

adidas

**MAY 12, 2021**

**INVITATION**

TO THE ANNUAL  
GENERAL MEETING



# INVITATION

ADIDAS AG  
HERZOGENAURACH  
ISIN: DE000A1EWWW0

**WE ARE HERewith  
INVITING OUR SHAREHOLDERS TO THE**

# **ANNUAL GENERAL MEETING**

**WHICH TAKES PLACE ON  
WEDNESDAY MAY 12, 2021,  
10:00 A.M. CEST**

**AS A VIRTUAL ANNUAL  
GENERAL MEETING WITHOUT  
THE PHYSICAL PRESENCE  
OF SHAREHOLDERS OR  
THEIR REPRESENTATIVES.**

## **THE VENUE OF THE ANNUAL GENERAL MEETING**

**WITHIN THE MEANING OF THE GERMAN STOCK  
CORPORATION ACT (AKTIENGESETZ – AKTG) IS  
ADI-DASSLER-STRASSE 1, 91074 HERZOGENAURACH, GERMANY.**

## INFORMATION IN ACCORDANCE WITH § 125 OF THE GERMAN STOCK CORPORATION ACT IN CONJUNCTION WITH THE IMPLEMENTING REGULATION (EU) 2018/1212 (EU-IR)

### A. SPECIFICATION OF THE MESSAGE

1. **Unique identifier of the event:** 2021 Virtual Annual General Meeting of adidas AG  
(Formal specification according to EU-IR: 51629020b23eeb118116005056888925)
2. **Type of message:** Convocation of the Annual General Meeting  
(Formal specification according to EU-IR: Invitation to the Annual General Meeting)

### B. SPECIFICATION OF THE ISSUER

1. **ISIN:** DE000A1EWWW0
2. **Name of issuer:** adidas AG

### C. SPECIFICATION OF THE MEETING

1. **Date of the General Meeting:** May 12, 2021 (Formal specification according to EU-IR: 20210512)
2. **Time of the General Meeting:** 10:00 a.m. CEST (Formal specification according to EU-IR: 8:00 a.m. UTC)
3. **Type of General Meeting:** Annual General Meeting as virtual Annual General Meeting without the physical presence of shareholders and their representatives (Formal specification according to EU-IR: Annual General Meeting)
4. **Location of the General Meeting:** URL to the Company's shareholder portal for following the Annual General Meeting via video and audio stream and for exercising shareholder rights: [www.adidas-group.com/agm](http://www.adidas-group.com/agm)

**Venue of the Annual General Meeting within the meaning of the German Stock Corporation Act:**

Adi-Dassler-Straße 1, 91074 Herzogenaurach, Germany  
(Formal specification according to EU-IR: [www.adidas-group.com/agm](http://www.adidas-group.com/agm))

5. **Technical record date:** May 5, 2021, 24:00 hrs. CEST (corresponds to 10:00 p.m. UTC)

The shareholding as entered in the share register at the date of the Annual General Meeting is relevant for the right to participate in and exercise voting rights at the Annual General Meeting. Instructions to make changes to the share register received by the Company after the deadline for registration in the period from May 6, 2021 to May 12, 2021 (each including) will not be processed and considered until after the Annual General Meeting on May 12, 2021.

The technical record date is therefore the end of May 5, 2021. (Formal specification according to EU-IR: 20210505)

6. **Website for the Annual General Meeting / URL:** [www.adidas-group.com/agm](http://www.adidas-group.com/agm)

More information on the convocation of the Annual General Meeting (blocks D through F of table 3 of the Annex to the Implementing Regulation (EU) 2018/1212) is available on the following website:  
[www.adidas-group.com/agm](http://www.adidas-group.com/agm)

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# I. AGENDA

## [1] Presentation of the adopted annual financial statements of adidas AG and the approved consolidated financial statements, the combined Management Report of adidas AG and the adidas Group as of December 31, 2020, the proposal of the Executive Board on the appropriation of retained earnings as well as the Supervisory Board Report for the 2020 financial year

The aforementioned documents also comprise the Compensation Report and the Explanatory Report of the Executive Board on the disclosures pursuant to §§ 289a, 315a German Commercial Code (Handelsgesetzbuch – HGB) in the version applicable for the 2020 financial year as well as the Declaration on Corporate Governance; they are accessible on the Company's website at [www.adidas-group.com/agm](http://www.adidas-group.com/agm). The reports are also available during the Annual General Meeting.

The Supervisory Board approved the annual financial statements and consolidated financial statements prepared by the Executive Board; the annual financial statements have thus been adopted in accordance with § 172 sentence 1 AktG. Therefore, in accordance with statutory provisions, the Annual General Meeting does not have to pass a resolution on Agenda Item 1.

## [2] Resolution on the appropriation of retained earnings

The Executive Board and the Supervisory Board propose to resolve upon the appropriation of retained earnings amounting to EUR 1,165,664,592.89 which were reported in the adopted annual financial statements of adidas AG as at December 31, 2020, as follows:

Payment of a dividend in the amount of EUR 3.00 per no-par-value share on the dividend-entitled nominal capital, i.e. EUR 585,198,180.00 as total dividend and carrying forward the remaining amount of EUR 580,466,412.89 to new account. Pursuant to § 58 section 4 sentence 2 AktG, the entitlement to payment of the dividend shall become due on May 18, 2021.

» Total dividend	EUR 585,198,180.00
» Carried forward to new account	EUR 580,466,412.89
» Retained earnings	EUR 1,165,664,592.89

The proposal on the appropriation of retained earnings takes into account that the 5,350,126 treasury shares held by the Company at the time of preparing the annual financial statements are not entitled to dividend payment in accordance with § 71b AktG. If the number of treasury shares decreases or increases until the Annual General Meeting, the Executive Board and the Supervisory Board will present to the Annual General Meeting a correspondingly adjusted resolution proposal on the appropriation of retained earnings which will include an unchanged dividend of EUR 3.00 per no-par-value share on the dividend-entitled nominal capital and correspondingly adjusted figures of the total dividend and the income carried forward.

## [3] Resolution on the ratification of the actions of the Executive Board for the 2020 financial year

The Executive Board and the Supervisory Board propose to ratify the actions of the Executive Board members in office in the 2020 financial year for this period.

## [4] Resolution on the ratification of the actions of the Supervisory Board for the 2020 financial year

The Executive Board and the Supervisory Board propose to ratify the actions of the Supervisory Board members in office in the 2020 financial year for this period.



## [5] Supervisory Board Election

At the end of the Annual General Meeting on May 12, 2021, the term of office of Mr. Herbert Kauffmann will expire. Therefore, the Annual General Meeting is required to elect a shareholder representative to the Supervisory Board.

In accordance with § 9 section 1 of the Articles of Association in conjunction with §§ 96 sections 1 and 2, 101 section 1 AktG and § 7 section 1 sentence 2 in conjunction with § 7 section 1 sentence 1 number 2 German Co-Determination Act (Mitbestimmungsgesetz – MitbestG), the Supervisory Board of adidas AG is composed of eight members to be elected by the shareholders and eight members to be elected by the employees and consists of at least 30% women and 30% men. As the Supervisory Board had not objected to an overall fulfillment of the aforementioned quota pursuant to § 96 section 2 sentence 3 AktG before passing the resolution on the election proposal, the minimum quota must be fulfilled by the Supervisory Board overall, with the numbers of male and female members rounded up or down to full numbers (§ 96 section 2 sentences 2 and 4 AktG). Thus, the Supervisory Board of adidas AG must be composed of at least five women and five men. This minimum quota is already fulfilled and will, in any case, still be fulfilled after the election.

The election proposal of the Supervisory Board is based on the recommendation of its Nomination Committee, takes into account the objectives of the Supervisory Board regarding its composition resolved upon by the Supervisory Board in accordance with the German Corporate Governance Code (Code) and is aimed at fulfilling the competency profile for the full Supervisory Board developed by the Supervisory Board. The objectives and the competency profile were resolved upon by the Supervisory Board most recently in October 2020 and are available on the Company's website [www.adidas-group.com/s/bodies](http://www.adidas-group.com/s/bodies). Moreover, the Supervisory Board has ascertained that the candidate proposed has sufficient time to perform her mandate.

The Supervisory Board proposes to elect to the Supervisory Board as a Supervisory Board member representing the shareholders

### **Mrs. Jackie Joyner-Kersee**

residing in Ballwin, USA  
CEO, Jackie Joyner-Kersee Foundation and Motivational Speaker

*No membership in other statutory supervisory boards in Germany at the date of convocation of the Annual General Meeting*

*No memberships in comparable domestic and foreign controlling bodies of commercial enterprises at the date of convocation of the Annual General Meeting*

for the period from the end of the Annual General Meeting on May 12, 2021 until the end of the Annual General Meeting resolving upon the ratification of the actions of the Supervisory Board for the 2023 financial year.

In the Supervisory Board's assessment, Mrs. Joyner-Kersee does not have any personal or business relationships with the Company, its Group companies or the bodies of the Company which an objective shareholder would consider decisive for their voting decision. The Company is not aware of shareholders with a material interest in the Company, with which personal or business relations could exist.

If she is elected, Mrs. Joyner-Kersee is independent in the Supervisory Board's assessment.

Mrs. Joyner-Kersee agreed in advance to be available as a member of the Supervisory Board. Her résumé is set out under 'III. Information on Agenda Item 5' of this invitation and will be available on the Company's website at [www.adidas-group.com/agm](http://www.adidas-group.com/agm) from the day of convocation of the Annual General Meeting.

## [6] Resolution on the approval of the compensation system for the members of the Executive Board

In accordance with § 120a section 1 AktG, the Annual General Meeting resolves upon the approval of the compensation system for the members of the Executive Board as presented by the Supervisory Board in case of a material change but in any case no later than once every four years.

Taking into account the provisions of § 87a section 1 AktG, the Supervisory Board, following the recommendation of its General Committee, adopted changes to the compensation system for the members of the Executive Board with effect from January 1, 2021.

This changed compensation system is set out under and will be presented for approval to the Annual General Meeting.

Therefore, the Supervisory Board proposes to resolve as follows:

The compensation system for the members of the Executive Board set out under 'IV. Information on Agenda Item 6' of the convocation shall be approved.

#### **[7] Resolution on the confirmation of the compensation and on the approval of the compensation system for the members of the Supervisory Board**

In accordance with § 113 section 3 AktG, the Annual General Meeting must resolve upon the compensation of the members of the Supervisory Board no later than once every four years. The resolution may also confirm the compensation in place. The current Supervisory Board compensation was defined in § 18 of the Articles of Association by resolution of the 2017 Annual General Meeting.

In line with suggestion G.18 sentence 1 of the Code, the Supervisory Board compensation is a purely fixed compensation (plus an attendance fee) and is paid out completely in cash.

The Executive Board and the Supervisory Board deem the amount of the compensation and the specific design of the compensation system for the Supervisory Board appropriate considering the Supervisory Board members' tasks and the Company's situation.

The wording of § 18 of the Articles of Association and the provision of § 113 section 3 sentence 3, 87a section 1 sentence 2 AktG are set out under '**V. Information on Agenda Item 7**'.

The Executive Board and the Supervisory Board therefore propose to resolve as follows:

The compensation regulations in place for the members of the Supervisory Board shall be confirmed and the compensation system for the members of the Supervisory Board set out under 'V. Information on Agenda Item 7' shall be approved.

#### **[8] Resolution on the amendment of § 4 section 8 sentence 3 of the Articles of Association (Information for registration in the share register)**

In line with the new version of § 67 section 1 sentence 1 AktG applicable since September 3, 2020, shareholders are now obligated to submit to the Company their electronic postal addresses. The current version of § 4 section 8 sentence 3 second half sentence of the Company's Articles of Association only states this as a directory provision and is thus no longer in line with the statutory provision. Consequently, it is to be deleted.

The Executive Board and the Supervisory Board therefore propose to resolve as follows:

§ 4 section 8 sentence 3 of the Articles of Association shall be reworded as follows:

'Shareholders holding registered shares must submit to the Company the data required in accordance with statutory provisions for entry into the share register.'

#### **[9] Resolution on the cancelation of the Authorized Capital 2017/I, on the creation of a new Authorized Capital 2021/I against contributions in cash together with the authorization to exclude subscription rights for residual amounts and on the respective amendment to the Articles of Association**

The Executive Board and the Supervisory Board propose to resolve as follows:

- a) The hitherto unused authorization of the Executive Board pursuant to § 4 section 2 of the Articles of Association to increase the nominal capital, subject to Supervisory Board approval, through the issuance of new shares against contributions in cash by up to EUR 50,000,000, if necessary while excluding subscription rights for residual amounts (Authorized Capital 2017/I), which was resolved by the 2017 Annual General Meeting for a duration of five years from the entry with the commercial register shall be canceled and § 4 section 2 of the Articles of Association shall be repealed.
- b) A new Authorized Capital in the amount of EUR 50,000,000 shall be created, which shall authorize the Executive Board to increase the nominal capital, subject to Supervisory Board approval, through the issuance of new shares against contributions in cash by up to EUR 50,000,000, if necessary while excluding subscription rights for residual amounts (Authorized Capital 2021/I).

To this end, § 4 section 2 of the Articles of Association is reworded as follows:

2. *The Executive Board shall be authorized for a duration of five years effective from the entry of this authorization with the commercial register, to increase the nominal capital, subject to Supervisory Board approval, by issuing new shares against contributions in cash once or several times by no more than EUR 50,000,000 altogether (Authorized Capital 2021/I). The shareholders may also be granted the statutory subscription right by offering the new shares to one or several credit institutions or other companies as defined by § 186 section 5 sentence 1 AktG or to a group or a syndicate of banks and/or such companies with the obligation to offer them to the shareholders for subscription (indirect subscription right). The Executive Board is authorized, subject to Supervisory Board approval, to exclude residual amounts from the shareholders' subscription rights.'*
- c) The Executive Board is instructed to file the cancellation of the existing Authorized Capital 2017/I in accordance with the above part a) and of § 4 section 2 of the Articles of Association as well as the resolution on the rewording of § 4 section 2 of the Articles of Association in accordance with the above part b) for entry with the commercial register, provided that the entry is made in the aforementioned order and that the cancellation of the existing Authorized Capital 2017/I in accordance with the above part a) only takes place when it is ensured that the rewording of § 4 section 2 of the Articles of Association in accordance with the above part b) is entered directly thereafter.

The Executive Board's written report on the reasons for which it shall be authorized to exclude shareholders' subscription rights for residual amounts is set out under **'II. Reports to the Annual General Meeting on the Agenda Items 9, 10, 12 and 13'**.

**[10] Resolution on the cancelation of the Authorized Capital 2019 and the Authorized Capital 2017/III, on the creation of a new Authorized Capital 2021/II against contributions in kind and/or cash together with the authorization to exclude subscription rights and on the respective amendment to the Articles of Association**

The Executive Board and the Supervisory Board propose to resolve as follows:

- a) The hitherto unused authorization of the Executive Board pursuant to § 4 section 3 of the Articles of Association to increase the nominal capital, subject to Supervisory Board approval, through the issuance of new shares against contributions in kind by up to EUR 16,000,000 (Authorized Capital 2019), which was resolved by the 2019 Annual General Meeting for a duration of five years from the entry with the commercial register shall be canceled and § 4 section 3 of the Articles of Association shall be repealed.
- b) The hitherto unused authorization of the Executive Board pursuant to § 4 section 4 of the Articles of Association to increase the nominal capital, subject to Supervisory Board approval, through the issuance of new shares against contributions in cash by up to EUR 20,000,000 (Authorized Capital 2017/III), which was resolved by the 2017 Annual General Meeting for a duration of five years from the entry with the commercial register shall be canceled and § 4 section 4 of the Articles of Association shall be repealed.
- c) A new Authorized Capital in the amount of EUR 20,000,000 shall be created, which shall authorize the Executive Board to increase the nominal capital, subject to Supervisory Board approval, through the issuance of new shares against contributions in cash and/or kind by up to EUR 20,000,000, if necessary while excluding subscription rights (Authorized Capital 2021/II).

To this end, § 4 section 3 of the Articles of Association is reworded as follows:

3. *The Executive Board shall be authorized for a duration of five years effective from the entry of this authorization with the commercial register, to increase the nominal capital, subject to Supervisory Board approval, by issuing new shares against contributions in cash and/or kind once or several times by no more than EUR 20,000,000 altogether (Authorized Capital 2021/II). The shareholders may also be granted the statutory subscription right by offering the new shares to one or several credit institutions or other companies as defined by § 186 section 5 sentence 1 AktG or to a group or a syndicate of banks and/or such companies with the obligation to offer them to the shareholders for subscription (indirect subscription right). The Executive Board is authorized, subject to Supervisory Board approval, to exclude residual amounts from shareholders' subscription rights and to wholly or partly exclude shareholders' subscription rights when issuing shares against contributions in kind. Additionally, the Executive Board may, subject to Supervisory Board approval, exclude shareholders' subscription rights if the new shares against contributions in kind are issued at a price not significantly below the stock market price of the Company's shares already quoted on the stock exchange at the point in time when the issue price is ultimately determined, which should be as close as possible to the placement of the shares; this exclusion of subscription rights can also be associated with the listing of the Company's shares on a foreign stock exchange. The authorization to exclude subscription rights under this authorization, however, may only be used to the extent that the pro-rata amount of the new shares in the nominal capital together with the pro-rata amount in the nominal capital of other shares which have been issued while excluding subscription rights by the Company since May 12, 2021, subject to the exclusion of subscription rights on the basis of an authorized capital or following a repurchase or for which subscrip-*

*tion or conversion rights or subscription or conversion obligations have been granted, through the issuance of convertible bonds and/or bonds with warrants, does not exceed 10% of the nominal capital existing on the date of the entry of this authorization with the commercial register or – if this amount is lower – as of the respective date on which the resolution on the utilization of the authorization is adopted. The previous sentence does not apply to the exclusion of subscription rights for residual amounts. The Authorized Capital 2021/II must not be used to issue shares within the scope of compensation or participation programs for Executive Board members or employees or for members of the management bodies or employees of affiliated companies.'*

- d) The Executive Board is instructed to file the cancellation of the existing Authorized Capital 2019 and the Authorized Capital 2017/III in accordance with the above part a) and b) and of § 4 section 3 and § 4 section 4 of the Articles of Association as well as the resolution on the rewording of § 4 section 3 of the Articles of Association in accordance with the above part c) for entry with the commercial register, provided that the entry is made in the aforementioned order and that the cancellation of the existing Authorized Capital 2019 and the Authorized Capital 2017/III in accordance with the above part a) and b) only takes place when it is ensured that the rewording of § 4 section 3 of the Articles of Association in accordance with the above part c) is entered directly thereafter.

