

## AMER SPORTS CORPORATE GOVERNANCE STATEMENT

### CORPORATE GOVERNANCE

In its decision making and administration, Amer Sports Corporation (hereinafter referred to as “Amer Sports” or “the Company”) applies the Finnish Limited Liability Companies Act, the Finnish Securities Markets Act and the rules issued by Nasdaq Helsinki Ltd, Amer Sports’ Articles of Association, and the Finnish Corporate Governance Code 2015 for listed companies. Amer Sports complies with the code without exceptions. The code is published at [www.cgfinland.fi](http://www.cgfinland.fi).

This Corporate Governance Statement has been prepared pursuant to the Finnish Corporate Governance Code 2015 for listed companies and the Securities Markets Act (Chapter 7, Section 7) and it is issued separately from the Board of Directors’ report. The Audit Committee of the Board of Directors has reviewed this Corporate Governance Statement and the auditor Ernst & Young Oy has verified that the Statement has been issued and that the description of the main features of the internal control and risk management systems relating to the financial reporting process is consistent with the financial statements.

### GENERAL

Pursuant to the provisions of the Finnish Limited Liability Companies Act and the Articles of Association of Amer Sports the responsibility for the control and management of Amer Sports is divided between the General Meeting of shareholders, the Board of Directors and the President and CEO. Shareholders participate in the control and management of Amer Sports through resolutions approved at General Meetings of shareholders, which convene upon notice given by the Board of Directors. In addition, General Meetings of shareholders may be held if requested in writing by an auditor of Amer Sports or by shareholders representing at least one-tenth of all shares of the Company.

Amer Sports’ shares are listed on Nasdaq Helsinki Ltd. In addition, Amer Sports has a Level I American Depositary Receipt (“ADR”) program. The ADRs are traded over-the-counter in the United States. Two depositary receipts are equivalent to one Amer Sports share.

### BOARD OF DIRECTORS

#### Composition and Term of the Board of Directors

The Board of Directors is responsible for duly organizing the administration and operations of Amer Sports. The Annual General Meeting of shareholders (“the AGM”) elects a minimum of five and a maximum of eight members of the Board of Directors for a term that ends at the close of the first Annual General Meeting following the election. There is no special order of appointment of the members.

The Board evaluates the independence of its members annually or, if necessary, more often. Each member of the Board of Directors is obligated to provide the Board of Directors with sufficient information to allow an evaluation of their independence.

The following members were elected to the Board of Directors at the AGM held on March 8, 2018:

<b>Name</b>	<b>Year born</b>	<b>Position</b>	<b>Year of appointment</b>	<b>Nationality</b>
Bruno Sälzer	1957	Chairman since 2017	2008	German
Manel Adell	1961	Member	2017	Spanish
Ilkka Brotherus	1951	Vice chairman since 2002	2000	Finnish
Petri Kokko	1966	Member	2018	Finnish
Tamara Minick-Scokalo	1959	Member	2017	American
Hannu Ryöppönen	1952	Member	2009	Finnish
Lisbeth Valther	1966	Member	2015	Danish

All Board members are independent of the Company and significant shareholders.

Composition of the Board of Directors during the period of January 1, 2018 – March 8, 2018 was the following:

<b>Name</b>	<b>Year born</b>	<b>Position</b>	<b>Year of appointment</b>	<b>Nationality</b>
Bruno Sälzer	1957	Chairman	2008	German
Manel Adell	1961	Member	2017	Spanish
Ilkka Brotherus	1951	Vice chairman	2000	Finnish
Christian Fischer	1964	Member	2008	Austrian
Tamara Minick-Scokalo	1959	Member	2017	American
Hannu Ryöppönen	1952	Member	2009	Finnish
Lisbeth Valther	1966	Member	2015	Danish

All Board members were independent of the Company and significant shareholders.

***Bruno Sälzer***

BA, PhD, Logistics.

Primary work experience: Chairman and Chief Executive Officer of Bench Ltd 2014–2018, Chief Executive Officer of Escada SE 2008–2014, Chairman and Chief Executive Officer of Hugo Boss AG 2002–2008, Executive Vice Chairman of Hugo Boss AG 1998–2002, Member of the Managing Board of Hugo Boss AG 1995–1998, Managing Director of Hairdressing International of Hans Schwarzkopf GmbH 1991–1995, Director of International Sales Coordination of Beiersdorf AG 1986–1991.

Other positions of trust: Member of the Supervisory Boards of Deichmann SE, Lacoste Holding NG and Ludwig Beck AG

***Manel Adell***

MBA, IMD and BA, Business Administration.

Primary work experience: Chief Executive Officer of Desigual HQ 2002–2012, Co-founder & Partner of StarLab 2000–2008, Expansion Director of Bang & Olufsen, Denmark 1995–2001, Marketing Director, Spain, of Cadbury Schweppes 1989–1995, Product Manager Citresa, Agrolimen, S.A. 1986–1989.

Other positions of trust: Member of the Board of Directors of Puig Fragrances and Flying Tiger Copenhagen, Member of International Advisory Boards of Mango and Perfumers 1870

***Ilkka Brotherus***

Owner and Chairman of the Board of Directors of Sinituote Oy. Master of Science degree in Economics.

