DeXe DAO
Governance Memo

Contents

Intro

DeXe DAO is a Decentralized Autonomous Organization that manages DeXe Network through the voting power of DeXe governance token (DEXE) holders.

DeXe Network consists of multiple products for trading and investing in virtual currencies. DeXe Network is a decentralized social trading platform designed to copy the best traders' strategies and it includes a range of tools, including social trading and investment platforms, transaction copying tool, all-in-one terminal for DEXs, a platform for calculating trading P&L on wallets, decentralized trading tournament tool and other currently evolving and developing tools to supply the best user experience.

The range of these tools and products create the ecosystem that is functioning and enhancing thanks to the community formed around it. Therefore, in order for the Network to function independently, transparently, and be inclusive of the ideas of the DeXe members, to enhance the DeXe Network and its tools, DeXe DAO is in charge of managing each and every decision regarding DeXe.

All the decisions are made through the proposal process – Proposal Circuit, which involves Initiation, Discussion, Formal Voting, and Implementation stages. The proposals are voted upon off-chain through Snapshot and are executed on-chain through SafeSnap.

DeXe DAO

DEXE token is the governing token of DeXe DAO. Each DEXE token holder automatically becomes a member of the DAO and is thus entitled to create proposals (providing that they meet thresholds, see below) and vote on them regarding any change, development, addition, or other decision regarding the Network. DEXE holders also benefit from internal incentives.

DEXE token grants voting and proposal powers within DeXe DAO to its holder. The more DEXE the user possesses, the greater the decision-making power a voter gets. DEXE holders also benefit from internal incentives.

All DAO members are expected and welcomed to actively participate in DAO and the decision-making process. Literally, any decision whatsoever that influences the structure of the DAO, its daily operations and plans, any business, technical and functionality decisions regarding DeXe Network, its tools, and products, as well as DeXe DAO Treasury (see below) is made through the proposal and voting process.

Allegedly, the proposals might concern three main areas:

(a) **DeXe DAO functioning.** E.g. the members may vote on a change of the memo, change of goals and incentives within the DAO, change of proposal procedure, etc.
(b) **DeXe Network and its products.** E.g. DAO members may propose any changes to the smart contracts of DeXe Network products, development of new related products, change of fees and commissions, additional features, etc.
(c) **DeXe DAO Treasury.** E.g. members can vote on any decisions regarding the allocation of DAO's funds, use of the funds for development, external services, incentives, etc.

All proposals within the DAO are welcomed and will be actively discussed as long as they are in good faith and for the benefit of the DAO and follow the [Community Guidelines.](#)

DeXe DAO Treasury

All undistributed DEXE, as well as any other funds of DeXe DAO in ETH or any other virtual currencies, comprise DeXe DAO Treasury.

The funds of the Treasury are intended to be used for the development, augmentation and expansion of the DeXe Network ecosystem, DAO and it's governance processes. Naturally, the Treasury is also managed by the DAO and any decisions regarding the funds and their allocation are voted through the proposal process.

More about DEXE token [here](#).

Potential purposes of Treasury funds allocation include, though, obviously are not limited to:

- Incentives within the community

In order to promote active participation in the DAO and the ecosystem in general the members may decide to introduce internal incentives. Those, currently onboard, are described below in Section "DeXe DAO Incentives". Besides, the DAO may come up with new motivational and encouraging reward programs, which will bring benefits to the community.

- Grants and programs

Apart from the internal incentives, DeXe DAO vision foresees contribution to the broader blockchain and DeFi ecosystem. Therefore, the members may decide to institute supportive grant programs for start-ups and young projects to develop their products and solutions with the funding from DeXe DAO and the input of the community.

Simultaneously, DeXe DAO may establish bug bounty and other reward winning programs, which will involve input into the DeXe network from outside, as well as attract new members and ideas.

- Compensation for services, e.g. development services, legal requests, DeXe Core Team

Functioning of the DeXe DAO will inevitably demand involvement of various experts. These may include auditors of the protocols and DAO governance, developers, including DeXe Core Team, to improve and amend the products, lawyers for the assessment of regulatory risks etc. DAO members shall vote on all and any of such expenses and involvement, including the choice of certain experts.

- Social/marketing campaigns, advertising, and promotion

In order to promote DeXe Network, expand the community and spread awareness a portion of Treasury funds shall be allocated to marketing. Some of the marketing can be performed by DeXe Network itself through a variety of social marketing campaigns,

such as: interactive quizzes, contests, competitions, and more. A part of marketing efforts will involve external parties, such as bloggers and influencers for promotion and attraction of new audiences, as well as marketing contractors, designers, advertising agencies etc.

- Liquidity mining events

Users that provide liquidity to DEXE, can be rewarded with the DEXE's after some period of time according to the conditions of certain liquidity programs. Liquidity mining events help to encourage the liquidity of DEXE and, thus, allow DEXE to be freely exchanged and transferred on DEXs.

- Insurance vault

Currently ⅓ of the profit from DeXe Investment Platform is allocated to the Insurance Vault. Insurance vault may be used for covering the losses from trading and staking activities in force majeure circumstances for those users who have obtained insurance for their operations. The community can change the amount of funds directed to the Insurance vault, decide on when to spend these funds and change the purposes of Insurance vault funds.

DeXe DAO Governance

Members of the DAO possess proposal and voting power and are highly encouraged to benefit from these powers contributing to the community. The DAO is actually governed exclusively through the voting procedure. Each proposal needs to pass through the whole Proposal Circuit before it can be implemented and integrated into the Network.

Proposal Circuit

1) Initiation Stage

Every DAO member may submit an off-chain proposal. In order to do that, the member should post the proposal to the DeXe DAO forum to the respective category with the "stage-1" tag.

