

V. Information about Agenda Item 8: Compensation system for members of the Board of Executive Directors as of 2024

With effect from January 1, 2024, the Supervisory Board of BASF SE decided, based on the recommendation of the Personnel Committee, to further develop the compensation system for the members of the Board of Executive Directors, which was last approved by the Annual Shareholders' Meeting on June 18, 2020.

The main changes affect the variable compensation. With the further development of the steering concept for BASF Group, the new performance indicators will also serve as the basis for the compensation of the Board of Executive Directors and the short-term incentive (STI) will be converted into a market-typical additive bonus formula.

The target total compensation will be increased for the first time since 2020 by a moderate 5.3% as a result of the higher target amount for the long-term incentive (LTI). The amount of the non-performance-related compensation will remain unchanged.

The proposed changes are in accordance with the provisions of the Implementing Act to the Second Shareholder Rights Directive (ARUG II) and the German Corporate Governance Code in the version dated April 28, 2022. The revised compensation system has been part of the contracts of the members of the Board of Executive Directors since January 1, 2024.

The changes comprise in particular:

- As of the 2024 business year, the revised STI for the Board of Executive Directors is based on the achievement of three financial targets as well as nonfinancial targets. The three financial targets will account for a total of 75% of the STI, and the nonfinancial targets 25%.
- The pension contribution will be reduced, and the reduced amount will instead be paid as fixed salary. The existing model of company pension benefits with a defined fixed annual pension contribution remains unchanged.
- The structure of the LTI in the form of a performance share plan remains unchanged. The strategic targets of the LTI will be adapted in accordance with the new steering concept. The target amount for the LTI will be increased for the first time since January 1, 2020.
- As a result of the increased target amount of the LTI, the target total compensation for a member of the Board of Executive Directors – comprising fixed compensation, fringe benefits, target amount for the STI, target amount for the LTI and company pension benefits – will rise for the first time since January 1, 2020, by a total of 5.3%.
- The existing Share Ownership Guideline for members of the Board of Executive Directors remains unchanged. As of the 2024 business year, the degree of fulfillment of the share ownership obligation will be published annually in the Compensation Report.
- For members of the Board of Executive Directors, a post-contractual non-compete obligation will apply for 12 months following the end of service. The non-compete obligation will be incorporated into all contracts that end before the Board member reaches the age of 60. For contracts that end between the Board member's 60th and 63rd birthday, the Supervisory Board will decide on a case-by-case basis whether a non-compete obligation is necessary. Contracts that end after the member of the Board of Executive Directors

has reached their 63rd birthday will no longer include a non-compete obligation. In individual cases, the Supervisory Board can decide to waive the non-compete obligation.

Principles of the compensation system for members of the Board of Executive Directors

The compensation of the Board of Executive Directors is determined by the company's size, complexity and financial position. It is designed to contribute to sustainable corporate development and the achievement of strategic corporate goals. The amount of the variable compensation is derived from the achievement of short and long-term financial and nonfinancial targets as well as the development of the share price and the dividend per share (Total Shareholder Return). BASF's published short- and long-term strategic targets and performance indicators form the key performance indicators for the variable compensation.

Based on a proposal by the Personnel Committee, the Supervisory Board determines the structure and amount of compensation for members of the Board of Executive Directors. All DAX-listed companies as well as globally operating companies based in Europe serve as an external reference. During the last appropriateness review, carried out in 2022, the following companies were identified to make up the European peer group: ABB, Air Liquide, Akzo Nobel, BAE Systems, Bayer, BHP, BMW, BP, Continental, Daimler (now Mercedes Benz Group), DSM, E.ON, EDF, Henkel, Linde, Rolls Royce, Royal Dutch Shell, Siemens, Solvay, Thyssenkrupp, Total, Volkswagen. The internal references for a vertical comparison are, in particular, the compensation of the group of senior executives as well as of employees of BASF SE. The external and internal appropriateness is reviewed at regular intervals by independent external advisors.

The Personnel Committee also prepares for the Supervisory Board's regular review of the system and amount of compensation for members of the Board of Executive Directors. If necessary, it recommends to the Supervisory Board that changes should be made. This is done in compliance with the provisions set out by the German Stock Corporation Act and the German Corporate Governance Code regarding the treatment of conflicts of interest. In the event of significant amendments, but at least every four years, the compensation system decided upon by the Supervisory Board is presented to the Annual Shareholders' Meeting for approval (say on pay).

In very exceptional cases (such as a severe economic crisis), the Supervisory Board can temporarily deviate from the components of the compensation system (procedures and rules on the compensation structure and amount as well as relating to the individual compensation components) for the Board of Executive Directors, if this is in the interest of the long-term well-being of the company. This compensation system for members of the Board of Executive Directors is applicable for all current service contracts for the Board of Executive Directors, the extension of these contracts as well as new contracts to be signed.