Primary work experience: Managing Director of Sinituote Oy 2001–2018, Chairman of the Board of Directors of Sinituote Oy 1991–2001, Member of the Boards of Directors of Veho Group Oy Ab 2003–2013 and YIT Corporation 2000–2006, Deputy Managing Director of Hackman Group 1988–1989, Managing Director of Hackman Housewares Oy 1987–1988, Managing Director of Havi Oy 1981–1986, various marketing and management positions with Mestarikustannus Oy 1977–1980.

Other positions of trust: Vice Chairman of the Supervisory Board of Elo Mutual Pension Insurance Company.

***Petri Kokko***

Country Director, Agency & Partners, Google Germany GmbH, M.Sc. (Econ.), Information System Science, Swedish School of Economics and Business Administration, Helsinki, Finland

Primary work experience: Sales Director, Google Germany GmbH 2011–present, Global Director, Sales Learning & Development, Google, Inc. 2009–2011, Country Manager, Finland and Sweden, Google Finland Oy 2006–2009, Managing Director, Stream Helsinki Oy 2005–2006, General Manager, Nike

Finland Oy 2003–2005, Head of Program, Suomen Urheilutelevisio Oy 2001–2003, Professional athlete 1985–2000

Other positions of trust: Member of the Board of Directors, German-Finnish Chamber of Commerce

***Tamara Minick-Scokalo***

B.Sc., Chemical Engineering.

Primary work experience: Chairman of the Board of Directors of Trax Technology Solutions Pte Ltd 2012–2017, Regional President, Growth Markets, of Pearson plc 2014–2016, President, Europe, Middle East, Africa, Interim CEO International of Pearson plc 2012–2014, CEO of Trax Technology Solutions Pte Ltd 2011–2012, President Chocolate Europe Mondelez 2010–2011, President, Cadbury Europe 2009–2010, President Cadbury Global Commercial 2007–2008, Senior Vice President of Elizabeth Arden Limited 2005–2006, European General Manager / Vice President of E&J Gallo Winery, Inc. 2002–2005, Marketing Director, Western European Tissue/Towel GBU, of Procter & Gamble 2000–2002, Marketing Director, North American Tissue/Towel GBU, of Procter & Gamble 1999–2000, Vice President, Coffee Business Group, Japan, of Coca-Cola Company 1998–1999, several management positions at Procter & Gamble 1982–1998.

Other positions of trust: Member of the Board of Directors, PZ Cussons plc, Member of the Advisory Board Mustad Hoofcare.

***Hannu Ryöppönen***

Bachelor of Business Administration.

Primary work experience: Non-Executive Director at several companies since 2009, Deputy Chief Executive Officer of Stora Enso Oyj, Helsinki/London 2007–2009, Chief Financial Officer of Stora Enso Oyj, Helsinki and London 2005–2008, Chief Financial Officer of Koninklijke Ahold N.V., Amsterdam 2003–2005, Chief Financial Officer of Industri Kapital Group, London 1999–2003, Deputy Chief Executive Officer of Ikano Asset Management, Luxembourg 1998–1999, Chief Financial Officer of the IKEA Group, Copenhagen 1985–1998, Executive in banking and corporates in UK, USA and Sweden 1977–1985.

Other positions of trust: Chairman of the Advisory Board of TRUE private equity funds, Member of the Boards of Directors of Value Creation Investments Limited and Samworth Brothers Ltd.

***Lisbeth Valther***

Chief Executive Officer of Next Step Challenge, Bachelor, Marketing & Economics.

Primary work experience: Executive Vice President, Community, Education & Direct, LEGO A/S 2006–2012, Vice President, Interactive Experiences, LEGO A/S 2004–2006, Senior Director, Marketing, Global Innovation & Marketing, LEGO A/S 2002–2004, Director, Product Management, Global Segment 4-8, LEGO A/S 2001–2002, Director, New Business Development, LEGO System A/S 2000–2001, Director, Concept Development, LEGO TIME, LEGO Lifestyle International Ltd 1999–2000, several manager positions, LEGO Group 1991–1999.

Other positions of trust: Vice Chairman of the Board of Nordjyske Medier

**The Board of Directors' Rules of Procedure and Meeting Practices**

Amer Sports Board of Directors approves the rules of procedure to govern its work, including a meeting schedule, on an annual basis. The rules of procedure include the specific themes discussed at each meeting and discussion items reviewed at each meeting. The rules of procedure also include a schedule of the dates when the Board of Directors will visit the operations of the Company and its partners, as well as the annual evaluation of the Board of Directors' own performance at the end of the term. Committees established by the Board of Directors assist the Board of Directors in matters that have been assigned to them.

The Board of Directors convenes 8–10 times a year according to a predetermined annual meeting schedule and in addition when necessary. The President and CEO and the CFO participate in the meetings of the Board of Directors and the General Counsel acts as the secretary of the Board. The Board may invite other Amer Sports executives to participate in the meetings as necessary. At least once a year, the Board of Directors convenes without representatives of the Company's management in attendance.

Meeting documents and other material are delivered to the members of the Board of Directors in advance and all meetings are documented.

### **Main Duties of the Board of Directors**

The duties and responsibilities of the Board of Directors are defined according to the Finnish Limited Liability Companies Act, other applicable legislation, and Amer Sports' Articles of Association. The Board of Directors has general authority in all matters where neither law nor the Company's Articles of Association stipulate that a matter should be decided or performed by any other bodies. In addition, the Board of Directors must act in the interests of the Company and all shareholders in all circumstances, and direct Amer Sports' operations with a view to generating the maximum enduring added value to shareholders without neglecting other stakeholders.

