

Anti-Corruption, Bribery and Fraud Policy

1. Policy Statement

The Prince Claus Fund (PCF) maintains a steadfast commitment to a 'zero tolerance' approach towards fraud, bribery, and corruption. Consequently, the Prince Claus Fund unequivocally rejects any form of bribery, fraud, or corruption within the organisation or by related third-parties. We adhere to the highest standards of ethical conduct and integrity. All employees and individuals acting on behalf of the Prince Claus Fund, irrespective of their location in the world, are expected to uphold a professional demeanour and adhere to legal standards with regard to anti-corruption, bribery and fraud.

The Prince Claus Fund provides grants to a diverse array of individuals and organisations in civil society operating in the realm of cultural expression and development. In addition to our own dedication to ethical conduct and integrity, we are duty-bound to take all reasonable measures to ensure that our funds are allocated to individuals and organisations that share these values and operate in accordance with the principles of our organisation.

Working in numerous foreign and high-risk environments, our relations include individuals and smaller organisations with limited capacity. Given their risk profile, there is a potential for misuses of funds. Therefore, the prevention, detection, and response to fraud are integral components of our overarching strategy.

This anti-corruption, fraud, and bribery policy constitutes a vital element within a comprehensive suite of measures implemented to promote and guarantee ethical and legal business conduct across the Prince Claus Fund as an organisation and within our grant portfolio (see related policies and procedures in the end of this document).

The Prince Claus Fund is a foundation under Dutch law, therefore it is bound by Dutch laws and regulations, such as the Criminal Code (Netherlands).

Due to the nature of our work, the Prince Claus Fund may also be subjected to anti-fraud and corruption law from countries where our beneficiaries work and practice. The laws of certain countries may not be as strict as the rules contained in this policy, but even in that case, PCF employees and associated persons with the Prince Claus Fund should adhere to the standards of this policy.

2. Purpose and Scope of the policy

The present policy underlines two main functions:

- (a) set out our responsibilities and of those working for the Prince Claus Fund, in observing and upholding our position on corruption, bribery, fraud; and
- (b) provide information and guidance to those working at or for the Prince Claus Fund and third-party representatives on how to recognise and deal with corruption, bribery and fraud issues.

In support of the functions above, this policy provides information and guidance on how to recognise common scenarios and types of fraud, bribery and corruption (See Annex/Appendix – Red Flags).

This policy applies to all persons working for the Prince Claus Fund or on behalf of the organisation in any capacity, including employees at all levels (whether permanent, fixed term or temporary), directors,

interns, trainees, volunteers, supervisory board members, whether located in the Netherlands or abroad ('PCF employees') and any person or entity performing services on behalf of the Prince Claus Fund, acting on behalf of the Prince Claus Fund or representing the interests of the Prince Claus Fund, including contractors, external consultants and partners, ('associated persons').

In this policy, third-party representative means any individual or organisation who PCF employees or associated persons come into contact with during the course of their work for the Prince Claus Fund, and includes actual and potential beneficiaries, donors, partners, suppliers, distributors, business contacts, agents, advisers, and government and public bodies, including their advisors, representatives and officials, politicians and political parties.

3. Definitions

Although not universal, for effects of this policy, a few definitions are relevant to be presented and contextualized.

Corruption: A collective term for all sorts of matters in which someone abuses his/her position for personal and/or business gain which may include examples such as bribery, nepotism and extortion. Corruption can go together with other criminal acts, such as forgery or money laundering.

Fraud: The act of intentionally deceiving someone in order to gain an unfair or illegal advantage (financial, political, or otherwise), resulting in the victim suffering a loss and/or the perpetrator achieving a gain.

Bribery: Falls under corruption and contains the unlawful act of offering or receiving any gift, loan, fee, reward or other advantage (taxes, services, donations, etc.) to or from any person as an inducement to do something which is dishonest, illegal, or a breach of trust, in the conduct of one's duties. Bribery can take place at both official and private levels (e.g. an official, politician or (private) person can bribe or be bribed). Different forms of bribery are:

Kickbacks: being an inducement or reward offered, promised or provided in order to gain and commercial, contractual, regulatory or personal advantage.

