Solvoz Foundation related-party transaction policy

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Registered office: The Hague, The Netherlands
Address: Biancaland 100, 2591 DB The Hague, The Netherlands
Chamber of Commerce number: 75501325
RSIN: 860304863

1. Purpose

This related-party transaction policy sets out how Stichting Solvoz Foundation identifies, assesses, approves, documents and reviews transactions with related parties. The Foundation may work with parties that have a connection to the Foundation, its board members, staff, contractors or programme partners. Such relationships do not in themselves prevent the Foundation from entering into transactions with these parties, provided that the transaction serves the Foundation's statutory objective and is assessed and approved independently and on reasonable terms.

Solvoz BV is a related party to the Foundation because of historic organisational links and the interests of one board member. No related party has an exclusive, preferred or default provider position within the Foundation.

The purpose of this policy is to ensure that all related-party transactions:

- serve the Foundation's statutory objective and public-benefit mission;
- are necessary or appropriate for the Foundation's activities;
- are transparent and documented;
- are approved through an independent and proportionate governance process;
- are priced or valued on a reasonable and defensible basis;
- take appropriate account of available alternatives;
- avoid unjustified private benefit;
- comply with applicable donor, grant, legal and ANBI requirements.

This policy should be read together with the Foundation's statutes, governance charter, conflict of interest policy, financial procedures, grant funding policy, Policy Plan 2026–2030 and relevant service agreements.

2. Scope

This policy applies to transactions between the Foundation and any related party, including:

- current or former board members where relevant;

- companies, foundations or other entities owned, controlled or materially influenced by a board member;
- family members or close personal relations of board members where relevant to a transaction;
- staff, contractors or programme leads with influence over the relevant decision;
- organisations where a board member, staff member, contractor or programme lead has a formal role or financial interest;
- any other person or organisation that could reasonably be regarded as connected to the Foundation's decision-makers.

The policy applies to paid transactions, in-kind arrangements, service agreements, grants, contracts, reimbursements, licences, loans, guarantees, shared staffing, shared resources and other arrangements that may create financial or operational value for a related party.

3. Definition of a related-party transaction

A related-party transaction is any agreement, arrangement, payment, commitment or transfer of value between the Foundation and a related party. This may include:

- software, hosting, maintenance, support or development services;
- consultancy or advisory services;
- staffing or operational support;
- office, administrative or financial services;
- grants or sub-grants;
- licences or intellectual property arrangements;
- reimbursements;
- shared costs;
- loans or guarantees;
- any other transaction that provides financial or operational value to a related party.

A transaction remains a related-party transaction even where it is beneficial to the Foundation, provided in kind, at cost, below market price or otherwise on favourable terms.

4. Related-party status and provider neutrality

The Foundation does not grant any related party an automatic, exclusive, preferred or default position as a supplier, service provider, programme partner or recipient of Foundation expenditure.

Where the Foundation requires technology, hosting, professional services, specialist expertise, operational support or other external services, the appropriate provider is determined according to the needs of the relevant programme and the Foundation's statutory objective. Selection may take into account factors such as:

- suitability for the programme;
- relevant expertise and functionality;
- quality and reliability;
- security and compliance;

- continuity and implementation requirements;
- total cost and value for money;
- availability and implementation time;
- compatibility with existing programme infrastructure;
- donor or grant conditions;
- contribution to the Foundation's statutory and public-benefit objectives.

A related party may be considered alongside other appropriate providers where its services are relevant to a particular programme. Its historic role in developing technology or providing other services previously used in Foundation-related activities does not create an entitlement to future Foundation work or funding. Any transaction involving a related party is subject to the safeguards in this policy.

5. Approval principle

All new material related-party agreements require board approval.

All board members, staff, contractors, programme leads and programme partners involved in the Foundation's activities must update their declaration of external roles, interests and engagements at least annually, including involvement in other organisations, platforms or initiatives. These declarations must be made and maintained in accordance with the Foundation's conflict of interest policy and used to identify related parties and potential conflicts before transactions are considered under this policy.

