



Translation from the German.

In the event of any differences in interpretation, the German text shall prevail.

adidas AG

Rules of Procedure of the Audit Committee of the Supervisory Board

§ 1

Establishment

- (1) The Audit Committee of the Supervisory Board of adidas AG shall consist based on the Rules of Procedure of the Supervisory Board of adidas AG. Unless these Rules of Procedure comprise deviant regulations, the regulations of the Rules of Procedure of the Supervisory Board of adidas AG shall be applicable accordingly.
- (2) The Supervisory Board shall ensure that the members of the Audit Committee are in possession of the knowledge, skills and professional experience required for the orderly fulfilment of the tasks of this Committee and that they have the necessary level of independence. All members shall be familiar with the industry in which adidas operates.

§ 2

Composition and Chairmanship

- (1) The Audit Committee shall consist of four members. Two members shall be elected upon proposal of the shareholder representatives on the Supervisory Board and two members shall be elected upon proposal by the employee representatives on the Supervisory Board.
- (2) The Chairman of the Audit Committee shall be elected by the Committee members whereas neither the Chairman of the Supervisory Board nor a former member of the Executive Board of the Company shall be proposed for election.

The Chairman of the Audit Committee shall possess specific knowledge and experience, i. a. in the fields of accounting, audit and the internal control system.

§ 3

Tasks of the Audit Committee

- (1) The Audit Committee shall prepare the discussions and resolutions of the Supervisory Board with regard to
 - a) the audit and, if applicable, the adoption of the annual financial statements and the approval of the consolidated financial statements;
 - b) the resolution on the appropriation of retained earnings proposed by the Executive Board; and
 - c) the Supervisory Board's proposal to the Annual General Meeting with regard to the appointment of the auditor and the Group auditor as well as the auditor of the first half year financial report provided that it shall be audited or reviewed by the auditor.

For this purpose, the Audit Committee shall intensively discuss the annual financial statements and consolidated financial statements including the combined management report for the Company and the Group as well as the proposed resolution on the appropriation of retained earnings.

The Audit Committee shall discuss the audit reports with the auditor as well as the auditor's findings and shall make recommendations to the Supervisory Board in this respect.

- (2) Prior to the submission of the proposal for the appointment, the Audit Committee, instead of the Supervisory Board, obtains a declaration from the intended auditor whether any and, if applicable, which professional, financial, personal or other relations exist between the auditing company, its directors and officers as well as head auditors on the one hand and the Group and its directors and officers on the other hand which may cause doubts as to the auditor's independence. This declaration shall also include the scope of other services, in particular in the consultancy sector, rendered for the Group in the previous financial year or contractually agreed for the following year. Moreover, this declaration shall confirm that no prohibited non-audit services within the meaning of Art. 5 section 1 EU Statutory Auditor Regulation (Regulation (EU) No 537/2014) were or are rendered in the period between the beginning of the audit period and the submission of the auditor's opinion.

- (3) The Audit Committee shall be responsible for the prior approval of all services to be rendered by the auditor, including permitted non-audit services. With regard to specific types of services, a blanket approval for assigning permitted non-audit services to the auditor may be given before the beginning of a financial year. As regards such a blanket approval, the Audit Committee shall, in advance, issue guidelines within the meaning of Art. 5 section 4 of the EU Statutory Auditor Regulation, a catalogue of permitted non-audit services (see Annex) and a maximum budget in the context of the fee volume stipulated by law for all of the services that may be assigned to the auditor. Irrespective thereof, the Audit Committee shall be able to declare its prior approval for individual non-audit services. In any case, the auditor shall be required to ascertain that its independence is not jeopardised as a result of rendering such services.
- (4) The Audit Committee shall prepare the process for selecting the auditor in accordance with statutory provisions.
- (5) The Audit Committee shall prepare the Supervisory Board's decisions on Corporate Governance issues, in particular the Supervisory Board's decision on the declaration on the German Corporate Governance Code in accordance with § 161 of the German Stock Corporation Act (Aktiengesetz – AktG).
- (6) Instead of the Supervisory Board, the Audit Committee shall deal with the following matters:
 - a) issues with respect to accounting, in particular the handling of basic issues as, for instance, the application of new accounting standards as well as the supervision of the accounting processes,
 - b) discussion of the first half year report and quarterly reports as well as a possible audit review of the first half year report together with the Executive Board prior to the respective publication,
 - c) the supervision of the effectiveness of the Internal Risk Management System, the Internal Control System, the Internal Audit System as well as compliance matters,
 - d) the supervision of the audit, in particular the required independence of the auditor and additional services rendered by the auditors,

