



Declaration for 2019 pursuant to the German Corporate Governance Code

The Management Board of Henkel Management AG as the personally liable partner (general partner), the Shareholders' Committee and the Supervisory Board of Henkel AG & Co. KGaA ("**Corporation**") declare, pursuant to Section 161 of the German Stock Corporation Act (AktG), that notwithstanding the specific regulations governing companies with the legal form of a German partnership limited by shares ("**KGaA**") and the pertinent provisions of its Articles of Association ("**bylaws**") as indicated below, the Corporation has complied with the recommendations of the German Corporate Governance Code ("**Code**") as amended on 7 February 2017, since the last declaration of compliance of February 2018, and presently complies with and will comply in future with the recommendations of the Code as amended on 7 February 2017, subject to certain exceptions indicated below.

Modifications due to the legal form of a KGaA and its basic features as laid down in the bylaws

- The Corporation is a German partnership limited by shares ("**Kommanditgesellschaft auf Aktien**" or "**KGaA**"). The tasks and duties of an executive board in a German joint stock corporation ("**AG**") are assigned to the personally liable partner(s) of a KGaA. The sole personally liable partner of the Corporation is Henkel Management AG, the Management Board of which is thus responsible for managing the business activities of the Corporation. The Corporation is the sole shareholder of Henkel Management AG.
- The Shareholders' Committee established in accordance with the Corporation's bylaws acts in place of the shareholders' meeting of the Company, its primary duties being to engage in the management of the Corporation's affairs and to appoint and dismiss personally liable partners; it holds representative authority and the power of management, allowing it to preside over the legal relationships between the Corporation and Henkel Management AG as the latter's personally liable partner. It also issues the rules of procedure governing the actions of Henkel Management AG.

The Shareholders' Committee is also responsible for exercising the voting rights of the Corporation in the shareholders' meeting of Henkel Management AG. In so doing, it likewise appoints the members of the supervisory board of Henkel Management AG, which in turn appoints the members of the Management Board. The supervisory board of Henkel Management AG comprises three members; these are also members of the Shareholders' Committee.

Recommendations of the Code that refer to the duties and responsibilities of a supervisory board which are performed by the Shareholders' Committee in accordance with the Corporation's bylaws, are analogously applied to the Shareholders' Committee.

- The rights and duties of the supervisory board of a KGaA are more limited compared to those of the supervisory board of an AG. In particular, the Supervisory Board of the Corporation has no authority to appoint personally liable partners or to preside over the associated contractual arrangements; it may not issue rules of procedure governing the actions of the Management Board, and it is not permitted to designate business transactions as requiring oversight consent. These duties are performed by the Shareholders' Committee or the supervisory board of Henkel Management AG. A KGaA is not required to appoint a director of labor affairs, even if, like Henkel, the company is bound to abide by Germany's Codetermination Act of 1976.



- The annual general meeting of a KGaA essentially has the same rights as the shareholders' meeting of an AG. In addition, it resolves on the adoption of the annual financial statements of the KGaA and formerly approves the actions of the personally liable partner. At Henkel, the Annual General Meeting also elects the Shareholders' Committee and formally approves its actions. Numerous resolutions passed in the annual general meeting require the consent of the personally liable partner, including approval of the annual financial statements of the Corporation.

Recommendations of the Code

Notwithstanding the above-mentioned special features specific to the legal form, the Corporation has complied with all recommendations of the Code as amended on 7 February 2017 since the last declaration of conformity was submitted in February 2018 and will continue to comply with them with one exception. According to Section 4.2.3 (2) Sentence 8 of the Code as amended on 7 February 2017, any subsequent change in performance targets or the comparison parameters should be precluded in the case of variable remuneration components. Taking into consideration the modified Management Board remuneration scheme that comes into force from 2019, the performance measurement of the Long Term Incentive tranches issued in 2017 and 2018, whose three-year performance periods do not end until 31 December 2019 and 31 December 2020 respectively, deviates from this recommendation insofar as the related performance parameters for the periods up to 31 December 2018 are determined pro rata temporis in accordance with the previously valid conditions, while for the periods from January 1, 2019, they are determined in accordance with the conditions that become effective as from that date. This will ensure a cogent and consistent incentive system of Management Board compensation effectively aligned to officer performance.

Suggestions of the Code

Taking into account the aforementioned specific regulations governing its legal form, the Corporation also continues to comply with the discretionary suggestions of the Code as amended on 7 February 2017. The recommendation in Section 2.3.3 to enable shareholders to follow annual general meetings online has been adopted to the extent that Annual General Meetings are broadcast publicly on the internet up to the conclusion of the address by the Chairman of the Management Board. The subsequent discussion of the agenda is not broadcast, in keeping with the character of the Annual General Meeting as an in-person meeting.

In derogation from the recommendation in Section 4.2.3 to refrain from premature payment of remuneration components spanning several years insofar as all lock-up periods relating to investments in Henkel preferred shares that are financed by the recipients (share deferral) end if said recipient dies. By the same token, long-term incentive (LTI) entitlements with regard to outstanding tranches are settled on the basis of budget figures and paid to the heirs.

Düsseldorf, February 2019

Management Board

Shareholders' Committee

Supervisory Board