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Statutes BASF SE

**as of
May 2017**



Chapter I

General Provisions

Article 1 Legal Form, Name and Registered Office

1. The Company is a European Company with the name BASF SE.
2. Its registered office is situated in Ludwigshafen am Rhein, Germany.

Article 2 Purpose of the Company

1. The purpose of the Company is to engage in the following areas of activity:
 - chemistry and related areas,
 - agriculture and nutrition,
 - extraction and production of and dealing in oil, natural gas, mineral oil products and energies,
 - development and production of and dealing in products and the provision of services in the area of environmental technology,as well as the carrying out of any other activities incidental to the activity in said areas or conducive to promoting the same.
2. The Company is authorized to establish branches both in Germany and abroad, and to establish and acquire business undertakings the purposes of which are consistent with, related to or conducive to promoting the ones stipulated in No. 1, both in Germany and abroad, or to acquire interests therein.

Article 3 Financial Year

The financial year corresponds to the calendar year.

Article 4 Announcements and Transmission of Information

Announcements by the Company shall be made in the electronic German Federal Gazette. The company is authorized to transmit information to shareholders also by telecommunication.

Chapter II

Share Capital and Shares

Article 5 Share Capital and Shares

1. The share capital of the Company amounts to Euro 1,175,652,728.32 (in words: Euro one thousand one hundred seventy-five million six hundred fifty-two thousand seven hundred twenty-eight and thirty-two Eurocent).

2. The share capital of the Company was provided by way of conversion of BASF Aktiengesellschaft into a European Company (SE).

3. The shares of the Company are no-par value shares. The share capital of the Company is divided into 918,478,694 shares.

4. The shares are registered shares. Provided that no resolution to the contrary is passed, this provision shall also apply to the new shares in the case of capital increases.

5. The Company may evidence shares by individual or collective certificates. The form and content of the share certificates and of the dividend coupons and talons shall be determined by the Board of Executive Directors, with the consent of the Supervisory Board.

6. The shareholder's right to certificated evidence of his holdings is excluded, unless certification is required under the rules applicable at a stock exchange where the shares are admitted.

7. In the event of a capital increase, participation in profits of the new shares may be determined in deviation from Section 60 of the German Stock Corporation Act.

8. The Board of Executive Directors is authorized, with the consent of the Supervisory Board, to increase, up to May 1, 2019, on a one-off basis or in portions on a number of occasions, the company's share capital by a total of up to €500,000,000.00 by issuing new shares against contributions in cash or in kind (Authorized Capital).

Shareholders are basically entitled to a subscription right. The new shares can be taken over by a bank appointed by the Board of Executive Directors with instructions to offer them to the shareholders (indirect subscription right). However, the Board of Executive Directors is authorized, with the consent of the Supervisory Board, to exclude the statutory subscription right of the shareholders in the following cases:

- a) in order to acquire companies, parts of companies, or holdings in companies, in return for the transfer of shares in appropriate individual cases,
- b) as far as this is necessary to prevent dilution in order to grant the owners of option certificates or the creditors of convertible bonds that are issued by the company or its affiliates in connection with an authorization granted to the Board of Executive Directors by the Annual Shareholders' Meeting, a subscription right to the extent that this would be due to them after exercising the option or conversion right or after fulfilling conversion obligations,
- c) in order to utilize any residual amounts, and
- d) if the issue price of the new shares in the case of capital increases in return for cash contributions is not substantially lower than the stock market price of the already listed company shares and the total number of shares issued under this authorization is not more than ten percent of the share capital either at the time of the authorization coming into effect or – if this value is lower – at the time that the present authorization is exercised. What must be credited against this ceiling of ten percent is the proportionate amount of the share capital of shares that are issued or sold during the term of this authorization in direct or analogous application of Section 186 (3) sentence 4 of the German Stock Corporation Act, as well as against shares that have to be issued or granted on the basis of conversion or option bonds granted during the term of this authorization with the exclusion of the subscription right according to Section 186 (3) sentence 4 of the German Stock Corporation Act.