- e) the passing of resolutions
- on the audit mandate given to the auditor, in particular the possible audit assignment for the audit review or audit of the first half year report,
 - on the determination of the audit focal points,
 - on the auditor's compensation,
 - on the conclusion of an information agreement with the auditor (in accordance with section 7.2.1 of the German Corporate Governance Code) stating that the auditor shall without delay inform the Chairman of the Audit Committee, if, in the course of the audit, possible grounds for disqualification or partiality occur provided that they are not immediately eliminated,
 - on the conclusion of a disclosure agreement (in accordance with section 7.2.3 of the German Corporate Governance Code) stating that the auditor shall inform the Supervisory Board and/or shall note in the Auditor's Report if, during the performance of the audit, the auditor comes across facts which show a misstatement by the Management Board and Supervisory Board in their Declaration of Compliance on the Code pursuant to § 161 AktG

as well as other issues being in direct connection with the above-mentioned matters.

- 7) In addition, the Audit Committee shall discuss substantial changes in the auditing and accounting methods and shall advise on business planning of the Executive Board. This comprises in particular the statements of the Executive Board on the intended development and strategic orientation of the Group, the presentation of financial, investment and personnel planning for the Group and statements on the deviation of the actual development from the targets reported earlier while explaining the reasons for this deviation.
- (8) The Chairman of the Audit Committee and the Chairman of the Supervisory Board shall sign the audit mandate and conclude the information agreement and the disclosure agreement.

§ 4 Complaints

The Audit Committee shall be responsible for the notification and handling of complaints by the employees of the Company about accounting, internal controls, the audit and other accounting-related issues. The complaints may be made anonymously. The employee who issues a complaint shall not be disadvantaged due to this action.

§ 5

Informing the Audit Committee

- (1) For the purpose of fulfilling its tasks, the Audit Committee shall be authorised to obtain all required information from the auditor and the Executive Board and to inspect the business records of the Company or to request their submission by the Executive Board. In individual cases, the Audit Committee may instruct one member of the Committee to solely exercise the above-mentioned rights assigned to the Audit Committee.
- (2) The Audit Committee shall receive regular reports on the work performed by Global Internal Audit, in particular on their audit focal points and audit results. The same shall apply to risk management, the internal control systems and significant compliance violations.
- (3) The Audit Committee shall be immediately informed by the auditor on all findings and incidents essential for the tasks of the Supervisory Board which are established or occur in the course of the audit or an audit review.
- (4) The Audit Committee shall be immediately informed by the auditor if, during the performance of the audit or an audit review of the first half year report, the auditor comes across facts which show a misstatement by the Executive Board and Supervisory Board in their Declaration of Compliance on the Code pursuant to § 161 AktG.
- (5) The Chairman of the Audit Committee shall be immediately informed about any possible reasons for exclusion or impartiality on part of the auditor which might occur in the course of the audit.

§ 6

Convocation, Resolutions

- (1) The meetings of the Audit Committee shall be convoked by its Chairman or, if the Chairman is prevented from doing so, by any member of the Committee determined by the Audit Committee subject to observance of a time period of at least 14 days. As regards the calculation of the period, the provisions of the Rules of Procedure of the Supervisory Board shall apply accordingly.
- (2) The provisions stipulated in the Rules of Procedure of the Supervisory Board shall be applicable for the due form of the convocation as well as the taking of the minutes of the meetings, the presence of a quorum of and passing of resolutions by the Audit Committee.

