

December 2016

## Rules of procedure – Innovation Fund Denmark

### **CVR No. 29 03 56 95**

The rules of procedure have been prepared by the board of directors for Innovation Fund Denmark (hereinafter referred to as 'the Fund') under the provisions of section 11(1) in Act no. 306 of 29 March 2014 on Innovation Fund Denmark (hereinafter referred to as 'the act').

#### Board of directors

1. The composition of the board of directors is subject to part 2, section 7 in the act.

The chairman of the board and the individual board members do not have alternates and cannot be represented by another person. However, in the absence of the chairman, the deputy chairpersons can perform the chairman's duties. The board can decide whether it wants one or two deputy chairpersons.

2. The composition of qualifications and experiences of the board of directors is subject to part 2, section 8 in the act.

3. The board members' time horizon for appointment and reappointment is subject to part 2, section 9 in the act.

#### Chairmanship

4. The chairman of the board is responsible for ensuring that the board of directors works satisfactorily, and that the tasks of the board are performed in the best possible way with the individual board member's specific knowledge and qualifications.

5. One or two deputy chairpersons shall always be appointed. The deputy chairpersons exercise the rights and obligations of the chairman of the board in case the chairman is temporarily prevented from performing his tasks. Agreement about the deputy chairpersons' substitution of the chairman is made by the chairman, the deputy chairpersons and the rest of the board of directors.

#### Decisions and authorisations

6. The board of directors forms a quorum when at least four board members and the chairman or – in his absence – the deputy chairpersons are present. When members do not have the opportunity to attend the meeting, they are expected to notify the chairman, (in his absence) the deputy chairpersons or the director of their opinions on subjects where decisions are to be made.

7. The decision of employing a director or changing the rules of procedure (cf. these rules of procedure, sections 23 and 31) shall be made by a qualified majority consisting of the chairman and at least five board members. All other decisions are made by majority vote. Each member has one vote. In the event of a tie, the chairman's or – in his absence – the deputy chairpersons' vote shall be casting. In the event of a tie in the absence of the chairman, and where two deputy chairpersons vote differently, the decision must be postponed until a new basis for voting has been found.

8. The board of directors makes its decisions at meetings. When the circumstances call for it, the chairman can decide that the material must be processed through a written procedure or on the phone if the case is urgent. In special cases, the board can authorise the chairman to make decisions. However, this does not apply in respect of changes to the rules of procedure or budget approvals.

**9.** All board members take shared responsibility for decisions made by the total board of directors. This also includes members who did not attend the meeting in question.

**10.** The chairman represents the Fund at a high political level. The director (or its substitute) represents the Fund publicly, unless otherwise agreed with the chairman. The board members are important ambassadors for the Fund, and occasionally, the communication unit of the Fund will initiate and coordinate statements and public representation with the individual members. The communication unit of the Fund is responsible for daily dialogue and coordination with stakeholders and media, but does not make official statements, unless otherwise agreed with the chairman or the director.

**11.** As described in part 2, section 6 and part 3, sections 12 and 13 in the act, the board of directors forms a quorum.

(2) The board of directors can delegate its decision-making authority to others, as described in part 2, section 10 in the act. In such cases, the board prepares an authorisation, which is published on the website of the Fund.

(3) The board of directors can set up a committee to assist with professional assessments, as described in part 3, sections 12 and 13 in the act.

(4) The board of directors has the primary responsibility for the Fund's research-related, ministerial counselling, cf. part 1, section 5(1) in the act. However, it can delegate counselling tasks to the chairman, the secretariat or a professional committee. In such cases, the board issues an authorisation, which is published on the website of the Fund.

(5) The board of directors has authorised the director to make decisions about certain minor investments, cf. section 18 in these rules of procedure.

(6) The board of directors can set up an ad hoc committee to assist with the performance of counselling tasks.

From among themselves, the board can appoint members to perform research-related counselling tasks.

#### *Holding of board meetings*

**12.** The board of directors holds meetings at least four times a year and when the chairman or – in his absence – the deputy chairpersons find it necessary or when at least two members submit a written request for a meeting. Then, the board shall at the chairman's or – in his absence – the deputy chairpersons' request be called to a meeting no later than three weeks after receipt of the request.

**13.** The meetings shall be called by the chairman or – in his absence – the deputy chairpersons with at least two (2) weeks' notice, if possible. Any enclosures must be distributed at least one (1) week prior to the meeting, if possible. Any member can require that a given case is put on the agenda. The preparation of the committee's meetings, including setting the agenda, is performed by the secretariat as agreed with the chairman.

**14.** At the beginning of the meeting, the proposed agenda is approved. The chairman or – in his absence – the deputy chairpersons act as chairman of the meeting.

**15.** Moreover, subjects are put on the agenda on the request of a board member or the director. For the board meetings, the documents necessary for the board of directors' processing of each case are distributed by post or electronically.

**16.** Minutes are taken at the board meetings stating the decisions made, including the main content of the discussions. In the event of voting, the voting result shall be evident from the minutes. Any person who may disagree with a decision made by the board of directors is entitled to have its opinion recorded in the minutes.

2) The draft minutes shall be distributed as soon as possible and no later than two weeks after the board meeting, stating a deadline for comments. The minutes are approved at the next board meeting. The approved minutes are signed by the chairman and all board members regardless of whether they have attended the meeting. Board members who did not attend the meeting supplement their signature with the text: 'Seen'.

(3) The board of directors is continuously informed by the chairman of the board and the director about the Fund's activities.

#### Tasks of the board of directors

**17.** The tasks of the board of directors have been described in more detail in part 2, section 6 of the act.

**18.** The board of directors manages the Fund, formulates investment strategies, supervises the administration of the Fund, approves the Fund's organisational chart and issues guidelines for the day-to-day management and administration of the director.

