

**Declaration by the Board of Management and the Supervisory Board of LANXESS Aktiengesellschaft pursuant to Article 161 of the German Stock Corporation Act regarding the German Corporate Governance Code**

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

Since the issuance of the last declaration of compliance in March 2012, LANXESS AG has complied with the recommendations of the Government Commission on the German Corporate Governance Code as amended on May 26, 2010, which was published on July 2, 2010 by the Federal Ministry of Justice in the official portion of the electronic version of the Federal Gazette with the exceptions in Section 4.2.3, Paragraph 4, Sentence 1 and Section 5.4.5, Sentence 2. LANXESS AG will henceforth comply with the recommendations with the following exceptions:

**Section 4.2.3, Paragraph 3, Sentence 3**

*Changing such performance targets or the comparison parameters retroactively shall be excluded.*

The Supervisory Board has partly adjusted the conditions of the variable salary component Annual Performance Payment (APP) for the members of the Board of Management. The purpose of the adjustment is to increase the incentive effect of this variable component which is used also for the management of the company. The adjustments shall apply for fiscal year 2012.

**Section 4.2.3, Paragraph 4, Sentence 1**

*In concluding Management Board contracts, care shall be taken to ensure that payments made to a Management Board member on premature termination of his contract without serious cause, including fringe benefits, do not exceed the value of two years' compensation (severance pay cap) and compensate no more than the remaining term of the contract.*

The employment contracts for Board of Management members limit payments to a Board of Management member on premature termination of his contract without serious cause, including fringe benefits, to two years' compensation, except in the event of a change of control. However, they do not contain the additional limitation that no more than the remaining term of the contract shall be compensated. The Supervisory Board does not consider it appropriate to base the absolute amount of any severance payment on the date of termination.

**Section 5.4.5, Sentence 2**

*Members of the Management Board of a listed company shall not accept more than a total of three Supervisory Board mandates in non-group listed companies or in the*

*supervisory bodies of companies with comparable requirements.*

Supervisory Board member Robert J. Koehler, Chairman of the Board of Management of SGL Carbon SE, is a member of the supervisory boards of three listed companies outside the SGL Group and holds one supervisory board mandate in a non-listed company with comparable requirements. However, we do not believe that this detracts from Mr. Koehler's ability to diligently perform his duties as a member of the LANXESS AG Supervisory Board.

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:

Since the issuance of the last declaration of compliance in March 2012, LANXESS AG has complied with, and will continue to comply with, the suggestions of the Government Commission on the German Corporate Governance Code as amended on May 26, 2010, which was published on July 2, 2010 by the Federal Ministry of Justice in the official portion of the electronic version of the Federal Gazette, with the following exceptions:

#### **Section 2.3.3, Sentence 3, 2nd Half-Sentence**

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

#### **Section 2.3.4**

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

The speech by the Chairman of the Board of Management to the Stockholders' Meeting is broadcast on the Internet. Continued broadcasting of the proceedings thereafter, particularly of contributions made by stockholders, could be seen as a violation of the stockholders' rights to privacy. For this reason, LANXESS does not plan to broadcast the further proceedings.

Leverkusen, May 8, 2012

For the Supervisory Board      For the Board of Management

(Dr. Rolf Stomberg)

(Dr. Axel C. Heitmann) (Dr. Bernhard Düttmann)