

## **Compliance statement of the management and the supervisory board of Borussia Dortmund GmbH & Co. KGaA pursuant to §161 AktG dated 14th September 2011**

The company management of the general partner (Borussia Dortmund Geschäftsführungs-GmbH) and the Supervisory Board of Borussia Dortmund GmbH & Co. KGaA declare pursuant to §161 AktG that for Borussia Dortmund GmbH & Co. KGaA since the last compliance statement dated 09 September 2010 the recommendation of the German Corporate Governance Codex ("DCGK") in the version dated 26 May 2010 have been and are followed, apart from the following differences which are partly due to the organisational distinctions of the legal form of a KGaA and their configuration in the statutes of our company:

At Section 2.3.3 Clause 2: Support of the limited partners is not carried out in absentee ballot, because the statutes of the company do not provide permission for this type of voting procedure.

At Section 3.8 Paragraph 3: The D&O insurance does not provide for a deductible and it is not intended to change this, because changing in our understanding would not have any behaviour-guiding effect on members of the board nor would it be suitable as motivational aid.

At Section 4.2.1 Clause 2: The Supervisory Board of Borussia Dortmund GmbH & Co. KGaA does not have competence to appoint or discharge of managing directors at Borussia Dortmund Geschäftsführungs-GmbH or regulate the terms of their contracts; this is executed by the Executive Committee of Borussia Dortmund Geschäftsführungs-GmbH. Since January 2006, the management consists of Hans-Joachim Watzke (chair of the management) and Thomas Treß (managing director). Their business areas were sufficiently defined in the terms of their contracts; furthermore, the managing directors execute their authorities in the sense of legal provisions and the provision of the statutes together in close cooperation; therefore the competent bodies of Borussia Dortmund Geschäftsführung-GmbH do not deem it necessary to prepare additional standing orders for the company management.

At Section 4.2.2 Paragraph 1: § 7 of the statutes of Borussia Dortmund GmbH & Co. KGaA stipulates that the general partner has the right to compensation for the personnel and material costs incurred for management of the company plus remuneration of 3% of the otherwise generated annual surplus of the company. Compensation and the compensation system for the management of Borussia Dortmund Geschäftsführungs-GmbH have been and are otherwise decided and revised regularly by the executive committee created there (difference to the competence of the Supervisory Board stipulated in Section 4.2.2 Paragraph 1 due to the legal form).

At Section 4.2.3 Paragraph 2 Clause 4 and paragraph 3 Clause 3: The executive committee of Borussia Dortmund Geschäftsführungs-GmbH decides on the compensation structure of its managing directors without including negative developments for the configuration of variable compensation components of managing directors; also, retroactive change of the success objectives or of comparing parameters is not excluded. With regard to organisational distinctions of the legal form of a KGaA, the corresponding recommendations do not seem applicable nor are they regarded as sensible in this case.

At Section 4.2.3 Paragraph 4 and Paragraph 5: The Codex recommends for joint-stock companies that they include so-called "compensation caps" for cases of premature termination of activity on the Supervisory Board without important reason in the contracts of the Supervisory Board or on the occasion of premature termination of activity on the Supervisory Board as a result of change of control. The executive committee has decided and will decide in the future in case of imminent (re-) appointments of managing directors of Borussia Dortmund Geschäftsführungs-GmbH without making provisions in terms of so-called "compensation caps", because executive committee and managing directors do not regard the above recommendations with regard to the organisational distinctions of the legal form of a KGaA and their configuration in the statutes of the company.

At Section 4.2.3 Paragraph 6: The chairman of the Supervisory Board has not reported and will not report to the General Shareholders' Meeting on the basic outlines of the compensation system and its changes, because the Supervisory Board of Borussia Dortmund GmbH & Co. KGaA – as stated above – is not competent to

appoint and dismiss managing directors of Borussia Dortmund Geschäftsführungs-GmbH or for regulating the terms of their contracts. Furthermore, system information has been and will be provided in the paragraph "Compensation Report" of the annual report and individual information on compensation for managing directors in the appendix of the annual report and consolidated accounts; this is deemed sufficient.

At Section 4.3.4 Clause 3: Important businesses between the general partner and certain individuals close to it on the one hand with the company and on the other hand in the sense of §§ 89, 112 in connection with §§ 278 Paragraph 3, 283 No. 5 AktG (e.g. granting of loans) require cooperation of the Supervisory Board. In this sense the recommendation has been followed. Furthermore, the Supervisory Board is not authorised to adopt a catalogue of business transactions requiring its approval for the general partner or its managing directors.

