



11 January 2021

Policy | Award of Grants

BiInnovation Institute Foundation

The Board of Directors (the “**Board**”) of the BiInnovation Institute Foundation (the “**Foundation**”) has established this policy for awarding grants in compliance with the Danish Recommendations on good Foundation Governance and the Danish Act on Commercial Foundations.

The objective is to support projects of the highest quality in accordance with the Foundation’s strategy and in compliance with national and international standards for assessment, evaluation and award of grants.

The objects of the Foundation are:

“... with a charitable aim to own and operate the BiInnovation Institute and to promote research, innovation and entrepreneurship for the benefit of the public, including by funding and supporting the development of inventions, discoveries and companies operating within the biotechnology and life sciences sector, thus providing a basis for growth and creation of new jobs within biotechnology and life science.”

The Foundation can also support other charitable scientific purposes within biotechnology and life science.

Policy on grants

Applications and grants awarded are divided into the following categories:

1. BiInnovation Institute | Research, innovation and entrepreneurship grants.

The Foundation awards grants within research, innovation and entrepreneurship for the benefit of the public, including grants to support the development of inventions, discoveries and companies operating within the biotechnology and life science sector providing a basis for growth and creation of new jobs within biotechnology and life science.

Grants are awarded as part of one or more of the current three funding programs of the BiInnovation Institute:

- (a) Faculty Program. The objective of the Faculty Program is to translate top-level research into the establishment of new companies that can receive financing for further development. The program will finance very early stage development of innovative research projects that can form the basis for novel companies. The program involves grants to Danish universities with the objective of recruiting a team that will work at BII on advancing the project towards establishing a spin-out company.
- (b) Venture Lab. The objective of Venture Lab is to support very early stage start-up companies, i.e. companies that may not yet have secured intellectual property, established a strong leader-team or do not identified a solid path to market. In Venture Lab companies receive a convertible loan and extensive assistance with business plan development, as well as they are brought into contact with key stakeholders from industry and the investment environment.
- (c) Creation House. The objective of Creation House is to support early-stage companies in building a business case that can enable them to attract financing for further development, so their solutions may become available and benefit people and the Danish society.

The BiInnovation Institute may change its funding programs over time, e.g. by adding new programs, removing one of the current programs, or redesigning one of the current programs. Such changes will be proposed by the executive management of the Foundation and approved by the Board.

In addition, grants may be awarded as one-off grants to promote research, innovation or entrepreneurship, typically in connection with the BiInnovation Institute.

Advice of internationally recognized experts in their field will be collected to ensure that the grants are awarded for the projects of the highest quality and with the most potential in accordance with the international peer-review standard. Grants are not awarded if the applications received during a given application round do not meet the high scientific and quality standards. Grants awarded in connection with one of the funding programs of the BiInnovation

Institute will generally follow a fixed annual cycle, and one-off grants within a scientific field may be funded through open calls or directed scouting for projects.

2. Other charitable scientific purposes within biotechnology and life science granted as strategic one-off grants. National and international experts assess the submitted project applications. Based on the expert assessments of applications or of strategic one-off initiatives developed for the Board, the Board decides whether to support the projects.

The Foundation will stay close to the geographical heritage of the Novo Nordisk Foundation in Scandinavia through its grant-awarding activities. The primary geographical focus of the Foundation's grant-awarding activities will be Denmark, followed by the Nordic countries. The Foundation's commercial activities will be international. To strengthen the centre of gravity, the Foundation will foster mutually beneficial relationships between grant recipients and the Foundation and with partners internationally such as universities and foundation peers, to access and contribute to leading the development of knowledge and talent.

Principles

The Board has set out the following overarching grant-awarding principles for what the Foundation will emphasize and seeks to uphold in all its grant-awarding activities.

The Foundation pursues the highest standard of quality in all it does and supports. The Foundation is committed to excellence and quality in all its activities. Only by setting a high standard will real impact be achieved. The Foundation will strive for excellence and expects the same of the people and institutions it supports and with which it collaborates, nationally and internationally. The Foundation is prepared to take risks in areas in which it sees excellence and to support promising projects to create the basis for breakthroughs.

The Foundation acknowledges and values the potential of new ideas and supports new ways of addressing challenging problems.

