

Guidelines

Procedure from invitation to investment agreement negotiations to finalisation of agreement

Projects invited to investment agreement negotiations at the end of December 2023 by Innovation Fund Denmark (IFD), must enter into an investment agreement for the project with IFD no later than **April 4th 2024**. These guidelines outline the timeline for the agreement negotiations, the structure of the investment agreement and the contact persons of the project. The project's contact person is the acting project leader until the Steering Committee appoints a project leader.

IFD appoints one or two Investment Officer(s) (IO) who actively follows the project during the agreement negotiation phase as well as during the investment period. If you have questions for the agreement negotiation phase and the preparation of the investment agreement incl. exhibits, please contact the IO of the project.

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1. Timeline and deadlines

The project participants and Innovation Fund Denmark (IFD) must sign an investment agreement for the project by April 4th 2024 (**Notice that deadline for approval is March 15th 2024**).

Shorter project duration and earlier upstart of the project activities can be agreed with the project's Investment Officer (IO) in IFD.

The timeline below is followed unless shorter project duration is agreed on:

Medio January 2024

- The IO will contact the project's contact person and send a link to an information pack containing material regarding the agreement. The contact person will forward the information pack to the project participants.
NB: In respect of the very short deadline, negotiations between project participants should commence immediately.
- Material relevant for agreement negotiations can be found on IFD's website.

Medio February 2024

- The IO will follow up on progress in Agreement Negotiations between the parties.

March 15th 2024

- Deadline for submission of the investment agreement and exhibits, by the project participants to IFD for final approval. Upon approval of the contract and the exhibits the contract is returned to the project's contact person, who is responsible for the signature process.
- Collaboration Agreement between the project participants is not an integral part of the Investment Agreement, but must be agreed upon and signed by the project participants at this time.
- Mail Investment Agreement including exhibits to Investment Officer with indication of case number in the subject text.

April 4th 2024

- Final deadline for submission of approved and signed investment agreement, including exhibits, to IFD. Upon receiving the agreement, the Vice President of IFD will sign the agreement.

June 1st 2024

- Latest deadline for project start.

2. Investment agreement with exhibits

The investment agreement with exhibits governs the relationship between IFD and the project. With the agreement are the following five exhibits:

- Exhibit 1: Project Plan (template)
- Exhibit 2: Organization and Management
- Exhibit 3: Budget
- Exhibit 4: Rules of procedure for the Steering Committee (template)
- Declarations

After invitation to Agreement negotiations (Ultimo December 2023) the project's contact person will receive a mail that includes a link to templates and guidelines for completing the Investment

agreement. From that point the Contact Person is responsible for completing the Agreement, including exhibits.

Entering into a Collaboration Agreement, that regulates the relationship between the participants, for example, distribution and exploitation of intellectual property developed in the project, is entered into solely by the project participants, and is thus not an integral part of the Investment Agreement and is not subject for approval by IFD. But a signed Collaboration Agreement between the project participants is a condition for approval of the Investment Agreement.

Guideline for completing the Investment agreement and exhibits

Entering into an investment agreement with IFD consists of the following parameters:

- Signing of the investment agreement (wording of the template is non-negotiable)
- Preparation (elaboration or modification) of a project plan.
- Preparation of plan for the organisation and management of the project
- Preparation of a budget
- Rules of procedure for the Steering Committee
- Finalisation of declarations

(Preparation of a collaboration agreement between the project participants)

NB! Investment agreement and all exhibits must be approved by IFD before the investment agreement can be signed.

The investment period cannot begin until the agreement is signed by all parties and the Vice President of IFD. The investment period must commence no later than June 1st 2024.

Description of content of the Investment Agreement exhibits

Exhibit 1: Project Plan

Exhibit 1 is a tool for the project leader as well as the Steering Committee and encompasses a project plan and description of milestones and success criteria.

It is often advantageous to base exhibit 1 on the original application to IFD, which is adjusted and made operational as a management tool for the project management. The exhibit is updated with any developments in the period since submission of the application and must contain the following information:

- Description of the vision and added value of the project
- Overall goals and success criteria of the project
- Overview of the project's success criteria and overall milestones for the investment period. The interrelationship of milestones must be described.
- Overview of the work packages or sub-projects of the project. For each of these please describe:
 - Milestones, including critical deliverables and potential bottlenecks
 - Description of any Stop/Go milestones
 - Content and risk profile of the tasks
 - Goals and expected results, thus they are Specific, Measurable, Achievable, Realistic, Time- bound (SMART) and preferably quantifiable.
 - The role of individual participants

- Use of resources per participant in person months
- Continuous evaluation – most projects benefit from a continuous project evaluation, where participants revise the project plan, success criteria, project management and budget to ensure continued momentum and the right balance between realism, commercial and scientific ambitions in the project.

