

**Henkel AG & Co. KGaA, Düsseldorf**

Convocation of  
Annual General Meeting  
2021





## Overview with disclosures pursuant to Section 125 of the German Stock Corporation Act [AktG] in conjunction with Table 3 of the Implementing Regulation (EU) 2018/1212

### A. Contents of this Notification

1. **Unique Event Identifier:**

Virtual Annual General Meeting of Henkel AG & Co. KGaA

2. **Class of Notification:** Convocation of Annual General Meeting

### B. Information Relating to Issuer

1. **ISIN:**

Ordinary shares DE0006048408

Preferred shares DE0006048432

2. **Name of Issuer:** Henkel AG & Co. KGaA

### C. Information Relating to the Annual General Meeting

1. **Date of the Annual General Meeting:** April 16, 2021

2. **Time of the Annual General Meeting:** 10:00 a.m. (CEST)  
(corresponding to 8:00 a.m. UTC)

3. **Type of General Meeting:** Ordinary virtual annual shareholders' meeting without physical presence of shareholders or their proxies

4. **Venue of the Annual General Meeting:**

URL to the Henkel InvestorPortal (internet service of the Corporation) for following the Annual General Meeting in image and sound and for exercising shareholder rights: <https://www.henkel.com/agm>; <https://www.henkel.de/hv>

The venue of the Annual General Meeting within the meaning of the German Stock Corporation Act [AktG]: Henkelstrasse 67, 40589 Düsseldorf, Germany

5. **Record Date:** March 25, 2021

6. **Website for the Annual General Meeting / URL:**

<https://www.henkel.com/agm>; <https://www.henkel.de/hv>

**Further information relating to the Convocation of the Annual General Meeting (Blocks D to F of Table 3 of the Annex to the Implementing Regulation (EU) 2018/1212):**

Further information on participation in the Annual General Meeting (Block D), the Agenda (Block E) and details of the deadlines for exercising other shareholder rights (Block F) can be found on the following websites: <https://www.henkel.com/agm>; <https://www.henkel.de/hv>

## Agenda at a Glance

### Virtual Annual General Meeting 2021

- 1. Presentation of the annual financial statements, the consolidated financial statements and the combined management report relating to Henkel AG & Co. KGaA and the Group, each as approved and endorsed by the Supervisory Board, and the report of the Supervisory Board for fiscal 2020. Resolution to approve the annual financial statements of Henkel AG & Co. KGaA for fiscal 2020**
- 2. Resolution on the appropriation of profit**
- 3. Resolution to approve and ratify the actions of the Personally Liable Partner**
- 4. Resolution to approve and ratify the actions of the members of the Supervisory Board**

- 5. Resolution to approve and ratify the actions of the members of the Shareholders' Committee**
- 6. Resolution on the appointment for fiscal 2021 of the auditor of the annual financial statements and the consolidated financial statements and of the examiner for financial review of the financial report for the first six months of the fiscal year**
- 7. Resolution on a supplementary election to the Shareholders' Committee**
- 8. Resolution on the approval of the remuneration system for members of the Management Board**
- 9. Resolution to amend Article 17 (6) and (7) and Article 33 (5) of the Articles of Association (Remuneration of the Supervisory Board and of the Shareholders' Committee)**
- 10. Resolution on the confirmation of the remuneration of the Supervisory Board and Shareholders' Committee and the underlying remuneration policy**
- 11. Resolution on amendment of Articles 15, 23 and 31 of the Articles of Association**

# Convocation of Virtual Annual General Meeting 2021 Henkel AG & Co. KGaA, Düsseldorf/Germany

## Securities ID Numbers:

Ordinary shares	604840
Preferred shares	604843

## International Securities Identification Numbers:

Ordinary shares	DE0006048408
Preferred shares	DE0006048432

The shareholders of our Corporation are hereby invited to attend our **Annual General Meeting** taking place on **Friday, April 16, 2021, at 10:00 a.m. (CEST)**.

Unfortunately it will not be possible for us to welcome you in person this year. It remains critically important to avoid physical contact in order to contain further spread of the coronavirus. Hence, in the interests of our shareholders, employees and service providers, not to mention the public at large, we are organizing our Annual General Meeting such that there are as few people as possible at any one location. This year's Annual General Meeting of Henkel AG & Co. KGaA will be therefore held **exclusively as a virtual shareholders' meeting without the physical presence of shareholders or their proxyholders** (with the exception of the voting proxies nominated by the Corporation).

The shareholders and their proxyholders may follow the transmission of the Annual General Meeting live in image and sound via the Henkel InvestorPortal, which is available on the website of the

Corporation (<https://www.henkel.com/agm>; <https://www.henkel.de/hv>), and may exercise their rights – as described in detail under Section IV. of this convocation – in writing or via the Henkel InvestorPortal.

The place of the General Meeting within the meaning of the German Stock Corporation Act [AktG] is the registered office of the Corporation, Henkelstrasse 67, 40589 Düsseldorf, Germany.

## I. AGENDA

### **1. Presentation of the annual financial statements, the consolidated financial statements and the combined management report relating to Henkel AG & Co. KGaA and the Group, each as approved and endorsed by the Supervisory Board, and the report of the Supervisory Board for fiscal 2020. Resolution to approve the annual financial statements of Henkel AG & Co. KGaA for fiscal 2020**

The aforementioned documents also include the corporate governance statement including corporate governance reporting, the remuneration report and the disclosures pursuant to Sections 289a (1) and 315a (1) of the German Commercial Code [HGB], in each case as last amended.

Pursuant to Section 171 of the German Stock Corporation Act [AktG], the Supervisory Board has approved and endorsed the annual financial statements and the consolidated financial statements prepared by the Personally Liable Partner. Pursuant to Section 286 (1) AktG, it is proposed that the annual financial statements be approved and adopted by the Annual General Meeting; the other aforementioned documents shall be made available to the Annual General Meeting without the requirement of any further resolution in this regard. They are available at <https://www.henkel.de/hv> (German) and <https://www.henkel.com/agm> (English) both during and after the General Meeting.

The Personally Liable Partner, the Shareholders' Committee and the Supervisory Board propose that the annual financial statements, stating an unappropriated profit of 2,006,781,698.41 euros, be approved as presented.

## 2. Resolution on the appropriation of profit

The Personally Liable Partner, the Shareholders' Committee and the Supervisory Board propose that the unappropriated profit of Henkel AG & Co. KGaA for fiscal 2020 in the amount of 2,006,781,698.41 euros be applied as follows:

a) Payment of a dividend of 1.83 euros per ordinary share (259,795,875 shares)	= 475,426,451.25 euros
b) Payment of a dividend of 1.85 euros per preferred share (178,162,875 shares)	= 329,601,318.75 euros
c) The remainder to be carried forward to retained earnings	= <u>1,201,753,928.41 euros</u>
	= <u><u>2,006,781,698.41 euros</u></u>

As of the time of this Notice of Convocation, the Corporation possesses 3,680,552 treasury shares. According to Section 71b of the German Stock Corporation Act [AktG], treasury shares do not qualify for a dividend. The amount in unappropriated profit which relates to the shares held by the Corporation at the date of the General Meeting will be carried forward as retained earnings. As the number of such treasury shares can change up to the time of the Annual General Meeting, a correspondingly adapted proposal for the appropriation of profit will be submitted to it, providing for an unchanged payout of 1.83 euros per ordinary share qualifying for a dividend, and 1.85 euros per preferred share qualifying for a dividend, with corresponding adjustment of the payout totals and of retained earnings carried forward to the following year.

Pursuant to Section 58 (4) sentence 2 AktG, the entitlement to dividends falls due on the third business day following the Annual General Meeting, i.e. on Wednesday, April 21, 2021. No provision can be made for an earlier due date (Section 58 (4) sentence 3 AktG).

### **3. Resolution to approve and ratify the actions of the Personally Liable Partner**

The Personally Liable Partner, the Shareholders' Committee and the Supervisory Board propose that the actions of the Personally Liable Partner be approved and ratified for fiscal 2020.

### **4. Resolution to approve and ratify the actions of the members of the Supervisory Board**

The Personally Liable Partner, the Shareholders' Committee and the Supervisory Board propose that the actions of the members of the Supervisory Board officiating in fiscal 2020 be approved and ratified for that fiscal year.

### **5. Resolution to approve and ratify the actions of the members of the Shareholders' Committee**

The Personally Liable Partner, the Shareholders' Committee and the Supervisory Board propose that the actions of the members of the Shareholders' Committee officiating in fiscal 2020 be approved and ratified for that fiscal year.

### **6. Resolution on the appointment for fiscal 2021 of the auditor of the annual financial statements and the consolidated financial statements and of the examiner for financial review of the financial report for the first six months of the fiscal year**

Concurring with the recommendations of its Audit Committee, the Supervisory Board proposes that PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, Germany, be appointed for fiscal 2021 as auditor of the annual financial statements and of the consolidated financial statements and as examiner for review of the report for the first six months of the fiscal year.

Neither the recommendation by the Audit Committee to the Supervisory Board nor the Supervisory Board's proposal was unduly influenced by any third party. Similarly, there were no regulations in place pursuant to Article 16 (6) of the EU Statutory Audit Regulation that might have limited the options for auditor selection.

## **7. Resolution on a supplementary election to the Shareholders' Committee**

Mr. Prof. Dr. Ulrich Lehner resigned his seat on the Shareholders' Committee, his departure being effective as of the end of this 2021 Annual General Meeting. Pursuant to Article 27 (1) of the Articles of Association, the Shareholders' Committee consists of at least five and at most ten members, these being appointed by the General Meeting in accordance with Article 27 (2) of the Articles of Association.

The Shareholders' Committee and the Supervisory Board propose that

### **Mr. James Rowan**

Chief Executive Officer Ember Consumer & President of Ember Healthcare, Ember Technologies, Inc., California, USA

*Memberships of statutory supervisory boards in Germany:*

None

*Memberships of statutory supervisory / administrative boards in Germany or comparable German or foreign oversight bodies:*

Nanofilm Technologies International Ltd., Singapore

PCH International Ltd., Cork/Ireland

be elected effective as of the end of this Annual General Meeting as a member of the Shareholders' Committee for the remaining term of office of the Shareholders' Committee, i.e. for the period up to the end of the Annual General Meeting which resolves on approval and ratification of the actions of the Shareholders' Committee for fiscal 2023 (expiry of Annual General Meeting 2024).

The curriculum vitae of Mr. Rowan can be found in the appendix to this Notice of Convocation.

## **8. Resolution on the approval of the remuneration system for members of the Management Board**

Pursuant to Section 120a (1) sentence 1 of the German Stock Corporation Act [AktG], the Annual General Meeting of a listed company

must resolve on the approval of the remuneration system for the members of the Management Board presented by the Supervisory Board at least every four years and on each material change to the remuneration system. The resolution adopted creates neither rights nor obligations. It is not contestable under Section 243 AktG. A resolution confirming the remuneration system is permissible.

At Henkel, unlike in the case of joint stock corporations, the Supervisory Board of Henkel Management AG is responsible for appointing and dismissing members of the Management Board, the drafting of their contracts, assignment of their business duties, and their remuneration. Corresponding resolutions are adopted by the Supervisory Board of Henkel Management AG, which is comprised of three members of the Shareholders' Committee, after prior consultation in the Shareholders' Committee's Human Resources Subcommittee.

The remuneration system currently in place for the members of the Management Board of Henkel Management AG was approved by the Henkel AG & Co. KGaA Annual General Meeting of June 17, 2020 by a majority of around 98.9 percent. To reflect the outcome of discussions on this topic with shareholders and shareholders' representatives, the Supervisory Board of Henkel Management AG has further refined the remuneration system, made some editorial changes and added more detailed explanations, as well as resolving, in conformity with recommendations made by the Human Resources Subcommittee of the Shareholders' Committee, to implement the following adjustments, starting on January 1, 2021:

- Option to increase components of remuneration while upholding the specified caps for the respective total remuneration.

- Share Ownership Guideline:

The obligation to purchase and hold shares is a key element of the remuneration system for the Management Board. In addition to the existing obligations requiring Management Board members to purchase and hold shares, the revised system aims to make it mandatory for them in future to hold at least as many shares acquired under the STI (share deferral) as equates to 100 percent of their basic remuneration, or 200 percent of the annual basic remuneration in the case of the CEO, for the duration of their tenure.

- Consideration of unusual developments when determining target achievement in respect of variable remuneration:  
The previous options of the Supervisory Board of Henkel Management AG to take reasonable account of exceptional developments in determining the amount to be paid out in variable remuneration have been clarified in accordance with the requirements of Recommendation G.11 of the German Corporate Governance Code (GCGC).
- Option to grant a lump-sum pension payout in order to enable accumulation of private pension entitlements instead of participation in the company pension scheme.
- Temporary deviations from the remuneration system:  
Consistent with the precepts of Section 87a (2) sentence 2 AktG, a clause governing temporary deviation from the remuneration system has been incorporated.

The remuneration system for the Management Board, including the changes effective January 1, 2021, is described and explained under Section II. of this Notice of Convocation. In addition, the remuneration system is presented in the Remuneration Report, which is included in the 2020 Annual Report starting on page 52. The Annual Report for 2020 containing the Remuneration Report is available on the internet (<https://www.henkel.com/agm>; <https://www.henkel.de/hv>). Reference is made to these statement presentations for the purpose of the resolution.

Section 124 (3) AktG provides for a resolution proposal of the Supervisory Board to be submitted to the Annual General Meeting for approval of the remuneration system. As indicated, due to the legal form of the Corporation, it is not the Supervisory Board of the Corporation but the Supervisory Board of Henkel Management AG which – after prior discussion in the Human Resources Committee of the Shareholders' Committee – is responsible for determining the remuneration system. Hence, the Corporation's Supervisory Board, in consultation with the Supervisory Board of Henkel Management AG and the Shareholders' Committee, proposes that this further developed system of remuneration for Management Board members, applicable from fiscal 2021, be approved.

**9. Resolution to amend Article 17 (6) and (7) and Article 33 (5) of the Articles of Association (Remuneration of the Supervisory Board and of the Shareholders' Committee)**

Since the changeover in 2012, the remuneration of the members of the Supervisory Board and Shareholders' Committee has consisted purely of fixed compensation. In addition, the Corporation reimburses members for expenses incurred in connection with their (sub)committee activities.

Against the background of the steadily increasing level of activity performed by these corporate bodies in recent years and the prominent function of the respective Chairperson, which has also become increasingly important in terms of external impact in recent years, the provision of modern equipment and appropriate reimbursement of expenses for corporate body activities should be more specifically incorporated within the Articles of Association.