The total shares issued on the basis of the above authorization with the exclusion of the shareholders' subscription right in the case of capital increases in return for contributions in cash or in kind must not exceed twenty percent of the share capital at the time that this authorization comes into effect or – if this value is lower – at the time of its exercise. What must be credited against this ceiling of twenty percent is the proportionate amount of the share capital of shares that are to be issued on the basis of conversion or option bonds granted during the term of this authorization with the exclusion of the subscription right. The Board of Executive Directors is authorized, with the consent of the Supervisory Board, to lay down the further contents of the share rights and the details of the execution of the capital increase.

9. The share capital is increased conditionally by up to € 117,565,184 by issuing a maximum of 91,847,800 new shares. The conditional capital increase shall only be carried out to the extent to which holders of convertible bonds or warrants attached

to bonds with warrants issued by the Company or one of its subsidiaries up to May 11, 2022 under the authorization granted to the Board of Executive Directors by the Annual Shareholders' Meeting of May 12, 2017 exercise their conversion or option rights, or – if they have conversion or exercise obligations – to the extent they fulfill their obligations to convert or exercise options, and provided that no other forms of fulfillment of delivery are used. The new shares shall be issued at the conversion or option prices determined in each case in the terms and conditions of the debt instruments and/or the warrants in accordance with the abovementioned authorization (“Conditional Capital 2017”). The shares issued under this authorization shall participate in profits from the beginning of the financial year in which they are issued. The Board of Executive Directors is authorized, with the approval of the Supervisory Board, to determine the further details of the implementation of the conditional capital increase.

Chapter III

Constitution

Article 6 **Corporate Bodies of the Company**

The corporate bodies of the Company are the Board of Executive Directors, the Supervisory Board and the Annual Shareholders' Meeting.

A. Board of Executive Directors

Article 7 **Composition**

1. The members of the Board of Executive Directors shall be appointed and dismissed by the Supervisory Board. The Board of Executive Directors shall consist of at least two members. The Supervisory Board may stipulate a larger number of members.

2. The members of the Board of Executive Directors shall be appointed by the Supervisory Board for a maximum term of five years. Reappointments are permissible.

3. The Supervisory Board may appoint one member of the Board of Executive Directors as Chairman of the Board of Executive Directors and one or more members of the Board of Executive Directors as Vice Chairman.

Article 8 **Quorum, Passing of Resolutions**

1. The Board of Executive Directors shall constitute a quorum if all members of the Board of Executive Directors have been invited and at least half of its members participate in a meeting in person or by means of electronic media. Members of the Board of Executive Directors who are not present at the passing of a resolution may cast their vote in writing, by telephone, telefax or by means of electronic media.

2. Resolutions of the Board of Executive Directors shall be passed by simple majority of the votes of the members of the Board of Executive Directors participating in the passing of the resolution, unless a larger majority is stipulated by mandatory statutory law. In cases where resolutions are to be passed by a simple majority and there is an equality of votes, the Chairman shall have a casting vote.

Article 9 **Representation**

1. The Company shall be legally represented by two members of the Board of Executive Directors or by one member of the Board of Executive Directors together with a *Prokurist*.

2. The Board of Executive Directors may grant authority to represent the Company in legal transactions, in particular, in the

form of a *Prokura* in accordance with the provisions of the German Commercial Code. *Prokura* should only be granted in the form of a joint power of attorney (*Gesamtprokura*) together with at least one other person.

B. Supervisory Board

Article 10 Composition, Election, Term of Office

1. The Supervisory Board shall comprise twelve members who are elected by the Annual Shareholders' Meeting. Of the twelve members, six members shall be elected upon proposals of the employees. The proposals for the election of the employee representatives are binding on the Annual Shareholders' Meeting. Apart from this, the Annual Shareholders' Meeting is not bound to proposals for the election. If an agreement regarding the participation of the employees concluded in accordance with the Act on the Participation of Employees in a European Company (*SE-Beteiligungsgesetz – SEBG*) stipulates a different appointment procedure for the employee representatives on the Supervisory Board, the employee representatives shall not be appointed by the Annual Shareholders' Meeting, but in accordance with the agreed appointment procedure.

