

## **Declaration of Conformity 2003 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 2003 and will be complied with in the year 2004 by the measures outlined below.

### 2. Deviations

#### a) Audit Committee

Pursuant to Section 5.3.2 of the Code, the Supervisory Board shall set up an Audit Committee. The Supervisory Board of the Company established such a committee by resolution of July 17, 2003. So far the Company did not have such a committee.

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

As set forth in Section 5.4.5 of the Code, compensation shall take into account the chair position and the membership in Supervisory Board committees. In respect to the Audit Committee, a provision has been included in the Articles of Association, as resolved by the Annual

Meeting on May 6, 2003. The membership in the other committees is specifically 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.

- c) 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

We are not complying with these recommendations, included in the Code only in 2003.

- d) Declaration of Conformity

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 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 consider the recommendations of the Corporate Governance Code to be a general basis for our entrepreneurial activities. 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. 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, November 25, 2003

The Board of Executive Directors of BASF Aktiengesellschaft

Ludwigshafen, December 01, 2003

The Supervisory Board of BASF Aktiengesellschaft