The proposal shall include:

- Short title
- Short and concise description of the proposal
- Reasoning of the proposal
- Optionally: a simple on-forum poll, allowing members to express their opinion on the proposal.

2) Discussion Stage

After the proposal is published, the next stage facilitates an initial, informal discussion on the Forum regarding potential proposals. It allows community insight for refinement before opening a formal poll at Stage 2.

All the comments and feedback to the proposal shall be carefully considered and addressed by the submitter of the proposal. The submitter may also consider amending the proposal in respect to the comments and put it on a new discussion.

Besides, the proposal may include the poll on the forum, which has no decisive power, however, it allows the community to follow, whether a rough consensus regarding the proposal has been reached.

3) Formal Voting

If the submitter believes that there is a rough consensus regarding the proposal, the Snapshot poll must be created. Snapshot is a simple voting interface that allows users to express their opinions through off-chain polls. Votes on Snapshot are weighted by the number of DEXE held by the member and counted in the active main chains (e.g. Ethereum mainnet and BSC networks) and Level 2 solutions.

In order for the Snapshot poll to be created, the submitter shall own at least 5'000 DEXE. The token amount may be owned or delegated to the submitter. Delegation

procedure explained below. The submitter will need to provide details of the proposal and its final wording, the voting period and snapshot block number are established automatically.

The poll must only have the following options:

- (Yes) In favor of this proposal;

- (No) Against this proposal.

Snapshot poll lengths should be set to 5 days by default.

The Snapshot poll shall be linked in the Proposal at the Forum. The tag should be changed to "stage-2"

For proposals to be accepted in this formal stage, there must be one outcome with a relative majority of DEXE used for voting on the Snapshot poll accompanied by a yes-voting quorum, depending on the type of the proposal. If the Snapshot poll indicates the result "make no changes" or other negative results, the proposal will not be accepted and considered closed.

In order for a vote to be considered successful, both of the following must be met:

- A minimum quorum of 111'000 DEXE votes must be cast;

- A majority of the votes must be (Yes) I am in favor of this proposal.

At this point, the proposal becomes the decision and the implementation stages follow.

4) Implementation

All proposals that require any transaction to be completed or any other allocation of funds are executed by SafeSnap. In order to attach transactions to the proposal, the submitter needs to select asset DEXE, address and token amount when creating a new proposal. It is possible to attach several transactions and batches of transactions simultaneously - all of them will be executed in case of a successful vote.

SafeSnap is a Snapshot's plugin which works with the Reality module in Zodiac App inside Gnosis Safe, that allows on-chain execution of off-chain votings

Gnosis Safe is a smart contract wallet running on Ethereum that requires a minimum number of people to approve a transaction before it can occur. It is used for the DeXe DAO Treasury. It is a so-called Multisig wallet, and the use of Gnosis Safe for DeXe DAO Treasury ensures that no control over the DAO's funds is centralized in one hand. There are 7 trusted Multisig key holders. Multisig key holders are reputable experts and trusted individuals all of whom act independently. They may be reelected in the future.

After the proposal passes on Snapshot, there is a 24 hour cooldown period during which everybody can dispute the transactions attached to the proposal by placing a double bond. If this is abused, the Kleros Decentralized Arbitration smart-contract

applies. This is followed by a 7-day period reserved by Reality in case of errors and the period during which Multisig key holders can execute their veto right.

The veto right may only be used by the Multisig key holders in case of malicious actions of the members and proposal submitters or a technical error that may cause harm to the DAO and DeXe Network. While it is highly unlikely, we believe that the community of DeXe Network strives to work exclusively for the benefit of DeXe, it is theoretically possible that owing to the efforts of those acting in bad faith, the harmful for DeXe Network proposal may be passed. Trusted Multisig key holders will have the chance to stop the process by vetoing it during the cooldown period.

In order to avoid abuse of the veto right by one Multisig holder, at least 4 of the other Multisig key holders are required to veto any proposal, for the execution to be suspended. The Multisig key holders shall further initiate the proposal to deprive the abusive Multisig key holder of their title and initiate the election by the community of the new Multisig key holder.

If neither of the above exclusive negative circumstances occur, after the cooldown period, proposal's transactions are automatically executed by SafeSnap.

Off-chain actions. Some proposals cannot be implemented exclusively through the transaction and may require off-chain actions. These may include involving third-party experts, e.g. conducting audits, involving lawyers, developers, etc. They may also involve the actions of the DeXe Network Core Team.

Cancellation

The Proposal may be canceled by the submitter at any time before the Snapshot poll is created.

Amendments

The Proposal may be edited and changed by the submitter, repeatedly discussed at any time before the Snapshot poll is created.

Delegation

If you wish for someone to vote instead of you, you can delegate your votes to other members and they will vote with your DEXE. Similarly, if you're running short of DEXE to reach the threshold for submitting the formal vote on Snapshot, you can ask your fellow DAO members to delegate their DEXE to you. Currently, delegation works in Ethereum mainnet, though prospectively may develop to work in other main active chains or Level 2 solutions.

In order to delegate your DEXE, you need to use the "Delegate" functionality at your dashboard and delegate DEXE to the wallet address of another user, the delegation address. Delegation can be given to one address, thus one member, at a time. In case there is no specific user you'd prefer delegating to, the dashboard of users ascending in the order of token amount is available.

The delegation is active until you cancel it through the Dashboard "Cancel Delegation" functionality.

Note that delegation does not lock tokens, it simply adds votes to the chosen delegation address.

Each and every proposal shall be made to the benefit of DeXe Network and in good faith. The proposals and discussions shall follow the Community Guidelines.