The Personally Liable Partner, the Shareholders' Committee and the Supervisory Board propose the following resolutions:

a) That Article 17 (6) and (7) of the Articles of Association be amended as follows:

(6) The members of the Supervisory Board shall be reimbursed by the Corporation for the value-added tax legally due on their total remuneration and on expenses defrayed. In addition, any employer's social security contributions incurred for Supervisory Board activities under domestic or foreign laws shall be assumed by the Corporation or reimbursed to the Supervisory Board member. The Corporation shall provide the members of the Supervisory Board with technical support, equipment and benefits in kind to an extent that is appropriate to enable them to exercise their oversight function. The Corporation may also grant such benefits to the Chairperson of the Supervisory Board for the appropriate performance of corresponding representational duties and activities.

- (7) The members of the Supervisory Board shall be included in a pecuniary loss liability insurance policy (D&O insurance) maintained by the Corporation in the interests of the Corporation at an appropriate level for corporate bodies and certain executives, insofar as such a policy exists. The premiums for such an insurance policy shall be paid by the Corporation.
- b) That Article 33 (5) of the Articles of Association shall be redrafted as follows:
- (5) The members of the Shareholders' Committee shall be included in a pecuniary loss liability insurance policy (D&O insurance) maintained by the Corporation in the interests of the Corporation at an appropriate level for corporate bodies and certain executives, insofar as such a policy exists. The premiums for such an insurance policy shall be paid by the Corporation. In addition, any employer's social security contributions incurred in respect of activities performed by a member of the Shareholders' Committee under domestic or foreign laws shall be assumed by the Corporation or reimbursed to the Shareholders' Committee member. The Corporation shall provide the members of the Shareholders' Committee with technical support, equipment and benefits in kind to an extent that is appropriate to enable them to exercise their oversight function. The Corporation may also grant such benefits to the Chairperson of the Shareholders' Committee for the appropriate performance of corresponding representational duties and activities.

#### **10. Resolution on the confirmation of the remuneration of the Supervisory Board and Shareholders' Committee and the underlying remuneration policy**

Pursuant to Section 113 (1) sentence 2 of the German Stock Corporate Act [AktG], the remuneration of Supervisory Board members may be established in the Articles of Association or approved by the Annual General Meeting. According to Section 113 (3) AktG, listed companies must adopt resolutions governing the remuneration of their supervisory boards at least every four years, whereby a resolution simply confirming the status quo is permissible. The initial resolution must be adopted by the end of the first Annual General Meeting follow-

ing December 31, 2020. The above provisions shall apply mutatis mutandis to the remuneration of the members of the Shareholders' Committee.

*Remuneration policy in respect of members of the Supervisory Board and of members of the Shareholders' Committee*

The remuneration policy in respect of Supervisory Board members and members of the Shareholders' Committee is based on statutory requirements and takes into account the principles of good corporate governance, in particular the recommendations and suggestions of the German Corporate Governance Code (GCGC).

The following principles play a key role in defining the remuneration:

- The remuneration strengthens the impartiality of the members of these corporate bodies.
- The remuneration is appropriate for the relevant duties of these corporate bodies.
- Reasonable account is taken of the roles and functions performed by the relevant members on the respective corporate bodies and their (sub)committees.

Remuneration is of a purely fixed nature to strengthen impartiality and to avoid conflicts of interest for corporate body members performing their oversight functions. In accordance with GCGC recommendations, remuneration is increased or additional remuneration paid to take account of the responsibility and scope of duties associated with being Chair, Vice Chair or member of a (sub-) committee. In addition, the members of the Supervisory Board receive an attendance fee.

The remuneration granted is based on the duration of the appointment during the fiscal year. Members who belong to the Supervisory Board or the Shareholders' Committee for only part of the fiscal year shall be remunerated on a pro-rata time basis. This shall apply mutatis mutandis to membership of a (sub)committee and to the assumption of the chair or vice chair of the Supervisory Board, the Shareholders' Committee or a (sub)committee. If several meetings take place on one day, the attendance fee is only paid once to the members of the oversight body concerned. If a member of the

Supervisory Board is also a member of the Supervisory Board of the Personally Liable Partner and receives remuneration for this, the remuneration granted for service on the Supervisory Board of the Corporation shall be reduced accordingly. There are no remuneration-related agreements between the Corporation and the members of the Supervisory Board or the members of the Shareholders' Committee that go beyond the provisions of the Articles of Association. There is no provision for redundancy or severance payments or pension and early retirement schemes.

The upper limit of compensation for the respective member of the Supervisory Board or Shareholders' Committee is the sum of the fixed remuneration, fees payable in respect of the individual duties assumed on the Supervisory Board or Shareholders' Committee and associated (sub)committees, and the attendance fee (Supervisory Board only).

The regulations governing compensation and the remuneration system are regularly reviewed for appropriateness by the Personally Liable Partner, the Shareholders' Committee and the Supervisory Board, which may also consult external compensation experts. A comparison is also made with the remuneration arrangements of comparable companies to ensure that the level of compensation is in line with the market. Due to the special nature of corporate body activities, a comparison with the remuneration of employees of the Corporation is generally not meaningful and is therefore not generally made. The Annual General Meeting shall pass resolutions on the remuneration of the members of the Supervisory Board and the members of the Shareholders' Committee at least every four years, and in the event of proposals to amend the remuneration regulations. In so doing, the Annual General Meeting may also confirm the remuneration system in place at the time as appropriate.

Corresponding proposals for resolutions to the Annual General Meeting are submitted by the Personally Liable Partner, the Shareholders' Committee and the Supervisory Board in accordance with the legal and statutory allocation of responsibilities, so that there is mutual control between the corporate bodies. The decision on the final structure of the remuneration system is assigned to the Annual General Meeting. This division of responsibilities serves to prevent

conflicts of interest. If external remuneration experts are consulted, care is taken to ensure that they are independent.

*Remuneration levels according to the regulations currently applicable and to be confirmed:*

The currently applicable remuneration of the members of the Supervisory Board and of the Shareholders' Committee is governed by Article 17 (Supervisory Board remuneration) and Article 33 (Shareholders' Committee remuneration) as follows:

- Each member of the Supervisory Board and of the Shareholders' Committee receives a fixed fee of 70,000 euros (member of the Supervisory Board) and 100,000 euros (member of the Shareholders' Committee) per year. The Chair of the Supervisory Board and the Shareholders' Committee receives double, and the Vice Chair in each case one and a half times the aforementioned amounts.
- Members of the Supervisory Board who are also members of one or more committees each receive additional remuneration of 35,000 euros; if they chair one or more committees, they receive 70,000 euros. Activity in the Nominations Committee is not remunerated separately.
- Members of the Shareholders' Committee who are also members of one or more subcommittees of the Shareholders' Committee each receive additional remuneration of 100,000 euros; if they chair one or more subcommittees, they receive 200,000 euros.

The wording of the complete remuneration regulations for the Supervisory Board and Shareholders' Committee in Article 17 and Article 33 of the Articles of Association, including the amendments proposed under agenda item 9, subject to their adoption, is reproduced under Section III.

Taking into account the amendments proposed under agenda item 9, the Personally Liable Partner, the Shareholders' Committee and the Supervisory Board continue to consider the remuneration arrangements for the Supervisory Board and Shareholders' Committee in Article 17 and Article 33 of the Articles of Association to be appropriate and propose that these be confirmed together with the amendments described under agenda Item 9, if adopted.

## **II. Resolution on amendment of Articles 15, 23 and 31 of the Articles of Association**

In order to take account of the increased importance of participation in the Annual General Meeting and in meetings of the Supervisory Board and Shareholders' Committee, as well as that of adoption of resolutions by electronic means of communication, it is proposed that the relevant provisions in Article 23 and Articles 15 and 31 of the Articles of Association be appropriately amended or supplemented.

The Personally Liable Partner, the Shareholders' Committee and the Supervisory Board propose the following resolutions:

### a) Amendment of Article 23 of the Articles of Association

In Article 23 (3) of the Articles of Association, which currently reads

“(3) The person chairing the meeting can allow the proceedings at a General Meeting to be broadcast in full or in part in audio or video format. The broadcast may also be made accessible to the general public. Where legally permissible, the Personally Liable Partner is also authorized to allow attendance and voting at the General Meeting via electronic communications.”

the second sentence shall be deleted. In addition, the following paragraphs 4 to 6 are to be added to Article 23 of the Articles of Association:

- (4) The Personally Liable Partner is authorized to provide that shareholders may participate in the General Meeting without being present at its physical venue and without a legal representative, and may exercise all or some of their rights in whole or in part by means of electronic communication. The Personally Liable Partner is also authorized to make provisions regarding the scope and procedure of participation pursuant to sentence 1.
- (5) The Personally Liable Partner is authorized to provide that shareholders may cast their votes in writing or by means of electronic communication without attending the meeting.

(6) Provisions in accordance with paragraphs 4 and 5 shall be announced when the Annual General Meeting is convened.

b) Amendment of Articles 15 and 31 of the Articles of Association

Articles 15 (1) and 31 (1) of the Articles of Association shall each be provided with a new second sentence:

“Members joined by video or teleconference shall be considered present.”

Articles 15 (4) and 31 (3) shall also be amended to read as follows (addition underlined), while allowing resolutions to be adopted by electronic means of communication as far as possible:

Article 15 (4):

(4) Resolutions of the Supervisory Board may, on order of the Chair, also be decided upon in a telephone or video conference or outside a meeting by votes submitted verbally, by telephone, in writing, in text form or by other means of electronic communication. There shall be no right to object to the form of resolution adoption ordered by the Chair. Combined adoption of resolutions shall be admissible.

Article 31 (3):

(3) Resolutions of the Shareholders’ Committee may, on order of the Chair, also be decided upon in a telephone or video conference or outside a meeting by votes submitted verbally, by telephone, in writing, in text form or by other means of electronic communication. There shall be no right to object to the form of resolution adoption ordered by the Chair. Combined adoption of resolutions shall be admissible.

## II. Remuneration system in respect of members of the Management Board

### *1. General objectives and principles*

Henkel is committed to corporate governance that is responsible, transparent and aligned to the sustainable and long-term development of the Corporation. We want to create sustainable value – for our customers and consumers, for our people, for our shareholders, as well as for the communities in which we operate. We shape our future on the basis of a long-term strategic framework that builds on our purpose and our values, with a clear focus on purposeful growth.

Accordingly, the remuneration system for the Management Board takes account of the relevant duties and responsibilities, and is designed to drive implementation of our corporate strategy, to offer incentives for successful and sustainable business performance over the long term, and to avoid inappropriate risk-taking. The following principles play a key role in defining the remuneration:

- Remuneration and its individual elements must be consistent with regulatory/statutory requirements and the principles of good corporate governance.
- Remuneration must be consistent with market levels, competitive, and commensurate with the size, complexity and international nature of the Corporation's business, its economic and financial position, its success, and its prospects for the future.
- Total remuneration is aligned to sustainable long-term business performance and corresponding stakeholder targets.
- Remuneration consists of non-performance-related components and a substantial portion of variable, performance-related components.
- A large portion of the variable, performance-related remuneration is tied to future performance spanning several years. Long-term variable target remuneration accounts for a greater share of the total than short-term variable target remuneration.

- For the variable, performance-related components of remuneration, challenging financial performance indicators – related to the Corporation’s objectives and in some cases reflecting strategic targets derived from the corporate strategy – exist alongside non-financial individual targets. The financial performance indicators are weighted more heavily, and are based on quantitative criteria.
- Reasonable account is taken of the remuneration and employment policy applied to the Corporation’s staff.
- Reasonable account is taken of the relevant function-specific duties and individual performance.
- Overall remuneration is equitable; reasonable caps on variable components of remuneration and maximum remuneration payable to a Management Board member have been defined.
- The members of the Management Board invest a substantial portion of their remuneration in Henkel preferred shares (Share Ownership Guideline).

## **2. Remuneration system for members of the Management Board**

### **a) Regulation, structure and amounts**

The legal form of Henkel AG & Co. KGaA as a “Kommanditgesellschaft auf Aktien” with Henkel Management AG as its sole Personally Liable Partner means that, unlike in the case of joint stock corporations, the Supervisory Board of Henkel Management AG is responsible for appointing and dismissing members of the Management Board, the drafting of their contracts, assignment of their business duties, and their remuneration. Regarding Management Board remuneration, the Supervisory Board of Henkel Management AG is responsible, in particular, for:

- Determining and reviewing remuneration system
- Specifying the non-performance-related and variable, performance-related components of remuneration
- Defining individual targets each year, and measuring performance with regard to same
- Determining the extent to which financial targets have been met each year and quantifying annual and multi-year variable, performance-related remuneration
- Approving the assumption of voluntary duties or supervisory board, advisory board or similar mandates in other companies, as well as other ancillary professional activities
- Approving loans and advances

Corresponding resolutions are adopted by the Supervisory Board of Henkel Management AG, which is comprised of three members of the Shareholders' Committee of Henkel AG & Co. KGaA, after prior consultation in the Shareholders' Committee's Human Resources Subcommittee. The general rules governing the treatment of conflicts of interest are applied. Specifically, members of the Management Board are excluded from such consultations and resolutions to the extent necessary to avoid conflicts of interest. The Supervisory Board of Henkel Management AG is responsible for engaging external remuneration experts to either develop or modify the remuneration system or to assess whether Management Board remuneration is appropriate. In doing so, it ensures the independence of remuneration experts from both the Management Board and the Corporation at large.

The structure and amounts of Management Board remuneration are aligned to the size, complexity and international activities of the Corporation, its economic and financial position, its performance and future prospects, the normal levels of remuneration encountered in comparable companies, and also the general remuneration structure within the Corporation. The remuneration paid to Management Board members of companies listed in the Deutscher Aktienindex (DAX 30, soon to be the DAX 40, share index) – excluding financial services companies and taking account of concomitant market standing and complexity – substantially represents the external benchmark used to assess whether the remuneration structure is commonplace and whether the target and maximum remuneration levels applied are appropriate (horizontal comparison). In addition, the Supervisory Board of Henkel Management AG considers the ratio of Management Board remuneration to the compensation paid to senior management (management levels 0 and 1 of the Henkel Group) and to the workforce in Germany, in terms of both total remuneration and progress over time (vertical comparison).

The remuneration package is further determined on the basis of the functions, responsibilities and personal performance of the individual officers, and the performance of the Management Board as a whole. The following criteria play a key role in measuring individual performance:

- The absolute and relative performance of the business unit for which each officer is responsible compared to market/competition performance
- The personal contribution toward implementing the strategic priorities and achieving the sustainability targets
- Achievement of the relevant separate targets agreed with each individual

The variable annual remuneration components take into account both positive and negative developments. The overall remuneration is designed to be internationally competitive while also providing an incentive for sustainable business development and a sustainable increase in shareholder value in a dynamic environment.

The Supervisory Board of Henkel Management AG regularly reviews the remuneration system as well as the appropriateness of the remuneration, based on the aforementioned criteria, and adjusts it as necessary. The remuneration system must be submitted for approval to the Annual General Meeting of Henkel AG & Co. KGaA if substantial changes are planned, and in all cases every four years. If the Annual General Meeting refuses to approve the remuneration system as submitted for approval, a revised remuneration system must be submitted for approval at the next Annual General Meeting, at the latest.

