

# RECOMMENDATIONS ON FOUNDATION GOVERNANCE 2018

The Foundation embraces the Recommendations on Foundation Governance, which are available at the website of the Committee on Foundation Governance

[www.godfondsledelse.dk](http://www.godfondsledelse.dk)

RECOMMENDATION	COMPLIANCE
<p><b>1.1. It is recommended</b> that the board of directors adopt guidelines for external communication, including who can make public statements on behalf of the foundation and on what matters. The guidelines should address the need for transparency and stakeholders' needs and possibilities to obtain relevant up-to-date information about the circumstances of the foundation.</p>	<p>The Rules of Procedure for the Bikuben Foundation, Art. 22, state:</p> <p><i>"The chairman and the CEO represent the foundation externally. Without the chairman's permission, a board member may not make statements to the media or to the public concerning the company's affairs. In addition, the board may determine guidelines for information to the foundation's employees and the public concerning the foundation's affairs."</i></p> <p>On the website, the foundation writes:</p> <p><i>"The keywords for our communication is to generate debate, awareness and transparency. We would like to share the knowledge and the experiences we gain through our work. To that end, we communicate openly about our work, so that our cooperation partners – and the surrounding world in general – can gain insight into the foundation's activities. We participate actively in debate events and meetings. Among other events we host the art salon VISION, which puts topics within the performing arts and visual arts to debate."</i></p> <p><a href="https://www.bikubenfonden.dk/uk/about-bikuben-foundation">https://www.bikubenfonden.dk/uk/about-bikuben-foundation</a></p> <p>In 2016, the Bikuben Foundation adopted a new communication strategy, which is publicly available.</p> <p><a href="https://www.bikubenfonden.dk/uk/strategy">https://www.bikubenfonden.dk/uk/strategy</a></p>

<p><b>2.1.1 It is recommended</b> that, in order to secure the activities of the commercial foundation in accordance with the purposes and interests of the foundation, at least once a year the board of directors take a position on the overall strategy and distribution policy of the foundation on the basis of the articles of association.</p>	<p>The Rules of Procedure for the Bikuben Foundation, Art. 16, state:</p> <p><i>"Once a year the board determines the foundation's overall strategy and grant policy with a view to securing the foundation's work in accordance with med the foundation's purpose and interests."</i></p> <p>In 2016, the Bikuben Foundation adopted a new grant policy, which is available to the public on the foundation's website.</p> <p><a href="https://www.bikubenfonden.dk/uk/strategy">https://www.bikubenfonden.dk/uk/strategy</a></p>
<p><b>2.2.1 It is recommended</b> 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.</p>	<p>The Rules of Procedure for the Bikuben Foundation, Arts. 9 and 10, state:</p> <p><i>"Board meetings are convened with at least one week's notice, unless the chairman finds that special circumstances necessitate convening the board on shorter notice."</i></p> <p><i>"The chairman ensures that an agenda is drawn up for the meeting, and, whenever possible, that the agenda with the necessary supporting documents is sent out at least one week prior to the meeting."</i></p> <p><i>"The chairman, and in the chairman's absence the vice chairman, presides over the meetings."</i></p>
<p><b>2.2.2 It is recommended</b> that if, in addition to the position as chairman, in exceptional circumstances, the chairman of the board of directors is requested to perform specific operating functions for the commercial foundation, a board resolution be passed which ensures that the board of directors retains its independent, overall management and control function. Appropriate allocation of responsibilities should be ensured between the chairman, the vice-chairman, the other members of the board of directors and the executive board, if any.</p>	<p>The Rules of Procedure for the Bikuben Foundation, Art. 14, state:</p> <p><i>"If the board, in exceptional circumstances, requests the chairman – in addition to the position as chairman – to perform specific operating functions for the commercially operated foundation, a board resolution should be passed which ensures that the board retains its independent overall management and control functions. Appropriate allocation of tasks should be ensured between the chairman, the vice chairman, the other members of the board and the executive board, if any."</i></p>
<p><b>2.3.1 It is recommended</b> that the board of directors regularly assess and stipulate the competences that the board of directors is to possess in order to perform the tasks incumbent upon the board of directors as well as possible.</p>	<p>The Rules of Procedure for the Bikuben Foundation, Art. 8, state:</p> <p><i>"The board shall continually ensure that the board possesses the relevant and necessary knowledge to perform the tasks incumbent upon the board in electing candidates for the foundation's board."</i></p>

