

# The Depository Trust Company

# **IMPORTANT**

**B#:** 3319

**DATE:** April 04, 2008

**TO:** All Participants

**CATEGORY:** Dividends

**FROM:** International Services

**ATTENTION:** Operations, Reorg & Dividend Managers, Partners & Cashiers

**SUBJECT:** TaxRelief - Country: Germany  
Henkel KGA A(PFD) CUSIP: 42550U208  
Record Date: 04/14/08 Payable Date: 04/25/08  
EDS Cut-Off Date: 04/24/08

The above cash dividend will be allocated **on Henkel KGA A (PFD)** net of the 21.1% German withholding tax. Participants can elect to receive a quick conditional refund of 6.1% for those beneficial owners entitled to the favorable tax rate of 15%, or for a refund of the entire 21.1% for those qualifying exempt organizations.

Participants can use DTC's Elective Dividend System (EDS) function over the Participant Terminal System (PTS) to certify all or a portion of their positions entitled to the applicable tax refunds.

Please note: Participants must enter the total number of beneficial owners on whose behalf they are electing, in addition to the total quantity of shares elected. Participants making exempt rate elections on behalf of qualifying U.S. tax-exempt beneficial owners are also required to enter a German identification number for each beneficial owner.

**NOTE: THE DEADLINE FOR CERTIFYING OVER EDS IS APRIL 24, 2008.**

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**Participants are reminded that they must read, understand and comply with information in the Legal Conditions and Tax Relief Procedures and Documentation categories on TAXI. Participants are also reminded that the German Taxing Authorities have the right to audit, and if denied, can result in a Participant being removed from the EDS process for Germany. Audit requests can include IRS form 6166 to prove entitlement.**

Participants making incorrect declarations will be responsible for claiming or refunding any withholding tax to the German Tax Authorities. Participants will also be liable for any foreign exchange fluctuations impacting the amount of their refund or claim with the German Tax Authorities.

Following is a brief summary of those beneficial owners entitled to a favorable or exempt tax refund.

### **Favorable Rate - Tax Refund of 6.1%**

#### Mutual Funds/Regulated Investment Companies (RICS)

A mutual fund or RIC organized as a corporation may claim the favorable tax treaty rate. If a RIC is organized as a trust, the favorable treaty rate is also available because the RIC is considered a corporation under U.S. tax law.

#### Corporate and Private Pension Funds

Qualified pension trusts which are tax-exempt in the United States and maintain that more than half of the underlying beneficiaries of the trust qualify for the tax treaty benefits may claim the favorable treaty rate.

#### Trusts

Generally tax treaty benefits may only be claimed by the underlying qualified beneficiaries of the trust because a trust is normally taxed as a conduit. However, if the trust does not distribute its income currently or is organized as a corporation for U.S. tax purposes, the trust may claim the favorable treaty rate.

#### Insurance Companies

Tax treaty benefits are available to residents of the U.S., which in general include individuals, corporations or other entities, which are subject to tax in the United States as residents. An insurance company organized as a corporation in the U.S. may claim the favorable treaty rate.

#### Corporations

Tax treaty benefits are available to residents of the U.S., which in general include individuals, corporations or to other entities, which are subject to tax in the United States as residents. An entity organized as a corporation in the U.S. may claim the favorable treaty rate.

#### Banks

Tax treaty benefits are available to residents of the U.S., which in general include individuals, corporations or other entities, which are subject to tax in the United States as residents. A bank organized as a corporation in the U.S. may claim the favorable treaty rate.

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### Government Agencies and Government Pension Funds

Tax treaty benefits available to government agencies and government pension funds are similar to treaty benefits afforded to other U.S. corporations which are subject to tax in the United States as residents. The treaty does not provide for exemption from tax of the U.S. government or its pension funds. However, a government agency or pension fund may claim the favorable treaty rate.

### Individuals

Tax treaty benefits are available to residents of the U.S., which in general include individuals, corporations or other entities, which are subject to tax in the United States as residents. An individual resident in the U.S. may claim the favorable treaty rate.

