



Translation from the German.

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

Rules of Procedure of the Executive Board of adidas-Salomon AG

The Supervisory Board of adidas-Salomon AG passes with immediate effect the following Rules of Procedure for the Executive Board, which replaces in its entirety the formerly valid rules of procedure:

§ 1

General

- (1) The Executive Board shall carry out the Corporation's business in accordance with the laws, the Articles of Association, the Rules of Procedure of the Supervisory Board and these Rules of Procedure.
- (2) The Executive Board shall be responsible for independently managing the Corporation. In doing so, it shall be obliged to act in the Corporation's best interests and shall undertake to increase the sustainable value of the Corporation. The Executive Board shall cooperate closely with the other bodies of the Corporation as well as with the employees' representatives to the benefit of the Corporation.
- (3) The Executive Board shall develop the Corporation'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.

§ 2 Conduct of Business

- (1) The Executive Board members of the Corporation shall define the business policy of the adidas-Salomon Group. They shall be responsible for the management of the Corporation and shall represent the Corporation in and out of the court in accordance with the Articles of Association and the laws. The Executive Board members shall ensure that all provisions of law are abided by and shall work to achieve their compliance by group companies. It shall ensure appropriate risk management and risk controlling.
- (2) The members of the Executive Board shall be jointly accountable for the entire management of the Corporation. They shall cooperate closely and keep each other informed on a constant basis with regard to essential perceptions, facts and intentions, particularly within their respective areas of responsibility.
- (3) The allocation of the areas of responsibility within the Executive Board is regulated in the business allocation plan attached hereto **(Annex)**, which forms part of these Rules of Procedure.
- (4) The Executive Board members, which are responsible for the respective business areas as regulated by the business allocation plan, shall agree all essential decisions with the Chairman of the Executive Board, also involving any Board members whose areas of responsibility may possibly be affected. The Chairman of the Executive Board shall then, after due consideration of the circumstances, bring about a Board decision, if required. Any possible disagreements between individual members of the Executive Board regarding the scope of their areas of responsibility shall be settled by the General Committee.
- (5) A resolution of the Executive Board in its entirety shall be necessary
 - a) in relation to all issues, for which law, the Articles of Association or these Rules of Procedure require the passing of a resolution by the Executive Board; this applies in particular to

- aa) the preparation of the Annual Financial Statements and of the Consolidated Financial Statements with the combined Management Report,
 - bb) the convocation of the General Meeting and the proposed resolutions to be submitted to the General Meeting,
 - cc) the reports to be delivered to the Supervisory Board on a regular basis,
 - dd) the execution of transactions requiring Supervisory Board approval,
 - ee) any essential decisions which concern the future development of the Corporation, which are of extraordinary significance for the Corporation or which carry an extraordinary risk for the Corporation,
 - ff) any important personnel matters, taking into consideration the role of the Labor Director;
 - gg) the Declaration of Compliance pursuant to § 161 Stock Corporation Act; the obligation for the issuance of the Declaration of Compliance by all members of the Executive Board individually - to the extent provided by law - remains unaffected,
- b) for the annual and multi-annual business planning of the Corporation and of the Group,
 - c) for all other matters which are submitted by the Chairman or by another member of the Executive Board to the entire Executive Board for resolution.
- (6) A member of the Executive Board may take decisions pursuant to section 4 or section 5 within his area of responsibility without prior agreement of the other Executive Board members concerned or without the prior approval of the entire Executive Board only if and to the extent such is necessary after due assessment of the circumstances to prevent any impending serious

disadvantages for the Corporation, the Group or the respective area of responsibility. If an Executive Board member takes a decision pursuant to sentence 1, he shall inform the other Executive Board members via the Chairman of the Executive Board without delay.

§ 3

Chairman of the Executive Board

- (1) The Chairman of the Executive Board 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, business development and risk management of the Group.
- (2) The Chairman of the Executive Board shall coordinate the business areas with each other according to subject. At the same time, he shall be responsible for the supervision of the individual business areas within the Executive Board. He shall particularly ensure that the management of the business areas is in line with the targets and plans defined by resolutions of the Executive Board. The members of the Executive Board shall report to the Chairman of the Executive Board on a regular basis on all significant activities, particularly relating to the course of business, within their respective areas of responsibility. The Chairman of the Executive Board may request from the members of the Executive Board at any time further details on individual matters within their areas of responsibility and may determine that he shall be informed on certain types of transactions in advance.
- (3) The Chairman of the Executive Board shall represent the Executive Board as well as the Corporation towards the public, particularly towards authorities, associations and trade organizations. He may assign such task for certain types of issues or for individual cases to another member of the Executive Board.

