



*[Convenience translation.  
In the event of any differences in interpretation, the German version shall prevail.]*

## **RULES OF PROCEDURE OF THE SUPERVISORY BOARD OF ADIDAS AG**

Pursuant to § 13 section 1 of the Articles of Association of adidas AG (hereinafter the 'Company'), the Supervisory Board of the Company adopted the following Rules of Procedure:

### **I. SUPERVISORY BOARD AND MEMBERS OF THE SUPERVISORY BOARD**

#### **§ 1 TASKS OF THE SUPERVISORY BOARD**

- (1) The Supervisory Board shall advise and supervise the Executive Board in matters concerning the management of the Company and the Group.
- (2) To the benefit of the Company and the Group, the Supervisory Board shall cooperate closely and on a basis of mutual trust with the Executive Board.
- (3) The Supervisory Board shall exercise its duties subject to statutory provisions, the Articles of Association and these Rules of Procedure. The Supervisory Board shall follow the recommendations and suggestions of the German Corporate Governance Code.
- (4) The Supervisory Board shall assess, at regular intervals, how effective the Supervisory Board as a whole and its committees fulfil their tasks.

#### **§ 2 MEMBERSHIP IN THE SUPERVISORY BOARD**

- (1) The Supervisory Board shall be composed in such a way that its members are, on the whole, in possession of the knowledge, skills and professional experience required to properly perform all duties. At least one member of the Supervisory Board must have expertise in the field of accounting and at least one further member of the Supervisory Board must have expertise in the field of auditing. The members of the Supervisory Board as a whole must be familiar with the industry in which the Company operates. Each Supervisory Board member shall take care that s/he disposes of sufficient time for performing his/her mandate. The Supervisory Board shall set concrete objectives regarding its composition in due consideration of the recommendations of the German Corporate Governance Code, and shall prepare a profile of skills and expertise.

- (2) A Supervisory Board member who is not a member of any Management Board of a listed company shall not accept more than five Supervisory Board mandates at non-group listed companies or comparable functions, with an appointment as Chair of the Supervisory Board being counted twice. Any Supervisory Board member who is a member of the executive board of a listed company shall, as a rule, accept not more than a total of two Supervisory Board mandates in listed companies or controlling bodies of companies with similar requirements, which are not affiliated to the group of that company where s/he acts as a member of the executive board. The Supervisory Board may resolve upon a deviation with respect to individual Supervisory Board members if this is in the best interests of the Company. This shall be the case in particular if the Supervisory Board member concerned is a member of the executive board of a listed holding company and his/her main occupation involves holding mandates in the supervisory bodies of portfolio companies. By way of such a resolution on a deviation, the Supervisory Board at the same time declares that the provision under this § 2 section 2 shall not be applicable to the Supervisory Board member concerned.
- (3) No more than two former members of the Company's Executive Board shall be among the members of the Supervisory Board. Supervisory Board members shall not be members of governing bodies of, or exercise advisory functions at, significant competitors of the Company or Group company, and shall not hold any personal relationships with a significant competitor of the Company or Group company.
- (4) The aforementioned provisions shall be observed when nominating candidates for an election to the Supervisory Board.

### **§ 3**

#### **RIGHTS AND OBLIGATIONS OF THE SUPERVISORY BOARD MEMBERS**

- (1) Unless otherwise provided for by law, by the Articles of Association or by resolutions of the Annual General Meeting, all members of the Supervisory Board shall have the same rights and obligations. They shall not be bound by orders or instructions.
- (2) Each member of the Supervisory Board shall be obligated to serve the best interest of the Company. S/he shall neither pursue personal interests in his/her decisions nor use for his/her personal benefit any business opportunities intended for the Company or Group company. Each Supervisory Board member shall disclose to the Supervisory Board any conflicts of interest, in particular such conflicts of interests which may arise due to a consultancy or directorship function with customers, suppliers, lenders or any other business partners or competitors.
- (3) The Supervisory Board members shall be obligated to comply with the provisions of the Market Abuse Regulation<sup>1</sup> which apply to them and the national and European legal provisions related to it.