Overview of compensation components

As of January 1, 2024, the compensation system for the Board of Executive Directors contains the components listed in the following overview with the target and maximum amounts valid for the 2024 business year:

	Previous remuneration of Board of Executive Directors (since January 1, 2020)		New remuneration of Board of Executive Directors (as of January 1, 2024)	
	€		€	
Non-performance-related compensation	1. Fixed salary	Annual amount: 800,000 – Payment in equal installments	Annual amount: 1,000,000 – Payment in equal installments	
	2. Regularly provided fringe benefits	Annual target amount: 50,000 Maximum amount (Cap): 100,000 – Corresponds to 200% of the annual target amount	Annual target amount: 50,000 Maximum amount (Cap): 100,000 – Corresponds to 200% of the annual target amount	
	3. Company pension benefits	Annual amount: 500,000 Defined fixed annual pension contribution amount	Annual amount: 300,000 Defined fixed annual pension contribution amount	
	Sub Total performance-independent compensation	Annual target amount: 1,350,000 Maximum amount (Cap): 1,400,000	Annual target amount: 1,350,000 Maximum amount (Cap): 1,400,000	
Performance-related compensation	4. Short-term incentive (STI) with one year performance period	Annual target amount: 1,000,000 Maximum amount (Cap): 2,000,000 – Corresponds to 200% of the annual target amount – Payment in May following the one-year performance period	Annual target amount: 1,000,000 Maximum amount (Cap): 2,000,000 – Corresponds to 200% of the annual target amount – Payment in May following the one-year performance period	
	5. Long-term incentive (LTI) Performance Share Plan with four year performance period	Annual target amount: 1,400,000 Maximum amount (Cap): 2,800,000 – Corresponds to 200% of the annual target amount – Payment in May following the four-year performance period	Annual target amount: 1,600,000 Maximum amount (Cap): 3,200,000 – Corresponds to 200% of the annual target amount – Payment in May following the four-year performance period	
	Sub Total performance dependent compensation	Annual target amount: 2,400,000 Maximum amount (Cap): 4,800,000	Annual target amount: 2,600,000 Maximum amount (Cap): 5,200,000	
	Total target compensation Maximum compensation	3,750,000 6,200,000	3,950,000 6,600,000	

Figure 1

The chair of the Board of Executive Directors receives two times and the vice chair 1.33 times the amount that an ordinary Board member receives. This applies with the exception of regularly provided fringe benefits, which are the same for all members of the Board of Executive Directors.

The compensation system continues to include a withholding and clawback clause, which enables variable compensation components to be withheld and clawed back in the event that a Board member commits a serious infringement of the Code of Conduct of BASF Group or of due diligence obligations as a member of the management of the company, as well as a Share Ownership Guideline, which obliges members of the Board of Executive Directors to hold a defined number of shares for the duration of their Board mandate and beyond.

As of January 1, 2024, another component of the compensation system is a non-compete obligation in the contracts for members of the Board of Executive Directors, which will be applicable for 12 months following the end of service.

Based on the data collected in an appropriateness review conducted by an external compensation consultant in 2022, which once again confirmed the horizontal and vertical appropriateness of the compensation of the Board of Executive Directors, the relative proportions of the individual compensation components in the target total compensation for members of the Board of Executive Directors were reviewed and adjusted as follows:

- Parts of the pension plan contribution are being transferred to fixed salary. The pension plan contribution is thus being reduced to a market-typical level (from previously 62.5% to now 30% of fixed compensation). The absolute figure was reduced to €300,000 (previously: €500,000). The relative proportion of the company pension benefits in the total target compensation declines to around 8% (previously around 13%).
- As a result of parts of the company pension benefits being shifted into fixed salary, the fixed salary rises to €1,000,000 (previously: €800,000); the relative proportion of fixed salary in the total target compensation therefore rises to around 25% (previously around 21%). The non-performance-related compensation as a sum comprising fixed salary and company pension benefits therefore remains unchanged.
- The regularly provided fringe benefits are not being adjusted and continue to account for around 1% of the total target compensation.
- The target amount for the multi-year variable compensation component LTI is raised to €1,600,000 (previously €1,400,000); the relative proportion of the multi-year variable compensation in the total target compensation rises to around 41% (previously around 37%).
- The target amount for the one-year variable compensation component STI is not being adjusted; the relative proportion declines to around 25% (previously around 27%) due to the increase in the total target compensation.
- Overall, the total target compensation as of January 1, 2024, is rising for the first time since January 1, 2020, by 5.3% due to the increase in the target amount for the LTI.

