

ZF hilft e.V.

# Directive for Awarding Financial Support

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### PREAMBLE

The association ZF hilft e.V. is conscious of its social and societal responsibility. In accordance with its purpose, the association is involved in worldwide aid in humanitarian matters.

The following directive

- specifies the formal and content-related framework for potential support of projects of other non-profit organizations or of individual actions by ZF hilft e.V.
- is thereby intended to serve internally and externally as the basis for the necessary transparency of the support activities and all processes in conjunction with the support procedures.

The recognition of this funding directive by the organization whose project is to be supported is a requirement for granting financial support by ZF hilft e.V.

The general assembly adopted the following directive during their meeting on May 17, 2019 at the suggestion of the Board of Management as well as on the basis of Art. 6 (1) p. 2 lit g of the articles of association:

### 1 SCOPE AND RESPONSIBILITIES

- 1.1 This directive is binding for all executive bodies or members of executive bodies that deal with the allocation and management of funds.
- 1.2 All of the association's funds that are available for use for statutory purposes (financial support) fall within the scope of the present directive.

## 2 FUNDING PURPOSES

- 2.1 The content-related specifications for awarding financial support arise from the articles of association of ZF hilft e.V. and the non-profit legal requirements of the German Fiscal Code (AO) as well as association law principles. The purpose of ZF hilft e.V. is (refer to Art. 2 of the articles of association) the support of
- aid for politically, racially or religiously persecuted persons, refugees, displaced persons, ethnic German emigrants and repatriates and post-war repatriates, war victims, surviving dependants of war, war-disabled persons, prisoners of war, disabled civilians and people with disabilities as well as aid for victims of crimes, support of remembrance of persecuted persons, victims of war and catastrophes and support of the tracing service for missing persons;
  - development cooperation;
  - public welfare and welfare work;
  - education, adult education and vocational education, including student support;
  - public health and public healthcare;
  - rescue from life-threatening danger;
  - fire prevention, occupational safety, disaster and civil protection as well as accident prevention and
  - charitable purposes.
- 2.2 ZF hilft e.V. fulfills its purposes in particular through procurement of funds for the fulfillment of the tax-privileged purposes stated under section 2.1 which are carried out by other bodies (organizations).
- 2.3 Furthermore, ZF hilft e.V. supports people in need, in particular affected ZF employees, to the extent permissible under charity law.
- 2.4 ZF hilft e.V. fulfills its purposes through the financial support granted by it in Germany and abroad, whereby in particular existing funding and aid projects at the global locations of ZF Friedrichshafen AG are supported.
- 2.5 The awarding of funds is at the discretion of ZF hilft e.V. and takes into consideration the association's available funds.
- 2.6 ZF hilft e.V. supports individually defined or definable projects (project support) of other non-profit organizations, for which a need for support must be established by the organization.

### 3 PREREQUISITES FOR A GRANT DECISION

#### 3.1 *General requirements for applicant organizations and their projects*

- 3.1.1 ZF hilft e.V. will only consider requests from organizations whose principles are consistent with the values of ZF Friedrichshafen AG and the association ZF hilft e.V. These organizations must have integrity with respect to the implementation of the project, financial management and effectiveness of the project and have a respectable reputation in public.
- 3.1.2 Based on the ZF Group Directive "Handling of Donations and Sponsoring within ZF Group" (WIG 19-02), ZF hilft e.V. shall not grant any funding with the objective of directly or indirectly gaining any business advantages for ZF Friedrichshafen AG.
- 3.1.3 Excluded from any support are:
- Organizations that discriminate against third parties for reasons of skin color, gender, age, citizenship, origin, religion, sexual preference, disability or any other illegal facts,
  - Politicians, political parties and organizations,
  - Party-affiliated foundations,
  - Projects that fall under the definition of sponsorship according to the ZF Group Directive "Handling of Donations and Sponsoring within ZF Group" (WIG 19-02),
  - Organizations with the purpose of making a profit.
- 3.1.4 Financial support shall also not be granted if there is a justified risk of misuse of the brand name and image of the association ZF hilft e.V. and of ZF Friedrichshafen AG or of grants being interpreted as attempted bribery.