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<sup>1</sup> Regulation (EU) No. 596/2014 of the European Parliament and of the Council of April 16, 2014 regarding market abuse (Market Abuse Regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC.

#### **§ 4 SECRECY**

- (1) Members of the Supervisory Board shall observe secrecy on confidential data and secrets of the Company, namely trade and business secrets which came to their knowledge through their function, even after their departure from the Supervisory Board. The Supervisory Board members shall be bound to observe secrecy particularly with regard to confidential reports received and confidential discussions. Persons who are present during meetings of the Supervisory Board but are not members of the Supervisory Board shall be expressly bound to observe secrecy. Supervisory Board members shall only involve their own employees or consultants insofar as this is legally permitted and objectively necessary and shall ensure that such employees or consultants observe secrecy accordingly. The secrecy obligation generally applies vis-à-vis all third parties, particularly vis-à-vis employees, shareholders and business partners of the Company, as well as vis-à-vis companies a Supervisory Board member works for or holds an interest in.
- (2) In case a member of the Supervisory Board intends to give any information to third parties and it is doubtful whether such information is subject to secrecy, s/he shall inform the Chairman of the Supervisory Board in advance, thereby stating the person to whom s/he intends to give such information. Before such information is passed on, the Supervisory Board shall have the opportunity to comment on this. The statement shall be expressed by the Chairman.
- (3) The secrecy obligation particularly applies vis-à-vis the media, analysts, financial advisors, banks and rating agencies, as well as vis-à-vis shareholders. Contact with the aforesaid shall exclusively be maintained by Investor Relations, Corporate Treasury, Corporate Communication department or another relevant department of the Company. As a rule, any communication of Supervisory Board members with the group of persons outlined under sentence 1 on matters of the Company and the Group, including Supervisory Board specific topics, shall – notwithstanding sections 1 and 2 – be conducted by the Chairman of the Supervisory Board in accordance with § 5 section 6. Direct communication shall only be conducted by a Supervisory Board member following prior consultation with the Chairman of the Supervisory Board and the Corporate Communications department of the Company. If such consultation has not taken place in advance, the Supervisory Board member shall retroactively inform the Corporate Communication department of the Company and the Chairman of the Supervisory Board, insofar as the communication was not made by him/her, on the communication and its main content.

#### **§ 5 CHAIRMAN AND DEPUTIES**

- (1) The Supervisory Board shall elect from among its members a Chairman and a deputy ('First Deputy') in accordance with § 27 sections 1 and 2 Co-Determination Act (Mitbestimmungsgesetz - MitbestG). The Supervisory Board shall further elect an additional deputy ('Additional Deputy'), the election of whom shall not be subject to § 27 MitbestG. The election shall be carried out in a constituent Supervisory Board meeting not requiring a separate convening and to be held subsequent to the Annual General Meeting which elected the Supervisory Board members representing the shareholders. The election shall be presided over by the oldest member of the Supervisory Board in terms of age. The

Chairman and the deputies shall be elected Chairman and deputies for their respective terms of office as members of the Supervisory Board unless a shorter term of office is determined in their election. The Chairman shall be independent from the Company and the Executive Board.

- (2) In case the Chairman or a deputy resigns from office prior to the end of his/her term of office, a new election of the Chairman or the respective deputy shall be carried out without delay upon motion of a Supervisory Board member before the passing of any other Supervisory Board resolutions but not later than at the next Supervisory Board meeting.
- (3) A deputy shall have the Chairman's rights and obligations only if the Chairman is prevented from exercising his/her function and if not otherwise provided for by law, by the Articles of Association or these Rules of Procedure. The First Deputy shall then be entitled to exercise the Chairman's rights and obligations. If s/he is also prevented from exercising his/her functions, the Additional Deputy shall be entitled to exercise the Chairman's rights and obligations. The deputies shall not have the right to cast the second vote granted to the Chairman pursuant to the Co-Determination Act.
- (4) The Chairman shall be in charge of the cooperation between the Supervisory Board and the Executive Board. S/he regularly discusses with the Executive Board, particularly with the Chief Executive Officer, the strategy, planning, business development, the risk management and the compliance organization of the Group.
- (5) In case both, the Chairman and his/her deputies, are prevented from fulfilling their duties, these obligations shall be taken over by the oldest member of the Supervisory Board in terms of age for the period of prevention.
- (6) The Chairman shall represent the interests of the Supervisory Board externally. S/he may communicate with investors regarding topics related to the Supervisory Board. S/he shall inform the Supervisory Board or its committees of such communication.

