

adidas

Retail Employee Handbook



Your Retail Employee Handbook

You are expected to read and understand this handbook as part of your introduction to your employment at adidas. You may also find it helpful to use the handbook as a reference throughout your employment with the Company. The handbook is designed as a communication tool that should answer most of your general employment questions, although it is not an absolute replacement for direct face-to-face communication. If you have any questions about this handbook, your job, or any other job-related issue, we invite you to speak with your supervisor or a representative of the Human Resources (HR) Department.

This handbook applies to all employees of adidas retail stores. This handbook is intended to reduce any confusion that may arise from unwritten or inconsistent policies.

This handbook supersedes any previous oral or written statements or policies, including prior employee handbooks that may be different from this handbook. Updates to the Retail Employee Handbook may be found on the internal company page through aLive or Retail Portal ThinkTime.

Retail Employee Handbook effective October 2020

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Employment

EMPLOYEE RELATIONS AND COMMUNICATION

We care about fair play. We understand that fairness always involves at least two people and two points of view. That's why we operate under an "open door" policy. Our experience has shown that when employees deal openly and directly with management, the work environment is more productive and satisfying for everyone. adidas is committed to providing all employees a welcoming and positive environment which provides the safety, opportunity, and encouragement to create and develop to the best of their ability.

We strive to provide work conditions, wages, and benefits that are fair and competitive with those offered by other similar employers in this region. If you have questions or concerns about any aspect of the terms and conditions of your employment with the Company, we strongly encourage you to voice those concerns in the following order: Contact your immediate supervisor; or if you are not satisfied with your supervisor's response, or if you are uncomfortable going to your supervisor with a particular issue, discuss the issue with the HR Department or another people leader within your function you are comfortable with.

DIVERSITY AND INCLUSION

In sport as in business, diversity is critical to maintaining a competitive advantage and assuring organizational success.

Diversity & Inclusion at adidas means championing individual uniqueness, celebrating the differences and similarities that bring us together, and ensuring that throughout the levels of our workforce Black and Latinx people, other people of color, indigenous people, women, LGBTQ+ people, people with disabilities, and older people are participating fully in our Company.

At adidas:

- We acknowledge the richness of commonalities and differences that we share and the intrinsic worth of each unique employee;
- We know that our products and our commitment to sports, and to the athletes that compete in sports, are enhanced through diverse perspectives.
- We are committed to increasing and maintaining diversity with the Company and using affirmative steps to hire and promote individuals into positions and areas of adidas where they have historically been underrepresented.
- We continually work to create a culture of inclusion in which all employees feel they are integral partners in the Company.
- We hold our managers accountable for shaping a work environment that enables and encourages all employees to perform and develop to their fullest.

A RESPECTFUL AND FAIR WORKPLACE

Respect

We care about having a workplace in which all individuals are treated with respect and dignity. In our workplace, individuals are expected to acknowledge and value the contributions of others, treat others with civility and courtesy, and engage in open and honest communication. We should strive to be professional with our language within and with our consumers and partners. At adidas, individuals are expected not to embarrass or humiliate others, to trivialize or disregard the contributions of others, or to engage in bullying behavior. This behavior is not acceptable even if the disrespectful conduct is not based on any particular characteristic that may be protected under the law, such as race or sex.

The following types of disrespectful conduct are not acceptable at adidas:

- Teasing, name-calling, or making offensive comments (e.g., teasing an employee about being “awkward” or making fun of someone’s clothing)
- Berating, belittling, or humiliating an individual (e.g., excessive personal criticism or pranking new employees)
- Yelling or swearing at an individual (e.g., shouting at someone to express frustration or swearing at an employee who makes a mistake on a project)
- Circulating derogatory comments about an individual in writing or via social media, text messages, or other electronic communication methods (e.g., starting a group text for the purpose of making fun of another employee or using instant messaging to gossip about an employee’s dating life).

While the examples above are not all encompassing, they do provide guidance on actions that do not fit in our workplace. Having a Respectful Workplace policy does not mean that employees and others will not be given honest and critical feedback on their work or conduct. However, at adidas, we expect that such feedback will be delivered in a respectful and constructive manner.

Anti-Discrimination

At adidas, we attract, hire, reward, develop, promote and retain our people ensuring everyone has equal opportunity. It is the Company’s policy to ensure equal opportunities by prohibiting discrimination in all aspects of employment (such as recruitment, hiring, training, compensation and promotions) on the basis of any characteristic covered by this policy and/or protected by law. Such characteristics include:

- sex, including non-binary status;
- Sex stereotyping or gender expression (assumptions about how a person should appear or behave based on their gender)
- pregnancy, childbirth, or pregnancy-related condition (for example, lactation)
- race or color
- national origin or ancestry (what country a person or a person’s family is from) or immigration or citizenship status

- religion (including religious creed, practices, observances and dress)
- age (a person who is over 40, unless otherwise specified by law)
- disability (including physical or mental disabilities) or medical conditions
- genetic information (for example, whether a person carries a genetic marker for a disease)
- sexual orientation (whether the person is lesbian, gay, bisexual, heterosexual or asexual)
- gender identity (whether the person is transgender)
- marital status (whether the person is married, not married, divorced or widowed) or familial status (whether the person has children or not)
- military or veteran status
- status as a victim of domestic violence, sexual assault or stalking
- political affiliation or activity
- or any other status of an individual protected under state or local law.

We are committed to the letter and the spirit of the law. Our goal is to maintain a working environment that encourages the personal and professional development of every employee to their fullest potential within the context of the Company's success and well-being.

Anti-Harassment

One form of discrimination is harassment. adidas prohibits harassment against any individual employed by or associated with adidas. This policy against harassment applies to and protects employees, applicants, interns, customers, contractors, vendors, and participants at meetings and events held by adidas.

adidas prohibits harassment that is based on categories that are protected under the law. Those categories are set forth above. Harassment on these bases is illegal under federal, state, and local law if the unwelcome conduct rises to the level of creating a hostile work environment.

This policy also prohibits *any* form of unwelcome behavior based on the characteristics listed above, even if such behavior may not yet violate the law because it is not yet sufficiently severe or persistent to create a hostile work environment for the individual. At adidas, although there will be proportionate corrective action for different forms of misconduct, *any* form of unwelcome behavior based on these characteristics is prohibited by this policy.

Examples of unwelcome or discriminatory behavior

Here are some examples of behaviors that are prohibited under this policy. They are set forth in increasing levels of severity that would result in increasing proportionate corrective action:

- **Disrespectful communications or conduct that impede a culture of diversity and inclusion in the workplace by subtly disrespecting, devaluing, alienating, or excluding an individual based on their protected status.**

Some examples:

- Assuming an individual speaks for or represents a larger group of individuals of a protected class (e.g., asking one Black person “why do Black people think X?” or asking one Muslim person “why do Muslims believe Y?”)
 - Stereotyping (e.g., depicting all members of a protected class as acting a certain way, such as using images of Black individuals in a slide deck that conform to a specific, white perception and do not represent diverse Black individuals in the marketplace, or assuming that members of one group, but not others, have similar interests, such as targeting team building activities like wine tasting to only female employees)
 - “Neutral” conduct that may be acceptable to some cultures, backgrounds, and perspectives but, in context, insensitive to others and/or based on implicit assumptions (e.g., “Where were you born?” or “You are so articulate!”, or asking a Black male employee wearing a hoodie if he is cold)
 - Coded language or conduct that has the effect of, or is perceived as, limiting or devaluing an employee based on their protected status (e.g., seeking an “urban perspective” from a Black or LatinX employee without valuing their overall expertise)
 - Off-the-cuff offensive and/or insensitive remarks or conduct not directed at a particular individual (e.g., commenting, in passing, “That’s so gay” or “Everyone here is so retarded”)
 - Ignoring, discounting, dismissing, or taking credit for diverse contributions or input (e.g., dismissing a pitch idea because “Why does it always have to be about race?”, aggressively challenging the expertise or experience of a LatinX employee in a meeting, or constantly interrupting/talking over a female employee)
 - Pathologizing cultural values and/or communication styles (i.e. tone management) (e.g., labeling white male managers as “ambitious” and their female counterparts or counterparts of color as “aggressive,” or telling Black and/or female employees to “calm down” or “relax” when speaking passionately but applauding white male employees as “leadership material” for the same behavior)
 - Engaging in or criticizing “cliquey” behavior based on a protected characteristic (e.g., arranging a “bro” happy hour before an adidas event and intentionally not inviting any women, or commenting that groups of Black employees always sit together and are “not trying to fit the adidas mold”)
 - Ignoring a request to cease engaging in what the individual perceives to be disrespectful behavior (e.g., refusing to turn off music that has the N-word or is demeaning to women)
- **Unwelcome communications or conduct based on an individual’s protected status that significantly undermine diversity and inclusion in the workplace and/or harm particular individuals.**

Some examples:

- Verbal or written communications, including jokes, sarcastic comments, name-calling, or intrusive inquiries that are insulting, derogatory, or demeaning about any protected class or an individual’s membership in a protected class (e.g., describing Black men as “thugs,” mimicking a Chinese accent, questioning a transgender employee in a probing manner about using different pronouns, or “joking” that women are “always on maternity

leave”). This includes communications on social media that have an impact on the workplace.