The main duties of the Board of Directors are to:

1. Decide on Amer Sports' strategy and business operations
  - Decide on the Company's strategy and ensure that it is up-to-date
  - Approve the business plans on the basis of the strategy and annual budget, and monitor achievements
  - Decide on significant, strategically important investments or acquisitions and the sale of assets
2. Amer Sports' administration and key functions
  - Appoint and dismiss the President and CEO
  - Appoint and dismiss the immediate subordinates of the President and CEO
  - Decide on the terms of service of the President and CEO and his or her immediate subordinates, including possible incentive programs
  - Set the President and CEO's personal targets for each year and monitor their achievement
  - Monitor management succession and human resources strategy
  - Evaluate the performance of the Board of Directors once a year
3. Supervise the management of financial administration, internal control and risk management
  - Review and approve interim reports, annual financial statements and the report by the Board of Directors as well as related stock exchange releases
  - Meet with the Company's auditors at least once a year
  - Oversee significant risks connected with the Company's operations and risk management
  - Oversee Corporate Social Responsibility strategy, policies and implementation
4. Prepare and approve proposals to be decided on at the AGM

According to the rules of procedure, the Chairman of the Board of Directors, in addition to leading the work of the Board of Directors, continuously monitors Amer Sports' operations and development through contact with the President and CEO. Furthermore, the Chairman represents the Company in matters associated with shareholders and ensures that the work of the Board of Directors is evaluated annually, and that the Board of Directors continuously updates and expands its knowledge of Amer Sports' operations.

### **2018**

In addition to its standard duties, the Board of Directors continued to drive the transformation of the company in accordance with its strategy towards areas of faster growth, higher profitability and better asset efficiency. The Board of Directors reviewed the Amer Sports operations (global quality, supply chain and manufacturing) and the General Data Protection Regulation (GDPR) processes. In April, Board of Directors decided on the acquisition of Peak Performance business. In September, the Board of Directors received a

non-binding preliminary indication of interest from a consortium comprising of ANTA Sports Products Limited and other investors (“Investor Consortium”) to acquire the entire share capital of Amer Sports for cash consideration. After a thorough assessment of the offer and negotiations with the Investor Consortium, the Board of Directors signed a Combination agreement on December 7, 2018.

The Annual General Meeting of shareholders held on March 8, 2018 elected seven members to the Amer Sports Board of Directors. The Annual General Meeting re-elected Bruno Sälzer, Manel Adell, Ilkka Brotherus, Tamara Minick-Scokalo, Hannu Ryöppönen and Lisbeth Valther as members of the Board of Directors and elected Petri Kokko as a new member. The Board of Directors re-elected Bruno Sälzer as Chairman and Ilkka Brotherus as Vice Chairman of the Board of Directors.

The composition of the Board of Directors during the period of January 1, 2018 – March 8, 2018 was Bruno Sälzer, Manel Adell, Ilkka Brotherus, Christian Fischer, Tamara Minick-Scokalo, Hannu Ryöppönen and Lisbeth Valther.

The Board of Directors convened 24 times during the calendar year 2018 (5 times before the AGM held on March 8, 2018 and 19 times after the AGM). The attendance rate at meetings of the Board of Directors was as follows:

<b>Name</b>	<b>Attendance rate (%)</b>	
Bruno Sälzer	100%	
Manel Adell	96%	
Ilkka Brotherus	100%	
Petri Kokko	100%	(March 8, 2018 – December 31, 2018)
Tamara Minick-Scokalo	96%	
Hannu Ryöppönen	100%	
Lisbeth Valther	100%	
Christian Fischer	80%	(January 1, 2018 – March 8, 2018)

## **BOARD COMMITTEES**

The Board of Directors has established three permanent Committees to assist the Board of Directors in the matters assigned to them and has defined the rules of procedure for the Committees. The Board of Directors elects the members and Chairmen of the Committees amongst its members in the beginning of the term. The Committees shall regularly report on its work to the Board of Directors. The Committees have no independent decision-making power.

### **Audit Committee**

Audit Committee supervises the Company’s financial administration. The Audit Committee comprises a minimum of three members of the Board of Directors. The members must be independent and have the qualifications necessary to perform the duties of the Audit Committee. The Audit Committee meets at least four times per year and maintains regular contact with the Company’s external auditor. The Audit Committee monitors the reporting of the Company’s financial statements and the adequacy of internal control and risk management systems. Audit Committee organizes the auditor selection process and monitors compliance with the rotation rules. Audit committee pre-approves permissible non-audit services and monitors the cap on the permissible services. In addition, the Audit Committee monitors the statutory audit process, evaluates the independence of the statutory audit firm, and prepares the recommendation presented to the Annual General Meeting on the election of the auditor.

## **2018**

In 2018, in addition to its regular duties, the Audit Committee reviewed the operations of Company’s treasury functions, Financials Shared Services and Robotic Process Automation (RPA). The Audit Committee also reviewed Company’s GDPR compliancy and ensured Company’s policy on Alternative Performance Measures (APM) is compliant with the guidelines issued by the European Securities and Markets Authority (ESMA).