Target amounts and relative proportions of the compensation components in the annual total target compensation

	New compensation system for members of the Board of Executive Directors (as of January 1, 2024)		Previous compensation system for members of the Board of Executive Directors (since January 1, 2020)	
	Amounts	Share	Amounts	Share
Fixed salary	1,000,000	~ 25%	800,000	~ 21%
Regularly provided fringe benefits	50,000	~ 1%	50,000	~ 1%
Company pension benefits	300,000	~ 8%	500,000	~ 13%
Short-term incentive (STI)	1,000,000	~ 25%	1,000,000	~ 27%
Long-term incentive (LTI)	1,600,000	~ 41%	1,400,000	~ 37%
Total target compensation	3,950,000	100%	3,750,000	100%

Figure 2

The amounts apply for the 2024 business year for a member of the Board of Executive Directors. The amount for the chair of the Board of Executive Directors is two times this value, and for the vice chair it is 1.33 times this value (except for regularly provided fringe benefits, which are the same for all members of the Board of Executive Directors).

The amount for the regularly provided fringe benefits represents the target amount for the 2024 business year. If one-off fringe benefits and/or transfer-related fringe benefits are granted in individual cases, the maximum amounts specified for this also apply.

With the adjustments undertaken, the amount and structure of the compensation for the Board of Executive Directors is appropriate and competitive, with an emphasis on performance-related variable compensation. The changes in the STI and LTI reflect the changes in BASF's steering concept and thereby incentivize the achievement of the BASF Group's annual short-term and medium-term targets.

Individual compensation components:

1. Fixed salary

The fixed salary is a set amount of yearly compensation paid out in equal installments. The fixed salary for the chair of the Board of Executive Directors is two times the fixed salary for an ordinary Board member; the vice chair receives 1.33 times this value.

2. Short-term incentive (STI)

For each business year, an STI with a one-year performance period is granted. The STI is based on the achievement of annual financial and nonfinancial targets.

The new STI formula contains three financial targets as well as nonfinancial targets of the BASF Group, which represent the priorities of the Board of Executive Directors for the particular business year. The defined amounts of the three financial targets are in line with the outlook published in the Forecast as well as BASF's strategic targets.

The performance indicators, target amounts and target achievement curves for the individual financial targets as well as the weighting are decided at the beginning of the business year by the Supervisory Board.

The target achievement for the STI is determined by adding the weighted target achievement levels of the four individual targets (see figure 3). This further increases transparency and makes the achievement levels for each target visible.

The amount of the STI payout is limited to 200% of the target amount (cap). The actual STI amount is paid in May of the following year.

Targets for the STI 2024:

For the year 2024, the Supervisory Board defined the following financial targets, which are aligned with the BASF Group's new steering concept:

- **Return on capital employed (ROCE) of the BASF Group:** ROCE, which is also the performance indicator for the variable compensation of all other BASF employees, remains a component of the STI formula and a common element in the variable compensation across all employee groups.

The target ROCE for the variable compensation remains unchanged as one percentage point above the cost of capital percentage for the fiscal year, which is determined using the weighted average cost of capital (WACC) approach in accordance with the capital asset pricing model. This target reflects the goal communicated as part of the corporate strategy of achieving a ROCE above the cost of capital percentage every year.

The target curve for ROCE is being redefined for the compensation for the Board of Executive Directors as of 2024. Based on the target ROCE, a range of +/- five percentage points is established. If the target ROCE is exceeded by five percentage points or more, the target achievement is 200% (maximum value). If this target value is undercut by five percentage points or more, the target achievement is 0% (minimum value). The previous provision that gave the Supervisory Board the possibility of setting a bonus factor at its own discretion if the actual ROCE was below the minimum value has been eliminated.

For the 2024 business year, the target ROCE is 11% with a cost of capital percentage of 10%. This figure is reviewed and communicated annually. In 2024, the ROCE will have a weighting of 25% in the STI formula.



Figure 3

ROCE BASF Group

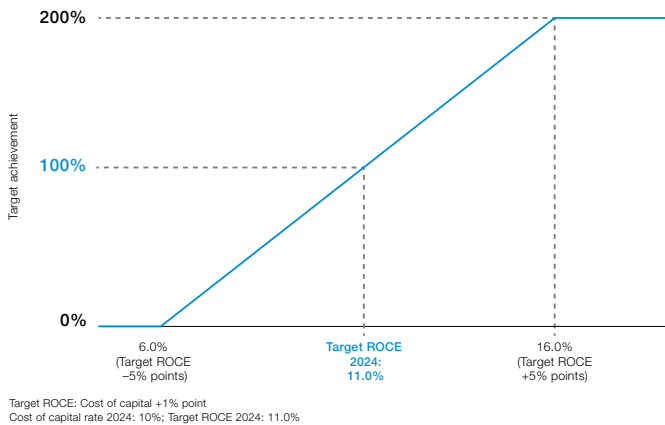


Figure 4

– **EBITDA before special items of the BASF Group:**

The target amount for EBITDA before special items is derived from the planning for the year 2024 (annual budget) and is in line with the information presented in the Forecast. The target amount and target achievement will be published in the Compensation Report 2024.

