



STATUTES

THE KNOWLEDGE FOUNDATION

In effect from 21 September 2011

Government decision; 23 June 1994
Government decision; 1 January 1997
Kammarkollegiet* decision; 29 April 1999
Government decision; 12 may 2010
Board of Directors decision; 21 September 2011

* The Swedish Legal, Financial, and Administrative Services Agency

PURPOSE

1§

The foundation, officially entitled *The Knowledge Foundation*, has the following objectives:

- a. to support the exchange of knowledge and skills between the business sector on one hand, and universities, higher education institutions (HEIs), and research institutes on the other.
- b. to fund research at smaller and mid-sized HEIs and Sweden's new universities (founded after the foundation was formed) in special profile areas.
- c. to promote information technology.

ASSETS

2§

The foundation's assets consist of the funding allocated to the foundation per the Government's decision on the 23rd of June 1994 and any funding subsequently allocated to the foundation as additional foundation assets.

ACTIVITIES

3§

Foundation activities shall be developed successively in accordance with the foundation's own independent judgement.

In pursuing the respective objectives, foundation activities should involve the following:

as regards the objective under Section 1a:

- to finance education at the doctoral, licentiate, and master levels, particularly that which can take place in collaboration with companies
- to inject share capital for the restructuring of industrial research institutes and the formation of new industrial research institutes. The foundation must keep itself fully informed about these activities via the organisation's committee for industrial research systems that was appointed by the Government
- to cover certain direct costs for restructuring of the institutes
- to finance research positions at the institutes
- to finance multidisciplinary, technology-oriented projects conducted in collaboration between institutes.

as regards the objective under Section 1b:

- to be responsible for partial financing of research at Sweden's new universities and HEIs that is being developed in collaboration with regional businesses and where the regional business sector is responsible for co-financing. The foundation shall ensure that the business sector's total contribution equals, at least, that of the foundation.

as regards the objective under Section 1c:

- to promote widespread use of information technology, whereby the foundation shall keep itself thoroughly informed about the activities conducted by the Government's commission on information technology.

In addition, the foundation should support information aimed at small and mid-sized companies and the transfer of skills and technology to such companies.

4§

The following shall apply to the use of funds:

10 percent of the foundation's assets may be used in conjunction with restructuring of the industrial research system. The foundation may, if it deems appropriate, transfer its shares in institutes to another stakeholder in the firm.

25 percent of the foundation's assets concern financing for education at the doctoral, licentiate, and masters levels in accordance with Section 3, second paragraph. This portion of the capital may be utilised for at least 10 years.

35 percent of the foundation's assets concern profiled research at Sweden's new universities and HEIs. Only the returns on capital allocated for the objective may be used.

30 percent of the foundation's assets are intended to promote the use of information technology. This portion of the capital may be utilised for at least 5 years. The funding should be distributed based on proposals from a body that sets priorities, etc., which under the foundation's board is separate from other activities of the fund.

BOARD, ETC.

5§

A 10-member board manages the affairs of the foundation. The Government appoints two members. At least one of the Government appointees must have the relevant economic qualifications for board work.

The board appoints other members as follows:

1. two members are appointed based on proposals from agency directors of the Swedish Research Council, the Swedish Council for Working Life and Social Research, the Swedish Research Council Formas, and VINNOVA; Sweden's Innovation Agency;
2. two members are appointed based on proposals from universities and HEIs;
3. three members are appointed based on proposals from the Royal Swedish Academy of Sciences and the Royal Swedish Academy of Engineering Sciences; and
4. one member is appointed by the board itself.

Prior to submitting proposals for board members, those making proposals as described in points 1–3 shall confer with each other to achieve a multifaceted composition of the board in terms of skills and gender.

Board members are appointed for a term of 3 years with the possibility to serve an additional term. If a board member departs during the term of office, a new member is appointed to serve for the remainder of the term. The new member is proposed and appointed in the same manner as the board member he or she replaces.

Members appointed by the Government are dismissed by the Government. Other members are dismissed by the board.

6§

The board appoints its chair and vice chair from within.

7§

The board is headquartered in Stockholm. The board meets on call from the chair, or when at least three members request it. When the board makes a decision according to Section 5, second paragraph, regarding the appointment of board members for the coming term of office, the board shall concurrently decide to call the newly appointed board for an initial meeting. The board has a quorum when more than half of its members are present, including the chair, or in his or her absence, the vice chair. Minutes shall be taken at the board meetings.

RULES OF DECISION-MAKING

8§

Decisions are made by a simple majority, except in the cases specified in Section 9. In case of a tie, the chair casts the deciding vote.

9§

For decisions concerned with applying for permutation of foundation bylaws, or implementing changes in accordance with permutation decisions, at least three fourths of all board members must agree with the decision.

ASSET MANAGEMENT, ETC.

