

REMUNERATION SYSTEMS

STATUS 2021



Henkel

Remuneration Management Board

Remuneration Supervisory Board,
Shareholders' Committee
Henkel AG & Co. KGaA

Liability remuneration
Henkel Management AG

Remuneration Supervisory Board
Henkel Management AG

Remuneration systems

The following are presented

1. the remuneration system for members of the Management Board,
2. the remuneration system for members of the Supervisory Board and the Shareholders' Committee of Henkel AG & Co. KGaA,
3. the liability remuneration of Henkel Management AG as the Personally Liable Partner plus reimbursement of expenses, and
4. the remuneration of the members of the Supervisory Board of Henkel Management AG.

1. Remuneration policy for the Management Board

The remuneration system in force since January 1, 2021 for the members of the Management Board of Henkel Management AG as sole Personally Liable Partner of Henkel AG & Co. KGaA (the Management Board) was approved by the Annual General Meeting of Henkel AG & Co. KGaA on April 16, 2021, with a majority of around 98.50 percent.

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.

Remuneration Management Board

Remuneration Supervisory Board,
Shareholders' Committee
Henkel AG & Co. KGaA

Liability remuneration
Henkel Management AG

Remuneration Supervisory Board
Henkel Management AG

- A large portion of the variable, performance-related remuneration is tied to future performance spanning several years such that 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 objectives 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).

Remuneration policy 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 policy
- 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

Remuneration Management Board

Remuneration Supervisory Board,
Shareholders' Committee
Henkel AG & Co. KGaA

Liability remuneration
Henkel Management AG

Remuneration Supervisory Board
Henkel Management AG

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 compensation structure within the corporation. The remuneration paid to Management Board members of companies listed in the Deutscher Aktienindex (DAX 30 share index or, in future, DAX 40) – 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 compensation 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 compensation system, as well as the appropriateness of the remuneration, based on the aforementioned criteria, and adjusts it as necessary. The remuneration policy 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 policy, a revised compensation 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 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)

Remuneration Management Board

Remuneration Supervisory Board,
Shareholders' Committee
Henkel AG & Co. KGaA

Liability remuneration
Henkel Management AG

Remuneration Supervisory Board
Henkel Management AG

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 policy, this change is taken into account when entering into new, or extending existing Management Board 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).

Remuneration Management Board

Remuneration Supervisory Board,
Shareholders' Committee
Henkel AG & Co. KGaA

Liability remuneration
Henkel Management AG

Remuneration Supervisory Board
Henkel Management AG

The overall structure of the remuneration system reads as follows:

Remuneration system overview**Non-performance-related components****Basic remuneration**

- Chairman of the Management Board: currently 1,200,000 euros p.a.
- Other Management Board members: 750,000 euros p.a.

Other emoluments

- Insurance, reimbursement of 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
- Caps:
 - Chairman of the Management Board: 250,000 euros p.a.
 - Other Management Board members: 175,000 euros p.a.

Performance-related components**Variable annual remuneration (Short Term Incentive, STI)**

- Target remuneration if all targets are met, with application of the respective functional factors:
 - Chairman of the Management Board: currently 3,500,000 euros
 - Other Management Board members: currently 1,800,000 to 2,200,000 euros
- One-year performance measurement period: Amount dependent on achievements in the fiscal year (remuneration year) with respect to:
 - 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
 - Individual performance: Individual multiplier ranging from 0.8 to 1.2 applied to the bonus amount
- Cap: 150 percent of the respective target remuneration
- 65 percent freely disposable (short-term component, cash remuneration), 35 percent invested in Henkel preferred shares (long-term component; Share Ownership Guideline, share deferral)

General objective and strategic reference

- Assurance of equitable basic compensation commensurate with market conditions and the function performed
- Avoidance of incentives to take inappropriate risks
- Inclusion of fringe benefits and benefits in kind that are commensurate with market conditions and directly related to, and supportive of, Management Board activity
- Incentive to meet the corporate targets for the current fiscal year
- Incentive for long-term purposeful growth
- Allowance for operational success relative to benchmark group
- Promoting implementation of the strategic priorities and sustainability targets
- Differences in performance possible between Management Board members

