

**REPORT FROM THE COMMITTEES** *In order to perform our tasks in an efficient manner, we have four Supervisory Board standing committees. We also established the project-related “Herzo-Base” Committee ad hoc. The standing committees prepare specific topics to be dealt with by the Supervisory Board as a whole. [▷ see Supervisory Board, p. 025](#) In a few individual cases, as appropriate by law, we have delegated decision-making powers to these committees. At our Supervisory Board meetings, the chairmen of the committees always reported to us in detail about the committees’ work and meetings, ensuring complete exchange of information and good cooperation between the committees and the Supervisory Board as a whole.*

*The committees’ work in the year under review is summarized as follows:*

⇒ *The Steering Committee, which is authorized to pass resolutions on behalf of the Supervisory Board in special urgent cases, did not meet in the year under review as there was no reason to do so.*

⇒ *The General Committee met three times in 2007. The main topics of this committee’s discussions and resolutions were the structure and amount of Executive Board compensation, as well as the routine review of Executive Board agreements. In addition, the committee approved the extension of a project-related consultancy agreement with one Supervisory Board member until June 30, 2007.*

⇒ *The Audit Committee met four times in 2007. The auditor was always in attendance. Committee members discussed the annual financial statements of adidas AG and consolidated financial statements for 2006 intensively, as well as the half year and nine months results for 2007, as presented by the Executive Board. The auditor reported to the committee on its auditing activities and results in detail, as well as on the implementation of risk management throughout the Group following the acquisition of Reebok. Further, the Audit Committee prepared a Supervisory Board proposal for the Annual General Meeting recommending the appointment of the auditor and obtained the auditor’s declaration of independence. Committee members also established the priority topics for the audit and decided on the auditor’s fee. Additionally, the Audit Committee thoroughly reviewed the Global Internal Audit report on internal auditing activities.*

⇒ *The Mediation Committee again had no reason to meet in 2007.*

⇒ *The “Herzo-Base” Supervisory Board Committee established ad hoc met in December 2007 to deal with the “Sale of Herzo-Base” project.*