The Executive Board's written report on the reasons for which it shall be authorized to exclude shareholders' subscription rights is set out under 'II. Reports to the Annual General Meeting on the Agenda Items 9, 10, 12 and 13'.

## **[11] Resolution on the cancellation of the Authorized Capital 2016 and on the repeal of § 4 section 5 of the Articles of Association**

The 2016 Annual General Meeting created the Authorized Capital 2016. The Executive Board was authorized for a duration of five years effective from the entry of this authorization with the commercial register, to increase the Company's nominal capital, subject to Supervisory Board approval, by issuing up to 4,000,000 new shares against contributions in cash once or several times by no more than EUR 4,000,000 altogether (Authorized Capital 2016). The new shares (employee shares) were only allowed to be issued to (current or former) employees of the Company and its affiliated companies as well as to (current and former) members of management bodies of the Company's affiliated companies (eligible persons).

The Executive Board has not utilized the authorization which is still valid until June 14, 2021 and does not plan to do so in the foreseeable future. Therefore, the Authorized Capital 2016 is to be canceled and the Articles of Association are to be amended accordingly.

The Executive Board and the Supervisory Board propose to resolve as follows:

- a) The hitherto unused authorization of the Executive Board pursuant to § 4 section 5 of the Articles of Association to increase the nominal capital, subject to Supervisory Board approval, through the issuance of new shares against contributions in kind by up to EUR 4,000,000 (Authorized Capital 2016), which was resolved by the 2016 Annual General Meeting for a duration of five years from the entry with the commercial register shall be canceled and § 4 section 5 of the Articles of Association shall be repealed.
- b) The numbering of the current sections 6 to 9 of § 4 of the Articles of Association shall be adjusted to the effect that the current sections 6 to 9 become sections 4 to 7.
- c) The Executive Board is instructed to file the adjustment of the numbering in accordance with the above part b) for entry with the commercial register, provided that the entry is only made after the entry of the resolution on Agenda Item 10.

## **[12] Resolution on granting the authorization to purchase and use treasury shares pursuant to § 71 section 1 number 8 AktG including the authorization to exclude tender and subscription rights as well as to cancel purchased treasury shares and reduce the capital**

In the past, the Company repurchased treasury shares based on the authorization resolved by the 2016 Annual General Meeting (Authorization 2016). The Authorization 2016 will expire on May 11, 2021.

The Executive Board and the Supervisory Board propose to renew the authorization of the Executive Board pursuant to § 71 section 1 number 8 AktG to purchase treasury shares and to use treasury shares purchased based on this or earlier authorizations.

The Executive Board and the Supervisory Board therefore propose to resolve as follows:

- 1) The Executive Board shall be authorized, for any lawful purpose and within the legal framework pursuant to the following terms and conditions, to purchase treasury shares up to an amount totalling 10% of the nominal capital existing on May 12, 2021 when the authorization was resolved upon or – if this amount is lower – of the nominal capital

existing on the date on which the aforementioned authorization is exercised. The shares purchased based on this authorization together with other shares held by the Company which were already purchased or owned by the Company or which are to be attributed to it, must never exceed 10% of the Company's nominal capital.

The authorization is valid until the end of May 11, 2026 and may be used by the Company but also by its subordinated Group companies or by third parties on account of the Company or its subordinated Group companies or third parties assigned by the Company or one of its subordinated Group companies, in each case if the statutory requirements, in particular of § 71 section 2 AktG, have been fulfilled.

Subject to the Executive Board's choice, the purchase will in each individual case be carried out (i) via the stock exchange, (ii) through a public invitation to submit sale offers, (iii) through a public purchase offer, or (iv) through offering tender rights to shareholders.

- In the event of the purchase being carried out via the stock exchange, the consideration per share paid by the Company (excluding incidental purchasing costs) may not be more than 10% higher or lower than the stock market price of the Company's shares as established in the opening auction of the electronic trading system on the Frankfurt Stock Exchange on the day of entering into the purchase obligation.
- In the event of a public invitation to submit sale offers, the consideration per share paid by the Company (excluding incidental purchasing costs) may not be more than 10% higher or 20% lower than the non-weighted average closing price of the Company's shares in the electronic trading system on the Frankfurt Stock Exchange on the last three trading days prior to the acceptance of the sale offers.
- In the event of a public sale offer or a purchase by granting tender rights, the consideration per share paid by the Company (excluding incidental purchasing costs) may not be more than 10% higher or 20% lower than the non-weighted average closing price of the Company's shares in the electronic trading system on the Frankfurt Stock Exchange on the last five trading days prior to the due date. The day of the Executive Board's final decision on the offer or the granting of tender rights shall be considered the due date.

If there are substantial deviations from the offered purchase/sale price or the threshold values of a potential purchase/sale price range after the publication of a public invitation to submit sale offers, a public purchase offer or after the granting of tender rights, the invitation to submit sale offers, the public purchase offer or the tender rights may be adjusted. In such a case, the relevant amount is determined on the basis of the corresponding price on the last trading day prior to the publication of the adjustment; the 10% or 20% value for exceeding or falling below the price applies to this amount.

The volume of a public invitation to submit sale offers or a public purchase offer may be limited. If the public repurchase offer or a public invitation to submit sales offers is over-subscribed, the repurchase or acceptance must be done on a pro-rata basis in relation to the shares offered in each case and in such cases, subject to the partial exclusion of any potential shareholders' rights of tender. The Company may provide for a preferred purchase or acceptance of smaller numbers of shares of up to 50 tendered shares per shareholder and for a rounding of residual amounts in accordance with general commercial principles only if any potential shareholders' tender rights are partially excluded.

The overall volume of tender rights offered to the shareholders may also be limited. If the shareholders are granted tender rights for the purpose of purchasing shares, these tender rights are allocated to the shareholders in relation to their shareholding and corresponding to the ratio of the Company's nominal capital to the volume of the shares to be repurchased by the Company. Fractions of tender rights do not have to be allocated; in such cases, any potential partial tender rights shall be excluded.

The Executive Board determines further details of each purchase, in particular of a possible purchase offer or an invitation to submit sale offers. This is also applicable for further details of any tender rights, particularly with regard to the term and, where applicable, their tradability. In this respect, capital market and other statutory limitations and requirements need to be complied with.

- 2) The Executive Board is authorized to use the treasury shares purchased under this authorization or earlier authorizations for all lawful purposes, in particular also for the following purposes:
  - a) The shares may be sold on the stock exchange or through a public offer to all shareholders in relation to their shareholding quota; in case of an offer to all shareholders, subscription rights for residual amounts are excluded. The shares may also be disposed of otherwise, provided the shares are sold in exchange for a cash payment and at a price that, at the time of the sale, is not significantly below the share price of the Company's shares with the same features. The pro-rata amount of the nominal capital on the shares sold under the above sentence may not exceed 10% of the nominal capital existing on the date on which the resolution on this authorization was adopted by the Annual General Meeting or - if this amount is lower - of the nominal capital existing on the date of the relevant exercise of the present authorization. The prorated amount of the nominal capital attributable to the new shares possibly issued between May 12, 2021 and the sale of the shares based on an

authorized capital while excluding shareholders' subscription rights pursuant to § 203 section 1 in conjunction with § 186 section 3 sentence 4 AktG is attributed to the limit of 10%. Equally, the prorated amount of the nominal capital which is attributable to shares which may be issued due to bonds which are linked with option or conversion rights or option or conversion obligations or the Company's right to delivery of shares, provided these bonds were issued on the basis of authorizations pursuant to §§ 221 section 4, 186 section 3 sentence 4 AktG between May 12, 2021 and the sale of the shares, shall also be attributed to the limit of 10%.

- b) The shares can be offered and assigned to third parties as (part) consideration for the direct or indirect acquisition of companies, parts of companies or participations in companies or other business assets, especially real estate and rights to real estate or receivables (also from the Company) or within the scope of company mergers.
  - c) The shares can be offered and sold as (part) consideration for the assignment or licensing of industrial property rights or intangible property rights in athletes, sports clubs or other persons, as e.g. trademarks, names, emblems, logos and designs, to the Company or one of its subordinated Group companies for purposes of marketing and/or the development of the products of the Group.
  - d) The shares may be used for purposes of meeting the option or conversion rights or option or conversion obligations or the Company's right to delivery of shares arising from bonds with warrants and/or convertible bonds which are or were issued by the Company or a subordinated Group company in accordance with an authorization granted by the Annual General Meeting.
  - e) In connection with employee stock purchase plans, the shares may be used in favor of (current and former) employees of the Company and its affiliated companies as well as in favor of (current and former) members of management bodies of the Company's affiliated companies ('eligible persons'), whereas the amount of shares used for the purposes of this item e) on the basis of the authorization must not exceed 5% of the nominal capital neither at the point in time when this authorization becomes effective nor at the point in time when the shares are used. Shares used in accordance with the following item 3) based on the authorization shall be attributed to this limit.
  - f) The Executive Board shall furthermore be authorized to cancel the treasury shares without such cancellation requiring an additional resolution by the Annual General Meeting. Pursuant to § 237 section 3 number 3 AktG, the cancellation may also be conducted without a capital reduction by increasing the share of the remaining no-par-value shares in the nominal capital of the Company through the cancellation pursuant to § 8 section 3 AktG. Pursuant to § 237 section 3 number 3 second half sentence AktG, the Executive Board shall be authorized to modify the number of shares stated in the Articles of Association accordingly. The cancellation may also be linked to a capital reduction; in this case, the Executive Board shall be authorized to reduce the nominal capital by the pro-rata amount of share capital for which the shares account and the Supervisory Board shall be authorized to modify the number of shares and the nominal capital stated in the Articles of Association.
- 3) The Supervisory Board shall be authorized to use the shares purchased by the Company, provided such shares do not have to be used for a different specific purpose and while ensuring that the compensation remains at a reasonable level (§ 87 section 1 AktG), as follows:

They can be assigned to members of the Executive Board of the Company as compensation in the form of a share bonus, subject to the provision that the further assignment of such shares by the respective member of the Executive Board is not permitted within a period of at least four years from the date of assignment (lock-up period) and further subject to the provision that it is not permitted to carry out hedging transactions by which the economic risk for the development of the share price during the lock-up period is partially or completely assigned to third persons. For the assignment of the shares, the respective current share price (based on a short notice average value to be determined by the Supervisory Board) shall be considered. They may also be promised to members of the Executive Board of the Company as compensation in the form of a share bonus. If this is done, the aforementioned provisions shall apply mutatis mutandis and the time of promising replaces the time of the transfer of the shares. Further details shall be determined by the Supervisory Board.

The amount of shares which may be used based on this item 3) may not exceed 5% of the nominal capital, neither at the point in time when this authorization becomes effective nor at the point in time when the shares are used or promised. Shares used in accordance with the above item 2) e) based on the authorization shall be attributed to this limit.

- 4) The rights of shareholders to subscribe treasury shares shall be excluded to the extent that such shares are used pursuant to the aforementioned authorizations defined in items 2) a) through e) and 3).
- 5) The authorizations to purchase, sell or otherwise use or redeem and cancel treasury shares may be exercised independently, once or several times, either completely or in part. The authorizations also include the use of shares of the Company purchased based on previous authorizations to repurchase treasury shares.

- 6) The Supervisory Board may provide that measures of the Executive Board based on these authorizations may only be carried out subject to the approval of the Supervisory Board or one of its committees.

The Executive Board's written report pursuant to §§ 71 section 1 number 8, 186 section 4 sentence 2 AktG is set out under 'II. Reports to the Annual General Meeting on Agenda Items 9, 10, 12 and 13'.

**[13] Resolution on granting the authorization to purchase treasury shares via multilateral trading facilities and to use equity derivatives in connection with the purchase of treasury shares pursuant to § 71 section 1 number 8 AktG as well as to exclude shareholders' tender and subscription rights**

In connection with the Authorization 2016, the Executive Board was also authorized to purchase treasury shares using equity derivatives under Agenda Item 10 of the 2016 Annual General Meeting. This authorization, too, is only valid until May 11, 2021 and shall be renewed.

In addition to the authorization proposed for resolution under Agenda Item 12 regarding the purchase of treasury shares pursuant to § 71 section 1 number 8 AktG, the Company shall therefore once again be authorized to purchase treasury shares by using equity derivatives. In this way, the total volume of shares that may be purchased shall not be increased; rather, further alternatives to purchase treasury shares will be available.

In addition to the authorization proposed for resolution under Agenda Item 12 regarding the acquisition of treasury shares pursuant to § 71 section 1 number 8 AktG, the Company shall also be authorized to acquire treasury shares using a multilateral trading facility within the meaning of § 2 section 6 Stock Exchange Act (Börsengesetz).

The Executive Board and the Supervisory Board therefore propose to resolve as follows:

- 1) In addition to the authorization proposed for resolution to the Annual General Meeting on May 12, 2021 under Agenda Item 12 regarding the purchase of treasury shares pursuant to § 71 section 1 number 8 AktG, the purchase of shares of the Company may, apart from the ways described there, also be conducted via a multilateral trading facility within the meaning of § 2 section 6 Stock Exchange Act (MTF) and with the use of equity derivatives as set out in the following.

The Executive Board shall be authorized (i) to acquire options which entitle the Company to purchase shares of the Company upon the exercise of the options (call options) and (ii) to sell options which require the Company to purchase shares of the Company upon the exercise of the options by the option holders (put options). In addition, the purchase may be carried out by using a combination of call and put options as well as by using other equity derivatives.

These authorizations shall be valid until the end of May 11, 2026.

The authorizations may be used by the Company but also by its subordinated group companies or by third parties on account of the Company or its subordinated group companies or third parties assigned by the Company or one of its subordinated group companies.

The shares purchased by exercising these authorizations shall be attributed to the purchase limit of the authorization proposed to this Annual General Meeting under Agenda Item 12. Moreover, shares may only be purchased based on this authorization if the volume of the authorization proposed under Agenda Item 12 has not been exhausted.

Furthermore, all share purchases based on call or put options, a combination of call and put options or on other equity derivatives are limited to a maximum volume of 5% of the nominal capital existing on the date on which the resolution is adopted by the Annual General Meeting or – if this amount is lower – of the nominal capital existing on the date on which the aforementioned authorization is exercised.

- 2) In the event that shares of the Company are purchased via an MTF, the consideration per share paid by the Company (excluding incidental purchasing costs) may not be more than 10% higher or lower than the share price of the Company's shares as established in the opening auction of the electronic trading system on the Frankfurt Stock Exchange on the day of entering into the purchase obligation.
- 3) The options must be concluded with one or more credit or financial service institutions, one or more companies acting in accordance with § 53 section 1 sentence 1 or § 53b section 1 sentence 1 or section 7 of the German Banking Act or by a group or a syndicate of such institutions or companies, whereas each of these institutions or companies must have experience with complex capital market transactions. They have to be set up in a way to ensure that the options are only serviced with shares which were purchased under observance of the principle of non-discrimination of shareholders. The purchase of shares on the stock exchange satisfies this requirement. The terms of the options may not exceed 18 months and must be chosen in such a way that the shares are purchased upon the



exercise of the options no later than May 11, 2026. The purchase or sales price paid or received by the Company for call or put options or for a combination of call and put options shall not be substantially above or below the theoretical market value of the respective options calculated in accordance with recognized financial calculation methods.

- 4) The nominal value for the purchase of one share based on the exercise of a put option, consisting of the purchase price/exercise price of the share (excluding incidental purchasing costs but considering the received option premium) agreed in the option and paid when exercising the put option may not be more than 10% higher or 10% lower than the average share price for the Company's shares as established in the opening auction of the electronic trading system on the Frankfurt Stock Exchange on the day of the respective option transaction. The nominal value for the purchase of one share based on the exercise of a call option, consisting of the purchase price/exercise price of the share agreed in the option and paid when exercising the call option may not be more than 10% higher or 10% lower than the average share price for the Company's shares as established in the closing auctions of the electronic trading system on the Frankfurt Stock Exchange on the three trading days prior to the exercise of the call option.
- 5) Furthermore, an agreement with one or more credit or financial service institution(s) and/or such other equal companies indicated under section 2) may be concluded so that they deliver shares of a certain number or equivalent to a specific euro amount within a specific period of time, all having been agreed in advance, to the Company. The price at which the Company purchases treasury shares has to show a reduction from the arithmetic mean of the volume-weighted average share price of the shares in the electronic trading system on the Frankfurt Stock Exchange calculated on the basis of a specific number of trading days determined in advance. The price of the share may not be more than 10% below the aforementioned average. In addition, the credit or financial service institution(s) and/or such equal companies outlined in section 2) must undertake to buy the shares to be delivered at the stock exchange at a price within the margin which would apply if the Company directly purchased shares at the stock exchange.
- 6) In the event that treasury shares are purchased via an MTF or using equity derivatives in accordance with the aforementioned rules, shareholders have no right to conclude such option transactions or other equity derivatives with the Company. Furthermore, any tender rights of shareholders are excluded.
- 7) For the use of treasury shares acquired via an MTF or using equity derivatives, the provisions set out in sections 2), 3) and 5) of the resolution proposed to the Annual General Meeting on May 12, 2021 under Agenda Item 12 shall apply mutatis mutandis. Shareholders' subscription rights to treasury shares shall be excluded to the extent that such shares are used in accordance with the authorizations under items 2) a) through e) and 3) of the resolution proposed under Agenda Item 12.
- 8) The Supervisory Board may provide that measures based on these authorizations may only be carried out subject to the approval of the Supervisory Board or one of its committees.

The Executive Board's written report pursuant to §§ 71 section 1 number 8, 186 section 4 sentence 2 AktG is set out under **'II. Reports to the Annual General Meeting on Agenda Items 9, 10, 12 and 13'**.