TABLE CONTINUED ON NEXT PAGE

Remuneration Management Board

Remuneration Supervisory Board,
Shareholders' Committee
Henkel AG & Co. KGaA

Liability remuneration
Henkel Management AG

Remuneration Supervisory Board
Henkel Management AG

Remuneration system overview

General objective and strategic reference

Performance-related components

Share Ownership Guideline

- Obligation to purchase Henkel preferred shares
- Holding a minimum portfolio while on the Management Board

Long-term variable cash remuneration (Long Term Incentive, LTI)

- Target remuneration if all targets are met, with application of the respective functional factors
 - Chairman of the Management Board: currently 1,400,000 euros
 - Other Management Board members: currently 720,000 to 880,000 euros
- 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 performance measurement period (remuneration year and the two subsequent fiscal years); target value is set for each year (three yearly tranches)
- Cap: 150 percent of the respective target remuneration

Functional factors

- General functional factors as multipliers for the STI and LTI payment amounts based on target achievement

- Aligning the interests of Management Board and shareholders
- Incentive for long-term business performance

- Incentives to raise shareholder value over the long term
- Allowance for profitability

- Greater allowance for the different requirements and complexity of the business units/functions

TABLE CONTINUED ON NEXT PAGE

Remuneration Management Board

Remuneration Supervisory Board,
Shareholders' Committee
Henkel AG & Co. KGaA

Liability remuneration
Henkel Management AG

Remuneration Supervisory Board
Henkel Management AG

Remuneration system overview

General objective and strategic reference

**Pension commitments/
Lump-sum pension payout****Defined contribution pension scheme**

- Superannuation lump sum comprised of the total annual contributions.
Annual contribution (lump-sum contribution):
 - Chairman of the Management Board: 750,000 euros (62.5 percent of basic remuneration)
 - Other Management Board members: 450,000 euros (60.0 percent of basic remuneration)

- Granting of amounts enabling accumulation of an equitable company pension

or, alternatively

- Lump-sum pension payout, payable annually:
 - Chairman of the Management Board: currently 750,000 euros (62.5 percent of basic remuneration)
 - Other Management Board members: currently 450,000 euros (60.0 percent of basic remuneration)

- Granting of amounts enabling accumulation of an equitable company pension

Other regulations governing remuneration**Malus and clawback regulations**

- 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

- Assurance of equitability of variable remuneration (STI, LTI)
- Ensuring compliance with essential principles of corporate governance

Remuneration cap

- Caps on total remuneration (basic remuneration, other emoluments and pension commitments/lump-sum pension payouts, and variable components of remuneration):
 - Chairman of the Management Board: 9,550,000 euros p.a.
 - Other Management Board members: 5,155,000 to 5,995,000 euros p.a.

- Avoidance of inappropriately high payments

Severance cap

- Payment limited to maximum two years' compensation but no more than due for the remaining term of the contract

- 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

Post-contractual non-competition clause

- Two-year term; discretionary payment totaling 50 percent of the annual compensation, payable in 24 monthly installments
- Severance pay credited against any discretionary payment for the same period

- Protecting Henkel's interests

Remuneration Management Board

Remuneration Supervisory Board,
Shareholders' Committee
Henkel AG & Co. KGaA

Liability remuneration
Henkel Management AG

Remuneration Supervisory Board
Henkel Management AG

For all Management Board members except the Chairman, 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 function for which that member is responsible (see 1c) 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 all Management Board members except the Chairman 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 Chairman 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 Chairman 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 Chairman 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 Chairman of the Management Board, on achievement of all performance targets to the tune of 100 percent ("at target"), 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).