(2) The board of directors deploys the resources of the Fund in accordance with the objective of the Fund and issues guidelines for investments and for the terms and conditions that shall apply to grants provided by the Fund. The board is responsible for continuously following up on projects funded by the Fund.

(3) The board of directors makes the decision regarding all investments, with the exception of investments within the InnoBooster programme. This applies to both regular investments and top-up investments.

(4) With regard to investments within the InnoBooster programme, the board of directors has delegated its decision-making authority to the director. However, the board is informed of all decisions at portfolio level (i.e. in aggregate form), and it has open access to all applications, bases for decision and decisions.

(5) The board of directors makes the final decision regarding all investments exceeding DKK 5 million that are terminated prematurely due to violation of agreements about e.g. milestones or other matters. For investments of less than DKK 5 million, the board has delegated its decision-making authority regarding other decisions than decisions concerning approval of grant applications to the director. Hereafter the director makes the decision to e.g. terminate grants of less than DKK 5 million prematurely due to violation of agreements about e.g. milestones or other matters, and the director makes the decisions in complaint cases concerning applications for less than DKK 5 million.

(6) The board of directors makes the decision concerning large-scale staff adjustments upon recommendation by the director.

(7) The board of the directors decides whether the annual budget for the Fund can be approved.

**19.** The board of directors makes the final decision concerning the Fund's grant activities, but may delegate its decision-making authority to the director, as long as these decisions meet and are in agreement with the objectives of the Fund and the guidelines for investments, cf. section 18(2) of these rules of procedure.

**20.** Moreover, the board of directors formulates general guidelines for authorisations of the director, cf. section 24 of these rules of procedure.

**21.** Once a year the board of directors evaluates the work and results of the director in accordance with a set of already established clear criteria. The director and board decide on a procedure for evaluating the collaboration between the board and the director once a year at a meeting between the director and the chairman of the board. The result of the evaluation is presented to the board.

**22.** Once a year the board of directors evaluates the work and results of the board. The board and the director decide on a procedure for determining whether the board works satisfactorily and its tasks are performed in the best possible way.

#### Secretariat

**23.** The setting-up and function of the secretariat are described in part 4, sections 14-17 of the act.

#### Day-to-day management of the Fund

**24.** The board of directors employs a director, who is responsible for the day-to-day management of the Fund. The decision of recruitment is made by a qualified majority, cf. section 7 of these rules of procedure.

(2) The director manages the secretariat of the Fund and is responsible to the chairman.

**25.** The director can act on behalf of and obligate the Fund in all everyday matters, as long as they are in agreement with the Fund's overall strategy as laid down by the board of directors.

(2) The director makes decisions about recruitment and dismissal of individual members of staff.

Larger staff adjustments must be approved by the chairman and decided on by the board of directors.

(3) All decisions regarding investments of less than DKK 0.5 million excl. VAT, e.g. launch of tenders or use of consultancy services in connection with strategy, financial or IT-related tasks, are made by the director. Decisions regarding investments exceeding DKK 0.5 million excl. VAT are made by the director upon approval by the chairman.

(4) The director makes decisions regarding the establishment of frameworks for administrative collaboration with the Ministry of Higher Education and Science, i.e. HR, service, IT and finances, upon approval by the chairman.

(5) The board of directors has delegated the decision-making authority regarding all investments within the InnoBooster programme to the director, cf. section 18(4) of these rules of procedure. This applies to regular investments as well as top-up investments. Moreover, the director makes the decisions in complaint cases concerning applications for less than DKK 5 million.

#### Duty of confidentiality

**26.** Anyone involved in the work of the Fund is subject to the existing Public Administration Act, including provisions on duty of confidentiality. The members of the board of directors are subject to confidentiality with regard to information made available to them as members of the board, insofar as this information by nature is confidential, cf. the Public Administration Act.

#### Capacity and conflicts of interest

**27.** The activities of the Fund are pursuant to the general administrative principles of legal capacity. In addition, the Fund has adopted its own principles of legal capacity in connection with the final decision to grant funding.

(2) A member must, before the processing of a case has begun, inform the board of directors and the secretariat of anything that may cause the member's legal capacity to be questioned.

(3) The board of directors settles the matter of the member's legal capacity, and the member in question does not participate in the processing and decision regarding legal capacity.

(4) A member who has been declared incompetent cannot participate in discussions on matters connected with the case and must leave the room during such discussions.

(5) It must be evident from the minutes if the matter of legal capacity has been discussed, as must the board of directors' decision.

Right of complaint

**28.** The Fund's right to complain is pursuant to part 6, sections 23-25 of the act.

Accounts

**29.** The annual budget is presented by the Fund and approved by the board of directors at the beginning of the financial year, if possible, cf. section 18(7) of these rules of procedure.

(2) Interim financial statements are drawn up every six months as a minimum and sent to the board of directors for use during board meetings, where they may be compared to the approved budget.

**30.** The Fund's presentation of accounts is pursuant to part 1, section 1(5) of the act.

Annual report

**31.** By the end of March, the board of directors will issue the annual report pursuant to the Agency for Modernisation's (the then Agency for Governmental Management) guidelines for preparation of the annual report from January 2007 and part 2, section 11 of the act. The director of the Fund and the chairman of the board must attest the report.

Entry into force

**32.** The present rules of procedure were adopted by the board of directors at a board meeting on 15 December 2016.

(2) The board of directors can at any time by a qualified majority change the rules of procedure, cf. section 7 of these rules of procedure.

Copenhagen, December 2016

Jens Maaløe  
Chairman of the Board

Flemming Besenbacher  
Deputy Chairman

Anja Boisen  
Deputy Chairman