- Overt negative stereotyping based on an individual’s membership in a protected class (e.g., “joking” that a Black employee in a hoody “looks like a gangster robbing the store,” questioning Black female employees about whether they purchased the products in their possession and not questioning white female employees, or making comments that characterize gay men as “flamboyant” or insinuate that LatinX men are gang-affiliated)
 - Objects or pictures displayed or circulated in the workplace, either in hard copy or via social media, texts, or other electronic communication methods, or posted or circulated outside the workplace that have an impact inside the workplace, that are insulting, derogatory, or demeaning about any protected class or an individual’s membership in a protected class (e.g., posting a picture of a scantily-clad centerfold model in the office)
 - Unwelcome comments about an individual’s body or appearance based on the individual’s protected status (e.g., making fun of a gay man for “acting like a girl,” or making suggestive comments on what a woman should wear (e.g., “you look hot in those tight leggings and you should wear them more often”))
 - Treating an employee differently with respect to assignments, scheduling, or training opportunities because of the individual’s protected status (e.g., not assigning a pitch opportunity to a pregnant employee to avoid “burdening” her while pregnant, scheduling a meeting on a religious holiday (e.g., Rosh Hashanah or Eid al-Fitr) and dismissing any concerns raised, not putting a LatinX employee on a team because of concerns that the employee was an “affirmative action hire” who will not be able to handle the pressure, or suggesting that a female employee was selected for an opportunity because she is “sexy,” not because she is qualified)
- **The most serious forms of harassment or discrimination based on a person’s protected status.**

Some examples:

- Use of racial slurs and/or verbal or written derogatory epithets, including those posted on social media that have an impact inside the workplace
- Bullying behavior (e.g., spreading malicious rumors or a sustained pattern of offensive name-calling or teasing), based on a person’s protected status
- Physical assault (e.g., hitting, shoving, kicking, punching, etc.) based on a person’s protected status
- Intimidation or coercion based on a person’s protected status that causes a person to be fearful for their well-being or personal safety (e.g., stalking a fellow employee, blocking or impeding someone’s movement for an unwelcome or inappropriate purpose, frequent texting or emailing threats, or displaying objects that are intended to intimidate or threaten (e.g., hanging nooses, displaying swastikas or Confederate flags))
- Treating an employee differently with respect to hiring, firing, or promotion because of an individual’s protected status (e.g., rejecting a candidate applying for a position with an “ethnic” last name based on the assumption that the candidate would need a visa, not promoting a female candidate out of fear that she would have kids shortly after promotion, or

not hiring a Muslim applicant because the hiring manager did not want to deal with someone taking breaks to pray “all the time”)

- Viewing, sharing, or disseminating pornographic material inside the workplace or in a manner that has an impact inside the workplace
- Repeated and unwelcome comments, phone calls, voice mail messages, emails, and/or text messages of a sexual nature, including repeated and unwelcome pressure for dates
- Requests or demands for sexual favors in exchange for favorable or preferential treatment or threats or acts of retaliation for refusal to provide sexual favors
- Unwelcome touching or physical contact of a sexual nature
- Harassing, threatening, or taking other retaliatory action as a result of or in anticipation of an individual’s filing of a complaint
- Lying during an investigation of a complaint or concealing or destroying information related to the complaint

As should be clear from the examples above, harassment on the basis of sex may be overtly sexual, or it may not be sexual at all but still be unwelcome behavior based on an individual’s status as male, female or non-binary.

The behavior prohibited by this policy is not limited to the physical workplace. You must follow this policy when you are traveling for business, attending an adidas sponsored event, or socializing with adidas employees outside of the workplace. You may not engage in the behavior prohibited by this policy via calls, texts, emails, blog posts, or other social media, even if you are away from the workplace, using your personal device, or acting during non-work hours. adidas will not tolerate such behavior if it has an impact on the workplace.

Anti-Retaliation

To have a culture in which every individual is treated with respect and is protected from bullying harassment, or discrimination, individuals who experience or observe such behavior must feel safe in reporting the behavior. This policy prohibits retaliation against any individual who has reported behavior prohibited by this policy.

This policy also prohibits retaliation against anyone who has assisted someone else in reporting behavior prohibited by this policy, has participated in an investigation of the alleged misconduct, or has filed a claim with the EEOC or any other governmental agency.

This policy prohibits all forms of retaliation in the workplace. Retaliation may consist of deliberate actions that can cause harm on a professional level (for example, removing a person from an important project or not providing necessary information on a project or reducing someone’s scheduled work hours) or on a social level (for example, ostracizing the person within the work team.) All forms of retaliation are prohibited by this policy and adidas will take swift corrective action against any individual found to have engaged in retaliation.

Honesty and cooperation are essential to ensuring an effective investigation process. If someone is determined to have made an intentionally false allegation or to have lied in an investigation, then that person will be subject to corrective action, up to and including termination.

Reporting, Investigations, and Corrective Actions

adidas encourages reports of violations of this policy as soon as possible after a violation has occurred. ***The best time to correct a violation of this policy is as early as possible.***

If you experience disrespectful, bullying, harassing or discriminatory behavior, we encourage you to talk directly with the individual engaging in that behavior if you feel comfortable doing so. If not, or if the behavior continues, we encourage you to use any of the following reporting options:

- Your supervisor, or any member of management with whom you feel comfortable;
- Your Human Resources Business Partner or any senior Human Resources leader; or
- Our anonymous telephone hotline known as the Fair Play Hotline. The local USA number is 1-866-901-3295. You can also report online at <https://www.safecall.co.uk/file-a-report/>

If you feel you have experienced discrimination or harassment, you may also submit the complaint form [here](#) to your supervisor, your Human Resources Business Partner or any senior Human Resources leader.

In addition to the above reporting channels, you may also report discriminatory and/or harassing conduct to the U.S. Equal Employment Opportunity Commission (EEOC). The EEOC will take in your complaint and will send us a notice that you have filed a complaint with the agency. You can reach the EEOC through this link: www.eeoc.gov/employees/charge.cfm or you can call 1-800-669-4000.

You can also file a complaint with a local or state agency responsible for handling complaints of discrimination and harassment. Please see the section on State Specific Information for information on how to contact your state agency.

A supervisor who receives a report of harassment, or who observes harassment, must report such behavior through the appropriate channels. The supervisor must make that report even if the person who has made the complaint does not wish the incident to be reported or investigated.

adidas will conduct a fair, thorough, and timely investigation into reports of behavior that violate this policy that provides all parties involved notice of the allegation and an opportunity to be heard and that will reach a reasonable conclusion based on the evidence gathered. adidas will keep the investigation confidential to the greatest extent possible, consistent with a fair and full investigation. The Company expects all employees who are asked to participate in an investigation to cooperate and maintain confidentiality during the course of the investigation.

If an investigation reveals a violation of this policy, adidas will take corrective action that is proportionate to the prohibited behavior. Proportionality means that the corrective action may include a verbal feedback, written warnings, suspension (with or without pay), demotion and/or termination of employment. It may also include coaching and training for the individual found to have engaged in the prohibited behavior. For more information and examples, please see the Corrective Action Matrix [here](#). The matrix is intended to assist in determining the appropriate level of corrective action to address a finding of misconduct or violation of adidas policy; it does not prescribe or mandate specific corrective action in any case. The Company will still exercise discretion and judgment in recommending or determining a course of corrective action based on the specifics of each case.

Whether or not a violation of the policy is found, preventive action may include additional training for some or all employees.

Fair Pay

The Company supports the principle of equal opportunities and believes all employees—regardless of sex, race, or any other protected characteristic covered by the anti-discrimination section of the Company’s Fair Employment policy—should receive equal pay for work of equal value. The jobs need not be identical, but they must be substantially equal. Job content (not job titles) determines whether jobs are substantially equal. All forms of pay are covered by this policy, including salary, overtime pay, bonuses, profit sharing and bonus plans, life insurance, FTO and holiday pay, allowances and benefits.

Pay Practices

No employee is prohibited from disclosing the amount of their wages. The Company will not terminate, demote, suspend, or otherwise discriminate or retaliate against an employee who makes such a disclosure or because an employee exercises their rights or supports or encourages other employees in exercising their rights, under Equal Pay Laws.

Disability, Pregnancy, and Religious Accommodation

adidas is committed to fostering a work environment that values diverse perspectives and treats all individuals with respect and dignity. As part of this commitment, adidas provides reasonable accommodations to qualified individuals in accordance with applicable law.