#### **[14] Appointment of the auditor and Group auditor for the 2021 financial year as well as of the auditor for a possible audit review of the first half year financial report for the 2021 financial year**

Based on the recommendation by the Supervisory Board's Audit Committee, the Supervisory Board proposes to resolve as follows:

KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin, shall be appointed as auditor and Group auditor for the 2021 financial year and as auditor for a possible audit review of the first half year financial report for the 2021 financial year.

The Audit Committee declared that its recommendation is free from influence by a third party in accordance with Article 16 section 2 subsection 3 of the EU Regulation No. 537/2014 of April 16, 2014 and that no clause of the kind referred to in Article 16 section 6 of the Regulation has been imposed upon it.



## II. REPORTS TO THE ANNUAL GENERAL MEETING ON THE AGENDA ITEMS 9, 10, 12 AND 13

### Report of the Executive Board on Agenda Item 9 pursuant to §§ 203 section 2 sentence 2, 186 section 4 sentence 2 AktG

Under Agenda Item 9, the Executive Board and the Supervisory Board propose canceling the authorization pursuant to § 4 section 2 of the Articles of Association to increase the nominal capital, subject to Supervisory Board approval, through the issuance of new shares against contributions in cash by up to EUR 50,000,000 (Authorized Capital 2017/I) as well as replacing it by a new Authorized Capital against contributions in cash again in the amount of EUR 50,000,000 for a duration of five years by way of an amendment to the Articles of Association, which substantially corresponds to the current authorization (Authorized Capital 2021/I).

Pursuant to §§ 203 section 2 sentence 2, 186 section 4 sentence 2 AktG, the Executive Board gives a written report on the authorization to exclude residual amounts from subscription rights. This report is published in full hereafter:

If the management makes use of the authorization to increase the capital, it has to offer such new shares to the shareholders for direct subscription or indirect subscription through one or several credit institutions and/or other companies of equal status in accordance with § 186 section 5 sentence 1 AktG. Subject to Supervisory Board approval, such subscription rights may however be excluded for residual amounts in order to achieve practicable subscription ratios. Without an exclusion of subscription rights for any residual amounts, a capital increase, especially by a round amount or to a round amount, with a practicable subscription ratio would be impossible under certain circumstances. The new fractional shares thus excluded from subscription rights of shareholders shall either be sold on the stock exchange or used in any other manner most favorable for the Company.

The issue price, or in case of the indirect subscription right the subscription rate, will be fixed in due time in such a way that the interests of the shareholders and the Company will be protected appropriately while considering the corresponding capital market situation.

The Executive Board will carefully review whether a utilization of the Authorized Capital 2021/I and the exclusion of shareholders' subscription rights is in the best interest of the Company and its shareholders. The Executive Board will report a possible utilization of the Authorized Capital 2021/I to the Annual General Meeting.

### Report of the Executive Board on Agenda Item 10 pursuant to §§ 203 section 2 sentence 2, 186 section 4 sentence 2 AktG

Under Agenda Item 10, the Executive Board and the Supervisory Board propose canceling the authorizations pursuant to § 4 section 3 of the Articles of Association to increase the nominal capital, subject to Supervisory Board approval, through the issuance of new shares against contributions in kind, if required while excluding subscription rights, by up to EUR 16,000,000 (Authorized Capital 2019) and the authorization pursuant to § 4 section 4 of the Articles of Association to increase the nominal capital, subject to Supervisory Board approval, through the issuance of new shares against contributions in cash, if required while excluding subscription rights, by up to EUR 20,000,000 (Authorized Capital 2017/III), as well as replacing it by a new Authorized Capital in the amount of EUR 20,000,000 against contributions in cash and/or kind, if required while excluding subscription rights, for a duration of five years (Authorized Capital 2021/II).

Pursuant to §§ 203 section 2 sentence 2, 186 section 4 sentence 2 AktG, the Executive Board issues a written report on the authorization to exclude subscription rights under certain conditions, which is published in full hereafter:

The proposed authorization provides the possibility of excluding subscription rights for residual amounts if shares are issued against contributions in kind and, in accordance with § 186 section 3 sentence 4 AktG, to exclude subscription rights if the new shares are issued against contributions in cash at a price not significantly below the stock market price of the shares already quoted on the stock exchange.

- 1) The authorization to exclude subscription rights for residual amounts serves the purpose of attaining practicable subscription ratios when issuing new shares, while observing the statutory subscription rights of shareholders. Without an exclusion of subscription rights for any residual amounts, a capital increase, especially by a round amount or to a round amount, with a practicable subscription ratio would be impossible under certain circumstances. The new fractional shares thus excluded from subscription rights of shareholders shall either be sold on the stock exchange or used in any other manner most favorable for the Company.

- 2) The authorization to exclude subscription rights of shareholders when issuing the new shares at a price not significantly below the stock market price of the shares already quoted on the stock exchange puts the management in the position to take advantage of opportunities to place new shares, arising on the basis of the respective stock market situation, quickly, flexibly as well as economically, i.e. without the time- and money-consuming exercise of subscription rights. The Company can, in particular, place the shares at the respective stock exchange value, i.e. without the deduction required in case of preservation of the subscription rights. § 186 section 2 AktG provides the possibility, in case of a preservation of the subscription rights, to disclose only the basic details for the determination of the issue price, when publishing the subscription period, rather than the concrete issue price. However, ultimately, even in such a case, the Company cannot expect the most successful placement possible because the issue price must be made public no later than three days prior to expiry of the subscription period. Furthermore, when subscription rights are granted, the successful placement with third parties is jeopardized or is associated with considerably more efforts due to uncertainty connected with the exercise of such subscription rights (subscription behaviour). Therefore, by means of the authorization to exclude subscription rights, the best possible strengthening of equity capital in the interest of the Company and all shareholders can be achieved.

What is more, the Company is enabled to win additional new groups of shareholders in Germany and abroad. In this context, the authorization shall also include the possibility to place the shares in connection with the listing on a foreign stock exchange (secondary listing). This is regularly only possible if the shares are not offered to shareholders for subscription. Finally, the Company is given the possibility of quickly and flexibly taking advantage of market opportunities arising in the Company's areas of business and to meet capital requirements arising in this context on a very short-term basis, if necessary.

The issue price and, in case of contributions in cash, the income thus accrued by the Company for the new shares will be based on the stock market price of the shares already quoted on the stock exchange and shall not be significantly below that price. This ensures that a dilution for the shareholders can be avoided to the greatest extent possible: In view of the liquid market for shares of the Company and the limitation of the volume available for the capital increase to less than 10% of the nominal capital, the shareholders interested in maintaining their shareholding quota can purchase the respective number of shares of the Company on the stock exchange at any time. The statutory subscription right is thus economically and practically worthless and redundant.

It is thereby ensured that, in compliance with the legal evaluation of § 186 section 3 sentence 4 AktG, the property interests as well as voting interests of the shareholders are protected appropriately in the event of a utilization of the Authorized Capital with subscription rights excluded, while the Company, in the interest of all shareholders, is given further capacities to act.

- 3) The authorization for the issuance of new shares includes the Executive Board's authorization, subject to Supervisory Board approval, to exclude the statutory subscription rights of shareholders if a contribution in kind is made as consideration for the shares.

In this respect, the authorization to exclude subscription rights serves the following purpose:

- a) The Executive Board and Supervisory Board shall have the possibility to have authorized capital at their disposal for issuing shares as (part) consideration for mergers or for the acquisition of participations, companies or parts of companies as contribution in kind. If necessary, such participations, companies or parts of companies may also be contributed to a subordinated Group company of the Company or within the scope of a company merger with a subordinated Group company.

The price at which the new shares will be issued for this purpose shall depend on the respective circumstances of the individual case and on the specific date. When setting the price, the Executive Board and the Supervisory Board shall be guided by the best interests of the Company and, if possible, be in line with the stock market price.

Historically, the Executive Board has continuously reviewed opportunities for the Company to acquire companies, parts of companies or participations in companies which are involved in the business of producing and selling sports or leisure goods or are otherwise involved in the business of the Company. The acquisition of such participations, companies or parts of companies in exchange for shares is in the Company's best interest if the acquisition solidifies or strengthens the respective market position of the adidas Group or allows for or facilitates the access to new business sectors.

In order to be able to quickly and flexibly react to any interest of a seller or of the Company in a payment in the form of shares of the Company for such acquisitions, the Executive Board must – to the extent that repurchased treasury shares cannot or shall not be used – have the authority, subject to Supervisory Board approval, to issue new shares of the Company while excluding shareholders' subscription rights. Since the shares shall be issued at a price that is, if possible, based on the stock market price, interested shareholders will have an opportunity, at about the same time as the Company's new shares are issued for the aforemen-

tioned purposes while excluding subscription rights, to purchase additional shares on the stock exchange at the stock market price and thus to a large extent with a comparable valuation.

- b) The proposed authorization shall also provide the Executive Board and Supervisory Board with the opportunity to use the Authorized Capital to issue shares as (part) consideration for the transfer of industrial property rights or intangible property rights of athletes, sports clubs and other persons, such as patents, trademarks, names, emblems, logos and designs, to the Company or one of its subordinated Group companies for purposes of developing, manufacturing and marketing the products and services of the adidas Group. In addition, the new shares shall serve as (part) consideration for the direct or indirect acquisition of (possibly time-limited) rights of use (licences) in such rights by the Company or one of its subordinated Group companies.

In the event that athletes, sports clubs or other persons holding or exploiting rights in such industrial property rights or intangible property rights are prepared to transfer or license such rights only in exchange for the granting of shares or, in the case of cash payments, only at noticeably higher prices, or the granting of shares is in the interest of the Company for other reasons, the Company has to be in a position to react to such a situation in an appropriate way. Such may be the case, for example, if the Executive Board negotiates with a sports club in Germany or abroad on a sponsoring agreement, which is intended to permit the Company to exploit the known names, emblems and logos of this club under a license in order to help market the products of the adidas Group.

Furthermore, the Executive Board considers it possible, for instance, that there will be opportunities for the Company, in exchange for shares of the Company, to directly or indirectly acquire patents or licenses for patent rights, the exploitation of which will be in the Company's best interest for the products that the adidas Group currently has, is currently developing or planning to develop in the future.

The valuation of the industrial/intangible property rights or the licenses for such rights to be acquired by the Company directly or indirectly shall be carried out in accordance with market-oriented principles, if necessary, on the basis of an expert valuation. The valuation of the shares to be granted by the Company shall be conducted taking the share price into consideration. Shareholders who wish to maintain their shareholding quota in the Company may therefore do so through acquiring further shares through the stock exchange at an essentially comparable valuation.

The granting of shares in the aforementioned cases will be in the best interest of the Company and can justify an exclusion of subscription rights if the use and exploitation of the industrial/intangible property rights or the licenses based thereon promises advantages for the Company in the marketing and promotion of products and services and/or development of its products and a purchase of such rights in return for cash is not possible or is not possible at reasonable conditions. It is also conceivable that the granted consideration will consist of shares as well as cash (e.g. royalties) and/or other types of consideration.

- c) Moreover, the proposed authorization shall enable the Executive Board and Supervisory Board to also use the Authorized Capital for the issuance of shares as (part) consideration for the contribution of other business assets eligible for serving as contributions in kind, especially real estate and rights to real estate or receivables (also from the Company or subordinated group companies). The granting of shares in the aforementioned cases will be in the best interest of the Company if the business assets contributed as contributions in kind are useful for the Company's business or promises advantages for the financial position, assets or liabilities and profit or loss of the Company and if a purchase in return for cash is not possible or is not possible at reasonable conditions or does not promise any comparable economic advantage.

Instead of the contributions in kind set out in the above parts 3) a) through c), also the obligation to transfer the assets to the Company as contribution in kind can be contributed insofar as the contribution is to be made within five years from the resolution on the implementation of the capital increase.

The authorization to exclude subscription rights as described above under 2) and 3) is limited to shares with a pro-rata amount not exceeding 10% of the nominal capital. Also the issuance of other shares or rights granting subscription rights which were issued excluding shareholders' subscription rights pursuant to § 186 section 3 sentence 4 AktG, shall be calculated toward such 10%-limit. Overall, it is not possible to issue or grant more shares than a total of 10% of the respective nominal capital from the proposed Authorized Capital, any other possible amounts of authorized capital, following a repurchase or from conversion or subscription rights or conversion or subscription obligations deriving from bonds, while excluding subscription rights pursuant to or in accordance with § 186 section 3 sentence 4 AktG (i.e. with the proviso that the shares or the respective bonds are issued against compensation in cash and not significantly below the stock market price/market value), except for the Annual General Meeting resolving upon according new authorizations.

The Authorized Capital 2021/II must not be used to issue shares within the scope of compensation or participation programs for Executive Board members or employees or for members of the management bodies or employees of affiliated companies.

In each individual case, the Executive Board will carefully assess and decide with the Supervisory Board's approval whether the utilization of the Authorized Capital 2021/II and the respective exclusion of shareholders' subscription rights are in the Company's and shareholders' interest, taking into account the Company's interests in the specific transaction, the necessity of the granting of shares and the evaluation. The Executive Board will report a possible utilization of the Authorized Capital 2021/II to the Annual General Meeting.

### **Report of the Executive Board on Agenda Item 12 pursuant to §§ 71 section 1 number 8, 186 section 4 sentence 2 AktG**

Under Agenda Item 12, the Executive Board and Supervisory Board propose that the Company be authorized pursuant to § 71 section 1 number 8 AktG and in accordance with customary corporate practices to purchase treasury shares up to a total of 10% of the nominal capital existing at the time of the adoption of the resolution on May 12, 2021 or – if this amount is lower – of the nominal capital existing on the date on which the aforementioned authorization is exercised.

The Executive Board gives a written report on this topic in accordance with §§ 71 section 1 number 8, 186 section 4 sentence 2 AktG, which is published in full hereafter:

The authorization for the purchase of treasury shares adopted by the Annual General Meeting of May 12, 2016 (Authorization 2016) is only valid until May 11, 2021.

In order to enable the Company once again to take advantage of the scope of action under the authorization to purchase treasury shares, the authorization to purchase and use treasury shares shall be renewed. The authorization to use treasury shares shall comprise both treasury shares which will still be purchased based on the newly granted authorization and treasury shares which were purchased based on earlier authorizations.

The Supervisory Board may provide that measures based on these authorizations may only be carried out subject to the approval of the Supervisory Board or one of its committees.

- 1) When purchasing treasury shares, the principle of non-discrimination under § 53a AktG must be observed. The proposed purchase of shares either via the stock exchange, through a public purchase offer, through a public invitation to submit sale offers or the issuance of tender rights to shareholders adheres to this principle.

If the public offer or public invitation to submit sale offers is over-subscribed, i.e. overall more shares were offered to the Company for purchase than the Company is to buy, sale offers must be accepted on a pro-rata basis. In such a case, the ratio of the number of shares offered by individual shareholders is decisive. It is not relevant how many shares a shareholder who offers shares for sale holds in total. Only the offered shares are for sale. In addition, a verification of the entire number of shares of individual shareholders is not practicable. Any rights of tender held by shareholders are partially excluded in such cases. In such a case, the Company may provide for a preferred acceptance of smaller amounts of shares of up to 50 tendered shares per shareholder as well as a rounding of residual amounts in accordance with general commercial principles. These prospects are intended to avoid any fractional amounts when establishing the percentages to be purchased and any remaining amounts and therefore serve to facilitate and simplify the technical settlement. Any tender rights of shareholders are therefore also partially excluded in this case.

- 2) Under the proposed authorization, treasury shares purchased by the Company may either be canceled or resold through a public offer made to all shareholders in relation to their shareholding quota or through transactions on the stock exchange. In each case of the three aforementioned possibilities of disposal, the shareholders' right of non-discrimination will be respected.

In the following cases, however, the Company shall have the possibility of excluding the subscription rights of shareholders or the subscription rights are necessarily excluded in accordance with §§ 71 section 1 number 8, 186 section 3 AktG:

- a) Firstly, the Executive Board is authorized to exclude residual amounts from the subscription rights in case of an offer to all shareholders in order to achieve an even subscription ratio. Without the exclusion of the subscription right regarding possible residual amounts, the technical settlement of the sale and the exercise of the subscription rights would be hindered considerably. The new fractional shares thus excluded from subscription rights of shareholders shall either be sold on the stock exchange or used in any other manner most favorable for the Company.
- b) Furthermore, in compliance with the statutory regulation set forth in § 71 section 1 number 8 AktG, the proposed authorization provides that the Executive Board may sell the purchased treasury shares if the purchased treasury shares are sold in exchange for a cash payment in accordance with § 186 section 3 sentence 4 AktG at a price that, at the date of sale, is not significantly below the share price for the Company's shares with the

same features. The date of sale shall be considered the date of entering into the assignment agreement, even if this assignment agreement is still subject to the fulfillment of certain conditions. If the assignment is not preceded by a particular assignment agreement, the date of sale shall be the date of the assignment itself. This shall apply if the assignment agreement specifies the date of assignment as relevant date. The final sales price for treasury shares shall be established shortly before the sale of the treasury shares. This possibility of selling treasury shares is limited to 10% of the nominal capital, taking into account the calculations stipulated in the proposed resolution.

The prospect of selling treasury shares as described above is in the best interest of the Company and the shareholders since the sale of shares to, for instance, institutional investors can attract additional domestic and foreign shareholders. In addition, the Company will be in a position to restructure its own equity capital to meet its respective business needs and to react quickly and in a flexible manner to a more favorable stock market environment. The property interests and voting rights interests of the shareholders will be respected. In view of the small volume of a maximum of 10% of the nominal capital, the shareholders will not suffer any detriment since the shares sold subject to the exclusion of the shareholders' subscription rights may be sold only at a price, which - at the date of the sale - is not significantly below the share price for the Company's shares with the same features. Interested shareholders may, on approximately the same terms and conditions, purchase on the stock exchange the number of shares required to maintain their respective shareholding quota.

- c) The Company shall also be able to offer its treasury shares as consideration in connection with mergers and the acquisition (also indirectly) of companies, parts of companies or participations. The proposed authorization shall further enable the Company to also use treasury shares as consideration for the contribution of other business assets, especially real estate and rights to real estate or receivables (also from the Company) (for the purchase of industrial/intangible property rights see d) below).

The price at which treasury shares are used in any such case will depend on the corresponding timing and respective circumstances of the individual case. When setting the price, the Executive Board and the Supervisory Board shall act in the best interests of the Company and, to the extent possible, in line with the share price.