Facilitation: Facilitation payments, also known as "back-handers" or "grease payments" are unofficial payments made to secure or expedite a routine or necessary action (for example, by a government official).

Hidden transactions: Hiding transactions in order to get things done. The payment in itself is wrong, making the method of payment irrelevant.

4. Anti-Bribery, Fraud and Corruption Requirements

The Prince Claus Fund prohibits all PCF employees and associated persons from offering, promising, giving, soliciting or accepting any bribe and/or committing any form of fraud or corruption. Anyone found guilty of fraud, corruption or bribery will be subject to disciplinary measures which will ordinarily include dismissal, prosecution, and recovery of losses. In this regard, it does not matter whether bribes are actually paid, or fraud or corruption did actually happen; the promise to pay and the intent to commit fraud or corruption is enough.

For the purposes of this policy it is irrelevant whether the bribe is:

- Conveyed through cash, payments, gift, or other inducement. Bribes can be offered to, or solicited from, a private individual, a public or government official, official of a state-controlled industry or political party or a private person or company and would be a bribe whether the PCF

employee or associated person is situated in the Netherlands or overseas.

- Payments include anything of value, including money, the transfer of shares, bonds or other property, reimbursement of expenses, provision of services of any kind, entertainment, employment or work experience for officials/their friends/their relatives, contributions to a specific charity, assumption of a debt or exemption from the duty to repay a debt, gifts, or any other transfer of goods or services.
- Made or received directly or through a third-party. Acts of bribery are designed to influence the receiver to act in a specific way. The act to be performed by the receiver may not, necessarily, be illegal but could still be a bribe for the purposes of this policy.

5. Gifts, Expenses and Hospitality

PCF employees and associated persons may not offer to, or accept from, third parties, gifts, hospitality, rewards, benefits or other incentives that could affect either party's impartiality, influence a business decision or lead to the improper performance of an (official) duty. Similarly, they may not offer or accept cash donations. The policy allows for reasonable and appropriate gifts, expenses or hospitality, emphasizing the importance of maintaining good business relationships, enhancing the organization's image, or effectively marketing its products and services. Promotional gifts of low value, such as branded stationery, are generally acceptable. Reimbursing third-party expenses or accepting offers for reimbursement is allowed as long as it aligns with genuine and reasonable organisational expenses.

Gifts: These are money, vouchers, goods or services, which, if given appropriately, are a mark of friendship or appreciation.

Hospitality or entertaining: This is given or received to initiate, cement or develop relationships. It includes meals, receptions, tickets to entertainment, social or sports events. Hospitality requires the host to be present; if not, the expenditure is a gift. Hospitality can also be associated with fund-raising events held for charitable causes with the Prince Claus Fund assisting the causes by purchasing tickets or introducing potential supporters.

Expenses: These are the provision or reimbursement by the Prince Claus Fund of travel, lodging and other expenses incurred by a prospective third-party representative. For example, paying for the travel and associated costs for representatives of a potential donor to attend an exhibition, event, conference or training. Expenses can be a legitimate contribution to achieving an organizational outcome. Expenses should always be justifiable by the corresponding payment receipts.

In determining what reasonable and appropriate gifts, expenses and hospitality are, PCF employees and associated persons should consider the value of the gifts, expenses and hospitality (see below), as well as the frequency with which the same or similar gift, expense or hospitality is offered. In all cases they must ensure that the gift, expense or hospitality:

- is being given as an expression of goodwill and not in expectation of a return favour (a gift designed to secure a return favour could be seen as a bribe).
- is commensurate with generally accepted standards for hospitality taking into account the norms for the industry/professional sector/culture in which it is offered.
- is being provided openly and transparently and is of a nature that will not cause the Prince Claus Fund embarrassment if publicly reported.
- complies with local laws and regulations, including the recipient's own rules (bearing in mind that government rules on offering and receiving gifts or benefit are often particularly tight).

- meets the value limits set by the Prince Claus Fund and has all required approvals. In cases of uncertainty, PCF employees or associated persons must seek advice from the Office Manager or Director.