We recognize that sometimes an individual’s mental or physical disability may make it difficult for that individual to apply for a job or to perform certain job duties without some modifications. Employees who are pregnant may need certain modifications with regard to their jobs as well. Likewise, at times an individual’s religious observances or practices may come into conflict with their job duties, work schedules, or other aspects of employment.

In such situations, adidas will endeavor to reasonably accommodate an applicant’s or employee’s mental or physical disability, pregnancy, or sincerely held religious observances or practices. Subject to the terms of this policy, reasonable accommodations will be provided where necessary to enable an employee to perform the essential duties of their job, resolve a conflict with a job requirement, or remove a potential barrier to employment opportunities.

▪ Disability Accommodations

adidas will provide reasonable accommodations to qualified individuals with a mental or physical disability where such an accommodation will enable the individual to perform the essential functions of their job and will not pose an undue hardship.

Accommodations can include, for example: making existing facilities accessible; job restructuring; part-time or modified work schedules; acquiring or modifying equipment; changing tests, training materials, or policies; providing qualified readers or interpreters; and reassignment to a vacant position. With or without a reasonable accommodation, employees and applicants must be able to perform all essential duties of the position they hold or the job for which they are applying.

▪ Pregnancy Accommodations

adidas prohibits discrimination on the basis of pregnancy or a condition related to pregnancy, including lactation or the need to express breast milk for a nursing child. In furtherance of our commitment to protecting these rights, adidas will make reasonable accommodations needed by employees or applicants because of pregnancy, childbirth, or related conditions, including lactation or the need to express breast milk for a nursing child.

Examples of such accommodations include: modifications to the employee's work duties or schedule, providing longer or more frequent bathroom breaks, provision of special furniture or equipment, assistance with heavy work, a private space for expressing milk, time off to recover from your pregnancy, or temporary transfer to a less strenuous or hazardous position. An employee is not required to accept an accommodation that the employee did not request and does not want. An employee has the right to continue working during her pregnancy if a reasonable accommodation is available which would allow the employee to continue performing her job. adidas will engage in an interactive process with the employee to determine an appropriate accommodation.

adidas will not discriminate or retaliate against an employee who requests an accommodation. These accommodations will be provided in the same manner that they are provided to other employees similarly limited in their ability to work.

In addition, if an employee's pregnancy gives rise to a medical condition covered under the ADA that requires an accommodation, or is otherwise required by law, adidas will engage in an interactive process with the employee to determine if there is a reasonable accommodation that does not pose an undue hardship and will enable the employee to perform the essential functions of her job.

▪ **Religious Accommodations**

adidas will reasonably accommodate an applicant's or employee's sincerely held religious observance and/or practices when necessary to resolve a conflict between the individual's observance and/or practices and a requirement of the employee's job, unless doing so would create an undue hardship for adidas.

Process for Receiving an Accommodation

If you believe you need a reasonable accommodation under this policy, you should bring your request to your supervisor or the HR Department.

Your request for an accommodation will be kept as confidential as possible. The only people who will have access to your request and the supporting information you provide will be those who are involved in evaluating your request for an accommodation, those making the accommodation, or those who have a need to know for other business reasons.

After receiving your request, adidas will engage in a dialogue with you to identify the precise limitations or conflicts resulting from your disability, pregnancy, and/or religious observance. This dialogue is intended to be an interactive process and is designed to ensure that determinations about reasonable accommodations are made on an individualized basis.

adidas encourages you to suggest specific reasonable accommodations that you believe would help you perform the essential functions of your job. However, adidas is not required to make the specific accommodation requested by you and may provide an alternative, effective accommodation.

If the basis for your requested accommodation is not obvious or already known, adidas may require you to provide additional information. Individuals requesting accommodations based on a disability or pregnancy may be asked to have their health care provider submit a medical certification setting forth the nature and estimated duration of their restrictions, and the reason why the disability or pregnancy requires the type of accommodation requested. adidas will keep all medically-related information confidential in accordance with the requirements of applicable federal, state or local laws and retain such information in separate confidential files.

Individuals seeking religious accommodations may be asked to provide information about their religious observance or practice and why the accommodation requested is needed.

If you fail to provide the requested information, your request for an accommodation may be denied.

adidas strives to make determinations expeditiously and will inform you as soon as a determination has been made. If you have any questions about the status of your accommodation request, please contact your Human Resources Business Partner.

Individuals will not be retaliated against for requesting a reasonable accommodation.

SPECIFIC STATE INFORMATION

In addition to the reporting channels described above, you may also report discriminatory and/or harassing conduct to the following agencies:

Massachusetts

United States Equal Employment Opportunity Commission: JFK Federal Building, 475 Government Center, Boston, MA 02203, 1-800-669-4000.

The Massachusetts Commission Against Discrimination: One Ashburton Place, Sixth Floor, Boston, MA 02108, (617) 994-6000.

Oregon

United States Equal Employment Opportunity Commission: Federal Office Building, 909 First Ave., Suite 400, Seattle, WA 98104, 1-800-669-4000.

The Oregon Civil Rights Division: 800 NE Oregon St., Suite 1045, Portland, OR 97232, (971) 673-0764.

Oregon state law requires that any legal action taken on alleged discriminatory conduct (specifically that prohibited by ORS 659A.030, 659A.082 or 659A.112) be filed no later than five years after the alleged unlawful conduct. Other applicable laws may have a shorter time limitation on filing.

California

United States Equal Employment Opportunity Commission: 1301 Clay St., Suite 1170-N, Oakland, CA 94512, 1-800-669-4000; 96 N. Third St., Suite 250, San Jose, CA 95112, 1-800-669-4000; 2300 Tulare St., Suite 215, Fresno, CA 93721, 1-800-669-4000.

The California Department of Fair Employment and Housing: 2218 Kausen Dr., Suite 100, Elk Grove, CA 95758, (916) 478-7251.

Illinois

United States Equal Employment Opportunity Commission: JCK Federal Building, 230 S Dearborn St., Chicago, IL 60604, (312) 872-9744.

The Illinois Department of Human Rights: James R. Thompson Center, 100 West Randolph Street, 10th Floor, Chicago, IL 60601, (312) 814-6200; 535 W. Jefferson Street, 1st Floor, Springfield, IL 62702, (217) 785-5100.

The Illinois Sexual Harassment and Discrimination Helpline: 1-877-236-7703.

New York

United States Equal Employment Opportunity Commission: 33 Whitehall Street, 5th Floor, New York, NY 10004, 1-800-669-4000.

New York State Division of Human Rights: One Fordham Plaza, 4th Floor, Bronx, NY 10458, 1-888-392-3644.

In addition, other states have their own agencies responsible for handling complaints of discrimination and/or harassment and you may also contact them for further information on how to report complaints. These agencies generally require that complaints be filed within 300 days of the alleged unlawful conduct, subject to applicable law.

Although employees may contact applicable state enforcement agencies at their discretion, adidas is also committed to responding quickly and effectively to any internal report of harassment or discrimination, and hopes that all employees will feel comfortable coming forward and allowing us to pursue a resolution of the matter internally.

Specific State Requirements

The following policies apply to employees who primarily work in one of the states listed below. To the extent any of the following policies are inconsistent with the policies identified in the Employee Handbook, the policy that grants employees greater rights or protections is applicable to those employees who primarily work in that state. For more information regarding the applicability of any policy, please contact Human Resources.

OREGON

Nondisclosure or Nondisparagement Agreements

Under this policy, a nondisclosure agreement is any agreement by which one or more parties agree not to discuss or disclose information regarding any complaint of work-related harassment, discrimination, or sexual assault.

A nondisparagement agreement is any agreement by which one or more parties agree not to discredit or make negative or disparaging written or oral statements about any other party or the company.

A no-rehire provision is an agreement that prohibits an employee from seeking reemployment with the company and allows a company to not rehire that individual in the future.

The company will not require an employee to enter into any agreement if the purpose or effect of the agreement prevents the employee from disclosing or discussing conduct constituting discrimination, harassment, or sexual assault.

An employee claiming to be aggrieved by discrimination, harassment, or sexual assault may, however, voluntarily request to enter into a settlement, separation, or severance agreement which contains a nondisclosure, nondisparagement, or no-rehire provision and will have at least seven days to revoke any such agreement.

