grant Request Template (MGR Template). The MGR Template is similar to the MIP template but with additional financial forecasting and this is detailed below in the Appendix - Templates.

The council has a maximum of 14 days to make a decision on a Grant Request.

(c) Proposal Requirements

MIP Template

The proposals should be detailed, well-researched, and address a specific issue or opportunity related to the Maple protocol. In order for a proposal to be published to the proposal category of the Governance Forum, the proposal must follow the MIP template, as presented in the Appendix - Templates.

(d) Venue for proposals: Maple Governance Forum

Proposals should follow the MIP Template and be submitted to the Maple Governance Forum - Discourse found at this address https://community.maple.finance/.

The Governance Forum shall be a forum where Maple DAO stakeholders are welcome to contribute to the future of Maple DAO. The platform shall be the home of all proposals and related discussions required to coordinate on the governance of Maple DAO.

In the event that the Governance Forum is unavailable or otherwise inaccessible, Maple Protocol's official Telegram or Discord channels may be used for governance purposes until the Governance Forum becomes accessible.

The Governance Forum shall as a minimum include the following categories:
(a) **Discussion category** - a forum where the Maple DAO can discuss current and future Maple Protocol activities, and other matters that are or may be relevant for Maple Protocol.

(b) **Proposal category** - a forum where all governance proposals relating to the Maple Protocol and responses to such proposals are officially submitted and commented on.

(c) **Transparency and Accountability category** - a forum dedicated to detailing decisions made by the Maple Council and where Quarterly Maple Treasury and Protocol performance updates are shared.

The Governance Forum may also have additional categories as decided by Maple DAO.

(e) Council Approval

The Maple Council reviews each proposal and approves a proposal to be submitted for voting. The Council and Maple DAO could propose amendments.

(f) Voting

After Council review, the MIP is ready for an official token vote.

Voting takes place on Snapshot. The mechanism is one token, one vote. Everyone holding stSYRUP can participate in the voting process.

Quorum is set at 5% of circulating SYRUP supply. The quorum may change but needs to start low before we can assess engagement and increase accordingly. If the quorum is not reached then the MIP will not pass.

Pass rate - Pass rate is the number of "yes" votes required for a vote to pass. Maple DAO pass rate is 51%. If a vote doesn't hit the pass rate percentage, it doesn't pass and the action doesn't execute.

Voting takes place on Snapshot and will be open for 96 hours.

If the quorum is not met or less than 51% vote in favor, the vote doesn't pass. Any resubmissions of the same or similar MIPs start the process again.

(g) Handling conflicts and disputes

In situations of conflicts and disputes it's important to remember the Maple DAO Principles and act in accordance with Community Guidelines.

In case there are conflicts and/or disputes about the content of a proposal or the outcome of a vote, a new MIP with a counter-proposal or amendment can be submitted.

(h) Implementation

If the MIP is approved, the Council will work with the MIP submitter and Core Contributors to implement the proposal in a timely and efficient manner.

After the proposal has been implemented, the Maple Council shall review the results and evaluate whether the proposal achieved its intended objectives.

7. Maple Council

The full outline of Council responsibilities is recorded in 6.4 Maple Council. The initial Maple Council will be made up of the current Maple Investors and Advisors.

7.1 Commercially Sensitive Situations

The Council will have authority to make decisions and act confidentiality in relation to commercially sensitive situations. Examples of such situations include, but are not limited to:

1. M&A Acquisitions
2. Strategic Partnerships
3. New Offerings
4. Divestitures

The Council is obligated to provide rationale after the decisions have been made and share the process transparently where possible. The Council will convene and discuss any sensitive situations in detail. All discussions and decisions will be minuted clearly to provide clear artifacts once the situation becomes no longer sensitive.

7.2 Emergency Decisions

In situations where immediacy or confidentiality are required the Council will have authority to make decisions and act decisively. Examples of such situations include, but are not limited to:

1. Protocol hacks or bugs
2. Bankruptcy or other high risk situation with a counterparty or user that could impact Maple or its users adversely
3. Macroeconomic or crypto specific situations (e.g. USDC de-peg)
4. Any other unforeseen emergency situation

The Council is obligated to provide rationale after the decisions have been made and share the process transparently where possible. The Council will convene and discuss any sensitive situations in detail. All discussions and decisions will be minuted clearly to provide clear artifacts once the situation becomes no longer sensitive.