As in the past, the Executive Board has continuously reviewed opportunities for the Company to acquire companies, parts of companies or participations in companies which are involved in the business of producing and selling sporting or leisure goods or are otherwise involved in the business of the Company. The purchase of such participations, companies or parts of companies by the Company or a subordinated Group company is in the Company's best interest if the purchase expectedly solidifies or strengthens the market position of the Group or allows for or facilitates the access to new business sectors. The granting of shares in the other cases of acquisition of other business assets will be in the best interest of the Company if the business assets acquired are useful for the Company's business or promise advantages for the financial position, assets or liabilities and profit or loss of the Company and if an acquisition in return for cash is not possible or is not possible at reasonable conditions.

In order to be able to react quickly and in a flexible manner to a legitimate interest of a seller or of the Company in a (part) payment in the form of shares of the Company for such acquisitions, the Executive Board must - to the extent that authorized capital cannot or should not be used - have the authority to grant treasury shares of the Company while excluding shareholders' subscription rights. Since the volume of treasury shares will be limited and the shares shall be issued at a price that is based on the share price, to the extent possible, interested shareholders will have the opportunity, at about the same time as treasury shares are sold for the aforementioned purposes of acquiring companies, parts of companies or participations or otherwise and the shareholders' subscription rights are excluded, to purchase additional shares on the stock exchange to largely comparable terms and conditions.

Based on the aforementioned considerations, the Executive Board believes that the proposed authorization to utilize treasury shares is in the best interest of the Company, which can in any individual case justify the exclusion of the shareholders' subscription rights. The Executive Board must decide upon the use of treasury shares with the exclusion of subscription rights in each individual case, taking into consideration the Company's best interests in the specific transaction, the actual necessity of the (partial) granting of shares and the evaluation of the share and the consideration.

There are currently no specific plans to use treasury shares for this purpose. However, the Company would like to keep the option of such usage open for the future.

- d) Furthermore, the Company shall have the opportunity to use its treasury shares as (part) consideration for the transfer of industrial property rights or intangible property rights of athletes, sports clubs and other persons, such as trademarks, names, emblems, logos and designs, to the Company or one of its subordinated Group companies for purposes of marketing the products of the Group. In addition, treasury shares shall

serve as consideration for the direct or indirect acquisition of (possibly time-limited) rights of use (licenses) in such rights by the Company. Moreover, the Company shall also be able to use its treasury shares for purchasing patents and patent licenses, the exploitation of which would be in the Company's best interest for purposes of marketing and developing existing or new products of the Group.

In the event that athletes, sports clubs or other persons holding rights in such industrial property rights or intangible property rights are prepared to transfer or license such rights only in exchange for (partial) granting of shares, or, in case of cash payments, only at significantly higher prices, or if the utilization of the Company's shares for other reasons is in the best interest of the Company in such a case, the Company has to be in a position to react to such a situation in an appropriate way.

This may be the case, for example, whenever the Executive Board negotiates a sponsoring agreement with a sports club in Germany or abroad, which is intended to permit the Company to exploit the known names, emblems and/or logos of such sports club under a license in order to help market the products of the Group.

Furthermore, the Executive Board considers it possible that there will be opportunities for the Company, in (partial) exchange for shares of the Company, to directly or indirectly purchase patents or licenses for patent rights, the exploitation of which will be in the Company's best interest for the products that the Group currently has, is currently developing or is planning to develop in the future.

The acquisition of industrial/intangible property rights or of licenses to such rights is conducted either by the Company or by subordinated Group companies. If necessary, the purchase shall be made by companies or other persons to whom the relevant rights were assigned for exploitation. It is also conceivable that the granted consideration will consist of shares as well as cash (e.g. royalties) and/or other types of consideration. In the past, the Company regularly used shares for such purposes and intends to continue to do so in the future.

The valuation of the industrial/intangible property rights or the licenses for such rights to be acquired by the Company directly or indirectly shall be carried out in accordance with market-oriented principles, if necessary, on the basis of an expert valuation. The valuation of the shares to be granted by the Company shall be conducted taking the share price into consideration. Shareholders who wish to maintain their shareholding quota in the Company may therefore do so through purchasing further shares through the stock exchange at essentially comparable conditions.

The (partial) granting of shares in the aforementioned cases will be in the best interest of the Company if the use and exploitation of the industrial/intangible property rights or the licenses for such promises advantages for the Company in the marketing and promotion and/or development of its products and a purchase of such rights against cash is not possible or is possible only at a higher price at a disadvantage to the Company's liquidity and cash flow or if there are other reasons for not utilizing cash.

Based on the aforementioned considerations, the Executive Board believes that the proposed authorization to use treasury shares is in the best interest of the Company and its shareholders, which can justify the exclusion of shareholders' subscription rights in the individual case. The concrete exclusion of subscription rights is decided on a case-by-case basis by the Executive Board, taking into consideration the Company's best interests in any specific transaction, the actual necessity of the (partial) granting of shares, the proportionality while taking into account the shareholders' interests and the evaluation of the share and the consideration.

- e) Due to the fact that the Authorized Capital 2021/II is insofar designed in a parallel fashion, the Company thus has the possibility of acquiring companies, parts of companies and participations or other business assets as well as industrial/intangible property rights or licenses for such rights by using treasury shares either previously purchased by the Company or new shares to be issued from the Company's authorized capital reserve. The Executive Board decides on a case-by-case basis whether to use shares for one of the purposes mentioned and whether to use treasury shares repurchased on the basis of this authorization to repurchase or whether to utilize the Authorized Capital 2021/II.
- f) In addition, the Company shall have the opportunity to use its treasury shares to service option or conversion rights or option or conversion obligations or the right to delivery of shares of the Company based on bonds issued by the Company or by one of its subordinated Group companies based on an authorization by the Annual General Meeting.

The proposed resolution does not lead to the creation of a new or further authorization to issue bonds. It merely serves the purpose of enabling the Company to service option or conversion rights or option or conversion obligations or the Company's rights to delivery of shares, which were or will be created on the basis of other authorizations granted by the Annual General Meeting, by using treasury shares instead of using the other intended amounts of contingent capital, provided, on a case-by-case basis and upon examination by

the Executive Board and the Supervisory Board, such is in the Company's best interest. Option or conversion rights or option or conversion obligations or the Company's right to delivery of shares, which are considered appropriate for being serviced with treasury shares based on the proposed authorization, are based on (i) bonds which were issued on the basis of the authorization to issue bonds with warrants and/or convertible bonds resolved upon by the Annual General Meeting of May 9, 2018 under Agenda Item 8 and on (ii) bonds to be issued based on a future authorization by the Annual General Meeting.

- g) Ultimately, the Company shall be given the possibility to offer treasury shares for purchase to (current and former) employees of the Company and its affiliated companies as well as to (current and former) members of the management bodies of affiliated companies within the framework of employee stock purchase plans. The authorization is limited to 5% of the nominal capital, both at the point in time when this authorization becomes effective and at the point in time when the shares are used.

The issuance of shares to employees and members of management bodies is in the best interest of the Company and its shareholders as it helps increase the identification with the Company as well as the willingness to assume more - particularly financial - responsibility, and as it creates an incentive to strive for a sustained increase in the Company's value.

The long-term incentive effect created through the issuance of shares results in not only positive but also negative developments being taken into consideration. This means that, while the issuance of shares with lock-up periods or incentives for holding the shares creates a bonus effect, it may also trigger a malus effect in case of negative developments.

As the shares shall only be issued to specific persons, subscription rights must be excluded. From the point of view of the Executive Board and the Supervisory Board, this is justified due to the positive effects associated with employee shares. At present, no repurchased shares are used for employee stock purchase plans or compensation of executive bodies. There are no concrete plans for such usage. However, the Company would like to keep the option of such usage open for the future.

- h) Moreover, the Company shall have the possibility of assigning shares to members of the Executive Board as compensation in the form of a share bonus. The authorization is limited to 5% of the nominal capital, both at the point in time when this authorization becomes effective and at the point in time when the shares are used.

§ 87 AktG stipulates that the variable compensation components for Executive Board members also comprise, among others, components on a multi-year basis for determination. It is recognized and generally common that in this respect, also share-related components are taken into consideration. The provision under 3) of the proposed resolution enables the Supervisory Board to pay out management bonuses in the form of shares. As the authorization may only be used if a reasonable level of compensation is ensured (§ 87 section 1 AktG), an appropriate legal and economic minimum lock-up period is determined and the shares are assigned and transferred at the respective current share price, it is ensured that the shareholders' subscription rights are excluded only to an appropriate extent and in the best interest of the Company. The Executive Board members who receive shares as compensation on this basis have an additional interest in achieving an increase in value of the Company expressed by the share price. They bear the price risk of the shares, as it is not permissible to dispose of or otherwise use the shares within the lock-up period. Thus, the Executive Board members are impacted by negative developments as they affect their compensation. The same applies if the shares as part of the compensation are not immediately assigned but initially only promised as such shares cannot be disposed of anyway. Even in this case, the risk of the further share price development is borne by the respective Executive Board member.

Further details are determined by the Supervisory Board within the scope of its legal responsibilities. It particularly decides whether, when and to what extent it utilizes the authorization. However, in view of the statutory distribution of competencies, the Supervisory Board as representative of the Company is not able to purchase shares of the Company itself for the purpose of compensating the Executive Board or to ask the Executive Board to purchase such shares on its behalf.

As the shares shall only be issued to specific persons, subscription rights must be excluded. From the point of view of the Executive Board and the Supervisory Board, this is justified due to the positive effects associated with a share bonus. At present, there are no concrete plans to use treasury shares for a share bonus.



### Report of the Executive Board on Agenda Item 13 pursuant to §§ 71 section 1 number 8, 186 section 4 sentence 2 AktG

In addition to the report given under Agenda Item 12, the Executive Board also gives a written report in accordance with §§ 71 section 1 number 8, 186 section 4 sentence 2 AktG on the resolution proposed under Agenda Item 13, which is published in full hereafter:

In addition to the possibilities provided for under Agenda Item 12 to purchase treasury shares, the Company shall also be authorized to purchase treasury shares also via multilateral trading facilities within the meaning of § 2 section 6 Stock Exchange Act (MTF) and with the use of particular equity derivatives. In this way, the total volume of shares that may be purchased shall not be increased; rather, further alternatives to purchase treasury shares will be available. These additional alternatives provide the Company with further options to structure the purchase of treasury shares in a flexible manner.

It can be advantageous for the Company to acquire treasury shares not via the stock exchange but via an MTF. The trading volume in shares of the Company via an MTF is, in part, significantly higher than on the regulated market. Therefore, by repurchasing via an MTF, the Company can secure access to a larger trading volume. This can enable the Company to acquire the shares at more favorable conditions than on a regulated market, which may result in considerable total savings particularly in the case of high repurchase volumes. The Company will generally only purchase treasury shares via an MTF for which it can be assumed that prices do not considerably deviate from the stock market prices on the regulated market. Especially such MTF are not materially different from a stock exchange in the formal sense. As regards the purchase via an MTF, the same upper and lower limits for prices apply as for the repurchase via the stock exchange in accordance with the authorization proposed under Agenda Item 12 because regarding the purchase via an MTF, these prices are linked to the share price established in the opening auction of the electronic trading system on the Frankfurt Stock Exchange and must not be more than 10% higher or lower.

For the Company it may also be advantageous to purchase call options, sell put options or purchase shares using a combination of call and put options or other equity derivatives instead of directly purchasing shares of the Company. These options for action are limited from the outset to 5% of the nominal capital existing on the date on which the resolution is adopted by the Annual General Meeting or – if this amount is lower – on the date on which the aforementioned authorization is exercised. The term of the options may each not exceed 18 months and must furthermore be chosen in such a way that the shares are purchased upon the exercise of the options no later than May 11, 2026. Thus, it is guaranteed that the Company will not purchase any treasury shares after expiration of the authorization to purchase treasury shares valid until May 11, 2026 – subject to a new authorization.

When agreeing a call option, the Company obtains, against payment of an option premium, the right to purchase a predefined number of shares of the Company at a specific price (strike price) from the respective seller of the option, the option writer, within a certain period or at a certain point of time. The exercise of the call option is generally sensible from the Company's point of view if the share price is higher than the strike price as it can purchase the shares at a lower price from the option writer than on the market. The same is applicable if, by exercising an option, a block of shares is purchased which could otherwise only be purchased at higher costs. In addition, the Company's liquidity is preserved when using call options as the strike price for the shares only has to be paid upon exercise of the call option. These aspects may, in individual cases, justify that the Company utilizes call options for a planned purchase of treasury shares. The option premium must be determined in close conformity with the market – also considering, i.a., the strike price, the term of the option and the volatility of the share – corresponding in essence to the same value as the call option.

When selling put options, the Company gives the respective holder of put options the right to, within a certain time period or at a certain point of time, sell shares of the Company to the Company at a price specified in the put option conditions (strike price). In return for the obligation to purchase treasury shares in accordance with the put option, the Company shall receive an option premium which has to be established in close conformity with market conditions, i.e. which basically corresponds to the value of the put option taking into consideration, i.a. the strike price, the option term and the volatility of the share. For the option holder, the exercise of a put option is generally only sensible from an economic point of view if the share price, at the time of exercise, is below the strike price because the option holder can then sell the shares to the Company at a higher price than when selling on the market. The Company, in turn, can hedge too high a risk from the development of the exchange rate on the market. The share buyback using put options is advantageous for the Company as the Company may already specify a certain strike price when concluding the option transaction while the liquidity outflow will not be effected before the date on which the options are exercised. From the Company's perspective, the consideration paid for the purchase of the shares is reduced by the option premium already collected. If the option holder does not exercise the option, particularly because the share price on the exercise date or during the exercise period exceeds the strike price, the Company, although unable to purchase any treasury shares, finally collects the option premium without any further consideration.

The consideration to be paid by the Company for the shares using put options is the respective strike price (excluding incidental purchasing costs but considering the received option premium). The strike price may be higher or lower than the share price of the Company on the day of the conclusion of the put option transaction and on the day of the purchase of the shares due to the exercise of the put option. It may, however, not be more than 10% higher or 10% lower than the average price for the Company's shares as established in the opening auction of the electronic trading system on the Frankfurt Stock Exchange on the day of conclusion of the respective put option transaction. The consideration to be paid by the Company for



the shares using call options is the respective strike price. The strike price may be higher or lower than the price of the Company's share on the day of the conclusion of the call option transaction and on the day of the purchase of the shares due to the exercise of the call option. It may, however, not be more than 10% higher or 10% lower than the price for the Company's shares as established in the closing auctions of the electronic trading system on the Frankfurt Stock Exchange on the last three trading days prior the exercise of the call option. In this case, incidental purchasing costs and the option premium are not considered.

The Company may also conclude equity derivatives providing for a delivery of shares with a reduction on the weighted average share price. The obligation to execute option transactions and other equity derivatives solely with one or more credit or financial service institution(s) or equal companies while ensuring that the options and other equity derivatives are only serviced with shares purchased under observance of the principle of non-discrimination is designed to rule out any disadvantages for shareholders in the event of share buybacks using equity derivatives. In accordance with the legal provisions under § 71 section 1 number 8 AktG, the principle of non-discrimination is satisfied if the shares are purchased through the stock exchange at the share price of the Company's shares valid at the time of the purchase through the stock exchange. As the price for the option (option price) is determined in close conformity with market conditions, the shareholders not involved in the option transactions do not suffer any loss in value. The possibility of using equity derivatives enables the Company to make use of short-term market opportunities and to execute the appropriate option transactions or other equity derivatives. Any rights of shareholders to conclude such option transactions or other equity derivatives with the Company as well as any tender rights of shareholders are excluded. Such exclusion is necessary to enable the Company to use equity derivatives in connection with the purchase of treasury shares and to achieve the advantages resulting from such use. A conclusion of the relevant equity derivatives with all shareholders would not be feasible.

Having carefully weighed the interests of shareholders and of the Company, and given the advantages that may result for the Company from the use of call options, put options, a combination of call and put options or other aforementioned equity derivatives, the Executive Board considers the authorization for the non-granting or restriction of shareholders' rights to conclude such equity derivatives with the Company or to tender their shares to be generally justified. The same applies for the exclusion of potential tender rights of shareholders when repurchasing via an MTF.

With regard to the use of treasury shares purchased based on equity derivatives or via an MTF, there is no difference to the use proposed under Agenda Item 12. Regarding the justification of the exclusion of the shareholders' subscription rights when using shares, please see the report of the Executive Board on Agenda Item 12.

### III. INFORMATION ON AGENDA ITEM 5

Résumé of the candidate proposed for election  
to the Supervisory Board



#### JACKIE JOYNER-KERSEE

CEO, Jackie Joyner-Kersey Foundation and Motivational Speaker

##### PERSONAL DATA

Date / place of birth:	March 3, 1962 in East St. Louis, Illinois, USA
Nationality:	American
Education:	University of California, Los Angeles, USA

##### CAREER AND MATERIAL ACTIVITIES

2007	Founding member of the non-profit organization 'Athletes for Hope'
2000	Opened the Jackie Joyner-Kersey Center
1998 Goodwill Games	Gold medal in heptathlon
1996 Summer Olympics	Bronze medal in long jump
1993 World Championships	Gold medal in heptathlon
1992 Summer Olympics	Gold medal in heptathlon and bronze medal in long jump
1991 World Championships	Gold medal in long jump
1990 Goodwill Games	Gold medal in heptathlon
1988	Establishment of the 'Jackie Joyner-Kersey Foundation'
1988 Summer Olympics	Gold medal in heptathlon and long jump
1987 Pan American Games	Gold medal in long jump – tied the world record
1987 World Championships	Gold medal in heptathlon and long jump
1986 Goodwill Games	Gold medal in heptathlon and first woman to score over 7,000 points in a heptathlon event
1984 Summer Olympics	Silver medal in heptathlon and fifth place in long jump

No membership in other statutory supervisory boards in Germany

No membership in comparable domestic and foreign controlling bodies of commercial enterprises

## IV. INFORMATION ON AGENDA ITEM 6

### Description of the compensation system for the members of the Executive Board

The Supervisory Board of adidas AG has reviewed and revised the compensation system for the members of the Executive Board. The new compensation system effective as of January 1, 2021 was resolved by the Supervisory Board following an according preparation by the General Committee and will be presented for approval to the 2021 Annual General Meeting in accordance with § 120a section 1 AktG.

