



Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien

Dortmund

Rules of Procedure of the Supervisory Board

In accordance with § 10 (2) of the Company's Articles of Association, the Supervisory Board adopted Rules of Procedure at its meeting on 3 March 2006 and by way of the resolutions dated 23 February 2011, 26 March 2015 and 8 September 2016. These were amended by way of the Supervisory Board resolution dated 1 March 2018, which gave rise to the following version:

§ 1 General

- 1.1 The Supervisory Board conducts its business in accordance with the provisions of law, the Articles of Association and these Rules of Procedure. The members of the Supervisory Board have equal rights and obligations, unless otherwise stipulated by law, the Articles of Association or resolutions of the Annual General Meeting. They are not bound by orders or instructions.
- 1.2 The statutory duties of the Supervisory Board include in particular:
 - a) advising the general partner in managing the Company and overseeing its management (§§ 111 (1), 107 (3) sentence 2, 278 (3) of the German Stock Corporation Act (*Aktiengesetz*, "AktG")) and exercising the rights of information and audit (§§ 90, 111 (2), 171, 278 (3) and § 314 AktG);
 - b) implementing the resolutions of the limited liability shareholders, to the extent the general partner is not responsible for doing so (§ 287 (1) AktG);
 - c) representing the limited liability shareholders and the Company towards the general partner (§ 287 (2) and §§ 112, 278 (3) AktG);
 - d) overseeing the audit of the financial statements, in particular handling the selection (in compliance with the provisions of the EU Statutory Audit Regulation and the German Commercial Code (*Handelsgesetzbuch*, "HGB")) and independence of the statutory auditor or audit firm and the additional services provided by the statutory auditor (§§ 107 (3) sentence 2, 278 (3) AktG, additionally in accordance with the second sub-paragraph of Article 4(3), the first sentence of the first sub-paragraph of Article 5(4), and Article 6(2) of the EU Statutory Audit Regulation as well as § 319a (3) HGB in respect of the requirement to obtain the prior consent of the Supervisory Board for the statutory auditor to provide tax advisory services), issuing the audit engagement to the statutory auditor (§§ 111 (2) sentence 3, 278 (3) AktG), agreeing the fee with the statutory auditor and resolving the audit focal points, and where necessary commissioning an external substantive review of the sustainability report (§§ 111 (2) sentence 4, 278 (3) AktG);

- e) stipulating the target proportion of women on the Supervisory Board and the timeline for achieving that objective (§§ 111 (5) sentences 1-3, 278 (3) AktG) and the disclosures in accordance with § 289a (3) and (2) no. 4 HGB on the achievement of the target proportion during the previously specified reference period.
- 1.3 The general partner requires the prior written consent of the Supervisory Board to take the actions specified in § 6 (4) sentence 2 of the Articles of Association. The consent of the Supervisory Board is furthermore required in the cases stipulated by law, the Articles of Association and, to the extent permitted by law, the resolutions of the Annual General Meeting.
- 1.4 The Supervisory Board works closely with the managing directors of the general partner in the best interests of the Company. The Supervisory Board must call a general meeting (§§ 111 (3), 278 (3) AktG) when required in the best interests of the Company.

§ 2

Internal organisation of the Supervisory Board, conflicts of interest, resignation from office, transactions conducted on own account

- 2.1 The Supervisory Board regularly reviews the efficiency of its work.
- 2.2 The following recommendations of the German Corporate Governance Code in particular must be observed with respect to the internal organisation of the Supervisory Board and in making proposals for the election of Supervisory Board members:
 - a) Each Supervisory Board member shall have the required knowledge, skills and professional expertise to properly perform their duties and shall be sufficiently independent.
 - b) No more than two former managing directors of the general partner may be members of the Supervisory Board. Supervisory Board members shall not be members of the governing bodies of, or exercise advisory functions at, significant competitors of the Company or a Group company.
 - c) Each Supervisory Board member shall ensure that they have sufficient time available to discharge their duties. A Supervisory Board member who is also a member of the management board of a listed company may not hold in total more than three supervisory board positions at non-Group listed companies or on the supervisory bodies of companies with comparable requirements.
 - d) All Supervisory Board members are required to observe the best interests of the Company. In all their decisions, they may neither pursue personal interests nor exploit business opportunities to which the Company is entitled for their own personal gain or for that of a related party or any other institution or association in which they are active. Each Supervisory Board member must report conflicts of interest to the Supervisory Board, in particular those that may arise due to an advisory function or position on the governing bodies of customers, suppliers, lenders or other third parties.