7.3 Election Process

Initially, the Council will comprise Investors and Advisors. The Council's membership will evolve over time, ultimately to include a diverse set of majority community elected members. The Election Process is as follows:

1. **Call for Nominations:** The first step is to open a 'Call for Nominations' for Council positions. Candidates shall submit a nomination application within the deadline. Applications should include the candidate's relevant experience, qualifications, motivation and vision for Maple.
2. **Candidate Selection:** Existing Council members will then review the applications and select a pool of candidates for election by community vote.
3. **Community Vote:** A community vote will be held.
4. **Council Onboarding:** Those selected then undergo an onboarding process where they learn about their roles, responsibilities, and the protocol's governance mechanisms.

7.4 Term Limits

The Council has staggered term limits to ensure continuity and prevent a large number of members from being replaced at once. This helps maintain stability and ensures that the Council has the necessary institutional knowledge and experience to make informed decisions.

The council operates in 12 month cycles. Council members can leave after each cycle or stay on for another one. Every 24 months a Council member needs to be re-elected to serve another term.

7.5 Compensation

There must be prestige associated with the role and compensation for acting in the role. It's proposed that Council members will be compensated equally with SYRUP from the Maple Treasury. This SYRUP will be streamed to the Council Member using a Sablier Stream which pays them for their contribution block-by-block. The compensation amount will be disclosed to the Maple DAO.

7.6 Disclosures & Reporting

Disclosures and reporting shall be added to the Transparency and Accountability Forum on the Maple DAO Governance Forum. This includes, but is not limited to:
- Quarterly reports summarizing activities and financials
- Disclosures regarding emergency or commercial decisions made without Maple DAO involvement.

8. Maple Treasury

Maple should seek to manage its treasury in a diligent manner and work towards preserving and growing it. The treasury shall be utilized to support the growth and development of the Maple Protocol and its ecosystem by powering its daily operational needs, whilst allowing investments in various developments, products and projects in accordance with the scope of activities, vision, values and principles of Maple DAO. Treasury expenditure will be managed through quarterly Maple Grant Requests made by Core Contributors and approved or denied by the Council.

Maple's treasury should, to the extent reasonably possible, be displayed in a transparent manner so that the Tokenholders can adequately audit the funding and operational spending of Maple DAO.

There may be situations where certain details surrounding investments or treasury assets cannot be disclosed in full transparency due to confidentiality or other constraints. To increase accountability and transparency in such situations, the reasons for non-disclosure should be presented and alternative reporting methods considered by the Maple DAO contributors privy to the relevant information.

8.1 Reporting and monitoring

Quarterly Reporting to be shared in the Transparency and Accountability Forum of the Maple Governance Forum. Part of quarterly reporting should be the tracking of effectiveness of implemented MIPs.

9. Amendments to items in the Maple DAO Governance Process Document

The Maple DAO Governance Process Document details the Maple DAO structure and governance framework and may be amended from time to time in accordance with the methods and requirements stated herein.

10. Version History

Version	Content	Date
V1	Release of Maple DAO Governance Process Document	2023-JUL-03
V2	MPL and xMPL references removed for voting, SYRUP and stSYRUP added for governance voting	2024-DEC-16
V3	Only stSYRUP can be used for governance voting as agreed to with the DAO in MIP-012. Updated consultation days to 3-14 days range.	2024-JAN-14

11. Appendix: Templates

MIP Template

1. **Title.** A clear and informative title of the proposal, without any numbering of the proposal.
2. **Authors and contributors.** The name of the author(s) and other contributor(s) to the proposal.
3. **Overview.** A brief overview of the key information in the proposal, including:
   i. Task
   ii. Business case
   iii. funding & resources needed
4. **Motivation / business case.** Detail on how the proposal supports the goals of the Maple Protocol.
5. **Detailed proposal.** A thorough in depth description of the proposal, including explanation of the changes should the relevant proposal be implemented.

6. **Evaluation.** Explanation of the benefits to the Maple Protocol and any drawbacks that have been identified or that should be further explored such as regulatory, cyber security, market environment. Possible counter arguments can be included here if deemed necessary.
7. **Funding request** - Costs that may be incurred in order to implement the proposal, in addition to expected future costs as a result of the proposal being implemented.
8. **Additional resource needs**. Details on the required time and other resources needed including Core Contributors and other parties involved.

MGR Template

1. **Title.** A clear and informative title of the proposal, without any numbering of the proposal.
2. **Authors and contributors.** The name of the Maple Core Contributors that authored the proposal
3. **Overview.** A brief overview of the key information in the proposal
   a. Funding amount
   b. Use of funds
   c. How it meets OKR / Business Goals
4. **Funding request** - Costs that may be incurred in order to implement the proposal, operate the unit for the quarter, in addition to expected future costs as a result of the proposal being implemented.
5. **Use of funds.** A thorough in depth description of the proposal, including explanation of the changes should the relevant proposal be implemented.
6. **Business case.** Detail on how the proposal supports the aims of the Maple Protocol.