

**Translation from the German Language**

**Domination and Profit-and-Loss Transfer Agreement**

between

**LANXESS Aktiengesellschaft, Leverkusen  
("LXS AG")**

and

**LANXESS International Holding GmbH, Leverkusen  
("LXS International")**

**Preamble**

LXS AG is the sole stockholder of LXS International.

**§ 1  
Management**

LXS International places its management under the control of LXS AG. LXS AG shall therefore be entitled to issue instructions to the management of LXS International with regard to management of the company.

**§ 2  
Transfer of Profit**

- (1) LXS International shall be obligated to transfer its entire profits to LXS AG. Subject to the formation or dissolution of reserves as described in Clause 2 below – the annual net profit which would arise without the obligation to transfer the profit – reduced by any loss carried forward from the preceding year, shall be transferred.
- (2) Subject to the approval of LXS AG, LXS International may allocate certain amounts from the annual net profit to other revenue reserves (Section 272 Para. 3 of the Commercial Code (HGB)) provided that this is admissible under commercial law and economically justified pursuant to reasonable commercial judgment. Other revenue reserves formed pursuant to Section 272 Para. 3 HGB during the term of this agreement shall be released upon the demand of LXS AG and shall be used to compensate any annual net loss or loss carried forward or shall otherwise be transferred as profit. The transfer of any amounts from the release of other revenue reserves pursuant to Section 272 Para. 3 HGB formed prior to the fiscal year referred to in Clause 3 is excluded. Section 301 of the Stock Corporation Act (AktG) applies accordingly.

- (3) The obligation to transfer profit shall apply for the first time for the entire profit of the fiscal year beginning on 1 January 2008.

### **§ 3 Compensation of Loss**

In accordance with Section 302 Para. 1, 3 and 4 AktG, LXS AG shall be obligated to compensate for any annual net loss of LXS International arising during the term of this agreement, unless such loss can be compensated for by a release of respective amounts from other revenue reserves formed during the term of this agreement. For the assumption of loss, Clause 2 Para. 3 of this agreement shall apply correspondingly.

### **§ 4 Due Date, Compensation**

- (1) The obligation to transfer profit or respectively to compensate for any loss shall originate on the date of the balance sheet of LXS International and shall be due on this date.
- (2) Compliance must be made with the obligation to transfer profit or to render compensation for loss at the latest after three months have passed from establishing the annual financial statement of LXS International.

### **§ 5 Coming into Effect and Duration**

- (3) In order for this agreement to be effective, it shall require the approval of the Stockholders' Meeting of LXS International and the Stockholders' Meeting of LXS AG.
- (4) The agreement becomes legally effective upon the registration of its existence in the Commercial Register at the registered office of LXS International and – with the exclusion of the authority to issue instructions under § 1 – has retroactive effect as of 1 January 2008.
- (5) The agreement can be terminated properly to the end of a fiscal year yet for the first time with effect to the end of 31 December 2012 with observance of a three-month notice period. Unless it is terminated, it will be extended by one fiscal year respectively with observance of the same period of notice.
- (6) The right to terminate the agreement for good cause without observance of a notice period shall remain unaffected. Good cause shall be deemed to exist in

particular where the following situations have arisen: merger, de-merger, or liquidation of one of the Parties. Furthermore, LXS AG may terminate the agreement for good cause if it is no longer is entitled to the majority of the voting rights with respect to LXS International.

## **§ 6 General Provisions**

- (1) Any amendments or supplements to this agreement must be made in writing in order to be valid. This shall also apply to any amendments to this stipulation requiring written form.
- (2) In case any provision of this agreement is or becomes invalid or unenforceable wholly or in part, the validity or enforceability of all other provisions shall not be affected thereby. The invalid or unenforceable provision shall be replaced by such valid and enforceable provision which comes as close as possible to the economic purpose pursued by the Parties with the invalid or unenforceable provision. The same shall apply mutatis mutandis to any inadvertent gaps in this agreement.

Leverkusen, 4 April 2008

LANXESS Aktiengesellschaft

LANXESS International Holding GmbH

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(Dr. Axel C. Heitmann)

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(Gerhard Schmitz)

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(Matthias Zachert)