The Foundation facilitates connectivity across disciplines to generate new ways to discovery. The Foundation believes that interdisciplinary research will drive future waves of discovery and innovation. It advocates and supports the removal of barriers between traditional disciplines and fields of research. The Foundation facilitates inclusiveness and collaboration to catalyse advances in national and international partnerships. The Foundation celebrates the coming together of unique and differing ideas and perspectives to tackle challenges and develop solutions in new ways. The Foundation fosters collaboration between people and organizations to improve results.

The Foundation supports free and independent research. The Foundation respects other people's ideas and understands that producing landmark results can take time. It is prepared to listen to other people's views and advice and to take time to explain the reasons for its priorities and decisions. The Foundation respects the freedom of research and does not claim rights to the results. The Foundation champions broad dissemination and access to scientific knowledge and results. Making the scientific knowledge and results available to other people is pivotal to catalysing further advances in any field. The Foundation believes in the value and importance of this and promotes this in all its grant-awarding activities.

Standards for good research practice

To be eligible for grants, applicants must comply with the Foundation's code of conduct and with applicable laws and regulations. Moreover, the grant-recipients must comply with recognized standards for good research practice, national and international rules on the safety and rights of clinical trial patients and health volunteers, animal welfare and bribery and corruption.

The employees on the projects may not be discriminated against and must be treated with respect and dignity. The employees must be paid in accordance with collective bargaining agreements, have working hours and holidays in

accordance with the national rules and have the right to organize and negotiate collectively to the extent that this is standard practice or legally permitted. The institution hosting a project must provide a safe and healthy workplace. The projects must minimize adverse impact on the environment to the greatest possible extent.

If the Foundation learns that the standards have been violated, the grant recipient will be asked to respond. If the Foundation deems that the standards have been violated, the Foundation may discontinue payments and may require the repayment of funding already disbursed. Moreover, the Foundation may decide to deny future funding.

People disqualified from applying or receiving grants

A. Employees of the Foundation, BII Holdings A/S, the Novo Nordisk Foundation, Novo Holdings A/S, Novo Nordisk A/S, Novozymes A/S and companies in which the Foundation directly or indirectly has a formal or actual controlling interest.

B. Members of the Board of Directors of the Foundation or BII Holdings A/S, their spouses and children residing in the family home.

C. Members of the Foundation's committees. Committee members may, however, serve as collaborative partners or advisers on an application. Committee members may also be an applicant or co-applicant on an application submitted to a committee other than the one or ones on which they serve.

Members and external assessors disqualified from assessing applications

A. Members of the Board of Directors, any committees and external assessors ("members") shall be considered disqualified from assessing applications if they have a personal, professional or financial interest in the outcome of an application, including, for example, if the member supervises the applicant, is employed in the scientific unit of which the applicant is a leader, or if the member has a family relationship to the applicant...

B. A member shall be prohibited from participating in assessing any application from an applicant with whom the member has collaborated on research or has co-published a book, scientific article, report or the like within the previous 5 years. Nevertheless, the type and closeness of the collaboration shall determine whether this collaboration is deemed a conflict of interest.

C. A member who is ineligible in relation to an application shall also be ineligible in relation to other applications that compete with the application in question. However, this shall only apply in situations in which the pool of applications amounts to five or less. If a final decision is made on the application or applications to which the member's ineligibility is linked and this application or these applications are thereby no longer being assessed, the member in question may participate in assessing the remaining applications.

Procedure in case of ineligibility

A. Members shall notify the chair and the BII Foundation's Secretariat of any ineligibility or potential conflict of interest within 10 working days after receiving the applications to be assessed. In case of doubt, a chair of a committee shall consult with representatives of the BII Foundation.

B. If a member has a potential conflict of interest in connection with an application that is to be assessed, the Board of Directors of the BII Foundation or the committee, as applicable, shall decide by simple majority whether the conflict of interest disqualifies the member. A member to whom this applies may not participate in assessing the question of ineligibility and shall leave the room during the assessment and voting on the question of ineligibility. In case of a parity of votes, the chair shall hold the casting vote.

C. In cases of ineligibility, members shall be prohibited from participating in assessing an application, including any interviews, and shall leave the room in which the assessment is taking place.

D. If a committee is not quorate or if the composition of a committee and its ability to assess applications may give rise to serious misgivings, the committee shall refer the assessment to the Board of Directors of the BII Foundation.

Committees implement the decisions of the Board

The Board of Directors may decide to authorise committees to advise and implement the Board's decisions. In such case, the Board of Directors will decide the financial framework for each grant when deciding the annual budget, and the committees will implement the decisions of the Board of Directors by identifying projects and researchers among the received applications that fulfil the criteria the Board has defined.