$oneFOX Governance

$oneFOX is a token worth $1 that is minted with exactly $1 of value in two parts: part $FOX, part USDC. $oneFOX Governance controls various parameters of the $oneFOX contract and selects the investment strategy for the $oneFOX treasury's funds. $oneFOX Governance may also upgrade the $oneFOX contract's code or implement new investment strategies, though these actions require the approval of the ICHI DAO.

Governance within the ICHI system is divided into two sections based on scope of authority:

1. Global (ICHI) Governance - provides boundaries in which local/instance governance can operate. (Read more about ICHI governance here.)
2. $oneFOX Governance - can make adjustments to parameters affecting a single oneToken instance.

The ShapeShift DAO can perform any $oneFOX governance actions directly by passing a proposal, but a 4-of-6 multisignature scheme will be used for day-to-day operations. Two of the signers will be nominated from the ICHI DAO community, and four will be nominated from the ShapeShift DAO community. Here are the initial nominations:

- Joshf (ShapeShift DAO): 0x5b8de63AFdeEdc64eb752623b49fc3A8Bd221245
- Tyler (ShapeShift DAO): 0x71D1567aECb9aDB1BC41f1b91525344d0FAFdF93
- WillyFox (ShapeShift DAO): 0x1D01A2FefB8883A5cfB8c77B19d9b96794581288
- Mperklin (ShapeShift DAO): 0x72E7b10ed4E45b57E5b97445BC5BA25501E76154
- 37Aces (ICHI DAO): 0x0dd4C0c16Fff6693e169Ef89235Cb92F9D8943EE
- Dhtal (ICHI DAO): 0xaD187f2D2e7957411475f7a66F1Fff273b38cAd5

A ShapeShift DAO proposal and successful vote is required to replace a Shapeshift signer with a new one, to replace an ICHI signer with a Shapeshift signer, or to change the threshold and number of signers. An ICHI DAO vote is required to replace an ICHI signer with a new ICHI signer.

Signing Process

The ICHI DAO will submit recommended transactions and provide a summary of each transaction to the ShapeShift DAO signers. Shapeshift signer(s) will confirm that it is a permitted transaction and (if so) execute it in a timely manner. This signing process may only be altered by ShapeShift DAO vote.

Permitted Transactions

The ShapeShift DAO may perform any $oneFOX governance action via proposal, but the 3-of-6 multisignature scheme may only sign the following transaction types *as recommended by the ICHI DAO*:

1. Adjusting the Minting Ratio
2. Executing a rebalance transaction to maintain the minimum treasury reserve ratio using a $oneFOX Strategy contract

3. Executing an arbitrage transaction to maintain the price of $oneFOX at $1 using a $oneFOX Strategy contract
4. Creating or changing DeFi positions using a $oneFOX Strategy contract
5. Claiming profits/yield, paying the $oneFOX treasury (80%), ICHI stakers (10%), and any affiliate (by default ICHI stakers, 10%) using a $oneFOX Strategy contract.
6. Changing the Oracle or MintMaster contract
7. Enabling Strategy contracts, admitted by the ICHI DAO, that perform 1-6 on behalf of $oneFOX Governance.

No other transaction types will be permitted without a proposal and successful vote from the ShapeShift DAO. A Shapeshift DAO security review is required prior to any contract code changes to confirm that the new code does substantially the same thing. These limitations will be enforced by an on-chain mechanism approved by the ShapeShift DAO's Security Workstream.

Limitations on Permitted Transactions
1. USDC is the only permitted collateral for minting
2. The minimum treasury reserve ratio is 200%
3. The target treasury reserve ratio is 250%
4. The minimum minting ratio is 75%
5. The $oneFOX contract must remain in control of all assets (collateral and treasury) backing $oneFOX (ie, no 'spending')
6. Transactions may not create a position that isn't whitelisted by the ICHI DAO
7. Transactions may not allocate more value to a position than recommended by the ICHI DAO
8. $oneFOX DeFi positions must directly support $oneFOX/$FOX liquidity (AMM/Lending Platform) or DeFi insurance liquidity for $oneFOX, $FOX, and/or ICHI.

A ShapeShift DAO proposal and successful vote is required to adjust any of these limitations.