

Implementation of the Suggestions of the Commission of the German Government for the German Corporate Governance Code

Besides Recommendations (Empfehlungen), the German Corporate Governance Code (the "Code") contains a set of Suggestions (Anregungen) whose compliance doesn't need to be disclosed as to the legal regulations. BASF Aktiengesellschaft has implemented the main part of such Suggestions (status of the Code on June 14, 2007 and status of implementation on December 5, 2007). The details are listed in the following overview:

No	Code regulation	Suggestions of the German Corporate Governance Code	fulfilled
S1	2.2.4	In this, the chair [of the General Meeting] should be guided by the fact that an ordinary general meeting is completed after 4 or 6 hours at the latest.	yes
S2	2.3.3	...; this representative [the representative who shall exercise shareholders' voting rights] should also be reachable during the General Meeting.	yes
S3	2.3.4	The company should make it possible for shareholders to follow the General Meeting using modern communication media (e.g. internet).	yes
S4	3.6 paragraph 1	In Supervisory Boards with codetermination, representatives of the shareholders and of the employees should prepare the Supervisory Board meetings separately, possibly with members of the Management Board.	yes
S5	3.6 paragraph 2	If necessary, the Supervisory Board should meet without the Management Board.	yes
S6	3.7 paragraph 3	In appropriate cases, the Management Board should convene an extraordinary General Meeting at which shareholders discuss the take-over offer and may decide on corporate actions.	yes
S7	3.10	Comments can also be provided on the Code's suggestions.	no
S8	4.2.3 paragraph 1	Variable compensation [of the members of the Management Board] should include one-time and annually payable components	yes
S9		linked to the business performance	yes
S10		as well as long-term incentives	yes

No	Code regulation	Suggestions of the German Corporate Governance Code	fulfilled
S11		containing risk elements.	yes
S12	4.2.3 paragraph 4, 1 st sentence	In concluding Management Board contracts, care should be taken to ensure that payments made to a Management Board member on premature termination of his contract without serious cause do not exceed the value of two years' compensation (severance payment cap) and compensate no more than the remaining term of the contract.	no
S 13	4.2.3 paragraph 4, 2 nd sentence	The severance payment cap should be calculated on the basis of the total compensation for the past full financial year and if appropriate also the expected total compensation for the current financial year.	no
S 14	4.2.3 paragraph 5	Payments promised in the event of premature termination of a Management Board member's contract due to a change of control should not exceed 150% of the severance payment cap.	no
S15	5.1.2 paragraph 1	The Supervisory Board can delegate preparations for the appointment of members of the Management Board to a committee which also determines the conditions of the employment contract including compensation.	yes
S16	5.1.2 paragraph 2	For first-time appointments [of the members of the Management Board] the maximum possible appointment period of five years should not be the rule.	yes
S17	5.2 paragraph 2	He [the Chairman of the Supervisory Board] should not be Chairman of the Audit Committee.	yes
S18	5.3.2	He [the Chairman of the Audit Committee] should not be a former member of the Management Board of the company.	no
S19	5.3.3	The Supervisory Board can delegate other subjects to be handled by one or several committees.	yes
S20	5.3.4	The Supervisory Board can arrange for committees to prepare Supervisory Board meetings and to take decisions in place of the Supervisory Board.	yes

S21	5.4.6	The election or re-election of members of the Supervisory Board with different dates and for different periods of office enables changing requirements to be taken into account.	no
S22	5.4.7 paragraph 2	Performance-related compensation [of the members of the Supervisory Board] should also contain components based on the long-term performance of the enterprise.	no
S23	6.8	Applications [of the company] should also be in English.	yes

This survey informs about the implementation of the Suggestions of the Code at the time of the publication of the declaration of compliance 2007 concerning the implementation of Recommendations of the Code on December 5, 2007. It does not state that BASF Aktiengesellschaft intends to continue complying with or not to regard the Suggestions after the named date. BASF Aktiengesellschaft does not take over any obligation to publish any alteration or change immediately or to update the overview.