The target curve for EBITDA before special items is based on a target value with a range of +/- €3,000 million. If this target value is exceeded by €3,000 million, the target achievement is 200% (maximum value). If the target level is undercut by €3,000 million, the target achievement is 0% (minimum value).

In 2024, EBITDA before special items will have a weighting of 25% in the STI formula.

EBITDA before special items BASF Group

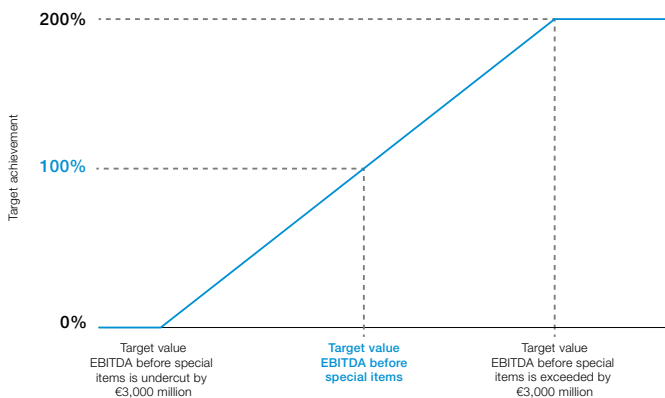


Figure 5

– **Cash flows from operating activities of the BASF Group:**

The target amount for the cash flows from operating activities is also derived from the planning for the year 2024 (annual budget) and is in line with the information presented in the Forecast. The target amount and target achievement will be published in the Compensation Report 2024.

The target curve for cash flows from operating activities is based on a target value with a range of +/- €3,000 million. If this target value is exceeded by €3,000 million, the target achievement is 200% (maximum value). If the target level is undercut by €3,000 million, the target achievement is 0% (minimum value).

In 2024, cash flows from operating activities will have a weighting of 25% in the STI formula.

Cash flows from operating activities BASF Group

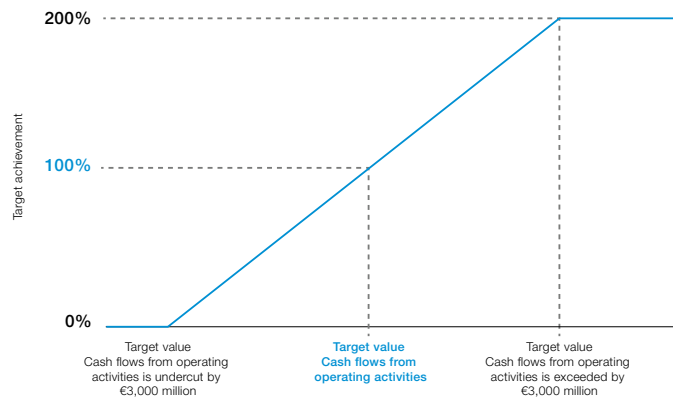


Figure 6

– **Nonfinancial targets:**

The nonfinancial targets for the year 2024 comprise employee engagement and satisfaction targets, occupational and process safety targets and targets for strategic projects. The nonfinancial targets and achievement of these targets will be published in the Compensation Report 2024.

In 2024, the nonfinancial targets will have a weighting of 25% in the STI formula.

3. Long-term incentive (LTI)

The LTI in the form of a performance share plan remains unchanged.

The LTI plan incentivizes the achievement of strategic goals and takes into consideration the development of the BASF share price and dividend (Total Shareholder Return) over a period of four years. The LTI is also offered with slight variations to senior executives of the BASF Group.

Grant: For each business year, an LTI plan with a four-year performance period will be granted. The target amount will be converted into a preliminary number of virtual performance share units (PSUs). To undertake this conversion, the target amount is divided by the average price of the BASF share in the fourth quarter of the year prior to the beginning of the respective plan.

Targets and target achievement: At the beginning of the four-year performance period, the Supervisory Board defines three strategic targets. Depending on the achievement of these three strategic targets over the four-year performance period, the number of PSUs can increase or decline. To determine this, the number of provisional PSUs at the end of the four years is multiplied by the weighted target achievement rate for the three strategic targets.

Payout: The final number of PSUs determined in this way is multiplied by the average share price of the BASF share in the fourth

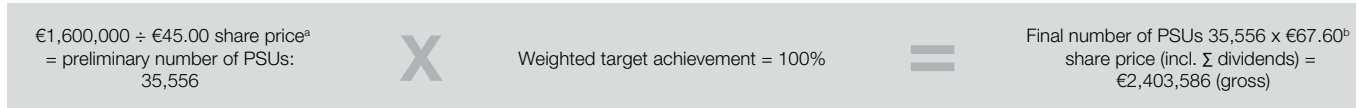
quarter of the last year of the four-year performance period plus the cumulative dividend payments per share in the four business years of the performance period. The payout amount of the LTI therefore reflects not only the achievement of the strategic targets but also the development of BASF's total shareholder return.

The amount of the LTI payout is limited to 200% of the target amount (cap).