§ 4

Meetings and Resolutions

- (1) Board meetings are convened by the Chairman of the Executive Board, unless he arranges for rotational meetings. Upon request by any Executive Board member, containing the topic to be discussed, the Chairman shall convene a Board meeting without delay.
- (2) The Chairman of the Executive Board shall determine the dates, prepare the agenda, chair the meeting and draw up the minutes or appoint someone to record the minutes. In the event the Chairman is prevented from participating in a Board meeting, such meeting shall be chaired by the member appointed by the Chairman of the Executive Board or by the oldest Executive Board member in terms of age present at the meeting.
- (3) Any Executive Board member may request that items indicated by him be put on the agenda.
- (4) Working papers relating to the agenda shall be submitted to the Chairman of the Executive Board or, in case he is prevented from participating in the meeting, to the Chairman of the Board meeting representing him in due time to enable all Executive Board members to properly prepare for the meeting. Motions for resolutions on items of the agenda 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.
- (5) 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 Chairman of the meeting 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.
- (6) The Executive Board shall constitute a quorum if at least one half of its members are present. Executive Board members taking part in the meeting by video or telephone conference shall be deemed present.

- (7) Matters pertaining to the area of responsibility 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 prior approval thereto. The Executive Board member concerned shall be informed on the decision without delay.
- (8) Upon request of the Chairman of the Executive Board, resolutions may also be passed in a telephone or video conference or outside a meeting 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) and if the majority of the Executive Board members participates in the passing of the resolution by submitting their votes.
- (9) The Executive Board passes its resolutions with a simple majority of the votes cast by its members, unless a larger majority is mandatory by law. In case a vote results in a tie, the Chairman of the Executive Board 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.
- (10) 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 items of the agenda and the wording of the resolutions. The Chairman of the Executive Board or the Chairman of the meeting may appoint 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 areas of business whether further excerpts of the minutes shall be distributed. The minutes shall be deemed approved if none of the Executive Board members object thereto in the next Board meeting following the receipt of the minutes. Resolutions of the Executive Board which were not taken in a meeting shall be recorded in the form of minutes by the Chairman. If the Chairman 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.

§ 5

Information and Reporting Requirements

- (1) The Executive Board shall report to the Supervisory Board in accordance with § 90 Stock Corporation Act and to the Chairman of the Supervisory Board in accordance with § 90 section 1 sentence 3 of the Stock Corporation Act.
- (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, with the exception of the report to be given to the Chairman of the Supervisory Board in accordance with § 90 section 1 sentence 3 Stock Corporation Act, as a rule in written form. 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 Corporation with regard to strategy, planning, business development, risk situation and risk management.

§ 6

Business 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 a resolution of either the Supervisory Board or the Steering Committee and if the Executive Board, after due assessment of the circumstances, has a reason to believe that the Supervisory Board or the Steering Committee will approve the transaction or measure. In such case, the Supervisory Board's approval shall be obtained immediately thereafter.

§ 7

Conflicts of Interest, Reporting Obligations, Sideline Activities

- (1) During their terms of office as Executive Board members and during the term of their employment contract with the Corporation, the members of the Executive Board are subject to a comprehensive non-competition obligation.
- (2) Members of the Executive Board may not, 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 Corporation's best interests. No member of the Executive Board may pursue personal interests in his decisions or use business opportunities intended for the Corporation or one of its affiliates for himself.
- (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 reported such conflict of interest to the Supervisory Board. All transactions between the Corporation or one of its affiliates on the one hand and the members of the Executive Board as well as persons they are close to or companies or organizations they have a personal association with on the other hand must comply with standards customary for business transactions with third parties. Such transactions - in case they do not already require the cooperation of the Supervisory Board in accordance with § 112 Stock Corporation Act - shall require the approval of the General Committee if the value of the transaction in the individual case exceeds an amount of 25,000 euros.
- (5) Each Executive Board member as well as persons in close relationship with him as defined in the German Securities Trading Act (*WpHG*) shall notify in writing within five business days to the Corporation and to the German Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*) any transaction with shares or financial instruments relating to such shares, in particular derivatives, for his own account. Such notification may be omitted if the total value of such transactions concluded by an Executive Board member and by persons in close relationship with him does not reach an

amount of 5,000 euros by the end of the calendar year. Persons as defined in section 5 sentence 1, who are in close relationship with an Executive Board member, shall be his spouse, registered partner, dependent children and any other relative with whom the Executive Board member has lived in the same household for at least one year at the time of the conclusion of the respective transaction to be notified. Legal persons where an Executive Board member performs executive functions shall also be deemed persons as defined in section 5 sentence 1. Any further legal regulations shall remain unaffected.

- (6) Each Executive Board member shall take care that persons in close relationship with him as defined in the Securities Trading Act comply with the aforementioned obligation as well.
- (7) Members of the Executive Board shall take on sideline activities, especially Supervisory Board mandates for companies outside the adidas-Salomon Group, only with the approval of the Supervisory Board.

§ 8

Effectiveness

These Rules of Procedure shall become effective with the date of the resolution of the Supervisory Board thereon. 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.