A person with an interest in the related party must disclose that interest before substantive consideration of the transaction. A conflicted board member may, if requested by the non-conflicted board members, provide factual information, historical context, technical information or other information required to assess the transaction. The conflicted board member does not participate in the subsequent deliberation or decision-making on that transaction and does not vote on its approval. The non-conflicted board members are responsible for determining independently whether:

- the transaction is necessary or appropriate;
- it contributes directly to the Foundation's statutory objective;
- the proposed related party is an appropriate provider or counterparty;
- the terms and pricing are reasonable;
- any private benefit is no more than incidental to achieving the Foundation's public-benefit purpose;
- appropriate alternatives or benchmarks have been considered.

The conflict, the information considered, the way the conflict was handled and the decision must be recorded in the board minutes.

Recurring payments under an independently approved agreement and approved budget may subsequently be processed operationally in accordance with the Foundation's financial procedures. Material changes to scope, pricing, duration, risk, obligations or the nature of the relationship require renewed approval.

6. Transaction note before approval

Before approving a material related-party transaction, the board should receive a short written transaction note. The note should include:

- the related party involved;
- the nature and purpose of the transaction;
- why the transaction is needed;
- how the transaction supports the Foundation's statutory objective and public-benefit mission;
- why the proposed related party is considered suitable;
- the scope of services, goods or other value provided;
- the pricing, cost basis or other value basis;
- duration and renewal terms;
- alternatives considered and, where appropriate, market or value comparisons;
- key risks and safeguards;
- disclosed interests and how any conflict is managed;
- relevant grant or donor restrictions, where applicable.

The level of detail should be proportionate to the size, duration, risk and complexity of the transaction.

7. Pricing and value principle

Pricing for related-party transactions must be transparent, documented, reasonable and defensible. A related party may not receive excessive or unjustified compensation or another financial benefit as a result of its relationship with the Foundation.

Depending on the nature of the transaction, the Foundation may assess value using one or more of the following:

- actual or estimated costs;
- market rates or comparable offers;
- published or normally applied rates;
- cost-based pricing;
- reasonable cost-plus pricing;
- independent quotations;
- previous comparable transactions;
- an external benchmark or professional assessment;
- other reasonable evidence of value.

A favourable rate offered by a related party may be taken into account, but the existence of a discount does not by itself establish that a transaction is appropriate. The assessment must consider the overall value to the Foundation, including quality, suitability, continuity, implementation requirements and total cost, rather than price alone. The pricing or value basis must be recorded in the transaction note or relevant agreement.

8. Market comparison and selection rationale

For a material related-party transaction, the Foundation should undertake a proportionate assessment of available alternatives and value for money.

This does not mean that competitive quotations are mandatory for every transaction. The appropriate assessment depends on the nature, value, complexity and circumstances of the requirement. Where practicable and proportionate, the Foundation may use:

- quotations from alternative providers;
- published market rates;
- comparable contracts or services;
- documented market research;
- cost breakdowns;
- independent professional advice;
- other objective information that allows the board to assess reasonableness and value.

Where obtaining competing quotations is not reasonably practicable, the reason must be documented. This may arise, for example, where there are material integration, continuity, compatibility, intellectual property, security, timing or specialist expertise requirements. In such cases the board must use another reasonable method of assessing price and value and record why the selected related party is considered to be in the Foundation's best interests. Historic relationships or previous use of a provider are not, by themselves, sufficient justification for awarding a related-party transaction.

9. Grant-funded transactions

Grant or donor funding may only be used for payments to a related party where the expenditure serves the Foundation's approved public-benefit programme and is necessary or appropriate for its implementation. Such transactions may be permitted where:

- the cost is eligible under the applicable grant or donor conditions;
- the service, good or other expenditure is needed for the programme;
- the related party has been selected in accordance with this policy;
- alternatives and value have been considered proportionately;
- the cost is transparently budgeted and documented;
- the scope and pricing are clearly defined;
- the transaction is approved by the non-conflicted decision-makers;
- any conflicts of interest are declared and managed;
- the arrangement does not create unjustified private benefit.