CALIFORNIA

In addition to the protected characteristics enumerated in the Fair Employment policy, adidas is committed to fostering a work environment that is free from all forms of harassment or discrimination on the basis of any legally protected characteristic, including age, race (including traits historically associated with race, including, but not limited to, hair texture and protective hairstyles), religion, creed, color, national origin, ancestry, sex, sexual orientation, gender (including gender identity and expression), alienage or citizenship status, transgender, military or veteran status, physical or mental disability (actual or perceived), medical condition, AIDS/HIV, denial of family and medical care leave, genetic information, predisposition or carrier status, pregnancy status, childbirth, breastfeeding (or related medical conditions), marital status or registered domestic partner status, political activity or affiliation, arrest record, status as a victim of domestic violence, sexual assault, or stalking, or taking or requesting

statutorily protected leaves, or any other classification protected by federal or state law or local ordinance or regulation.

NEW YORK

adidas specifically prohibits discrimination and retaliation on the basis of an employee's or a dependent's reproductive health decision making, including, but not limited to, the decision to use or access a particular drug, device or medical service. Additionally, adidas will not require you to sign a waiver or other document which purports to deny you the right to make your own reproductive health care decisions. adidas encourages any employee who believes they were subject to discrimination or retaliation on the basis of a reproductive health decision to inform their manager or Human Resources, orally or in writing. In addition to submitting a complaint to adidas, employees who are subject to discrimination or retaliation in violation of this provision may bring a civil action in a court of competent jurisdiction.

Remedies for victims of reproductive health decision making discrimination or retaliation may include a requirement that adidas take action to stop the discrimination, or redress the damage caused, potentially including injunctive relief (such as ordering reinstatement) and/or paying monetary damages (such as back pay), liquidated damages, benefits, attorney's fees and/or civil fines. For purposes of this provision, retaliation means discharging, suspending, demoting, or otherwise penalizing an employee for making or threatening to make a complaint that their rights under this provision were violated, initiating any proceeding to enforce their rights under this provision, or providing information or testifying to any public body conducting an investigation, hearing, or inquiry into alleged reproductive health decision making discrimination or retaliation.

EMPLOYMENT AT WILL

adidas is an "at-will" employer. This means the employment relationship is not for any specific period of time and may be terminated by you or the Company at any time for any reason. For more information, see the "Termination of Employment" section later in this handbook. Upon termination of employment, employees are entitled only to those programs in force at the time of termination.

Your Job

JOB CLASSIFICATIONS

The number of hours you are regularly scheduled to work and the nature of your job responsibilities determine your job classification. These classifications are important because they identify your eligibility for benefits and overtime payment.

Classification	Work Schedule	Benefit Eligibility
Regular Full-Time	Regularly scheduled to work a minimum of 30 to 40 hours per week*	Eligible for benefits sponsored by the Company. Refer to your Retail Benefits Guide for details.
Regular Part-Time	Regularly scheduled to work less than 30 hours each week* Not eligible for benefit programs sponsored by the Company, except can contribute to the 401(k) Plan after completing eligibility period.	
Limited-Duration	Hired for a predetermined, limited period of time (no longer than 90 days), generally intended to assist during a busy season, such as a Back-to-School or Holidays*	Eligible for benefits sponsored by the Company. Refer to your Benefits Guide for exceptions and details.

*You will be informed of your job classification when you are hired. Your status can only be changed by written authorization from the HR Department. Store managers must report to HR when an employee's status has changed. At the end of each calendar year, HR reviews hours to ensure employees are classified under the correct status based on their average hours worked.

EXEMPT AND NONEXEMPT STATUS

The Fair Labor Standards Act (FLSA) is a federal law governing overtime work. All employees covered by this act, called “nonexempt,” receive overtime pay when they work more than 40 hours in a workweek (or as defined by state law). Some salaried employees are classified as “exempt” by the FLSA or applicable state laws, and those employees are not eligible for overtime pay. Exempt positions are typically those with management, executive, professional, or administrative responsibilities.

Your position and its responsibilities determine whether you are classified as exempt or nonexempt. You will be informed of your eligibility for overtime pay when you are hired. Your status can only be changed by written authorization from the HR Department.

YOUR SCHEDULE

The workweek is Monday 12:00 a.m. through Sunday 11:59 p.m. Days and hours of operation vary significantly by store and location. The specific days and hours you work will depend on your position and the needs of your store and our customers. You and your supervisor will review your specific work schedule along with other scheduling details, such as requested days off. The days and hours you work may change weekly and you may occasionally be required to work overtime. You are responsible to check your schedule weekly.

Rest Breaks and Meal Periods

We encourage all employees to take periodic breaks from the hectic pace of a typical workday. While all employees are encouraged to take periodic break from work, nonexempt employees (see the “Exempt and Nonexempt Status” section on this handbook) are required by law to take two rest breaks and a meal period during an eight-hour day. Nonexempt employee receives one 10-minute paid rest break as part of every four hours worked. Rest breaks may be taken informally during your day. You should notify your supervisor if factors such as work volume are making it difficult for you to take you rest breaks.

Nonexempt employees receive a 30- to 60- minute unpaid meal period if they work at least a five-hour shift. You make take your meal period whenever you like, preferably during the midpoint of your day. If your position requires coordination of your duties during your absence, your supervisor will schedule you breaks and meal period.

adidas complies with all local, state, and federal laws regarding rest and meal periods and work schedules.

ATTENDANCE AND PUNCTUALITY

Your consistent, on-time attendance is essential to the smooth operation of your store. All employees are expected to be at work and ready to work no later than the scheduled reporting time and work their entire scheduled shift. If an employee must be absent from work, permission should be requested from the manager in advance. Excessive tardiness and poor attendance are disruptive to our operation and may lead to disciplinary action up to and including termination of employment. Employees requesting time off must submit the request two weeks in advance so management can make scheduling easier for both parties.

Please refer to the current adidas Retail Attendance Policy for complete details on our attendance program.

Inclement Weather

Occasionally, extreme weather conditions make it difficult for employees to get to work. If there is a question about whether the store will remain open, you should call before your starting time. Discuss the specific inclement weather call-in procedure for your location with your supervisor.

If the store closes due to inclement weather before your scheduled shift begins or you are notified by a member of management not to report to work due to inclement weather, you will not be paid. If the store closes early or opens late due to inclement weather, you will be paid for the number of hours you were scheduled to work, pending you were able to arrive.

Whenever the store is open, you are encouraged to make every effort to arrive at work. If you are reluctant to drive in threatening weather, you are encouraged to use public transportation.

If the store is operating normally, but you are unable to come to work, or if you must arrive late or leave early due to inclement weather, it will be unpaid or you will be required to use any available Flexible Time Off (FTO).

PERSONNEL RECORDS

adidas maintains personnel records for each employee. Generally these records contain various records of your employment, such as your new-hire paperwork, performance reviews, etc. Certified copies of your records are available and a nominal charge may apply. If you wish to receive a certified copy of your records, forward a written request to the HR Department. If you disagree with anything in your records, you may add a statement of disagreement.

Information Changes

It is important that you personnel records be kept up-to-date. We rely on you to notify us of any changes in personal information. This information includes mailing addresses, telephone numbers, number and names of dependents, marital status (if a change in marital status will change your tax withholding or benefit eligibility or use), tax withholding, emergency contact individuals, educational accomplishments, etc. When you have any changes in your personal information, forward a written request to the HR Department.

REFERENCE CHECKS AND VERIFICATION OF EMPLOYMENT

Reference verification is an important step in the recruiting process. It helps to ensure that individuals who join our team are well qualified and have strong potential to be productive and successful. We may obtain verification of a candidate's employment history before we extend an offer of employment.

Our HR Department also responds to reference check inquiries from other employers. Standard responses only include name, dates of employment, and position(s) held. If you would like us to provide additional information, your prior written authorization is needed.

SEPARATION OF EMPLOYMENT

While we hope your employment with adidas will be long and mutually rewarding, the length of that employment is not guaranteed or promised for any fixed period. You or the Company may end your employment at any time for any reason. Whenever possible we appreciate advance notice of a resignation. Below are some examples of the most common reasons employment may be separated:

Resignation: Voluntary employment termination initiated by the employee.

Discharge/Dismissal: Involuntary employment termination initiated by the organization for disciplinary reasons.

Layoff: Involuntary employment termination initiated by the organization for non disciplinary reasons.

Exit Interview

You may be asked to participate in an exit interview with an HR representative via mail. Generally, this would include the reason for termination and an opportunity for you to voice suggestion, concerns, and questions.

Generally, final paychecks are issued on the next regularly scheduled payday or as required by state law.

Status of Your Health Benefits and 401(k) Upon Termination

If you are enrolled in the Company health benefits program and your employment terminates, your health benefits will be effective through the last day of the month which your termination occurred. A federal law, the Consolidated Omnibus Budget Reconciliation Act (COBRA), provides the opportunity for benefit continuation when your employment terminates. COBRA information, including the costs of the program, will be sent to your home address.

Federal laws allow you to roll over the funds in your 401(k) plan account into another qualified retirement plan. Information about rollover funds will be sent to your home address. Until your 401(k) funds are distributed, you will be able to access your fund information any time your 401(k) balance is less than \$5,000, you may be required to take a distribution or rollover your funds.