2. The appointment of the members of the Supervisory Board is made for a term until the conclusion of the Annual Shareholders' Meeting resolving on the formal discharge of the Supervisory Board for the fourth financial year after the term of office commenced, with the financial year in which the term of office commences not being taken into account, however, for no longer than for a period of six years. Reappointments are permissible.

3. A member of the Supervisory Board may, upon giving one month's notice in writing, resign from office at any time. Any member elected by the Annual Shareholders' Meeting may be removed from office prior to the end of the term for which he has been elected by a resolution of the Annual Shareholders' Meeting.

4. Elections of substitutes for retired members who are not replaced by substitute members shall be made for the remainder of the term of office of the retired member. Elections of substitutes should be conducted at the next Annual Shareholders' Meeting following the retiring of a member.

Article 11 Chairmanship

1. The Supervisory Board shall elect a Chairman and one or more Deputy Chairmen. Only a shareholder representative elected as a member by the Annual Shareholders' Meeting may be elected as Chairman. For the election of the Chairman, the oldest member in terms of age among the shareholder representatives shall have the chair; Article 12 No. 2 sentence 3 shall apply accordingly.

2. In case the membership of the Chairman or one of his deputies should cease before the expiry of his term of office, the Supervisory Board shall conduct a new election for the office without undue delay.

Article 12 **Convening, Quorum, Voting**

1. Meetings of the Supervisory Board shall be convened and the place of such meetings determined by the Chairman or, in case he is unavailable, by his deputy determined for such eventuality. All meetings shall be convened by at least a fortnight's notice in writing. The individual items on the agenda shall be specified so that it is possible to vote by correspondence. In urgent cases, the convening period may be shortened. In the event that the Chairman or, if he is unavailable, his deputy determined for such eventuality so determines in an individual case, meetings may also be held using telecommunications or individual members of the Supervisory Board may take part in meetings using telecommunications.

2. The Supervisory Board shall constitute a quorum only if, after all members have been invited, at least one half of the total number of members which it is required to have participates in the passing of a resolution. Unless stipulated otherwise by law, resolutions shall be passed by a majority of the votes cast. In the event that a member of the Supervisory Board abstains from voting, such member participates in the resolution; however, the abstention shall not count as a vote cast. In the event that a Supervisory Board vote results in an equality of votes, the vote of the Chairman of the Supervisory Board or, if he does not participate in the passing of the resolution, the vote of the Deputy Chairman, provided that he is a shareholder representative, shall be the casting vote.

3. The members of the Supervisory Board may, if prevented from attending a meeting, arrange for their written vote to be submitted at the Supervisory Board meeting by other members of the Supervisory Board. A vote transmitted by telefax or by means of electronic media shall be deemed to be a written vote. The Chairman of the Supervisory Board or, if he is unavailable, his deputy determined for such eventuality may cause a resolution of the Supervisory Board to be passed by obtaining declarations in writing, by telefax or telephone or transmitted by means of other electronic media.

4. The members of the Board of Executive Directors are entitled to attend the meetings of the Supervisory Board in an advisory capacity, unless the Chairman of the Supervisory Board or the Supervisory Board excludes such right in an individual case.

5. Declarations of intent on behalf of the Supervisory Board shall be made by the Chairman or, if he is unavailable, by his deputy determined for such eventuality.

6. The Supervisory Board is authorized to make amendments to the statutes which only concern their wording.

Article 13 Transactions Requiring Consent

1. The Board of Executive Directors shall require the previous consent of the Supervisory Board for the following transactions of the Company:

- a) the acquisition and disposal of enterprises, interests in enterprises and parts of enterprises, provided that the acquisition or disposal price in an individual case exceeds 3 percent of the equity reported in the last consolidated financial statements of the Company which were approved by the Supervisory Board. This shall not apply in the event of intra-group acquisitions and disposals;
- b) commencement of operations in new and cessation of operations in existing areas of business to the extent that this is of significant importance for the entire Group;
- c) the issuing of bonds and comparable financial instruments, the taking up of and granting of long-term loans and the granting of guarantees, warranties or other assumptions of liability, provided that in an individual case the latter exceed 3 percent of the equity reported in the last consolidated financial statements of the Company which were approved by the Supervisory Board. This shall not apply to the taking up and granting of loans and the granting of securities within the company group.