Procedures upon giving or receiving gifts

- PCF employees and associated persons must seek prior approval from the Operations Manager or Director for all gifts, hospitality or expenses received or offered with a value of more than EUR 50 (or equivalent) prior to final acceptance. If prior approval cannot be realistically obtained before the initial acceptance of a gift, hospitality or expense, the PCF employee or associated person must report and seek retrospective approval, or otherwise, as soon as possible after initial acceptance.
- If any PCF employee or associated person is offered an inappropriate gift they should politely decline it and inform the Operations Manager or Director, as appropriate.
- In the event that declining an inappropriate gift in the moment that it is given might be culturally inappropriate or embarrassing, it should be returned within no less than a week, with appropriate documentary evidence to prove that the gift was returned.
- In the event that an inappropriate gift is received publicly, steps should be taken to restore the reputation of the Prince Claus Fund, in addition to returning the gift.
- In the event that inappropriate gifts are received without consent (such as courier deliveries, bank or mobile money transfers), these should be declared immediately to the Operations Manager or Director. Steps should be taken to return the gift or notify authorities if money laundering is suspected.
- Inappropriate gifts received by PCF employees and associated persons and subsequently declared to the Prince Claus Fund should in all cases be returned.
- Appropriate gifts, given to the Prince Claus Fund as a whole, or to a particular team, should normally be enjoyed or shared by all relevant personnel (e.g., lights snacks or flowers). Where an appropriate item is not easily shareable, it should be raffled by some random and transparent means.

6. Personal Conflicts of Interest

PCF employees or associated persons must avoid as far as reasonably possible situations or transactions in which their personal interests could conflict or might be seen to be in conflict with the interests of the Prince Claus Fund. This includes:

- Give, cause or seek unjustified preferential treatment (with or without using company resources) for the benefit of family, friends or acquaintances, or the appearance thereof.
- Threaten or retaliate against another worker who has refused to commit a bribery offence or who has raised concerns under this policy.
- Hold positions outside of the Prince Claus Fund or engage in any other external activities if fulfilling them may lead to a potential or perceived conflict of interest as to their role at the Fund.

If such a situation does arise, PCF employees or associated persons must disclose the existence of a conflict of interest as soon as possible. Following disclosure, the Director will decide what actions should be taken in order to mitigate this conflict of interest (e.g., the colleague recusing themselves from a relevant decision-making process). All actual or potential conflicts of interest are to be declared. Declared conflicts are subsequently managed to mitigate the associated risks, and decisions and

actions are documented to ensure transparency and accountability.

7. Responsibilities

All PCF employees and associated persons have a responsibility for the prevention of fraud, bribery and corruption. The specific responsibilities of the groups are set out below:

All PCF employees and associated persons should:

- Be aware of and comply with the guidelines set out in this document.
- Be aware and comply with the Prince Claus Funds' statement on expenses, conflicts of interest, and their own obligations.
- Take seriously and treat in confidence any concerns raised about a potential case of misuse of funds.
- Take seriously and report any suspicions of potential misuse of funds immediately.
- When communicating with the grantees, staff should remain vigilant of the risk of misuse of funds. They should also be aware of contractual requirements and ensure compliance with these terms.

Operations Manager

- Lead on setting all policies and guidelines relating to corruption, fraud and bribery.
- Advice and support on the application of these guidelines to all staff members as required, including training on policies/guidelines.
- Investigation of any cases reported. Where a misuse, or suspected misuse, is reported to the Operations Manager or Director, they will follow the necessary investigation processes.
- Reporting on outstanding fraud cases through periodic reports to the Fund's leadership.

Director

- Overall responsibility for management, including the standards and processes applied in responding to corruption, fraud and bribery.
- Final sign-off of each case is made by the Director. Process to be followed and the key decisions to be taken are set out in the related.

Supervisory Board

- To act or support investigations on fraud, corruption and bribery when requested or provoked, in accordance with the established procedures.

Funders

- To collaborate and respond to requests, complying with what is needed.

8. Third-parties engagement and screening

The Prince Claus Fund insists on honesty, integrity and fairness in all aspects of its work and expects its associated persons, and third-parties to do the same. The Prince Claus Fund carefully selects its partners and expects them to act in line with the Prince Claus Fund's Code of Conduct.

