Proposal #01 — Activation of veSONIC Staking and Boost Mechanism

TL;DR

- Community feedback identified the need to improve reward stability and operational continuity, as some node operators occasionally face downtime due to their local environments, updates, or infrastructure hiccups.
- This proposal introduces veSONIC Staking, enabling node holders to bond veSONIC to their nodes, strengthen operational weight, and earn continuous real-time Boost rewards based on participation and uptime.
- Through real-time accrual and optional Auto-Stake compounding, the system encourages consistent participation, enhances network reliability, and aligns incentives for long-term commitment.
- Voting Details: **Only Node Holders are eligible to vote**. Each node equals one vote. The proposal will be open for 72 hours, requiring at least 50% approval and a minimum of 10,000 total votes cast for the result to be valid. Upon approval, the veSONIC Staking mechanism will be activated immediately on the main network.

Purpose & Background

Community feedback highlights a practical gap: node operators often experience downtime from their local environments, updates, or infrastructure hiccups, resulting in missed rewards.

To address this, we introduce **veSONIC Staking and Boost**, a framework **designed specifically for node holders**, enabling them to bond veSONIC to “operate” their node and maintain

continuity of accrual even during temporary offline periods, while still contributing to network reliability and long-term alignment.

Locking veSONIC activates a node’s operational weight and grants reward boosts proportional to stake. During brief, unplanned outages, staked nodes accrue a capped baseline yield that smooths compounding without encouraging persistent downtime. Bonded veSONIC also strengthens network security and participation, helping sustain service quality even when a node is temporarily offline.

Goals

- Strengthen network reliability and service quality
- Support consistent participation from node operators
- Encourage long-term alignment and compounding behavior
- Promote sustainable, long-run reward economics

Feature Overview

1. **Staking**
    - Node holders can stake any amount of veSONIC.
    - Staked veSONIC can be unstaked at any time, providing full flexibility.
2. **Auto-Stake**
    - When enabled, newly produced veSONIC is automatically restaked after settlement .
    - Auto-staked veSONIC follows the same rules as staking.
3. **Boost Mechanism**
    - Boost increases a node’s effective production weight in proportion to its staked veSONIC.
    - Boost affects only the relative distribution of daily rewards; total network rewards remain constant.

Parameter Disclosure

Daily Settlement Time: Every minute

Reward Composition: Node rewards are composed of two dynamically weighted components controlled by system parameters.

Reward Parameters:

- k1 = 0.6 — baseline allocation factor
- k2 = 0.4 — boost factor

Reward Source & Calculation

The total node reward pool remains constant and is continuously distributed across all nodes in real time. Each node’s share is determined by both baseline participation and staking-based performance weighting.

Formulas

NodeReward_PerMinute = GlobalPool_PerMinute × [k1 × (1 / N) + k2 × Node_StakingWeight]

Node_StakingWeight = Node_StakingAmount/ Σ Node_StakingAmount

N = The total number of active nodes participating in the reward distribution

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Voting Configuration

Voter Eligibility: Node Holders only

Voting Power: 1 node = 1 vote

Voting Period: 72 hours

Effective Conditions: Total votes **≥** 10,000 (Yes > 50%)

Execution: Upon approval, work on the veSONIC Staking feature will begin immediately, with deployment scheduled after development and testing.

Voting Options

Option A: YES — Approve

Support enabling veSONIC Staking and Boost Mechanism, allowing node holders to stake veSONIC for higher node production.

Option B: NO — Reject

Do not activate veSONIC staking at this stage or request further validation of the model.
