

**Declaration by the Board of Management and Supervisory Board of LANXESS Aktiengesellschaft pursuant to Section 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:

“LANXESS AG fundamentally complies with the recommendations of the Government Commission on the German Corporate Governance Code (the “Code”) as amended on June 18, 2009, 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 the issuance of the last declaration of compliance in March 2009 through August 5, 2009 (Code version of June 6, 2008) and thereafter (Code version of June 18, 2009, published in the electronic version of the Federal Gazette on August 5, 2009).

Only the following recommendations were not, and are not being, met:

**1. Section 3.8, Paragraph 2**

**Version of June 6, 2008:**

*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.*

**Version of June 18, 2009:**

*If the company takes out a D&O (directors’ and officers’ liability insurance) policy for the Management Board, a deductible of at least 10% of the loss up to at least the amount of one and a half times the fixed annual compensation of the Management Board member must be agreed upon. A similar deductible must be agreed upon in any D&O policy for the Supervisory Board.*

The current D&O policy for the members of our Board of Management and Supervisory Board does not provide for a deductible. In the past, LANXESS AG considered that a deductible was not a suitable way of influencing the Board of Management and Supervisory Board members’ awareness of their responsibilities. However, in order to implement the requirements of the German Law on the Appropriateness of Management Board Compensation, the company will agree within the statutory transitional period upon a deductible for our Board of Management members of at least 10% of the loss up to at least the amount of one and a half times their fixed annual compensation. LANXESS AG will also agree upon a corresponding deductible for the members of the Supervisory Board.

## **2. Section 4.2.3, Paragraph 3, 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 effective as of January 1, 2010 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.

## **3. 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.*

Supervisory Board member Robert J. Koehler is a member of the supervisory boards of four listed companies outside the LANXESS Group. 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 4 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 18, 2009, 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 the issuance of the last declaration of compliance in March 2009 through August 5, 2009 (Code version of June 6, 2008) and thereafter (Code version of June 18, 2009, published in the electronic version of the Federal Gazette on August 5, 2009).

Only the following suggestions were not, and are not being, met:

**1. 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.

**2. Section 2.3.4**

*The company should make it possible for shareholders to follow the General 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 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."

Leverkusen, December 11, 2009

For the Supervisory Board  
(Dr. Rolf Stomberg)

For the Board of Management  
(Dr. Axel C. Heitmann)      (Matthias Zachert)