The material changes to the Executive Board compensation system comprise the

- introduction of a maximum compensation for Executive Board members
- increased weighting of the variable performance-based compensation to the fixed non-performance-related compensation
- extension of the lock-up period for adidas AG shares acquired under the Long-Term Incentive Plan to four years and thus extension of the total term of the Long-Term Incentive Plan to five years
- introduction of a second KPI for the Long-Term Incentive Plan related to environmental, social and governance (ESG) with a weighting of 20%
- increased transparency in accordance with regulatory requirements and stakeholder feedback
- introduction of malus and clawback mechanisms for both the short- and long-term variable performance-related compensation
- introduction of a pension allowance in the form of an annually payable lump-sum amount which replaces the defined contribution pension plan
- introduction of market-standard Share Ownership Guidelines for the Chief Executive Officer (300% of the fixed compensation) and the other Executive Board members (200% of the fixed compensation)
- complete elimination of the possibility to grant a special bonus, a follow-up bonus and a severance payment in connection with a change of control

### PRINCIPLES OF THE COMPENSATION SYSTEM

Consumers are at the very heart of 'Own the Game', adidas' new strategic business plan until 2025. Consumers drive structural trends such as active and healthy lives, they blend sport and lifestyle and are sustainable by conviction. By 2025, 'Own the Game' will not only have delivered overproportionate growth for adidas, but also deepened the relationship with its consumers. To successfully deliver on the five-year strategic business plan, adidas will also consistently invest in its employees. Consequently, talents will be attracted, grown and retained. Furthermore, adidas will ensure there is a level playing field for all as we continue our diversity and inclusion journey. In addition, two 'strategic enablers' will set up adidas for sustainable success: The application of a mindset of innovation across all dimensions of our business as well as using the speed and agility of Digital throughout the entire value chain. These 'strategic enablers' will be instrumental in the implementation of the three strategic focus areas - Credibility, Experience and Sustainability - that are geared to intensifying the focus on our consumers and driving growth.

The implementation of the new 'Own the Game' strategy, which will apply from the 2021 financial year onward, will be supported by the selection of appropriate performance targets directly derived from the strategy for the variable performance-related compensation. The variable performance-related compensation is therefore directly linked to the externally communicated operating, financial and strategic short- and long-term targets. Thus, the compensation system for the Executive Board members is directly geared toward providing an incentive for successful, sustainable and long-term corporate management and development and is in line with the interests of shareholders, employees, consumers and other stakeholders.

The compensation is structured with an appropriate balance of fixed non-performance-related components and variable performance-related components. The variable performance-related compensation is measured based on the achievement of ambitious, pre-agreed targets; subsequent changes to performance targets or parameters are not permitted. By applying a consistent 'Pay-for-Performance' approach, the compensation system aims at appropriately remunerating exceptional performance, while diminishing the variable performance-related compensation when targets are not met. Moreover, the incentive to achieve the long-term targets that determine the multi-year variable performance-related compensation component is higher than the incentive to achieve the targets that determine the one-year variable performance-related compensation component.

In order to achieve a continuous, sustainable increase in company value, the long-term variable compensation also depends on the development of the share price (capital market performance of adidas AG). This results in a targeted harmonization of the interests of the shareholders and the Executive Board.

Another important aspect is the high level of consistency between the Executive Board compensation system and the compensation system of the management level beneath the Executive Board. This ensures that all decision-makers pursue the same targets in order to secure the sustainable long-term success of the Company.

The Executive Board compensation system is clear, easy to understand and uses transparent performance criteria. It meets all requirements of the German Stock Corporation Act and is designed in line with the recommendations of the German Corporate Governance Code.

When designing the compensation system, the Supervisory Board has particularly taken into account the following guidelines:

- Promoting the implementation of the new long-term strategy including the sustainability targets
- Strong Pay-for-Performance approach and long-term orientation
- Strong focus on shareholder and other stakeholder interests
- Intuitive, clearly comprehensible compensation system and transparent disclosure of performance criteria
- High level of consistency with the compensation system of the management levels
- Conformity with applicable regulatory requirements (Stock Corporation Act and German Corporate Governance Code)
- Further development of the market-standard elements of the compensation system for the Executive Board (malus and clawback as well as Share Ownership Guidelines)

## PROCESS FOR THE DETERMINATION, REVIEW AND IMPLEMENTATION OF THE COMPENSATION

In accordance with § 87 section 1 AktG, the Supervisory Board resolves upon a compensation system for the Executive Board members. The General Committee prepares recommendations on the Executive Board compensation system. The General Committee and Supervisory Board may seek advice from external experts as necessary, ensuring the independence of such experts. In order to avoid potential conflicts of interest, Supervisory Board members are obligated to disclose such conflicts to the Supervisory Board. In the event of a conflict of interest, the respective Supervisory Board or committee member does not participate in the relevant discussions and voting of the Supervisory Board or General Committee.

Based on the preparation and recommendation of the General Committee, the Supervisory Board regularly reviews the compensation system for the Executive Board. If necessary, the Supervisory Board resolves upon changes. In case of material changes, however no later than every four years, the Executive Board compensation system is presented for approval to the Annual General Meeting. If the Annual General Meeting does not approve the compensation system, a reviewed version of the compensation system is presented no later than at the next Annual General Meeting.

Based on the compensation system, the Supervisory Board determines the specific overall target compensation for the individual Executive Board members in accordance with § 87 section 1 AktG. In doing so, the Supervisory Board takes into account the size and global orientation, the economic situation, the success, and the outlook of the Company. Compared with competitors, the compensation should be attractive, offering incentives to attract qualified members to the Executive Board and retain them on a long-term basis within the Company. In addition, when determining the compensation, the complexity and significance of the tasks of the respective Executive Board member, their experience (especially for new appointments) and their contribution to the Company's success are taken into consideration.

The Supervisory Board regularly reviews the appropriateness of the Executive Board compensation. For this purpose, it uses a horizontal as well as a vertical comparison.

**Horizontal (external) comparison**

When determining the compensation of the Executive Board, the Supervisory Board takes into account current market compensation levels, especially among the DAX companies as well as comparable other German companies. In addition, the adidas Executive Board compensation is compared with the compensation of selected national and international companies within the sporting goods and textile industry. When selecting these companies, the Supervisory Board also takes into consideration the comparability of the market position and company size. The Supervisory Board conducts regular horizontal comparisons to ascertain the appropriateness and competitiveness of the Executive Board compensation in relation to the economic situation of the Company. The composition of the comparison group used for the horizontal comparison is disclosed in the Compensation Report.

**Vertical (internal) comparison**

The Supervisory Board also takes into account the Company's internal compensation structure and levels when determining the Executive Board compensation. Every year, the Executive Board compensation is compared to that of senior management and employees overall (both employees covered by collective agreements and employees not covered by collective agreements) in Germany, also with regard to their development over time.

**COMPENSATION COMPONENTS: OVERVIEW AND STRUCTURE****Overview of the compensation components**

With effect from January 1, 2021, the Executive Board compensation system contains the following components:

## Compensation system for the Executive Board members effective as of January 1, 2021

Compensation components		Design		Cap	Maximum total annual compensation
Fixed components	Fixed compensation	Payment in twelve equal monthly installments		100%	
	Other benefits	Non-cash benefits granted on a regular and occasion-related basis		up to 3% of the target direct compensation <sup>1</sup>	
	Pension benefit	Pension allowance		maximum of 50% of the fixed compensation	
Cash	Performance Bonus	Two shared criteria: financial	Two individual criteria: financial and non-financial	Overall target achievement capped at 150%  If the overall target achievement is ≤ 50%, no payout is made	
		Weighting in total 60% (30% each)	Weighting in total 40% (20% each)		
One-year performance period  Two shared criteria are directly linked to the annual guidance externally communicated  Two individual criteria allow for a differentiation depending on the specific strategic and operational challenges					
Variable components	LTIP 2021/2025	Financial criterion: increase in net income	ESG criterion: share of sustainable articles	Overall target achievement capped at 150%  If the overall target achievement is ≤ 50%, no payout is made	
		Weighting: 80%	Weighting: 20%		
Five annual tranches, each tranche with a period of five years  Criteria and target values for the total duration of LTIP 2021/2025 are determined in advance and transparent and, in case of 100% target achievement, in line with the long-term growth and sustainability targets externally communicated  In case of failure to achieve the target values determined for a performance year, the target values are increased accordingly for the following performance year, which ensures that the Executive Board is sufficiently incentivized to achieve the ambitious long-term growth targets					
Share Ownership Guidelines <sup>2</sup>					
Malus/clawback for variable components					

<sup>1</sup> Target direct compensation consisting of fixed compensation, the annual Performance Bonus as well as the share-based LTIP Bonus (in case of 100% target achievement).

<sup>2</sup> Target value for the CEO amounts to 300%, for the ordinary Executive Board members to 200% of the annual fixed compensation taking into account a build-up phase of four years.

### Compensation structure

The compensation of the Executive Board members is made up of non-performance related (fixed) and performance-related (variable) compensation components and consists of a fixed compensation, an annual cash bonus ('Performance Bonus'), a long-term share-based bonus (Long-Term Incentive Plan – 'LTIP Bonus') as well as other benefits and pension benefits.

In case of 100% target achievement, the target direct compensation (total annual compensation without other benefits and pension benefits) is composed of

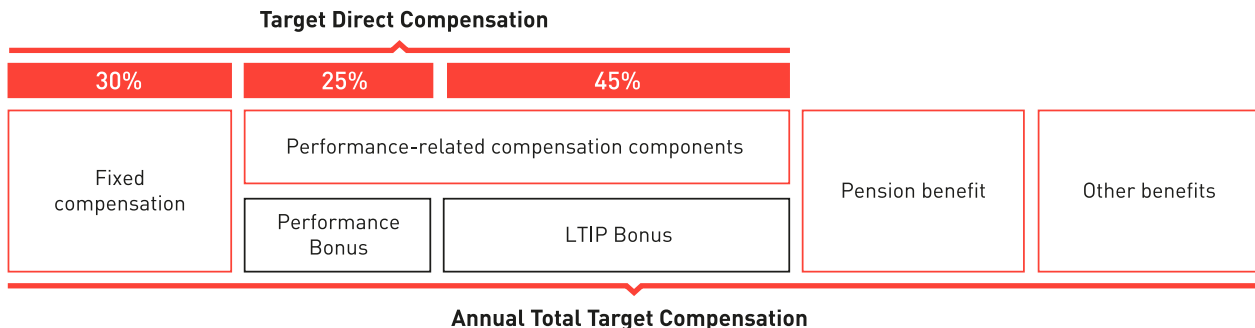
- 30% Fixed Compensation,
- 25% Performance Bonus and
- 45% LTIP Bonus.

### Total annual compensation and maximum compensation

The notional maximum total annual compensation of the individual Executive Board member can be derived from the fixed compensation, the capped variable performance-related compensation components, the other benefits and the pension benefits. The percentage of the fixed compensation (fixed compensation, other benefits<sup>1</sup> and pension benefits) amounts to approximately 41% of the target total annual compensation. Based on a 100% target achievement, the percentage of the Performance Bonus amounts to approximately 21% and the percentage of the LTIP Bonus amounts to approximately 38% of the target total annual compensation.

In addition, in accordance with § 87a section 2 no. 1 AktG, the Supervisory Board has determined an absolute amount (in euros) for the annual maximum compensation. The annual maximum compensation amounts to € 11,500,000 for the Chief Executive Officer and € 5,150,000 for each of the ordinary Executive Board members per financial year. The maximum compensation includes all fixed and variable compensation components.

### Composition of Target Direct Compensation and Annual Total Target Compensation



### COMPENSATION COMPONENTS: DETAILED DESCRIPTION

#### Fixed non-performance-related components

The fixed non-performance-related compensation consists of the fixed compensation, the other benefits and pension benefits.

#### Fixed compensation

The fixed compensation consists of an annual fixed salary, which is based on the responsibilities and the experience of the individual Executive Board member as well as on market conditions. It ensures an adequate income for the Executive Board members and thus avoids the assumption of inadequate risks for the Company. In principle, the fixed compensation is paid in twelve equal monthly installments and generally remains unchanged during the term of the service contract. The fixed compensation constitutes 30% of the target direct compensation of the respective Executive Board member.

<sup>1</sup> The amounts of other benefits may vary in the individual financial years. In general, a target amount of up to 3% of the target direct compensation is considered. The actual amount may be higher or lower.

### **Other benefits**

The regularly granted other benefits for the Executive Board members serve to offset the costs and economical disadvantages directly connected with the Executive Board mandate. They include payment for, or providing the monetary value of, non-cash benefits such as e. g. premiums or contributions to insurance schemes in line with market practice, the provision of a company car or the payment of a car allowance, reimbursement of costs for a regular health check, reimbursement of work-related moving costs, necessary security installations and services and the costs for a tax consultant selected by adidas.

### **Pension benefits**

Pension benefits serve to provide contributions for adequate private retirement pensions. Executive Board members appointed after January 1, 2021 are not granted benefits under a company pension scheme. Instead, they receive a so-called pension allowance in the form of an adequate lump-sum amount which is directly paid out to the Executive Board members annually. The pension allowance equals a maximum amount of 50% of the individual fixed compensation. For the Company, this avoids any interest-rate-related and other biometric risks involved in financing defined contribution pension plans. It also eliminates the associated complex actuarial calculations and administrative procedures. The responsibility for financing their retirement pensions lies with the Executive Board members.

The current members of the Executive Board have defined contribution pension plans. Each year as part of the pension commitments, the virtual pension account of each Executive Board member is credited with an amount which equals a percentage determined by the Supervisory Board and which is related to the Executive Board member's annual fixed compensation. The appropriateness of the percentage is regularly assessed by the Supervisory Board. The percentage most recently determined by the Supervisory Board amounts to 50%. The pension assets on the virtual pension account at the beginning of the respective calendar year yield a fixed interest rate of 3% p.a., however for no longer than until the pension benefits first become due. Entitlements to the pension benefits becomes vested immediately. Entitlements to pension benefits comprise pensions to be received upon reaching the age of 65, or, on application, early retirement pensions to be received upon reaching the age of 62 or disability and survivors' benefits. Executive Board members appointed prior to January 1, 2021 are offered to change to the aforementioned pension allowance.

### **Variable performance-related components**

The variable performance-related compensation is designed to provide the right incentives for the Executive Board to act in the interest of the corporate strategy, the shareholders and other stakeholders, as well as to ensure a successful, sustainable, and long-term corporate management and development. The level of the variable performance-related compensation is primarily determined by the economic development of adidas and takes into account the performance of the Executive Board members. In this respect, the Supervisory Board follows a consistent 'Pay for Performance' approach. In selecting the performance criteria, the Supervisory Board ensures that they are transparent, clearly measurable and directly promote the implementation of the corporate strategy, also in terms of sustainability. The variable performance-related compensation is therefore directly linked to the externally communicated operating, financial and strategic short- and long-term targets. This brings the compensation of the Executive Board members directly in line with the interests of shareholders, employees, consumers and other stakeholders.

The variable performance-related compensation consists of the Performance Bonus and the share-based LTIP Bonus.

### **Performance Bonus**

As the annual variable performance-related component, the Performance Bonus serves as compensation for the Executive Board's performance in the past financial year in line with the short-term development of the Company. It incentivizes operational success accompanied by profitable growth within the established strategic framework. At the beginning of the financial year, the Supervisory Board establishes the respective weighted performance criteria. In case of 100% target achievement, the target amount of the Performance Bonus corresponds to 25% of the target direct compensation of the respective Executive Board member.

#### Criteria, weighting and cap

The amount of the Performance Bonus is determined based on the achievement of, generally, four weighted criteria. Two of these criteria are the same for all Executive Board members and are overall weighted at 60% ('shared criteria'). In line with the strategic business plan's focus on sustainable growth and profitability, the Supervisory Board has generally established the following financial performance criteria for the two shared criteria:

- Currency-neutral sales growth (weighting: 30%)
- Increase in the operating margin (weighting: 30%)



Both criteria are directly linked to the annual guidance externally communicated and, at the same time, follow directly from the – also externally communicated – long-term growth targets of adidas. In order to ensure continuity of target setting, the Supervisory Board will only deviate from these criteria in well-founded exceptional cases. The Supervisory Board may also decide on an adjustment of the performance criteria before the respective financial year.

The other two criteria are defined individually for the respective Executive Board member and are overall weighted at 40% ('individual criteria'). These individual criteria allow for a further differentiation depending on the specific operating and strategic challenges of each individual Executive Board function. For the two individual targets, financial as well as non-financial performance criteria may be applied. These are directly related to the corporate strategy and its financial goals of sustainable growth, profitability and cash flow generation, which are based on the strategic focus on credibility, consumer experience and sustainability. Furthermore, these criteria are directly related to the defined success factors for the implementation of the strategy: the employees of the Company, a mindset of innovation across all dimensions of our business as well as using the speed and agility of Digital throughout the entire value chain. Examples of possible individual criteria deriving thereof are:

Sales growth in business segments/sales channels	Business development
Product development and innovation	Gaining market shares
Success of strategic projects	Attracting new members
Increase in efficiency	Generating cash flow
Consumer satisfaction	Employee satisfaction
Diversity and inclusion	Digitalization
Sustainability	Succession planning

The Compensation Report of each financial year will include an outlook on the application of the compensation system for the following financial year. This outlook will transparently disclose ex-ante which shared criteria and targets were selected. The individual criteria and targets will be disclosed ex-post in the annual Compensation Report in order to avoid communicating competition-relevant operating and strategic considerations in advance.

The overall degree of target achievement (sum of all degrees of target achievement) for the Performance Bonus is capped at a maximum of 150% of the individual Performance Bonus target amount. All criteria are designed in such a way that individual target achievement may also be zero. If the overall degree of target achievement lies at or below 50%, the Executive Board member is not entitled to the Performance Bonus. Therefore, the Performance Bonus may be omitted entirely if targets are clearly not met.

