

Compliance statement issued by the Management Board and Supervisory Board of LANXESS AG about the German Corporate Governance Code in accordance with § 161 of the German Companies Act (AktG)

After careful consideration, the Board of Management and the Supervisory Board hereby issue the following declaration:

“LANXESS AG fundamentally complies with the recommendations of the Government Commission on the German Corporate Governance Code (the “Code”) as amended on June 14, 2007, which was published by the Federal Ministry of Justice in the official portion of the electronic version of the Federal Gazette. It also fundamentally complied with the Code’s recommendations during the period from January 1, 2007, to July 20, 2007 (Code version of June 12, 2006) and thereafter to December 31, 2007 (Code version of June 14, 2007, published on July 20, 2007).

The only recommendations that LANXESS has not met and is not meeting are as follows:

**1. Section 3.8 Paragraph 2**

*If the company takes out a D&O (directors’ and officers’ liability insurance) policy for the Board of Management and Supervisory Board, a suitable deductible shall be agreed.*

We have a D&O insurance policy for the members of our Board of Management and Supervisory Board, but it does not provide for a deductible. LANXESS believes that a deductible is not a suitable way of influencing the Board of Management and Supervisory Board members’ awareness of their responsibilities.

**2. Section 7.1.2 Paragraph 3**

*The consolidated financial statements shall be publicly accessible within 90 days of the end of the fiscal year; interim reports shall be publicly accessible within 45 days of the end of the reporting period.*

In fiscal 2007, these time limits were adhered to except that publication of the interim report for the second quarter took place one day later than recommended by the Code. In fiscal 2008, it is intended to issue reports within the time limits recommended by the Code.” In addition to its recommendations, the Code also contains a number of suggestions for efficient, responsible corporate governance, compliance with which is not required to be disclosed under the statutory provisions. LANXESS currently complies with these suggestions, as well, with only a few exceptions.

In accordance with Section 3.10 Sentence 3 of the German Corporate Governance Code, the Board of Management and the Supervisory Board therefore voluntarily issue the following declaration:

“LANXESS AG fundamentally complies with the suggestions of the Government Commission on the German Corporate Governance Code (the “Code”) as amended on June 14, 2007,

which was published by the Federal Ministry of Justice in the official portion of the electronic version of the Federal Gazette. It also fundamentally complied with the Code's suggestions during the period from January 1, 2007, to July 20, 2007 (Code version of June 12, 2006) and thereafter to December 31, 2007 (Code version of June 14, 2007, published on July 20, 2007).

The only suggestions that LANXESS has not met and is not meeting are as follows:

**1. Section 2.3.3 Sentence 3 2nd Half-Sentence**

*The Board of Management shall arrange for the appointment of a representative to exercise stockholders' voting rights in accordance with instructions; this representative should also be reachable during the Stockholders' Meeting.*

The representatives appointed by LANXESS AG to exercise stockholders' voting rights in accordance with instructions can be reached at the Stockholders' Meeting until the voting is held. Stockholders not attending the meeting can reach the representatives up to the previous evening.

**2. Section 2.3.4**

*The company should make it possible for stockholders to follow the Stockholders' Meeting using modern communication media (e.g. Internet).*

The Stockholders' Meeting is broadcast on the Internet through and including the report of the Board of Management. Continued broadcasting of the proceedings thereafter could be seen as a significant violation of the stockholders' rights to privacy. Therefore, there are no plans to broadcast the speeches made by individual stockholders, or any other part of the meeting following the Board of Management's report.

**3. Section 5.4.6**

*The election or reelection of members of the Supervisory Board on different dates and for different terms of office enables changing requirements to be taken into account.*

At LANXESS AG's Annual Stockholders' Meeting on June 16, 2005, the stockholder representatives on the Supervisory Board were elected to hold office until the end of the Stockholders' Meeting that votes on the ratification of the actions of the Supervisory Board members for the 2009 fiscal year. The employee representatives had been previously appointed by the court for the same term of office. Because of the circumstances in which LANXESS AG was formed, it was not possible to establish different terms of office for different Supervisory Board members. We believe that the uniform term of office is an effective way of ensuring the continuity of the Supervisory Board's work."

Leverkusen, March 7/ February 29, 2008

For the Supervisory Board

**Dr. Rolf Stomberg**

For the Board of Management

**Dr. Axel C. Heitmann**  
**Matthias Zachert**