## **§ 6 MEETINGS**

- (1) The Chairman of the Supervisory Board shall convene a meeting of the Supervisory Board at least twice in each half calendar year. The Supervisory Board shall further be convened for a meeting if requested by a Supervisory Board member or by the Executive Board upon stating the purpose and reasons therefore. Such meeting shall be held within two weeks from the date on which notice thereof was given. If the request is not complied with, the Supervisory Board member himself/herself or the Executive Board itself may convene a meeting of the Supervisory Board upon stating the facts and presenting an agenda of the meeting.
- (2) The Supervisory Board meetings shall be convened in writing, by telephone, by facsimile, by means of electronic telecommunication, or by other comparable means at least fourteen days prior to the meeting. The day of posting of the invitation and the day of the meeting shall not be counted in the computation of such period. In urgent cases the Chairman may shorten this period and call the meeting orally. The convocation shall contain place and time of the meeting as well as the agenda items. Motions for resolutions on items of the

agenda shall be notified in due time prior to the meeting in order to enable absent members of the Supervisory Board to cast a written vote.

- (3) The Chairman may cancel or adjourn a convened meeting after a due assessment of the circumstances. S/he shall designate the person to take the minutes and shall decide on the invitation of experts and persons needed to provide detailed information for consultation on individual items of the agenda.
- (4) The members of the Executive Board shall attend the meetings unless otherwise stipulated by the Chairman of the Supervisory Board or otherwise resolved by the Supervisory Board.

## **§ 7**

### **RESOLUTIONS AND DECLARATIONS**

- (1) As a rule, resolutions of the Supervisory Board shall be adopted in meetings requiring personal attendance. At the request of the Chairman, Supervisory Board meetings may also be held as telephone or video conference or individual Supervisory Board members may join via telephone or video transmission. In these cases, votes may be cast during the telephone or video conference. Members participating in a meeting via telephone or video conference shall be deemed present. Absent Supervisory Board members may participate in the taking of a resolution in a meeting by submitting their vote in writing, by telephone, by facsimile, by means of electronic telecommunication, or by other comparable means through another Supervisory Board member. An absent member may cast a vote at a later time only if such was approved by all present members or if the requirements as defined in section 4 are fulfilled.
- (2) The Supervisory Board shall constitute a quorum if all members were invited at their last notified address and if at least one half of the members of whom the Supervisory Board shall consist participate in the adoption of resolutions. Absent Supervisory Board members who cast their vote according to section 1 as well as members who abstain from voting in such resolution, participate in the resolution taking within this meaning.
- (3) The Chairman shall preside over the meeting. In case the Chairman is prevented from exercising his/her function, the First Deputy shall preside over the meeting, or the Additional Deputy if the First Deputy is also prevented from attending. The person presiding over the meeting shall determine the order in which the items of the agenda are discussed as well as the type and the order of the votes. S/he may, after due assessment of the circumstances, adjourn the resolution on individual or all items of the agenda by four weeks at the longest if not the same number of Supervisory Board members elected by the shareholders and of Supervisory Board members elected by the employees participated in the resolution or if any other significant reason for such adjournment exists. S/he shall not be entitled to an additional adjournment.
- (4) Resolutions on items of the agenda which have not been notified in due time may only be passed if no member objects thereto. In such a case, absent members shall be given the opportunity to object to the taking of such resolution or to submit their vote in writing, by telephone, by facsimile, by means of electronic telecommunication, or by other comparable means within a reasonable period of time to be determined by the Chairman; the resolution

