

## **Compliance Statement 2002 of the Board of Executive Directors and the Supervisory Board of BASF Aktiengesellschaft**

1. Statement of Principles pursuant to § 161 AktG [Stock Corporation Act] in connection with § 15 EG AktG [Introductory Act to the 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 is being complied with by the measures outlined below.

2. Deviations

- a) Audit Committee

Pursuant to Section 5.3.2 of the Code, the Supervisory Board shall form an Audit Committee. The Supervisory Board of the Company has not established such a committee and has reserved the decision on its set-up. The Supervisory Board intends to again consider the matter in the year 2003 - also with a view to the organizational standards with which the Company is faced under the US-American Sarbanes-Oxley Act.

- b) Compensation of Chair and Membership in Supervisory Board Committees

As set forth in Section 5.4.5 of the Code, the compensation shall take into account the chair position and the membership in Supervisory Board committees. So far the Company has specifically reimbursed the

membership in committees 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. In the event the Supervisory Board decides to set up an Audit Committee, a separate remuneration rule will become necessary for the chair position and the membership in this Committee. Prerequisite is a corresponding modification of the Articles of Association.

c) 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. By the new § 161 AktG - for the year 2002 in connection with § 15 EG 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.

3. We underline that this Statement does not have a broad, binding effect for the following business year and, in our opinion, must not have so. The Board of Executive Directors and the Supervisory Board are committed to the Company's benefits and the interests of its shareholders and its other stakeholders. Therewith, they align their activities.

Insofar, solely the law provides a binding frame. Rules of conduct going beyond that and being generally accepted for the proper conduct of a company represent a valuable instrument of guidance and of assistance for management. This is true, in particular, for the recommendations of the

Corporate Governance Code adopted this year. They represent for us a general basis for our entrepreneurial activity.

Nevertheless situations may arise in the course of business where these standards, in a specific event, prove to be too inflexible in time or bearing, or unnecessarily restrict established Company practices. Finally, there are standards incorporated in the Code which are of individual nature and are not subject of control by the Board of Executive Directors or the Supervisory Board. In such events, contrary to the above-made Statement of Principles, there may be deviations from the recommendations of the Code. Vice versa, we will check the above-mentioned deviations for their continuous adequacy and, if appropriate, revise them. We will each year report such deviations or revisions respectively in the annual Compliance Statement and - explain them when not being self-explanatory.

Ludwigshafen, December 3, 2002

The Board of Executive Directors of BASF Aktiengesellschaft

Ludwigshafen, December 19, 2002

The Supervisory Board of BASF Aktiengesellschaft