Before a decision for financial support is made potential partners and grantees are duly researched, in most cases through the network of the Prince Claus Fund and through expert second opinions on the

individual or organisation and the content of their work. In case the Prince Claus Fund has agreed that a partner undertakes specific activities for a certain budget the Prince Claus Fund provides flexibility but does not tolerate fraud, bribery or corruption. This is realised through close communication with the partners during the implementation of activities and participation in programmes, and through adequate reporting, which can sometimes be a condition for release of funds.

The Prince Claus Fund asks certain partners to keep first hand financial documentation. If fraud is suspected the Prince Claus Fund asks for this documentation. In the event these suspicions are confirmed the Prince Claus Fund can require the return of the full amount allocated. These stipulations are articulated in the contracts and other legal provisions.

Payments made by the Prince Claus Fund to others are proper, legal, and reasonable in nature and the value of the transactions is proportionate to the goods or services provided to the Prince Claus Fund. Do not engage or pay any third-party on behalf of the Prince Claus Fund if you know or suspect that doing so might result in unethical conduct that would violate this policy and/or applicable anti-corruption laws or regulations.

9. Reporting/speaking up and investigations

PCF Employees and associated persons acting on behalf of the Prince Claus Fund are expected to adhere to principles of honesty, integrity, and fairness. If any concerns related to fraud, bribery, corruption, or other irregularities arise, individuals can seek advice from their line manager, the Operations Manager, Confidential Advisor or directly from the Director, according to the related procedure.

All concerns, even those where certainty is not assured, are to be reported promptly using the Complaint Form (Annex I). This includes situations where partners offer gifts or payments to gain a competitive advantage. "Red flags" indicating potential bribery, fraud, or corruption are outlined in "Appendix 1 – Red Flags and Examples".

PCF Employees and associated persons are strongly encouraged to provide detailed information, including who, when, where, and how, and whether there is evidence or a basis for suspicion. While concerns may be reported anonymously, providing names and contact details is encouraged to facilitate investigations.

To facilitate reporting, a secure Speak Up service is provided (see Speak Up policy). Concerns about policy breaches, bribery, conflict of interest, corruption, fraud, money laundering, or misuse of funds can be reported anonymously through the Speak Up procedure, including contact with the Confidential Advisor. Incidents reported are forwarded to the Operations Manager or Director for further action.

If a third-party representative would like to report a wrongdoing, they are also encouraged to reach to a responsible person, ideally the Operations Manager or Director (Integrity Officers), using the "Annex I – Complaint Form".

The Prince Claus Fund commits to conducting a prompt, discreet, and objective review, or investigation, as indicated in the code of conduct and policies listed in the end of this document.

Information about the reporting mechanisms will be made widely available through the Fund's website, contractual terms, and this policy document.

10. Protections for Reporting Persons

The Prince Claus Fund maintains a zero-tolerance policy towards malicious reporting, false accusations, or vexatious complaints.

The Prince Claus Fund prohibits any form of retaliation against anyone participating in good faith complaints, reports, or inquiries under this policy, extending protection even if allegations are mistaken. The Prince Claus Fund is dedicated to supporting reporting individuals by acknowledging and addressing the risks they may face, assuring them that concerns are taken seriously, explaining that identities will be protected to the extent possible, answering questions, and providing emotional support.

The Prince Claus Fund commits to informing individuals of investigation decisions, outcomes, and appropriate actions, while also taking necessary steps to ensure the safety of any reporting person, even in cases involving potential cost implications. In alignment with these principles, the Prince Claus Fund is committed to fostering openness and supporting those who raise genuine concerns, even if later found to be mistaken, ensuring that no one suffers detrimental treatment for refusing to engage in bribery, fraud, or corruption. If individuals believe they have faced such treatment, they are encouraged to use the appropriate formal procedures.

11. Consequences

Any act by a PCF employee or associated contrary to this policy shall be regarded as a significant breach of the Prince Claus Funds' Code of Conduct and this policy.

A violation of this policy may lead to proportionate disciplinary actions being taken, including termination of employment.

Any act of bribery or corruption could have external consequences and may lead to personal, civil, administrative and/or criminal sanctions or liabilities, as well as reputational damage for the employee(s), associated persons and the Prince Claus Fund.