- shall only become effective if none of the absent members objects thereto within such period of time.
- (5) A Supervisory Board resolution may also be passed outside a meeting by transmitting or casting votes in writing, by telephone, facsimile or by means of electronic telecommunication or via a telephone or video conference if the Chairman directs so and provided that none of the members object thereto. There shall be no right of objection if the resolutions are taken in such a manner that the members of the Supervisory Board participating therein are connected with one another by means of electronic telecommunication and are in a position to discuss the subject of the resolution. A Supervisory Board resolution may also be passed in combination of a meeting and resolutions passed outside the meeting. In all other respects, the provisions of this § 7 as well as of § 6 sections 2 through 4 shall apply mutatis mutandis.
  - (6) Resolutions shall require a simple majority of the votes cast unless a different majority is mandatory by law or the Articles of Association. The same applies to elections. An abstention shall not be considered as a submitted vote. In case a vote results in a tie, the Chairman shall decide whether a new vote shall be taken on the item concerned and whether such new vote shall be taken during the same or during another meeting of the Supervisory Board, unless the Supervisory Board decides on a different procedure. If a new vote on the same item results in a tie again, the Chairman shall have two votes. This second vote can also be submitted in written form pursuant to section 1 sentence 2. The deputies of the Chairman do not have the right to cast a second vote.
  - (7) A member of the Supervisory Board shall be excluded from participating in a vote if such vote is on a legal transaction involving the Supervisory Board member concerned or if a resolution is taken on instituting or settling legal proceedings between the Company and the Supervisory Board member concerned.
  - (8) The Chairman shall prepare and execute the resolutions of the Supervisory Board.
  - (9) The Chairman, or in case s/he should be prevented from performing his/her duty, the First Deputy or in case s/he should also be prevented from performing his/her duty, the Additional Deputy shall be entitled to make the binding declarations required for implementing Supervisory Board resolutions in the name of the Supervisory Board. Other declarations of the Supervisory Board shall also be made and received by the Chairman or his/her deputy determined in accordance with sentence 1 in the name of the Supervisory Board.

## **§ 8**

### **MINUTES OF MEETINGS AND RESOLUTIONS**

- (1) Minutes shall be taken of the meetings of the Supervisory Board, and shall be signed by the respective person presiding over the meeting. The minutes shall state the place and date of the meeting, the participants, the items of the agenda, the essential contents of the discussions and the resolutions of the Supervisory Board. A copy of the minutes shall be sent to each Supervisory Board member without delay.

- (2) Resolutions which were not taken at meetings shall be recorded in the form of minutes by the Chairman. A copy of such minutes shall be sent to each Supervisory Board member without delay.
- (3) Minutes as defined in section 1 or section 2 shall be deemed approved if none of the Supervisory Board members who participated in the passing of the resolutions objects thereto in writing to the Chairman within a month after the posting.
- (4) Resolutions passed by the Supervisory Board may be recorded in their wording in the form of minutes during the meeting and signed immediately thereupon by the Chairman. If resolutions are recorded separately in such way, objecting to such resolutions shall only be possible during such meeting.

## **§ 9**

### **TRANSACTIONS REQUIRING SUPERVISORY BOARD APPROVAL**

- (1) Subject to the Steering Committee's responsibility pursuant to § 11 section 2 sentence 2, the Executive Board shall require the approval of the Supervisory Board for the following transactions and measures:
  - a) The assumption of major new fields of activities or the abandonment of major existing fields of activities as well as transactions or measures leading to a substantial change in the structure or development of the Company.
  - b) The acquisition and disposal of major industrial property rights of the Company, its subsidiaries and direct corporate holdings wherever the value of one of these measures exceeds an amount of EUR 150 million in the case concerned. Acquisitions and disposals within the Group are excluded.
  - c) The establishment, dissolution, acquisition and disposal of subsidiaries and direct corporate holdings (including changes in the amount of the holding) and the participation in capital increases through contributions wherever the value of one of these measures exceeds an amount of EUR 150 million in the case concerned and wherever the amount is either included in the budget only in the form of a global authorization without any individual description or not included in the budget. Acquisitions and disposals within the Group are excluded.