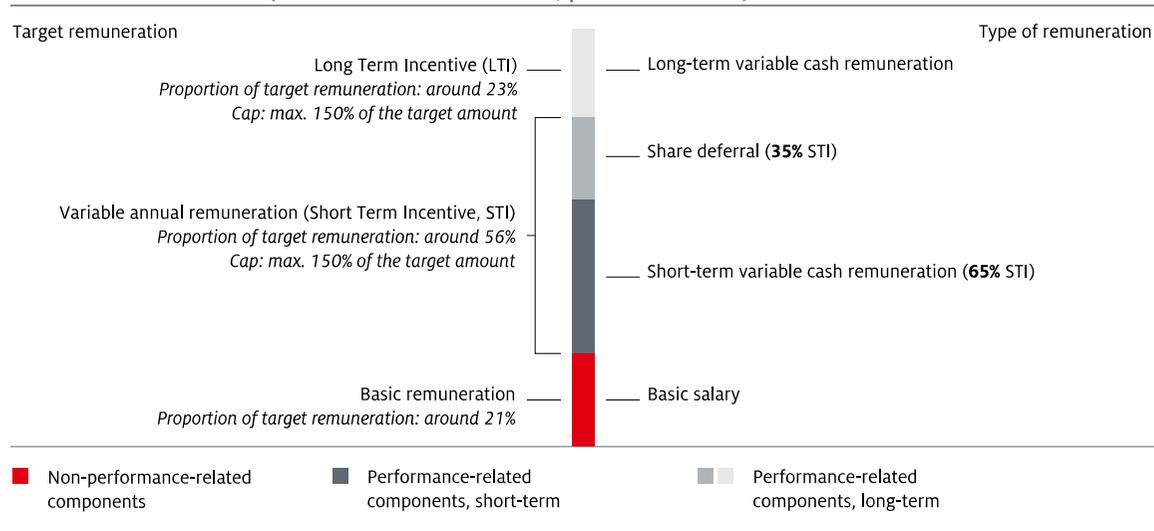
Remuneration Management Board

Remuneration Supervisory Board,
Shareholders' Committee
Henkel AG & Co. KGaA

Liability remuneration
Henkel Management AG

Remuneration Supervisory Board
Henkel Management AG

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.

Remuneration Management Board

Remuneration Supervisory Board,
Shareholders' Committee
Henkel AG & Co. KGaA

Liability remuneration
Henkel Management AG

Remuneration Supervisory Board
Henkel Management AG

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. It is paid out in monthly installments and currently amounts to 1,200,000 euros per year for the Chairman 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 cash 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 Chairman 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.

Remuneration Management Board

Remuneration Supervisory Board,
Shareholders' Committee
Henkel AG & Co. KGaA

Liability remuneration
Henkel Management AG

Remuneration Supervisory Board
Henkel Management AG

c) Performance-related components**Variable annual remuneration (Short Term Incentive, STI)****Overview STI**

Components	Basis for assessment/Parameters	Weighting	Lower threshold	100% target achievement	Upper threshold
Financial targets (bonus)	Organic sales growth ¹ (OSG)	50%	Minimum OSG (50% OSG target amount)	OSG target (100% OSG target amount)	Maximum OSG (150% OSG target amount)
	Adjusted earnings per preferred share (EPS) ²	50%	80% of the prior-year figure (50% EPS target amount)	100% of the prior-year figure (100% EPS target amount)	120% of the prior-year figure (150% EPS target amount)
Individual multiplier	<ul style="list-style-type: none"> ▪ Absolute and relative performance of business unit compared to market/competition ▪ Personal contribution to the implementation of strategic priorities and sustainability targets ▪ Achievement of personal targets 			Multiplier ranging from 0.8 to 1.2	
Performance measurement period	Fiscal year (remuneration year)				
Cap³	150% of the STI target amount (= 3,000,000 euros ⁴)				

¹ Threshold/target figures derived annually from budgets.

² At constant exchange rates, versus prior year (actual-to-actual comparison).

³ Including individual multiplier.

⁴ Remuneration for an ordinary member of the Management Board at a functional factor of 1.

The variable annual 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") – which determine the so-called bonus – and the individual performance of each Management Board member, in respect of 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.

Remuneration Management Board

Remuneration Supervisory Board,
Shareholders' Committee
Henkel AG & Co. KGaA

Liability remuneration
Henkel Management AG

Remuneration Supervisory Board
Henkel Management AG

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 remuneration year 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.