If you have questions about benefit continuation under COBRA or 401(k) rollover, contact the HR Department.

REHIRE

For former employees rehired within one year, your date of hire will be reset to your original date of hire. If your employment with the Company ends for any reason, and your break in service is greater than one year you will be considered a new employee if you are rehired. Your hire date will be your most recent date of hire. You will be subject to all applicable waiting periods. For 401k vesting purposes (discretionary contribution only) credit will be provided to employees for those years in which they worked 1000+ hours.

Your Pay

Your pay is determined by your specific job responsibilities, your job performance, the skills and qualifications required for the job, and market and economic conditions.

PAYROLL

There are 26 pay periods each year. We issues paychecks every other Friday. Nonexempt employees receive their paychecks Friday after the pay periods ends. Exempt employees receive their paychecks on the Friday of the pay period. If a payday falls on a holiday, you will be paid on the preceding workday.

Payroll Deductions

The law requires us to make certain deductions from your paycheck, such as federal income tax withholdings, Medicare, and Social Security taxes. In addition, you may authorize automatic deductions from your paycheck to cover the costs of participating in a variety of benefit and other programs. For example, you may request automatic deductions for your portion of health insurance premiums, 401(k) contributions, and Section 125 flexible spending plan contributions.

With each paycheck, you will receive a statement showing gross pay, deductions, and net pay. If you have questions concerning your paycheck, contact the Payroll Department.

We strongly encourage you to have your paycheck automatically deposited in your bank account via direct deposit. This is the safest, most reliable way to transfer your pay from the Company to you. If you participate in direct deposit, you'll receive a check stub detailing your deposit on payday. Forms for direct deposit are available on ThinkTime.

TIMEKEEPING

It is your responsibility to make sure that your work hours are recorded accurately. Altering or falsifying your time record, or completing another employee's time record is prohibited. Both may be ground for disciplinary action up to and including termination. If an error is made recording your time, contact your supervisor to make the necessary corrections with the Payroll Department.

Employees must record their time each day they work. Employees working without being clocked-in and management personnel who require employees to work without clocking in is unacceptable. Falsification of a timecard or furnishing misleading or inaccurate information for another employee is prohibited.

OVERTIME

For payroll purposes, the workweek is Monday 12:00 a.m. through Sunday 11:59 p.m. Due to the nature of our business, you may be expected to work overtime. If your position is nonexempt (eligible for overtime compensation), you will receive 1 ½ times your regular rate of pay for every hour over 40 hours in the workweek or as defined by state law. (For more information about exemption, see the "Exempt and Nonexempt Status" section in this handbook.)

Holidays, flexible time off (FTO), bereavement, and jury duty are not considered time actually worked when calculating hours worked for overtime purposes.

Nonexempt employees must obtain supervisory approval in advance in order to work overtime or take work home.

FLEXIBLE TIME OFF (FTO)

We believe that a paid time off as a period of rest and relaxation is desirable in providing a healthy work environment. It is our intent that you take advantage of all vacation to which you are entitled during each calendar year.

FTO provides you with paid periods of time away from work for vacation, relaxation, recreation, personal business, illness or any other reason. FTO replaces traditional vacation and sick leave programs. It gives you the opportunity to decide how you want to use your paid time away from work. We offer FTO to all retail employees.

Please review FTO policies on Think Time for details.

COMPENSATION PHILOSOPHY

adidas strives to be the best at what we do, so we need to attract, retain and reward a diverse group of qualified, dedicated and performance driven employees at all levels and across all functions in our Company. We need our employees to:

- Understand our business and contribute to its success
- Be innovative in the jobs they perform
- Represent adidas well internally and externally
- Take accountability for their own career growth and development
- Thrive in an atmosphere of change and ambiguity
- Act as leaders

In return, we commit to:

- Sharing information about our business
- Providing opportunities for career growth
- Encouraging self-development
- Recognizing contributions to the business
- Providing competitive – based pay and benefits

Competitive Pay

When we think about pay, we not only consider cash compensation, but also other components such as:

- Health benefits
- 401(k) plan
- Flexible time off

COMPENSATION REVIEWS

We strive to keep all employees motivated, challenge, and fairly rewarded for their contributions to the Company's success. Our goal is to review your compensation annually during your annual performance review. However, a compensation review does not guarantee an increase in pay. Changes in compensation are based on a number of factors. These factors include business conditions and profitability, market factors, your performance, etc. In addition to annual reviews, your compensation may be adjusted when you are promoted or have a significant increase in your job responsibilities.

BONUS PROGRAM

adidas wants our employees to strive for glory, to beat their own best. As part of our performance culture, we offer many incentives to help employees achieve their goals. One performance-based incentive we offer to employees is the adidas Retail Bonus Program.

Please refer to the adidas Retail Bonus Program guidelines for complete details.

Employee Development

PERFORMANCE REVIEWS

We place a high value on providing performance feedback to employees. All employees should have a clear understanding of our performance standards. As a new employee, discuss the performance expectations of your position with your supervisor as soon as possible and review the performance appraisal form. If you do not understand what is expected of you, ask questions until you do.

It is important to maintain open communication with your supervisor regarding your performance and career objectives. Performance is a key component of your career development with adidas. The performance review program provides an excellent opportunity to track your objectives and make adjustments necessary to achieve your career goals.

Performance review will be conducted on an annual basis. However, if you would like a performance review more frequently, let your supervisor know.

CAREER OPPORTUNITIES

We encourage you to develop your career within the organization, and we support promotion from within. We post job openings to inform employees of opportunities and to identify qualified, interested applicants. Most job openings may be found on the HR intranet site and remain open for a minimum of three days.

Employees are expected to remain in their current positions for a minimum of 12 months before applying for vacant positions. This guideline protects managers from having newly-hired employees or transferees apply for new positions after less than 12 months when the business needs cannot support the frequent rotation of employees. If business needs allow, managers may waive the 12 month requirement. When managers sign the internal application, they acknowledge their approval to allow an employee to apply for their vacant position. They also acknowledge they have considered the employee's length of time in his/her current position and qualifications.

Qualified internal candidates should be interviewed for vacant positions. Managers are not required to interview internal candidates who do not meet the minimum qualifications for the position. If managers interview, but choose not to offer the position to an internal candidate, managers should contact the internal candidate and explain that they have selected a more qualified candidate.

Retail Management

RETAIL POLICY AND PROCEDURE MANUAL

As a member of the management team, you are held responsible for all policies and procedures outlined in the adidas Retail Policy and Procedure Manual. You are also help responsible to follow all policies and procedures in the manual and agree to direct the store staff to do the same at all times.

Failure to follow these procedures as outlined, or failure to require the staff to do the same, will result in disciplinary action, up to and including termination.

STORE OPENING AND CLOSING RESPONSIBILITIES

It is the responsibility of every key carrier in every store to adhere to mall hours in terms of opening and closing. This means the doors must open promptly and do not close early (unless weather requires and you have obtained district manager approval prior to closing).

Opening and closing the store is a major job responsibility of management. There may be situations on occasion that there may only be one member of management to open and/or close.

In addition, it is also your responsibility to read and adhere to the adidas opening and closing procedures of the store.

Leaves of Absences

Occasionally, you may need to be away from work for an extended period of time. You may be recovering from an illness, enjoying the arrival of a new child, or fulfilling civic or military responsibilities. That is why we offer the following leaves of absence, subject to eligibility requirements and your supervisor's approval:

- Family Leave
- Military Leave
- Bereavement Leave
- Parental Leave
- Maternity Leave
- Personal Leave
- Medical Leave
- Crime Victim Leave
- Civic/Jury Duty Leave

We comply with all applicable state and federal laws in making any determination relating to a leave of absence. You must contact the HR Department when considering any type of leave

This is only a brief overview of the policies governing leaves of absence and should not be relied upon as a complete description of your rights and obligations. The complete leave of absence policies are available from the HR Department or on the company intranet HR page.

REQUESTING A LEAVE

You should advise your manager and the HR Department at least 30 days in advance of the anticipated starting date of the leave, except in an emergency or unusual circumstance. If you request leave for medical reasons, you will be provided with the Certification of Healthcare Provider form for your physician or licensed healthcare provider to complete. After applying for a leave of absence, you will be advised of your eligibility for FMLA and/or any state leave protection.

RETURN TO WORK FOLLOWING A LEAVE

Before you return to work after your own serious health condition, you may be required to provide a medical certification from your healthcare provider stating that you are able to resume work. To the extent required by law, you will be reinstated to the same position you held at the start of the leave or to a position with equivalent benefits, pay, and other terms and conditions of employment. You will not retain these same reinstatement rights, however, if your positions would have been eliminated or restructured had you not been on leave. In that case, every effort will be made to provide you with an available position that is as close as possible to your previous position. Failure to immediately return upon expiration of your leave may be considered a voluntary termination of your employment.

