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BASF SE
Ludwigshafen am Rhein

**Rules of Procedure
for the Board of Executive Directors
of BASF SE**

Status: April 2024

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Ludwigshafen am Rhein



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In its meeting of April 8, 2024, the Board of Executive Directors adopted by unanimous vote of all of its members the following Rules of Procedure for the Board of Executive Directors, which replace the previous Rules of Procedure:

§ 1 General

- (1) The members of the Board of Executive Directors [*Board members*] are jointly responsible for the management of the company. In doing so, they shall use the care of a prudent and conscientious manager in accordance with the law, the Statutes, these Rules of Procedure, the assignment of responsibilities and the regulations of the contracts of employment for the Board members.
- (2) Correspondences and agreements in business transactions with material impact shall be signed by two Board members or by a Board member together with a *Prokurist* or, subject to consultation with the Board member responsible according to the assignment of responsibilities, by two *Prokuristen*.
- (3) As far as the law, the Statutes or these Rules of Procedure attribute special powers to the Chairman of the Board of Executive Directors, these are transferred to the Deputy Chairman of the Board of Executive Directors, should the Chairman be absent.
- (4) As far as necessary, the Board members shall coordinate their leave and business trips in such a way that the management still can be carried out properly.

§ 2 Joint Management

- (1) If according to the applicable law, the Statutes or these Rules of Procedure a matter requires the joint action of all Board members (Joint Board), the Board members are solely authorized to manage the company jointly.
- (2) Notwithstanding no. (1) and other regulations according to the law, the Statutes or specific resolutions passed by the Board of Executive Directors for general or individual purposes, the following matters are subject to the decision of the Joint Board:
 - a) all matters requiring the decision of the Board of Executive Directors according to these Rules of Procedure,
 - b) all matters requiring the approval of the Supervisory Board,
 - c) the establishment and submission of the company's annual and half-year financial statements and annual report, the annual group financial statements and the annual group report,

- d) the convening of the Annual Shareholders' Meeting, requests and proposals of the Board of Executive Directors for resolutions to be passed by the General Meeting of Shareholders as well as measures resulting from the preparation or the execution of resolutions of the Annual Shareholders' Meeting,
- e) fundamental issues of business policy, especially regarding finance and business planning, research, management and orientation of production, distribution and financing as well as investment and dividend policy,
- f) submissions and proposals of the Corporate Development unit and of the Commissions under its direction,
- g) requests for approval of contracts, provided that the Board of Executive Directors has established guidelines reserving its approval competence,
- h) issues of company and group organization, especially the establishment, abandonment or transformation of areas of activity and their business- and personnel-related allocation,
- i) fundamental HR-related and social issues, especially
 - measures to be taken by the Board of Executive Directors in its employer function,
 - the prior approval of labor-management contracts or other regulations and agreements with employee representations, as far as these constitute new rights and obligations or concretize existing rights and obligations,
 - the granting of powers of attorney (*Prokuren*)¹,
 - the nomination and appointment of Senior Executives including the basic principles of their support,
- j) wherever a Board member requests for decision by the Board of Executive Directors. In such case, the Chairman of the Board of Executive Directors must ensure that all Board members be informed sufficiently and in due time on the object of the request.

¹ "Prokura" (pl. "Prokuren") means a power of attorney under German commercial law which has to be filed with the commercial register. There is no equivalent to this term in the Anglo-American law. "Prokurist" (pl. "Prokuristen") is the title of the holder of a "Prokura."

- (3) As far as no. (1) is not already directly applicable to subsidiaries and affiliated companies of BASF, it applies to them accordingly in matters of a certain impact; at least, the Board of Executive Directors has to be informed in due time, this also includes any envisaged measures.
- (4) By majority vote, the Board of Executive Directors may delegate decisions to be taken by the Board of Executive Directors according to nos. (1) or (2) to Board committees established by the Board of Executive Directors for certain areas of responsibility or individual cases. A Board committee shall consist of at least three Board members. The Board of Executive Directors may also charge a Board committee or individual Board members with the execution of the decisions he has made according to nos. (1) or (2).

§ 3 Areas of Responsibility

- (1) As far as the management authorization is not incumbent to the whole Board, the individual Board members are authorized to manage the company subject to the assignment of responsibilities (§ 4 no. (1)]. Regardless of this assignment of responsibilities, each Board member remains responsible for the joint management and thus is obliged to supervise the management of the other members.
- (2) Management measures that have an impact on the areas of responsibility of several Board members require the prior consent of each Board member involved. If such necessary consent has not been applied for or not been given, each Board member involved may demand the passing of a resolution of the Board of Executive Directors.
- (3) In a matter that has an impact on the area of responsibility of several Board members, an involved Board member may act independently if, according to his dutiful discretion, this seems to be required in order to avoid imminent disadvantages for the company. However, such a measure must not go further than necessary for the avoidance of these disadvantages. Such an independent action has to be reported to the Chairman and to the concerned Board members immediately and to the Board of Executive Directors during the following Board meeting.
- (4) The Board members shall report to the Board of Executive Directors on important measures and decisions within their area of responsibilities and on material business events, risks and losses within their area of responsibilities in the following Board meeting. In urgent cases, the Chairman of the Board of Executive Directors has to be informed without undue delay. The Chairman determines the matters to be submitted to him.