§ 7**Participation in Meetings**

- (1) The Chief Financial Officer of the Company as well as the auditor shall participate in the meetings of the Audit Committee unless otherwise determined by the Chairman in individual cases.
- (2) The Chairman of the Audit Committee may ask further members of the Executive Board or, in accordance with the Executive Board, members of the Company to participate in a meeting.
- (3) If required, the Audit Committee shall meet without the Executive Board being present.

§ 8**Reporting to the Supervisory Board/Compensation**

- (1) The Chairman of the Audit Committee shall report regularly to the Supervisory Board on the activities of the Audit Committee.
- (2) The compensation for the membership of the Audit Committee shall be governed by § 18 of the Articles of Association of adidas AG.

§ 9**Declarations**

As far as declarations are to be submitted or accepted for the execution of resolutions by the Audit Committee, the Chairman or, if the Chairman is prevented from doing so, any member of the Committee determined by the Audit Committee shall act for the Audit Committee accordingly.

§ 10**Secrecy**

For members of the Audit Committee and other persons who participate in a meeting of the Audit Committee, the secrecy regulations as stipulated in § 17 of the Articles of Association of the Company shall be applicable. The members of the Committee shall particularly observe the insider rules stipulated in the Market Abuse Regulation (Regulation (EU) No. 596/2014).

ANNEX

List of selected permitted non-audit services to be rendered by the auditor	
Non-audit services	
1	Audits of annual financial statements and consolidated statements stipulated by law
2	Supplementary audits pursuant to § 316 section 3 German Commercial Code (Handelsgesetzbuch - HGB)
3	Certificate for disclosure (IDW PS 400)
4	Audit of IFRS individual financial statements to be disclosed pursuant to § 325 section 2a HGB
5	Audit of the risk monitoring system pursuant to § 317 section 4 HGB
6	Audit of the dependent companies report pursuant to § 313 German Stock Corporation Act (Aktiengesetz – AktG)
7	Activities of the subdivision auditor and/or of the group audit team in relation to the financial information of significant and non-significant subdivisions within the meaning of IDW PS 320 new version.
8	Activities connected with enforcement procedures
9	Audits of individual disclosures in financial statements pursuant to IDW PS 490
10	Audit review of an interim financial statement within the meaning of IDW PS 900
Other assurance services	
11	Other assurance services required by law, e.g.: - Formation audit pursuant to § 33 AktG
12	- Merger audit pursuant to § 9 German Transformation Act (Umwandlungsgesetz – UmwG)
13	- Spin-off audit pursuant to § 125 in conjunction with § 9 UmwG
14	- Audits of pro forma financial information (IDW PH 9.960.1)
15	EMIR audit pursuant to § 20 German Securities Trading Act (Wertpapierhandelsgesetz - WpHG)
16	Audits of corporate governance systems, e.g. of the Compliance-Management-System (CMS) or Risk-Management-System (RMS) pursuant to IDW PS 980, 981
17	Issuing comfort letters
18	Audit of IT systems, e.g. ISO 27001, IDW PS 880, 951
19	Audits of the allocation of resources
20	Agreed-upon procedures (e.g. ISRS 4400, IDW PS 480, 481)
21	Valuation certificates
22	Audit of the appropriateness of cash compensation (squeeze-out) pursuant to § 327c AktG
23	Audit of a profit and loss transfer agreement / control agreement pursuant to § 293b AktG
24	ISO certifications (e.g. quality (ISO 9001), environment (ISO 14001), energy (ISO 50001))
Tax consulting	
25	Compilation of the tax accounts on the basis of the annual financial statements drawn up under commercial law, including documentation of the tax balance sheet items and of the indexes to be maintained pursuant to § 5 Income Tax Act - (Einkommensteuergesetz - EStG), preparation of the electronic balance sheet pursuant to § 5b EStG and transmission to the tax authorities
26	Preparation of business tax returns / tax reports / other tax applications, including income tax returns for companies or individuals)
27	Support services related to the tax obligations of the company, such as correspondence with the tax authorities in connection with tax returns / tax reports / other tax applications, review of tax assessment notices including advance payment assessments
28	Support in connection with court and out-of-court remedies against tax assessment notices
29	Tax assessment of and tax advice in connection with individual circumstances arising from the business activity of the Company
30	Tax consulting in connection with tax audits (excluding external wage tax audit): drafting of formal tax opinions to illustrate certain legal positions in the tax audit context, participation in discussions of the Company with tax auditors of the tax authorities, support in connection with court and out-of-court remedies