ELIGIBILITY

All full-time and part-time employees are eligible to apply for a leave once meeting with minimum service requirements. A minimum service requirement and maximum length for each leave are found in the individual policies.

TYPES OF LEAVE

Family Leave

The purpose of this leave is to take care of seriously ill family member. Qualified family members include spouse, parent, and child. The law also provides that if a person has acted "in loco parentis" to the employee, the employee may consider that person their "parent." Likewise, if there is a child to

whom the employee act, or has acted, “in loco parentis,” that child may be considered the employee’s child.

Medical Leave

Medical Leave is available to an employee who needs to recuperate from his/her own injury, illness or childbirth.

Maternity Leave

Time off for a mother before and after the birth of a child.

Parental Leave

Parental Leave is taken to care for an employee’s newborn, newly adopted or newly placed foster child under 18 years of age, or for a newly adopted or newly placed foster child 18 years of age or older who is incapable of self-care because of a physical or mental impairment.

Personal Leave

Occasionally, personal situations or obligations require an extended period of time away from work. Personal Leave is used to take care of compelling personal situations such as family emergencies or situations not covered by Family, Parental or Medical Leave, educational opportunities that are work-related, or time to resolve certain situations that may otherwise result in termination. We reserve the right to initiate Personal Leave if it seems to be in your best interest and that of the Company. Reasons for Company-initiated leave of absence vary.

Bereavement Leave

The loss of a loved one is difficult. In the event of a death of a family member, Bereavement Leave is available for time off to grieve.

Civic/Jury Duty Leave

Civic/Jury Duty Leave is available to employees to fulfill their civic responsibilities by participating in elections, serving on jury duty, or acting as a subpoenaed witness (excluding any litigation in which an employee is involved as a named plaintiff or defendant).

Military Leave

Military Leave is available to employees who enter, voluntarily or involuntarily, the Uniformed Services to the United States. Military leave is available for active duty, active or inactive duty for training, evaluation for fitness for military duty, or funeral honors performed by the National Guard or reserve members. Military Leave also may be available to employees who are members of the organized militia of the state.

Crime Victim Leave

Crime Victim Leave provides time off for an employee who has been the victim of a crime, or whose family member has been the victim of a crime, to attend criminal proceedings under the terms of this policy and applicable law.

FAMILY AND MEDICAL LEAVE ACT (FMLA)

In this section, we describe the provisions of the federal Family and Medical Leave Act (FMLA) of 1993. In some cases, you may have additional benefits, depending on the state where you work. FMLA is a federal law that allows employees who meet certain eligibility requirements to take up to 12 weeks of leave in a 12-month period to fulfill family obligations or to care for certain medical conditions without interruption to your Company-sponsored benefits.

FMLA Eligibility

- One year of service
- A minimum of 1,250 hours worked during the 12-month period prior to the leave start date.

FMLA Qualified Reasons for Leave

- The birth, adoption of a child, or placement of foster child,
- To care for the serious health condition of your spouse or domestic partner, minor child, your own parent, or parent-in-law,
- Your own serious health condition.

SF Paid Parental Leave Ordinance

If you work in the San Francisco area, and request to take time off to take care for a newborn, newly adopted or newly placed foster child under 18 years of age, you may be eligible for the San Francisco, CA Paid Parental Leave supplemental compensation. If eligible, you may receive supplemental compensation for a period of six weeks. See your Human Resource Representative for more details.

Working Together

EMPLOYEE CONDUCT

Certain standards are necessary for the efficient operation of the organization. These standards are for the benefit and protection of the rights and safety of everyone. Conduct that interferes with our operation, brings discredit to the organization, or is offensive to customers or co-workers will not be tolerated and may lead to disciplinary action up to and including termination.

All employees are expected to conduct themselves professionally and behave in a manner that contributes to the efficient operation of the Company. Individuals may be disciplined for inappropriate workplace conduct, poor job performance, violations of procedures or policies, or other conduct or behavior that we feel requires discipline.

Discipline may be verbal counseling, written warnings, suspension, and/or dismissal. We apply discipline as appropriate given the circumstance of each situation. Depending on the circumstance, however, immediate dismissal without notice may be imposed.

If you have questions about this policy, contact the HR Department.

COMPLAINT RESOLUTION

We are an “open door” company. Any question, problem, concern, or suggestion is always welcome by the management. We know the importance of an open and fair method of resolving complaints and answering questions.

We understand that you may not be comfortable presenting a complaint or concern to your employer. However, we encourage everyone to take advantage of our complaint resolution procedure, if needed (see Employee Relations and Communications in the Employment section of this handbook). We do not tolerate retaliation against anyone who makes a complaint in good faith. You can be assured that the issue you raise will be taken seriously.

ETHICAL BUSINESS PRACTICE

We are committed to ethical and lawful business practices. We rely on you to continue to build our reputation in this area. You have an obligation to conduct business within guidelines that prohibit conflict of interest. Although we cannot possibly cover all the details of this topic in this handbook, we find it helpful to provide general direction so you will have guiding principles. Contact the HR Department for more information or questions about conflict of interest or our commitment to ethical business practices.

Financial Gain

Transactions with outside third parties must be conducted within a framework established and controlled by the executive level of the Company. Business dealings should not result in the unusual gains for outside third parties. Unusual gain may include bribes, product bonuses, special fringe benefits, unusual price breaks, and other windfalls designed to ultimately benefit the employer, the employee, or both. Promotional plans that might involve unusual gain require specific executive-level approval. Gambling of any kind is prohibited on Company property.

Conflicts of Interest

Individuals who have any influence on transactions involving purchases, contracts, or leases must disclose any potential conflict of interest to any officer of Company. We will put safeguards in place to protect all parties.

Do not accept gifts from vendors or other with whom we do business that might interfere with your judgment on behalf of the Company. All gifts, even if they do not meet the criteria described above, must be disclosed to your manager.

FINANCIAL RESPONSIBILITY

As an employee with access to the Point of Sale system, the following must be followed:

1. Not providing your code or password to any other individual.
2. Not using any other employee's code or password for any reason.
3. Responsibility for the security of your password and take appropriate steps to maintain its confidentiality. This includes requesting password changes.
4. Supervisors (Store Manager, Assistant Store Manager, Sales Managers, Operations Managers, Team Leader and Cashier with Level #3 access) must be present and physically perform the override for any management transaction. These include, but are not limited to Returns, Exchanges, Markdowns, Price Changes, No-Sales, Voids, and Discounts.
5. By completing and/or authorizing a transaction, you are responsible for all associated procedures and policies within the transaction.
6. Not signing for or approving any transaction that you have not witnessed. This includes completing voids for a previous transaction.
7. Store management may not alter the above policies.
8. Not making change for customers. This includes telephone change and change for large bills.
9. Absolutely nobody other than the assigned cashier may ring on the assigned cashier's drawer, with the exception of management and Team Leaders. However, the cashier must be present.
10. All register variances should be recorded via performance documentation. All variances of \$5.00 or more must be reported to the security department.
11. All money's for change will be transferred in envelopes, not in pockets or exposed hands.
12. Register tills will be transported with covers on at all times, and the cashier must be accompanied by a member of management during transport.

CONFIDENTIALITY AND NONDISCLOSURE

The protection of confidential business information and trade secrets is vital to the interests and success of the Company. Such confidential information includes, but is not limited to, the following examples:

- Customer lists
- Customer preferences
- Marketing strategies
- New materials research
- Pending projects and proposals
- Proprietary production processes
- Research and development strategies

All employees will be required to sign a nondisclosure agreement as a condition of employment. Employees who improperly use or disclose trade secrets or confidential business information will be subject to disciplinary action, up to and including termination of employment and legal action.

OUTSIDE EMPLOYMENT

If you are considering outside employment that may create a conflict of interest, you must discuss the position in advance with your supervisor. If you are working full-time, outside employment should be viewed as secondary to your primary job at adidas. Working for adidas and a brand competitor is prohibited. Activities related to outside employment, such as telephone calls, must be conducted off-site and should not interrupt your job responsibilities.

EMPLOYMENT OF RELATIVES

To avoid the appearance of conflict of interest, adidas discourages the employment of relative in the same store. Relatives of employees may be employed as long as the following conditions can be met:

- Neither employee will supervise, or have the authority to promote, discipline, or discharge the other.
- Neither employee will evaluate or audit the work of the other.
- The working relationship will not create the possibility for improper influence or favor and neither employee is a policy level officer of a customer, competitor, regulatory agency, or other party with whom the Company deals.

For purposes of the policy, the term "relatives" includes spouse, domestic partner, significant others, siblings, parents, children, nieces, nephews, step family members, grandparents, roommates, and others in a close personal relationship.

