

**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:

**I. Recommendations**

Since the issuance of the last declaration of compliance on 10 December 2014, LANXESS AG has complied with the recommendations of the Government Commission on the German Corporate Governance Code ("Government Commission") as amended on 24 June 2014, which was published on 30 September 2014 by the Federal Ministry of Justice in the official portion of the Federal Gazette with the exceptions described in the declaration of 10 December 2014 in Sections 4.2.3, Paragraph 2, Sentence 6, 4.2.3, Paragraph 2, Sentence 8, 5.1.2. Paragraph 2 Sentence 3, 5.4.1 Paragraph 2 Sentence 1 as well as the meanwhile inapplicable exception in Section 4.2.3 Paragraph 4, Sentence 1. LANXESS AG has and will henceforth comply with the recommendations of the Government Commission as amended on 5 May 2015, which was published on 12 June 2015, with the following exceptions:

**Section 4.2.3, Paragraph 2, Sentence 6**

*The amount of compensation shall be capped, both overall and for variable compensation components.*

The current employment contracts for Board of Management members are besides the fixed compensation capped regarding the variable compensation components and the fringe benefits. They do not provide in addition a separate overall cap of the compensation also including a possible discretionary bonus. However, the Supervisory Board will rightfully exercise its discretion regarding a discretionary bonus as shown in the past.

**Section 4.2.3, Paragraph 2, Sentence 8**

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

When the Supervisory Board resolved in December 2014 the conditions of the variable salary component Annual Performance Payment (APP) for the members of the Board of Management for fiscal year 2015 it reserved the right to retroactively adapt the comparison parameters of the APP. In order to synchronize the conditions with those applicable to the other management, the Supervisory Board exercised its right of modification and agreed to adapt the relation of target achievement and potential payout of the APP for the Board of Management in fiscal year 2015.

### **Section 5.1.2, Paragraph 2 Sentence 3**

*An age limit for the members of the Board of Management shall be specified.*

The Supervisory Board does not consider an age limit to the members of the Board of Management as appropriate. The ability to successfully manage a company does not necessarily cease when a specific age is reached. It rather may be in the interest of the company to appoint a member of the Board of Management beyond a defined age limit.

### **Section 5.4.1, Paragraph 2 Sentence 1**

*The Supervisory Board shall specify concrete objectives regarding its composition which, whilst considering the specifics of the company, take into account the international activities of the company, potential conflicts of interest, the number of independent Supervisory Board members within the meaning of section 5.4.2, an age limit to be specified for the members of the Supervisory Board and a regular limit of length of membership to be specified for the members of the Supervisory Board as well as diversity.*

The Supervisory Board does not adhere to the rigid age limit for the Supervisory Board members. The age of Supervisory Board members is not a criteria for their qualification and competence. The company does not want to waive longtime experiences. Moreover, the company would restrict itself regarding the appointment of adequate members to the Supervisory Board.

## **II. Suggestions**

In addition to its recommendations, the Corporate Governance Code also contains a number of suggestions for efficient, responsible corporate governance compliance 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 2 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 on 10 December 2014, LANXESS AG has complied with the suggestions of the Government Commission as amended on 24 June 2014, which was published on 30 September 2014 by the Federal Ministry of Justice in the official portion of the Federal Gazette, with the following exceptions and will continue to comply the suggestions of the Government Commission as amended on 5 May 2015, which was published on 12 June 2015, with the following exceptions:

**Section 2.3.2, Sentence 2, 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 2.3.3**

*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.

Cologne, 9 December 2015

For the Supervisory Board      For the Board of Management

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(Dr. Rolf Stomberg)

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(Matthias Zachert)

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(Michael Pontzen)