#### Determination of target achievement and bonus amount

At the end of the financial year, the actual target achievement of each Executive Board member, which is based on a comparison of the predefined target values with the values achieved in the year under review, is assessed by the Supervisory Board ('target/actual comparison'). Taking into account the predefined weightings, the Supervisory Board determines the factor by which the Performance Bonus target amount is multiplied by adding up these degrees of target achievement ('overall degree of target achievement'). The result is the individual amount of the Performance Bonus to be paid ('Performance Bonus Amount').

## Determination of target achievement and bonus amount within the framework of Performance Bonus

At the beginning of the financial year		At the end of the financial year		
Determination of criteria and targets		Determination of degrees of target achievement	Determination of bonus amount	
Performance Bonus	Criterion	Weighting	Target/actual comparison <sup>1</sup>	Multiplication of the target amount with the overall degree of target achievement <sup>2</sup>
	Sales growth	30%	x Actual target achievement	Performance Bonus target amount = Performance Bonus Amount
	Increase in operating margin	30%	+ Actual target achievement	
	Individual criterion 1	20%	+ Actual target achievement	
	Individual criterion 2	20%	+ Actual target achievement	

<sup>1</sup> Comparison of target values determined at the beginning of the financial year with values achieved in the financial year.

<sup>2</sup> The individual target amount in case of 100% target achievement is determined in accordance with the applicable compensation structure for each Executive Board member. The overall degree of target achievement is the sum of all degrees of target achievement.

The performance criteria and targets and the individual target achievements as well as the concrete calculation of the Performance Bonus Amount are explained transparently and set out comprehensively in the annual Compensation Report.

When determining the degrees of target achievement and thus when determining the Performance Bonus Amount, the Supervisory Board may, at its equitable discretion in justified special cases, take into account extraordinary positive and negative developments which are not related to the performance of the Executive Board. This can lead to either an increase or a decrease of the Performance Bonus Amount. Extraordinary developments only comprise of major business changes which were not taken into account in operative planning, such as company divestitures or acquisitions, restructurings or changes of tax or accounting standards, or far-reaching, unforeseeable changes in the economic situation (for example, due to severe economic crises) the effects of which are not sufficiently covered in the target achievement. Generally unfavourable market developments are expressly not deemed extraordinary developments. If there are extraordinary developments that necessitate an adjustment, these developments will be explained in detail and transparently in the annual Compensation Report.

The payout of the Performance Bonus Amount is due following approval of the consolidated financial statements of the past financial year.

### Performance Bonus

Performance criteria	<ul style="list-style-type: none"> <li>– Consideration of both financial and non-financial targets, which are linked to the strategy</li> <li>– Two shared criteria (weighting: 60%) are directly linked to the annual guidance externally communicated and, at the same time, follow directly from the – also externally communicated – long-term growth targets of adidas</li> <li>– The two shared criteria generally are the currency-neutral sales growth (weighting: 30%) and the increase in the operating margin (weighting: 30%)</li> <li>– Two individual criteria: related to the respective Executive Board function (weighting: 40%) allow for a differentiation depending on the specific operational and strategic challenges</li> </ul>
Transparency of the performance criteria	<ul style="list-style-type: none"> <li>– Two shared criteria are transparent ex ante and, in case of 100% target achievement, are in line with the guidance externally communicated at the beginning of the financial year</li> <li>– Two individual criteria will be explained ex post in the annual Compensation Report in order not to disclose competition-relevant operating and strategic projects ex ante</li> </ul>
Determining overall target achievement	<ul style="list-style-type: none"> <li>– Target/actual comparison; comparison of the target values with the values achieved in the performance year</li> <li>– Total target achievement for all individual criteria incorporating predefined weightings</li> <li>– The individual target achievement as well as the concrete calculation of the Performance Bonus Amount are explained transparently and set out comprehensively in the annual Compensation Report</li> </ul>
Cap	<ul style="list-style-type: none"> <li>– Overall target achievement capped at 150%</li> <li>– If the overall target achievement is 50% or less, no payout is made</li> </ul>
Malus/Clawback	<ul style="list-style-type: none"> <li>– In the event of misstatements in financial reporting or gross misconduct (compliance violation), the Performance Bonus can be withheld partially or completely</li> </ul>
Consistency of the compensation systems	<ul style="list-style-type: none"> <li>– Performance Bonus of Executive Board members and senior management generally harmonized</li> </ul>

#### Long-Term-Incentive-Plan 2021/2025 (LTIP 2021/2025')

The LTIP 2021/2025 aims to link the long-term performance-related variable compensation of the Executive Board to the Company's performance and thus to the interests of the shareholders. Therefore, the LTIP 2021/2025 is share-based. It consists of five annual tranches (2021 to 2025), each with a term of five years. Each of the five annual LTIP tranches consists of a performance year and a subsequent lock-up period of four years.

## LTIP 2021/2025: Annual LTIP tranches

LTIP tranche	2021	2022	2023	2024	2025	2026	2027	2028	2029
2021	1	2	3	4	5				
2022		1	2	3	4	5			
2023			1	2	3	4	5		
2024				1	2	3	4	5	
2025					1	2	3	4	5
Performance year		Lock-up period							

1 Performance year: Determination of LTIP target amount in case of 100% target achievement.

2 Determination of the degrees of target achievement, LTIP Payout Amount payable following approval of the consolidated financial statements for the past performance year and investment in adidas AG shares. Start of lock-up period.

3 Lock-up period.

4 Lock-up period.

5 End of lock-up period effective 31.12.

In case of 100% target achievement, the LTIP target amount for the respective LTIP tranche corresponds to 45% of the target direct compensation of the respective Executive Board member. The amount of the LTIP Bonus is determined based on the achievement of two uniform criteria for all Executive Board members, which are directly linked to the long-term strategy of adidas.

#### Criteria, weighting and cap

For the LTIP 2021/2025, the Supervisory Board has defined the following financial or ESG-related performance criteria linked to the strategic objectives for each of the five performance years (2021 to 2025):

- Financial criterion: Increase in net income from continuing operations compared to the previous year (weighting: 80%)
- ESG criterion: Share of sustainable articles offered (weighting: 20%)

On the one hand, this reflects the strategic target of sustainably increasing net income from continuing operations and thus creating the basis for an attractive return for our shareholders. On the other hand, the key strategic focus for adidas to further drive change in the field of sustainability and to move from stand-alone initiatives to a scaled and comprehensive sustainability program will be integrated into the Executive Board compensation.

The target values for the annual LTIP tranches follow directly from the externally published long-term net income growth targets of the Company and from the sustainability target for the share of sustainable articles offered.

#### Increase in net income from continuing operations compared to the previous year

Due to the continuing uncertainties regarding the further development of the coronavirus pandemic in 2021, the financial targets of the new strategic business plan until 2025 will be determined based on the results for the 2021 financial year (and not based on the results for the 2020 financial year). In this connection, we are currently aiming to increase net income from continuing operations by an average of 16% to 18% per annum in the four-year period between 2021 and 2025. For the LTIP 2021/2025, this specifically means that for the Performance Year 2021, a target is set based on the externally communicated annual forecast for the increase in net income from continuing operations compared to the previous year of € 831 million (100% target achievement).

Based on the actual results for the 2021 financial year, the Supervisory Board will, at the beginning of the 2022 financial year, set a target value corridor for the increase in net income from continuing operations by 2025 for each of the performance years of the four-year period 2022 to 2025, based on the growth target for the increase in net income from continuing operations (currently an average of 16% to 18% per year). These target value corridors will be published transparently at the beginning of 2022 as part of the reporting in the Compensation Report for the 2021 financial year.

At the beginning of each financial year from 2022 onward, the Supervisory Board then sets a target value for a 100% target achievement within the framework of the predetermined target value corridors, taking into account the circumstances of the respective financial year. In this way, it can be ensured that the Executive Board is appropriately incentivized to achieve the ambitious financial target of increasing net income from continuing operations by 2025. The annual Compensation Report of each financial year will include a transparent outlook on the concrete target value determination for the following financial year.

For illustration purposes, the following graph shows the target value for 2021 and, *purely illustratively*, the target value corridors for the period from 2022 to 2025 based on the assumption that a real increase in net income from continuing operations of € 831 million will be achieved in 2021 (100% target achievement) and a growth target for net income from continuing operations in the years 2022 to 2025 amounting to an average between 16% and 18% per year:

### LTIP 2021/2025: Financial criterion

Performance year	Increase in net income from continuing operations
2021 (compared to 2020)	+ € 831 million
2022 (compared to 2021)	+ € 230 million to + € 330 million <sup>1</sup>
2023 (compared to 2022)	+ € 230 million to + € 330 million <sup>1</sup>
2024 (compared to 2023)	+ € 230 million to + € 330 million <sup>1</sup>
2025 (compared to 2024)	+ € 230 million to + € 330 million <sup>1</sup>

Exemplary presentation

<sup>1</sup> Corresponds to the current target of an average increase of 16% to 18% per year

In case the targets set by the Supervisory Board for increasing net income from continuing operations are not met in one of the performance years 2022 to 2025, both the lower and upper limit of the target value corridor will automatically increase by 50% of the amount of the shortfall of the specified target value proportionally over the term of the remaining, subsequent performance years of the LTIP 2021/2025. If the increase in net income from continuing operations in a performance year is above the set target value, both the lower and upper limit of the target value corridor will automatically decrease proportionately by 50% of the amount exceeding the set target value for the term of the remaining following performance years of the LTIP 2021/2025.

For illustration: If, for example, the increase in net income in the performance year 2022 is € 90 million below the set target for a 100% target achievement, the existing lower and upper limits of the target value corridors for the remaining three performance years will be increased by € 15 million each (50% of the € 90 million shortfall, proportionally allocated over three years). If the increase in net income in the performance year 2023, for example, exceeds the set target for a 100% target achievement by € 40 million, the existing lower and upper limits of the target value corridors for the remaining two performance years will be reduced by € 10 million each (50% of the € 40 million excess, proportionally allocated over two years).

This mechanism ensures that in each performance year the Executive Board is adequately incentivized to achieve the ambitious long-term 2025 earnings target.

#### *Share of sustainable articles offered*

As part of our sustainability strategy, our ambition is to produce 90% of our articles in a sustainable way by 2025. This means that the articles offered will either be made of recycled materials, processed in a circular way (Made to be Remade) or contain regenerative materials. For the 2021 financial year, the Supervisory Board has set a target value for the increase of the share of sustainable articles offered of 8 percentage points (100% target achievement). Due to the continuing uncertainties regarding the further development of the coronavirus pandemic in 2021 and in line with the approach for the financial target of increasing net income from continuing operations, the Supervisory Board will set the target values for each of the perfor-

mance years of the four-year period 2022 to 2025 at the beginning of the 2022 financial year. These targets, which are geared toward achieving the ambitious target of a 90% share of sustainable articles offered in 2025, will be published transparently in early 2022 as part of the reporting in the Compensation Report for the 2021 financial year.

#### LTIP 2021/2025: ESG criterion

Performance year	Share of sustainable articles offered <sup>1</sup>
2021	+ 8pp
2022	Determined at the beginning of 2022
2023	Determined at the beginning of 2022
2024	Determined at the beginning of 2022
2025	90%

<sup>1</sup> Percentage-point increase in the share of sustainable articles (by count) vs. respective previous season. The definition of sustainable articles is based on the sustainable material content in line with standards currently used in the industry. For apparel and accessories/gears, the sustainable material content is based on material weight, for footwear it is based on material components or material weight, depending on the standard. The following sustainability concepts are currently included: End Plastic Waste, Made to Impact Positive, Made to be Remade, Made with Nature, Made with Parley Ocean Plastic and Parley Eco Innovation. The Supervisory Board will regularly review this definition and adjust it at its equitable discretion if required (i.e. if sustainability industry standards change).

In order to ensure continuity when setting the targets, the Supervisory Board will only deviate from these performance criteria in well-founded exceptional cases. The Supervisory Board may also decide on an adjustment of the performance criteria before the respective financial year. In case of an adjustment, a transparent disclosure will be made at the beginning of the respective financial year.

The overall degree of target achievement (sum of all degrees of target achievement) for the LTIP Bonus is capped at a maximum of 150% of the individual LTIP Bonus target amount. Both criteria are designed in such a way that the degree of target achievement may also be zero. If the overall degree of target achievement lies at or below 50%, the Executive Board member is not entitled to the LTIP Bonus. Consequently, the Bonus for the annual LTIP tranche may be omitted entirely if targets are clearly not met.

#### Determination of target achievement and bonus amount

At the end of the performance year, the actual target achievement of each Executive Board member, which is based on a comparison of the predefined target values with the values achieved in the performance year, is assessed by the Supervisory Board ('target/actual comparison').

For the 2021 financial year, the following threshold values are determined for the target achievement of the increase in net income from continuing operations or the share of sustainable articles offered:

**LTIP 2021/2025: Calculation of the degree of target achievement for the 2021 financial year**

Increase in net income from continuing operations compared to the previous year	Degree of target achievement
+ € 1,071 million	200%
+ € 951 million	150%
+ € 831 million	100%
+ € 711 million	50%
+ € 591 million	0%
Share of sustainable articles offered	Degree of target achievement
+ 16pp	200%
+ 12pp	150%
+ 8pp	100%
+ 4pp	50%
+ 0pp	0%

At the beginning of the 2022 financial year, as part of the definition of the target corridors or target values for the four-year period 2022 to 2025, the Supervisory Board will set the specific threshold values for achieving the target for increasing net income from continuing operations or the share of sustainable articles offered. These threshold values will be published transparently at the beginning of 2022 as part of the reporting in the Compensation Report for the 2021 financial year.

If the actual increase in net income from continuing operations compared to the previous year or the share of sustainable articles offered lies between the predefined threshold values, the degree of target achievement is determined based on a sliding scale.

Taking into account the predefined weightings, the Supervisory Board determines the factor by which the LTIP target amount is multiplied by adding up these degrees of target achievement ('overall degree of target achievement'). In this way, the bonus amount of the annual LTIP tranche ('Grant Amount') is determined, which is paid out to the Executive Board member for the respective annual LTIP tranche for the performance year following the approval of the consolidated financial statements of adidas. The Executive Board members have to invest the full Grant Amount after deducting applicable taxes and social security contributions ('LTIP Payout Amount') into the acquisition of adidas AG shares. The shares purchased are subject to a lock-up period. This lock-up period expires at the end of the fourth financial year following the performance year. The Executive Board members may only dispose of the shares after expiry of the lock-up period.

## Determination of target achievement and bonus amount within the framework of LTIP Bonus

At the beginning of the financial year		At the end of the financial year		
Determination of criteria and targets		Determination of degrees of target achievement	Determination of bonus amount	
LTIP 2021/2025	Criterion	Weighting	Target/actual comparison <sup>1</sup>	Multiplication of the target amount with the overall degree of target achievement <sup>2</sup>
	Increase in net income	80%	Actual target achievement	<div> <div>LTIP target amount</div> <div>=</div> <div>Grant Amount, which is to be invested into acquisition of adidas AG shares after deducting applicable taxes and social security contributions</div> </div>
	Share of sustainable articles	20%	Actual target achievement	

<sup>1</sup> Comparison of target values determined at the beginning of the financial year with values achieved in the financial year.

<sup>2</sup> The individual target amount in case of 100% target achievement is determined in accordance with the applicable compensation structure for each Executive Board member. The overall degree of target achievement is the sum of all degrees of target achievement.

Due to this mechanism, the compensation which the Executive Board members eventually receive from each of the LTIP 2021/2025 tranches is also directly dependent on the share price performance during the respective four-year lock-up period and is thus dependent on the long-term performance of the Company. The Executive Board members are entitled to any dividends distributed in connection with these shares during the lock-up period.

The performance criteria and targets and the individual target achievements as well as the concrete calculation of the Grant Amount are disclosed in the annual Compensation Report.

When determining the degrees of target achievement and thus when determining the Grant Amount, the Supervisory Board may, at its equitable discretion in justified, special cases, take into account extraordinary positive and negative developments which are not related to the performance of the Executive Board. This could lead to either an increase or a decrease of the Grant Amount. Extraordinary developments only comprise of major business changes which were not taken into account in operative planning, such as company divestitures or acquisitions, restructurings or changes of tax or accounting standards, or far-reaching, unforeseeable changes in the economic situation (for example, due to severe economic crises) the effects of which are not sufficiently covered in the target achievement. Generally unfavourable market developments are expressly not deemed extraordinary developments. If there are extraordinary developments that necessitate an adjustment, these developments will be explained in detail and transparently in the annual Compensation Report.

### LTIP 2021/2025

Performance criteria	<ul style="list-style-type: none"> <li>– Consideration of a financial and an ESG-related target</li> <li>– Financial target: absolute increase in net income from continuing operations (weighting: 80%)</li> <li>– ESG target: share of sustainable articles (weighting: 20%)</li> </ul>
Transparency of the performance criteria	<ul style="list-style-type: none"> <li>– The criteria for the entire period of the LTIP 2021/2025 are transparent ex ante and derive directly from the published corporate strategy</li> <li>– In case of a 100% target achievement, the predefined and transparent target values of the annual LTIP tranches are in line with the externally communicated long-term growth targets for the Company's net income and the ESG target for the share of sustainable articles</li> </ul>



<b>Determining overall target achievement</b>	<ul style="list-style-type: none"> <li>- Target/actual comparison; comparison of the target values with the values achieved in the performance year</li> <li>- Total target achievement for all individual criteria incorporating predefined weightings</li> <li>- The individual target achievement as well as the concrete calculation of the Grant Amount are explained transparently and set out comprehensively in the annual Compensation Report</li> <li>- If the target values set in one of the performance years are not met, an increase in the target values for the following years will ensure that the Executive Board is appropriately incentivized to achieve the ambitious long-term growth targets</li> </ul>
<b>Cap</b>	<ul style="list-style-type: none"> <li>- Overall target achievement capped at 150%</li> <li>- If the overall target achievement is 50% or less, no payout is made</li> </ul>
<b>Malus/Clawback</b>	<ul style="list-style-type: none"> <li>- In the event of misstatements in financial reporting or gross misconduct (compliance violation), the LTIP Bonus can be withheld partially or completely</li> </ul>
<b>Share-based/Lock-up period</b>	<ul style="list-style-type: none"> <li>- The LTIP Payout Amount after deducting applicable taxes and social security contributions has to be fully invested into the acquisition of adidas AG shares</li> <li>- The shares acquired are subject to a lock-up period of four years</li> </ul>
<b>Decisive period</b>	<ul style="list-style-type: none"> <li>- 5 years</li> </ul>
<b>Consistency of the compensation systems</b>	<ul style="list-style-type: none"> <li>- LTIP Bonus of Executive Board members and senior management generally harmonized</li> </ul>

## MALUS AND CLAWBACK PROVISIONS

In order to ensure sustainable management and development of the Company, the terms and conditions of the Performance Bonus and of the LTIP 2021/2025 contain malus and clawback provisions which allow the Supervisory Board at its equitable discretion, under certain circumstances, to partially or completely reduce the variable compensation or partially or completely reclaim variable compensation already paid. Such circumstances are material misstatements in the financial reports, serious compliance violations and violations of duty as well as breaches of the company-internal rules of conduct by the Executive Board member which would lead to an unjustified bonus payment in the context of the Performance Bonus or the LTIP 2021/2025. Moreover, in the event of violations of duty by Executive Board members, claims for damages arise under stock corporation law.