Remuneration Management Board

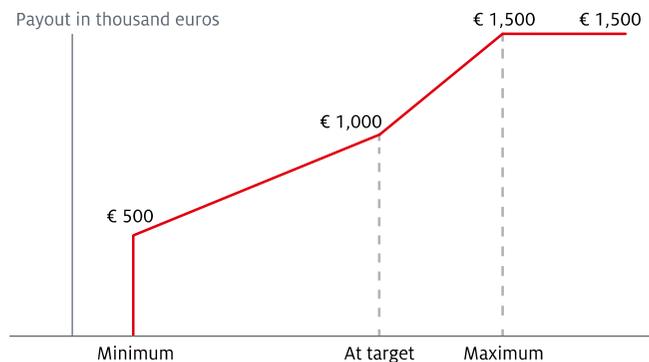
Remuneration Supervisory Board,
Shareholders' Committee
Henkel AG & Co. KGaA

Liability remuneration
Henkel Management AG

Remuneration Supervisory Board
Henkel Management AG

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

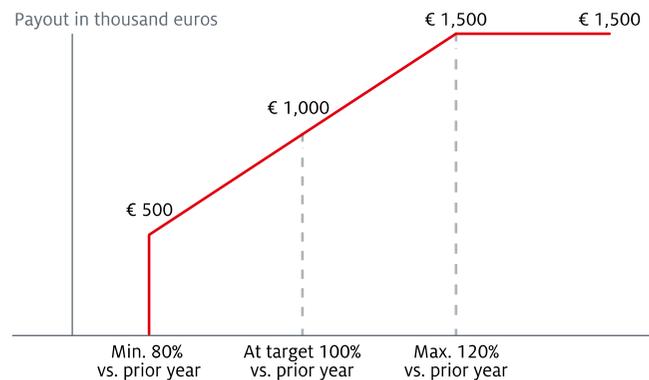
Key financial OSG



OSG target achievement

Remuneration for an ordinary member of the Management Board with an individual multiplier of 1 and a functional factor of 1.

Key financial EPS



EPS target achievement in %

Remuneration Management Board

Remuneration Supervisory Board,
Shareholders' Committee
Henkel AG & Co. KGaA

Liability remuneration
Henkel Management AG

Remuneration Supervisory Board
Henkel Management AG

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"> ▪ Sika ▪ H.B. Fuller ▪ RPM 	<ul style="list-style-type: none"> ▪ Procter & Gamble (Beauty) ▪ Beiersdorf (Consumer) ▪ Colgate-Palmolive (Oral, Personal and Home Care) ▪ L'Oréal (Group) ▪ KAO (Cosmetics, Skin Care and Hair Care) ▪ Unilever (Beauty & Personal Care) ▪ Coty (Group) 	<ul style="list-style-type: none"> ▪ Procter & Gamble (Fabric & Home Care) ▪ Reckitt Benckiser (Hygiene Home) ▪ Unilever (Home Care)

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.

Remuneration Management Board

Remuneration Supervisory Board,
Shareholders' Committee
Henkel AG & Co. KGaA

Liability remuneration
Henkel Management AG

Remuneration Supervisory Board
Henkel Management AG

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 policy. 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 Chairman, 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 prevailing 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 remuneration year.

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 (net) amount to be invested under the STI program in shares over a four-year period is 2,450,000 euros for the Chairman of the

Remuneration Management Board

Remuneration Supervisory Board,
Shareholders' Committee
Henkel AG & Co. KGaA

Liability remuneration
Henkel Management AG

Remuneration Supervisory Board
Henkel Management AG

Management Board and 1,400,000 euros for each of 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 policy that focuses on long-term business development.

Long-term variable cash remuneration (Long Term Incentive, LTI)**Overview LTI**

Basis for assessment/Parameters	Lower threshold	100% target achievement¹	Upper threshold
Adjusted return on capital employed (ROCE), average target achievement over the performance period (three yearly tranches)	Average target achievement 80% (50% target remuneration)	Average target achievement 100% (100% target remuneration)	Average target achievement 120% (150% target remuneration)
Performance measurement period	Three-year period (remuneration year plus two subsequent fiscal years)		
Cap	150% of the target amount (= 1,200,000 euros) ²		

¹ Respective 100% target derived from the budget.