2. The consent of the Supervisory Board required under No. 1 may also be granted in the form of a general authorization for certain kinds of the aforementioned transactions. Such authorizations have to state specifically the eligible transactions as well as their purpose and the period of time within which they have to be conducted.

Article 14 Compensation of the Supervisory Board

1. Each member of the Supervisory Board shall receive annually a fixed compensation of €200,000.

The Chairman of the Supervisory Board receives two-and-a-half times and a deputy chairman one-and-a-half times the compensation of an ordinary member.

2. Members of the Supervisory Board who are members of a committee – with the exception of the Nomination Committee – shall

receive a further compensation for this purpose in the amount of €12,500. For members of the Audit Committee, the further compensation shall be €50,000. The chairman of a committee shall receive twice and a deputy chairman one-and-half times the further compensation.

3. Each member of the Supervisory Board is obligated to use 25 percent of the compensation paid in accordance with No. 1 for the acquisition of Company shares and to hold these shares for the duration of his/her membership on the Supervisory Board. This obligation does not apply to the portion of the compensation that the Supervisory Board member pays to a third party pro rata for the fixed compensation received in accordance with No. 1 due to an obligation entered into before his/her appointment to the Supervisory Board. The obligation to purchase and hold shares in this case applies to 25 percent of the portion of the compensation remaining after the payment has been made. The Company shall withhold the abovementioned portion of the compensation and arrange for the acquisition of the shares on behalf of the members of the Supervisory Board on the first day of stock market trading after the compensation is payable. The acquired shares shall be deposited into a custody account in the name of the Supervisory Board member at a commercial bank in Germany which is used exclusively to deposit and manage these shares. The portion of the compensation which is mathematically insufficient to acquire whole shares shall be paid out to the Supervisory Board member. Evidence of compliance with the holding obligation must be provided to the Company. The purchase obligation specified in Sentence 1 does not apply to the compensation that has not yet been paid at the time of departure from the Supervisory Board.

4. The entitlement to the component of the compensation specified in No. 3 Sentence 1 shall retroactively cease to apply if the Supervisory Board member partially or fully divests or pledges the acquired shares prior to leaving the Supervisory Board.

5. The Company shall reimburse the members of the Supervisory Board for out-of-pocket expenses and value added tax to be paid with regard to their activities as members of the Supervisory Board or of a committee. The Company shall include the performance of the duties of the members of the Supervisory Board in the coverage of a directors' and officers' loss liability insurance concluded by it.

6. Supervisory Board members or members of a committee, who served on the Supervisory Board or the committee for only part of a financial year, shall receive one twelfth of the compensation for each month or part of a month of service.

7. The compensation pursuant to Nos. 1 and 2 shall become due after the conclusion of the Annual Shareholders' Meeting to which

the consolidated financial statements for the financial year for which the compensation is paid are submitted or which decides on the approval thereof.

Article 15 Confidentiality

1. The members of the Supervisory Board shall keep secret any confidential information, reports and consultations as well as secrets of the Company, in particular company and business secrets, that have become known to them in connection with their work as members of the Supervisory Board.
2. Upon retirement from office, every member of the Supervisory Board shall return to the Company all confidential documents of the Company still held by him.

C. Annual Shareholders' Meeting

Article 16 Convening the Annual Shareholders' Meeting

1. The Annual Shareholders' Meeting shall be convened with at least 30 days' notice prior to the day by the end of which the shareholders have to register for participation in the Annual Shareholders' Meeting.
2. The Annual Shareholders' Meeting shall be held within the first six months of each financial year. It shall resolve, in particular, on the distribution of retained profits, on the appointment of the auditor, on the formal discharge of the members of the Board of Executive Directors and the Supervisory Board, on the appointment of the members of the Supervisory Board and, to the extent required by law, on the approval of the financial statements and the consolidated financial statements.
3. The Annual Shareholders' Meeting shall take place at the Company's registered office or in another city in the Federal Republic of Germany with at least 100,000 inhabitants.
4. The Annual Shareholders' Meeting shall be convened by the Board of Executive Directors. In addition, a Shareholders' Meeting may be convened at any time by the Board of Executive Directors or by the Supervisory Board and the convening of the Shareholders' Meeting and the drawing-up of the agenda therefore may be requested by one or more shareholders who together hold at least 5% of the share capital.