If two employees develop a close relationship or marry each other after being employed and are not able to satisfy the above criteria, one of the two may be transferred. If a transfer is not practical, one of the employees may be terminated. This decision may be left to the employees involved unless it is in the Company's best interest to decide. It is the responsibility of the employees involved to notify their manager(s) and/or Human Resources.

IMPORTATION OF PRODUCTS

adidas is committed to recognizing and honoring its obligations as a responsible and knowledgeable importer. We intend to comply with all applicable U.S. laws and regulations related to the purchase, importation, entry, and sale of imported goods. Our Customs Department ensures that the Company meets this high level of compliance. Many jobs within the organization can impact the success of this endeavor. The following simple guidelines will assist you in knowing under what circumstances to contact our Customs Department.

PRODUCT SAMPLES

During your employment with the Company, you may obtain product samples of the Company either because they are given to you or you purchase them. Regardless of how you obtain product samples, you are prohibited from selling them, exchanging them for anything of value or offering to sell or exchange them for anything of value, or offering to sell or exchange them for anything of value. If you give product samples you obtain to non employees, you must inform them that they also need to comply with these restrictions.

Violation of this policy may result in disciplinary action, up to and including termination of employment.

MEDIA POLICY

We recognize that each employee is a valued brand ambassador of our products and our organization. Your daily communication and interaction with outside vendors, athletes, friends, and family members provides you with a unique opportunity to represent our products and our Company's mission and values.

It is our policy that any communications solicited to and from members of the press as a representative or spokesperson for the Company or its brands are strictly prohibited without prior authorization from our Public Relations Department.

This policy has been enacted to protect you and the Company from misrepresentation of the adidas brand that may result in public damage. Such misrepresentation is often unintentional and results from being unfamiliar with media interaction.

Our Public Relations Department has been structured to serve as a filter for media inquiries and interview requests. Employees asked to speak as a representative or spokesperson for the Company or its brands should forward any calls or personal inquiries from any media source to our Public Relations Department. This procedure gives our Public Relations Department that opportunity to determine how the request should be appropriately handled.

We feel that our procedure is in the best interest of both the Company and our employees. It is important that messages made to the external world regarding our brands and the Company are consistent and accurate.

Nothing in this policy is intended to require you to forward media inquiries for which you are not asked to speak as a representative or spokesperson for the Company or its brands to the Company Public Relations Department.

COMPUTER SOFTWARE AND HARDWARE POLICY

adidas licenses the use of computer software from a variety of outside companies. We do not own this software and therefore do not have the right to reproduce it. To comply with copyright laws, the Company prohibits illegal duplication of software. Do not make or distribute copies of copyrighted material without authorization unless the copy is made for backup or archival purposes.

Additionally, you may not bring software from home, including personal screen savers, and load on your computer at work. If you become aware of any misuse of software or related documentation within the Company, notify your supervisor immediately.

Any employees illegally reproducing software may be subject to civil damages and criminal penalties, including fines and imprisonment. Employees who make, acquire, or use unauthorized copies of computer software may also be subject to disciplinary action up to and including termination.

ELECTRONIC MAIL AND INTERNET USAGE

The e-mail system and access to the Internet are assets of the Company that may be available for your use. These tools are designed to enhance your ability to communicate with others and to access information related to your job. It is important to understand and follow the guidelines we have implemented for the use of e-mail and the Internet to ensure that they are used productively. Their use must also be consistent with other Company policies and operating procedures.

E-mail is a popular way to communicate quickly. It is useful for routine scheduling, exchange of basic information, and updates. It is not, however, the best choice in all circumstance. If your message is confidential or private, a personal meeting or memo might be a better choice.

When using e-mail, use the same care and discretion that you would if you were composing an internal memo, report, or letter. All messages should be composed with the expectation that they could be made public.

You are expected to honor the password and other security provisions of the e-mail system. We prohibit the use of codes or passwords to gain unauthorized access to other employees' files or to Company's files for which you have no authority. Do not transmit or download jokes, chain letters, other inappropriate material, or comments that would be inconsistent with the Company's policies, especially those prohibiting discrimination and harassment.

All messages on the e-mail system are records and property of the Company in accordance with its current policy. adidas reserve the right to access, read, disclose, use and otherwise deal with any messages on its e-mail system in any manner that it chooses. Consequently, you should not use the e-mail system for any information that you want to keep personal or private.

Internet access to global electronic information resources on the World Wide Web is provided by the Company to assist you in obtaining work-related data and technology. All internet data that is composed, transmitted, or received via our computer communications systems is considered to be part of the official records of the Company and, as such, is subject to disclosure to law enforcement or other third parties. Consequently, employees should always ensure that the business information contained in Internet e-mail messages and other transmissions is accurate, appropriate, ethical, and lawful.

Data that is composed, transmitted, accessed, or received via the Internet, including the e-mail system, must not contain content that could be considered discriminatory, offensive, obscene, threatening, harassing, intimidating, or disruptive to any employee or other person. Examples of unacceptable content may include, but are not limited to, sexual comments or images, racial slurs, gender specific comments, or any other comments or images that could reasonably offend someone on the basis of race, age, sex, religious or political beliefs, national origin, disability, sexual orientation, or any other characteristic protected by law.

The unauthorized use, installation, copying, or distribution of copyrighted, trademarked, or patented material on the Internet is expressly prohibited. As a general rule, if you did not create material, do not own the rights to it, or have not received authorization for its use, do not put it on the Internet. Employees are also responsible for ensuring that the person sending any material over the Internet has the appropriate distribution rights.

The equipment, services, and technology provided to access the Internet and e-mail transmission remain at all times the property of the Company. As such, the Company reserves the right to monitor Internet traffic, and retrieve and read any data composed, sent, or received through our online connections and stored in our computer systems.

Abuse of the Internet and/or e-mail access provided by the Company in violation of law or Company policies will result in disciplinary action, up to and including termination of employment. Employees may also be held personally liable for any violations of this policy.

Your Work Environment

CUSTOMER SERVICE

All employees are expected to extend courtesy to customers and all others employees at all times. Employees should greet the customer as soon as reasonably possible when they enter the store and thank the customer and invite them back when they leave the store. The store must be kept tidy with counters, floors, aisles and doorways clear and clean. All customer complaints should be referred to the manager on duty.

PRODUCT LIMITS

Bulk Buys

- Purchases of 10 or more units of the same style(s) are prohibited per visit per day
- Example of a Style = (Superstar, Ultraboost, NMD etc.) regardless of size, color, gender
- No volume-based discount may be applied on top of current in store promotions
- Any exceptions outside the quantity limits must be communicated and approved by adidas District Leadership

Team Sale

- This includes groups/clubs/teams'/charity organizations who will buy multiple items or one-off purchases of a high value that does not follow under the purchase limits
- Examples of Identification: School letter head, Charity documentation, Coaches identification card, current School/Sports season schedule
- Stores needing approval work with your District Leader

HEALTH AND SAFETY

We strive to provide a work environment that promotes safe and healthful working conditions. We are committed to following safe operating procedures, complying with all safety laws and regulations and providing you with the tools and the information to further our health and safety efforts.

We believe that safety is everyone's responsibility. You are expected to observe all safety rules and use common sense and caution in your work environment. All hazardous or unsafe conditions must be reported immediately so they can be corrected.

We have an Injury Prevention program intended to promote safe and healthy working conditions, prevent accidents and reduce the costs associated with workplace accidents and injuries. If you suffer a work-related accident or injury, seek appropriate medical attention as needed. If you witness or are involved in a work-related accident or injury, notify a supervisor immediately. You will be asked to complete a report about the details of the incident. Report all incidents even if they seem minor.

Please refer to adidas Retail Policy and Procedure Manual for complete details regarding workplace injuries.

We are committed to compliance under the Federal Hazardous Communication Standard. This program provides employees the "Right to Know" about information concerning hazardous chemicals in the workplace. We have developed a Hazardous Communications Program that is available for your review by contacting our Security Department.

If you have any questions about health and safety in the workplace or would like to review any of our safety programs, contact our Security Department.

LIFE-ALTERING ILLNESS IN THE WORKPLACE

In today's society, there are many health issues that concern all of us. AIDS is one such issue. As we have stated, our goal is to provide a safe and healthy work environment for everyone. We have developed our policy on AIDS based on the medical evidence that AIDS is not transmitted by the type of social and business contacts that occur regularly in the workplace.

Employees with life-threatening illnesses, such as AIDS, cancer, and heart disease often wish to continue their normal pursuits including work, to the extent allowed by their condition. We support these endeavors as long as the employee is able to meet acceptable performance standards. As in the case of other disabilities, the Company does not tolerate employment discrimination against employees with life-threatening illness. In addition, we will make reasonable accommodations in accordance with the law, to allow qualified employees with life-threatening illnesses to perform the essential functions of their jobs.