- (5) In the case of continuing absence of a Board member, the Board of Executive Directors may resolve with a majority of three-quarters of the entire Board for a term of up to four months that certain responsibilities of a Board member be carried out by another Board member. Such a measure has to be reported to the Chairman of the Supervisory Board immediately.

§ 4 Assignment of Responsibilities

- (1) The assignment of responsibilities to the Board members is shown in the business allocation plan.
- (2) The determination or modification of the assignment of responsibilities requires a unanimous resolution of all Board members. If a unanimous resolution cannot be reached, the Chairman of the Board of Executive Directors may request the Supervisory Board to arrange the assignment of responsibilities.

§ 5 Meetings and Passing of Resolutions

- (1) The Board of Executive Directors takes its resolutions in meetings. In the event that the Chairman so determines in an individual case, meetings may also be held using telecommunications or individual Board members may participate in meetings using telecommunications. The Chairman of the Board of Executive Directors may cause a resolution of the Board of Executive Directors to be passed by obtaining declarations in writing, by telephone or transmitted by other means of electronic media.
- (2) Meetings of the Board of Executive Directors shall be held regularly. They must always be held if the company's good so requires.
- (3) Each Board member is authorized to demand the convening of a meeting of the Board of Executive Directors by the Chairman.
- (4) Meetings of the Board of Executive Directors are prepared, convened and chaired by the Chairman of the Board of Executive Directors. The regular meetings of the Board of Executive Directors are usually scheduled in a preceding meeting. Should this not be possible in an individual case, or should an extraordinary meeting of the Board of Executive Directors be required, it shall be convened by notifying all Board members within an appropriate period. In urgent cases, the notification of all available Board members shall be sufficient.

The agenda shall be notified to the Board members in due time prior to each Board meeting.

- (5) The Board of Executive Directors shall constitute a quorum if all Board members have been properly invited according to no. (4) and at least half of its members participate in the passing of the resolution. For the establishment of the quorum also those Board members have to be counted who abstain from their vote in the passing of the resolution. Subject to the consent of the Chairman, employees and third parties may also be consulted in the meetings of the Board of Executive Directors.
- (6) Members of the Board of Executive Directors who are not present at the passing of a resolution may have submitted their vote in writing through other Board members, if possible through the Chairman of the Board of Executive Directors.
- (7) Resolutions primarily concerning matters that are assigned to the area of responsibilities of a Board member not present in the meeting shall only be passed if the decision cannot be postponed. If possible, the statement of the absent Board member has to be obtained in due time.
- (8) Unless otherwise stipulated by law, the Statutes or these Rules of Procedure, resolutions of the Board of Executive Directors shall be passed by majority of the votes of the participating Board members. Abstentions are not considered to be votes. In the case of a tie vote, the Chairman shall have a casting vote. The result of the resolution has to be stated.
- (9) In case the Chairman of the Board of Executive Directors is outvoted in the passing of a resolution that is not attended by all Board members, he is authorized subject to his own dutiful discretion to redemand a consultation and passing of a resolution in a new meeting of the Board of Executive Directors that has to be scheduled at the latest within the three weeks following the first passing of the resolution. The Chairman may defer the execution of the resolution until this second meeting.
- (10) The resolutions of the Board of Executive Directors shall be fixed in minutes that have to be submitted for approval in the following meeting of the Board of Executive Directors. Executed copies of Board meeting minutes and extracts of Board meeting minutes may be established and signed by a person designated by the Chairman of the Board of Executive Directors.
- (11) If the Chairman of the Board of Executive Directors is prevented from convening, preparing or participating in a meeting of the Board of Executive Directors, he shall be represented by the Deputy Chairman of the Board of Executive Directors. If the Deputy Chairman is also absent or if a Deputy Chairman has not been nominated, the representation shall be effected by the respective senior Board member who, however, is not entitled to the rights according to no. (8), sentence 3, and no. (9).

§ 6 Board Committees

- (1) For the preparation of opinion forming within the Board of Executive Directors, especially concerning HR, technical, commercial or financial issues, Board committees may be established.
- (2) Subject to the consent of its Chairman, a Board committee may also consult employees or third parties.

§ 7 Reporting to the Supervisory Board

- (1) The Board of Executive Directors under the aegis of its Chairman is legally obliged to report to the Supervisory Board
- (2) Furthermore, the Chairman of the Board of Executive Directors has to inform the Chairman of the Supervisory Board regularly of the course of the business and the company's situation, including affiliated companies, in oral or, if so requested, in written reports. All Board members have to support the Chairman of the Board of Executive Directors in fulfilling this duty.
- (3) The Chairman of the Board of Executive Directors has to inform the Chairman of the Supervisory Board without undue delay in oral or written reports about all matters with material impact on the company.
- (4) Also beyond this reporting the Chairman of the Board of Executive Directors always holds the primary responsibility for the Board of Executive Directors in the communication with the Supervisory Board. If notwithstanding this, a matter is discussed or supposed to be discussed between a member of the Board of Executive Directors and the Supervisory Board or its members, this has to be reported to the Chairman of the Board of Executive Directors.