



Rules of Procedure of the Executive Board of adidas AG

At its meeting held on August 2, 2017, the Supervisory Board of adidas AG (hereinafter "the Company") passed with effect from August 4, 2017 the following Rules of Procedure for the Executive Board, which replace in their entirety the formerly valid Rules of Procedure in their version from August 3, 2016:

§ 1

Responsibility of the Executive Board

- (1) The Executive Board shall carry out the Company's business in accordance with the laws, the Articles of Association, the Rules of Procedure of the Supervisory Board and these Rules of Procedure. Based on the detailed provisions of the Articles of Association and the stock corporation law, the Executive Board shall represent the Company both judicially and extra-judicially.
- (2) The Executive Board shall be responsible for independently managing the Company with the target of a sustainable increase in value and in the best interest of the Company, i.e. by considering the interests of the shareholders, its employees and other groups affiliated with the Company (stakeholder). The Executive Board shall cooperate closely with the other bodies of the Company as well as with the employees' representatives for the benefit of the Company.
- (3) The Executive Board shall determine the Company's business policy and shall develop the Company's strategic orientation, coordinate it with the Supervisory Board and ensure its implementation.
- (4) The Executive Board members shall be bound to observe secrecy and shall ensure that the staff members they employ observe the confidentiality obligation accordingly.
- (5) The Executive Board shall only contact or communicate with the media with the involvement of the Corporate Communication department.

§ 2

Business Allocation

- (1) The Executive Board is subdivided into the Executive Board function of the Chief Executive Officer
 - CEO

as well as into the five Executive Board functions

 - Finance and Labour Director
 - Global Human Resources
 - Global Brands
 - Global Operations
 - Global Sales.
- (2) The further allocation of business to the individual Executive Board members can be taken from the currently applicable Business Allocation Plan determined by the Supervisory Board.

§ 3

Overall Responsibility

- (1) The members of the Executive Board are jointly responsible for the entire management. They shall cooperate closely and keep each other informed on a constant basis with regard to essential measures, processes and intentions, particularly within their respective Executive Board function. In case of serious doubts concerning an issue of another Executive Board function, every member of the Executive Board is obliged to affect a resolution of the Executive Board if it is not possible to dispel those doubts by way of a discussion with the respective other member of the Executive Board. In this case, any measure shall only be taken following the decision of the Executive Board.
- (2) The overall interest of the Company shall prevail over the interest of individual Executive Board functions.
- (3) The Executive Board is responsible for compliance with legal provisions and with the Company's internal regulations, and works towards the subsidiary companies' adherence thereto. For this purpose, it is responsible for a compliance management system based on the Company's risk situation and discloses the main features of such system. Furthermore, the Executive Board is responsible for an internal control system, a risk management and controlling system and an internal audit system. The systems set out in sentences 2 and 3 shall each be developed in such a way that they are appropriate and effective. To

this effect, the systems shall be examined for effectiveness on a regular as well as on a case-specific basis. Moreover, the Executive Board shall provide for an appropriate possibility for employees to report legal infringements within the Company in a protected environment.

- (4) Every Executive Board member manages the Executive Board function (area of responsibility) allocated to him/her on his/her own account while observing the resolutions of the overall Executive Board. If specific decisions affect several areas of responsibility, the respective Executive Board members shall cooperate with each other. In the event of essential decisions within one area of responsibility, such decisions shall be agreed with the Chief Executive Officer in addition to involving the Executive Board members whose areas of responsibility may be concerned. If he considers it necessary, the Chief Executive Officer can, after due consideration of the circumstances, bring about a decision of the entire Executive Board.
- (5) In case of dissensions among individual Executive Board members concerning the delineation of the respective Executive Board functions, the Supervisory Board or the committee responsible in accordance with the Rule of Procedure of the Supervisory Board shall decide.
- (6) A resolution of the entire Executive Board shall be necessary in relation to all issues for which the law, the Articles of Association, the Rules of Procedure of the Supervisory Board or these Rules of Procedure require the passing of a resolution by the Executive Board; this applies in particular to
 - a) the preparation of the annual financial statements and of the consolidated financial statements including the combined management report for adidas AG and the Group,
 - b) the convocation of the Annual General Meeting and the proposed resolutions to be submitted to the Annual General Meeting,
 - c) the reports to be delivered to the Supervisory Board on a regular basis,
 - d) the execution of transactions requiring Supervisory Board approval,
 - e) any essential decisions which concern the future development of the Company, which are of extraordinary significance for the Company or which carry an extraordinary risk for the Company,
 - f) any important personnel matters, taking into consideration the role of the Labour Director,