Members of the Management Board receive non-performance-related components and variable, performance-related components consisting of the following three main elements:

- Fixed basic remuneration
- Variable annual remuneration (Short Term Incentive, STI)
- Variable cash remuneration based on the long-term performance of the company (Long Term Incentive, LTI)

Management Board members receive 65 percent of the STI as short-term variable cash remuneration, and must invest the remaining 35 percent long term in Henkel preferred shares (Share Ownership Guideline, share deferral). Accordingly, the performance-related, long-term, variable components are made up of the share deferral and the LTI.

Fringe benefits (other emoluments) are also paid, as are pension contributions.

Rules that are consistent with market practice also exist to govern the various components of remuneration upon joining or leaving the Management Board.

The Supervisory Board of Henkel Management AG has capped the maximum amounts payable both as individual variable components of remuneration and as the total compensation payable in any fiscal year – taking into account the other emoluments and pension contributions. Insofar as the Annual General Meeting adopts resolutions to lower the cap on remuneration that is specified in the remuneration system, this change is taken into account when entering into new, or extending existing Management Board executive contracts.

The Supervisory Board of Henkel Management AG is authorized to apply reasonable caps to the variable components of remuneration in exceptional circumstances, such caps to then also apply to ongoing tranches. In addition, in specific circumstances it may withhold some or all of the variable remuneration or demand the repayment, within specific limits and time periods, of variable remuneration that has already been paid (malus and clawback regulations).

Overall, the remuneration system is structured as follows:

Remuneration system overview		General objective and strategic reference
Non-performance-related components	<b>Basic remuneration</b>	
	<ul style="list-style-type: none"> <li>Chair of the Management Board: currently 1,400,000 euros p.a.</li> </ul>	<ul style="list-style-type: none"> <li>Assurance of equitable basic remuneration commensurate with market conditions and the function performed</li> </ul>
	<ul style="list-style-type: none"> <li>Other Management Board members: 750,000 euros p.a.</li> </ul>	<ul style="list-style-type: none"> <li>Avoidance of incentives to take unreasonable risks</li> </ul>
	<b>Other emoluments</b>	
	<ul style="list-style-type: none"> <li>Insurance, accommodation/relocation costs, home security costs, provision of a company car, use of a car service, other in-kind benefits; amounts vary dependent on personal needs</li> </ul>	<ul style="list-style-type: none"> <li>Inclusion of fringe benefits and benefits in kind that are commensurate with market conditions and directly related to, and supportive of, Management Board activity</li> </ul>
	<ul style="list-style-type: none"> <li>Cap:</li> </ul>	
	<ul style="list-style-type: none"> <li>– Chair of the Management Board: 250,000 euros p.a.</li> <li>– Other Management Board members: 175,000 euros p.a.</li> </ul>	
Performance-related components	<b>Variable annual remuneration (Short Term Incentive, STI)</b>	
	<ul style="list-style-type: none"> <li>Target remuneration if all targets are 100% met, with application of the respective functional factors</li> </ul>	<ul style="list-style-type: none"> <li>Incentive to achieve the corporate targets for the current fiscal year</li> </ul>
	<ul style="list-style-type: none"> <li>– Chair of the Management Board: currently 3,500,000 euros</li> </ul>	<ul style="list-style-type: none"> <li>Incentive for long-term, purposeful growth</li> </ul>
	<ul style="list-style-type: none"> <li>– Other Management Board members: currently 1,800,000 to 2,200,000 euros</li> </ul>	<ul style="list-style-type: none"> <li>Allowance for operational success relative to benchmark group</li> </ul>
	<ul style="list-style-type: none"> <li>One-year performance measurement period: Amount dependent on achievements in the fiscal year (remuneration year) with respect to:</li> </ul>	<ul style="list-style-type: none"> <li>Promoting implementation of the strategic priorities and sustainability targets</li> </ul>
	<ul style="list-style-type: none"> <li>– Business performance (financial targets, bonus): Organic sales growth (OSG), adjusted earnings per preferred share (EPS) at constant exchange rates versus prior year (actual-to-actual comparison); each weighted 50 percent</li> </ul>	<ul style="list-style-type: none"> <li>Differences in performance possible between Management Board members</li> </ul>

Remuneration system overview	General objective and strategic reference	
<b>Performance-related components</b>	<b>Variable annual remuneration (Short Term Incentive, STI)</b>	
	<ul style="list-style-type: none"> <li>– Individual performance: Individual multiplier ranging from 0.8 to 1.2, applied to the bonus amount</li> </ul>	
	<ul style="list-style-type: none"> <li>• Cap: 150 percent of the respective target remuneration</li> </ul>	
	<ul style="list-style-type: none"> <li>• 65 percent freely disposable (short-term component, cash remuneration), 35 percent invested in Henkel preferred shares (long-term component; Share Ownership Guideline, share deferral)</li> </ul>	
	<b>Share Ownership Guideline</b>	
	<ul style="list-style-type: none"> <li>• Obligation to purchase Henkel preferred shares</li> </ul>	<ul style="list-style-type: none"> <li>• Aligning the interests of Management Board and shareholders</li> </ul>
	<ul style="list-style-type: none"> <li>• Holding a minimum portfolio while on the Management Board</li> </ul>	<ul style="list-style-type: none"> <li>• Incentive for long-term business performance</li> </ul>
	<b>Variable long-term cash remuneration (Long Term Incentive, LTI)</b>	
	<ul style="list-style-type: none"> <li>• Target remuneration if all targets are 100% met, with application of the respective functional factors (“at target”):</li> </ul>	<ul style="list-style-type: none"> <li>• Incentives to raise shareholder value over the long term</li> </ul>
	<ul style="list-style-type: none"> <li>– Chair of the Management Board: currently 1,400,000 euros</li> </ul>	<ul style="list-style-type: none"> <li>• Allowance for profitability</li> </ul>
	<ul style="list-style-type: none"> <li>– Other Management Board members: currently 720,000 to 880,000 euros</li> </ul>	
	<ul style="list-style-type: none"> <li>• Three-year prospective performance measurement period: The criterion is the average target achievement of the adjusted return on capital employed (ROCE) in a three-year assessment period (remuneration year and the two subsequent fiscal years); target value is set for each year (three yearly tranches)</li> </ul>	
	<ul style="list-style-type: none"> <li>• Cap: 150 percent of the respective target remuneration</li> </ul>	
	<b>Functional factors</b>	
<ul style="list-style-type: none"> <li>• General functional factors as multipliers for the STI and LTI payment amounts based on target achievement</li> </ul>	<ul style="list-style-type: none"> <li>• Greater allowance for the different requirements and complexity of the business units/functions</li> </ul>	

Remuneration system overview	General objective and strategic reference	
<b>Pension commitments/ Lump-sum pension payout</b>	<b>Defined contribution pension scheme</b>	
	<ul style="list-style-type: none"> <li>• Superannuation lump sum comprised of the total annual contributions. Annual contribution (lump-sum contribution):</li> </ul>	<ul style="list-style-type: none"> <li>• Granting of amounts enabling accumulation of an equitable company pension</li> </ul>
	<ul style="list-style-type: none"> <li>– Chair of the Management Board: 750,000 million euros (62.5 percent of basic remuneration)</li> </ul>	
	<ul style="list-style-type: none"> <li>– Other Management Board members: 450,000 euros (60.0 percent of basic remuneration)</li> </ul>	
	or, alternatively:	
	<ul style="list-style-type: none"> <li>• Lump-sum pension payout, payable annually:</li> </ul>	<ul style="list-style-type: none"> <li>• Granting of amounts enabling accumulation of an equitable company pension</li> </ul>
	<ul style="list-style-type: none"> <li>– Chair of the Management Board: currently 750,000 euros (62.5 percent of basic remuneration)</li> </ul>	
	<ul style="list-style-type: none"> <li>– Other Management Board members: currently 450,000 euros (60.0 percent of basic remuneration)</li> </ul>	
<b>Other regulations governing remuneration</b>	<b>Malus and clawback regulations</b>	<ul style="list-style-type: none"> <li>• Assurance of equitability of variable remuneration (STI, LTI)</li> </ul>
	<ul style="list-style-type: none"> <li>• The Supervisory Board of Henkel Management AG is authorized – in specific circumstances – to wholly or partially withhold variable remuneration (STI, LTI) or to demand repayment, within specific limits, of variable remuneration that has already been paid.</li> </ul>	<ul style="list-style-type: none"> <li>• Ensuring compliance with essential principles of corporate governance</li> </ul>
	<b>Remuneration cap</b>	
	<ul style="list-style-type: none"> <li>• Caps on total remuneration (basic remuneration, other emoluments and pension commitments/lump-sum pension payouts, and variable components of remuneration):</li> </ul>	<ul style="list-style-type: none"> <li>• Avoidance of inappropriately high payments</li> </ul>
	<ul style="list-style-type: none"> <li>– Chair of the Management Board: 9,550,000 euros p.a.</li> </ul>	
	<ul style="list-style-type: none"> <li>– Other Management Board members: 5,155,000 to 5,995,000 euros p.a.</li> </ul>	
	<b>Severance pay cap</b>	
<ul style="list-style-type: none"> <li>• Payment limited to maximum two years' compensation but no more than due for the remaining term of the contract</li> </ul>	<ul style="list-style-type: none"> <li>• Consistent with the German Corporate Governance Code, specification of a cap on payments and benefits in the event of premature termination of Management Board appointment</li> </ul>	

Remuneration system overview		General objective and strategic reference
Other regulations governing remuneration	<b>Post-contractual non-competition clause</b>	
	<ul style="list-style-type: none"> <li>Two-year term; discretionary payment totaling 50 percent of the annual compensation, payable in 24 monthly installments</li> </ul>	<ul style="list-style-type: none"> <li>Protecting Henkel's interests</li> </ul>
	<ul style="list-style-type: none"> <li>Severance pay credited against any discretionary payment for the same period</li> </ul>	

For all Management Board members except the Chair, the target remuneration (excluding other emoluments and pension benefits) is derived from the functional factor ranging between 0.9 and 1.1 that particularly reflects the complexity and importance of the respective business unit or area for which that member is responsible and is currently within the annual range of 3,270,000 euros and 3,830,000 euros, subject to 100 percent achievement of all success targets (“at target”). At a functional factor of 1, the at-target remuneration of the Management Board members except the Chair is 3,550,000 euros. Of this figure, 750,000 euros is attributable to basic remuneration (around 21 percent of target remuneration), 2,000,000 euros to the STI including share deferral (around 56 percent of target remuneration) and 800,000 euros to the LTI (around 23 percent of target remuneration). Accordingly, some 79 percent of the target remuneration (= 2,800,000 euros) is therefore variable. Of this total, short-term variable target remuneration (STI without share deferral) accounts for around 46 percent (= 1,300,000 euros) and long-term variable target remuneration (share deferral and LTI) for around 54 percent (= 1,500,000 euros).

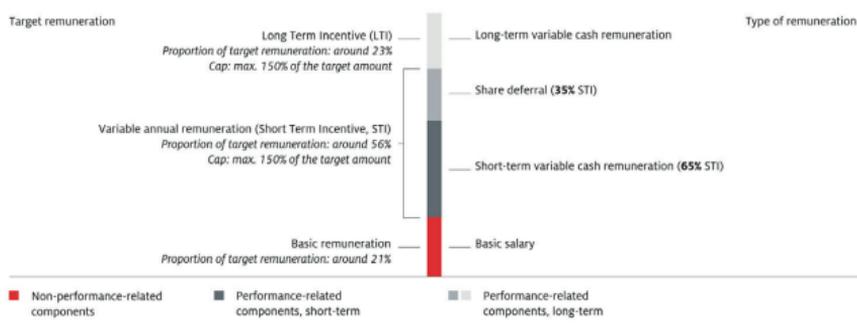
The annual target remuneration for the Chair of the Management Board (for a functional factor of 1.75) currently totals 6,100,000 euros: 1,200,000 euros basic remuneration (around 20 percent of target remuneration), 3,500,000 euros STI including share deferral (around 57 percent of target remuneration) and 1,400,000 euros LTI (around 23 percent of target remuneration).

Other emoluments are paid to all members of the Management Board except the Chair up to a maximum of 175,000 euros, together with annual pension contributions of 450,000 euros. Bearing in mind these amounts, and based on a functional factor of 1 and 100-percent

target achievement (“at target”), members of the Management Board receive total annual remuneration (remuneration plus other emoluments and pension benefits) of up to 4,175,000 euros, of which around 33 percent (= 1,375,000 euros) takes the form of basic remuneration plus other emoluments and annual allocations to the pension reserve, while some 67 percent (= 2,800,000 euros) represents short-term and long-term variable remuneration (STI and LTI).

Other emoluments are paid to the Chair of the Management Board up to a maximum of 250,000 euros per year, together with annual pension contributions of 750,000 euros. Bearing in mind these amounts, the Chair of the Management Board receives total annual remuneration of up to 7,100,000 euros, of which around 31 percent (= 2,200,000 euros) takes the form of basic remuneration plus other emoluments and annual allocations to the pension reserve, while some 69 percent (= 4,900,000 euros) represents short-term and long-term variable remuneration (STI and LTI).

Remuneration structure (without other emoluments, pension benefits)



The Supervisory Board of Henkel Management AG regularly reviews the amounts of the individual components of remuneration and their ratio to one another and adjusts them if deemed appropriate in light of the duties and performance of a Management Board member, the state of the Corporation, and the need to maintain competitiveness. Any increase in the target remuneration of an individual component of remuneration and thus of the total target remuneration is capped at 5 percent p.a. Such increase must not cause the caps, indicated below, on respective total remuneration for a fiscal year to be exceeded. Equally, the ratio of basic remuneration to the various variable components of remuneration per the above overview must not substantially change overall; care must also be taken to ensure that a large portion of the variable, performance-related remuneration continues

to be tied to future performance spanning several years, and that long-term variable target remuneration still accounts for a greater share of the total than short-term variable target remuneration.

## **b) Non-performance-related components**

### **Basic remuneration**

The basic remuneration reflects market conditions and serves as a basic salary to secure a decent income and thus help avoid the urge to take inappropriate risks. The basic remuneration is paid out monthly as salary. It currently amounts to 1,200,000 euros per year for the Chair of the Management Board and 750,000 euros per year for the other Management Board members.

### **Other emoluments**

The members of the Management Board also receive other emoluments, primarily in the form of costs associated with, or the cash value of, in-kind benefits and other fringe benefits such as standard commercial insurance policies, reimbursement of accommodation/relocation costs and the cost of home security installations, provision of a company car that they may also use for private purposes or use of a car service, including any taxes on same, and the costs of precautionary medical examinations. All members of the Management Board are entitled, in principle, to the same emoluments, whereby the amounts vary depending on personal situation. These emoluments are recognized at cost or the equivalent monetary value in the case of benefits in kind.