On March 8, 2018, the Board of Directors elected Hannu Ryöppönen (Chairman), Petri Kokko, Bruno Sälzer and Lisbeth Valther as members of the Audit Committee. The composition of the Audit Committee during the period of January 1, 2018 – March 8, 2018 was Hannu Ryöppönen (Chairman), Bruno Sälzer, Christian Fischer and Lisbeth Valther. The Audit Committee convened five times in 2018 (one meeting before the AGM held on March 8, 2018 and four meetings after the AGM) and the meeting attendance rate was as follows

<u>Name</u>	<u>Attendance rate (%)</u>	
Hannu Ryöppönen	100%	
Lisbeth Valther	100%	
Bruno Sälzer	100%	
Petri Kokko	100%	(March 8, 2018 – December 31, 2018)
Christian Fischer	100%	(January 1, 2018 – March 8, 2018)

### **Compensation and Human Resources Committee**

Compensation and Human Resources Committee ensures good governance in monitoring executive rewards, gives guidance on Amer Sports' reward philosophy and executive reward programs, assesses pay and performance relationships and recommends executive pay decisions concerning the President and CEO and his immediate direct reports for approval by the Board of Directors. In addition, the Committee gives guidance on succession planning and top talent identification and ensures development of competencies in line with succession planning. The Compensation and Human Resources Committee comprises a minimum of three members of the Board of Directors. The Chairman of the Committee convenes meetings as required, but at least twice a year.

### **2018**

In 2018, the Compensation and Human Resources Committee continued its focus on developing executive compensation programs, succession plans and leadership & capability development to support the strategy of the company.

On March 8, 2018, the Board of Directors elected Lisbeth Valther (Chairman), Manel Adell, Ilkka Brotherus and Tamara Minick-Scokalo as members of the Committee. The composition of the Compensation and Human Resources Committee during the period of January 1, 2018 – March 8, 2018 was the same as after March 8, 2018. The Compensation and Human Resources Committee convened four times in 2018 and the meeting attendance rate was as follows:

<u>Name</u>	<u>Attendance rate (%)</u>
Lisbeth Valther	100%
Manel Adell	75%
Ilkka Brotherus	100%
Tamara Minick-Scokalo	100%

### **Nomination Committee**

Nomination Committee ensures good governance in preparing proposals concerning members of the Board of Directors and their compensation for decision by the General Meeting of shareholders. The Nomination Committee communicates with major shareholders in matters concerning the appointment of the Board of Directors, when considered to be appropriate. The Nomination Committee comprises a minimum of three members of the Board of Directors. The Chairman of the Committee convenes meetings as required, but at least once a year.

The Company has no shareholders' nomination board.

### **2018**

On March 8, 2018, the Board of Directors elected Bruno Sälzer (Chairman), Ilkka Brotherus and Hannu Ryöppönen as members of the Nomination Committee. The composition of the Nomination Committee during the period of January 1, 2018 – March 8, 2018 was Ilkka Brotherus (Chairman), Bruno Sälzer and

Hannu Ryöppönen. The Nomination Committee convened four times in 2018 and the meeting attendance rate was as follows:

<b>Name</b>	<b>Attendance rate (%)</b>
Bruno Sälzer	100%
Ilkka Brotherus	100%
Hannu Ryöppönen	100%

### **Diversity of the Board of Directors**

The Nomination Committee values the benefits that diversity brings and seeks to maintain a Board of Directors comprised of talented and dedicated members with a diverse mix and an appropriate balance of professional expertise, experience, skills, age, gender, nationalities and backgrounds. The Committee shall consider candidates for members on the basis of their merits with consideration of the needs in the Board of Directors having due regard to the benefits of diversity. Based on these principles, the Committee aims to ensure skills and qualifications which collectively represented in the Board of Directors shall provide an appropriate balance of diversity, expertise and experience to maintain and enhance the overall effectiveness of the Board of Directors.

Amer Sports Board of Directors comprises seven members. The cultural background of the Board members is diverse: they represent five different nationalities. In addition, their length of service is spread: two members have served in Amer Sports Board of Directors for more than 10 years, one for 6-10 years and four for less than five years. The Board members have significant experience in brand building, softgoods, fashion, consumer goods, retail, digital, international business including the US and China, and financial management.

The objective is to have both genders represented in the Board of Directors and the aim is to strive towards an appropriately balanced gender distribution. At the end of 2018, two of the Board members were female and five male.

## **PRESIDENT AND CEO AND OTHER EXECUTIVES**

### **President and CEO**

The Board of Directors nominates the President and CEO, who is responsible for managing Amer Sports in accordance with the Finnish Limited Liability Companies Act and instructions provided by the Board of Directors.

The President and CEO reports to the Board of Directors and keeps the Board of Directors informed about Amer Sports' business, including information about relevant markets and competitors, as well as the Company's financial position and other matters of significance. The President and CEO is also responsible for overseeing the Company's day-to-day administration and ensuring that the financial administration of the Company has been arranged in a reliable manner. The President and CEO is assisted by the Executive Board.

### ***Heikki Takala***

President and CEO of Amer Sports since 2010. Master of Science degree in International Business, Helsinki School of Economics and ESADE (Barcelona). Born 1966. Finnish nationality.

Primary work experience: Several leadership positions in brand management, marketing, sales and commercial strategy at country, region and global level at Procter & Gamble 1992–2010.

### **The Executive Board**

The Executive Board is responsible for ensuring that the Amer Sports strategy is implemented consistently across all operating segments and business units. Other executives participate in the meetings as necessary.