Exhibit 2: Organization and Management

In Exhibit 2 the project's organisation and management form is described including specific information about:

- Acting project leader (name, contact details)
- Work groups and work group leaders (names) if applicable
- Members of Steering Committee
- Administrators name
- Advisory boards (names) if applicable
- Other management (name, contact details) if applicable

The project leader cannot be a member of the steering committee. It is recommended that the Steering Committee Chair does not represent the same organisation as the Project leader, and that the positions are distributed evenly among the project partners. We acknowledge that naming all roles in the project is not possible before after the inaugural steering committee meeting.

The members of the steering group must have sufficient decision-making power in their own organization to be able to make the necessary decisions on behalf of the partner and solve, for example, lack of resources in the project. The steering group takes care of the strategic management and is not part of the project's day-to-day operations. As a general rule, each project partner appoints one member to the steering group.

Exhibit 2 is dynamic and must be updated by the Project Leader throughout the project.

Exhibit 2B Datasheet

This appendix contains data on key persons from each participant, which must be used to complete the agreement document.

Exhibit 3: Budget

Exhibit 3 of the Investment Agreement is the budget for the project, which is used to ensure that the Grant is in compliance with existing regulation. The budget is based on the budget in the application. See "General Terms and Conditions for Grand Solutions" and the budget guidelines for further information on the budgetary rules.

Exhibit 4: Rules of procedure for the Steering Committee

The rules of procedure for the Steering Committee are attached as exhibit 4 of the Investment Agreement. A template for exhibit 4 has been sent to the contact person in the above mentioned information pack. The template can be tailored to the specific collaboration. Note that it must be aligned with the provisions of Investment Agreement. The paragraph on the representatives from IFD may not be changed or omitted, and the tasks and areas of responsibility of the Steering Committee apply and cannot be dispensed with.

Collaboration Agreement

As mentioned, the Collaboration Agreement is not an integral part of the Investment Agreement, but must be agreed upon and entered into by the project participants at the time of the final signing of the Investment Agreement.

The Collaboration Agreement, governing the project participants' interrelationship, including distribution and utilisation of intellectual property rights developed throughout the project. The

collaboration agreement must not be in contradiction to principles in the Investment Agreement. In event of discrepancy, the Investment Agreement shall prevail.

The collaboration agreement is often the most time-consuming part of the investment agreement to negotiate. We recommend that the project participants as soon as possible after receiving the invitation to the Investment Agreement negotiations identify the relevant people to involve in the decision-making process (possibly legal advisors) and start negotiations.

Guidelines to set up a collaboration agreement are part of the information pack. IFD also offers an inspirational draft for preparation of collaboration agreement, which has been prepared to offer the project participants inspiration when preparing their collaboration agreement for the project in question.

Declarations

In addition to the agreement the company partners must fill in up to three of the following declarations: 1A) Declaration on status as 'an undertaking not in difficulty', 1B) Declaration on De minimis rules of state funding, and 1C) Declaration on status as SME and state funding.

All companies must fill in 1A, companies that apply flat-rate in the budget fills in 1B, and all SME's fill in 1C.

NB: The Investment Agreement, including exhibits, is mailed in PDF-format to Investment Officer with reference to case number and project title in the subject headline.

3. The key people of the Project and their roles

IFD would like a close dialogue with all project participants to support every investment with an efficient and focussed organisation. IFD's active follow-up is aimed to increase probability that the idea of the project can be realised.

IFD's expectations to the steering committee and the project leader and IFD's own role in the project are described partly in Exhibit 4 and in Section 6 and 8 of the Investment Agreement. IFD focuses on uniform administration of the investments and therefore IFD demands that their templates for Annual reports, agendas and minutes are used.

Below is a brief description of the project's primary contact persons during the agreement negotiation process.

The project's contact person (acting project leader)

The project leader is appointed by the project's steering committee. Until the steering committee has convened for the first time the project is led by the project's contact person, who is IFD's contact during the agreement negotiations. The contact person is replaced by the project leader after the inaugural steering committee meeting.

The project's Administrator

The Administrator is appointed by the Steering Committee and receives the investment payment from IFD. The Administrator is responsible for transferring the payments to the individual Project Participants, and shall, in cooperation with the Project Leader, produce the project accounts to IFD. IFD recommend that this role is undertaken by the knowledge institution.

The project's contact person in IFD – Investment Officer

The IO coordinates contact in the agreement phase and negotiation of the investment agreement between the project and IFD. The IO collaborates with the project's contact person in preparing the investment agreement with annexes a.o. and guides the project participants towards signature of the final Investment Agreement.