A cap has been set on other emoluments, amounting to 250,000 euros per year for the Chair of the Management Board and 175,000 euros per year for the other Management Board members.

The Supervisory Board of Henkel Management AG can, moreover, award newly appointed Management Board members one-off compensation if remuneration commitments of a former employer are forfeited due to the move to Henkel Management AG. Such compensation is capped at 200 percent of the basic remuneration, which may result in higher maximum total remuneration in the first year of appointment to the Management Board. Members of the Management Board who are domiciled abroad may also be granted the usual tax reimbursements and compensation for currency conversion losses.

### c) Performance-related components

#### Variable annual remuneration (Short Term Incentive, STI)

Overview STI					
Components	Basis for assessment/ Parameters	Weighting	Lower threshold	100 % target achievement ("at target")	Upper threshold
Financial targets (bonus)	Organic sales growth <sup>1</sup> (OSG)	50 %	Minimum OSG value (50 % target amount OSG)	OSG target (100 % target amount OSG)	OSG cap (150 % target amount OSG)
	Adjusted earnings per preferred share (EPS) <sup>2</sup>	50 %	80 % of the prior-year figure (50 % target amount EPS)	100 % of the prior-year figure (100 % target amount EPS)	120% of the prior-year figure (150 % target amount EPS)
Individual multiplier	<ul style="list-style-type: none"> <li>Absolute and relative performance compared to market/competition</li> <li>Personal contribution to the implementation of strategic priorities and sustainability targets</li> <li>Achievement of individually agreed personal targets</li> </ul>		Multiplier 0.8 to 1.2		
<b>Assessment period</b>		<b>Fiscal year (remuneration year)</b>			
<b>Cap<sup>3</sup></b>		<b>150 % of the STI target amount (= 3,000,000 euros<sup>4</sup>)</b>			
<sup>1</sup> Threshold/target values derived annually from budget figures. <sup>2</sup> At constant exchange rates versus prior year (actual / actual comparison). <sup>3</sup> Including an individual multiplier. <sup>4</sup> Remuneration paid to an ordinary member of the Management Board (Executive Vice President), given a functional factor of 1.					

The annual variable remuneration (STI) represents a uniform incentive to achieve the financial targets derived from the budgets and the corporate strategy, and an incentive to achieve non-financial targets aligned to sustainability; it thus contributes toward implementation of the corporate strategy.

The benchmark parameters for the STI are the achieved financial targets for each fiscal year ("remuneration year") – the so-called

bonus – and the individual performance of each Management Board member, to which a multiplier ranging from 0.8 to 1.2 is applied.

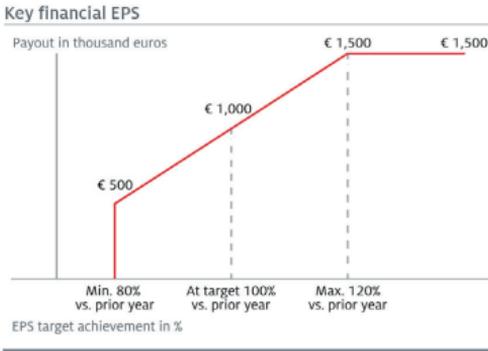
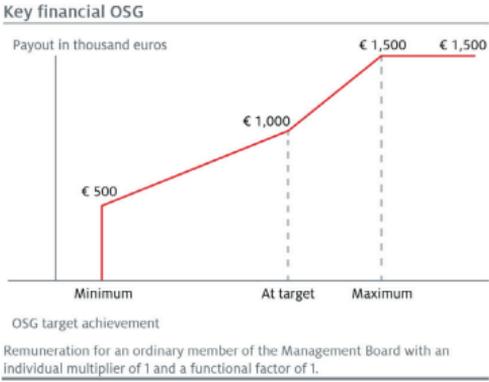
The Henkel Group pursues a strategy of long-term, sustainable, purposeful growth. This forms the basis for derivation of the strategic financial target for organic sales growth (OSG) – i.e. sales development adjusted for foreign exchange and acquisitions/divestments – in the remuneration year, which is one of the criteria (50-percent weighting) used to determine the amount of the bonus. The other financial target (also weighted at 50 percent) is earnings per preferred share (EPS) adjusted for one-time expenses and income, for restructuring expenses, and for foreign exchange. Both targets are linked additively, i.e. the 50-percent-weighted OSG component of the bonus amount is added to the EPS component, which is also weighted at 50 percent.

The OSG target is derived from the budget for the relevant fiscal year. It is set annually by the Supervisory Board of Henkel Management AG. EPS performance is measured on the basis of actual-to-actual comparison, i.e. the EPS at constant exchange rates in the year of payment is compared to the EPS from the previous year.

The Supervisory Board of Henkel Management AG reserves the right to exercise due discretion in determining a target value that differs from the actual EPS in the previous year, rather than basing EPS performance for a new remuneration year on prior-year comparison. This is particularly applicable if early expectations indicate that actual EPS in the remuneration year is going to differ significantly from the prior-year figure.

An appropriate remuneration scale has been established for both key financials. Thresholds have also been defined; payment is withheld if the minimum targets are not met, and capped if they are exceeded. The scale of payment amounts attributable to the OSG target is always linear between the lower threshold (minimum amount) and the at-target amount, and between the at-target amount and the upper threshold (cap). The scale of payment amounts attributable to the EPS target is consistently linear between the lower and upper thresholds. Exceeding the relevant maximum target does not result in any further increase in the relevant OSG or EPS bonus component above and beyond 150 percent of the at-target remuneration.

Examples of the payout curves for the OSG and EPS targets are shown below:



Achievement of the OSG and EPS targets is determined on the basis of the figures in the consolidated financial statements of Henkel AG & Co. KGaA for the remuneration year as certified without qualification and approved in each case.

Individual target achievement by each member of the Management Board is reflected in the STI using an individual multiplier applied to the total bonus amount assigned in respect of the overall achievement of all financial targets. This individual multiplier ranges from 0.8 to 1.2. STI caps may not, however, be exceeded when applying said multiplier. If the bonus already equals the capped STI amount, any multiplier greater than 1 will have no further effect on the remuneration total.

The following criteria play a key role in measuring individual performance:

- The absolute and relative performance of the business unit for which each officer is responsible, compared to market/competition performance

- The personal contribution toward implementing the strategic priorities and achieving the sustainability targets
- Achievement of the relevant separate targets agreed with each individual

The non-financial performance indicators are specified by the Supervisory Board of Henkel Management AG each year and published in the remuneration report.

The following benchmark group is used to measure the individual performance of the relevant business unit compared to the market/competition:

Benchmark group		
Adhesive Technologies	Beauty Care	Laundry & Home Care
<ul style="list-style-type: none"> <li>• Sika</li> <li>• H.B. Fuller</li> <li>• RPM</li> <li>• 3M</li> </ul>	<ul style="list-style-type: none"> <li>• Procter &amp; Gamble (Beauty)</li> <li>• Beiersdorf (Consumer)</li> <li>• Colgate-Palmolive (Oral, Personal and Home Care)</li> <li>• L'Oréal (Group)</li> <li>• KAO (Cosmetics, Skin Care and Hair Care)</li> <li>• Unilever (Beauty &amp; Personal Care)</li> <li>• Coty (Group)</li> </ul>	<ul style="list-style-type: none"> <li>• Procter &amp; Gamble (Fabric &amp; Home Care)</li> <li>• Reckitt Benckiser (Hygiene Home)</li> <li>• Unilever (Home Care)</li> </ul>

In the event of major changes among the relevant competitors, the Supervisory Board of Henkel Management AG will appropriately reconsider the composition of the benchmark group and/or the definition of the relevant competitor parameters.

At the end of a fiscal year, both the achievement of the financial targets and the respective individual performance based on appropriate target agreements will be decided by the Supervisory Board of Henkel Management AG after prior consultation with the Human Resources Subcommittee of the Shareholders' Committee. It also decides whether and to what extent adjustments of the key financials to reflect exceptional items are to be taken into consideration when determining the bonus. In determining the STI payout amount and/or individual target achievement, the Supervisory Board of Henkel Management AG also gives due consideration to the degree to which financial success and Management Board performance are sustainable beyond the end of a fiscal year.

The total payable STI amount (bonus times individual multiplier) is capped at 150 percent of the target amount, bearing in mind the respective functional factor.

### **Share Ownership Guideline / Short- and long-term components of the variable annual remuneration**

The obligation to purchase and hold shares (Share Ownership Guideline) is a key element of Management Board remuneration system. The aim here is to promote a certain degree of alignment in the interests of the Management Board members with those of the shareholders while ensuring the sustainable and long-term performance of the Corporation. In accordance with the following, Management Board members are obligated to purchase Henkel preferred shares and to hold at least as many shares as equates to 100 percent of their annual basic remuneration, or 200 percent of the annual basic remuneration in the case of the Chair, for the duration of their tenure (minimum portfolio). Even once they have acquired the minimum portfolio, Management Board members must still continue purchasing the specified volume of Henkel preferred shares, which in turn are also subject to a lock-up period. Management Board members must pay for these shares from their after-tax net income.

The full amount of the STI is paid in cash once the annual financial statements of Henkel AG & Co. KGaA for the remuneration year have been approved by the Annual General Meeting of Henkel AG & Co. KGaA. Recipients may only dispose of around 65 percent of this payment as they wish (= short-term component, cash remuneration). In compliance with the Share Ownership Guideline explained above, Management Board members are obligated to invest around 35 percent of the respective (net) payout amount in the purchase of Henkel preferred shares (= long-term component, share deferral), which are placed in a blocked custody account with a drawing restriction. The company transfers the relevant investment amount of each individual directly to the bank responsible for settling the investment transactions and managing the blocked custody account. On the first trading day of the month following payout, this bank invests the relevant amount on behalf and for the account of the member of the Management Board in Henkel preferred shares at the price prevail-

ing at the time of purchase on the stock exchange, and credits the acquired shares to the blocked custody account. The lock-up period in each case expires on December 31 of the fourth year following the year of payment.

The Share Ownership Guideline ensures that the members of the Management Board are required to accumulate a significant share portfolio during their tenure, and that they participate in the long-term performance of the Corporation, whether this be positive or negative. Assuming the target for the STI is met, the total amount to be invested under the STI program in shares over a four-year period is 2,450,000 euros for the Chair of the Management Board and 1,400,000 euros each for the other Management Board members with a functional factor of 1. As such, the amounts constitute a multiple of about 4 and 3.7 respectively of the annual (net) basic remuneration. This share portfolio continues to grow due to the fact that shares are sold, if at all, only in exceptional instances once the respective four-year lock-up period for shares acquired above and beyond the relevant minimum portfolio has expired. At the same time, the share deferral (in addition to the LTI) complies with German company law (AktG) and GCGC precepts requiring a remuneration system that focuses on long-term business development.

### Variable long-term cash remuneration (Long Term Incentive, LTI)

Overview LTI			
Basis for assessment / Parameters	Lower threshold	100% target achievement <sup>1</sup>	Upper threshold
Adjusted return on capital employed (ROCE), average target achievement over the assessment period (3 yearly tranches)	Average target achievement 80% (50% target amount)	Average target achievement 100% (100% target amount)	Average target achievement 120% (150% target amount)
<b>Assessment period</b>	Three-year period (remuneration year plus two subsequent fiscal years)		
Cap	150% of the target amount (= 1,200,000 euros) <sup>2</sup>		
<sup>1</sup> Respective 100% target derived from the budget. <sup>2</sup> Remuneration paid to an ordinary member of the Management Board (Executive Vice President), given a functional factor of 1.			

In addition to the Share Ownership Guideline explained above, the long-term variable cash remuneration (LTI) provides incentives to promote the long-term development of the Corporation.

The LTI represents variable cash remuneration, the amount of which is based on the long-term future performance of the Corporation and derived from the average return on capital employed (ROCE) adjusted for one-time expenses and income, and for restructuring expenses, over a period of three years (performance measurement period). The LTI is a rolling program. As such, a new LTI tranche with a three-year assessment period is issued every year. For each LTI tranche, the adjusted ROCE is measured in the relevant remuneration year and the two subsequent years (three yearly values).

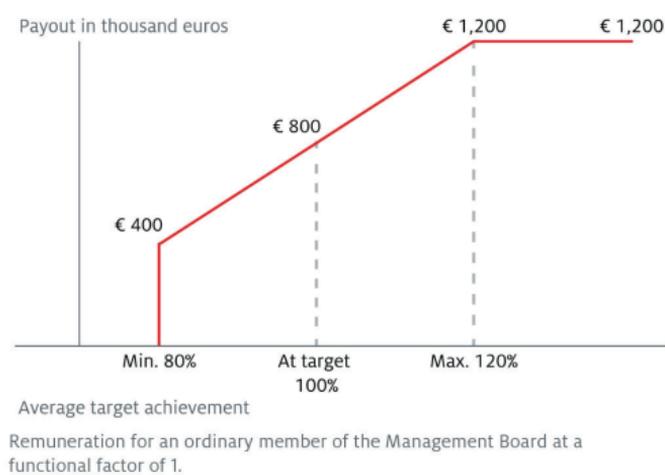
The ROCE targets are derived from our budget and are set for each year of each three-year performance measurement period by the Supervisory Board of Henkel Management AG at the start of the relevant year. At the end of the respective year, target achievement for the year in question is analyzed. The average target achievement for the relevant performance measurement period is then calculated on the basis of the three measurements of relevance for the respective LTI tranche.

Target achievement with regard to adjusted ROCE figures is determined on the basis of the consolidated financial statements for the relevant fiscal years as certified without qualification and approved in each case.

The LTI is paid in cash once the annual financial statements of Henkel AG & Co. KGaA for the final year in the performance measurement period have been approved by the Annual General Meeting of Henkel AG & Co. KGaA.

A remuneration scale has been defined for the LTI. A threshold has also been established, below which payments are withheld. The scale of payout amounts is consistently linear between the upper and lower thresholds, as follows:

**LTI remuneration scale**



The total payable LTI amount is capped at 150 percent of the target amount, bearing in mind the respective functional factor.

**Functional factors governing variable remuneration**

In order to ensure consideration of the differing requirements of the relevant areas of Management Board responsibility and of the differing levels of complexity and importance of the respective business units, general functional factors have been defined as multipliers for the STI and LTI payment amounts based on target achievement. The functional factors currently applicable are as follows:

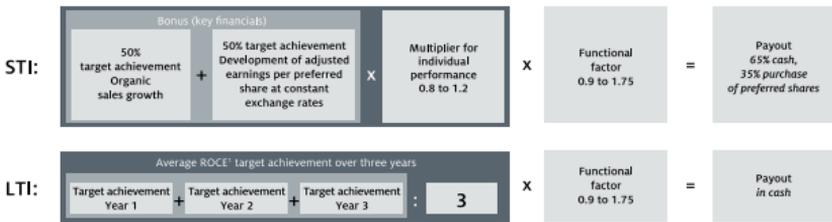
<b>Functional factors</b>	
Corporate function / Business unit	Factor STI/LTI
CEO	1.75
Finance	1.00
HR / Infrastructure Services	0.90
Adhesive Technologies	1.10
Beauty Care	0.90
Laundry & Home Care	1.00

A marginally lower factor for individual or all variable components of remuneration may be set for newly appointed Management Board members in their first year of office.

