

# Invitation to the Annual Shareholders' Meeting of BASF SE on April 29, 2016



 **BASF**  
We create chemistry

Cover photo:

Experts on food and urban living from a variety of fields exchanged ideas at our Creator Space™ tour in São Paulo. Among them was Eduardo Sekita de Oliveira, Executive Director of Production for an agricultural customer in Brazil, shown here talking with BASF's Maria Isabel Motta Hoffmann.

## Invitation

Dear Shareholders,

Please accept our cordial invitation to this year's Annual Shareholders' Meeting of BASF SE on Friday, April 29, 2016, 10:00 a.m., in the Congress Center Rosengarten, Rosengartenplatz 2, 68161 Mannheim, Germany.

## I. Agenda

### **1. Presentation of the adopted Financial Statements of BASF SE and the approved Consolidated Financial Statements of the BASF Group for the financial year 2015; presentation of the Management's Reports of BASF SE and the BASF Group for the financial year 2015 including the explanatory reports on the data according to Sections 289(4) and 315(4) of the German Commercial Code; presentation of the Report of the Supervisory Board**

The Supervisory Board approved the Financial Statements prepared by the Board of Executive Directors and the Financial Statements of the BASF Group on February 24, 2016. Thus the Annual Financial Statements have been adopted according to Section 172 of the German Stock Corporation Act. Therefore, according to the statutory provisions, no resolution by the Annual Shareholders' Meeting is planned for Item 1 of the Agenda. The documents specified above have been published on our website and can be accessed at [www.basf.com/generalmeeting](http://www.basf.com/generalmeeting).

### **2. Adoption of a resolution on the appropriation of profit**

The Board of Executive Directors and the Supervisory Board propose to pay a dividend of €2.90 per qualifying share from the profit retained by BASF SE in the financial year 2015 in the amount of €2,663,588,212.60. If the shareholders approve this proposal, a total dividend of €2,663,588,212.60 will be payable on the 918,478,694 qualifying shares as of the date of adoption of the Financial Statements for the financial year 2015 (February 24, 2016).

### **3. Adoption of a resolution giving formal approval to the actions of the members of the Supervisory Board**

The Board of Executive Directors and the Supervisory Board propose that formal approval be given to the actions of the members of the Supervisory Board of BASF SE for the financial year 2015.

### **4. Adoption of a resolution giving formal approval to the actions of the members of the Board of Executive Directors**

The Supervisory Board and the Board of Executive Directors propose that formal approval be given to the actions of the members of the Board of Executive Directors of BASF SE for the financial year 2015.

### **5. Election of the auditor for the financial year 2016**

The Supervisory Board proposes upon recommendation of the Audit Committee that KPMG AG Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, should be elected auditor of the Financial Statements and the Group Consolidated Financial Statements of BASF SE for the financial year 2016.

## II. Further details, instructions and reports for the Annual Shareholders' Meeting

### 1. Requirements for attending the Annual Shareholders' Meeting and exercising voting rights and procedures for proxy voting

The only persons who are entitled – personally or through proxies – to attend the Annual Shareholders' Meeting and exercise their voting rights are those shareholders who have registered with the Board of Executive Directors of the Company not later than Friday, April 22, 2016 either at the following address

**Hauptversammlung BASF SE**  
**c/o ADEUS Aktienregister-Service-GmbH**  
**20784 Hamburg**  
**Germany**  
**Fax: +49 69 256270-49**  
**Email: hv-service@basf.com**

or via the internet according to the procedure laid down by the Company at **[www.basf.com/agm-service](http://www.basf.com/agm-service)**, and who are entered in the share register for the registered shares. For purposes of determining attendance and voting rights, the shares recorded in the share register at the end of April 22, 2016 are decisive.

Shareholders who would like to register via the internet require their shareholder number and the corresponding access password. Those shareholders who are registered for the email transmission of the invitation to the Annual Shareholders' Meeting receive their shareholder number with the email invitation to the Annual Shareholders' Meeting and must use the access password they chose at registration. All other shareholders entered in the share register receive their shareholder number and their access password by

post with the letter of invitation to the Annual Shareholders' Meeting.

After registering, shareholders or their proxy holders are issued admission tickets to the Annual Shareholders' Meeting. Shareholders who register via the Online Service are able to print out their admission ticket directly themselves. Unlike the registration for the Annual Shareholders' Meeting, the admission ticket is not a prerequisite for attendance but merely serves to simplify the procedure at the entrance to the Annual Shareholders' Meeting.

If a credit institution is registered in the share register, it can only exercise the voting rights for shares that do not belong to it by virtue of a proxy issued by the shareholder.