Employees with questions or concerns about life-threatening illnesses are encouraged to contact the HR Department or the Employee Assistance Program for information and referral to appropriate services and resources.

TOBACCO USE IN THE WORKPLACE

We are a tobacco-free organization. Tobacco use is not permitted in any of our stores. Employees must use mall-designated areas for tobacco use during rest and/or meal breaks. Employees using the designated areas of the mall are expected to keep the areas neat and clean. At no time may an employee use tobacco in front of the store, as this is the first contact our customers have with our service staff.

DRUG AND ALCOHOL POLICY

We are committed to maintaining a drug and alcohol-free workplace. We want to protect our employees, customers, and the general public from the serious risks posed by the use of illegal drugs or the abuse of alcohol in the workplace. All employees are expected to arrive at work in a physical and mental condition that allows them to perform their duties safely, effectively and efficiently.

Our policy prohibits the use of alcohol during work hours, except at approved Company functions such as after-hour business dinners or Company sponsored events where alcohol is served. Employees are expected to moderate their consumption of alcohol at such functions. In addition, consistent with state and federal law, we prohibit employees from manufacturing, distributing, dispensing, possessing, or using any controlled substance in any Company workplace, while conducting Company business or under any circumstance during work hours and/or paid time. Employees are prohibited from reporting to work under the influence of any alcoholic beverage or controlled substances, as well as possessing or using any of the above substances while on company property. The legal use of

prescribed drugs is permitted on the job only if it does not impair your ability to perform your job effectively and in a safe manner. Any work performance problems caused by drug or alcohol abuse may result in disciplinary action up to and including termination.

The Drug-Free Workplace Act requires you to notify the Company if you are convicted of a criminal drug statute violation occurring in the workplace within five days of the conviction. Employees are subject to disciplinary action up to and including termination if they violate this policy. We will deal with each case individually in accordance with our current policies and practices given the specific circumstances involved. This may include a mandatory referral to the Employee Assistance Program (EAP) and/or submit to random testing as part of a return-to-work agreement.

We encourage employees who feel they may have developed an addiction or dependency on drugs or alcohol to seek appropriate help and EAP counseling.

If you have questions about our Drug and Alcohol Policy, we encourage you to speak with a member of the HR Department.

SOLICITATION

It is our desire to conduct our operations in a productive manner. Our employees should have the opportunity to work without interference from co-workers or others in the workplace pursuing a non business related purpose.

Employees may not solicit or distribute literature concerning non business related activities during work time or in work areas. Soliciting employees who are on non-work time may not solicit other employees who are on work time. Work time does not include lunch periods, work breaks, or any other periods in which employees are not on duty.

Persons not employed by adidas may not solicit, survey, petition or distribute literature on our premises at any time. This includes persons soliciting for charities, salespersons, questionnaire surveyors, labor union organizers, or any other solicitors or distributor. (Exceptions to this rule may be made in special circumstances where management determines that an exception would serve the best interest of the organization and our employees.)

INSPECTION AND MONITORING

The safety and security of our employees, visitors, and customers is very important to us. To ensure that both our safety and customer service objectives are reached, it may be necessary for the Company to periodically inspect, record or monitor facilities, interoffice or business mail, electronic mail, computers, telephones, voice mail, and other resources.

The Company cannot assume responsibility for loss, theft, or damage to personal property, including vehicles that you bring to work. The Company retains the right to inspect all packages, etc. brought into or taken off the premises by employees and visitors.

Employees who regularly communicate with customers may have their telephone conversation monitor or recorded. Telephone monitoring is used to identify and correct performance problems through targeted training. Improved job performance enhances our customers' image of adidas as well as their satisfaction with our service.

It is important to take this policy into account when using our e-mail, voice mail, or other communication that you might consider personal. Misuse of the systems and resources described in this policy will not be tolerated and may result in immediate termination.

ACCESS TO STORE

For safety and security, store access is restricted in areas throughout the day. These restrictions apply to all employees.

- You must enter and exit the facility through the designated employee entrance only. Scheduled employees and corporate visitors working at the facility will be requested to present bags or personal containers for inspection when entering and leaving.
- A member of management may enter the store alone to begin the opening process. A second employee must be scheduled prior to store opening for business. A minimum of two employees (one management) must be present when leaving for the evening and locking up.
- When the store is closed only scheduled employees or management completing a business function is authorized to be in the store (visitors or non-scheduled employees are not allowed).
- Access to the stockroom is restricted to scheduled employees, non-scheduled employees completing a business-related function approved by management, non employees completing a business-related function.
- Access to the office is restricted to scheduled store management, nonscheduled management completing a business function approved by the Store Manager, and employees or non employees accompanied by management completing a business related function that requires office access.
- Employees must not loiter in any area of the store when not working. If leaving the store presents an immediate safety risk, management must assign an area to stay until it is safe to leave.

SECURITY AND SAFETY

adidas wishes to protect the safety, security and property of the Company and their employees, visitors, vendors and customers. To achieve these goals, the Company has adopted the following policies:

1. Weapons, explosives, hazardous chemicals, alcohol (except when authorized by the Company), illegal drugs and related paraphernalia are strictly prohibited from the Company's premises.
2. The Company reserves the right to inspect and search vehicles, equipment, documents, bags, purses, briefcases, packages and other containers, as well as persons entering or leaving the Company's premises for any prohibited items and property of the Company's. Any person who wishes to avoid inspection or search of any articles or materials should not bring such items onto the Company's premises.
3. The Company reserves the right to inspect and search all property of the Company's, including desks, lockers, computers and other storage devices. All such property remains the property of the Company at all times.

By continuing employment or by entering onto the Company's premises after receipt of this handbook, you agree to abide by the Company's Safety and Security Policy and hereby consent to inspection and search of the items described above, as well as your person, by the Company's or its authorized representatives. You also authorize the Company to seize and hold any article discovered in such inspection or search that the Company reasonably believes belongs to the Company or which may be required as evidence in any actual or potential proceeding.

VIOLENCE IN THE WORKPLACE

We are committed to providing a safe and secure work environment for employees, customers, and the general public. In an effort to prevent the possibility of violence in the workplace, adidas has adopted the guidelines described in this section.

Violence in the workplace can range from verbal or physical threats, intimidation, and/or aggressive physical contact. Examples of such behavior could include:

- Inflicting or threatening injury or damage to another person or his/her property;
- Possessing a firearm, explosive or other dangerous weapon on Company premises (including Company vehicles) or using any object as a weapon;
- Abusing or damaging Company property or the property of others; and
- Speaking in a threatening manner or using obscene or abusive language or gesture in a threatening manner.

Because of the potential for misunderstanding, joking about any of the above conduct is also prohibited. You are encouraged to be proactive in maintaining a safe working environment by reporting violent or harassing behavior. If you observe or experience these types of behavior, report them immediately to a supervisor, our Security Department, or in an extreme emergency, call 911. No adverse action will be taken against anyone who makes a good faith report of possible violence in the workplace. All reports will be taken seriously.

We will take appropriate correction action, including termination, against any employee who exhibits violence in the workplace. We may also choose to bring formal charges against anyone who endangers our employees. If you have questions about our Violence in the Workplace Policy, contact the HR Department.

BUSINESS TRAVEL

Business travel is a large expense to the Company. We have implanted several guidelines to help up control costs associated with airline tickets, car rentals, overnight accommodations, etc. If you are required to travel as part of your job, we encourage you to review the details of our travel policy before you begin to plan your trip.

You must arrange your travel itinerary with the Company's Travel Department. Also, your supervisor's prior approval of any expenditure is required. As travel arrangements are often time sensitive, we suggest you notify your supervisor as soon as you are aware of the need to travel.

Core travel hours for nonexempt retail employees are between 10:00 a.m. and 9:00 p.m. seven days a week. If an employee should travel during this the core travel hours they will be paid, unless state or local law supersedes.

Example: A nonexempt employee who travel from Las Vegas to Los Angeles leaving at 4:00 p.m. and arriving at 6:00 p.m. will be paid for the time traveled. A nonexempt employee who travels from Portland to Los Angeles leaving at 5:00 p.m. and arriving at 10:00 p.m. will be paid for 4 hours (not paid after 9:00 p.m.).

TELEPHONE USAGE

Because of each store's large volume of business calls, the store telephone is to be used for business purposes only. Only in case of emergency, or with the manager's approval, will employees be allowed to use a business telephone for personal calls.

IN SUMMARY

We hope this handbook has answered many of your questions regarding employment with adidas. We realize that a handbook cannot possibly answer every question you are bound to have. So, we want to remind you that the HR Department welcomes your questions, comments, and suggestions.

At adidas, our goals and expectations are high. We are very excited about the challenges and rewards facing us. We are glad that you are part of our organization, and we appreciate your contribution.