The actual LTI amount is paid in May of the following year.



Example:



^a Assumed average share price in fourth quarter of prior year.

^b Assumed average share price in the fourth quarter of the last year of the four-year performance period (e.g., €54.00) + ∑ dividends year 1 – 4 (e.g., €3.40 + €3.40 + €3.40 + €3.40) = €67.60.

Figure 7

Determination of target achievement: For each of the three strategic targets, at the beginning of the four-year performance period the Supervisory Board defines a target value, which corresponds to a target achievement of 100%, as well as a minimal value, a maximum value and a target achievement curve. For each strategic target, the target achievement rate is determined on an annual basis. At the end of the four-year performance period, the arithmetic mean of the four annual target achievement rates is calculated. The resulting average target achievement rates for the individual strategic targets are combined according to the defined weighting to reach a weighted target achievement. The preliminary number of PSUs is multiplied by the weighted target achievement in order to determine the final number of PSUs.

Within the long-term incentive system in place since 2020, two of the three strategic targets were aligned with BASF's new steering system for the plan 2024 (2024-2027):

- As a new medium-term performance indicator, ROCE replaces the previous target of volumes growth in relation to global chemical production. The aim is to earn a premium on the cost of capital, i.e., ROCE above the cost of capital percentage, over the four-year performance period.

- The previous absolute figure for growth in EBITDA before special items will be replaced with growth in EBITDA before special items compared to BASF's main competitors, thereby including a relative benchmark for earnings growth in the LTI.
- The reduction of greenhouse gas emissions remains a nonfinancial strategic target in the LTI.

Targets for the LTI 2024 (2024–2027)

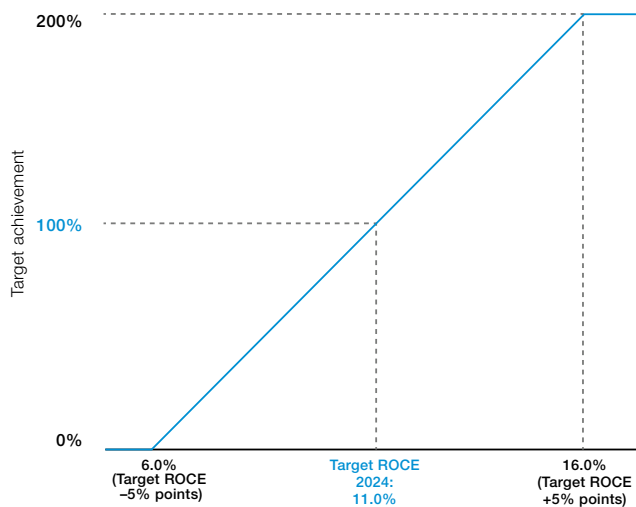
For the LTI plan 2024 (performance period 2024–2027) the following targets apply:

- **Profitability:** Achievement of a ROCE above the respective cost of capital percentage.
- **Growth:** Growth in EBITDA before special items in relation to a peer group.
- **Sustainability:** Reduction of CO₂ emissions (Scope 1 and Scope 2) in million metric tons of CO₂ equivalent by 25% by 2030 (baseline 2018).

These targets are operationalized as follows:

Strategic target 1: ROCE

We earn a premium on the cost of capital



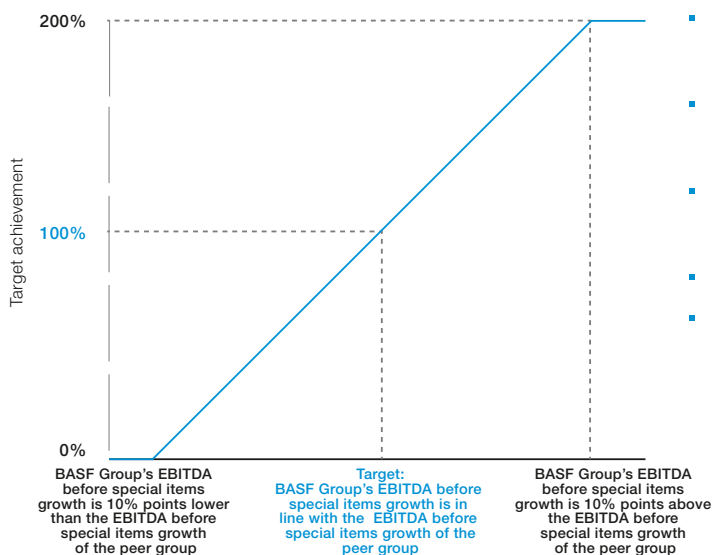
- The target is 100% achieved, if BASF achieves a return on capital employed (ROCE) that is one percentage point higher than the cost of capital rate applicable for the respective year (**target value**).
- If this target value is undercut by 5% points or more, the target achievement is 0% (**minimum value**).
- If the target value is exceeded by 5% points or more, the target achievement is 200% (**maximum value**).
- Intermediate values are determined by linear interpolation.
- The target achievement for the entire performance period 2024–2027 is calculated as an arithmetic mean of the target achievement levels of the four individual years.