Applications for share transfers in the share register that are received by the Company after the end of April 22, 2016 (Technical Record Date) up to the end of the Annual Shareholders' Meeting on April 29, 2016 will be executed in the Company's share register and take effect only after the Annual Shareholders' Meeting on April 29, 2016.

Owners of American Depositary Shares (ADS) receive the documents for the issue of a proxy from Deutsche Bank Trust Company Americas (Depositary).

The shares are not blocked by registration for the Annual Shareholders' Meeting; shareholders therefore remain free to dispose of their shares even after registration.

## 2. Procedure for voting by proxy

Shareholders who are entered in the share register can have their voting rights exercised at the Annual Shareholders' Meeting by a proxy such as a credit institution or an association of shareholders. In this case as well, the shareholder or the proxy holder must ensure that registration is carried out in good time.

A proxy, its revocation, and evidence of the authorization vis-à-vis the Company can be made in text form or issued via internet at **[www.basf.com/agm-service](http://www.basf.com/agm-service)**; in the case of an authorization of a credit institution, an association of shareholders, or any other person specified in Section 135(8) of the German Stock Corporation Act, the form of authorization is governed by the appropriate offer for exercising the voting right.

A proxy, its revocation, and evidence of the authorization vis-à-vis the Company can be sent to the Company at the following address

**Hauptversammlung BASF SE**  
**c/o ADEUS Aktienregister-Service-GmbH**  
**20784 Hamburg**  
**Germany**  
**Fax: +49 69 256270-49**  
**Email: [hv-service@basf.com](mailto:hv-service@basf.com)**

or via the internet according to the procedure laid down by the Company at **[www.basf.com/agm-service](http://www.basf.com/agm-service)**. As a service, we offer our shareholders the possibility of being represented at the Annual Shareholders' Meeting by proxies appointed by the Company. The proxies can be authorized in text form or via the internet at **[www.basf.com/agm-service](http://www.basf.com/agm-service)**.

Beatriz Rosa Malavé and Annette Buchen have been appointed proxies with the sole right of proxy. The proxies exercise the voting right solely on the basis of the instructions issued by the shareholder. In the event that an individual vote takes place on an Item of the Agenda, any instruction issued for this purpose will apply to each individual sub-Item accordingly. Please note that the proxies appointed by the Company will not accept any instructions to speak, file opposition to resolutions by the Annual Shareholders' Meeting, ask questions or put forward motions on behalf of the shareholder.

Those credit institutions and associations of shareholders that participate in the Company's Online Service can also be authorized via the internet according to the procedure laid down by the Company at **[www.basf.com/agm-service](http://www.basf.com/agm-service)**.

Shareholders who would like to use the internet to authorize the proxies appointed by the Company or credit institutions and associations of shareholders participating in the Online Service will require their shareholder number and the corresponding access password.

## 3. Forms provided by the Company for the registration and issuing proxies

For the registration or issuing proxies, the form prepared by the Company for this purpose can be used. Shareholders who are entered in the share register and have not signed up for the email transmission of the invitation to the Annual Shareholders' Meeting will receive the form by post. Shareholders who are entered in the share register and are registered for the email transmission of the invitation to the Annual Shareholders' Meeting can access the Online Ser-

vice for the Annual Shareholders' Meeting via the link contained in the email to register and issue proxies. The registration and proxy form is also available via the internet at **www.basf.com/agm-service**.

Furthermore, the authorization form on the admission ticket can also be used for issuing a proxy.

#### 4. BASF Report and further documents

The reports and financial statements specified under Item 1 of the Agenda and further documents relating to the Annual Shareholders' Meeting 2016 have been published on the internet at **www.basf.com/generalmeeting** and may be accessed there.

A copy of the BASF Report 2015 with the BASF Group Consolidated Financial Statements is sent to shareholders free of charge on request. To order a copy, please contact

**BASF SE**  
**Mediencenter – L 410**  
**67056 Ludwigshafen**  
**Germany**  
**Telephone: +49 621 60-99895**  
**Email: mediencenter-02@basf.com**  
**Internet: www.basf.com/mediaorders**

#### 5. Supplementary motions to the Agenda at the request of a minority according to Article 56 sentence 2 and sentence 3 of Regulation (EC) No. 2157/2001 (SE Regulation), Section 50(2) of the SE Implementation Act, and Section 122(2) of the German Stock Corporation Act

Shareholders whose holdings together reach the twentieth part of the share capital or the pro rata

sum of €500,000 (this is equivalent to 390,625 shares) can request that Items be placed on the Agenda and announced. Each new Item must be accompanied by a reason or draft resolution. The request must have been received by the Company by the end of March 29, 2016. Supplements to the Agenda to be announced will – provided that they have not already been announced with the notice of meeting – be published in Germany's Federal Gazette and on the internet at **www.basf.com/generalmeeting** and announced and communicated to the shareholders promptly after the request has been received.