Article 17 Attendance at the Annual Shareholders' Meeting

1. The right to attend and vote at an Annual Shareholders' Meeting shall be restricted to those shareholders who
 - a) have registered in time and

b) are recorded for the notified shares in the share register.

2. Shareholders may authorize a proxy to exercise their voting rights. The issue of the power of attorney, its revocation and evidence of the authorization vis-à-vis the company require the text form. The details for the issue of this power of attorney, its revocation and its evidence vis-à-vis the company are announced in the notice of meeting in which relaxation of the text form can also be specified.

3. The Board of Executive Directors can provide that shareholders may also give their votes in writing or by way of electronic communication without attending the Annual Shareholders' Meeting.

Article 18 **Chairman of the Annual Shareholders' Meeting**

1. The Chairman of the Supervisory Board shall preside as chairman at the Annual Shareholders' Meeting. If he is unavailable, a member of the Supervisory Board chosen by the Supervisory Board members who were elected by the Annual Shareholders' Meeting as shareholder representatives from their ranks shall take the chair at the Annual Shareholders' Meeting. In the event that no member of the Supervisory Board who was elected by the Annual Shareholders' Meeting as a shareholder representative takes the chair, the chairman shall be elected by the Annual Shareholders' Meeting.

2. The chairman of the Annual Shareholders' Meeting may determine a sequence of the items of the agenda which deviates from the sequence announced in the agenda. Within the framework of the applicable legal provisions, the chairman shall determine the course of the proceedings at the Annual Shareholders' Meeting, in particular the sequence of speakers as well as the manner, form and sequence of the voting. At the beginning or in the course of the Annual Shareholders' Meeting, the chairman may reasonably restrict, in terms of time, the right of shareholders to put questions and to speak; such restriction may be employed for the whole course of the Annual Shareholders' Meeting, for the discussion on individual items of the agenda as well as for individual questions and speaking contributions. The chairman of the Annual Shareholders' Meeting is authorized to permit the visual or sound transmission of the whole or part of the Annual Shareholders' Meeting in a way to be determined by him in more detail.

Article 19 **Voting and Resolutions**

1. Each share shall entitle the holder to one vote at the Annual Shareholders' Meeting.

2. Resolutions of the Annual Shareholders' Meeting shall require a majority of the votes cast, unless a larger majority or further requirements are stipulated by the SE Regulation (Council

Regulation (EC) No. 2157/2001 of October 8, 2001) or the laws applicable to stock corporations in the jurisdiction where the SE has its registered office.

Chapter IV

Financial Statements, Distribution of Profits

Article 20 Financial Statements

The Board of Executive Directors shall, in the first three months of the financial year, prepare the financial statements and management report as well as the consolidated financial statements and the group management report for the preceding financial year and promptly thereafter submit them to the Supervisory Board and to the auditor. At the same time, the Board of Executive Directors shall submit to the Supervisory Board the proposal for the distribution of retained profits which it intends to submit to the Annual Shareholders' Meeting.

Article 21 Distribution of Retained Profits

The retained profits resulting from the financial statements after depreciation, value adjustments, provisions and reserves shall be distributed among the shareholders, unless the Annual Shareholders' Meeting resolves otherwise. Instead of or in addition to a cash distribution, a distribution in kind may also be resolved by the Annual Shareholders' Meeting.

Chapter V

Formation Expenses

Article 22 Formation Expenses

With regard to the conversion of BASF Aktiengesellschaft into BASF SE, the formation expenses up to an amount of Euro 5,000,000 shall be borne by the Company.