Target ROCE: Cost of capital rate +1% point
 Cost of capital rate 2024: 10%; Target ROCE 2024: 11.0%

Figure 8

Strategic target 2: EBITDA before special items

We increase our EBITDA before special items stronger than our competitors

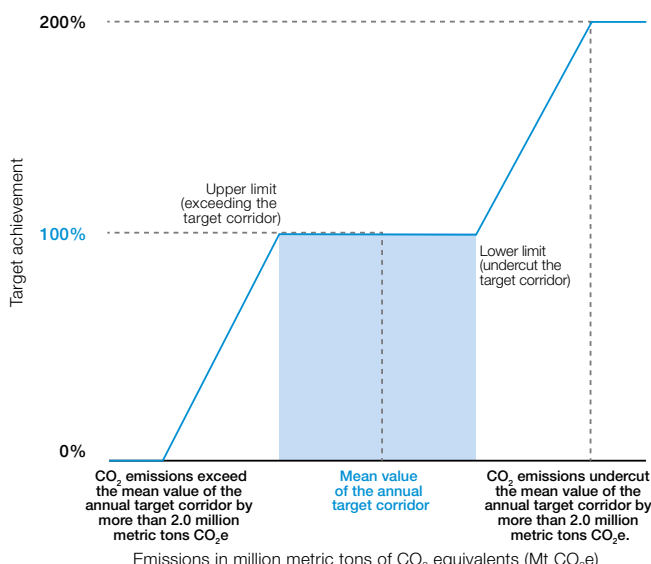


- If BASF Group's EBITDA before special items growth (in percentage points) corresponds to the growth in the EBITDA before special items of the defined peer group, the target achievement is 100% (**target value**).
- If the growth of the BASF Group's EBITDA before special items is 10% points below the growth in the EBITDA before special items of the defined peer group, the target achievement is 0% (**minimum value**).
- If the growth of the BASF Group's EBITDA before special items is 10% points higher than the growth in the EBITDA before special items of the defined peer group, the target achievement is 200% (**maximum value**).
- Intermediate values are determined by linear interpolation.
- The target achievement for the entire performance period 2024–2027 is calculated as an arithmetic mean of the target achievement levels of the four individual year.

Figure 9

Strategic target 3: CO₂ emissions

We reduce the absolute CO₂ emissions (Scope 1 and Scope 2) by 2030 by 25% (over 2018 baseline year)



- Target for 2030: 16.4 million metric tons of CO₂ equivalents or –25% by 2030 compared to the 2018 baseline (21.9 million metric tons CO₂e).
- At the end of the performance period 2024–2027, this corresponds to the target value of 17.7 million metric tons of CO₂e (or –19.2% compared to the baseline value of 2018) with the following target corridor values per year:

	Target corridor	2024	2025	2026	2027
Annual target corridor	Upper limit	19.7	19.2	18.7	18.2
	Lower limit	18.7	18.2	17.7	17.2

- The target is 100% achieved, if CO₂ emissions are within the set annual target corridor (**target value**).
- If the CO₂ emissions exceed the mean value of the annual target corridor by more than 2.0 million metric tons CO₂e, the target achievement is 0% (**minimum value**).
- If CO₂ emissions fall below the mean value of the annual target corridor by more than 2.0 million metric tons CO₂e, the target achievement is 200% (**maximum value**).
- Intermediate values are determined by linear interpolation.
- The target achievement for the entire performance period 2024–2027 is calculated as an arithmetic mean of the target achievement levels of the four individual years.

Figure 10

4. Nonmonetary compensation and other additional compensation (fringe benefits)

The nonmonetary compensation and other additional compensation (fringe benefits) remain unchanged.

In addition to the above-mentioned cash compensation, members of the Board of Executive Directors receive various fringe benefits, in some instances event-related fringe benefits. The regularly provided fringe benefits include accident insurance premiums, transportation and benefits from the provision of security measures by the company. The one-time, event-related fringe benefits include, inter alia, security measures at the member's private residence upon initial appointment to the Board of Executive Directors. The delegation-related fringe benefits for members of the Board of Executive Directors who are based abroad include fringe benefits to cover additional costs of transfers, such as assumption of prevailing local rental costs and school fees at the assignment location, or the granting of a basic allowance and the assumption or reimbursement of additional taxes.

The fringe benefits granted by the company are subject to specific provisions, which also limit the amount of such benefits.

