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Conflicts of Interests, Gifts and Entertainment, Bribery and Improper Dealings

All Henkel employees are expected to have undivided loyalty to the company. We make decisions in our company's best interest and seek to avoid situations where our personal interests or outside influences would conflict or appear to conflict with those of the company.

1. Conflicts of Interest

A conflict of interest arises when an employee's personal, social, financial, or political activity may interfere, or has the appearance to interfere, with his or her loyalty or objectivity to Henkel. Conducting Henkel's business in an honest and ethical manner requires an appropriate handling of real or apparent conflicts of interest. If a conflict of interest has arisen, or if the potential for a conflict of interest exists, the matter should be disclosed to your Supervisor or to your Corporate Compliance Representative.

Common Examples of Conflicts of Interests

- **Employment and affiliations outside Henkel.** A second job providing services to or consulting with organizations doing business with or directly competing against Henkel may create a conflict of interest and must be approved by your supervisor. Activities or engagements of this kind would never be permissible if such work or services were for a company you interact with as part of your job.
- **Employment of Close Relatives.** If a close relative works for a customer, competitor or supplier of Henkel, and if the relative may be involved with you as part of your job responsibilities, you should promptly notify your supervisor (ExCom Member level required) or your Compliance Representative. As a rule, a relative should not have a business relationship with you in your capacity as a Henkel employee, anyone working in your business unit, or anyone reporting to you.
- **Internal Employment of Relatives.** If internal employment of relatives elsewhere in the company, or a relationship of a personal nature may interfere with your duties or may raise a conflict of interest, your supervisor (ExCom Member level required) or your Compliance Representative should be informed so that management may change the reporting or working relationship or take further appropriate steps to address the situation.
- **Boards of Directors.** Occasionally, accepting a **position to serve** on the board of directors of **another organization** (including positions in non-profit organizations), may raise a conflict of interest. Prior to accepting such a position, written approval from your supervisor (ExCom Member level required) or your Compliance Representative is required.

- **Investments**. Employees' **investments** may raise a conflict of interests if made in competitors, customers, or suppliers of Henkel. Prior written approval of your Supervisor (ExCom Member level required) or your Compliance Representative is required, if the investment is substantial and may influence your judgment as a Henkel employee. An investment in a public company of less than 1% of the outstanding equity securities value is not regarded as "substantial" and would not need approval. The same applies for investments in publicly traded companies or mutual funds or similar pooling of securities which do not serve specific interests of an individual investor.

Please note that these rules also apply to business contacts with **potential** suppliers and **potential** customers accordingly.

General Guidance

Any apparent conflict of interest should be fully explained to your Compliance Representative or your supervisor (ExCom Member level required) so that prior written permission is obtained. If you are uncertain about priorities or about your conduct in a potential conflict of interest situation or business relationship, you may consider what your answers would be to the following **questions**, and approach your Compliance Representative for further advice, if one of the answers is "Yes":

- Would my activity affect or appear to affect any decision I will make for Henkel?
- Might others inside the company or my co-workers think it could affect my judgment or influence my job duties?
- Would I be embarrassed if someone outside the company, including Henkel's customers, suppliers, or my friends and family, learned about my activities from the media?

2. Gifts and Entertainment

As employees of Henkel, we are in contact with various suppliers and customers vital to Henkel's success. Accordingly, relationships with suppliers, customers and other third parties require clear commitments to fair dealing and sound business decisions. The exchange of gifts and entertainment of an excessive nature may have an **impact** on our ability to make **decisions free of any conflict of interests**. Gifts and entertainment of a nominal nature ordinarily would not create a conflict or create the appearance of impropriety provided that local business practice and customs allow the offer and acceptance of inexpensive gifts or mementos and modest entertainment. Extravagant gifts and entertainment are never acceptable. In the rare event that a legitimate business reason or local business practice allows acceptance of a gift of significant value, it becomes property of Henkel and must be delivered to the company for use, display or other disposition. Upon his request, Henkel may decide to sell the gift to the employee, who forwarded the gift to the company.