² Remuneration for an ordinary member of the Management Board at 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 performance measurement 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 annual 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.

Remuneration Management Board

Remuneration Supervisory Board,
Shareholders' Committee
Henkel AG & Co. KGaA

Liability remuneration
Henkel Management AG

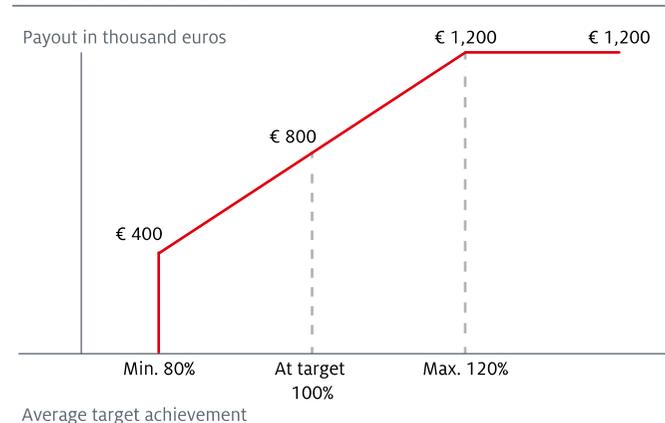
Remuneration Supervisory Board
Henkel Management AG

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



Remuneration for an ordinary member of the Management Board at a functional factor of 1.

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 corporate functions and business units, the following general functional factors were defined, starting in fiscal 2019, as multipliers for the STI and LTI payout amounts based on target achievement:

Remuneration Management Board

Remuneration Supervisory Board,
Shareholders' Committee
Henkel AG & Co. KGaA

Liability remuneration
Henkel Management AG

Remuneration Supervisory Board
Henkel Management AG

Functional factors

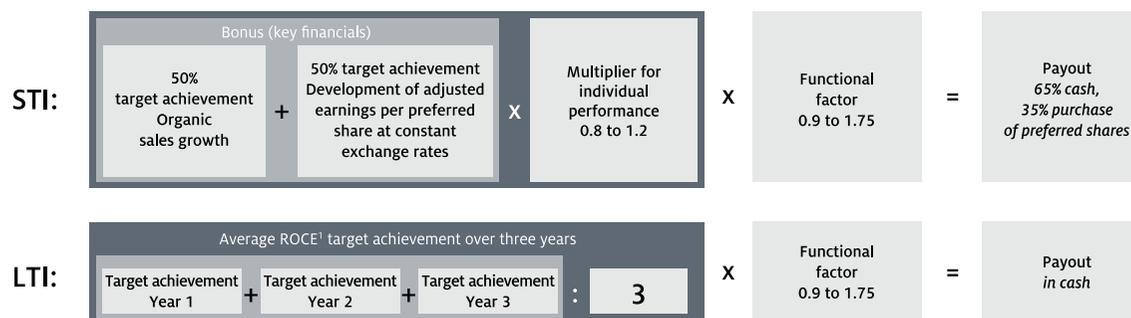
Area of responsibility/Business unit	STI/LTI factor
CEO	1.75
Finance	1.00
HR/Infrastructure Services	0.90
Adhesive Technologies	1.10
Beauty Care	0.90
Laundry & Home Care	1.00

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



¹ Adjusted return on capital employed.

Remuneration Management Board

Remuneration Supervisory Board,
Shareholders' Committee
Henkel AG & Co. KGaA

Liability remuneration
Henkel Management AG

Remuneration Supervisory Board
Henkel Management AG

In keeping with the objectives of the Management Board remuneration policy, this structure of the STI and LTI not only rewards sustainable 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 particular, 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 compensation 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

Remuneration Management Board

Remuneration Supervisory Board,
Shareholders' Committee
Henkel AG & Co. KGaA

Liability remuneration
Henkel Management AG

Remuneration Supervisory Board
Henkel Management AG

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 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.

Remuneration Management Board

Remuneration Supervisory Board,
Shareholders' Committee
Henkel AG & Co. KGaA

Liability remuneration
Henkel Management AG

Remuneration Supervisory Board
Henkel Management AG

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 Chairman 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's defined contribution pension scheme.