#### 3.2 *Grants to ZF employees in Germany*

Grants to employees of ZF Friedrichshafen AG (and its affiliated companies) who have fallen on exceptionally hard times and whose livelihood is threatened are possible by individual application or application initiatives of the companies in which they are employed. Exceptional hardships include in particular illness, accidents, occurrence of disabilities, death of the affected employee or of persons living in the same household.

- 3.2.1 In the case of individual applications for hardship support, the support options will be coordinated with other support organizations of the Group as part of the review.
- 3.2.2 Aid and support for ZF employees must not exceed 20% of the total support funding. In the case of a negative decision, the application will be forwarded to a support fund at the particular ZF location if such a fund exists.



## 4 SCOPE AND TYPE OF SUPPORT

- 4.1 Support is usually provided by awarding financial grants.
- 4.2 It is important to ZF hilft e.V. that maximum sustainability is achieved. As a result, investment and project funding are given priority. Support of personnel and administrative expenses for the ongoing business operations of other organizations will only be considered by way of exception for start-up financing in the case of projects in the development phase.
- 4.3 A grant by ZF hilft e.V. is excluded if the same project or the same action is already supported by ZF Friedrichshafen AG, one of its affiliated companies or with their affiliated aid organizations, unless the projects or individual actions are carried out by ZF hilft e.V. jointly with one of the organizations mentioned.
- 4.4 Each application is subject to a case-by-case decision.
- 4.5 Applicants are not entitled to a grant.

## 5 APPLICATION PROCEDURES

- 5.1 Applications must be submitted in writing. The respective HR business partner will forward intra-group applications to ZF hilft e.V.
- 5.2 Applicant organizations must disclose the following information in particular:
  - Information about the applicant organization (in particular, name and description of the applicant; address and other contact data; designation of a contact; articles of association; annual reports of the last three years; evidence of tax relief due to non-profit and/or charity status as well as evidence of identification of purpose by submitting a current exemption certificate or the "Non-profit status annex" of the current corporate tax assessment; information on the existence of a quality label or code of ethics).
  - Information on the project for which funding is being requested (in particular, project name and location; planned duration of the project; description of the content of the project including the intended project phases, milestones and possible evaluation; information about the type and scope of monitoring the project's effectiveness; the project's objectives and target group).
  - Information on other financing of the project by means of a cost/financial plan.
  - Information on and justification of the requested amount of support.
  - Information on the effective and efficient realization of the project (the share of administration costs must not exceed 15%).
- 5.3 The Board of Management decides on funding, as of a funding total of 10,000 euros this decision is made together with the Council. Reasons do not need to be given for a particular decision about an application.
- 5.4 For award decisions, the decision-making committees will take into account that no financial dependencies of companies of ZF Friedrichshafen AG and the association ZF hilft e.V. shall be caused by funding projects.

- 5.5 The applicant shall accept the grant by means of a written response to the funding notification. In this response the applicant must acknowledge the conditions affiliated with the grant and the existing funding guidelines as legally binding (including those rights of ZF hilft e.V. and the obligations of the funded organization set forth here).
- 5.6 The granted financial support shall be transferred to the applicant to an account designated by the applicant.
- 5.7 After receiving the grant, the applicant shall undertake to create an appropriate donation receipt in a timely manner and send it to ZF hilft e.V.

## 6 USE OF THE GRANT

Use of the granted funds is tied to the purpose that is determined in the funding notification of ZF hilft e.V.

## 7 VERIFICATION OF USE, REPAYMENT

- 7.1 In the course of a support project, the supported organization is obligated to create interim reports on the previous course and current status of the project, its costs and the financing. Within the time period of the project, semi-annual reports are to be submitted. A post-project report on the use of the funds is to be submitted within 3 months after the project is concluded.
- 7.2 After conclusion of the supported project, the organization must provide ZF hilft e.V. with
  - content-related evidence on the course of the project, the results of the project, reporting in the media, the impacts and successes that have occurred as well as failures of the project, if applicable, as well as
  - financial evidence of the use of the granted funds (proof of use).