#### 6. Motions and electoral proposals by shareholders according to Article 56 sentence 2 and sentence 3 of Regulation (EC) No. 2157/2001 (SE Regulation), Section 50(2) of the SE Implementation Act, and Sections 126(1) and 127 of the German Stock Corporation Act

Counter motions with reasons against a proposal by the Board of Executive Directors and the Supervisory Board on a specific Item of the Agenda and electoral proposals for the election of members of the Supervisory Board or auditors must be sent to the following address only. Counter motions and electoral proposals sent to other addresses will not be taken into consideration.

**BASF SE**  
**Central Legal Department, ZRR – D 100**  
**67056 Ludwigshafen**  
**Germany**  
**Fax: +49 621 60-6641475**  
**or +49 621 60-6643693**  
**Email: hv2016@basf.com**

Countermotions and electoral proposals that are to be made accessible according to the German Stock Corporation Act and are received up to the end of April 14, 2016 at the above address with evidence of shareholder status will be published promptly on the internet at [www.basf.com/generalmeeting](http://www.basf.com/generalmeeting). Any replies from management will also be published at the above internet address.

## 7. Total number of shares and voting rights

At the time of this notice of meeting, all the 918,478,694 shares that have been issued hold attendance and voting rights.

## 8. Rights of the shareholder to information according to Article 56 sentence 2 and sentence 3 of Regulation (EC) No. 2157/2001 (SE Regulation), Section 50(2) of the SE Implementation Act and Section 131(1) of the German Stock Corporation Act

On request, any shareholder must be given information by the Board of Executive Directors at the Annual Shareholders' Meeting about Company matters, including the legal and business relations with associated companies and about the situation of the Group and the companies covered by the Group Consolidated Financial Statements, provided that it is required for the factual assessment of the item of the Agenda.

## 9. Information on the Company's website

This notice of the Annual Shareholders' Meeting, the documents to be made accessible and motions of shareholders, as well as further information to be

published according to Section 124(a) of the German Stock Corporation Act, can be found on the Company's website at [www.basf.com/generalmeeting](http://www.basf.com/generalmeeting). The notice of the Annual Shareholders' Meeting will be published in Germany's Federal Gazette on March 18, 2016.

## 10. Internet broadcast of the Annual Shareholders' Meeting

The speech of the Chairman of the Board of Executive Directors of BASF SE will be broadcasted live on the internet on April 29, 2016 and will be accessible to all at [www.basf.com/generalmeeting](http://www.basf.com/generalmeeting).

Ludwigshafen/Rhine, March 18, 2016

BASF SE

The Board of Executive Directors



## BASF Group 2015 at a glance

		2015	2014	Change in %
Sales	million €	70,449	74,326	(5.2)
Income from operations before depreciation and amortization (EBITDA)	million €	10,649	11,043	(3.6)
Income from operations (EBIT) before special items	million €	6,739	7,357	(8.4)
Income from operations (EBIT)	million €	6,248	7,626	(18.1)
Income from operations (EBIT) after cost of capital	million €	194	1,368	(85.8)
Income before taxes and minority interests	million €	5,548	7,203	(23.0)
Net income	million €	3,987	5,155	(22.7)
Earnings per share	€	4.34	5.61	(22.6)
Adjusted earnings per share	€	5.00	5.44	(8.1)
Dividend per share	€	2.90	2.80	3.6
Cash provided by operating activities	million €	9,446	6,958	35.8
Additions to property, plant and equipment and intangible assets <sup>1</sup>	million €	6,013	7,285	(17.5)
Depreciation and amortization <sup>1</sup>	million €	4,401	3,417	28.8
Return on assets	%	8.7	11.7	–
Return on equity after tax	%	14.4	19.7	–

<sup>1</sup> Including acquisitions

## Segments

### BASF Group

#### Chemicals

The Chemicals segment comprises our business with basic chemicals and intermediates. Its portfolio ranges from solvents, plasticizers and high-volume monomers to glues and electronic chemicals as well as raw materials for detergents, plastics, textile fibers, paints and coatings, crop protection and medicines. In addition to supplying customers in the chemical industry and numerous other sectors, we also ensure that other BASF segments are supplied with chemicals for producing downstream products.

##### Key data Chemicals (in million €)

	2015	2014	Change in %
Sales	14,670	16,968	(14)
Thereof Petrochemicals	5,728	7,832	(27)
Monomers	6,093	6,337	(4)
Intermediates	2,849	2,799	2
EBITDA	3,090	3,212	(4)
Income from operations before special items	2,156	2,367	(9)
Income from operations (EBIT)	2,131	2,396	(11)

#### Performance Products

Our Performance Products lend stability, color and better application properties to many everyday products. Our product portfolio includes vitamins and other food additives in addition to ingredients for pharmaceuticals, personal care and cosmetics, as well as hygiene and household products. Other products from this segment improve processes in the paper industry, in oil, gas and ore extraction, and in water treatment. They furthermore enhance the efficiency of fuels and lubricants, the effectiveness of adhesives and coatings, and the stability of plastics.