Grant, donor or Foundation funding must not be used for the purpose of promoting, subsidising or generating commercial sales for a related party. Any economic benefit received by a related party must arise only as an incidental consequence of obtaining goods or services reasonably required to achieve the Foundation's public-benefit objectives.

Where grant or donor rules impose stricter requirements, those requirements apply.

10. Multi-year agreements and review

The Foundation may enter into multi-year agreements with related parties where this is demonstrably appropriate for programme continuity, operational stability, implementation, efficiency or value for money. Multi-year agreements must be approved and documented in accordance with this policy and do not create a presumption of renewal.

Material related-party agreements should be reviewed at least every two years, or earlier where relevant circumstances materially change. A material change may include:

- a significant change in scope;
- a significant change in pricing;
- a new grant or donor condition;
- a material change in the Foundation's activities;
- changes in available providers or alternatives;
- a material change in technology, hosting or support requirements;
- a material change in legal, fiscal, data protection or compliance requirements;
- a material governance change.

The review should confirm whether:

- the service or arrangement remains necessary;
- the related party remains an appropriate counterparty;
- the arrangement continues to serve the Foundation's statutory objective;
- the pricing and other terms remain reasonable;
- relevant alternatives have been appropriately considered;
- continuation does not create unjustified private benefit.

Renewal or material extension of a related-party agreement requires approval by the non-conflicted board members.

11. Prohibited transactions

The Foundation may not enter into related-party transactions that:

- are not linked to the Foundation's statutory objective or public-benefit mission;
- primarily serve the private or commercial interests of the related party;
- create unjustified private benefit;
- involve undocumented payments;
- allow persons with a conflict of interest to participate in the deliberation or decision approving their own or a related party's material benefit;
- involve excessive or non-defensible fees;
- provide personal loans to board members, staff, contractors or related persons;
- provide guarantees primarily for private or commercial benefit;
- bypass conflict-of-interest or financial approval procedures;
- use Foundation, grant or donor resources for the purpose of generating or subsidising commercial sales for a related party;
- conflict with grant, donor, ANBI or other applicable legal requirements.

12. Records and transaction register

The Foundation will maintain a related-party transaction register. The register should include:

- the related party;
- the nature of the transaction;
- date of approval;
- approving board members;
- disclosed interests relevant to the transaction;
- conflicts identified and how they were managed;
- value or pricing basis;
- relevant market or alternative assessment where applicable;
- duration;
- review date;
- relevant agreement or document reference.

Board minutes should record the approval of related-party transactions, relevant disclosed interests, the management of conflicts, abstentions from deliberation or voting, and the basis on which the non-conflicted board members concluded that the transaction serves the Foundation's interests and statutory objective.

13. External advice

The board may seek legal, financial, tax, procurement, data protection or other professional advice where the value, risk or complexity of a related-party transaction justifies it.

External advice is not mandatory for every related-party transaction, but should be considered for high-value, long-term, unusual or higher-risk arrangements. The board may also obtain independent advice where this assists in establishing market value, appropriate pricing or the reasonableness of the proposed arrangement.

14. Public reporting

The Foundation does not publish detailed related-party contracts unless required by law, donor conditions, grant conditions or applicable public-benefit reporting requirements. The Foundation will nevertheless be transparent about material related-party relationships where this is relevant to understanding its governance or use of funds.

Public information may explain:

- the existence and nature of a relevant related-party relationship;
- that related parties receive no exclusive, preferred or default provider status;
- that transactions are subject to conflict-of-interest and independent approval procedures;
- that material expenditure must serve the Foundation's statutory public-benefit objective;
- that pricing and value are assessed and documented.

The Foundation may protect confidential, commercially sensitive, security-related and personal data where appropriate.

15. Review of this policy

This policy will be reviewed at least once every two years, or earlier if there are material changes in:

- the Foundation's activities;
- governance structure;
- funding model;
- legal or ANBI requirements;
- significant related-party relationships;
- relevant donor or grant requirements.

Amendments require board approval.