The degree of detail of the documentation depends on the circumstances of the individual case, in particular on the amount of the funds granted. The documentation must unequivocally show without considerable time expenditure for verification that the organization has used at least the funding total granted for the supported project. In conjunction with the documentation, visual images shall be provided to be used for communication purposes by ZF hilft e.V.

- 7.3 To verify the financial evidence, ZF hilft e.V. is entitled at any time to request submission of suitable documents (e.g., invoices and receipts), which must refer to the amount granted for the project. The association is also entitled to commission external persons with the auditing of the financial evidence.
- 7.4 If, during the settlement of accounts by ZF hilft e.V., it is determined that the support amount granted was not used or the total costs indicated in the financial plan were not reached, the association can make a new decision on the amount of the grant and reclaim any overpayments, pro rata where applicable.



- 7.5 Furthermore there is an obligation to repay any support amount that have been granted and already paid out, insofar as the organization has wrongly obtained the support, in particular due to incorrect information, the funds were misused or the use of the funds was not properly verified. In this case, the organization shall not be able to appeal to the fact that it is no longer enriched with regard to the support received.
- 7.6 If an organization receives a tax assessment according to which it is no longer entitled (even if only temporarily) to issue donation receipts, any claim to support lapses immediately, in particular the payment of funds that have already been granted but not yet paid out. ZF hilft e.V. reserves the right to reclaim any funds it has already paid out.

## **8 PUBLIC RELATIONS**

- 8.1 ZF hilft e.V. can provide information about the granting of support by means of a press release. A symbolic handover of support funds to an organization can also take place in the presence of the media.
- 8.2 In publications about support projects in the media or their own publications, exhibitions and the like, grant recipients must convey in an appropriate manner that the project was supported with funds from ZF hilft. e.V.
- 8.3 Project-related public relations by the organization must be coordinated in advance with ZF hilft e.V.

## **9 DATA PROTECTION AND CONFIDENTIALITY**

- 9.1 ZF hilft e.V. is entitled to electronically process all personal data collected with the grant application and the associated documents for the purpose of processing and evaluating the grant application. It is entitled to forward the data to entities that are involved in the assessment, implementation or monitoring of the project for informational purposes and processing.
- 9.2 ZF hilft e.V. is furthermore entitled to use the data in an appropriate manner for public relations purposes. Personal data may, however, only be used for this purpose if the respective person has expressly consented to this beforehand.
- 9.3 ZF hilft e.V. shall otherwise treat the information transmitted within the scope of the application as confidential and shall not forward it to third parties without the consent of the applicant. In derogation of this, it is entitled to forward this information if it is obligated to do so due to legal, official or court orders.

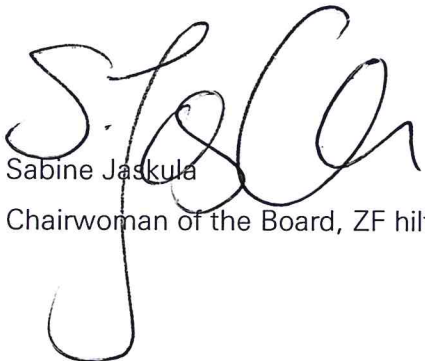
## 10 FURTHER DEVELOPMENT OF THE DIRECTIVE AND EXCEPTIONS

- 10.1 The Board of Management is responsible for the definition as well as the further development and revision of this directive as needed.
- 10.2 The directive is to be reviewed for its appropriateness no later than every three years.
- 10.3 Exceptions to the regulations of this directive are only permitted in exceptional cases and shall always require a written justified decision of the Board of Management.

## 11 ENTRY INTO FORCE AND TRANSITIONAL PROVISIONS

- 11.1 This direction shall take effect on May 17, 2019. It shall be valid for an indefinite period.
- 11.2 The version of the directive that is in effect at the time of the application is decisive for the applicant in the event of changes.
- 11.3 Decisions made or processes that are underway before the introduction and entry into force of this directive shall remain unaffected by this directive.

Friedrichshafen, May 17, 2019



Sabine Jaskula

Chairwoman of the Board, ZF hilft e.V.



Achim Dietrich

Deputy Chairman of the Board, ZF hilft e.V.