- The annual target amount for regularly provided fringe benefits is €50,000; the maximum amount is €100,000. The target amount is based on the average regularly provided fringe benefits. In individual cases, these benefits can be higher or lower (e.g., higher or lower distances traveled by company car).
- For event-related fringe benefits, the maximum amount ranges between €500,000 for an ordinary member of the Board of Executive Directors and €600,000 for the chair of the Board of Executive Directors. In the event of particular security needs owing to the characteristics of a building or plot of land, or in case of increased need for security, the Personnel Committee can set a higher maximum amount on a case-by-case basis.
- For delegation-related fringe benefits, an additional maximum amount for a member of the Board of Executive Directors has been set at €3,000,000. In the event of unforeseen increases in rental costs in the country of assignment or of taxes that exceed the normal taxation levels for residents of Germany, the Personnel Committee can establish a higher maximum amount. The same applies in the event where taxes that would normally be payable in different calendar years must be paid in one calendar year.

The members of the Board of Executive Directors are covered by a directors' and officers' liability insurance (D&O insurance) concluded by the company. This insurance provides for the level of deductibles for the Board of Executive Directors as prescribed by section 93(2) sentence 3 of the German Stock Corporation Act.

5. Company pension benefits

Since January 1, 2020, the company offers members of the Board of Executive Directors a defined contribution pension commitment in the form of a capital investment model. The defined contribution pension commitment remains unchanged.

The company grants the members of the Board of Executive Directors a fixed annual pension plan contribution:

- For the purpose of building retirement assets (retirement capital), the company pays pension contributions into an investment model to be chosen by the company. The pension account is managed by an external provider. The performance of the paid-in contributions is determined by the returns generated by the investment model. However, each member of the Board of Executive Directors is guaranteed a benefit of least 80% of the amount of the pension contributions paid by the company.
- The pension benefits include disability and survivor benefits. The disability capital corresponds to the value of the pension account at the time the disability occurs, but at least to 80% of the sum of the pension contributions paid by the company. The surviving dependents capital corresponds to the value of the pension account at the time of death of the member of the Board of Executive Directors, but at least to 80% of the sum of the pension contributions paid by the company.
- Members of the Board of Executive Directors can choose a pension allowance for private retirement savings instead of the defined contribution pension commitment. In this case, the defined annual pension contribution amount is paid in equal monthly installments as a gross amount to the member of the Board of Executive Directors.

For entitlements from the defined contribution pension commitment in the form of a capital investment model, the following applies:

- The pension benefit is paid as a capital payment, possibly in installments.
- Retirement capital or spouses' capital can be paid out in installments upon request and with approval of the Supervisory Board in up to ten equal annual installments (without interest accrual).
- Members of the Board of Executive Directors who began their term prior to December 31, 2023, also have the possibility of choosing an annuity. For conversion into an annuity, the actuarial parameters relevant at this point in time are used. If the member of the Board of Executive Directors dies while receiving the annuity, the surviving spouse receives a survivor benefits pension corresponding to 60% of the annuity. Current pensions are increased annually by 1% as of January 1.

If a member of the Board of Executive Directors has chosen a pension allowance, there is no further claim to benefits following the conclusion of the Board mandate, since the annual pension contribution was paid as a gross amount to the Board member in equal monthly installments during the term of the mandate.

Share Ownership Guideline

The Share Ownership Guideline remains unchanged. For the duration of their mandate, members of the Board of Executive Directors are obligated to hold a defined number of shares in the company. The number of shares that must be held for a longer term is determined at the beginning of the member's Board of Executive Directors mandate and generally corresponds to a value representing 150% of the member's annual gross fixed salary on that date. The number of shares to

be held rises accordingly with any increase in the amount of fixed salary. The share ownership obligation ends two years after the end of the mandate of the member of the Board of Executive Directors (post-mandate share ownership obligation). When members are first appointed to the Board of Executive Directors, they have until the end of the fourth calendar year following the initial appointment to fulfill this share ownership obligation (build-up phase). Evidence of compliance with the share ownership obligation must be provided annually.

Members of the Board of Executive Directors must acquire the shares with after-tax net income. The value of the minimum mandatory share ownership obligation therefore corresponds to around 300% of the annual net fixed salary.

As of the 2024 business year, the Compensation Report discloses the shareholding that each individual member of the Board of Executive Directors is obliged to hold. This information will be supplemented with a disclosure about whether the share ownership obligation is already fulfilled or whether the member of the Board of Executive Directors is still in the four-year build-up phase and, if applicable, when this phase ends.

Withholding and clawback clause

The withholding and clawback provisions remain unchanged for the STI and LTI. In the event that a Board member commits a serious infringement of the Code of Conduct of BASF Group or of due diligence obligations as a member of the management of the company, this provision allows for a reduction or cancellation of not yet paid variable compensation as well as the clawback of variable compensation for the Board of Executive Directors awarded to the member since January 1, 2020.

Post-contractual non-compete obligation

For members of the Board of Executive Directors, a post-contractual non-compete obligation will apply for 12 months following the end of service. For the duration of the non-compete obligation, members of the Board of Executive Directors are entitled to non-compete compensation. The amount of the non-compete compensation equates to 50% of the annual target compensation, comprising fixed salary, the target amount for the STI and the target amount for the LTI.