At Section 4.3.5: The Supervisory Board of Borussia Dortmund GmbH & Co. KGaA does not have competence to approve of additional activities of managing directors of the general partner as it has no competence to appoint or discharge of managing directors at Borussia Dortmund Geschäftsführungs-GmbH or regulate the terms of their contracts; this is executed by the Executive Committee of Borussia Dortmund Geschäftsführungs-GmbH.

At Section 5.1.2 Paragraph 1 Clauses 2 and 3: Long-term succession planning in our company is carried out by the managing directors and – since the Supervisory Board has no personnel competence – the executive committee of Borussia Dortmund Geschäftsführungs-GmbH. The latter also ensures the "diversity" to be achieved when staffing the management. With regard to the number of two managing directors that are currently deemed sufficient for the company and whose positions have been filled for the foreseeable future, it does not seem feasible to aspire to an adequate consideration of women recommended by the authors of the Codex in the near future.

At Section 5.1.2 Paragraph 2 Clause 2: The executive committee of Borussia Dortmund Geschäftsführungs-GmbH has decided and will decide on re-appointment of its managing directors in the absence of special circumstances as necessary before the end of one year or the end of the existing appointment. The orientation of the personnel decision towards an element of time and circumstance is not deemed sensible with regard to organisational distinctions of the legal form of a KGaA and the desire to implement a higher degree of flexibility.

At Section 5.1.2 Paragraph 2 Clause 3: The age limit for managing directors of the general partner has been and will be decided by the executive committee of Borussia Dortmund Geschäftsführungs-GmbH whenever (re-)appointments of managing directors are imminent without any general type of definition in this regard. Definition of an age limit is not deemed sensible.

At Section 5.2 Paragraph 2, 5.3.1 Clause 1, 5.3.2 and 5.3.3: Committees, especially and audit committee have not been and will not be installed by the Supervisory Board, because it is comprised of only six persons and decision-making committees must be comprised of three persons. The existing practice of treating all imminent topics in the full Supervisory Board will be maintained in the future. The practiced waiver of forming a nominating committee by the Supervisory Board recommended in the Codex applies accordingly. Furthermore, it is comprised only of representatives of the shareholders as required by the Codex for formation of the nominating committee.

At Section 5.4.1 Paragraph 2 and Paragraph 3: Concrete objectives for its composition with consideration of specific topics described in the Codex with "Age Limit for Members of the Supervisory Board" and "Diversity" or "Adequate Participation of Women" have not been and will not be defined by the Supervisory Board. The Supervisory Board holds the opinion that such restrictions with regard to other criteria for suggestions concerning election of members of the Supervisory Board are not appropriate; rather it wants to decide about its composition individually in any given concrete situation.

At Section 5.4.3 Clause 3: Candidate suggestions for the president of the Supervisory Board have not and will not be published, because the Supervisory Board deems individual election of its members for sufficient and voting in the General Shareholders' Meeting in favour or against a candidate with regard to his position in the Supervisory Board not practicable.

At Section 5.4.6 Paragraph 2 Clause 1 and Paragraph 3 Clause 1 and 2: According to § 13 (1) of the statutes, the members of the Supervisory Board receive exclusively a fixed and comparatively small compensation of annually € 7,000; the chairman twice the amount and his deputy one and a half times the amount. Information on the total compensation of the Supervisory Board in the Corporate Governance Report as well as in the appendix of the consolidated accounts have been and will be deemed sufficient.

At Section 5.5.3 Clause 1: It has been and will remain reserved not to follow the recommendation that the Supervisory Board in its report to the General Shareholders' Meeting should report on any conflicts of interest and their treatment. The principle of confidentiality of deliberations in the Supervisory Board (cf. § 116 Clause 2 AktG and Clause 3.5 Paragraph 1 Clause 2 of the Codex) has had and will have priority.

At Section 7.1.2 Clause 2: The recommendation to deliberate half-yearly and any quarterly financial reports between management and Supervisory Board before they are published has not been and will not be followed, because the objective of publication of financial reports in the course of the year immediately after they have been drawn up receives priority. However, deliberation and control of such financial reports is carried out by the Supervisory Board.

At Section 7.1.2 Clause 4: Financial reports in the course of the year have been and will be published within due time which in individual cases (i.e. for the half-yearly financial report, since it optionally undergoes a review by the auditor) may exceed 45 days from the end of the reporting period.

At Section 7.1.3: At Borussia Dortmund Geschäftsführungs-GmbH the scope of compensation for its managing directors do not include stock option programmes or similar stock-oriented incentives; therefore no concrete information has been and will be made in the Corporate Governance Report in this regard.

Dortmund, 14th September 2011

For the Supervisory Board

Gerd Pieper

For Borussia Dortmund Geschäftsführungs-GmbH

Hans-Joachim Watzke    Thomas Treß