Gifts and Entertainment Definition

Generally, gifts and entertainment mean anything of value. The list of potential items may be endless and the following examples are for illustrative purposes only:

- **Gifts:**

Cash or cash equivalent, discounts or favourable terms on products or service (except, if granted to **all** Henkel employees), loans, prizes, transportation, use of vehicles, use of vacation facilities, gift certificates, stocks, watches, calendars, pens or other promotional items and accessories, etc.

Entertainment:

Business meals, sports events, opera, hotel arrangements, etc.

- **Appropriate or Inappropriate Gifts and Entertainment**

Henkel has developed two general categories defining appropriate and inappropriate gifts and entertainment.

Gifts and Entertainment - customarily allowed or allowed with Prior Approval

Gifts and entertainment which are allowed and **do not require special approval** must be nominal in value (estimated value up to €50.-) and considered a matter of common business courtesy under local business practice. Entertainment must be linked to a valid business purpose. As a rule, the following modest expressions of goodwill, if consistent with local law, industry, and business practice, are acceptable: inexpensive promotional items, “logo” pens, calendars, caps and the like, flowers, a fruit basket, a book or comparable items, a small collection of product samples, occasional meals, ordinary sport event, theatre or other cultural event (any entertainment, but only if customer is in attendance).

For **any entertainment** offered to you in excess of a market value of **€ 300** in the single case (or from any **one** source in a year) you may wish to get **prior written approval from your Supervisor (ExCom Member level required) or your Compliance Representative**. The same applies if you are offered travel or entertainment lasting more than one day or a limited public access/contingent special event entertainment (for example, “Soccer Worldcup”).

Generally, if you are considering accepting or approving a gift or entertainment, even if within the limits mentioned above, you should **always consider** the following issues:

Would the gift or entertainment likely **influence** your objectivity?

Is the gift or entertainment linked to a **business purpose**?

Would your acceptance/approval set **precedents** for other employees?

Would you expect to receive **negative feedback** in case your acceptance/approval were made known to other Henkel employees or to the public outside your company, or to your friends or your family?

Inappropriate Gifts and Entertainment

In a number of cases, the acceptance of gifts or of entertainment is inappropriate or wrong and Henkel employees are requested to **never accept** or approve it:

if the gift is **cash** or cash convertible or cash equivalent, for instance, any kind of money transfer, bank check, loan etc; or

if the gift or the entertainment would be **illegal** or would result in violation of laws; or

if the acceptance of a gift or of entertainment **would be - or could be regarded as** - anything "**quid pro quo**," or

if the gift or entertainment would embody an activity being regarded as **immoral** or would violate mutually accepted principles of respect, religions or cultures (including, but not limited to, sexually orientated activity); or

if the gift or entertainment would **violate** the offering employer's **standards, rules or regulations**.

- **Procedure Upon Receiving an Inappropriate Gift**

Any gift that you receive that would be **wrong** or inappropriate according to the principles described above, must be **returned immediately** and your Supervisor (ExCom Member level required) or your Compliance Representative should be informed accordingly. Where appropriate and in order to prevent further impropriety, a letter to the donor may be issued **addressing Henkel's policy** with respect to gifts.

- **Offering Gifts and Entertainment to Third Parties**

Henkel's rules for acceptance of gifts and entertainment described above are also applicable when gifts and entertainment are offered by Henkel employees to suppliers and customers, or other third persons having a business

relationship to Henkel. The guidelines just mentioned also apply to Henkel employees who make gifts to third parties so that:

no gift should be made in value in excess of the limits described above, and

entertainment, if its **nominal value exceeds** € 300 (or lower amount is consistent with local business practise) in a single case or to any **one** person or organization in a year, should not occur.

Any exception to the foregoing requires prior written approval of your Supervisor (ExCom member level required) or of your Compliance Representative.