- g) the Declaration of Compliance pursuant to § 161 German Stock Corporation Act (Aktiengesetz – AktG); the obligation for the issuance of the Declaration of Compliance by all members of the Executive Board individually - to the extent required by law - remains unaffected,
 - h) the annual and multi-annual business planning of the Company and of the Group, and
 - i) all other matters which are submitted by the Chief Executive Officer or by another member of the Executive Board to the entire Executive Board for resolution.
- (7) A member of the Executive Board may take decisions pursuant to section 4 sentences 2 and 3 or section 6 items d) and e) without the respective required agreement or without the prior approval of the entire Executive Board only if and to the extent that it is necessary after due consideration of the circumstances to prevent any impending serious disadvantages for the Company, the Group or the respective area of responsibility. If an Executive Board member takes a decision pursuant to sentence 1, he/she shall inform the other Executive Board members via the Chief Executive Officer without delay.
- (8) The Executive Board shall establish rules in accordance with which the members of the Executive Board substitute for each other.

§ 4

Chief Executive Officer

- (1) The Chief Executive Officer shall be in charge of the lead management and business development including the coordination of the business areas, brands and markets.
- (2) The Chief Executive Officer shall be in charge of the cooperation with the Supervisory Board and its members in all business-related matters. He shall regularly consult with the Chairman of the Supervisory Board on strategy, planning, business development, the risk situation, the risk management and compliance of the Group.
- (3) The Chief Executive Officer shall coordinate the Executive Board functions each among the others according to subject. At the same time, he shall be responsible for the supervision of the individual Executive Board functions. He shall particularly ensure that the management of the Executive Board functions is in line with the targets and plans defined by resolutions of the Executive Board. The members of the Executive Board shall constantly report to the Chief Executive

Officer on all significant activities, particularly relating to the course of business, within their respective Executive Board functions. The Chief Executive Officer may request from the members of the Executive Board at any time further details on individual matters within their Executive Board functions and may determine that he shall be informed on certain types of transactions in advance.

- (4) The Chief Executive Officer shall represent the Executive Board as well as the Company towards the public, particularly towards authorities, associations, trade organisations and publication organisations. He may assign such task for certain types of issues or for individual cases to another member of the Executive Board.

§ 5

Meetings and Resolutions

- (1) Board meetings are convened by the Chief Executive Officer, unless he arranges for rotational meetings. Upon request by any Executive Board member, containing the topic to be discussed, the Chief Executive Officer shall convene a Board meeting without delay.
- (2) The Chief Executive Officer shall determine the dates and prepare the agenda. Any Executive Board member may request that items of his/her own specification be put on the agenda.
- (3) Working papers relating to the agenda shall be submitted to the Chief Executive Officer or, in case he is prevented from participating in the meeting, to the Executive Board member who has been assigned the task of chairing the Board meeting in accordance with section 4 sentence 4 in due time to enable all Executive Board members to properly prepare for the meeting. Motions for resolutions on agenda items shall principally be submitted to the members of the Executive Board two business days prior to the Board meeting together with the necessary working papers.
- (4) The Chief Executive Office shall chair the meetings. He shall determine the order of the agenda items, as well as the order and method of voting. He may furthermore postpone the discussion and resolution on individual agenda items. In the event that the Chief Executive Officer is prevented from participating in a Board meeting, such meeting shall be chaired by a member appointed by the Chief Executive Officer or by the oldest Executive Board member in terms of age present at the meeting.

- (5) The Chief Executive Officer or the Chairman of the meeting may determine that persons not belonging to the Executive Board may join the meeting for consultation on individual items.
- (6) The Executive Board shall constitute a quorum if at least one half of its members is present. Executive Board members taking part in the meeting by video or telephone conference shall be deemed present.
- (7) Upon order of the Chief Executive Officer, resolutions may also be passed in a telephone or video conference or outside a meeting, with votes being submitted in writing (e.g. by facsimile or e-mail), orally or by telephone. Outside a meeting, the Executive Board shall constitute a quorum if the place, time and procedure were announced in due time (at least two business days ahead) and if the majority of the Executive Board members participates in the passing of the resolution by submitting their votes. Absent Executive Board members shall be informed without delay on the resolutions passed in their absence.
- (8) Matters pertaining to the Executive Board function of an Executive Board member not present in the meeting shall only be discussed or resolved upon if the matter allows no delay or if the Executive Board member concerned gives his/her prior approval thereto. The Executive Board member concerned shall be informed on the decision without delay.
- (9) Executive Board resolutions shall be passed unanimously whenever possible. If the members of the Executive Board do not come to an agreement on an individual item to be resolved on, although such agreement shall always be pursued, the Chief Executive Officer shall decide whether a vote shall be taken or whether the resolution shall be postponed. In case of a postponement, such item shall be resolved upon on occasion of the next Board meeting.
- (10) If unanimity cannot be achieved, the Executive Board resolves with the simple majority of votes cast by its members unless a larger majority is mandatory by law. In case of a tie, the Chief Executive Officer shall have a casting vote insofar as he claims such vote; this, however, does not apply if and as long as the Executive Board consists of only two members.
- (11) Minutes shall be taken of the meetings of the Executive Board, stating the place and date of the meeting, the participants and the form of their participation, the agenda items and the wording of the resolutions. The Chief Executive Officer or the Chairman of the meeting appoints a person to take the minutes, who does not have to be a member of the Executive Board. The minutes shall be signed by the Chairman of the meeting and a copy thereof shall be submitted to all Executive Board members. The members of the Executive Board shall decide within their