These functional factors are regularly reviewed and adjusted if necessary, particularly if structural changes are made to Management Board responsibilities.

Overall, the STI and LTI are calculated as follows:

Calculation of STI and LTI



<sup>1</sup> Adjusted return on capital employed.

In keeping with the objectives of the Management Board remuneration system, this structure of the STI and LTI not only rewards profitable growth and thus supports the long-term development of the Corporation, but also ensures that Management Board remuneration is aligned to the interests of shareholders.

**Consideration of unusual developments when determining target achievement or specifying STI and LTI payout amounts**

Changes are not made to the benchmark parameters, nor to the STI and LTI targets in the course of a fiscal year.

When determining the STI and LTI payout amounts, the Supervisory Board of Henkel Management AG may, at its discretion, consider unusual developments of which the effects were not taken into reasonable account when setting the targets and the target remuneration; this can result in both an increase or a reduction of the target achievement and, accordingly, in the corresponding payout amounts. In this context, unusual developments are deemed to be circumstances that have occurred or of which occurrence is highly likely, which were not predicted or predictable at the time of setting the targets and which significantly impact the total remuneration of the Management Board. Such circumstances may include, in parti-

cular, substantial acquisitions, the sale of material parts of the Corporation, severe changes in applicable accounting standards or tax regulations, natural catastrophes, pandemics or similar occurrences. Market developments that turn out to be less favorable than expected but deemed to be within the realms of possibility when setting the targets, do not justify such adjustments. Specific target achievements and payout amounts are published in the remuneration report, together with explanations of, and the rationale behind any adjustments by the Supervisory Board of Henkel Management AG.

#### **d) Special payments/bonuses**

No authorization exists to allow the Supervisory Board of Henkel Management AG to exercise its discretionary judgment to award special payments for outstanding performance (known as the “Mannesmann” clause).

#### **e) Malus and clawback regulations**

The Supervisory Board of Henkel Management AG is authorized to wholly or partially withhold or refuse to pay a variable component of remuneration (STI, LTI) that was awarded for a fiscal year in which a Management Board member commits a severe breach of duty (malus).

If variable components of remuneration have already been paid, the Supervisory Board of Henkel Management AG can demand their repayment (clawback) if (i) a severe breach of duty is only discovered after the variable components of remuneration have been paid, or (ii) a financial report is found to contain a material misstatement that impacted the calculation of the variable remuneration of the Management Board.

The Supervisory Board of Henkel Management AG decides at its due discretion whether and which variable remuneration components are to be withheld or reclaimed, and in what amount and for which years. Such decisions take account of the severity and consequences of a breach, the degree to which a Management Board member is at fault, the amount of loss or reputational damage suffered by the Corporation, and the willingness of the Management Board member to assist in the investigation.

In cases of material misstatements in financial reports, the maximum amount that can be reclaimed is the difference between the newly calculated figure based on corrected data and the original payout amount; in all other instances, repayment of a maximum of 50 percent of the payout amount can be demanded.

Clawback is also possible if the tenure and/or employment of the Management Board member has already ended by the time the Supervisory Board of Henkel Management AG issues its reclaim demand. Irrespective of the termination of tenure or employment, the repayment obligation does not apply if more than two years have passed between the payout and the reclaim demand by the Supervisory Board of Henkel Management AG.

This regulation is without prejudice to the right to assert further claims on grounds of personal misconduct by a member of the Management Board, and especially to claim damages under Section 93 of the German Stock Corporation Act [AktG].

#### **f) Ancillary activities**

After consultation with the Supervisory Board of Henkel Management AG, members of the Management Board may accept supervisory board mandates and similar offices in companies in which Henkel AG & Co. KGaA holds a direct or indirect participating interest, or may engage in activities in associations and similar organizations to which Henkel AG & Co. KGaA belongs by virtue of its business activities. Any other paid or unpaid ancillary activities must be approved in advance by the Supervisory Board of Henkel Management AG. The remuneration received for offices assumed on behalf of other companies in the Henkel Group is offset against the Management Board remuneration. When accepting other offices, particularly seats on statutory supervisory boards and comparable oversight bodies of non-Group companies in Germany or abroad, the Supervisory Board of Henkel Management AG decides on a case-by-case basis whether and to what extent any compensation paid for the non-Group board activity is to be offset against the Management Board remuneration.

#### **g) Pension benefits (retirement pensions and survivors' benefits)**

The Corporation has been operating a company pension scheme with purely defined contributions since January 1, 2015. Accordingly,

members of the Management Board now receive a superannuation lump-sum payment comprised, at least, of the total annual non-interest-bearing (lump-sum) contributions to the plan during their time in office. The lump-sum contributions are added to the special fund set up for company pension purposes; Management Board members are entitled to any surplus return, albeit not guaranteed, from investing the lump-sum contributions. The lump-sum contributions – based on a full fiscal year – are currently 750,000 euros for the Chair and 450,000 euros each for the other members of the Management Board.

An entitlement to pension benefits arises on retirement upon reaching the age of 63, on termination of the employment relationship on or after attainment of the statutory retirement age, in the event of death, or in the event of permanent complete incapacity for work. If a member of the Management Board has received no pension benefits prior to their death, the superannuation lump sum accumulated up to time of death is paid out to the surviving spouse or to surviving children eligible for orphan benefits.

Instead of granting a company pension in accordance with the defined contribution pension scheme described above, from 2021 onward, Management Board members may also be granted a so-called pension payout in the form of an earmarked lump sum to be transferred directly to the Management Board members each year. The amount of annual pension payout is equivalent to the aforementioned lump-sum contributions. As a result, Management Board members become solely responsible for funding their pensions, which lessens the administrative workload for the Corporation accordingly.

If a Management Board member opts for the lump-sum pension payout route, they cannot switch/return to the company pension scheme of defined contributions.

#### **h) Continued payment of salaries in the event of illness**

In the event of illness, payment of the basic remuneration continues for the duration of the statutory period of continued payment of wages. If the illness persists beyond this period, the Corporation pays the difference between the sick pay awarded by the statutory health insurance and the appropriate net basic remuneration for the

duration of the illness, but over a period no longer than 72 weeks in duration or up until termination of the employment relationship.

### i) Caps on total remuneration

After allowing for the aforementioned functional factors and caps for the variable, performance-related components of remuneration as well as for other emoluments and pension benefits (lump-sum contribution), the Supervisory Board of Henkel Management AG has specified the following caps on total remuneration for a full fiscal year:

Caps on annual total remuneration								
in euros	Basic remuneration	Other emoluments	Variable annual remuneration (short-term, cash)	Variable annual remuneration (long-term, share deferral)	Conditional entitlement to Long Term Incentive	Pension lump-sum contribution/ Lump-sum pension payout	Total remuneration Minimum	Total remuneration Maximum
CEO (Functional factor STI / LTI 1.75)	1,200,000	0 to 250,000	0 to 3,412,500	0 to 1,837,500	0 to 2,100,000	750,000	1,950,000	9,550,000
Ordinary member of the Management Board (Functional factor STI / LTI 0.9)	750,000	0 to 175,000	0 to 1,755,000	0 to 945,000	0 to 1,080,000	450,000	1,200,000	5,155,000
Ordinary member of the Management Board (Functional factor STI / LTI 1.0)	750,000	0 to 175,000	0 to 1,950,000	0 to 1,050,000	0 to 1,200,000	450,000	1,200,000	5,575,000
Ordinary member of the Management Board (Functional factor STI / LTI 1.1)	750,000	0 to 175,000	0 to 2,145,000	0 to 1,155,000	0 to 1,320,000	450,000	1,200,000	5,995,000

While this remuneration system is in place, the amounts of the individual components of remuneration may increase in line with the principles explained above, but without affecting the aforementioned caps on total remuneration.

## **j) Remuneration-related legal transactions, provisions governing termination of position on the Management Board**

### **Executive contracts**

The basic provisions governing appointment to the Management Board, including remuneration, are agreed with Management Board members in executive contracts. Subject to prior change by mutual agreement, the term of such a contract is equivalent to the term of office. If the member is reappointed to the Management Board at the end of the term of office, the executive contract is extended for the duration of the new tenure. Initial appointment to the Management Board is generally for a term of three years. Any extension of an executive contract or reappointment to the Management Board is for a period of no longer than five years.

### **Resignation from the Management Board / Other premature termination of executive contracts**

In accordance with company law, the executive contracts do not provide for ordinary resignation from the Management Board, irrespective of the end of appointment. If the appointment of a member of the Management Board ends prematurely – for whatever reason – either party to the contract is entitled to give notice to terminate the executive contract effective from the end of the period stipulated in Section 622 (1) and (2) German Civil Code [Bürgerliches Gesetzbuch, BGB], without prejudice to any right to terminate for good cause or reason. The entire time of office on the Corporation's Management Board is relevant for the calculation of all periods as are any prior periods spent working for Henkel AG & Co. KGaA or any of its affiliated companies if and insofar as they immediately preceded the appointment to the Corporation's Management Board. The aforementioned is without prejudice to the right of either party to terminate for good cause or reason without the need to give notice. Equally, an executive contract can be terminated by mutual agreement.

In the event of remuneration being reduced in accordance with Section 87 (2) of the German Stock Corporation Act [AktG], the Man-

agement Board member is entitled to give notice of six weeks to terminate the executive contract to the end of the next calendar quarter.

In addition, an executive contract ends without the need for separate notice at the end of the month in which that Management Board member becomes permanently incapacitated for work, in which case they qualify for pension benefits for reduced earning capacity.

### **Compensation payment**

In the event that appointment to Management Board is terminated prematurely and due notice is given to terminate the executive contract effective from the end of the period stipulated in Section 622 (1) and (2) BGB, the executive contracts provide for a compensation settlement amounting to the remuneration for the remaining term of the contract (basic remuneration plus variable remuneration for single and multiple years). This compensation is limited to a maximum of two years' remuneration (basic remuneration plus variable remuneration for single and multiple years) ("severance payment cap") and may not extend over a period that exceeds the remaining term of the executive contract. Members of the Management Board are not entitled to compensation, however, if the premature termination of their tenure is prompted by circumstances that would have entitled the Corporation to terminate the executive contract without notice for good cause or reason for which the Management Board member is responsible. The Supervisory Board of Henkel Management AG is authorized to reduce the compensation settlement to the reasonable amount in application of Section 87 (2) AktG.

In the event that the sphere of responsibility/executive function is altered or restricted against the wishes of the relevant Management Board member to such an extent that it is no longer comparable to the position prior to the change or restriction, that member is entitled to resign from office and request premature termination of their contract. In such cases, members are entitled to compensation payments amounting to not more than two years' remuneration. No entitlements exist in the event of premature termination of executive duties resulting from a change in control.

**Payment / forfeiture of variable components of remuneration**

When a member leaves the Management Board, the STI is calculated on a prorata time basis and paid out on the contractually agreed due dates; personal investment from these amounts in Henkel preferred shares (share deferral) is no longer required. Unless otherwise agreed individually, LTI entitlements are calculated at the end of the relevant performance measurement period and paid out on the contractually agreed due dates. However, entitlements from any tranche of which the performance measurement period has not yet ended at the date of departure are forfeited without replacement if the departure is based on good cause or reason that would have justified revocation of the appointment or termination of the employment contract. Special provisions apply in the case of death: All lock-up periods relating to investments in Henkel preferred shares that are financed by the recipients (share deferral) shall end. By the same token, LTI entitlements with regard to outstanding tranches are settled on the basis of budget figures and paid to the heirs.

**Post-contractual non-competition clause**

Management Board contracts include a post-contractual non-competition clause with a term of two years. Members of the Management Board are entitled to a discretionary payment totaling 50 percent of the annual remuneration (basic remuneration plus variable remuneration for single and multiple years), which is payable in 24 monthly installments unless the Supervisory Board of Henkel Management AG waives the non-competition clause. This discretionary payment is based on the average annual remuneration awarded to the Management Board member for the three full fiscal years leading up to the termination of their executive activity, but is for each year equivalent to no less than 100 percent of the annual basic remuneration awarded prior to termination of their tenure on the Management Board. Any compensation settlements for equivalent periods are offset against the discretionary payment. The same applies to any income that the Management Board member earns – or desists from earning without compelling reason – during the non-competition period from any new activity elsewhere if and insofar as this income and the discretionary payment together exceed the (total) remuneration applicable to the relevant period.

### **Miscellaneous**

The Corporation can take out directors and officers insurance (D&O insurance) that also covers members of the corporate bodies. For members of the Management Board, a deductible amounting to 10 percent per loss event is applied in such cases, subject to a maximum for the fiscal year of one and a half times their annual basic remuneration. The Corporation may also, at its expense, insure Management Board members against risks associated with their professional activity, in which case the Supervisory Board of Henkel Management AG may specify a reasonable deductible in the absence of any statutory deductible. The Corporation insures its Management Board members against accidents, including private risks, for the duration of their executive contracts.

The Corporation does not grant any loans or advances to members of the Management Board.

### **k) Temporary deviations from the remuneration system**

The Supervisory Board of Henkel Management AG may temporarily deviate from individual elements of this remuneration system if deemed necessary in the interests of the Corporation's long-term good. Such necessity may occur, in particular, in situations that could adversely affect the long-term survival and profitability of the Corporation. These situations may arise due to the circumstances in the economy as a whole or exceptional occurrences in the Corporation itself. The STI and LTI, and their ratio to each other, the basis for calculation, the rules governing the specification of their targets and the determination of target achievement, or the determination of the payout amounts and timing are elements of the remuneration system from which deviations are permissible in exceptional circumstances. Changes during the course of a year to targets and benchmarks that have already been specified for variable performance-related components of remuneration are not permitted.

Any deviation from the remuneration system should not last longer than three years. Such temporary deviation from the remuneration system described above is conditional on the Supervisory Board of Henkel Management AG unanimously adopting a resolution ascertaining the occurrence of a situation necessitating temporary deviation from the remuneration system in the interests of the long-

term good of the Corporation and, by the same token, unanimously deciding on the specific deviations that it believes are necessary. Insofar as executive contract provisions permit unilateral amendment of the relevant remuneration rules, the Supervisory Board of Henkel Management AG will unilaterally implement the deviations it believes to be necessary; otherwise it will make every effort to reach appropriate contractual agreement with the affected members of the Management Board.

Notwithstanding the aforementioned, the Supervisory Board of Henkel Management AG may reduce remuneration to the reasonable amount calculated in application of the strict rules of Section 87 (2) if the situation of the Henkel Group deteriorates to such an extent that to continue awarding the remuneration would be untenable for the Corporation.