Furthermore, among other things § 20 of the Articles of Association (Exclusions) must be observed.

- 2.3 Any Supervisory Board member or substitute member may resign from office at any time by giving written notice to the Chairman of the Supervisory Board or to the general partner. The resignation will take effect four weeks after the notice is received. The Chairman of the Supervisory Board (or the Deputy Chairman if the Chairman resigns) may issue a notice shortening or waiving the above period. The right to resign from office (immediately) for good cause remains unaffected.
- 2.4 In accordance with Article 19 of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (Market Abuse Regulation, "MAR"), each Supervisory Board member must:
- notify the Company and the Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*, "BaFin") of every transaction conducted on their own account relating to the shares or debt instruments of the Company or to derivatives or other financial instruments linked thereto;
 - notify the persons closely associated with them within the meaning of Article 3(1) no. 26 MAR in writing of the obligations under Article 19 MAR incumbent on those persons, and retain a copy of such document; and
 - notify the Company of the names or company names (where applicable further identification details such as date of birth or register entries and/or place of residence or registered office) of such persons closely associated with them for the purposes of the list of persons discharging managerial responsibilities to be drawn up by the Company.
- 2.5 Each Supervisory Board member shall submit to the general partner the information required to comply with any prohibitions on voting at the Annual General Meeting (§ 136 AktG) that directly or indirectly affect them, and shall notify the Chairman of the Supervisory Board and the general partner without undue delay of their occupation and memberships of other supervisory boards or other control bodies within the meaning of § 125 (1) sentence 5 AktG, § 285 no. 10 HGB and § 20 of the Articles of Association (Exclusions). In addition, each Supervisory Board member shall provide their résumé to the general partner, detailing their relevant knowledge, skills and experience (in other words key stages in their education and professional careers) as well as an overview of their material activities in addition to their Supervisory Board position and any changes that may have occurred in this respect, for the purposes of publication on the Company's website and/or when nominating candidates for election to the Supervisory Board.

§ 3

Chairman and Deputy Chairman

- 3.1 At the respective constituting meeting following its re-election by the Annual General Meeting, the Supervisory Board elects a Chairman and Deputy Chairman from among its members to serve for its term of office. For the duration of the election, the meeting is chaired by the oldest Supervisory Board member not standing for election.
- 3.2 If the Chairman or a Deputy Chairman step down prematurely, the Supervisory Board must elect a successor without undue delay. § 2.3 of these Rules of Procedure shall apply *mutatis mutandis* with respect to the resignation.

- 3.3 Unless otherwise stipulated by law, the Articles of Association of these Rules of Procedure, the Deputy Chairman shall only exercise the rights and perform the obligations of the Chairman when the latter is unavailable.
- 3.4 The Chairman shall prepare and implement the resolutions of the Supervisory Board. He is authorised to make declarations of intent by the Supervisory Board or any of its committees on behalf of the Supervisory Board and may take receipt of declarations on behalf of the Supervisory Board.
- 3.5 The Chairman takes overall charge of the cooperation between the Supervisory Board and the general partner. He regularly advises its management on the strategy, planning and business development of the Company and of the Group, as well as their risk situation, risk management and compliance.