respective Executive Board function whether further excerpts of the minutes shall be distributed. The minutes shall be deemed approved if none of the Executive Board members objects thereto in the next Board meeting following the receipt of the minutes.

- (12) Resolutions of the Executive Board which were not taken in a meeting shall be recorded in the form of minutes by the Chief Executive Officer. If he did not participate in the taking of such resolutions, the minutes shall be recorded by the oldest Executive Board member in terms of age who participated in such resolutions. Each Executive Board member shall receive a copy of the minutes without delay. In addition, the provisions set out under section 11 shall apply accordingly.

§ 6

Information and Reporting Requirements

- (1) The Executive Board shall report to the Supervisory Board in accordance with § 90 AktG and to the Chairman of the Supervisory Board in accordance with § 90 section 1 sentence 3 AktG.
- (2) The reports of the Executive Board must conform to the principles of conscientious and truthful accountability. They shall be provided as timely as possible and, as a rule, in written form, with the exception of the report to be given to the Chairman of the Supervisory Board in accordance with § 90 section 1 sentence 3 AktG. The Executive Board shall report to the Supervisory Board in such a way that the Supervisory Board is informed regularly, without delay and comprehensively on all issues important to the Company or the Group with regard to strategy, planning, business development, risk situation, risk management and the compliance organisation.

§ 7

Transactions requiring the Approval of the Supervisory Board

- (1) Transactions which, in accordance with the Rules of Procedure of the Supervisory Board, require the approval of the Supervisory Board or of the Steering Committee may be carried out by the Executive Board and its members only in accordance with section (2).
- (2) The approval shall be obtained prior to the implementation of the transaction or measure. An exception may only be made if the matter allows no delay and if it is not possible to obtain in due time a resolution of either the Supervisory Board or the committee responsible in accordance with the Rules of Procedure of the

Supervisory Board and if the Executive Board, after due consideration of the circumstances, has a reason to believe that the Supervisory Board or the competent committee will approve the transaction or measure. In such case, the Supervisory Board's approval shall be obtained immediately thereafter.

§ 8

Conflicts of Interest, Reporting Obligations, Sideline Activities

- (1) During their terms of office as Executive Board members and during the term of their Executive Board service contract, the members of the Executive Board are subject to a comprehensive non-competition obligation.
- (2) Members of the Executive Board may neither, in connection with their work, demand or accept from third parties any payments or other advantages for themselves or for any other person nor grant third parties unjust advantages.
- (3) Members of the Executive Board shall be bound by the Company's best interests. In their decisions, they may neither pursue personal interests nor use business opportunities intended for the Company or one of its affiliates for themselves.
- (4) All members of the Executive Board shall disclose conflicts of interest to the Supervisory Board without delay and inform the other members of the Executive Board of the existence of a conflict of interest and of the object of such conflict and that he/she reported such conflict of interest to the Supervisory Board. All transactions between the Company or a dependent Group Company and the members of the Executive Board as well as persons they are close to or companies they have a personal association with must comply with standards customary in the sector as they would be applicable in transactions with third parties. Such transactions – if an involvement of the Supervisory Board is not already required in accordance with § 112 AktG – require the Supervisory Board's approval if the individual transaction value exceeds EUR 25,000.
- (5) The Executive Board members shall be obligated to comply with the statutory provisions of the Market Abuse Regulation (Regulation (EU) No. 596/2014 of the European Parliament and of the Council of April 16, 2014) which apply to them and with the national and European legal provisions related to the Market Abuse Regulation. In all other respects, the Managers' Transactions Policy shall apply.
- (6) Members of the Executive Board shall take on sideline activities, especially Supervisory Board mandates for companies outside the adidas Group, only with the prior approval of the Supervisory Board.

§ 9
Effectiveness

These Rules of Procedure shall become effective on August 4, 2017. It shall at the same time replace any hitherto effective Rules of Procedure of the Executive Board. The provisions of these Rules of Procedure shall apply only to the extent that they do not contradict the respectively valid version of the Articles of Association or mandatory legal provisions.