

Convenience translation

Compliance Statement 2005 of the Board of Executive Directors and the Supervisory Board of BASF Aktiengesellschaft

1. Statement of Principles pursuant to § 161 AktG [Stock Corporation Act]

We declare that the recommendations by the Government Commission on the German Corporate Governance Code published by the Federal Ministry of Justice in the official section of the electronic Federal Gazette have been complied with in the year 2005 and will be complied with in the year 2006 subject to the measures outlined below.

2. Deviations

a) Compensation of Chair and Membership in Supervisory Board Committees

As set forth in Section 5.4.7 of the Code, compensation shall take into account the chair position and the membership in Supervisory Board committees. In respect to the Audit Committee we comply with this recommendation in addition to granting an attendance fee for the committee meetings.

The membership in the other committees is solely reimbursed by granting an attendance fee for the committee meetings. A supplementary compensation for the chair is not provided for, since this function has to-date been exercised by the Chairman of the Supervisory Board.

It will be proposed to the 2006 Annual General Meeting to newly regulate Supervisory Board compensation, taking, in principle, the recommendations of Section 5.4.7 of the Code into account. Except is the Mediation Committee pursuant to § 27 section 3 of the MitbestG [Co-Determination Act], which, at our company, did not have to convene to-date. Its members are not entitled to a specific compensation in addition to any possible attendance fee for the meetings.

b) Dealing with the structure of the Executive Board compensation system by the full Supervisory Board; assessment of the appropriateness of the compensation of the members of the Executive Board by also applying performance-related criteria; individualized publication of the compensation of the members of the Executive Board and the Supervisory Board

The respective chairmen of the Supervisory Board Committees report regularly to the Supervisory Board on the work of the Committees. This includes the work of the Nomination and Compensation Committee (Personalausschuss). Beyond that we do not comply with the above-mentioned recommendations, especially not with the recommendation to report on the individualized compensation of the Executive Board and the Supervisory Board in 2005 and 2006.

- c) Publication to the shareholders of candidates proposed for the Supervisory Board Chair

In accordance with this recommendation newly included in 2005, candidates for the Supervisory Board Chair shall be published to the shareholders, although those candidates, as a rule, are members of a Supervisory Board still to be elected and the Chairman of the Supervisory Board has to be elected from among them. An early nomination may, therefore, lead, in fact, to a prior determination of the Supervisory Board's future members. In the event of a by-election, separate in time from a Supervisory Board election, there is, a priori, no opportunity to publish the candidates to the shareholders. We, therefore, consider the recommendation to be less practical. Since for the time being an election of the Chairman of the Supervisory Board is not pending, we intend to observe the further development, before we decide on a comply or an explain.

- d) Compliance Statement

Pursuant to Section 3.10 of the Code, the Board of Executive Directors and the Supervisory Board shall report each year in the Company's Annual Report on the Company's corporate governance. This includes the explanation of possible deviations from the recommendations of the Code. By § 161 AktG this reporting obligation is regulated with, in part, different content. The Board of Executive Directors and the Supervisory Board resolved to exclusively report as required by law.

Ludwigshafen, December 16, 2005

The Supervisory Board
of BASF Aktiengesellschaft

The Board of Executive Directors
of BASF Aktiengesellschaft