### **III. Wording of Articles 17 and 33 of the Articles of Association**

The following is the wording of the complete remuneration regulations for the Supervisory Board and Shareholders' Committee in Article 17 (Supervisory Board) and Article 33 (Shareholders' Committee) of the Articles of Association, including the amendments proposed under agenda item 9, subject to their adoption.

#### **17. Remuneration**

- (1) The members of the Supervisory Board shall receive, in addition to the reimbursement of their cash disbursements, an annual remuneration of 70,000 euros for their services. The Chairperson shall receive double and the Vice-chairperson one and a half times the aforementioned amount.
- (2) Members who also belong to one or more committees of the Supervisory Board shall receive a further emolument of 35,000 euros; if they are Chairperson of one or several committees, 70,000 euros. Activity in the Nominations Committee is not remunerated separately. Members of the Supervisory Board who were members of the Supervisory Board or a committee for only

a portion of the financial year in question, or who performed the function of Chairperson or Vice-chairperson of the Supervisory Board or a committee for part of the year, shall receive said remuneration on a pro-rata time basis.

- (3) In addition, the members of the Supervisory Board shall each receive an attendance fee of 1,000 euros for each meeting of the Supervisory Board and its committees that they attend. If several meetings take place on one day, the attendance fee shall only be paid once.
- (4) Where a member of the Supervisory Board is at the same time a member of the Supervisory Board of the Personally Liable Partner and receives remuneration for service on the Supervisory Board of the Personally Liable Partner, the remuneration for service on the Supervisory Board of the Corporation shall be reduced by the amount which the member receives as remuneration for service on the Supervisory Board of the Personally Liable Partner.
- (5) The remuneration per (1) and (2) above shall become due at the end of the financial year in question.
- (6) The members of the Supervisory Board shall be reimbursed by the Corporation for the statutory value-added tax payable on their total remuneration and disbursements. In addition, any employer's social security contributions incurred for Supervisory Board activities under domestic or foreign laws shall be assumed by the Corporation or reimbursed to the Supervisory Board member. The Corporation shall provide the members of the Supervisory Board with technical support, equipment and benefits in kind to an extent that is appropriate to enable them to exercise their oversight function. The Corporation may also grant such benefits to the Chairperson of the Supervisory Board for the appropriate performance of corresponding representational duties and activities.
- (7) The members of the Supervisory Board shall be included in a pecuniary loss liability insurance policy (D&O insurance) maintained by the Corporation in the interests of the Corporation at an appropriate level for corporate bodies and certain executives, insofar as such a policy exists. The premiums for such an insurance policy shall be paid by the Corporation.

### 33. Remuneration

- (1) The members of the Shareholders' Committee shall receive for their services, in addition to reimbursement of their cash disbursements, an annual remuneration of 100,000 euros. The Chairperson shall receive double and the Vice-chairperson one and a half times the aforementioned amount.
- (2) Members who also belong to one or several subcommittees per Article 32 of the Articles of Association shall each receive a further emolument of 100,000 euros, and if they are Chairperson of one or several subcommittees, 200,000 euros. Members of the Shareholders' Committee who were members of the Shareholders' Committee or a subcommittee for only a portion of the financial year in question, or who performed the function of Chairperson or Vice-chairperson of the Shareholders' Committee or a subcommittee for part of the year, shall receive said remuneration on a pro-rata time basis.
- (3) Where a member of the Shareholders' Committee is at the same time a member of the Supervisory Board of the Personally Liable Partner and receives remuneration for service on the Supervisory Board of the Personally Liable Partner, the remuneration for service on the Shareholders' Committee of the Corporation shall be reduced by the amount which the member receives as remuneration for service on the Supervisory Board of the Personally Liable Partner.
- (4) The remuneration per (1) and (2) above shall become due at the end of the financial year in question.
- (5) The members of the Shareholders' Committee shall be included in a pecuniary loss liability insurance policy (D&O insurance) maintained by the Corporation in the interests of the Corporation at an appropriate level for corporate bodies and certain executives, insofar as such a policy exists. The premiums for such an insurance policy shall be paid by the Corporation. In addition, any employer's social security contributions incurred in respect of activities performed by a member of the Shareholders' Committee under domestic or foreign laws shall be assumed by the Corpora-

tion or reimbursed to the Shareholders' Committee member. The Corporation provides the members of the Shareholders' Committee with technical support, equipment and benefits in kind to an extent that is appropriate to enable them to exercise their oversight function. The Corporation may also grant such benefits to the Chairperson of the Shareholders' Committee for the appropriate performance of corresponding representational duties and activities.

## IV. Further information and advisories

### 1. Total number of shares and voting rights

As of the date of this Notice of Convocation of the Annual General Meeting, the capital stock of the Corporation amounted to 437,958,750.00 euros. This is divided into a total of 437,958,750 bearer shares of no par value with a proportional nominal value of 1.00 euros each, of which 259,795,875 are ordinary shares carrying the same number of voting rights, and 178,162,875 are preferred shares with no voting rights. Preferred shares with no voting rights cannot be used to vote in the Annual General Meeting; Section 140 (2) sentence 1 of the German Stock Corporation Act [AktG] does not apply in this case. As of the date of this Notice of Convocation, the Corporation possesses 3,680,552 treasury shares.

### 2. Holding of the Annual General Meeting (AGM) as a virtual shareholders' meeting

Against the background of the ongoing COVID-19 pandemic and the uncertainty as to whether and from when (large-scale) events can again be held in attendance form, the Personally Liable Partner, with the approval of the Supervisory Board and the Shareholders' Committee, has decided to hold the Annual General Meeting on the basis of the Act on Mitigating the Consequences of COVID-19 dated March 27, 2020 (Federal Law Gazette/BGBl. I No. 14 2020, p. 569), last amended by Article 11 of the Act on the Further Shortening of the Residual Debt Exemption Procedure and on the Adjustment of Pandemic-Related Provisions in Company, Cooperative, Association and Foundation Law as well as in Tenancy and Lease Law dated December 22, 2020 (Federal Law Gazette/BGBl. I No. 67, 2020, p. 3328) (hereinafter „Act on Mitigating the Consequences of COVID-19“), to be held

as a virtual Annual General Meeting without the physical presence of the shareholders or their proxyholders (with the exception of the voting proxies nominated by the Corporation). Physical attendance by shareholders or their proxyholders (with the exception of voting proxies nominated by the Corporation) is therefore precluded.

This year's Annual General Meeting will therefore be held in accordance with the provisions of Section 1 (2) in conjunction with (8) sentence 1 of the Act on Mitigating the Consequences of COVID-19. Specifically, this means:

- a) The entire Annual General Meeting will be broadcast live in image and sound for ordinary and preferred shareholders on **April 16, 2021, starting at 10:00 a.m. (CEST)** via the Henkel InvestorPortal, which is available on the Corporation's website as from March 26, 2021 (<https://www.henkel.com/agm>; <https://www.henkel.de/hv>).
- b) Ordinary shareholders may exercise their voting rights in writing or by electronic communication (postal/mail-in voting) and by proxy (see detailed explanations under Notes 4, 5 and 6).
- c) The ordinary and preferred shareholders shall have the right to ask questions provided that these are submitted by electronic communication at least one day before the meeting (see detailed explanations under Notes 8 and 13).
- d) Motions or election proposals by holders of ordinary and preferred shares which are to be published pursuant to Section 126 or Section 127 of the German Stock Corporation Act [AktG] shall be deemed to have been made at the meeting if the shareholder making the motion or submitting the election proposal is duly legitimized and registered for the Annual General Meeting (see detailed explanations under Note 12).
- e) Notwithstanding Section 245 No. 1 AktG, ordinary and preferred shareholders will have the opportunity to object to a resolution of the Annual General Meeting without the requirement to appear at the Annual General Meeting (see detailed explanations under Note 9).

In addition to the shareholder rights stipulated by the Act on Mitigating the Consequences of COVID-19, the Corporation offers shareholders the opportunity to submit statements relating to the Agenda as a video message prior to the Annual General Meeting, which will then be published on the Henkel InvestorPortal (see detailed explanations under Note 7).

In order to exercise the shareholder rights described above, ordinary and preferred shareholders must register in good time and in an orderly manner and provide evidence of their shareholding (see detailed explanations under Note 3).

The General Meeting is held as a virtual meeting in the presence of the Chair of the Annual General Meeting (Meeting Chair) appointed by the Shareholders' Committee pursuant to Article 23 (1) of the Articles of Association and the Chair of the Management Board of Henkel Management AG (as Personally Liable Partner) and, if applicable, other members of the Supervisory Board, the Shareholders' Committee and the Management Board of Henkel Management AG at the business premises of the Corporation, Henkelstrasse 67, 40589 Düsseldorf, Germany. A notary public commissioned to take the minutes of the Annual General Meeting and the voting proxies nominated by the Corporation will also be present there.

***This year, we would ask shareholders to pay particular attention to the following information on how to exercise their rights in and in connection with the virtual AGM.***

### **3. Conditions of participation and of exercising shareholder rights in conjunction with the virtual Annual General Meeting and in particular of exercising voting rights**

***Please note the following in this regard:***

Insofar as this invitation to the Annual General Meeting refers to "participation" in the Annual General Meeting, this relates to the exercise of shareholders' rights in accordance with Section 1 (2) of the Act on Mitigating the Consequences of COVID-19, as described in Note 2 above. There shall be no participation in the Annual General Meeting in the sense of Section 118 (1) sentence 2 of the German Stock Corporation Act [AktG].

***Access to the Henkel InvestorPortal***

The access-protected Henkel InvestorPortal can be accessed via the Corporation's website (<https://www.henkel.com/agm>; <https://www.henkel.de/hv>) effective **March 26, 2021**.

On receipt of the registration and validation of ownership of shares in accordance with the requirements indicated below, the registration office will send the shareholders access cards with the necessary access data for participation in the virtual Annual General Meeting via the Henkel InvestorPortal together with the corresponding proxy forms or forms for mail-in (postal) voting. Normally, the custodian banks/depository financial services institutions take care of the registration formalities and presentation of the validation of shareholdings on behalf of their clients. In order to ensure the timely receipt of access cards, we ask shareholders wishing to participate in the Annual General Meeting to ensure that their registration and validation are sent as early as possible or to request an access card from their depository/custodian bank.

***Registration and validation of shares held***

In accordance with Article 20 of the Articles of Association in conjunction with Section 123 (2) and (4) of the German Stock Corporation Act [AktG], only those shareholders (holders of ordinary and/or preferred shares) who, by the end of **April 9, 2021 (24:00 hours/midnight CEST)**, present to the Corporation a special validation issued by their depository/custodian bank confirming ownership of shares shall be entitled to attend the virtual Annual General Meeting and exercise shareholder rights – through proxyholder representation where applicable – and to exercise voting rights (ordinary shares only). Said validation should be sent in text form to the following address:

**Henkel AG & Co. KGaA**

**c/o Computershare Operations Center**

**80249 Munich, Germany**

**It may also be sent by fax: +49 (0) 89 30903-74675**

**or by email: [anmeldestelle@computershare.de](mailto:anmeldestelle@computershare.de)**

The validation of share ownership shall be provided in accordance with Section 67c (3) AktG or by means of some other form of proof

of share ownership issued by the ultimate intermediary in text form in German or English and shall refer to the beginning of the 21st day before the Annual General Meeting (**Record Date**), i.e. to the **beginning of March 26, 2021 (0:00 a.m. CET)**. In the case of shares not held in a securities depository managed by an intermediary pursuant to Section 67a (4) AktG at the relevant time, validation may be provided by the Corporation or by a notary, by a bank for the central depository of securities or another custodian bank or financial services institution.

In the event of doubt as to the correctness or authenticity of the validation, the Corporation is entitled to demand a further suitable means of proof. If this means of proof is not forthcoming, or is not provided in the appropriate form, the Corporation may refuse participation in the Annual General Meeting and the exercising of voting rights (Article 20 (3) of the Articles of Association).

The registration and validation documentation must be in either German or English. The validation may also be provided in text form.

***Significance of the validation deadline / Free disposability of shares***

The Record Date is the cutoff date for securing participation in the Annual General Meeting and exercising shareholder rights and in particular voting rights. Pursuant to Section 123 (4) sentence 5 of the German Stock Corporation Act [AktG] as related to the Corporation in respect of participation in the Annual General Meeting (holders of ordinary and holders of preferred shares) or in respect of exercising voting rights (ordinary shares only), only shareholders who have provided validation will be recognized as such. The entitlement to participate and the scope of voting rights are measured solely on the basis of the shareholding on the Record Date. The Record Date or the registration is not a barrier to the sale of the shareholding. Shareholders can therefore still dispose of their shares as they wish following registration. Any disposal after the Record Date will not affect the right to participate and the right to exercise voting rights. Persons who do not hold any shares as at the Record Date and only become shareholders thereafter shall not be entitled to attend and vote, unless they obtain authorization to do so or to otherwise exercise their rights. The Record Date has no bearing on any dividend entitlement.

#### 4. Mail-in (postal) voting procedure

Ordinary shareholders may cast their votes by mail-in (postal) voting. In this case, too, shareholders need to register and present appropriate validation of their share ownership as stipulated (see the detailed explanations under Note 3).

Mail-in votes are submitted through your access card with the voting instructions table, and should be sent by letter, fax or email or via the internet-based Henkel InvestorPortal as follows:

- Mail-in votes cast in text form must reach the Corporation in text (including fax and email) form at the address shown at the bottom of the form **by April 14, 2021 (24:00 hours/midnight CEST)**.
- In the case of mail-in voting via the Henkel InvestorPortal, mail-in votes can be cast **up to the day of the Annual General Meeting and until completion of voting is declared by the Meeting Chair**. The Henkel InvestorPortal can be accessed as described above under „Access to the Henkel InvestorPortal.“

Mail-in votes may still be revoked or changed by the permissible means of transmission until the end of the period in which they can be cast on the InvestorPortal.

Authorized persons/proxyholders may also use mail-in voting (see detailed explanations under Note 5). If both mail-in votes and proxies/instructions are received from a shareholder by voting proxies nominated by the Corporation, the mail-in votes will be given precedence.

Please note that adopting the mail-in voting option means that you will not have an opportunity to speak, object to Annual General Meeting resolutions, pose questions or propose motions.

If no explicit or unambiguous vote is cast on an agenda item during the mail-in ballot, this shall be deemed an abstention for the agenda item concerned. Mail-in votes that cannot be unequivocally attributed to a proper registration will not be considered.

You can find further instructions on an advisory leaflet which is available to shareholders together with additional information on the internet (<https://www.henkel.com/agm>; <https://www.henkel.de/hv>).

## **5. Voting, assignment of powers of representation (proxies) and proxy voting procedures**

### ***Assigning powers of representation to the voting proxies nominated by the Corporation***

We offer our ordinary shareholders the option of being represented at the Annual General Meeting by voting proxies nominated by the Corporation. In this case, too, shareholders need to register and present validation of their share ownership as stipulated (see the detailed explanations under Note 3).