### Qualified Beneficiaries of Individual Retirement Accounts (IRA)

Tax treaty benefits are available to residents of the U.S., which in general include individuals, corporations or other entities which are subject to tax in the United States as residents. An IRA is not considered a legal entity for U.S. tax purposes and cannot benefit from tax treaty in its own right. However, qualified beneficiaries of IRAs may claim the favorable treaty rate.

### **Exempt Rate - Tax refund of 21.1%**

### Charitable Organizations and Foundations

A U.S. charitable entity operated exclusively for religious, charitable, scientific, educational or public purposes is exempt from the tax in the U.S. and would be exempt from German tax if it were a German entity carrying on all its activities in Germany.

### Other

#### Limited and General Partnerships

Generally, tax treaty benefits may only be claimed by the underlying partners of a partnership because a U.S. partnership is normally taxed as a conduit. However, treaty benefits are available for each partner if the partner separately qualifies for treaty benefits.

All other entities are generally subject to German withholding tax of 21.1%.

Eligibility rules and all other legal conditions with respect to the use of EDS are contained in DTC's **TAXINFO** (TAXI) function over the Participant Terminal System (PTS).

Non-U.S. Holders and U.S. Holders who failed to elect over EDS may submit documentation to reclaim the over withheld tax through The Bank of New York Mellon/Globe Tax Services. The deadline for filing German claims is four years from the end of the year in which the dividend was paid.

For a complete listing of eligible countries, please contact The Bank of New York Mellon/Globe Tax Services: Jonathan Staake at (800) 985-3536.

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Please submit the completed documentation to:

The Bank of New York Mellon/  
Globe Tax Services  
90 Broad Street –16<sup>th</sup> Floor  
New York, NY 10004  
Attn: Jonathan Staake  
Telephone (800) 915-3536  
Fax: (800) 985-3536

**PLEASE NOTE: Tax Reclaims are subject to a depositary service charge equal to 0.005 per ADR share with a minimum of \$25.00 and a maximum of \$5,000.00.**

Questions regarding this Important Notice may be directed to Sylvia Antonio or Sean Bollers of DTC's International Services at (813) 470-1559 or (212) 855-4706 respectively.

**Bundesamt für Finanzen  
Friedhofstrasse 1  
D-53225 Bonn**

U.S. Taxpayer's Identification No

**Application for certification of exemption from German withholding tax on income from capital under the Double Taxation Convention with the USA**  
- Article 27 of the revised version of the Convention dated 29 August 1989 - (Federal Law Gazette II 1991, p.354)

**I. Entity entitled to exemption**

Name of entity	Residential address	Postcode - Seat domicile	
Name of authorized representative	Residential address	Postcode - Seat domicile	Fax-#

**II.**  I apply for exemption from German withholding tax on income as from capital assets under the Double Taxation Convention between the Federal Republic of Germany and the U.S.A.

I apply for renewal of exemption from German withholding tax on income as from capital assets under the Double Taxation Convention between the Federal Republic of Germany and the U.S.A.. My German registration number 'Steuerkennnummer' is

**III.** I herewith affirm

a) that the entity designated at I above had a domicile/seat in the United States of America and had no domicile/seat or habitual abode in the Federal Republic of Germany; b) that the holding in respect of which income is paid does not form part of a permanent establishment or a fixed base as defined in the Double Taxation Convention and maintained by the entity in the Federal Republic of Germany.

**IV.** I herewith affirm that the entity is operated exclusively for religious, charitable, scientific, educational, or public purposes and is exempt from tax in the United States under IRC section 501(c)(3).

**V.** That in further proof of these statements (for initial application only) I/we attach a letter or other proof of exemption (original or copy) from the Internal Revenue Service establishing that such company or organization is exempt from U.S. tax under IRC section 501(c)(3).

**VI.** I declare that the entity is entitled to the exemption specified at II above and that to the best of my knowledge and belief all particulars entered on this form are true and correct in every respect.

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Signature of applicant or authorized representative)