## SHARE OWNERSHIP GUIDELINES

In order to further align the interests of the Executive Board with those of the shareholders, Share Ownership Guidelines are in place which require the Executive Board members to build substantial positions in adidas AG shares during their appointment and after a four years build-up phase. The target for the Chief Executive Officer is a total value of 300% and for the other Executive Board members a total value of 200% of the individually granted annual fixed compensation. The Share Ownership target can particularly be fulfilled by the purchase of shares in connection with the LTIP Bonus for the Executive Board members.

## CONTRACT TERMS AND COMMITMENTS UPON COMMENCEMENT OR TERMINATION OF THE EXECUTIVE BOARD MANDATE

### Contract term

Executive Board service contracts are concluded for the duration of the Executive Board member's appointment and are extended for the duration of the reappointment. Executive Board members are generally appointed for an initial term of three years under a three-year service contract. Reappointments are generally made for a term of five years under a five-year service contract.

### Commencement of Executive Board mandate

The Supervisory Board is entitled to make compensation payments (in cash or in the form of an additional one-off commitment of a variable compensation which can be subject to a lock-up period if shares are granted) to newly appointed Executive Board members in order to compensate them for lost salaries from a previous employment or to cover the costs of relocating, whereby any such payments are limited to the compensation of actually incurred salary losses or costs for relocation. Any such compensation payments granted are disclosed transparently and in detail in the annual Compensation Report.

### Termination of Executive Board mandate

Unless otherwise agreed in the individual case, if the service contract ends upon the Executive Board member reaching the age of 65 or upon non-renewal of the service contract, the Executive Board member is entitled to receive an annual fixed compensation on a pro rata basis as well as a potential prorated Performance Bonus and a potential prorated LTIP Bonus.

In case of premature termination of tenure in the absence of good cause, the Executive Board service contracts cap potential severance payments at a maximum of twice the total annual compensation, not exceeding payment claims for the remaining period of the service contract ('Severance Payment Cap'). The Executive Board member does not receive a severance payment if they terminate tenure prematurely at their own request or if there is good cause for the Company to terminate the employment relationship.

Commitments to Executive Board members upon premature termination of tenure due to a change of control or follow-up bonuses are not agreed.

### Post-contractual competition prohibition

In principle, Executive Board members are subject to a post-contractual competition prohibition of two years. As consideration, for the duration of the competition prohibition, the Executive Board members generally receive a monthly compensation amount totalling 50% of the monthly fixed compensation last received, subject to offsetting (e.g. of income from other occupations). If the departed Executive Board member receives pension payments from the Company (based on existing old commitments), this compensation is offset against any pension benefits owed by the Company during the period of the competition prohibition. The compensation for periods of competition prohibition possibly paid on a monthly basis to departing Executive Board members is offset against any severance payments potentially paid by adidas.

## SIDELINE ACTIVITIES OF EXECUTIVE BOARD MEMBERS

Executive Board members may only take on sideline activities with or without remuneration, in particular supervisory board mandates in group-external companies, with the prior approval of the Supervisory Board. Group-internal mandates are deemed covered by the contractually agreed Executive Board compensation. The Supervisory Board decides whether or not compensation for group-external mandates is credited to the Executive Board compensation.

## TEMPORARY DEVIATIONS FROM THE COMPENSATION SYSTEM

In accordance with § 87a section 2 sentence 2 AktG, individual components of the described compensation system may temporarily be deviated from in exceptional cases if this is necessary for the long-term well-being of the Company. Such situations may be based on both macroeconomic and business-related exceptional circumstances. Deviations are permitted in particular in the case of a significantly changed corporate strategy and in economic crises in which the compensation of the members of the Executive Board based on the compensation system and the resulting incentive structure does not appear adequate in the interest of the Company. The components of the compensation system from which deviations may be made in exceptional cases are fixed compensation (in particular the amount and date of payment) and other benefits (amount, nature and timing of granting or payout), the variable compensation components (in particular the assessment parameters, the provisions for target setting, the determination of the target achievement and the determination of the payout amounts, and the timing of granting or payout) including the relation between the compensation components and the maximum compensation. Deviations from the compensation system can only be made by a resolution of the Supervisory Board based on the recommendation of the General Committee. Any such deviations are disclosed transparently and in detail in the Compensation Report.

## SCOPE OF THE COMPENSATION SYSTEM

The current compensation system for the Executive Board applies to all Executive Board service contracts concluded on or after January 1, 2021. It furthermore generally applies to all previously concluded Executive Board service contracts. In case of individual deviations based on existing old commitments, such deviations are transparently disclosed in the Compensation Report.

**Overview of the material changes of the compensation system for the Executive Board members, effective from January 1, 2021**

	Compensation components and weighting	Previous compensation system			New compensation system effective from January 1, 2021		
		Fixed Compensation 35%	Performance Bonus 25%	LTIP Bonus 40%	Fixed Compensation 30%	Performance Bonus 25%	LTIP Bonus 45%
Target Direct Compensation <sup>1</sup>	Criteria and weighting	Two shared criteria 60% (30% each)		Two individual criteria 40% (20% each)	No change		
	Performance criteria	Two shared criteria		Financial criteria in line with guidance	No change		
		Two individual criteria		Financial and non-financial criteria derived from strategy	No change		
	Cap	Overall target achievement limited to 150%, no payout if total target achievement is ≤ 50%			No change		
	Transparency	Two shared criteria transparent at the beginning of the financial year, target achievement published in the compensation report  Two individual criteria not transparent at the beginning of the financial year, only examples published ex-post in the compensation report			Two shared criteria transparent at the beginning of the financial year, detailed transparency of target achievement in the compensation report  Two individual criteria transparent at the beginning of the financial year, detailed transparency of target achievement in the compensation report		
Performance Bonus	Criteria and weighting	Financial criterion: Net income growth (absolute) 100%			Financial criterion: Net income growth (absolute) 80%	ESG criterion: Share of sustainable articles 20%	
	System	If target values are not achieved in a performance year, increased target values in the following years ensure that the Executive Board is appropriately incentivized to achieve the long-term targets			No change		
	Cap	Overall target achievement limited to 150%, no payout if total target achievement is ≤ 50%			No change		
	Lock-up period	3.5 years (+ 1 performance year)			4 years (+ 1 performance year)		
	Transparency	Fully transparent ex-ante and ex-post and in line with long-term strategy			No change		
LTIP Bonus	Criteria and weighting	Financial criterion: Net income growth (absolute) 100%			Financial criterion: Net income growth (absolute) 80%	ESG criterion: Share of sustainable articles 20%	
	System	If target values are not achieved in a performance year, increased target values in the following years ensure that the Executive Board is appropriately incentivized to achieve the long-term targets			No change		
	Cap	Overall target achievement limited to 150%, no payout if total target achievement is ≤ 50%			No change		
	Lock-up period	3.5 years (+ 1 performance year)			4 years (+ 1 performance year)		
	Transparency	Fully transparent ex-ante and ex-post and in line with long-term strategy			No change		
Pension benefit	System	Defined contribution pension plan max. 50% of individual annual fixed compensation			Pension allowance max. 50% of individual annual fixed compensation		
Malus/ Clawback	Applicability	LTIP Bonus only			Performance Bonus and LTIP Bonus		
Share Ownership Guidelines	Target value	Not applicable			300% of fixed compensation for CEO / 200% for ordinary Executive Board members		
Special Bonus	Applicability	Possibility of granting a special bonus amounting to up to 100% of fixed compensation			Granting a special bonus is not possible		

<sup>1</sup> Target Direct Compensation consisting of fixed compensation, the annual Performance Bonus as well as the share-based LTIP Bonus (in case of 100% target achievement).

## V. INFORMATION ON AGENDA ITEM 7

### Description of the compensation system for the members of the Supervisory Board

The compensation system for the members of the Supervisory Board is set out in § 18 of the Articles of Association of adidas AG; there are no additional or supplementary agreements. With respect to the monitoring and advising of the Executive Board, the compensation received by adidas AG Supervisory Board members reflects the responsibility involved as well as individual workload and time required.

The wording of the provision of the Articles of Association is as follows:

#### § 18 Compensation of the Supervisory Board

- 1) The members of the Supervisory Board shall receive a fixed compensation for each financial year in the amount of EUR 80,000, payable at the end of each financial year.
- 2) The compensation shall amount to three times the amount mentioned under section 1 above for the Chairman and twice the amount for each of his/her deputies.
- 3) Each member of a committee with exception of the committee formed pursuant to § 27 section 3 MitbestG, the Steering Committee, the Nomination Committee and the Audit Committee shall receive an additional compensation amounting to 50% of the compensation pursuant to section 1, the committee chairman shall receive an additional compensation amounting to 100% of the same. Each member of the Audit Committee shall receive an additional compensation amounting to 100% of the compensation pursuant to section 1; the Chairman of the Audit Committee shall receive an additional compensation amounting to 200% of the same.
- 4) The compensation paid for a committee chairmanship shall also cover the membership in such committee. If a member of the Supervisory Board is a member of several Supervisory Board committees, s/he shall be compensated only for the tasks performed in the committee with the highest payable additional compensation.
- 5) There is no additional compensation for membership in committees established ad hoc.
- 6) Furthermore, the members of the Supervisory Board shall receive an attendance fee amounting to EUR 1,000 for each personal attendance of a meeting of the Supervisory Board or one of its committees requiring such personal attendance. If several meetings take place on one day, the attendance fee shall only be paid once. Members of committees that are formed on an ad hoc basis shall not receive an attendance fee.
- 7) Supervisory Board members which have been members of the Supervisory Board or a Supervisory Board committee only during part of the financial year shall receive a pro rata amount of compensation in accordance with the duration of their membership.
- 8) Moreover, the Supervisory Board members shall receive compensation for any expenses incurred as well any VAT thereon.

When determining the compensation, care is taken to ensure that it is appropriate and in line with current levels in order to attract suitable candidates in what is also an international market. This contributes to the execution of the corporate strategy and promotes the long-term development of the Company.

The compensation for Supervisory Board members consists of a fixed compensation for their work on the Supervisory Board ('base amount') and an additional compensation for committee work as well as an attendance fee. The Supervisory Board members are not granted performance-related compensation. The granting of a fixed compensation corresponds to the usual predominant practice in other public listed companies and has proved to be successful. The Executive Board and Supervisory Board are of the opinion that a fixed compensation for the Supervisory Board members is most suitable to strengthen the independence of the Supervisory Board and to take into account the advisory and supervisory function of the Supervisory Board, which have to be performed independently of the Company's success.

In addition, the Supervisory Board members are reimbursed for expenses they incur in connection with their role.

### COMPENSATION FOR SUPERVISORY BOARD FUNCTION

Each Supervisory Board member receives a fixed compensation for their work on the Supervisory Board, which is paid following the end of the respective financial year. The Chairman of the Supervisory Board and his two deputies receive a higher fixed compensation in recognition of their additional responsibilities.

### Compensation for Supervisory Board function

Membership	Deputy Chairman	Chairman
€ 80,000	€ 160,000	€ 240,000
Base amount	200% of the base amount	300% of the base amount

### ADDITIONAL COMPENSATION FOR MEMBERSHIP IN A COMMITTEE

Furthermore, the Supervisory Board members receive additional compensation for membership in certain committees; in this regard, too, compensation is increased if the chairmanship of a committee is assumed. The amount of the respective additional compensation is based on the base amount determined for the Supervisory Board members and depends on the tasks and responsibilities connected with the respective committee membership.

### Compensation for membership in a committee

General Committee		Audit Committee	
Membership	Chairman	Membership	Chairman
€ 40,000	€ 80,000	€ 80,000	€ 160,000
50% of the base amount	100% of the base amount	100% of the base amount	200% of the base amount

The compensation paid for a committee chairmanship shall also cover the membership in such committee. The members of the Steering Committee, the Mediation Committee, the Nomination Committee and committees which are established ad hoc do not receive additional compensation. If a Supervisory Board member is a member of more than one committee, the member only receives compensation for their task in the committee with the highest compensation.

### MATURITY AND PRO-RATED GRANTING

The compensation is due after the end of the Company's financial year. The granting of the compensation depends on the duration of the appointment of the Supervisory Board members. If a member belongs to the Supervisory Board or a committee for only part of a financial year, the fixed compensation for Supervisory Board membership and additional compensation for membership in a committee are reduced accordingly on a pro rata temporis basis.

### ATTENDANCE FEE

For each personal attendance of meetings of the Supervisory Board and/or its committees requiring such personal attendance, Supervisory Board members receive an additional attendance fee of € 1,000. Members of committees that are formed on an ad hoc basis shall not receive an attendance fee. If several meetings take place on one day, the attendance fee is only paid once.

### EXPENSES

The Supervisory Board members are reimbursed for necessary expenses and travel expenses incurred in connection with their mandates as well as for the VAT payable on their compensation.

## UPPER LIMIT

The upper limit for the compensation of the members of the Supervisory Board is determined by the fixed compensation, the amount of which individually depends on the duties assumed on the Supervisory Board or its committees, and the attendance fee, which is determined on the basis of the personal participation in Supervisory Board and committee meetings.

## REVIEW AND ADJUSTMENT OF THE COMPENSATION

The compensation system for the Supervisory Board is resolved by the Annual General Meeting following an according proposal by the Executive Board and Supervisory Board. The compensation is regulated by the Company's Articles of Association. The Annual General Meeting approves the compensation for the Supervisory Board members and the compensation system for the Supervisory Board at least every four years. The corresponding resolution may also confirm the current compensation. If an Annual General Meeting does not approve the compensation system, a reviewed version of the compensation system has to be presented no later than at the next Annual General Meeting.

At regular intervals, but no later than every four years, the Executive Board and Supervisory Board shall carry out a review as to whether the amount and structure of the compensation are still in line with market conditions and are appropriate for the tasks of the Supervisory Board and the situation of the Company.

To this end, the Supervisory Board conducts a horizontal market comparison. The compensation and employment conditions of the employees were and are irrelevant to the compensation system of the Supervisory Board. This is due to the fact that the Supervisory Board compensation is granted for an activity which is fundamentally different from that of the employees of adidas AG and a vertical comparison with employee compensation is therefore not meaningful in the Executive Board's and the Supervisory Board's opinion.

Any conflicts of interest in the examination of the remuneration system are counteracted by the statutory rules of competence as the ultimate decision-making power on the Supervisory Board compensation is assigned to the Annual General Meeting and the resolution proposal is submitted to the Annual General Meeting by both the Executive Board and the Supervisory Board. Thus, a system of mutual control is already provided for in the statutory regulations. In addition, the general rules on conflicts of interest apply, according to which such conflicts of interest must particularly be disclosed and treated appropriately.

# VI. FURTHER INFORMATION AND DETAILS

## VIRTUAL ANNUAL GENERAL MEETING WITHOUT PHYSICAL PRESENCE OF SHAREHOLDERS OR THEIR REPRESENTATIVES; TRANSMISSION OVER THE INTERNET

With the Supervisory Board's approval, the Executive Board resolved to hold the 2021 Annual General Meeting as a virtual Annual General Meeting in accordance with § 1 sections 1 and 2 of the Act Concerning Measures Under the Law of Companies, Cooperative Societies, Associations, Foundations and Commonhold Property to Combat the Effects of the COVID-19 Pandemic of March 27, 2020 [Gesetz über Maßnahmen im Gesellschafts-, Genossenschafts-, Vereins-, Stiftungs- und Wohnungseigentumsrecht zur Bekämpfung der Auswirkungen der COVID-19-Pandemie, [Federal Gazette I 2020, p. 570]], amended by Article 11 of the Act to Further Shorten the Residual Debt Discharge Procedure and to Adjust Pandemic-Related Provisions in the Law of Companies, Cooperative Societies, Associations, Foundations as well as in the Rental and Tenancy Law of December 22, 2020 [Gesetz zur weiteren Verkürzung des Restschuldbefreiungsverfahrens und zur Anpassung pandemiebedingter Vorschriften im Gesellschafts-, Genossenschafts-, Vereins- und Stiftungsrecht sowie im Miet- und Pachtrecht, [Federal Gazette I 2020, p. 3328]] ('COVID-19 Act'). Therefore, shareholders and their representatives (except for the proxies appointed by the Company) cannot be physically present at the Annual General Meeting.

The entire 2021 Annual General meeting will be transmitted live online on May 12, 2021 from 10:00 hrs CEST via video and audio stream at [www.adidas-group.com/agm](http://www.adidas-group.com/agm) which will be freely accessible. Shareholders may also follow the Annual General Meeting in the Company's password-protected shareholder portal at [www.adidas-group.com/agm-service](http://www.adidas-group.com/agm-service). Following the Annual General Meeting online or via the shareholder portal does not constitute participation within the meaning of § 118 section 1 sentence 2 AktG.

**Compared to an Annual General Meeting with physical presence, conducting the 2021 Annual General Meeting as a virtual Annual General Meeting based on the COVID-19 Act leads to several modifications in the procedure of the Annual General Meeting and the exercise of shareholder rights. We therefore ask our shareholders to pay particular attention to the following notices.**

## REGISTRATION FOR THE ANNUAL GENERAL MEETING

Only shareholders who are entered in the share register at the day of the Annual General Meeting and who registered for participation by the end of May 5, 2021 (24:00 hrs CEST) are authorized to exercise their shareholder rights, in particular their voting rights.