12. Reporting to authorities

If a violation of law or external regulations is confirmed, the Prince Claus Fund may need to report or notify the violation to relevant enforcement authorities, such as the police or regulatory authorities, to comply with applicable laws or regulations both in the Netherlands and abroad. The Prince Claus Fund also retains the right to initiate separate legal action against the person(s) or party in question.

The decision to report the case to the police rests with the Director and the Chair of the Supervisory Board, who must consider the realistic extent of police involvement in cases of fraud, theft, or corruption. For significant frauds, it might be appropriate to involve the police in meetings during investigation.

The lead investigator is responsible for preparing an "Evidence Pack" to be handed to the police at the time of reporting, including a summary of the fraud, details on the amount, modus operandi, and location, along with photocopies of key supporting documents and contact details of the person leading the investigation.

All communication with the police should be centralised through the Director, maintaining a record of contacts, officer details, and the crime reference number. Seeking advice from the police on measures to prevent further losses or future incidents is crucial, given their expertise in similar fraud cases.

The Prince Claus Fund also has the obligation of reporting any suspicious or serious inappropriate behaviour to the Ministry of Foreign Affairs and the Centraal Bureau Fondsenwerving (CBF), as indicated in the Code of Conduct.

13. Risk Management, Monitoring and Review

The Prince Claus Fund is committed to continually enhance the effectiveness of its Anti-Fraud and Corruption policy by evaluating its implementation, including preventive and detective measures, after each instance of fraud or corruption.

The evaluation incorporates the outcomes of root-cause analyses, potentially leading to organizational, policy, or procedural changes. In addition, the Monitoring & Evaluation team conducts an annual reflection session and fraud events are audited by an external company, accompanied by financial statement presentations.

Occurrences of fraud, even if anonymized, serve as learning materials for the Prince Claus Fund to maintain staff awareness of risks. Recognizing the varying nature of risks across the Prince Claus Fund, the assessment of bribery, fraud, or corruption risks is integral to the organization's risk management processes.

In consonance with Administrative Organisation Guidelines, the Prince Claus Fund has implemented several procedures designed to ensure transparency, accountability, and integrity in financial operations, safeguarding the Prince Claus Fund's resources against potentially fraudulent activities. These measures include (but are not limited to) the prohibition of cash within office premises, the submission and monitoring of expense declarations by an external financial administration entity, adherence to the "four-eye" principle for allocations requiring two signatures, mandatory double approval for payments, and restricted usage of Prince Claus Fund credit and bank cards.

14. Implementation/Communication & Adherence

Training on this policy is available to everyone to whom this policy applies, to ensure that they are aware of their obligations and responsibilities.

Our zero-tolerance approach to corruption, bribery and fraud must be communicated to all associated persons and third-party representatives.

Document Control

Document name	Anti-Fraud, Corruption and Bribery Policy
Approved by	Director (Marcus Desando)
Responsible Owner	Operations Manager (Kitty Schoenmaker)
Date approved	1 May 2024
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Version number	1.0

Please note that this policy has a complementary character: any applicable local laws or regulations remain valid. This policy may not conflict with any local laws or regulations and if such would be the case the law or regulation would prevail. Where the terms of this policy are stricter than the applicable legislation or provide additional safeguards, rights or remedies, the terms of this policy will prevail.

Related policies and procedures

Administrative Organisation (AO)

Code of Conduct

Confidential Advisor Protocol

Speak Up Policy

Annex I – Complaint Form

1. Do you wish to identify yourself?

Yes No – If yes, please provide your contact details

Anonymous notifications: You are able to make this notification anonymously by sending a printed copy of this completed form, addressed to the Director, to the Prince Claus Fund office mail. If the complainant is about the Director, please address it to the Chair of the Supervisory Board.

Please note that if you do make the notification anonymously, we may be unable to fully investigate the circumstances you have reported or confirm key details if you have not provided sufficient information.