The Executive Board shall inform the Supervisory Board about measures amounting to a value between EUR 50 million and EUR 150 million when dealing with the quarterly results.

- d) The disposal of real properties and equivalent titles as well as any other dispositions with regard to these wherever the value exceeds an amount of EUR 150 million in the case concerned. Disposals within the Group are excluded.

The Executive Board shall inform the Supervisory Board about disposal transactions amounting to a value between EUR 50 million and EUR 150 million when dealing with the quarterly results.

- e) Agreements which each lead to a payment obligation on the part of the Company amounting to more than EUR 200 million either once or over the term of contract; however, marketing and sponsorship agreements, which are only subject to an information obligation in accordance with § 16 section 4, are excluded.

As regards the definition of 'agreements' and the determination of the value of the respective agreement, see Annex 1.

- f) Individual investments which are not included in the budget and which exceed an amount of EUR 150 million. Individual investments which are included in the budget and exceed an amount of EUR 300 million.

As regards the definition of 'individual investments', see Annex 1.

- g) The issuance of non-share-based bonds and comparable financial instruments, as well as the conclusion of a loan agreement or credit line, insofar as the individual volume exceeds EUR 500 million or if the overall volume of several finance measures which are interrelated in conjunction with the Company's financial planning exceeds this amount.
- h) The conclusion, amendment and termination of company agreements pursuant to §§ 291, 292 German Stock Corporation Act (Aktiengesetz - AktG).
- i) The adoption of the Company's and the Group's budget including the annual investment and financial plan for the respective financial year in consideration of the medium-term planning.
- j) Executive Board measures based on the authorizations granted by the Annual General Meeting pursuant to § 71 section 1 number 8 AktG.
- (2) The approval as defined in section 1 lit. a), b), c), d), e), f), g) and j) shall also be required if the transactions are carried out by subsidiaries or affiliated companies.
- (3) Insofar as the Supervisory Board does not already have the responsibility, the Executive Board furthermore requires Supervisory Board approval in cases as outlined in § 12 section 2 sentence 5.
- (4) The Supervisory Board shall furthermore give its prior approval to
- a) sideline activities of an Executive Board member, especially Supervisory Board mandates outside the Company.
- b) advisory and other service agreements and contracts for work between a member of the Supervisory Board and the Company.
- c) the conclusion of important transactions between the Company and an Executive Board member as well as persons s/he is related to or companies s/he has a personal association with, at a transaction value of more than EUR 25,000.
- d) transactions with related parties pursuant to § 111b section 1 AktG.



## **II. COMMITTEES**

### **§ 10 GENERAL PROVISIONS**

- (1) The Supervisory Board shall form from among its members a Steering Committee (§ 11), a General Committee (§ 12), an Audit Committee pursuant to § 107 section 3 sentence 2 and sentence 3 in conjunction with § 100 AktG (§ 13), a Nomination Committee (§ 14) and a committee pursuant to § 27 section 3 Co-Determination Act (§ 15). Further committees may be formed if necessary.
- (2) Each committee shall appoint from among its members a chairman unless otherwise provided for by law, the Articles of Association, these Rules of Procedure or the Supervisory Board.
- (3) The meetings of the committees shall be convened by the respective committee chairman. Each member shall have the right to request the convening of a meeting upon stating the reason therefore.
- (4) Committees taking decisions instead of the Supervisory Board only constitute a quorum if half of their members, but no less than three members, participate in taking the resolution. If the Chairman of the Supervisory Board belongs to such committee, s/he shall be entitled to cast a second vote in accordance with § 7 section 6 sentences 4 to 6, provided that such committee is composed of an equal number of Supervisory Board members representing the shareholders and of Supervisory Board members representing the employees. This does not apply to the committee pursuant to § 27 section 3 MitbestG and to the Audit Committee. Regarding the latter, the Chairman of the Audit Committee shall be entitled to cast a second vote.
- (5) The respective committee chairmen shall report to the Supervisory Board on the work of the committees on a regular basis.
- (6) § 6 sections 2 to 4, § 7 sections 1-9 and § 8 shall further apply mutatis mutandis to the internal rules of procedure of the committees unless otherwise provided for in section II herein. The chairman of the respective committee shall take the place of the Chairman of the Supervisory Board.