You can authorize the voting proxy nominated by the Corporation by using the power of attorney/instruction form printed on your access card sent by letter, fax or email or via the Henkel InvestorPortal, as follows:

- The corresponding power of attorney/instruction form must reach the Corporation in text (including fax and email) form at the address shown at the bottom of the form **by April 14, 2021 (24:00 hours/midnight CEST)**.
- Powers of attorney assigned to voting proxies nominated by the Corporation can alternatively be issued using the data on the access card via the Henkel InvestorPortal **until the day of the Annual General Meeting and until completion of voting is declared by the Meeting Chair**. The Henkel InvestorPortal can be accessed as described above under "Access to the Henkel InvestorPortal."

Proxies/powers of representation and instructions to the voting proxies nominated by the Corporation may still be revoked or amended by the permissible means of transmission until the end of the period in which they can be issued via the Henkel InvestorPortal (time of receipt).

The proxyholders nominated by the Corporation may only exercise the voting right for those agenda items for which the authorizers issue express and unambiguous instructions. In the absence of an explicit and unambiguous instruction, the proxyholder will abstain from voting on the respective ballot item. The proxyholders are obligated to cast the votes as instructed and may not exercise voting rights at their own discretion. If an individual vote is to be taken on an agenda item, the instructions given shall apply to each individual sub-item.

Please note that voting proxies cannot accept instructions or commissions to speak, or file objections against Annual General Meeting resolutions, nor can they accept instructions or commissions relating to procedural motions, ask questions or table motions.

***Assigning powers of representation (proxies) to third parties***

Ordinary shareholders may exercise their votes by proxy. In this case, too, shareholders need to register and present validation of their share ownership as stipulated (see the detailed explanations under Note 3). If a shareholder appoints more than one proxyholder, the Corporation may reject one or several of these proxies per Section 134 (3) sentence 2 of the German Stock Corporation Act [AktG].

The assignment of a proxy, its revocation/cancellation and verification of such power of representation to the Corporation must be in text form unless otherwise stipulated below.

Ordinary shareholders can assign powers of representation to their chosen proxyholders by completing the proxy form printed on the access card and handing the access card with the access data for the Henkel InvestorPortal to the proxyholder. Alternatively, powers of representation (proxies) can also be assigned electronically via the internet by using the data on the access card in accordance with the procedures laid down by the Corporation. Assignment of powers of representation is permissible via any approved means. The use of the access data by the proxyholder is also regarded as proof of authorization.

In the event that intermediaries within the meaning of Section 135 AktG are authorized as proxyholders, the law does not require

the text form, nor do the Articles of Association contain special provisions for such a case. The assignment of powers of representation (proxies) should be as required by the intermediary (i.e. the prospective proxyholder). Pursuant to Section 135 (1) AktG, the power of representation (proxy) in these cases must be granted to a specific intermediary and verifiably recorded by that intermediary. The proxy form must also be complete and may only contain declarations relating to the exercise of voting rights. However, a violation of this and certain other requirements specified in Section 135 AktG for the authorization of an intermediary does not affect the validity of voting in accordance with Section 135 (7) AktG. The above shall apply mutatis mutandis to the assignment of powers of representation (proxies) to shareholders' associations, voting rights advisors and persons who make a business offer to shareholders to exercise their voting rights at the Annual General Meeting (Section 135 (8) AktG).

***Please note the following in connection with the assignment of powers of representation this year:***

This year's Annual General Meeting of the Corporation will be held on the basis of Section 1 (2) of the Act on Mitigating the Consequences of COVID-19 as a virtual shareholders' meeting without the physical presence of shareholders or their proxyholders (with the exception of voting proxies nominated by the Corporation). This means that even if a bank, shareholders' association or other third party is authorized to act as proxyholder, the actual vote must ultimately be cast by the voting proxies nominated by the Corporation, or by the authorized proxyholder by mail-in vote (see detailed explanations under Note 5).

The use of the Henkel InvestorPortal by the authorized representative (proxyholder) requires that the proxyholder receives the access data from the principal. The use of personal access data by the proxyholder is also regarded as proof of authorization.

You can find further instructions on an advisory leaflet which is available to shareholders together with additional information on the internet (<https://www.henkel.com/agm>; <https://www.henkel.de/hv>).

## **6. Order of processing the mail-in votes cast, proxies and instructions, and other voting advisories**

If votes are cast by mail-in ballot via several means of transmission and/or if the proxies receive powers of representation and instructions via several means of transmission, the most recently received declaration shall be deemed to have priority in each case. If it is not possible to identify which declaration was received last, declarations will be considered in the following descending order of priority: (1) Received through the Henkel InvestorPortal; (2) Received by email; (3) Received by fax; (4) Received in paper form.

If a separate ballot is held on an agenda item without this having been communicated in advance of the Annual General Meeting, the mail-in vote cast or a mail-in instruction relating to this agenda item as a whole shall apply accordingly for each separate ballot item.

Voting by mail-in ballot or issuing instructions to the voting proxies nominated by the Corporation is only possible in respect of the proposed resolutions announced by the Corporation before the Annual General Meeting, including proposals for resolution from shareholders announced prior to the Annual General Meeting by the Corporation in response to a request made by a minority per Section 122 (2) of the German Stock Corporation Act [AktG], as a countermotion per Section 126 (1) AktG or as a nomination for election per Section 127 AktG.

A mail-in vote or an instruction regarding the profit appropriation proposal announced under agenda item 2 remains valid even if the profit appropriation proposal is adjusted at the Annual General Meeting as described under agenda item 2.

## **7. Procedure for electronic submission of video messages for publication on the Henkel InvestorPortal**

With this concept of a virtual Annual General Meeting without physical participation of the shareholders, the shareholders do not have the opportunity to comment on the Agenda at the Annual General Meeting.

The Personally Liable Partner has therefore decided, with the approval of the Supervisory Board and the Shareholders' Committee, to grant shareholders or their proxies – going beyond the requirements of the Act on Mitigating the Consequences of COVID-19 – the opportunity to submit statements prior to the Annual General Meeting in the form of video messages relating to the Agenda.

Shareholders who register in due manner and who provide proof of their shareholding in good time, or their proxies, therefore have the opportunity to submit statements relating to the Agenda as video messages electronically via the internet-based Henkel InvestorPortal **by no later than the end of April 12, 2021 (24:00 hours/midnight CEST)**.

Such video messages must be limited to a maximum of 3 minutes in length. A neutral background should be used. Only video messages in which shareholders or their proxies appear in person to make the statement are permitted.

Further details of the technical and legal requirements for submitting video messages are available on the Henkel InvestorPortal at <https://www.henkel.com/agm>; <https://www.henkel.de/hv>.

It is intended that the submitted video messages will be published prior to the Annual General Meeting on the Henkel InvestorPortal and that they will be accessible only to duly registered shareholders; where appropriate, they will also be played in the virtual Annual General Meeting, which shareholders and their proxies can follow live in sound and vision via the Henkel InvestorPortal. By submitting a video message, the shareholder or proxy concerned agrees that the video message may be published on the Henkel InvestorPortal and played during the broadcast of the virtual Annual General Meeting.

It should be noted that no legal claim to the publication of a video message shall exist. In particular, the Corporation reserves the right not to publish video messages with offensive or criminally relevant content, obviously false or misleading content or without sufficient reference to the Agenda of the Annual General Meeting, as well as video messages whose duration exceeds three minutes, which have not been submitted by the deadline as specified above or that have

been prepared in a language other than German. Only one video message will be published per shareholder. In order to ensure the efficient running of the virtual Annual General Meeting, the Corporation reserves the right to select video messages to be played at the virtual AGM. The Personally Liable Partner will make the selection at its due discretion, taking into account in particular the relevance of the content to the agenda items, the extent to which the contribution contains new aspects or assessments compared to other contributions recorded, the number of shareholders or shares represented by the submitter, and the duration and sound and image quality of the video message.

It should be noted that questions are to be submitted exclusively by the means described under Note 8 below. If any statement submitted pursuant to this Note 7 contains questions that are not also submitted by the means described in Note 8, such questions shall be disregarded. The same applies to objections or motions and election proposals pursuant to Sections 126 (1), 127 of the German Stock Corporation Act [AktG]; in this respect, only the procedure described under Notes 9 and 12 shall apply.

#### **8. Procedure for electronic submission of questions**

Ordinary and preferred shareholders or their proxyholders have the right to submit questions via electronic communication. In order to exercise this right to ask questions, ordinary and preferred shareholders must register correctly and provide evidence of their shareholding (see detailed explanations under Note 3).

On the basis of Article 1 (2) sentence 2 of the Act on Mitigating the Consequences of COVID-19, the Personally Liable Partner, with the approval of the Supervisory Board and the Shareholders' Committee, has decided that questions from shareholders or their proxies must be submitted at the latest one day before the Annual General Meeting. The Henkel InvestorPortal will therefore be available for the submission of questions from the **beginning of March 26, 2021 until 24:00 hours/midnight (CEST) on April 14, 2021 at the latest**. The questions must be submitted in German.

The presentation of the Chairman of the Management Board of the Personally Liable Partner will be available on the internet no later

than **April 8, 2021** (<https://www.henkel.com/agm>; <https://www.henkel.de/hv>).

The Personally Liable Partner decides at its own dutiful discretion how questions are answered at the virtual Annual General Meeting. With regard to the right to ask questions granted to shareholders under the Act on Mitigating the Consequences of COVID-19, please note the comments made under Note 13.

In addition to the above right to ask questions, the Corporation voluntarily grants shareholders or their proxies who meet the requirements for participation in the virtual Annual General Meeting the opportunity, to ask questions at the virtual AGM on **April 16, 2021** by means of electronic communication in accordance with the following provisions:

Shareholders or their proxies may only submit follow-up questions to answers given at the Annual General Meeting to questions that they themselves have previously submitted in due form via the Henkel InvestorPortal by **midnight (CEST) on April 14, 2021 at the latest**. During the Annual General Meeting, the Chair of the meeting shall determine one or more periods for follow-up questions on the answers given up to that point. The questions must be submitted via the Henkel InvestorPortal only, and must be in German. A maximum of one question per eligible shareholder or proxy is possible for each question previously submitted by him/her in due time via the Henkel InvestorPortal. The Management Board of the Personally Liable Partner shall decide at its own dutiful discretion whether and how to answer such follow-up questions submitted during the Annual General Meeting. In particular, in the interests of the shareholders attending and of the efficient conduct of the Annual General Meeting, it may further limit the number of questions to be answered, combine questions and their answers, and make a suitable selection from among the questions submitted for answering. The Meeting Chair may reasonably limit the time allowed for answering the follow-up questions as a whole or individual follow-up questions.

This voluntary opportunity to ask additional questions during the Annual General Meeting does not constitute a right to ask questions

or obtain information. In particular, no information rights pursuant to Section 131 (1) of the German Stock Corporation Act [AktG] arise from this facility. It also does not form part of the right to ask questions granted under Section 1 (2) sentence 1 No. 3 and sentence 2 of the Act on Mitigating the Consequences of COVID-19, which only applies to questions received by the Corporation **no later than midnight (CEST) on April 14, 2021** prior to the Annual General Meeting, as explained above.

You can find further instructions on an advisory leaflet which is available to shareholders together with additional information on the internet (<https://www.henkel.com/agm>; <https://www.henkel.de/hv>).

#### **9. Procedure for the electronic submission of objections**

In derogation from Section 245 No. 1 AktG and waiving the requirement to appear at the Annual General Meeting, ordinary and preferred shareholders or their proxyholders who have duly registered and have submitted evidence of their shareholding in good time are afforded the opportunity to object to one or more resolutions of the Annual General Meeting by way of electronic communication.

An objection to a resolution of the Annual General Meeting can be filed electronically by ordinary and preferred shareholders or their proxyholders via the Henkel InvestorPortal from the **beginning of the Annual General Meeting until its closure** by the Meeting Chair. The notary public has authorized the Corporation to receive objections via the Henkel InvestorPortal and likewise receives the objections via the Henkel InvestorPortal.

You can find further instructions on an advisory leaflet which is available to shareholders together with additional information on the internet (<https://www.henkel.com/agm>; <https://www.henkel.de/hv>).

#### **10. (Partial) broadcast of the Annual General Meeting via the internet**

Ordinary and preferred shareholders who have duly registered and have submitted evidence of their shareholding in good time or their proxyholders can follow the transmission of the entire Annual

General Meeting **on April 16, 2021, starting at 10:00 a.m. (CEST)**, live in sound and vision via the Henkel InvestorPortal.

By order of the Chair of the Annual General Meeting, the opening of the Annual General Meeting and the address given by the Chair of the Management Board of the Personally Liable Shareholder may, moreover, also be transmitted live via the internet for people who have not registered to participate in the virtual Annual General Meeting.

The recording of the opening as well as the speech by the Chair of the Management Board will be available on the Corporation's website (<https://www.henkel.com/agm>; <https://www.henkel.de/hv>) after the Annual General Meeting.

#### **11. Additional agenda item proposals requested by a minority per Section 122 (2) of the German Stock Corporation Act [AktG]**

Ordinary and/or preferred shareholders whose shareholdings together equate to one twentieth of the capital stock or a proportional share of the capital stock equivalent to 500,000.00 euros – corresponding to 500,000 shares (ordinary or preferred) – can request that items be included on the Agenda and announced accordingly. In addition, pursuant to Section 87 (4) AktG, the Annual General Meeting may, upon application pursuant to Section 122 (2) sentence 1 AktG, reduce the maximum remuneration for the Management Board determined in accordance with Section 87a (1) sentence 2 number 1 AktG. Each new item must be accompanied by a justification (grounds) or a motion for resolution or amendment.

Applicants are required to prove that they have owned the shares for at least 90 days prior to the date on which the request is received, and that they retain ownership of the shares until the decision on the request by the Management Board. Calculation of share ownership shall be in accordance with Section 70 AktG. Section 121 (7) AktG also applies as appropriate. According to said provisions, the date of receipt of the request is not to be included in the count. Shifting the date from a Sunday, a Saturday or a public holiday to a work day before or after cannot be considered. Thus, Sections 187 to 193 of the German Civil Code are not applicable.

Such request must be addressed in writing to the Management Board and be received by the Corporation **by the end of March 16, 2021 (24:00 hours/midnight CET)**. We kindly ask you to send corresponding requests exclusively to the following address:

**Henkel AG & Co. KGaA**  
**Management Board of Henkel Management AG**  
**Henkelstrasse 67**  
**40589 Düsseldorf, Germany**

Amendments and supplements to the AGM Agenda that need to be announced in advance must – unless already announced in the Notice of Convocation – be announced immediately on receipt of the request in the same way as the Notice of Convocation. They will also be made available on the internet (<https://www.henkel.com/agm>; <https://www.henkel.de/hv>) and notified to the shareholders per Section 125 (1) sentence 3 AktG.