<p><b>2.3.2 It is recommended</b> that, with due respect of any right in the articles of association to make appointments, the board of directors ensures a structured, thorough and transparent process for selection and nomination of candidates for the board of directors.</p>	<p>The Rules of Procedure for the Bikuben Foundation, Art. 7, state:</p> <p><i>"In selecting candidates for the board, the board shall ensure a structured, thorough and transparent process."</i></p>
<p><b>2.3.3 It is recommended</b> 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 and when composing and nominating new members of the board the need for introducing new talent is weighed against the need for continuity and the need for diversity is considered in relation to commercial and grants experience, age and gender.</p>	<p>The Rules of Procedure for the Bikuben Foundation, Art. 8, state:</p> <p><i>"The board shall continually ensure that the board possesses the relevant and necessary knowledge to perform the tasks incumbent upon the board in electing candidates for the foundation's board."</i></p> <p>The foundation's website states:</p> <p><i>"New board members are selected, by way of an exhaustive recruitment process, initiated with impartial external assistance. The board shall be committed to select such competences within management, investment, business operations, culture and social conditions as are required."</i></p> <p><a href="https://www.bikubenfonden.dk/uk/board-trustees">https://www.bikubenfonden.dk/uk/board-trustees</a></p>
<p><b>2.3.4 It is recommended</b> that in the management commentary in the annual report and on the commercial foundation's website, 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:</p> <ul style="list-style-type: none"> <li>• the name and position of the member,</li> <li>• the age and gender of the member,</li> <li>• date of original appointment to the board whether the member has been re-elected, and expiry of the current election period,</li> <li>• any special competences possessed by the member,</li> <li>• 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,</li> <li>• whether the member has been appointed by authorities/ providers of grants etc., and</li> <li>• whether the member is considered independent.</li> </ul>	<p>The board is introduced in the annual report and on the foundation's website with all the recommended information:</p> <p><a href="https://www.bikubenfonden.dk/uk/board-trustees">https://www.bikubenfonden.dk/uk/board-trustees</a></p>
<p><b>2.3.5 It is recommended</b> 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.</p>	<p>There is no overlap between the members of the board of the Bikuben Foundation and any boards or executive boards in the foundation's subsidiaries, ENKOTEC A/S, BIFI A/S and Høbbet A/S.</p>

**2.4.1 It is recommended** that an appropriate proportion of the board of directors are independent.

If the board of directors (excluding employee representatives) is composed of up to four members, at least one member should be independent. If the board of directors is composed of between five and eight members, at least two members should be independent. If the board of directors is composed of nine to eleven members, at least three members should be independent, and so on.

To be considered independent, this person may not:

- be or within the past three years have been member of the executive board, or senior employee in the foundation, or a subsidiary or associated company to the foundation,
- within the past five years have received larger emoluments, including distributions or other benefits from the foundation/group or a subsidiary or associated company to the foundation in other capacity than as member of the board of directors or executive board 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/group or a subsidiary or associated company of the foundation,
- be or within the past three years have been employed or partner at the external auditor,
- have been a member of the board of directors or executive board of the foundation for more than 12 years,
- have close relatives with persons who are not considered as independent,
- is the founder or a significant donor if the purpose of the foundation is to grant support to this person's family or others who are especially close to this person, or
- 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.

All the members of the board of the foundation are independent according to the present definition.

**2.5.1 It is recommended** that members of the board of directors be appointed for a minimum period of two years and a maximum period of four years.

The Articles of Association of the Bikuben Foundation, Art. 6, state that::

*"The board elects its members for 2-year periods by simple majority. (...) No board member can be re-elected more than four times."*

<p><b>2.5.2 It is recommended</b> 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.</p>	<p>The Articles of Association of the Bikuben Foundation, Art. 6, state:</p> <p><i>"Members of the board can be elected up to and including the year in which they reach the age of 67; and they must retire no later than on 1 May of the year in which they reach the age of 68."</i></p>
<p><b>2.6.1 It is recommended</b> that the board of directors establish an evaluation procedure in which the board of directors, the chairman and the contributions and performance of individual members are evaluated annually and the result is discussed by the board of directors.</p>	<p>The Rules of Procedure of the Bikuben Foundation, Art. 22, state:</p> <p><i>"The board determines an evaluation procedure where the contributions and results of the board, the chairman and the individual members, and subsequently the findings are discussed by the board."</i></p>
<p><b>2.6.2 It is recommended</b> 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.</p>	<p>The Rules of Procedure of the Bikuben Foundation, Art. 22, state:</p> <p><i>"The board also determines an evaluation procedure for the foundation's executive board, where the executive board's work and results are annual evaluated by the board."</i></p>
<p><b>3.1.1 It is recommended</b> that the members of the board of directors of commercial foundations be remunerated with a fixed remuneration and that members of a possible executive board be remunerated with a fixed remuneration, possibly combined with a bonus which should not be dependent upon accounting results. The remuneration should reflect the work and responsibilities consequential to the position.</p>	<p>The Articles of Association of the Bikuben Foundation, Art. 7, state:</p> <p><i>"The individual board member may receive remuneration by way of a fee determined by the board. This fee cannot be beyond what is considered customary considering the nature and scale of the office."</i></p> <p>Moreover, the foundation's website states:</p> <p><i>"The board members of the Bikuben Foundation each receives a permanent basic fee in the amount of DKK 150,000 in remuneration of their board duties. The chairman will receive three times the basic fee and the vice chairman two times the basic fee. No board member shall be entitled to any additional fees."</i></p> <p><a href="https://www.bikubenfonden.dk/uk/board-trustees">https://www.bikubenfonden.dk/uk/board-trustees</a></p>
<p><b>3.1.2 It is recommended</b> that the annual financial statements provide information about the full remuneration received by each member of the board of directors and executive board (if relevant) from the commercial foundation and from other enterprises in the group. Furthermore there should be information on any other remuneration which members of the board of directors, except for employee representatives, have received for performing tasks for the foundation, subsidiaries of the foundation or enterprises in the same group as the foundation.</p>	<p>The fee amounts are stated in the annual account.</p>

#### Events after the balance sheet date

From the balance sheet date and to the time of writing, nothing has occurred to challenge the assessment of the annual report.