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.

Remuneration Management Board

Remuneration Supervisory Board,
Shareholders' Committee
Henkel AG & Co. KGaA

Liability remuneration
Henkel Management AG

Remuneration Supervisory Board
Henkel Management AG

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

	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/ Pension remuneration	Minimum total remuneration	Maximum total remuneration
<i>in euros</i>								
Chairman of the Management Board (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 policy 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 re-appointed to the Management Board at the end of the term of office, the employment contract is extended for the duration of the new tenure. Initial

Remuneration Management Board

Remuneration Supervisory Board,
Shareholders' Committee
Henkel AG & Co. KGaA

Liability remuneration
Henkel Management AG

Remuneration Supervisory Board
Henkel Management AG

appointment to the Management Board is generally for a term of three years. Any extension of an executive contract or re-appointment 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 other than at the end of the appointment period. 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) AktG, the Management 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

Remuneration Management Board

Remuneration Supervisory Board,
Shareholders' Committee
Henkel AG & Co. KGaA

Liability remuneration
Henkel Management AG

Remuneration Supervisory Board
Henkel Management AG

executive 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 pro rata temporis 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 executive 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 executive 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 equivalent to no less than 150 percent of the annual basic remuneration awarded in the final full fiscal year 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.

Remuneration Management Board

Remuneration Supervisory Board, Shareholders' Committee Henkel AG & Co. KGaA

Liability remuneration
Henkel Management AG

Remuneration Supervisory Board
Henkel Management AG

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

k) Temporary deviations from the remuneration policy

The Supervisory Board of Henkel Management AG may temporarily deviate from individual elements of this remuneration policy 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.

Deviations from the remuneration system should not extend over more than three years. Such temporary deviation from the remuneration policy 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 policy 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 member(s) 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) AktG if the situation of the Henkel Group deteriorates to such an extent that to continue awarding the remuneration would be untenable for the corporation.

2. Remuneration policy for members of the Supervisory Board and of the Shareholders' Committee of Henkel AG & Co. KGaA

The Annual General Meeting of Henkel AG & Co. KGaA on April 16, 2021, confirmed the remuneration arrangements for the Supervisory Board and Shareholders' Committee with a majority of 99.96 percent.

Regulation, structure and amounts

The system for the compensation 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 in particular are taken into account in structuring the compensation:

- The compensation strengthens the independence of the committee members.

 Remuneration Management Board

**Remuneration Supervisory Board,
Shareholders' Committee
Henkel AG & Co. KGaA**

 Liability remuneration
Henkel Management AG

 Remuneration Supervisory Board
Henkel Management AG

- The compensation is appropriate in relation to the respective tasks of the body.
- Appropriate account is taken of the role and function of the members concerned in the respective body and its committees.

Remuneration is of a purely fixed nature to strengthen impartiality and to avoid conflicts of interest for corporate body members performing their supervisory function. 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.

Remuneration is granted on the basis of the duration of the appointment during the financial year. Members who belong to the Supervisory Board or the Shareholders' Committee for only part of the fiscal year are remunerated on a pro rata basis. This shall apply mutatis mutandis to membership of a committee and to the assumption of the chairmanship or deputy chairmanship of the Supervisory Board, the Shareholders' Committee or a committee. If several meetings are held on the same day, the attendance fee shall be paid only once to the members of the Supervisory Board concerned. If a member of the Supervisory Board is also a member of the Supervisory Board of the General Partner and receives remuneration for this, the remuneration granted for the activity on the Supervisory Board of the Company is reduced accordingly. There are no compensation-related agreements between the Company 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 are no provisions for severance payments, pensions or early retirement.

The upper limit of compensation for the respective member of the Supervisory Board or Shareholders' Committee is the sum of fixed compensation, compensation for the individual tasks assumed on the Supervisory Board or Shareholders' Committee and its committees, and attendance fees (Supervisory Board only).