§ 4 Meetings

- 4.1 Meetings of the Supervisory Board are convened by the Chairman of the Supervisory Board. The Supervisory Board must hold at least two meetings per calendar half-year. A meeting of the Supervisory Board must also be convened without undue delay when requested by a member of the Supervisory Board or the general partner, giving the purpose and reasons for doing so. If such request is not granted, the Supervisory Board member or the general partner may convene a meeting of the Supervisory Board themselves, giving notice of the subject matter and an agenda.
- 4.2 Meetings must generally be held with Supervisory Board members attending in person (face-to-face meetings). Otherwise, meetings may also be held via (video) conference call. Members attending a face-to-face meeting by means of (video) conference call are deemed to have attended the meeting in person.
- 4.3 Meetings of the Supervisory Board are called in writing or by fax, subject to a notice period of twelve calendar days. For the purposes of calculating the notice period, the day on which the notice of meeting is sent and the day of the meeting do not count. In urgent cases, the Chairman may shorten the notice period to a reasonable extent and call the meeting orally, by telephone, by e-mail or by other electronic means. The notice of meeting shall state the items on the agenda. Proposed resolutions on agenda items should be submitted in good time before the meeting so as to enable absent Supervisory Board members to vote in accordance with § 5.1 sentence 3 of these Rules of Procedure. The Chairman may at his due discretion cancel or postpone a meeting that has already been called.
- 4.4 The managing directors of the general partner may participate at meetings, unless the Supervisory Board resolves otherwise in the individual case. The Chairman may appoint a person who is not a Supervisory Board member and who has been bound to non-disclosure to take the minutes, and may also invite experts and persons presenting information to advise on specific agenda items. It is prohibited for third parties to attend based on the written authorisation of a Supervisory Board member who is prevented from attending.

- 4.5 The Chairman chairs the meeting. He decides the order in which agenda items are discussed as well as the means and sequence of voting. He may at his due discretion defer the adoption of resolutions on individual or all agenda items for up to four weeks, if there is good cause to do so.
- 4.6 The Chairman determines the working language of the meeting. He must engage an interpreter who is bound to non-disclosure if one or more of the Supervisory Board members does not speak the working language.

§ 5 Adoption of resolutions

- 5.1 The Supervisory Board has quorum if all Supervisory Board members have been sent a notice of meeting to the address or contact details most recently provided by them or have been asked to submit their vote, and at least three members vote on the resolution. For the purpose of determining whether the Supervisory Board has quorum, a member is deemed to have participated in voting even if they abstain. Absent Supervisory Board members can vote on Supervisory Board resolutions by transmitting in writing or by fax votes that they have signed in person to another Supervisory Board member who submits the votes on their behalf. Absent Supervisory Board members may also, if permitted by the Chairman of the Supervisory Board, transmit their votes during the meeting by fax, by e-mail, by telephone or by other electronic means; Supervisory Board members have no right to object to this procedure.
- 5.2 Unless a different majority is mandatory by law or under the Articles of Association, Supervisory Board resolutions require a majority of the votes cast in order to be passed. The foregoing also applies to elections. Abstentions do not count as votes cast. If voting is tied, any member has the right to request a new vote on the same matter. If the new vote also ends in a tie, the Chairman will have two votes. This second vote may also be transmitted in writing or by fax in accordance with § 5.1 sentence 3 of these Rules of Procedure and submitted by another Supervisory Board member on the Chairman's behalf. The Deputy Chairman is not entitled to a second vote.
- 5.3 Unless elections or nominations are concerned, a Supervisory Board member is excluded from voting if the resolution concerns a legal transaction in which the respective Supervisory Board member is involved, or if the vote concerns instigating or resolving a legal dispute between the respective Supervisory Board member and the Company.
- 5.4 Resolutions on agenda items that were not notified in time can only be adopted if none of the members object to the matter being put to the vote. In such cases, absent members shall be given the opportunity to object to the adoption of the resolution within a reasonable period of time stipulated by the Chairman. The resolution will only take effect if no written or faxed objection is received from an absent member within the above period.

- 5.5 The Supervisory Board may adopt resolutions on the basis of votes submitted in writing, by fax, by e-mail, by telephone or by other electronic means if the Chairman of the Supervisory Board so decrees in the individual case; Supervisory Board members have no right to object to this procedure. Resolutions may also be adopted by video conference or by using a combination of the options described above.
- 5.6 Minutes shall be taken of Supervisory Board meetings and of the resolutions adopted outside of meetings, and they shall be signed by the Chairman of the Supervisory Board or the chair of the relevant meeting. The minutes must indicate the location and date of the meeting, those in attendance, the agenda items, the material content of the discussions and the resolutions of the Supervisory Board. A copy of the minutes must be sent to each Supervisory Board member without undue delay.