If requests for additions to the Agenda are to be published in accordance with the above, any proposed resolutions attached thereto shall be treated at the Annual General Meeting as if they had been submitted verbally at the Annual General Meeting, provided that the shareholder submitting the request is duly authorized and has registered for the Annual General Meeting (for more details, see Note 3).

## **12. Countermotions and election nominations per Sections 126 (1) and 127 of the German Stock Corporation Act [AktG]**

Ordinary and/or preferred shareholders can submit countermotions in relation to proposals submitted by the Personally Liable Partner and/or Supervisory Board and/or Shareholders' Committee on individual agenda items, and may also submit nominations for the elections of members of the Supervisory Board and of the Shareholders' Committee, or election of auditors, as detailed on the Agenda (Sections 126 (1) and 127 AktG).

Any countermotions (with justification/grounds) or election nominations by shareholders per Sections 126 (1) and 127 AktG should be exclusively submitted to the address immediately below by conventional mail, fax or email; countermotions or election nominations submitted in some other way cannot be considered.

**Henkel AG & Co. KGaA****– Annual General Meeting 2021 –****Investor Relations****Henkelstrasse 67****40589 Düsseldorf, Germany****They may also be sent by fax: +49 (0) 211 798-2863****or by email: [info@ir.henkel.com](mailto:info@ir.henkel.com)**

Counter motions (with justification/grounds) or election nominations by shareholders requiring announcement – possibly containing amended content per Section 127 sentence 4 of the German Stock Corporation Act [AktG] – will, on receipt, be made available together with the name of the proposing shareholder on the Corporation's website (<https://www.henkel.com/agm>; <https://www.henkel.de/hv>). Counter motions or election nominations received at the address indicated above by the end of **April 1, 2021 (24:00 hours/midnight CEST)** will be included for consideration. A counter motion does not need to be made accessible if one of the grounds for exclusion in accordance with Section 126 (2) sentence 1 AktG exists. The grounds for a counter motion also do not need to be made accessible if the total number of characters is more than 5,000 (Section 126 (2) sentence 2 AktG). Nominations submitted by shareholders per Section 127 AktG do not need to be substantiated. Nominations for election will only be made available if they contain the name, occupation and place of residence of the person nominated; in the case of the proposed auditor, they must contain the company name and domicile, and in the case of elections to the Supervisory Board, they must contain details of memberships of other statutory oversight bodies. Any response from the Administration (Management) will likewise be made available on the websites indicated.

Shareholders are requested to validate their ownership of shares at the time of submitting the motion.

***Due to the special provisions of the Act on Mitigating the Consequences of COVID-19, the following applies to shareholder motions and election nominations this year:***

Pursuant to Section 1 (2) sentence 3 of the Act on Mitigating the Consequences of COVID-19, counter motions or election proposals to be made accessible in accordance with Sections 126 and 127 of the Ger-

man Stock Corporation Act [AktG] shall be deemed to have been made at the virtual Annual General Meeting if the shareholder making the motion or submitting the election proposal is duly authorized and registered for the Annual General Meeting (for further details, please refer to Note 3). This does not affect the right of the Meeting Chair to have the Administration's (Management's) proposals voted on first during the voting process. Should the Administration's proposals be accepted with the necessary majority, the countermotions or (alternative) election nominations will be disregarded.

### **13. Information rights pursuant to Section 131 (1) of the German Stock Corporation Act [AktG] and the provision of question and answer facilities per Article 1 (2) of the Act on Mitigating the Consequences of COVID-19**

Pursuant to Section 131 (1) AktG, each shareholder, whether a holder of ordinary or preferred shares, and each shareholder representative, may at the Annual General Meeting verbally request and require of the Personally Liable Partner that it provide information on Corporation matters, the legal and business relations of the Corporation with affiliated entities, and the position of the Group and of companies included in the consolidated financial statements, where such information is necessary for correctly appraising an agenda item and there is no valid right of refusal to provide such information based on reasons cited in Section 131 (3) AktG.

#### ***Due to the special provisions of the Act on Mitigating the Consequences of COVID-19, the following applies to shareholder information rights this year:***

Section 1 (2) of the Act on Mitigating the Consequences of COVID-19 restricts the shareholders' right to information in the case of a virtual general meeting. Shareholders merely have the right to ask questions. In this context, the Personally Liable Partner, with the approval of the Supervisory Board, requires that shareholders' questions be submitted by electronic communication no later than one day before the meeting.

Ordinary and preferred shareholders who duly register and provide evidence of their shareholding therefore have the opportunity to submit questions via the Henkel InvestorPortal in accordance with the provisions of Note 8.

Shareholders thus do not have a right to request information in the virtual Annual General Meeting in the sense of Section 131 AktG. The Personally Liable Partner, acting through the Management Board, decides at its own dutiful discretion how questions are answered at the virtual Annual General Meeting, i.e. it may, for example, deal with questions en bloc. Questions not submitted in German will not be answered.

The questions will be answered at the virtual Annual General Meeting – with the name and place of residence of the shareholder concerned also being stated where appropriate. In this respect, please note the information on data protection under Note 16.

**14. Receipt of a voting confirmation pursuant to Section 118 (1) sentences 3 to 5, (2) sentence 2 of the German Stock Corporation Act [AktG] or proof of the vote count pursuant to Section 129 (5) AktG**

Pursuant to Section 118 (1) sentence 3, (2) sentence 2 AktG, when voting rights are exercised electronically, the submitter must receive electronic confirmation from the company of the receipt of the electronically cast vote in accordance with the requirements set out in Art. 7 (1) and Art. 9 (5) subparagraph 1 of Implementing Regulation (EU) 2018/1212. If the confirmation is issued to an intermediary, the intermediary must send the confirmation to the shareholder without delay in accordance with Section 118 (1) sentence 4 AktG. In addition, pursuant to Section 129 (5) sentence 1 AktG, the person voting may request confirmation from the company within one month of the date of the Annual General Meeting as to whether and how his or her vote was counted. The company shall provide the confirmation in accordance with the requirements set out in Art. 7 (2) and Art. 9 (5), second subparagraph, of Implementing Regulation (EU) 2018/1212. If the confirmation is issued to an intermediary, the intermediary must send the confirmation to the shareholder without delay in accordance with Section 129 (5) sentence 3 AktG.

**15. Supplementary information / Website via which information required per Section 124a of the German Stock Corporation Act [AktG] can be accessed**

This Notice of Convocation of the Annual General Meeting with the statutory disclosures and explanations, the documents and motions

of shareholders to which access must be provided, and other information and explanations, particularly with regard to participation in the Annual General Meeting, mail-in voting, the assignment of powers of representation (proxies) and the issuance of instructions to proxyholders, and also relating to shareholder rights per Sections 122 (2), 126 (1), 127 and 131 (1) AktG (each – where relevant – in conjunction with the provisions of the Act on Mitigating the Consequences of COVID-19, can be obtained from the Corporation's website (<https://www.henkel.com/agm>; <https://www.henkel.de/hv>).

The voting results will be made available on the same websites on conclusion of the Annual General Meeting.

This Notice of Convocation was published in the Federal Gazette on **March 4, 2021** and transmitted to other media likely and able to broadcast and disseminate the information throughout the European Union. In the event of discrepancies, the version published in the Federal Gazette shall be solely authoritative.

#### **16. Data protection information for shareholders**

We process personal data (such as name, address, number of shares, class of shares, type of ownership of shares and AGM access card number) on the basis of applicable data protection law in order to enable shareholders to participate in – and exercise their rights at – the Annual General Meeting.

The processing of your personal data is legally mandatory for your participation in the virtual Annual General Meeting, in particular for exercising voting rights and viewing the complete transmission of the virtual Annual General Meeting in sound and vision, and also to enable the Meeting to be conducted in this form. The data controller, i.e. the entity responsible for processing the data in question, is Henkel AG & Co. KGaA, Henkelstrasse 67, 40589 Düsseldorf, Germany. The legal framework for the processing of such data is provided by Article 6 (1) sentence 1 point c) of the EU General Data Protection Regulation (GDPR) in conjunction with Sections 118 ff. of the German Stock Corporation Act [AktG] and Article 1 of the Act on Mitigating the Consequences of COVID-19.

Henkel AG & Co. KGaA is broadcasting the Annual General Meeting on the internet via the Henkel InvestorPortal and is enabling shareholders' rights to be exercised via the Henkel InvestorPortal. The personal data of shareholders who submit questions or video messages, or object to resolutions of the Annual General Meeting may be processed. In addition, data processing may be undertaken as necessary for the organization of the Annual General Meeting. The legal framework for these processing operations on the basis of overriding legitimate interests is Article 6 (1) sentence 1 point f) GDPR. Henkel AG & Co. KGaA generally receives the personal data of shareholders via the registration office from the credit institution which the shareholders have entrusted with the safekeeping of their shares (i.e. their custodian bank). In some cases, Henkel AG & Co. KGaA may also receive personal data directly from shareholders.

The service providers of Henkel AG & Co. KGaA appointed for the purpose of preparing and conducting the Annual General Meeting receive from Henkel AG & Co. KGaA only such personal data as are necessary for the execution of the commissioned service, and process the data exclusively in accordance with instructions issued by Henkel AG & Co. KGaA only and to the extent that is necessary for the execution of the commissioned service. All employees of Henkel AG & Co. KGaA and the employees of commissioned service providers who have access to and/or process personal data relating to shareholders or shareholder representatives are obligated to treat such data as confidential. In addition, personal data of shareholders or shareholder representatives exercising their voting rights will be made available to other shareholders and shareholder representatives who follow the virtual Annual General Meeting by means of an electronic link within the framework of the statutory provisions (in particular the list of participants, Section 129 AktG). This also applies to questions that shareholders or shareholder representatives may have submitted in advance (Article 1 (2) sentence 1 No. 3, sentence 2 Act on Mitigating the Consequences of COVID-19), to statements submitted in advance with reference to the Agenda, and in the context of an announcement of shareholder requests for additions to the Agenda, as well as counter motions and election proposals. Henkel AG & Co. KGaA may also be obligated to disclose personal data relating to shareholders or shareholder representatives to other recipients, such as public authorities for the purpose of complying with statutory notification requirements.

Henkel AG & Co. KGaA erases the personal data of shareholders and shareholder representatives in accordance with the statutory provisions, in particular if the personal data are no longer necessary for the original purposes of collection or processing, if the data are no longer required in connection with any administrative or legal proceedings, and if there are no statutory retention obligations.

Under the statutory conditions created, shareholders or shareholder representatives have the right to obtain information about their personal data which have been processed and to request the rectification or erasure of their personal data or the restriction of processing. You can assert these rights against Henkel AG & Co. KGaA free of charge via the email address [datenschutz@henkel.com](mailto:datenschutz@henkel.com). In addition, shareholders or shareholder representatives have a right of appeal to the supervisory authorities. If personal data are processed on the basis of Article 6 (1) sentence 1 point f) GDPR, shareholders or shareholder representatives also have a right of objection under the statutory conditions created.

You can contact Henkel's Data Protection Officer by post at the following address:

**Henkel AG & Co. KGaA**  
**– Data Protection Officer –**  
**Henkelstrasse 67**  
**40589 Düsseldorf, Germany**  
**or by fax at: +49 (0) 211 798-12137**  
**or by email: [datenschutz@henkel.com](mailto:datenschutz@henkel.com)**

You will find further data protection information on the website of Henkel AG & Co. KGaA at  
<https://www.henkel.com/agm>; <https://www.henkel.de/hv>.

Düsseldorf, March 2021

Henkel AG & Co. KGaA

Henkel Management AG  
(Personally Liable Partner)

Management Board

## **Do you have any questions relating to the virtual Annual General Meeting?**

Our AGM Hotline is available on

**+49 (0) 211 797-3937**

You can, of course, also send us an email at

**info@ir.henkel.com**

For technical questions regarding the use of the Henkel InvestorPortal, the Shareholder Hotline is available Monday to Friday between 8:00 a.m. and 5:00 p.m. (CEST) at

**+49 (0) 89 30903-6321**

You can also contact the Shareholder Hotline by email at

**investorportal@computershare.de.**

Our Annual Report, this Notice of Convocation of the Annual General Meeting and other documents are available for downloading at:

**<https://www.henkel.com/agm>; <https://www.henkel.de/hv>**

### **Supplementary information on the candidate proposed under agenda item 7 for election to the Shareholders' Committee**

In addition to the information provided under agenda item 7, the curriculum vitae of Mr. James Rowan as the proposed candidate is reproduced below:

## James Rowan

**Chief Executive Officer Ember  
Consumer & President Ember Healthcare,  
Ember Technologies, Inc., California, USA**

Born October 14, 1965 in Scotland, UK



### Professional career

Since 2021	Chief Executive Officer Ember Consumer & President Ember Healthcare, Ember Technologies, Inc., California, USA
Since 2020	Senior Advisor KKR Member of the Board, PCH International Ltd., Ireland Member of the Board & Head of ID, Nanofilm Technologies International Ltd., Singapore Member of the Advisory Board (School of Mechanical & Aerospace Engineering), Nanyang Technological University, Singapore
2017 – 2020	Chief Executive Officer and Member of the Board, Dyson Group, Singapore
2012 – 2017	Chief Operating Officer and Member of the Board, Dyson Group, UK/Singapore
2007 – 2012	Chief Operating Officer, Blackberry/Research in Motion, Waterloo, Canada
2005 – 2007	Senior Vice President Global Operations, Celestica, Toronto, Canada/Vienna, Austria
1998 – 2005	Vice President European Operations, Flextronics, UK/Vienna, Austria
1997 – 1998	Co-founder/Managing Director, Altatron, Scotland, UK
1993 – 1997	Managing Director, Europe, ICC (International Components Corp), Scotland, UK
1991 – 1993	Co-founder ElectroConnect, Scotland, UK
1986 – 1991	Production Engineer, Digital Equipment Corp., Scotland, UK

### Education

2013 – 2014	Graduate in Business Administration majoring on Supply Chain and Logistics, Northumbria University, UK
1982 – 1986	Mechanical & Production Engineering apprenticeship, Tate & Lyle, Scotland, UK, in combination with university studies at Glasgow Caledonian University, UK, leading to a Higher National Certificate (HNC) in Mechanical & Production Engineering

*Memberships of statutory supervisory boards in Germany:*

None

*Memberships of comparable domestic or foreign oversight bodies:*

Nanofilm Technologies International Ltd., Singapore

PCH International Ltd., Cork/Ireland

If elected, Mr. James Rowan will, in the considered opinion of the Shareholders' Committee and the Supervisory Board, be independent.

In the considered opinion of the Shareholders' Committee and the Supervisory Board, the candidate has no personal or business relationships with Henkel AG & Co. KGaA or its Group companies, with the corporate bodies of Henkel AG & Co. KGaA or any shareholder with a material interest in Henkel AG & Co. KGaA that an objectively judging shareholder would regard as decisive in influencing his decision to stand or in his election.





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