The Amer Sports Executive Board comprises of the CFO, the Chief Commercial Officer, the President of Connected Devices and Digital Services, the Chief Human Resources Officer and the Presidents of operating segments and the most important business areas. The Presidents of the operating segments and business areas serve as the brand and/or operating segment representatives at the Executive Board.

Executive Board members on December 31, 2018 were:

***Heikki Takala***

Please see the details above.

***Rob Barker***

President of Fitness (Precor) and Executive Board member since 2013. Diploma in marketing, Chartered Institute of Marketing, United Kingdom, and B.Sc. (Hons) in sports science and business administration at the Nottingham Trent University, United Kingdom. Born 1966. British nationality.

Primary work experience: Vice President (EMEA and Asia Pacific) at Precor Inc. 2008–2013, Regional Commercial Director (EMEA, Fitness) at Amer Sports 2003–2008, European Commercial Director at Precor Products Ltd 2001–2003, European Commercial Director at FitLinxx 2001, Sales and Marketing Manager, UK, at Precor Products Ltd 1995–2000.

***Michael Dowse***

President of Ball Sports (Wilson Sporting Goods, DeMarini, ATEC, Louisville Slugger, EvoShield) since 2013 and Executive Board member since 2010. BBA in Marketing and Management at the University of Portland, USA. Born 1966. American nationality.

Primary work experience: General Manager, Americas, at Amer Sports 2010–2013, President & General Manager, Winter and Outdoor Americas, at Amer Sports 2006–2010, Vice President, North America, at Suunto 2004–2006, Director of Tennis Footwear at Nike Inc. 2002–2004, various positions at Wilson Sporting Goods in United States and Germany 1989–2002.

***Jon Hoerauf***

President of Apparel and Executive Board member since 2018. B.Sc, Human Physiology, Michican State University, USA. Born 1975. American nationality.

Primary work experience: Arc'teryx Equipment Inc., President since 2016, Arc'teryx Equipment Inc., VP, Global Commercial 2012-2016, The North Face, Global Product Director, Summit Series 2011-2012, The North Face, Sales Director, Canada 2009-2011.

***Sebastian Lund***

Chief Human Resources Officer and Executive Board member since 2016. M.Sc. in International Business at the Swedish School of Economics and Business Administration, Helsinki, Finland. Born 1970. Finnish nationality.

Primary work experience: Several HR leadership positions at global, regional and country level, with a career start in Marketing at Procter & Gamble 1996–2015, over 20 years of international experience based in the United States, Switzerland, Sweden and Finland.

***Heikki Norta***

President, Amer Sports Connected Devices and Digital Services since 2016 and Executive Board member since 2015. M.Sc in Economics at the Helsinki School of Economics and Business Administration, Finland. Born 1967. Finnish nationality.

Primary work experience: Amer Sports, Chief Digital Officer and President, Connected Devices and Digital Services 2015–2016, Microsoft, Partner and General Manager Surface, United States 2014–2015, Nokia, President & General Manager in Connected Devices unit, United States 2011–2014, various leadership



positions at Nokia Mobile Phones and Nokia 2000–2011, various management positions at Nokia Mobile Phones 1992–2000.

**Jean-Marc Pambet**

President of Footwear and President of Salomon since 2010 and Executive Board member since 2009. Degree from Ecole HEC Paris, France. Born 1959. French nationality.

Primary work experience: President of Apparel and Footwear at Amer Sports 2007–2009, General Manager Apparel & Footwear at Salomon 2002–2007, General Manager EMEA at Salomon 1996–2001, Country Manager France at Salomon 1990–1995, various positions at Salomon 1985–1989, consulting position at Eurequip Paris 1983–1985.

Other positions of trust: Vice President of European Outdoor Group (EOG) since 2016, Board member of European Outdoor Group (EOG) since 2009, Vice President of Outdoor Sports Valley since 2011, Board Member of MEDEF-Haute Savoie since 2015.

**Michael Schineis**

President of Winter Sports Equipment since 2007 and Executive Board member since 2002. MBA and Ph.D (Dr. rer. pol.), Augsburg, Germany. Born 1958. German nationality.

Primary work experience: Member of the “Beirat für Wissenschaft und Forschung des Landes Salzburg” and of the Advisory Board of Bulthaup GmbH & Co.KG, Chairman of SRS (Ski Racing Supplier Association), President of Atomic Austria GmbH since 1996, General Manager at Salomon Germany GmbH 1993–1996, Member of management team of CONTOP (advertising agency) 1989–1993.

**Jussi Siitonen**

Chief Financial Officer and Executive Board member since 2011. M.Sc. in Economics at the Helsinki School of Economics and Business Administration. Born 1969. Finnish nationality.

Primary work experience: Senior Vice President, Finance at Amer Sports 2009–2010, Senior Vice President and Group Controller at Stora Enso Group 2008–2009, Senior Vice President, Chief Accounting Officer at Stora Enso Group 2006–2008, several leadership positions in finance, controlling and project management at Stora Enso Group 1992–2006.

**Michael White**

Chief Commercial Officer, Global Go to Market since 2016 and Executive Board member since 2010. MA (Hons) at the University of St Andrews, United Kingdom. Born 1964. British nationality.