§ 6 Committees

- 6.1 The Supervisory Board may form committees from among its members to advise and, where permitted by law, adopt resolutions. The Supervisory Board decides on their tasks, composition, chairpersons and deputy chairpersons, in observance of statutory provisions (in particular § 107 (3) and (4) and § 124 (3) sentence 2 AktG).
- 6.2 The meetings of a committee are convened by its chairperson. Each member has the right to request that a meeting be convened, stating the reason for doing so. Committees adopting decisions in place of the Supervisory Board only have quorum when at least three members vote on the resolution. If the Chairman of the Supervisory Board is the chairperson of the committee, he shall also have a second vote in the committee in application *mutatis mutandis* of § 5.2 sentences 4 to 7. Otherwise, §§ 3.2, 3.3, 4.3 to 4.6, 5.1, 5.2 sentences 1 and 3 and §§ 5.3 to 5.6 concerning the procedure for the Supervisory Board shall apply *mutatis mutandis* to the committees.
- 6.3 The respective committee chairpersons provide regular reports to the Supervisory Board on the work of the committees. The Chairman of the Supervisory Board coordinates the work of the committees.

§ 7 Reporting

- 7.1 The Supervisory Board receives the following reports from the management of the general partner within the meaning of § 90 AktG:
- a) Reports on intended business policy and other fundamental issues relating to the Company's and the Group's corporate planning (in particular financial, investment and personnel planning) must be provided once per year or without undue delay if required due to changes in the situation or new issues. Instances in which actual development deviates from previously reported objectives must be addressed.

- b) Reports on the Company's and the Group's profitability, in particular the return on equity, must be presented at the meeting of the Supervisory Board convened to approve the annual and consolidated financial statements. This must include a comparison with the prior year and the budget; income must also be outlined at the level of the Group and of the individual corporate areas.
 - c) Reports on the course of business – in particular revenue and the position of the Company and the Group – must be given on a regular basis, at least quarterly. This must include a presentation of current developments concerning the Group's revenue, results of operations, financial position and net assets, HR development and key risks, in each case with an explanation of changes as against the prior year and budget deviations.
 - d) Reports on all transactions that could be of critical importance for the profitability or liquidity of the Company and/or the Group must be submitted as soon as possible so as to give the Supervisory Board the opportunity to comment on the transactions before they are executed.
- 7.2 The general partner also reports to the Chairman of the Supervisory Board in a timely manner about other important events. Such important events are also deemed to include a business transaction of which the general partner is aware at an affiliated company that could have a considerable impact on the position of the Company. The Chairman of the Supervisory Board then informs the Supervisory Board and, if necessary, convenes an extraordinary meeting of the Supervisory Board.
- 7.3 At the request of the Supervisory Board or a member of the Supervisory Board, the general partner reports to the Supervisory Board on the Company's affairs, its legal and commercial relationships with affiliated companies, and on business transactions at those companies that could have a considerable impact on the position of the Company.
- 7.4 The reports in accordance with this § 7 must be submitted to the Supervisory Board as soon as possible and, with the exception of the report in accordance with § 7.2, generally in text form. The foregoing shall not affect the other reporting and information obligations.

§ 8

Non-disclosure, duty to return documents

- 8.1 With regard to the duty of non-disclosure incumbent on the members of the Supervisory Board, reference is made to the provisions of law and the separate rules of the Supervisory Board on non-disclosure.
- 8.2 Upon leaving office, the members of the Supervisory Board are required to hand over to the Chairman of the Supervisory Board without undue delay when requested to do so such documents as have come into their possession in connection with their position on the Supervisory Board and that concern the affairs of the Company (written materials, correspondence, minutes of meetings and similar, including duplicates and photocopies). No rights of retention exist in this regard.

§ 9
Validity

- 9.1 The Rules of Procedure in the current version apply from 2 March 2018. They shall apply until such time as the Supervisory Board resolves otherwise.
- 9.2 To the extent permitted by law, the Supervisory Board may resolve by a simple majority of votes cast to deviate from these Rules of Procedure.



Dortmund, dated 1 March 2018

Gerd Pieper
Chairman of the Supervisory Board