

## **Compliance Statement 2006 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 2006 and will be complied with in the year 2007 subject to the measures outlined below.

### 2. Deviations

#### a) Compensation of Chair and Membership in the Mediation Committee of the Supervisory Board (Section 5.4.7 of the Code)

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 Mediation Committee pursuant to § 27 section 3 of the MitbestG [Co-Determination Act], which, at our company, did not have to convene to-date, our company does not comply with this recommendation. The members of the Mediation Committee 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 (Section 4.2.2 of the Code)

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) which is responsible for the treatment of the management contracts of the members of the Board of Executive Directors at our company. Beyond that we do not and will not comply with the above-mentioned recommendations.

#### c) Individualized Publication of the Compensation of the Board of Executive Directors and the Supervisory Board (Sections 4.2.3 and 5.4.7 of the Code)

The individualized compensation of the Board of Executive Directors and the Supervisory Board has not been published in 2006. In 2007, the individualized

compensation of the Board of Executive Directors and the Supervisory Board will be published.

- d) Publication to the shareholders of candidates proposed for the Supervisory Board Chair (Section 5.4.3 of the Code)

In accordance with this recommendation, 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.

- c) Compliance Statement (Section 3.10 of the Code)

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 06, 2006

The Supervisory Board  
of BASF Aktiengesellschaft

The Board of Executive Directors  
of BASF Aktiengesellschaft