Primary work experience: Chief Commercial Officer and General Manager (EMEA and Americas) at Amer Sports May–November 2016, Chief Sales Officer and General Manager (EMEA and Americas) at Amer Sports 2013–2016, General Manager (EMEA) at Amer Sports 2010–2013, General Manager (Europe) at Amer Sports 2008–2009, General Manager (UK & Ireland) at Amer Sports 2005–2008, General Manager (France) at Office Depot 2000–2004, General Manager (France) at ICI Paints 1997–2000, General Manager (France) at French Connection 1995–1997, Commercial Director (France) at French Connection 1993–1995, Sales & Marketing Manager (Ecuador) at Coats Viyella 1992–1993, Marketing Executive (Europe) at Coats Viyella 1990–1991, Management Trainee at Coats Viyella 1988–1990.

**SHAREHOLDINGS OF BOARD OF DIRECTORS AND EXECUTIVE BOARD ON DECEMBER 31, 2018**

<b>Shareholder</b>	<b>Shares</b>	<b>Controlled corporations</b>
<b>Board of Directors</b>		
Bruno Sälzer	80,365	
Manel Adell	2,101	18,230
Ilkka Brotherus	2,695,777	500,000
Petri Kokko	959	
Tamara Minick-Scokalo	2,101	
Hannu Ryöppönen	29,722	
Lisbeth Valther	3,855	
<b>Executive Board</b>		
Heikki Takala	215,920	
Rob Barker	39,909	
Michael Dowse	49,198	
Jon Hoerauf	4,631	
Sebastian Lund	6,513	
Heikki Norta	13,841	
Jean-Marc Pambet	79,618	
Michael Schineis	70,570	
Jussi Siitonen	85,786	
Michael White	69,850	
<b>TOTAL</b>	<b>3,450,716</b>	<b>518,230</b>
<b>% of shares</b>	<b>3.0</b>	<b>0.4</b>
<b>Including controlled corporations</b>		
<b>% of shares</b>	<b>3.4</b>	

## **MAIN FEATURES OF THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS RELATING TO THE FINANCIAL REPORTING PROCESS**

The Board of Directors of Amer Sports approves and endorses the Company's Risk Management Policy. This policy defines the objectives, principles, processes and responsibilities concerning risk management within Amer Sports companies.

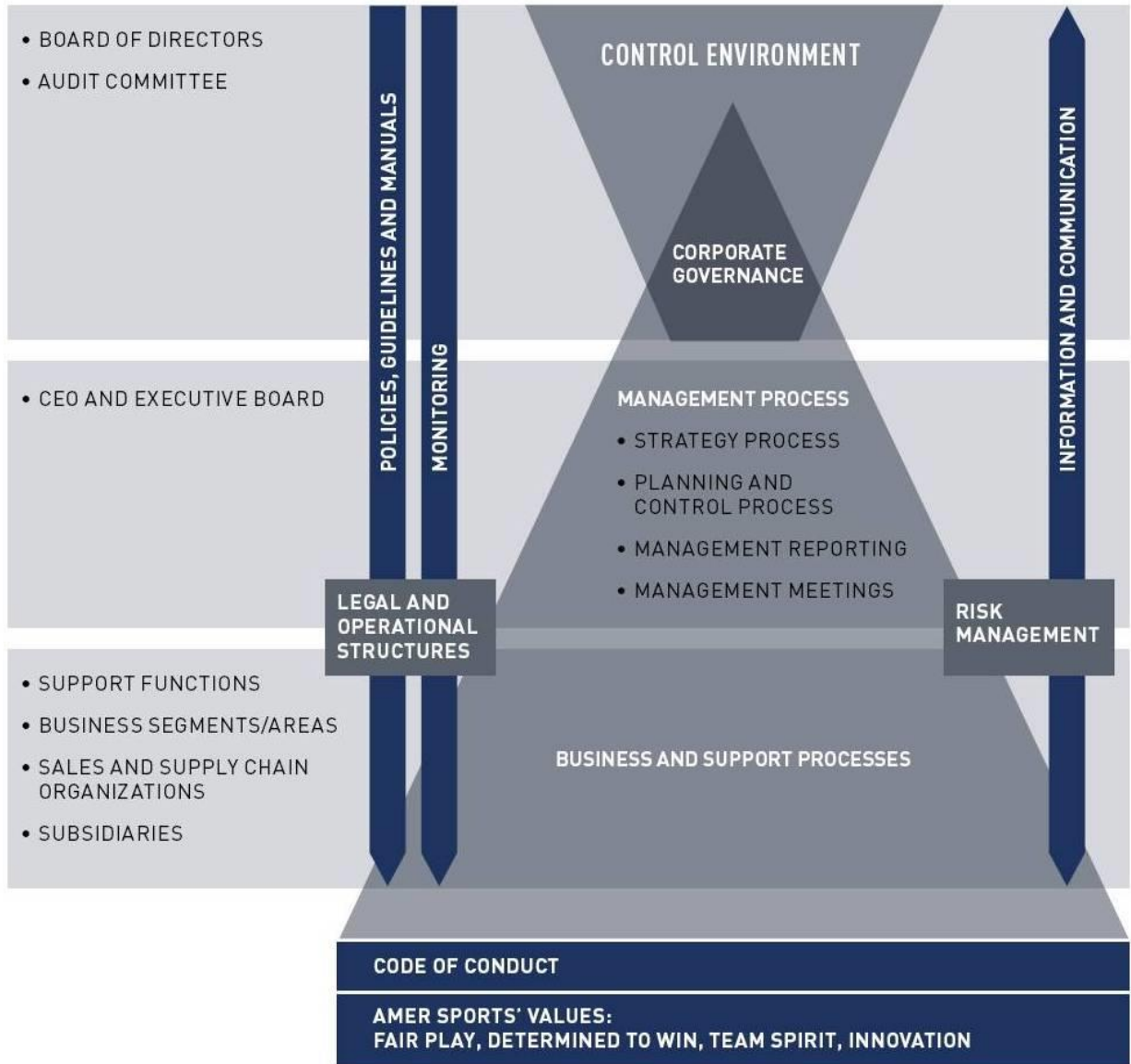
The risk management process is embedded in the business management in order to support the accomplishment of the Company's strategic business targets and financial reporting objectives. Responsibility for risk management rests with Amer Sports' operating segments/areas, sales and supply chain organizations and support functions, all of which report regularly to Amer Sports management on the main risks connected with their operations. The management of financial risks is centralized within the Company's Treasury function. Guidelines for risk management are set out in the Treasury Policy, which is approved by the Board of Directors and encompasses the principles and risk limits connected with the Company's balance sheet structure, relationships with financial institutions and other financing risks.