The non-compete obligation will be incorporated into contracts that end before the Board member reaches the age of 60. For contracts that end between the 60th and 63rd birthday of the member of the Board of Executive Directors, the Supervisory Board will decide on a case-by-case basis whether a non-compete obligation is necessary. Contracts that end after the member of the Board of Executive Directors has reached their 63rd birthday will not include a non-compete obligation. In individual cases, the Supervisory Board can decide to waive the non-compete obligation.

Maximum compensation

The total compensation is capped in accordance with the recommendation of the German Corporate Governance Code. By establishing a maximum amount (cap) for the STI and the LTI, the amount of both variable compensation components is limited. The maximum compensation levels based on the new target compensation for members of the Board of Executive Directors are presented in the following overview:

€

	Member of the Board of Executive Directors		Vice chair of the Board of Executive Directors		Chair of the Board of Executive Directors	
	Target amount	Maximum amount	Target amount	Maximum amount	Target amount	Maximum amount
Fixed salary	1,000,000	1,000,000	1,330,000	1,330,000	2,000,000	2,000,000
Regularly provided fringe benefits	50,000	100,000	50,000	100,000	50,000	100,000
Company pension benefits	300,000	300,000	399,000	399,000	600,000	600,000
Short-term incentive	1,000,000	2,000,000	1,330,000	2,660,000	2,000,000	4,000,000
Long-term incentive	1,600,000	3,200,000	2,128,000	4,256,000	3,200,000	6,400,000
Total remuneration 2024	3,950,000	6,600,000	5,237,000	8,745,000	7,850,000	13,100,000

Figure 11

The table shows the target and maximum amounts for regularly granted fringe benefits for the business year 2024. For event-related fringe benefits, an additional maximum amount has been defined: €500,000 for a member of the Board of Executive Directors, €533,000 for the vice chair of the Board of Executive Directors and €600,000

for the chair of the Board of Executive Directors. For delegation-related fringe benefits, a maximum amount for a member of the Board of Executive Directors has been set at €3,000,000. The maximum amount for regularly provided fringe benefits, STI and LTI corresponds to 200% of the target amount.

In the event that the Supervisory Board resolves to adjust the compensation amount prior to the next scheduled say on pay on the compensation system by the Annual Shareholders' Meeting in 2028, the following maximum compensation amounts will not be exceeded:

€	Member of the Board of Executive Directors	Vice Chair of the Board of Executive Directors	Chair of the Board of Executive Directors
Maximum compensation until next approval on the compensation system by the Annual Shareholders' Meeting	7,500,000	9,975,000	15,000,000

Figure 12

These maximum compensation amounts contain the maximum amount for regularly provided fringe benefits. For event-related fringe benefits, an additional maximum amount has been defined: €500,000 for a member of the Board of Executive Directors, €533,000 for the vice chair of the Board of Executive Directors and €600,000 for the chair of the Board of Executive Directors. For delegation-related fringe benefits, a maximum amount for a member of the Board of Executive Directors has been set at €3,000,000.

End-of-service benefits in special cases

The provisions on end-of-service benefits in special cases remain unchanged. The Supervisory Board observes a term limit of five years for the employment contracts of members of the Board of Executive Directors. First-time appointments shall not have a term of more than three years.

There is a general limit on severance pay (severance payment cap) for all Board members. Accordingly, payments made to a Board member upon premature termination of their contract, without serious cause, may not exceed the value of two years' compensation, including fringe benefits, nor compensate more than the remaining term of the contract. The severance payment cap is to be calculated on the basis of the total compensation for the past fiscal year and, if appropriate, also the expected total compensation for the current fiscal year. The following applies to end of service due to a change-of-control event: A change-of-control event, in terms of this provision, occurs when a shareholder informs BASF SE of a shareholding of at least 25%, or the increase of such a holding. If a Board member's appointment is revoked by the Supervisory Board within one year following a change-of-control event, the Board member will receive the contractually agreed payments for the remaining contractual term of mandate as a one-off payment; however, this amount also may not exceed the value of two years' compensation.

Provisions relating to the previous multi-year variable compensation element BASF option program (BOP) and the previous company pension plan (until the end of 2019)

The option rights granted under the BASF option program (BOP) and not yet exercised can continue to be exercised in accordance with the specified terms of the BOP for the Board of Executive Directors. Members of the Board of Executive Directors had the opportunity to participate for the last time in the BASF option program as of July 1, 2020, based on their performance bonus (gross) for the year 2019. Owing to the maximum program duration of eight years, exercise gains from the option program may be allocated to members of the Board of Executive Directors up until June 30, 2028, at the latest.

The pension entitlements acquired until December 31, 2019, under the previous pension benefits are maintained as vested rights and upon retirement, disability or death can be accessed by the member of the Board of Executive Directors or by the surviving dependents as a company pension or retirement capital in accordance with the applicable rules.