3. **Anti-Corruption compliance - restrictions for gifts, entertainment or other favours to Government Officials**

As employees of Henkel, we **strictly restrain** from offering **money or anything else of value**, directly or indirectly, to government officials to avoid influencing, or appearing to influence, official decisions and actions. Most countries around the world have adopted anti-bribery-laws, providing fines, criminal penalties (including possible imprisonment) and costly enforcement actions as well as high damage penalties against both the Company and its employees found guilty or being involved in bribery activity. Further, activities violating anti-bribery laws may severely damage Henkel's reputation and the reputation of Henkel's employees and may lead to the vicarious liability of innocent third parties. For the purpose of this provision, the term "government official" shall include any individual working at a local, state or national governmental entity or agency or other institution and having a status similar to government officials by pertinent law, and their families in a broad sense.

General Guidance

- **No** Henkel employee may promise, offer or provide any **gift** or other contributions of whatever value, kind and nature, **to government officials**, directly, indirectly or through an intermediary.
- No Henkel employee may provide **meals, travel and entertainment to government officials**, directly, indirectly or through an intermediary. The sole exception to the foregoing rule may be those instances where the meal, entertainment and transportation is **occasional** and

directly and **in good faith linked** to a valid **business event** involving the Government Official in his or her official activity,

is of reasonable, **moderate value**, and

upon careful consideration, if strictly **consistent with local laws** and local practice.

Any such offer to government officials or employees will always require **prior written approval of your Supervisor** (ExCom Member level) **or of your Compliance Representative**.

- Henkel and its employees, may not, directly or indirectly, make donations and cannot promise, offer or provide any kind of gifts, individual entertainment, travel or meals to **politicians, political parties, political organizations or to trade unions** and their representatives, except where explicitly allowed or provided by local law, and then only in compliance with local law and upon written approval of the Compliance Representative. Henkel's books, records and accounts will duly reflect these transactions and dispositions.

This policy does not affect Henkel's cultural, social, scientific and other, sponsoring activities, if approved by Henkel's Board or if part of Henkel's official humanitarian programs, such as the Henkel "Smile" program.

4. Protection of Henkel Funds and Assets, "Internal Gifts"

Henkel employees are committed to protect and manage the company's funds and assets with uncompromising honesty. We do **not misuse** our position at Henkel or its funds or assets **to privately enrich** ourselves or others inside or outside of Henkel. Accordingly, Henkel funds and assets are never available for unauthorized donations or other benefits such as personal or private purposes, and must be used for "**company purpose**" **only**, such as:

- if in Henkel's name, as giving entity; or
- if provided by individual or collective employment contract; or
- if linked to a valid business case or to a company event; or
- if linked to individual or collective official proceedings at Henkel; or
- if individual or collective incentive and had been properly rewarded and recorded.

Usually, a personal gift to the retirement of a co-worker is not in Henkel's name, but a private disposition, other than the Administrative Assistant's official company anniversary, sent in Henkel's name.

5. Commercial Bribery and Improper Business Dealings

In most countries, **commercial bribery is illegal** and subject to criminal prosecution and penalties, not to mention loss of reputation and high civil or criminal penalties. Even worse, commercial bribery undermines **fair trade and fair market competition**. Henkel's goal is to win customers and consumers for its products by virtue of the product quality and value, not by illegal and unfair means.

Accordingly, any personal payment, bribe, kickback or similar received by Henkel employees, or any offering of personal payments, of bribe or similar by Henkel employees to customers, suppliers or other third parties doing business with Henkel, is **strictly prohibited**. This prohibition to offer or receive such payments extends even to those localities where such practices are tacitly condoned, or where local law may provide lower ethical standards.

In order to support the establishment of fair market conditions and to address the situation, Henkel employees should without delay report the offer of any improper payment to their supervisor, compliance representative or a member of Henkel Law Group. For the avoidance of doubt, improper payments, bribes or similar include any and all benefits, including cash, cash equivalent, any kind of valuable services or other benefits of value, wrongfully offered to the employee, his family, or relatives.