Amer Sports has three reportable operating segments: Outdoor, Ball Sports and Fitness. In overseeing the Company's operations, the President and CEO and other executives utilize weekly sales reports, monthly financial reports, and regular meetings with the management teams of operating segments/areas and regions.

Financial reporting is carried out in a harmonized manner in all Group companies. Amer Sports' accounting policies are based on the International Financial Reporting Standards (IFRS). In addition to IFRS, more specific group policies and guidance are provided in the Company's accounting policies manual (Corporate Manual). The Finance function is responsible for maintaining the Company's accounting policies and reporting systems, and also monitors to ensure that these reporting policies are followed. The Group's operating segments are responsible for providing their own financial statements. The Finance function provides consolidated financial statements.

Amer Sports has implemented a group-wide ERP (Enterprise Resource Planning) system in most of its entities. This includes a harmonized chart of accounts and structures enabling a more efficient control environment. The Finance function is responsible for monitoring the implementation of any further SAP rollouts. Amer Sports Risk Management framework includes internal controls over financial reporting that are aligned with the framework issued by the Committee of Sponsoring Organizations (COSO). There are five main components in this framework: Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring Activities.

**AMER SPORTS INTERNAL CONTROL FRAMEWORK**



**Control Environment**

Amer Sports values and Code of Conduct support and guide the Company’s operations around the world, providing a foundation for the control environment. The Board of Directors has overall responsibility for ensuring that an effective system of internal control and risk management is established. The Audit Committee oversees that risk management activities are in line with the Company’s Risk Management Policy. The responsibility for maintaining the internal control and risk management system is delegated to the President and CEO and to the Executive Board.

**Risk Assessment**

As part of Amer Sports risk management process, risks related to the business environment and operational and financial risks are identified, assessed and prioritized on an annual basis. Financial reporting priorities are defined by the Finance function to enable the identification and adequate management of risks.

### **Control Activities**

Amer Sports operating segments/areas, sales and supply chain organizations and support functions are responsible for aligning the Group's risk management priorities and strategies with Amer Sports management processes. Amer Sports support functions issue policies and guidelines for specific areas such as finance, accounting, purchasing, sales, IT, HR, and legal compliance. Operating segments/areas and sales and supply chain organizations and support functions are responsible for applying these policies and guidelines to achieve efficient and appropriate controls on the basis of their individual circumstances and operational contexts. Risk management and control activities are designed to mitigate identified risks while giving due consideration to the cost and potential effectiveness of control activities. Amer Sports Treasury function monitors the implementation of the Company's Treasury Policy within operating segments/areas and subsidiaries.

Amer Sports Corporate Manual and Internal Control Policies set standards for financial procedures. Financial control activities are designed to prevent, detect, and correct errors and irregularities and include a range of activities such as reporting, authorizations, approvals, reconciliations, and the segregation of duties.

Amer Sports Internal Control Policies harmonize and clarify rules and procedures by setting and communicating the expected minimum requirements that fall within the remit of internal controls. Property, loss-of-profits and liability risks arising out of the operations of Amer Sports companies are covered by taking out appropriate insurance policies. In addition to worldwide insurance programs, local policies are used when special legislation-related needs exist.

### **Information and Communication**

The components of Amer Sports' risk management and internal control system are described in various manuals, instructions and policies. These are communicated throughout the Group and stored in the Amer Sports intranet, which is accessible to Amer Sports employees. Amer Sports Corporate Manual defines, among other items, the planning and control process, reporting and accounting policies, and the role of the Amer Sports Treasury function. Taxation issues are covered in a range of instruction documents and guidelines. Amer Sports Internal Control Policy provides further information and establishes the expected minimum requirements regarding, among others, the authorization matrix, capital expenditure, and credit control policy. Operating segments/areas, sales and supply chain organizations and subsidiaries regularly provide Amer Sports management with financial and management reports, including analyses of financial performance as well as potential risks and opportunities.

### **Monitoring Activities**

The performance of Amer Sports companies is reviewed regularly at different organizational levels. Representatives of Amer Sports Finance function regularly visit the Company's businesses to carry out operational reviews. The Group Internal Control function adheres to the Internal Control Charter, approved by the Audit Committee, which stipulates the mission and scope of work for this function. The Group Internal Control function visits the Company's businesses to perform operational reviews and monitor compliance with internal control procedures, policies and guidelines according to an agreed plan.

