

**Statutory report on foundation governance,  
cf. section 77a of the Financial Statements Act**

***TICRA Fond***

***January 1<sup>st</sup> 2024 – December 31<sup>st</sup> 2024***

## What should this form be used for?

This form is meant as a tool for commercial foundations that wish to submit the statutory report on foundation governance as a form, cf. section 77a of the Financial Statements Act<sup>1</sup>.

It is recommended that foundations download a new form every year to ensure that the latest updated form is used.

The introduction to the recommendations and the comments will serve to elaborate on the recommendations and should be included in the board of director's work with the recommendations.

The report on foundation governance must be included either in the management commentary or notes in the annual report, or on the foundation's website, with a precise reference to the website in the management commentary or in the notes. The report must cover the same period as the accounting period of the annual report and shall be published concurrently with the annual report.

Publication of the report on foundation governance on the foundation's website, if any, with a precise reference in the management commentary establishes the highest level of transparency, as it is easier to access for the general public.

Publication on the foundation's website, if any, requires that the URL address on which the report on foundation governance is published is stated in the management commentary or in the notes. The URL address must be the internet address which is used to access the report directly.

For more information about publication of the report on foundation governance on the foundation's website, the Committee refers to the Executive Order on the publication of a number of reports pursuant to the Financial Statements Act<sup>2</sup>.

**Note:** The form below contains the recommendations of the Committee on Foundation Governance 2025. These recommendations are available on the committee's website, [www.godfondsledelse.dk](http://www.godfondsledelse.dk). **The form can be used prepare a report on foundation governance in the annual report.**

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<sup>1</sup> In Danish Årsregnskabsloven, LBK nr. 1057 af 23. september 2024 with later amendments

<sup>2</sup> In Danish Bekendtgørelse om offentliggørelse af en række redegørelser efter årsregnskabsloven, BEK nr. 959 af 13. september 2019

## **”Comply or explain”**

Section 77a of the Financial Statements Act states that foundations which are covered by the Commercial Foundations Act<sup>3</sup> must include a report by the board of directors on foundation governance, cf. section 60 of the Commercial Foundations Act, in the management commentary or in the notes.

According to section 60 of the Commercial Foundations Act, the board of directors must specify in the report how the commercial foundation has addressed the recommendations.

The report on foundation governance must be prepared using the comply or explain principle, with respect to each recommendation.

The comply or explain principle is a key element in the recommendations. Any explanations should relate to the individual recommendation and should enable the reader to understand the type of management of the foundation.

The principle means that it is the board of directors of the individual commercial foundation that decides to what extent the board of directors wants the foundation to comply with the recommendations.

If the foundation complies one or more of the recommendations, it is sufficient for the board of directors in relation to each of the recommendations to state that the foundation comply. The board of directors may choose to provide supplementary information for the recommendation(s) that the foundation complies.

If the foundation does not comply one or more recommendations, the board must explain for each of these recommendations why the board of directors has chosen differently, and how the board of directors has chosen to do instead.

It is not considered a breach of rules if the foundation does not comply, but merely implies that the board of directors has specifically and for reasons it has explained chosen a different approach.

The foundation will thus comply with the recommendations by either complying or explaining in the above manner.

Reporting must reflect the current type of management at the date of the annual report. In the event of significant changes during the year or after the balance sheet date, this should be described in the report on foundation governance.

It is important that the board of directors addresses each individual recommendation.

# Recommendations on Foundation Governance

The foundation is covered by the Recommendations on Foundation Governance, which are available on the website of the Committee on Foundation Governance, [www.godfondsledelse.dk](http://www.godfondsledelse.dk).

## 1. Transparency and communication

**1.1** It is **recommended** that the board of directors adopt principles for external communication that address the need for transparency and stakeholders' needs and possibilities to obtain relevant up-to-date information about the circumstances of the foundation.

The foundation complies	The foundation explains		Not applicable
	<i>why</i>	<i>how</i>	
X			

## 2. Tasks and responsibilities of the board of directors

### 2.1 Overall tasks and responsibilities of the board of directors

**2.1.1** It is **recommended** that, in order to secure the activities of the commercial foundation in accordance with the purposes and interests of the foundation, the board of directors should, at least once a year, take a position on the overall strategy and distribution policy of the foundation on the basis of the articles of association.

The foundation complies	The foundation explains		Not applicable
	<i>why</i>	<i>how</i>	
X			

In case of lack of compliance with a recommendation, the foundation must explain why the board of directors has chosen differently, and how the board of directors has chosen to do instead. An adequate explanation answers both questions and categorises the answer as being in compliance with the recommendation. It is therefore important that the foundation answer both questions in its explanation.