### **§ 11 STEERING COMMITTEE OF THE SUPERVISORY BOARD**

- (1) The Steering Committee shall be composed of the Chairman of the Supervisory Board and his/her two deputies. The Chairman of the Supervisory Board shall be the Chairman of the Steering Committee.
- (2) The Steering Committee shall discuss major issues and shall prepare resolutions of the Supervisory Board. The Steering Committee may, instead of the Supervisory Board, resolve at a meeting on the approval required for measures of the Executive Board as defined in § 9

sections 1 to 4, provided that such matter allows no delay and that a resolution of the Supervisory Board cannot be taken in a meeting in due time.

## **§ 12 GENERAL COMMITTEE**

- (1) The General Committee shall be composed of four members, i.e. the Chairman of the Supervisory Board, his/her two deputies as well as another member to be elected by the Supervisory Board. If, in accordance with the aforementioned provision, at least two members of the General Committee are Supervisory Board members representing the shareholders, the fourth member shall be appointed from among the Supervisory Board members representing the employees; otherwise, such member shall be appointed from among the Supervisory Board members representing the shareholders. The Chairman of the Supervisory Board shall be the Chairman of the General Committee.
- (2) The General Committee shall prepare the decisions of the Supervisory Board with respect to employment issues and shall submit according proposals to the Supervisory Board. This particularly includes the appointment and dismissal of Executive Board members as well as the discussion of the conditions of the Executive Board service contracts incl. the compensation. The General Committee shall prepare resolutions passed by entire Supervisory Board on the compensation system for the Executive Board and the regular review of the compensation system. The General Committee shall further prepare suggestions for the entire Supervisory Board on the determination of the individual compensation of each Executive Board member. The committee shall prepare suggestions on the granting of loans to persons as defined in §§ 89, 115 AktG.
- (3) The General Committee shall discuss on a regular basis the long-term succession planning for the Executive Board. Doing so, it takes into consideration the management planning of the Company and the Group.

## **§ 13 AUDIT COMMITTEE**

- (1) The Audit Committee shall be composed of four members, i.e. two Supervisory Board members representing the shareholders and two Supervisory Board members representing the employees. At least one member of the Supervisory Board must have expertise in the field of accounting and at least one further member of the Supervisory Board must have expertise in the field of auditing. The members of the Supervisory Board as a whole must be familiar with the industry in which the Company operates.
- (2) The Chairman of the Supervisory Board shall not chair the Audit Committee. The Chairman of the Audit Committee shall have specific knowledge and expertise in applying accounting principles and internal control systems, and shall be familiar with audits. Furthermore, the Chairman shall be independent from the Company and Executive Board.
- (3) The Audit Committee shall be responsible for:

- a) The preparation of the audit as well as of the adoption of the annual financial statements and approval of the consolidated financial statements.
- b) The preparation of the process for selecting the auditor in accordance with statutory provisions.
- c) The preparation of 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 report provided that it shall be audited or reviewed by the auditor.
- d) The assignment of the audit review to the auditor, the determination of key audit matters and the conclusion of the fee agreement with the auditor including the conclusion of an information agreement and disclosure agreement in accordance with the recommendations of the German Corporate Governance Code in its applicable version.
- e) The supervision of the audit, in particular the independence of the auditor, the quality of the audit and of the additional services rendered by the auditor; approval of all services to be rendered by the auditor, including permitted non-audit services.
- f) The preparation of the audit of any non-financial statement or any separate non-financial report (§ 289b German Commercial Code (Handelsgesetzbuch - HGB) and any non-financial group management statement or any separate non-financial group management report (§ 315b HGB).
- g) The preparation of and issuing a mandate for an external audit of any non-financial statement or any separate non-financial report (§ 289b HGB) and any non-financial group management statement or any separate non-financial group management report (§ 315b HGB).
- h) The preparation of the Supervisory Board's approval of the Executive Board's proposal on the appropriation of retained earnings.
- i) The review of the first half year reports as well as quarterly statements prior to their publication.
- j) Addressing questions relating to accounting and risk management, including the supervision of the accounting process, the effectiveness of the Internal Control System, the Internal Risk Management System, the Internal Audit System and the Compliance Management System as well as discussion of material changes to the audit and accounting methods.
- k) The supervision of compliance with legal provisions, official regulations and internal Company regulations as well as addressing questions relating to sustainability, as far as they relate to topics of the Audit Committee..
- l) The approval of transactions with related parties pursuant to § 111b section 1 AktG on behalf of the Supervisory Board, unless the Supervisory Board's approval is required pursuant to § 9 sections 1-3 or § 9 section 4 lit. a) through c) as well as the establishment of an internal procedure pursuant to § 111a section 2 sentence 2 AktG.