10§

The board is responsible for managing the foundation's assets in a satisfactory manner so that risks are limited and opportunities for good return on investment are utilised. The funds shall be managed in a way that enables special reporting based on the objectives and the proportion of assets allocated for these objectives, as described in Section 4.

11§

The foundation may borrow from credit institutions in order to meet temporary needs for liquidity.

AUTHORISATION TO REPRESENT THE FOUNDATION

12§

The board and the person or persons the board appoints are the foundation's authorised signatories.

ACCOUNTING AND AUDITING

13§

The foundation shall keep accounts in accordance with the regulations in the accounting act. The foundation's fiscal year shall coincide with the calendar year. The foundation shall establish a budget for the following fiscal year.

14§

For each fiscal year, the foundation shall issue an annual report based on the financial statement. The annual report shall include an accounting of the results and balance sheet and an administrative report, which in addition to usual information shall report on how the foundation's objectives have been addressed during the fiscal year.

15§

Two auditors, at least one of whom is licensed, shall review the foundation's accounts and annual report and the board's management. The auditors must have personal substitutes. Chapter 4, Section 1, fourth paragraph of the act governing foundations (1994:1220) in conjunction with Section 2.5 of the act on auditing of state activities etc. (2002:1022) indicate that the Swedish National Audit Office may authorise one or more auditors to participate in the audit along with other auditors.

16§

The foundation shall provide the auditors with the annual report for review no later than 4 months after the end of the fiscal year.

17§

If the auditors, as specified in Section 15, first paragraph, so request, the board shall be called to meet.

18§

After the audit is complete, the foundation shall submit copies of the annual report and financial statement to the Government, the Royal Swedish Academy of Sciences, the Royal Swedish Academy of Engineering Sciences, and the Confederation of Swedish Enterprise.

EVALUATION, ETC.

19§

The Royal Swedish Academy of Sciences and the Royal Swedish Academy of Engineering Sciences shall have the right to review the foundation's activities.

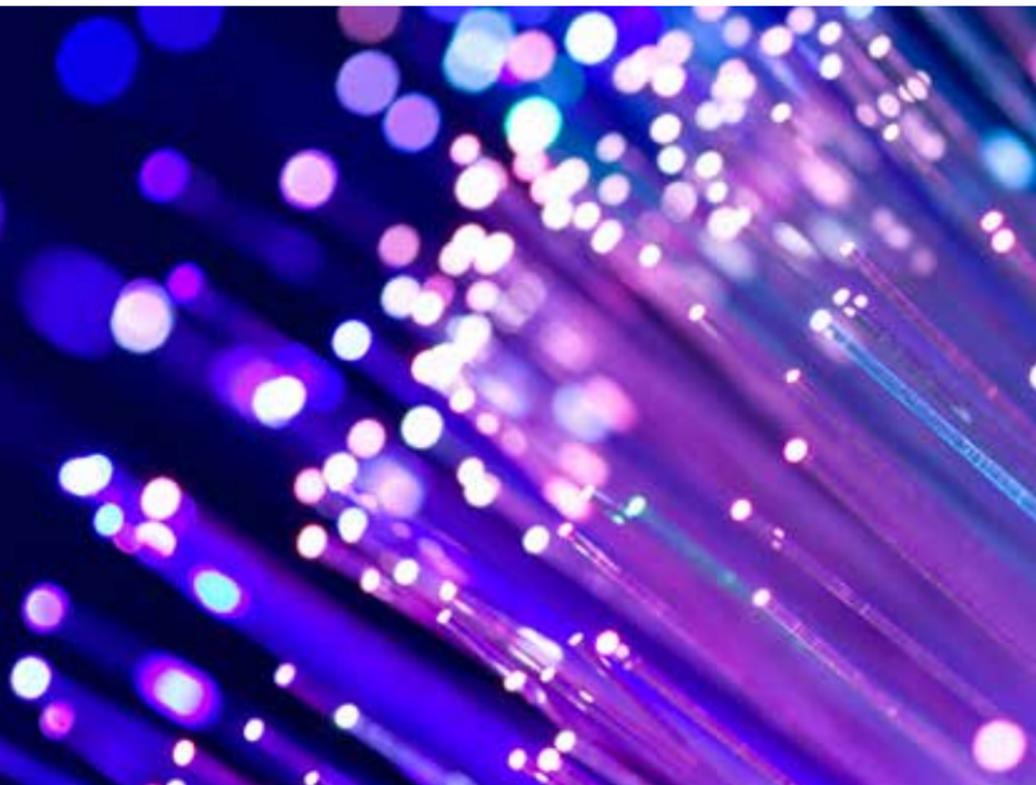
20§

The foundation shall ensure regular evaluation of the activities it supports. Furthermore, the foundation shall annually publish an easily understandable report of the activities.

SUPERVISION

21§

The Knowledge Foundation is exempt from supervision based on the act (1929:116) addressing supervision of foundations.



Knowledge Foundation

Box 3222, SE 103 64 Stockholm

Phone: +46 8 56 64 81 00

www.kks.se