31	Structuring advice: tax analysis of existing structures, consultancy services with regard to general tax requirements that have to be taken into account and assessment of the tax implications of various structural alternatives and concepts chosen by the Company as well as further tax consultancy services in this context to the extent that the scope of § 319a section 1 no. 2 HGB is not affected (domestic curtailment of profits, transfer of profits to abroad, no economic necessity)
32	Tax analyses of business operations: identification and evaluation of tax risks, including tax due diligence
33	Tax analysis of the financing structures, especially of the shareholder debt financing
34	VAT review of the functions in the ERP system relevant for value added tax: gap analysis of existing processes and/or systems from a value added tax perspective
35	Electronic accounts: identification and gap analysis of existing processes of the Company in terms of the legal requirements for electronic accounts; design and support of the implementation of the adjustments to processes and systems necessary on the basis of the requirements under tax law
36	Advice in connection with the GoBD (Generally accepted principles for the proper keeping and retention of books, records and documents in electronic form and for data access) and in particular the principles they contain on transparency and verifiability; preparation of concepts in connection with the fulfilment of tax regulations on digital data access by the tax authorities
37	Analysis of transfer pricing structures and advice in connection with the preparation of concepts to optimize transfer pricing structures between affiliated companies
38	Consultancy services in connection with the statutory documentation obligations for transfer prices and support in the preparation of transfer pricing documentation
39	Advice and support in connection with the preparation and conduct of mutual agreement procedure pursuant to Dominion Tax Consulting (DTC) or European Arbitration Convention in the field of transfer prices, including participation in discussions of the company with tax auditors of the tax authorities
40	Tax compliance services according to items 27-32 and general consultancy services in connection with the cross-border deployment of employees and secondment processes, excluding wage tax consultancy services
41	Filing of social security and health insurance applications, including the application for family allowances (child and parental benefits) and the activities of registered pension consultants, excluding wage tax consultancy services
42	Consultancy services regarding foreign trade law and export controls
43	Preparation of statutorily required tax certificates (e.g. pursuant to § 5 Investment Tax Act (Investmentsteuergesetz - InvStG))
44	Consultancy services in connection with Foreign Account Tax Compliance Act (FATCA) requirements
Legal consultancy services	
45	General legal advice within the meaning of legal assessment of individual circumstances and advice on related legal issues
46	Drafting and consultancy services in connection with contracts, articles of association, resolutions for all legal areas
47	Support in negotiations on the basis of the requirements of the Company and without the authority to sign or conclude deals, excluding representation in court
48	Legal advice in connection with projects and plans, excluding representation in court
Accounting-related consulting and consultancy services in connection with designing and implementing internal control or risk management procedures related to the preparation and/or control of financial information or designing and implementing financial information technology systems	
49	General advice on the application or initial introduction of accounting principles, including representation of the statutorily required, generally recognised or better practice methods and procedures, excluding the development of implementation or design concepts
50	Review, gap and impact analysis with regard to accounting requirements
51	Preparation and implementation of training measures in the area of abstract accounting requirements
52	Assessment of implementation and design concepts that have not been created by the statutory auditor
53	Quality assurance audit or project-related audit (in accordance with or following IDW PS 850) in connection with the design and implementation of internal control or risk management procedures related to the preparation and/or control of financial information (e.g. financial accounting, reporting, consolidation and planning)
Consulting on IT systems / processes that are not accounting-related or subject of an audit performed by the statutory auditor	
54	Review, benchmarking, gap and impact analyses (e.g. cost analysis, digitalisation)
55	Advice on the selection of software and tool-supported data analysis (data analytics)
56	Production of specialist or implementation concepts (e.g. ERP only if not related to accounting or auditing; business