- (4) Each member of the Audit Committee may, via the Chairman of the Audit Committee, obtain information directly from the heads of those corporate departments of the Company which are responsible within the Company for the tasks relating to the Audit Committee pursuant to § 107 section 3 sentence 2 AktG. The Chairman of the Audit Committee has to communicate any information obtained to all members of the Audit Committee. If information is obtained in this way, the Executive Board shall be informed thereof without delay.

#### **§ 14**

#### **NOMINATION COMMITTEE**

- (1) The Supervisory Board shall form a Nomination Committee composed of three Supervisory Board members representing the shareholders. The members of the Nomination Committee shall be elected by the shareholder representatives of the Supervisory Board. The Chairman of the Supervisory Board is the Chairman of the Nomination Committee.
- (2) Under consideration of § 2 sections 1 to 3, of the statutory regulations and of the concrete objectives for its composition as specified by the Supervisory Board, the Nomination Committee shall be responsible for nominating suitable candidates to be elected as shareholder representatives to the Supervisory Board for its proposals to the Annual General Meeting.
- (3) The Nomination Committee shall constitute a quorum if all committee members participate in the meeting. Thus, § 10 section 6 in conjunction with § 7 section 2 sentence 1, 2nd half sentence is not applicable.

#### **§ 15**

#### **MEDIATION COMMITTEE IN ACCORDANCE WITH § 27 SECTION 3 MITBESTG**

Immediately upon the election of the Chairman and the election of the First Deputy, the Supervisory Board shall form a committee to perform the functions as defined in § 31 section 3 sentence 1 MitbestG, which shall be composed of the Chairman, the First Deputy as well as of one member each to be elected by the Supervisory Board members representing the employees and by the Supervisory Board members representing the shareholders with a majority of the votes cast.

### **III. INFORMATION POLICY**

#### **§ 16**

#### **STANDARD REPORTS TO THE SUPERVISORY BOARD PURSUANT TO § 90 SECTION 1 SENTENCE 1 NO. 1-3 AKTG; OTHER INFORMATION**

- (1) At least once a year, the Executive Board shall report on the intended corporate policy and on any other fundamental issues with respect to the business planning of the Company and of the Group. Such report shall contain the main items of the corporate management planned by the Executive Board and a regular or event-based report on the status of any given projects approved by the Supervisory Board. This shall include in particular explanations on the intended development and strategic orientation of the Group, the presentation of the financial, investment and personnel planning for the Group, and explanations on differences between the actual development and the targets reported on in the past by stating the reasons therefore. Such subjects shall further be reported on without delay if the necessity for immediate reporting arises due to a changed situation or newly raised issues.
- (2) Within the context of the Supervisory Board's discussion of the annual financial statements and consolidated annual financial statements (the so-called annual financial statements meeting), the Executive Board shall report on the profitability of the Company and of the Group, in particular on the return on equity. Such report shall also include a comparison to the previous year and to the target figures and shall provide detailed information on the performance of the Group as a whole and of the individual corporate divisions on the basis of significant key profitability data.
- (3) On a regular basis, at least once each quarter, the Executive Board shall report in a timely and comprehensive manner on the development of the business activities, in particular on the sales figures and on the situation of the Company and of the Group. Such report shall provide, inter alia, information on the current development of the sales, profit, financial and asset situation as well as the competitive position, on personnel matters and on the major risks of the Group. Differences in comparison to the previous year and to the target figures shall be explained.
- (4) The Executive Board shall once annually report on the marketing and sponsoring contracts concluded in the respective calendar year, including the progress and development in 'Digital'.
- (5) Based on the respective event, the Executive Board shall provide the Supervisory Board with the information set out in Annex 2 in due time.
- (6) The reports as defined in § 16 herein shall be presented as timely as possible and, 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 Company or the Group with regard to strategy, planning, business development, risk situation, risk management and the compliance organization. Any further legal reporting and information obligations shall remain unaffected.

