

Henkel AG & Co. KGaA, Düsseldorf

Annual General Meeting and Extraordinary Meeting
of Preferred Shareholders on April 13, 2015

**Explanations of the rights of shareholders
pursuant to Section 121 (3) sentence 3 no. 3
of the German Stock Corporation Act (AktG)**

The notice of convocation of the Annual General Meeting (AGM) contains in section III information pursuant to Section 121 (3) sentence 3 no. 3 AktG; the following information therefore serves to further explain these provisions. Corresponding information can be found in section II of the notice of convocation of the Extraordinary Meeting for Preferred Shareholders.

1. Additional agenda item proposals requested by a minority (Sections 122 (2), 138 AktG)

Shareholders, i.e. 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 euros – corresponding to 500,000 ordinary and/or preferred shares or a combination of the two classes – can request that items be included on the agenda of the AGM or the Extraordinary Meeting for Preferred Shareholders and announced accordingly (Sections 122 (2), 138 sentence 2 AktG). Holders of preferred shares, whose shareholdings together equate to one tenth of preferred shares entitled to vote in the Extraordinary Meeting for Preferred Shareholders (Section 138 sentence 3 AktG) – this corresponds to 17,816,288 preferred shares – can request that items be included on the agenda of the Extraordinary Meeting for Preferred Shareholders.

Each new item must be accompanied by a justification or a formulated resolution. Section 142 (2) sentence 2 AktG, according to which motion proposers are required to provide proof that they have been in possession of the shares for at least three months prior to the date of the AGM and that they have held the shares up to the date of the decision on their motion, applies accordingly. For the calculation of the time of ownership of shares Section 70 AktG provides: If the exercise of rights arising from the share requires that the shareholder has been the holder of such share for a certain period of time, the right to demand transfer of title from a credit institution, a financial services institution or an enterprise operating under section 53 (1), 1st sentence, or Section 53b (1), 1st sentence, or Section 53b (7) of the German Banking Act [Gesetz über das Kreditwesen; KWG] shall be deemed equivalent to ownership. The period during which the share has been owned by a predecessor shall be attributed to the shareholder if he/she has acquired the share without consideration, from his/her trustee, as full legal successor, in connection with the winding-up of a co-ownership or as a result of a transfer of assets pursuant to Section 14 of the Insurance Supervision Act [Versicherungsaufsichtsgesetz] or Section 14 of the Building Loan Associations Act [Gesetz über Bausparkassen]. A corresponding confirmation from the depositary bank is sufficient validation of compliance with such prerequisites.

Such supplementary motions together with the justification or a formulated resolution and validation of shareholdings and periods of possession must be received by the company at least 30 days prior to the AGM or the Extraordinary Meeting for Preferred Shareholders. The date of the relevant meeting and the

date of receipt are not included in the time limit, which means that the item must arrive by the end of **March 13, 2015** (24:00 hours). Shareholders are asked to use the address indicated in the respective Notice of Convocation.

Where the supplementary motions received in good time require publication, they will – unless already announced in the Notice of Convocation – be announced immediately on receipt of the request in the same way as in the case of the Notice of Convocation, i.e. they will be published in the Federal Gazette and sent to those media likely and able to broadcast and disseminate the information on a Europe-wide basis. They will also be made available on the Corporation's website and notified to shareholders together with the Notice of Convocation of the AGM in accordance with Section 125 (1) sentence 3 AktG.

2. Motions and election nominations submitted by shareholders (Section 126 (1) and Section 127 AktG)

Shareholders, i.e. holders of ordinary and/or preferred shares, can submit countermotions in relation to proposals submitted by the Personally Liable Partner and/or Supervisory Board or Shareholders' Committee on individual agenda items of the AGM or the Extraordinary Meeting for Preferred Shareholders, and, with regard to the AGM, may also submit nominations for the elections on the agenda (Section 126 and Section 127 AktG).

Where countermotions and nominations for election must be made available by the Corporation, they must arrive with Henkel AG & Co. KGaA at the address given in the Notice of Convocation at least 14 days prior to the AGM, i.e. by the end of **March 29, 2015** (24:00 hours). Countermotions and nominations for election that have been differently addressed will not be made available.

