

This document is an unofficial translation into English of the original document adopted 7 October 2021 by the Board of Directors: *Behandling af inhabilitet i Innovationsfonden*.

The translation is for information only. In the event of any inconsistency between the two language versions, the Danish version shall prevail.

Rules for Conflicts of Interest

Innovation Fund Denmark – the fund for strategic research, advanced technology and innovation, is established by the Minister for Higher Education and Science as an independent body within the government administration. As a consequence, no person taking part in the administration of the fund's activities may have conflicts of interest in relation to the administration of specific cases, including applications for grants.

The purpose of the rules is to ensure objective administration. The purpose is two-fold, avoiding the risk of biased decision-making and avoiding mistrust from third parties.

Accordingly, a person is deemed biased and disqualified (in Danish: "inhabil") in relation to a specific matter in situations where personal, financial or other interests have the potential to compromise or bias that person's objective judgement.

The rules apply to the fund's employees as well as to members of the board of directors, members of the fund's committees, scientific evaluators and all other persons taking part in the fund's administration.

No person disqualified in respect of any specific case is allowed to decide, to take part in decision-making or to otherwise assist in the consideration of the case in question.

The Act on Public Administration

The Act on Public Administration (in Danish "forvaltningsloven") and so-called legal principles for public administration dictate the basic rules for determining of conflicts of interest.

Pursuant to the act, disqualification exists i.a. in situations where the person expected to take part in the consideration of a specific case

- 1) Has a particular personal or financial interest in the outcome of the case, for example if the person concerned is an applicant or part of an application for funding;
- 2) Is currently or has previously represented someone in the same case with such interest, for example if the person concerned has assisted with advice or counselling in the drafting of an application;
- 3) Has a spouse, relative or person-in-law in the direct line of ascent or descent or in the collateral branch as close as nephews and nieces or any other closely related persons, for example fiancés or co-habiting partners that have a special personal or financial interest in the outcome of the case, or represent any person with such interest;

- 4) Participates in the management of or is closely related to a company, an association or another private legal person that has a special interest in the outcome of the case; or
- 5) Other circumstances exist that are likely to lead to any doubt about the impartiality of the person concerned, for example close friendship or enmity.

Additional rules

Innovation Fund Denmark makes many decisions on grant applications submitted by private companies and other private entities, while - at the same time - quite a few of the members of the board of directors, of committee members and others assisting the fund are also active in private enterprises as executives or owners.

Equally, the Innovation Fund Denmark makes decisions on grant applications submitted by institutions and/or by applicants employed at public institutions, for example universities, while – at the same time – quite a few of those assisting the fund are employed at or otherwise closely related to such institutions.

To avoid potential disqualification and to help ensuring common practice in such situations the Innovation Fund Denmark has adopted the below additional rules.

Following those rules, disqualification exists where the person expected to take part in the consideration of a specific grant application

- 6) Is employee, manager, board member etc. in a company, an association, a foundation or another private legal entity that has submitted a grant application and the application is of special interest for the concerned legal entity;
- 7) Is employee, manager, board member etc. in a private legal entity that is in direct competition with another private legal entity taking part in the grant application;
- 8) Has ownership or financial interests in one of the companies/private legal entities taking part in the grant application, unless the concerned person has ownership of a listed company only and the ownership is worth less than 100,000 DKK;
- 9) Is employed by a public institution, an academic unit etc., the place of employment is the grant applicant and the matter is of highly significant importance to the place of employment;
- 10) Is the manager or member of a managing body of a public institution, an academic unit etc. and the public institution etc. is an applicant;
- 11) Is the manager of the public institution, the academic unit etc. at which public institution etc. the applicant is employed;
- 12) Is a member of a managing body at the public institution, the academic unit etc. at which public institution etc. the applicant is employed and the application is of highly significant importance to the place of employment;

13) Is employed by the public institution, academic unit etc. at which public institution etc. the applicant is a manager;

14) Is employed by the same public institution as the applicant and the application is of highly significant importance to the place of employment, the concerned person him-/herself, or a research group in which the concerned person participates or until recently participated;

15) Is or has until recently been a member of a research group and a member of the research group is an applicant. However, this is only relevant for continuation of a project in which the concerned person has participated;

16) Has accepted to be a counsellor for, is or has until recently been a counsellor for the applicant or is listed as a guarantor for the applicant.

A person who is disqualified in relation to an application is also disqualified in relation to other applications when 10 applicants or less compete. If a final decision is made in respect of the application to which the disqualification of the concerned person relates and that application is subsequently removed from further consideration the concerned person may participate in the consideration of the remaining applications.

For members of the board of directors the following is strongly recommended: When a board member has ownership of more than 20 pct of an enterprise/company/foundation or other private legal entity, that board member is asked to ensure that the legal entity in question refrains from submitting grant applications to the Innovation Fund Denmark for as long as the concerned person is a board member. The recommendation is made in consideration of the fund's reputation.

Processing of conflicts of interest

Any person assisting in the consideration of matters for the fund, including applications, has a duty to observe any situation which may be regarded as a conflict of interest as described above.

Members of the board of directors, members of committees and other persons assisting in the considerations of matters for the fund are obliged to inform the secretariat of the fund as soon as possible after having observed such situations. The secretariat will then in cooperation with the concerned person look into the matter and introduce the findings for the relevant body (board of directors or committee) at a relevant meeting in order for the body to make a decision – in accordance with the applicable rules - on the concerned person's potential disqualification.

The considerations on conflicts of interest must be stated in the minutes from the meeting of the relevant forum. The person concerned may not participate in the considerations and decision making in respect of his/her disqualification and must leave the conference room during discussions and decision making.

Conflicts of interest for employees of Innovation Fund Denmark are considered as follows: Employees, including managers, inform the CEO of the fund as soon as possible after having observed a situation which may be regarded as a conflict of interest as described above. The CEO will consider the

matter and make a decision regarding the concerned employee's disqualification. If a conflict of interest occurs concerning the CEO, the CEO has a duty to inform the board of directors. The board will then consider the matter and make a decision regarding the CEO's disqualification.