**§ 17**  
**SPECIAL REPORTS TO THE SUPERVISORY BOARD**

The Executive Board shall report on any transactions which may be of fundamental importance to the Company's and/or Group's profitability or liquidity. Such reports shall be in written form as a rule and – if possible – in such due time that the Supervisory Board has the opportunity to comment on such transactions prior to their performance.

**§ 18**  
**REPORTS TO THE CHAIRMAN OF THE SUPERVISORY BOARD**

The Executive Board reports to the Chairman of the Supervisory Board in due time on other significant developments. Such significant developments shall also include circumstances concerning the business of an affiliated company which have come to the Executive Board's knowledge and which may have a material impact on the situation of the Company.

**§ 19**  
**ADDITIONAL REPORTS TO THE SUPERVISORY BOARD**

At the request of the Supervisory Board or of any Supervisory Board member, the Executive Board shall report to the Supervisory Board on matters of the Company, on the Company's legal and business relationships with affiliated companies as well as on business activities in such companies which may have a material impact on the situation of the Company. The Supervisory Board or individual Supervisory Board members shall request information from the Executive Board via the Chairman of the Supervisory Board or of the Audit Committee.

**§ 20**  
**RESIGNED MEMBERS OF THE SUPERVISORY BOARD:  
DUTY TO RETURN DOCUMENTS AND CLAIM TO PROVISION OF INFORMATION**

- (1) The duty of the Supervisory Board member to return all documents, copies and records in connection with the exercise of his/her duties and the duty to maintain secrecy regarding business secrets and confidential information which shall continue after resigning from the Supervisory Board shall not be affected to the extent that it is not required for the proper legal defence against asserted claims.
- (2) In the event that the Company (including all of its bodies) or third parties assert claims against the Supervisory Board member after his/her resignation from the Supervisory Board which are related to his/her exercise of duties as Supervisory Board member, the Company shall permit the Supervisory Board member, upon request, to inspect and make copies of the minutes of the Supervisory Board meetings including annexes which were prepared during his/her term of office; the same shall apply to minutes of committee meetings to which the Supervisory Board member belonged which were prepared during the Supervisory Board member's term of office, as well as to the reports submitted by the Executive Board to such committees.

- (3) Regardless of any statutory retention periods, the Company shall be obligated to retain the minutes of meetings and reports for a period of at least 15 years from their preparation; such obligation shall apply to documents which were prepared prior to the Supervisory Board member's resignation from the Supervisory Board. Furthermore, in the event described above, the Company shall grant the Supervisory Board member access to any other documents in connection with his/her exercise of duty. The Company shall be allowed to deny access to the aforementioned documents if, following a reasonable assessment, they are evidently not required for a proper legal defence against the claims asserted; the Company must provide written reasons for such denial.
- (4) The Supervisory Board member shall be obligated to use the documents and data provided according to the aforementioned stipulations solely for the purpose of legally defending himself/herself against the asserted claims and to otherwise treat such documents and data as strictly personal and confidential.

**§ 21**  
**EFFECTIVENESS**

These Rules of Procedure shall become effective on August 4, 2021. They shall replace the hitherto effective Rules of Procedure of the Supervisory Board in their version dated December 10, 2020.