Countermotions to be made available must be provided with a justification. Election nominations to be available do not need to be justified.

According to Section 126 (2) AktG countermotions by shareholders do not need to be made available

1. where announcement would make the Management Board criminally liable,
2. where the countermotion would lead to a resolution by the AGM which would be contrary to law or infringe the Articles of Association,
3. where the justification is obviously materially incorrect or contains misleading information or defamations/insults,
4. where a countermotion of the shareholder based on the same content and relating to the same issue has already been announced and made available on the occasion of an earlier AGM of the Corporation in accordance with Section 125 AktG,

5. where the same countermotion of the shareholder, with essentially the same justification, has been announced and made available in the last five years on the occasion of at least two AGMs of the Corporation according to Section 125 AktG, and, in the AGM, less than a twentieth portion of the capital stock represented voted in favor of said motion,
6. where the shareholder indicates that he or she does not intend to participate in or be represented at the AGM, or
7. where, in the last two years, the shareholder has not proposed, or had proposed by proxy, a motion notified by him or her in two AGMs.

The above restrictions also apply analogously to the announcement of election nominations in accordance with Section 127 AktG. Moreover, nominations for the election of Supervisory Board members and auditors do not need to be made available if they do not contain the name, profession and domicile of the proposed candidates, or the company and domicile of legal persons, and, in the case of nominations for the election of Supervisory Board members, details relating to the membership of other statutory supervisory boards and oversight committees. Details of their membership in comparable oversight bodies of commercial companies in Germany and abroad should also be included.

The reasoning/justification behind countermotions and election nominations does not need to be made available if it contains more than a total of 5,000 characters. If several shareholders submit countermotions on the same item for resolution, or if they nominate the same candidate for election, the Management Board may unify the countermotions and election nominations together with their justifications.

3. Information rights pursuant to Sections 131 (1), 293g (3) AktG

According to Section 131 (1) AktG, each shareholder, i.e. whether a holder of ordinary or preferred shares, may in the AGM 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 in appraising an item on the agenda and there is no valid right of refusal to provide such information. This applies accordingly for the Extraordinary Meeting for Preferred Shareholders. Moreover, under Section 293g (3) AktG, with regard to agenda item 7 any shareholder shall, upon request, also be given information at the AGM relating to all affairs that are material in the context of concluding the control and profit-and-loss transfer agreements.

In accordance with Section 131 (3) AktG, the Management Board may refuse to provide information

1. where provision of such information may, based on reasonable and prudent business judgment, substantially disadvantage the Corporation or an affiliated company,
2. where it relates to tax assessments or the level of individual taxes,
3. with regard to the difference between the value at which items are shown in the annual balance sheet and the higher market value of such items, unless the shareholders' meeting is to approve the annual financial statements,
4. with regard to the methods of accounting and valuation, if disclosure of such methods in the notes is sufficient to provide a true and fair view of the actual condition of the company's assets, liabilities, financial position and profit and loss within the meaning of Section 264 (2) of the German Commercial Code [HGB]; the foregoing shall not apply if the shareholders' meeting is to approve the annual financial statements,
5. where the Management Board would incur a penalty by divulging the information,
6. where the information has been available on the Corporation's website for at least seven days prior to commencement of the AGM and is available in the AGM.

The provision of information may not be refused for any other reason.

If a person in his or her capacity as a shareholder has been provided with information outside the AGM, this information must also be provided to every other shareholder if so requested within the AGM, even if it is not necessary for the objective appraisal of an agenda item. In this case, the Management Board may also not refuse to provide said information on the basis of reasons 1 and 2 above. If a shareholder is refused information, he or she may demand that his or her question and the reason for which information was refused be recorded in the notarized record of the proceedings.

Pursuant to Section 131 (2) sentence 2 AktG in conjunction with Article 23 (2) sentences 3 and 4 of the Corporation's Articles of Association, the Chairperson of the shareholders' meeting may place a reasonable time limit on the right of shareholders to speak and ask questions.

The full wording of the relevant regulations of the German Stock Corporation Act can be found on the internet under www.gesetze-im-internet.de/aktg/ (in German only).

Düsseldorf, March 2015

Henkel AG & Co. KGaA