Risk reporting is integrated into both the Operational Planning and Control Cycle and the Strategic Review Cycle management processes. Amer Sports operating segments/areas, sales and supply chain organizations and support functions report regularly on risk exposures and related mitigation efforts to the relevant management board.

The Board of Directors supervises significant risks connected with Amer Sports operations and evaluates the effectiveness of risk management activities.

The Risk Management Steering Team is responsible for overall development of the risk management process within Amer Sports, including the facilitation of Group level risk mapping.

### Internal Audit

In Amer Sports the internal audit activities are performed by the Group Internal Control function, consisting of two persons. Additionally external resources are used to support specific tasks depending on the focus area in question. The Group Internal Control function has direct access to the Audit Committee, attends the Audit Committee meetings and reports regularly on the work performed and on findings to the Committee. The purpose of the Group Internal Control function is to ensure a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, internal control system and governance processes. To support the current development with strong focus on harmonization and consolidation of Amer Sports' functions and processes, the Group Internal Control function also provides internal advisory services and shares best practices.

### 2018

Amer Sports Group Internal Control function analyzed the efficiency and adequacy of internal control in the Group's operations and evaluated the governance, internal control and risk management processes in the Company's businesses. There has been a continuous focus on the transition of activities to the financial shared service center opened in Poland in 2011. An additional focus area during the last years has been to develop automated control testing capabilities.

### External Audit

According to the Company's Articles of Association, Amer Sports has one auditor who shall be an audit firm.

The independent auditor engaged by Amer Sports is responsible for directing and coordinating audit work within all Amer Sports companies. The Audit Committee prepares a recommendation for the Annual General Meeting regarding the election of the auditor. The Annual General Meeting elects the auditor annually and for a period of one financial year.

The Company's auditor submits a written report on the audit to the Audit Committee and the Board of Directors once a year. The principal auditor presents a summary of the annual audit in person at the Board of Directors meeting at which the financial statements for the fiscal year are discussed. Auditors are invited to each of the Audit Committee's meetings and provide updates on how the Group audit is progressing and other findings.

### 2018

In 2018, the Annual General Meeting re-elected Authorized Public Accountant firm Ernst & Young Oy to act as auditor of the Company. The principally responsible auditor is Heikki Ilkka.

### Compensation of Auditors

EUR million	2018	2017
<b>Statutory audit</b>	<b>2.5</b>	<b>2.1</b>
<b>Tax consulting</b>	<b>0.1</b>	<b>0.1</b>
<b>Other services</b>	<b>0.0</b>	<b>0.1</b>
<b>Total</b>	<b>2.6</b>	<b>2.3</b>

### Insider guidelines

Amer Sports' Insider Policy is based on the Finnish Securities Markets Act, Regulation (EU) no 596/2014 of the European Parliament and of the Council on market abuse ("MAR") and so called 2- and 3-tier EU-regulation which supplement MAR, the Finnish Financial Supervisory Authority's ("FSA") regulations and guidelines regarding insider issues and issuer's obligation to provide information, Nasdaq Helsinki Ltd's Guidelines for Insiders of Listed Companies and the Finnish Criminal Code. The Insider Policy includes regulations on insiders, the prohibition of the abuse and illegitimate disclosure of inside information, notification and publication of transactions of Company Executives and their closely associated persons, closed period concerning Company Executives and certain core persons, project-specific insider lists as well as securities trading by employees through trading plans.

Amer Sports prepares and maintains a list of all persons discharging managerial responsibilities in the Company ("Company Executives") and their closely associated persons, as set forth in MAR. The list is not open to public and share and/or other financial instrument ownership is not registered in it. Company Executives and their closely associated persons shall notify the Company and the FSA all the transactions they have conducted on their own account relating to the shares or debt instruments of Amer Sports Corporation or to derivatives or other financial instruments linked thereto. The Company shall publish the transactions of the Company Executives or their closely associated persons without delay once it has received the notification and at the latest within three business days since the transaction was concluded, and store the releases in the Central Storage Facility.

#### **Project-specific insiders**

Persons to whom the Company discloses project-specific inside information shall be entered in a project-specific insider list. Persons in the project list may include, e.g., employees and Board members of the Company, advisors of the Company as well as shareholders and authorities to whom the Company discloses project-specific inside information.

Project-specific insiders are classified for the duration of a project. In general, persons entered in the list are prohibited from all trading in Amer Sports shares or other financial instruments or thereto related derivatives from the moment they were notified of the restriction until the project ends or is made public. Regardless of the time when the trading restriction comes into effect, a project-specific insider is always personally responsible for complying with insider provisions. A project-specific register of insiders is not public, but the FSA has the right to obtain and use information related to the Company's administration of project-specific inside information.

#### **Closed period**

A Company Executive or a core person, such as a person preparing the interim or year-end reports, shall not trade or conduct any transactions relating to a financial instrument of the Company, on its own account or for the account of a third party, directly or indirectly, during the time between the end of a quarter or a financial year and the publication of corresponding interim report or year-end report. However, the trading is always prohibited for a period of 30 calendar days before the announcement of an interim report or a year-end report and also on the day of the publication of an interim report or a year-end report (closed period).

#### **Supervision**

Amer Sports' General Counsel is responsible for appropriate communications regarding the Company's insider compliance and the maintenance of insider affairs.