**2.1.2** It is **recommended** that the board of directors regularly address whether the foundation's management of its total capital is in line with the purpose of the foundation and its long- and short-term needs.

The foundation complies	The foundation explains		Not applicable
	<i>why</i>	<i>how</i>	
X			

## 2.2. The chairman and the other members of the board of directors

**2.2.1** It is **recommended** that the chairman of the board of directors organise, convene and chair meetings of the board of directors in order to ensure effective board work and to establish the best conditions for the work of the board members, individually and collectively.

The foundation complies	The foundation explains		Not applicable
	<i>why</i>	<i>how</i>	
X			

**2.2.2** It is **recommended** that if the board of directors asks a board member to perform special activities for the foundation which extend beyond board duties, a board resolution to that effect be passed to ensure that the board of directors maintains its independent, general management and control function. Appropriate allocation of responsibilities should be ensured between the chairman and the other members of the board of directors and the executive board, if any.

The foundation complies	The foundation explains		Not applicable
	<i>why</i>	<i>how</i>	

**2.2.2** It is **recommended** that if the board of directors asks a board member to perform special activities for the foundation which extend beyond board duties, a board resolution to that effect be passed to ensure that the board of directors maintains its independent, general management and control function. Appropriate allocation of responsibilities should be ensured between the chairman and the other members of the board of directors and the executive board, if any.

	<p>The Board of Directors consists mainly of employees, as stipulated in TICRA's trust deed. The board members that perform special activities for the board, such as chairing the grant and investment committees, are all internal members and thus carry a deep knowledge of the nature of the foundation's activities, finances, organization and history. Further, the internal board members are full-time employees of the foundation.</p>	<p>An appropriate allocation of responsibilities has been ensured via the Board's rules of procedure and the instructions to the management.</p>	
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**2.2.3** It is **recommended** that the financial statements disclose any transactions that the foundation has entered into with related undertakings. The information should include the nature of the relationship between the foundation and the related undertaking, the nature of the transaction and the amount of the transaction.

The foundation complies	The foundation explains		Not applicable
	<i>why</i>	<i>how</i>	
	<p>The foundation is active commercially in a highly competitive market, and it would be against the best interests of the foundation to disclose details about its undertakings.</p>		

## 2.3. Composition and organisation of the board of directors

The foundation will comply with the recommendations by either complying or explaining. If the foundation does not comply a recommendation, the board of directors must explain why the board of directors has chosen differently, and how the board of directors has chosen to do instead.

**2.3.1** It is **recommended** that the board of directors regularly, and at least every second year, assess and stipulate the competences that the board of directors needs to possess in order to best perform the tasks and responsibilities incumbent upon the board of directors.

The foundation complies	The foundation explains		Not applicable
	<i>why</i>	<i>how</i>	
X			

**2.3.2** It is **recommended** that the board of directors approve a structured, thorough and transparent process for selection and nomination of candidates for the board of directors, taking into account any right in the articles of association to make appointments.

The foundation complies	The foundation explains		Not applicable
	<i>why</i>	<i>how</i>	
X			

**2.3.3** It is **recommended** that members of the board of directors are appointed on the basis of their personal qualities and competences, taking into account the collective competences of the board. When composing and nominating new members to the board, the need for introducing new talent should be weighed against the need for continuity and the need for diversity in relation to, inter alia, commercial and grants experience, age and gender.

The foundation complies	The foundation explains		Not applicable
	<i>why</i>	<i>how</i>	
X			

**2.3.4** It is **recommended** that both in the management commentary in the annual report and on the commercial foundation's website, if any, there is an account of the composition of the board of directors, including its diversity, and that the following information is provided on each board member:

- the name and position of the member,
- the age and gender of the member,
- date of original appointment to the board, whether the member has been reappointed, and expiry of the current appointment period,
- any special competences possessed by the member,
- other managerial positions held by the member, including positions on executive boards, boards of directors and supervisory boards and board committees in Danish and foreign foundations, enterprises and institutions, as well as other demanding organisation tasks,
- whether the member owns shares, options, warrants and similar in the foundation's subsidiaries and/or associated companies,
- whether the member has been appointed by authorities/providers of grants etc., and
- whether the member is considered independent.

The foundation complies	The foundation explains		Not applicable
	<i>why</i>	<i>how</i>	
X			

**2.3.5** It is **recommended** that the majority of the members of the board of directors of the commercial foundation are not also members of the board of directors or executive board of the foundation's subsidiary(ies), unless it is a fully-owned actual holding company.