	intelligence)
57	Test, migration and conversion support
Financial statements process optimisation	
58	Support in the optimisation of the processes for preparing the financial statements on the basis of benchmarks and better practice methods
59	Support in the optimisation of the organisation of accounting on the basis of benchmarks and better practice methods
60	Support in the determination of the maturity level of accounting
Risk and compliance consulting	
61	General advice on regulatory requirements arising in all legal areas
62	Quality assurance of the development of the corporate governance systems in connection with regulatory requirements
63	Review and analysis of the current status of, for example, corporate governance and compliance management systems or systems for the management of company risks (enterprise risk management; financial risk management (including in relation to the organisation of the tax department))
64	Advice on the improvement of the communication between company management and oversight bodies (e.g. of the management board reporting)
65	General advice on regulatory rights and duties of the corporate bodies
66	Advice on the creation and introduction of codes of conduct; services rendered by the auditor
67	Advice on the development of sustainability strategies, sustainability management systems, sustainability performance measurement and reporting
68	Royalty checks
69	Supplier, cloud/channel and supplier risk management audits
Forensic services and IT security	
70	Advice on the prevention of economic crime (e.g. fraud, corruption, data protection and IT security)
71	Investigation of fraudulent activity and compliance breaches
72	Performance of forensic data analyses or data backup measures
73	Securing evidence
74	Advice and audit services in relation to IT security and cyber security (e.g. with regard to basic IT protection, penetration tests)
Restructuring	
75	Audit of reorganisation surveys pursuant to IDW S6 as well as reporting on the implementation of restructuring measures
76	Independent business reviews (including business analyses and assessment of the operational performance in crisis situations)
77	Analysis of the company situation, competitive position and market positioning
78	Assessment of the insolvency risk (IDW S11)
79	Certification pursuant to section 270b of the Insolvenzordnung (InsO – German Insolvency Code) (IDW S9)
80	Assessment of the planning and planning process of the Company
81	Audit of compliance with contractually agreed financial ratios
Transaction-related consulting	
82	Buy side / vendor due diligence (including for example financial, integration, market, integrity, commercial, tax, legal)
83	Tax / financial fact book (scope of information comparable with vendor due diligence)
84	Analysis of the appropriateness and consistency of the data room set up by the company
Valuation services	
85	Methodological consultancy in valuation issues (e.g. in the form of a workshop)
86	Audit of a valuation submitted by the company with regard to, e.g., conformity with IDW S1 principles

87	Valuation services, including valuation services in connection with actuarial services or litigation support services, provided the individual or accumulated valuation services have no direct or only an immaterial effect on the audited financial statements
88	Pre-deal purchase price allocation (PPA) with specification of a range of values (excluding planning validation check, excluding derivation of individual capital costs), provided individual or accumulated valuation services have no direct or only an immaterial effect on the audited financial statements
89	Preparation or audit of a fairness opinion
Project management	
90	General advice on the development of project plans and on the project management office
91	Provision of generic project management tools and templates
92	Review and quality assurance of project plans that have not been prepared by the statutory auditor
93	Support services for project management without assuming project management functions and without performing non-permitted services with regard to content
Process, organisation and transformation consulting	
94	Analysis and methodological advice in the merger and separation of business units, including ongoing reporting
95	Review and analysis of the current status of existing processes (including tax processes)
96	General advice on potential for improvement (including the tax organisation) if the staffing of organisational structures as well as cost control are only of minor importance
Training seminars / workshops	
97	General training seminars / workshops on official standards, statutory or regulatory provisions
98	Specific training seminars / workshops related to specific business transactions if these are not the subject of an audit