Name

Address

Phone number

E-mail address

2. Please provide a brief overview of the allegation(s). A couple of sentences that briefly describe the allegation(s). Who were the perpetrators, what was the fraudulent actions taken, and what does it relate to? (e.g., “Programme coordinator offered to select a grantee in exchange for a part of the grant”; “Awardee tried to forcedly kiss an employee)

Brief description

Date/Range

Date which you became aware of the fact

Person(s) alleged to have breached the Code and Policies

Position of suspected offender

Are there any witnesses?
If yes, please provide the
details (name, position
and title) of any witnesses
involved.

What information may
the above witness
be able to provide/
substantiate?

What is the financial
amount involved? (if
applicable)

3. Please provide a chronological account of the facts of the allegation(s). Use the following prompts to capture all the relevant information.

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- Who is involved?
 - What did they do?
 - Where was it done?
 - When was it done? Is it ongoing?
 - Why was it done?
 - How was it done?
 - Who else knows about it?
 - Actions taken to date.
-

4. NOTIFICATION HISTORY

Are you aware of whether this allegation of misconduct has been notified previously?

Yes No

If yes, please advise if anyone has received this notification or has been advised of this matter:

Contact details

5. RESPONSE

Upon receipt of this notification, further information will be gathered and assessed to determine

whether there are sufficient grounds to warrant a full investigation. This will be undertaken in accordance with the Fraud and Corruption Policy and related procedures. This initial fact-gathering exercise will be confidential to the investigation team.

6. PROTECTIONS FOR REPORTING PERSONS

The Prince Claus Fund prohibits any form of retaliation against anyone participating in good faith complaints, reports, or inquiries under this policy, extending protection even if allegations are mistaken. The Fund is dedicated to supporting reporting individuals by acknowledging and addressing the risks they may face, assuring them that concerns are taken seriously, explaining that identities will be protected to the extent possible, answering questions, and providing emotional support.

The organization commits to informing individuals of investigation decisions, outcomes, and appropriate actions, while also taking necessary steps to ensure the safety of any reporting person, even in cases involving potential cost implications.

SUBMITTING THIS FORM

In submitting this form, you declare that the information you have provided is accurate and true to the best of your knowledge.

Misuse of this form to raise meritless or unwarranted claims against another employee will not be tolerated.

You can submit your form to info@princeclausfund.nl with reference to the operations manager. Or send your complaint form to:

Prince Claus Fund
Attn. Operations Manager
Kingsfordweg 151
1043 GR Amsterdam
The Netherlands

Appendix I – Red Flags and Examples

The following is a list of possible red flags that may arise and which may raise concerns about possible bribery, corruption or fraud. The list is not intended to be exhaustive and is for illustrative purposes only. If you encounter any of these red flags, you must report them promptly using the adequate procedure(s) set out in this policy:

- you become aware that a third-party engages in, or has been accused of engaging in, improper business practices;
- you learn that a third-party has a reputation for paying bribes, or requiring that bribes are paid to them, or has a reputation for having a close relationship with foreign government officials;
- a third-party insists on receiving a commission or fee payment before committing to sign up to a contract with us, or carrying out a government function or process for us;
- a third-party requests payment in cash and/or refuses to sign a formal commission or fee agreement, or to provide an invoice or receipt for a payment made;
- a third-party requests an unexpected additional fee or commission to “facilitate” a service or approval process;
- a third-party demands lavish entertainment or gifts before commencing or continuing contractual negotiations or provision of services;
- a third-party requests that a payment is made to “overlook” potential legal violations;
- a third-party requests that you provide employment or some other advantage to a friend or relative;
- you receive an invoice from a third-party that appears to be non-standard or customised;
- a third-party insists on the use of side letters or refuses to put terms agreed in writing;
- you notice that we have been invoiced for a commission or fee payment that appears large given the service stated to have been provided;
- a third-party requests or requires the use of an agent, intermediary, consultant, distributor or supplier that is not typically used by or known to us;
- a third-party requests or requires the use of an agent, intermediary, consultant, distributor or supplier and it is not clear what goods or services they will be supplying;
- you are offered an unusually generous gift or offered lavish hospitality by a third-party.
- as a budget holder/manager you have been asked to approve an expenses claim which shows unaccustomed expenditure, possibly with no receipts;
- you have been asked to falsify or alter accounting/auditable records.