The foundation complies	The foundation explains		Not applicable
	<i>why</i>	<i>how</i>	
X			

**2.3.6** It is **recommended** that the board of directors elect the chairman and the vice-chairman (if any) of the foundation for one year at a time. Re-election may take place.

The foundation complies	The foundation explains		Not applicable
	<i>why</i>	<i>how</i>	
X			

The foundation will comply with the recommendations by either complying or explaining. If the foundation does not comply a recommendation, the board of directors must explain why the board of directors has chosen differently, and how the board of directors has chosen to do instead.

## 2.4. Independence

**2.4.1** It is **recommended** that at least one third of the members of the board of directors (excluding employee representatives) are independent.

To be considered independent, this person may not, for example:

- be, or within the past three years have been, a member of the executive board or senior employee of the foundation or of an essential subsidiary or an essential associated company of the foundation,
- within the past five years have received larger emoluments, including distributions or other benefits from the foundation or a subsidiary or associated company to the foundation in other capacity than as member of the board of directors of the foundation,
- within the past year have had a significant business relationship (e.g. personal or indirectly as partner or employee, shareholder, customer, supplier or member of the executive management of companies with corresponding connection) with the foundation or a subsidiary or associated company of the foundation,
- be, or within the past three years have been, an employee or partner of the external auditor of the foundation or its subsidiaries,
- have been a member of the board of directors or executive board of the foundation for more than 12 years,
- be a close relative or in another way be very close to persons who are not considered as independent,
- be the founder or significant donor or contributor,
- be a member of the board of directors of the foundation if the purpose of the foundation is to grant support to the board member's family or others who are especially close to the board member,
- be a member of the management of an organisation, another foundation or similar, which receives or repeatedly within the past five years have received significant donations from the foundation, or
- be a member of the management of an organisation, another foundation or similar, which grants or repeatedly within the past five years have granted significant donations to the foundation.

The foundation complies	The foundation explains		Not applicable
	<i>why</i>	<i>how</i>	
X			

## 2.5. Appointment period

**2.5.1** It is **recommended** that members of the board of directors be appointed for a minimum period of two years at a time and a maximum period of four years at a time. Reappointment can take place.

The foundation complies	The foundation explains		Not applicable
	<i>why</i>	<i>how</i>	
X			

**2.5.2** It is **recommended** that an age limit for members of the board of directors be set, which is published in the management commentary or on the foundation's website.

The foundation complies	The foundation explains		Not applicable
	<i>why</i>	<i>how</i>	
	With the current board composition, an age limit is not considered to be a relevant concern in the foreseeable future		

## 2.6. Evaluation

**2.6.1** It is **recommended** that the board of directors establish an evaluation procedure in which the contributions and performance of the board, the chairman and the individual members are evaluated annually, and that the result is discussed by the board. The nature and scope of the evaluation procedure will depend on the specific circumstances of the foundation and may vary from year to year.

The foundation complies	The foundation explains		Not applicable
	<i>why</i>	<i>how</i>	
X			

**2.6.2** It is **recommended** that once a year the board of directors evaluate the work and performance of the executive board and/or the administrator (where relevant) in accordance with predefined clear criteria and that the chairman reviews this with the person(s) concerned.

The foundation complies	The foundation explains		Not applicable
	<i>why</i>	<i>how</i>	
X			

### 3. Remuneration of the board of directors and executive board, if any

**3.1.1** It is **recommended** that any remuneration to the foundation's board members is fixed and not variable. Members of a potential executive board should also be remunerated with a fixed remuneration, possibly combined with a bonus which should not be dependent upon accounting results.

The foundation complies	The foundation explains		Not applicable
	<i>why</i>	<i>how</i>	
X			

**3.1.2** It is **recommended** that the financial statements provide information about the full remuneration received by each member of the board of directors and executive board, if any, (itemised) from the commercial foundation and from the foundation's subsidiaries and associated companies. Furthermore, there should be information on any other remuneration which members of the board of directors and an executive board, if any, have received for performing other work or tasks for the foundation, the foundation's subsidiaries or associated companies, except for the remuneration of employee representatives as employees.

The foundation complies	The foundation explains		Not applicable
	<i>why</i>	<i>how</i>	
	The board do not consider the remuneration received by the executive board to be different from, or more relevant than, the remuneration received by any other employee of the foundation.	The remuneration of the board of directors is included in the annual report, but not the remuneration of the CEO.	