Shareholders can register via the shareholder portal at [www.adidas-group.com/agm-service](http://www.adidas-group.com/agm-service). To access the shareholder portal, shareholders need their shareholder number and the corresponding access password. The shareholder number is specified in the documents sent together with the invitation to the Annual General Meeting. Shareholders who already registered for electronic dispatch of the invitation in the shareholder portal must use the access password selected upon registration. All other shareholders entered in the share register will receive an individual access password for first-time access to the shareholder portal with the documents sent to them together with the invitation to the Annual General Meeting.

If shareholders do not register via the shareholder portal, their registration must otherwise reach the Company in text form stating the name of the person making the declaration in German or English. The day of receipt of the registration is decisive for meeting the deadline. Please send registrations to:

adidas AG  
c/o Computershare Operations Center  
80249 Munich, Germany

or by fax: +49 89 30903-74675

or by e-mail to: [anmeldestelle@computershare.de](mailto:anmeldestelle@computershare.de)

(together 'adidas contact addresses').

Registrations which are received by the Company later than May 5, 2021, for whatever reasons, can no longer be considered. We therefore recommend registration via the shareholder portal.

## DISPOSAL OF SHARES AND CHANGES TO THE ENTRIES IN THE SHARE REGISTER

The shares will not be locked up or blocked upon registration for the Annual General Meeting. Thus, shareholders may continue to dispose of their shares at their discretion even after having registered.

The shareholding as entered in the share register at the date of the Annual General Meeting is relevant for the exercise of voting rights. For technical reasons, requests for changing entries received by the Company after May 5, 2021, 24:00 hrs CEST, (so-called Technical Record Date) until the day of the Annual General Meeting on May 12, 2021 (including) will not be processed, i.e. no changes will be made to the entries in the share register. Thus, shareholders who send requests for changing entries in the share register due to newly acquired shares during the aforementioned period will not be able to exercise, in their own right, participation rights and voting rights deriving from these shares at the Annual General Meeting.

## VOTING BY MEANS OF ELECTRONIC OR WRITTEN POSTAL VOTE

Shareholders who registered in a due and proper manner may cast their votes at this year's virtual Annual General Meeting by means of electronic communication or in writing ('postal vote').

Shareholders may submit their votes by way of electronic postal vote via the shareholder portal. Voting via the shareholder portal is possible until the beginning of the voting at the virtual Annual General Meeting. Until that point in time, votes submitted electronically may still be changed or revoked via the shareholder portal.

Shareholders may also submit their votes via mail, fax or e-mail to one of the aforementioned adidas contact addresses; in particular, they may use the registration form sent together with the invitation for this purpose. Votes cast in the aforementioned ways must be received by the Company no later than May 11, 2021, 24:00 hrs CEST. Votes cast by mail, fax or e-mail may be changed or revoked via the shareholder portal until the beginning of the voting at the virtual Annual General Meeting. Moreover, powers of representation or instructions may be changed or revoked via one of the aforementioned adidas contact addresses until May 11, 2021, 24:00 hrs CEST (receipt by the Company).

## PROXY VOTING PROCEDURE AND INSTRUCTIONS TO THE PROXIES APPOINTED BY THE COMPANY

Shareholders who registered in a due and proper manner can also exercise their voting right at the virtual Annual General Meeting by having the proxies appointed by the Company represent them at the Annual General Meeting in accordance with their voting instructions. For this purpose, the proxies must be granted power(s) of representation and must be given instructions for exercising the voting rights.

Powers of representation may be granted and instructions to the proxies appointed by the Company may be given electronically via the shareholder portal. This is possible until the beginning of the voting at the virtual Annual General Meeting. Until this point in time, powers of representation may also be granted/revoked and instructions to the proxies appointed by the Company may be given/revoked via the shareholder portal.

Shareholders may also submit powers of representation and instructions to the proxies appointed by the Company via mail, fax or e-mail to one of the aforementioned adidas contact addresses; in particular, they may use the registration form sent together with the invitation for this purpose. Powers of representation and instructions to the proxies appointed by the Company submitted in the aforementioned ways must be received by the Company no later than by May 11, 2021, 24:00 hrs CEST. Powers of representation or instructions to the proxies appointed by the Company by mail, fax or e-mail may be changed or revoked via the shareholder portal until the beginning of the voting at the virtual Annual General Meeting. Moreover, powers of representation or instructions may be changed or revoked via one of the aforementioned adidas contact addresses until May 11, 2021, 24:00 hrs CEST (receipt by the Company).

Please note that the proxies do not propose motions or ask questions on behalf of the shareholders or raise objections. The proxies only exercise voting rights on such agenda items for which they have been given instructions by the shareholders.

## COMMON PROVISIONS FOR VOTING BY MEANS OF ELECTRONIC OR WRITTEN POSTAL VOTE AS WELL AS FOR THE PROXY VOTING PROCEDURE AND GIVING INSTRUCTIONS TO THE PROXIES APPOINTED BY THE COMPANY

If powers of representation and instructions to the proxies appointed by the Company are granted/given in due time both via the adidas contact addresses or the shareholder portal or if the voting right is exercised via postal vote, only the postal vote submitted via the shareholder portal and the power of representation and instructions to the proxies appointed by the Company granted/given electronically via the shareholder portal will be considered binding, irrespective of the point in time of receipt of the postal vote, power of representation and instructions. If, otherwise, formally valid declarations submitted in different ways via the adidas contact addresses deviate from one another and it is unclear which one was submitted most recently, they are considered in the following order, with the transmission methods specified first taking priority: (1) via e-mail, (2) via fax, (3) via mail.

Any votes submitted via postal vote and instructions given to the proxies appointed by the Company on Agenda Item 2 (appropriation of retained earnings) remain valid even if the proposal on the appropriation of retained earnings is adjusted due to a change in the number of dividend-entitled shares. In case individual voting on a certain agenda item is carried out, the declaration submitted on this agenda item is valid for every sub-item of the individual vote.

Voting via postal vote or granting powers of representation or giving instructions to the proxies appointed by the Company is only possible for such motions and nominations for which proposals/nominations by the Executive Board and/or Supervisory Board pursuant to § 124 section 3 AktG or by shareholders pursuant to §§ 122 section 2, 126, 127 AktG are published in this convocation or at a later point in time. Postal votes or powers of representation and instructions which cannot be allocated beyond doubt to a due and proper registration will not be considered.

## GRANTING POWER OF REPRESENTATION TO A THIRD PARTY

Shareholders may authorize third parties to exercise their shareholder rights, in particular their voting rights. If power(s) of representation are granted, shareholders still have to fulfill the preconditions outlined in section **'REGISTRATION FOR THE ANNUAL GENERAL MEETING'**. If a shareholder grants more than one person power of representation, the Company may reject one or more of these persons.

Powers of representation may be granted, in particular, via the shareholder portal. Furthermore, powers of representation may be granted using the registration form or otherwise by declaration in text form, stating the name of the person making the declaration and sending it to one of the aforementioned adidas contact addresses. Powers of representation may be changed or revoked via the shareholder portal until the beginning of the voting at the virtual Annual General Meeting. Powers of representation may be granted, changed or revoked via the adidas contact addresses until May 11, 2021, 24:00 hrs CEST (receipt by the Company).

Powers of representation must be granted/revoked in text form (§ 126b German Civil Code [Bürgerliches Gesetzbuch – BGB]), unless § 135 AktG applies. If power of representation is granted by declaration vis-à-vis the Company, additional



verification of such power is not required. By contrast, if power of representation is granted by declaration vis-à-vis the person to be authorized, the Company may request verification of the granting of such power in text form. Such verification must be sent to the Company to one of the aforementioned adidas contact addresses until May 11, 2021, 24:00 hrs CEST (receipt by the Company).

For granting powers of representation to intermediaries, proxy advisors, shareholders' associations or persons who professionally offer shareholders the service of exercising their voting rights at the Annual General Meeting as well as for the revocation and verification of such powers, the text form requirement does not apply. However, such power of representation must be kept by the respective proxy for review. It must be completed in full and may only contain statements related to the exercise of voting rights. A breach of these requirements does not affect the validity of the exercise of voting rights. Furthermore, each proxy may have specific regulations for acting as proxy; this should be coordinated with the respective proxy in advance.

Proxies (except for the proxies appointed by the Company) cannot be physically present at the Annual General Meeting. They can merely exercise the voting right for the shareholders represented by them by means of postal vote or by delegating power of representation to the proxies appointed by the Company (in the ways previously specified for each case).

### **SUPPLEMENTARY ITEMS FOR THE AGENDA (pursuant to § 122 section 2 AktG)**

Shareholders whose shares correspond to a pro-rata amount of EUR 500,000 in the nominal capital may demand that items be added to the agenda and published, i.a. in the German Federal Gazette and on the website at [www.adidas-group.com/agm](http://www.adidas-group.com/agm).

Each new item must be accompanied by an explanatory statement or a proposed resolution. Such demands must reach the Company's Executive Board by April 11, 2021, 24:00 hrs CEST. Please submit such demands in writing to:

adidas AG  
Executive Board  
Supervisory Board Office & Corporate Legal  
Adi-Dassler-Straße 1  
91074 Herzogenaurach  
Germany

or by e-mail including the name of the demanding shareholders with a qualified electronic signature to:

[agm-service@adidas-group.com](mailto:agm-service@adidas-group.com)

Shareholders demanding that items be added to the agenda must prove that they have been in possession of a sufficient number of shares for at least 90 days before the date of receipt of such demand (§ 122 section 2 in conjunction with § 122 section 1 sentence 3 AktG and § 70 AktG) and that they will be in possession of the shares until the Executive Board has made a decision on the respective demand. § 121 section 7 AktG must be applied for the calculation of the period analogously.

If requests for adding items to the agenda must be published in accordance with the aforementioned statements, resolution proposals in these requests are treated like proposals submitted at the Annual General Meeting if the shareholder submitting the request has been duly legitimized and registered for the Annual General Meeting.

### **COUNTERMOTIONS AND NOMINATIONS OR APPOINTMENT PROPOSALS (pursuant to §§ 126 section 1, 127 AktG)**

The Company will make counter motions by shareholders on particular items of the agenda and nominations by shareholders for the election of Supervisory Board members or the appointment of the auditor accessible on the Company's website at [www.adidas-group.com/agm](http://www.adidas-group.com/agm) including the shareholder's name, the explanatory statement - if required and available - and a possible statement by the management insofar as the following requirements are met:

Any counter motions to a proposal of the Executive Board and/or the Supervisory Board on a specific agenda item as well as any nominations or appointment proposals must be received by the Company by April 27, 2021, 24:00 hrs CEST. They must be sent exclusively to

adidas AG  
Supervisory Board Office & Corporate Legal  
Adi-Dassler-Straße 1  
91074 Herzogenaurach  
Germany

or by e-mail to: [agm-service@adidas-group.com](mailto:agm-service@adidas-group.com)

Countermotions must contain a statement of reasons. A countermotion and its statement of reasons do not need to be made accessible by the Company if one of the facts of exclusion pursuant to § 126 section 2 sentence 1 AktG exists. The statement of reasons does not have to be made accessible either if the entire document consists of more than 5,000 characters.

Shareholders' nominations for the election of Supervisory Board members or the appointment of the auditor do not require a statement of reasons. Shareholders' nominations or appointment proposals do not have to be made accessible by the Company if one of the facts of exclusion in accordance with §§ 127 sentence 1, 126 section 2 sentence 1 AktG exists or if they do not contain the full name, the exercised profession and the place of residence of the candidate, and, in case of proposals for the election of Supervisory Board members, details on their membership in other statutory supervisory boards (§ 127 sentence 3 AktG). The statement of reasons does not need to be made accessible if the entire document consists of more than 5,000 characters.

Motions or nominations of shareholders which must be made accessible pursuant to §§ 126 or 127 AktG are deemed as submitted at the Annual General Meeting if the shareholder submitting the motion or nomination has been duly legitimized and registered for the Annual General Meeting.

### RIGHT TO ASK QUESTIONS BY MEANS OF ELECTRONIC COMMUNICATION

In accordance with § 1 section 2 COVID-19 Act, shareholders have a right to ask questions by means of electronic communication. Only shareholders and their representatives who have registered for the Annual General Meeting in a due and proper manner have the right to submit questions. Questions must be submitted exclusively via the shareholder portal at **[www.adidas-group.com/agm-service](http://www.adidas-group.com/agm-service)** no later than by May 10, 2021, 24:00 hrs CEST. Please note that the proxies appointed by the Company cannot ask questions.

In line with § 1 section 2 sentence 2 COVID-19 Act, the Executive Board decides at its duty-bound, free discretion how to answer questions. Therefore, in this regard, the Executive Board reserves the right to answer submitted questions individually or to answer several questions together. Pursuant to the requirements stipulated in more detail in § 131 section 3 AktG, the Executive Board is entitled to refuse to provide information.

### SUBMITTING VIDEO MESSAGES FOR PUBLICATION IN THE SHAREHOLDER PORTAL

In case of a virtual Annual General Meeting, shareholders and their representatives cannot comment on the Agenda. Therefore, the Executive Board has decided, with the approval of the Supervisory Board, to give shareholders and their representatives the opportunity – over and above the requirements of the COVID-19 Act – to comment on the Agenda via video messages available in the shareholder portal.

Therefore, shareholders who are registered in the share register and who have registered for participation in the Annual General Meeting in a due and proper manner or their representatives have the opportunity to submit video messages via the shareholder portal under **[www.adidas-group.com/agm-service](http://www.adidas-group.com/agm-service)** until May 5, 2021, 24:00 CEST. The video message must not be longer than three minutes. Only video messages in which the shareholder or their representative appears in person are permitted. By submitting the video message, the shareholder or their representative declares their consent that the video message may be published in the shareholder portal stating their name.

We would like to point out that there is no legal right to the publication of a video message. The Company reserves the right not to publish, in particular, video messages with offensive, discriminatory, criminally relevant or obviously false or misleading content or video messages without reference to the Agenda or submitted in languages other than German. This also applies to video messages which are longer than three minutes or video messages which do not fulfill the technical requirements. Only one video message per shareholder will be published.

Further details on the technical and legal requirements for submitting video messages are explained in the shareholder portal.

The video messages are intended to give shareholders or their representatives an opportunity to comment. However, for questions, countermotions, and nominations, the aforementioned procedure applies. We would like to point out that questions, countermotions or nominations which are contained in video messages and which were not submitted as described above, will not be considered.

### OBJECTIONS AGAINST RESOLUTIONS OF THE ANNUAL GENERAL MEETING

Shareholders who duly exercised their voting rights themselves or by granting power of representation, are given the option to object to resolutions passed by the Annual General Meeting by means of electronic communication. Such objections must be submitted to the Company exclusively via the shareholder portal and may be submitted from the beginning of the Annual General Meeting until the Chairman closes the Annual General Meeting. The notary certifying the Annual General Meeting authorized the Company to receive objections via the shareholder portal and will also have access to any objections received.

### FURTHER EXPLANATIONS

Further explanations on shareholders' rights pursuant to §§ 122 section 2, 126 section 1, 127, 131 section 1 AktG in conjunction with § 1 sections 1 and 2 COVID-19 Act are available online at [www.adidas-group.com/agm](http://www.adidas-group.com/agm).

### DOCUMENTS PERTAINING TO THE ANNUAL GENERAL MEETING; PUBLICATIONS ON THE COMPANY'S WEBSITE

This invitation convening the Annual General Meeting with the legally required statements and explanations as well as the further documents and information specified in § 124a AktG are accessible on the Company's website at [www.adidas-group.com/agm](http://www.adidas-group.com/agm) from the convocation until the conclusion of the Annual General Meeting.

A recording of the speech of the Chief Executive Officer will be available on the Company's website after the Annual General Meeting. Furthermore, the presentations held during the Annual General Meeting as well as the voting results will be available on the Company's website in a timely manner after the Annual General Meeting.

### TOTAL NUMBER OF SHARES AND VOTING RIGHTS

As at the date of convocation of the Annual General Meeting, the Company's nominal capital amounts to EUR 200,416,186 divided into 200,416,186 registered no-par-value shares. Each share grants one vote. Therefore, the total number of shares and voting rights amounts to 200,416,186. This total number of shares includes 5,350,126 treasury shares held by the Company at the date of convocation which do not confer any rights to the Company.

## VII. PRIVACY NOTICE FOR SHAREHOLDERS

Please note that adidas AG controls your personal data.

Your personal data will be processed to maintain the share register, to communicate with you as a shareholder and to conduct our virtual Annual General Meeting. The legal basis for processing your personal data is our obligation to comply with statutory provisions and the protection of our legitimate interests.

Further information on data privacy in connection with our virtual Annual General Meeting is available at [www.adidas-group.com/agm](http://www.adidas-group.com/agm). adidas AG will send you a printed copy of this information upon request.

If you have any questions or wish to contact adidas AG for any other reason in relation to the processing of your personal data, please reach out to the Global Privacy Officer or the Global Privacy Team at [adidasPrivacy@adidas.com](mailto:adidasPrivacy@adidas.com) and with the subject 'Shareholder request'.

Herzogenaurach, March 2021

**adidas AG**

**The Executive Board**

**DO YOU HAVE ANY FURTHER QUESTIONS REGARDING THE  
2021 ANNUAL GENERAL MEETING?**

THEN PLEASE FEEL WELCOME TO USE OUR ANNUAL GENERAL MEETING HOTLINE  
AT **+49 89 30903-6341** AVAILABLE UNTIL MAY 12, 2021,  
FROM MONDAY TO FRIDAY BETWEEN 08:00 A.M. AND 06:00 P.M.

YOU MAY ALSO CONTACT THE ANNUAL GENERAL MEETING HOTLINE BY SENDING  
AN E-MAIL TO **ANMELDESTELLE@COMPUTERSHARE.DE**

THE 2020 ANNUAL REPORT IS AVAILABLE  
TO YOU FOR DOWNLOAD AT

**[www.adidas-group.com/reports](http://www.adidas-group.com/reports)**

THE ONLINE VERSION OF OUR  
ANNUAL REPORT IS AVAILABLE AT

**[www.report.adidas-group.com](http://www.report.adidas-group.com)**

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