The compensation regulations and the compensation system are regularly reviewed for appropriateness by the General Partner, the Shareholders' Committee and the Supervisory Board; external compensation experts may also be consulted. A comparison is also made with the compensation arrangements of comparable companies to ensure that the level of compensation is in line with the market. Due to the special nature of committee activities, a comparison with the compensation of employees of the Company is generally not meaningful and is therefore not carried out as a rule. At least every four years, and in the event of proposals to amend the compensation regulations, the Annual General Meeting passes a resolution on the compensation of the members of the Supervisory Board and the members of the Shareholders' Committee. The Annual General Meeting may also confirm the existing compensation system.

Corresponding resolution proposals to the Annual General Meeting are submitted by the General Partner, the Shareholders' Committee and the Supervisory Board in accordance with the statutory rules of competence and the Articles of Association, so that there is mutual control between the executive bodies. The decision on the final structure of the compensation system is assigned to the Annual General Meeting. This division of

Remuneration Management Board

**Remuneration Supervisory Board,
Shareholders' Committee
Henkel AG & Co. KGaA**

Liability remuneration
Henkel Management AG

Remuneration Supervisory Board
Henkel Management AG

responsibilities counteracts any conflicts of interest. If external compensation experts are consulted, care is taken to ensure that they are independent.

Compensation amount according to the currently applicable and to be confirmed regulations

The currently applicable compensation of the members of the Supervisory Board and the Shareholders' Committee is governed by Article 17 (Compensation of the Supervisory Board) and Article 33 (Compensation of the Shareholders' Committee) of the Articles of Association, respectively, as follows:

- Each member of the Supervisory Board and the Shareholders' Committee receives a fixed annual compensation of 70,000 euros and 100,000 euros respectively. The Chairwoman of the Supervisory Board and of the Shareholders' Committee receives double and the Vice Chairwomen 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 higher remuneration allocated to the members of the Shareholders' Committee as compared to the Supervisory Board reflects the fact that, under the Articles of Association, the Shareholders' Committee participates in the management of the corporation.

Miscellaneous

The members of the Supervisory Board or a committee receive an attendance fee amounting to 1,000 euros for each meeting in which they participate. If several meetings take place on one day, the attendance fee is only paid once. In addition, the members of the Supervisory Board and of the Shareholders' Committee are reimbursed expenses incurred in connection with their positions. The members of the Supervisory Board are also reimbursed the value-added tax (VAT) payable on their total remunerations and defrayed expenses.

The corporation can take out directors and officers insurance (D&O insurance) that also covers members of the corporate bodies. For members of the Supervisory Board and Shareholders' Committee, 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 fixed remuneration.

Remuneration Management Board

**Remuneration Supervisory Board,
Shareholders' Committee
Henkel AG & Co. KGaA**

**Liability remuneration
Henkel Management AG**

**Remuneration Supervisory Board
Henkel Management AG**

The corporation provides the members of the Supervisory Board and Shareholders' Committee with technical support, equipment and benefits in kind to an extent that is appropriate for them to exercise their office. The Chairwoman of the Supervisory Board and of the Shareholders' Committee is provided with an office and secretarial support to enable her to perform these duties.

The corporation does not grant any loans or advances to members of the Supervisory Board or the Shareholders' Committee.

3. Remuneration of Henkel Management AG for assumption of personal liability, and reimbursement of expenses to same

For assumption of personal liability and management responsibility, Henkel Management AG in its function as Personally Liable Partner receives an annual payment of 50,000 euros (= 5 percent of its capital stock) plus any value-added tax (VAT) due, said fee being payable irrespective of any profit or loss made.

Henkel Management AG may also claim reimbursement from or payment by the corporation of all expenses incurred in connection with the management of the corporation's business, including the remuneration and pensions paid to its corporate bodies.

4. Remuneration of the members of the Supervisory Board of Henkel Management AG

According to Art. 14 of the Articles of Association of Henkel Management AG, the members of the Supervisory Board of Henkel Management AG are each entitled to receive annual remuneration of 10,000 euros. However, those members of said Supervisory Board who are also and simultaneously members of the Supervisory Board or the Shareholders' Committee of Henkel AG & Co. KGaA do not receive this remuneration.