

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 Management Board 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 12, 2006, 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, 2006 to July 24, 2006 (Code version of June 2, 2005) and from July 25, 2006 to December 31, 2006 (Code version of June 12, 2006, published on July 24, 2006).

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 Management Board and Supervisory Board, a suitable deductible shall be agreed.*

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

**2. Section 5.1.2 Paragraph 2 Sentence 2**

*A reappointment [of a Management Board member] prior to one year before the end of the appointment period with a simultaneous termination of the current appointment shall only take place under special circumstances.*

At the meeting of the Supervisory Board on December 12, 2006, Dr. Heitmann and Mr. Zachert were each reappointed to the Management Board effective July 1, 2007. This decision took place prior to one year before the end of the appointment period for reasons associated with the strategic realignment of LANXESS.

**3. Section 5.4.7 Paragraph 2 Sentence 1**

*Members of the Supervisory Board shall receive fixed compensation as well as compensation based on the company’s performance.*

On May 31, 2006, the Annual Stockholders’ Meeting of LANXESS AG resolved to introduce long-term variable compensation based on the company’s performance for members of the Supervisory Board. We therefore now comply with Section 5.4.7 Paragraph 2 Sentence 1.

#### **4. Section 7.1.2 Sentence 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 2006, LANXESS brought forward publication dates significantly compared to 2005. In fiscal 2007, the company will, for the first time, adhere almost exactly to the time limits set forth in the code. Only the publication deadline for the interim report for the second quarter of 2007 will be exceeded by one day.

In accordance with Section 3.10 Sentence 3 of the German Corporate Governance Code, the Management Board 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 12, 2006, 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, 2006 to July 24, 2006 (Code version of June 2, 2005) and from July 25, 2006 to December 31, 2006 (Code version of June 12, 2006, published on July 24, 2006).

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 Management Board 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 representative 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 representative until 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 Management Board. 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, in particular, the speeches made by individual stockholders, or any other part of the meeting after the Management Board’s report.

#### **3. Section 5.4.6**

*The election or reelection of members of the Supervisory Board at 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 Supervisory Board

members for fiscal year 2009. 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.

**4. Section 5.4.7 Paragraph 2 Sentence 2**

*Performance-related compensation should also contain components based on the long-term performance of the company.*

LANXESS now complies with this suggestion as detailed in the above statement of our compliance with the recommendation in Section 5.4.7 Para. 2 Sentence 1 of the Code.

**Leverkusen, March 5/ March 14, 2007**

**On behalf of the Supervisory Board  
(Rolf Stomberg)**

**On behalf of the Executive Board  
(Dr. Axel C. Heitmann) (Matthias Zachert)**