##### Key data Performance Products (in million €)

	2015	2014	Change in %
Sales	15,648	15,433	1
Thereof Dispersions & Pigments	4,629	4,501	3
Care Chemicals	4,900	4,835	1
Nutrition & Health	1,998	2,029	(2)
Performance Chemicals	4,121	4,068	1
EBITDA	2,289	2,232	3
Income from operations before special items	1,366	1,455	(6)
Income from operations (EBIT)	1,340	1,417	(5)

#### Functional Materials & Solutions

In the Functional Materials & Solutions segment, we bundle system solutions, services and innovative products for specific sectors and customers, especially the automotive, electrical, chemical and construction industries, as well as for household applications and sports and leisure. Our portfolio comprises catalysts, battery materials, engineering plastics, polyurethane systems, automotive and industrial coatings and concrete admixtures as well as construction systems like tile adhesives and decorative paints.

##### Key data Functional Materials & Solutions (in million €)

	2015	2014	Change in %
Sales	18,523	17,725	5
Thereof Catalysts	6,306	6,135	3
Construction Chemicals	2,304	2,060	12
Coatings	3,166	2,984	6
Performance Materials	6,747	6,546	3
EBITDA	2,228	1,678	33
Income from operations before special items	1,649	1,197	38
Income from operations (EBIT)	1,607	1,150	40

## Agricultural Solutions

The Agricultural Solutions segment provides innovative solutions in the areas of chemical and biological crop protection, seed treatment and water management as well as solutions for nutrient supply and plant stress. Our research in plant biotechnology concentrates on plants for greater efficiency in agriculture, better nutrition, and use as renewable raw materials.

### Key data Agricultural Solutions (in million €)

	2015	2014	Change in %
Sales	5,820	5,446	7
EBITDA	1,321	1,297	2
Income from operations before special items	1,090	1,109	(2)
Income from operations (EBIT)	1,083	1,108	(2)

## Oil & Gas

We focus on exploration and production in oil and gas-rich regions in Europe, North Africa, Russia, South America and the Middle East. Together with our Russian partner Gazprom, we are active in the transport of natural gas in Europe. At the end of the third quarter of 2015, we exited the natural gas trading and storage business previously operated together with Gazprom and, in exchange, are expanding our oil and gas production in western Siberia.

### Key data Oil & Gas (in million €)

	2015	2014	Change in %
Sales	12,998	15,145	(14)
EBITDA	2,587	2,626	(1)
Income from operations before special items	1,366	1,795	(24)
Income from operations (EBIT)	1,072	1,688	(36)
Net income	1,050	1,464	(28)

# Statement of income

## BASF Group

Statement of income (in million €)

	2015	2014
<b>Sales revenue</b>	<b>70,449</b>	<b>74,326</b>
Cost of sales	(51,372)	(55,839)
<b>Gross profit on sales</b>	<b>19,077</b>	<b>18,487</b>
Selling expenses	(8,062)	(7,493)
General administrative expenses	(1,429)	(1,359)
Research expenses	(1,953)	(1,884)
Other operating income	2,004	2,231
Other operating expenses	(3,640)	(2,629)
Income from companies accounted for using the equity method	251	273
<b>Income from operations</b>	<b>6,248</b>	<b>7,626</b>
Income from other shareholdings	80	303
Expenses from other shareholdings	(71)	(25)
Interest income	213	207
Interest expenses	(638)	(711)
Other financial income	152	158
Other financial expenses	(436)	(355)
<b>Financial result</b>	<b>(700)</b>	<b>(423)</b>
<b>Income before taxes and minority interests</b>	<b>5,548</b>	<b>7,203</b>
Income taxes	(1,247)	(1,711)
<b>Income before minority interests</b>	<b>4,301</b>	<b>5,492</b>
Minority interests	(314)	(337)
<b>Net income</b>	<b>3,987</b>	<b>5,155</b>
<b>Earnings per share (€)</b>	<b>4.34</b>	<b>5.61</b>
Dilution effect (€)	(0.01)	(0.01)
<b>Diluted earnings per share (€)</b>	<b>4.33</b>	<b>5.60</b>

## Balance sheet

### BASF Group

#### Assets (in million €)

	Dec. 31, 2015	Dec. 31, 2014
Intangible assets	12,537	12,967
Property, plant and equipment	25,260	23,496
Investments accounted for using the equity method	4,436	3,245
Other financial assets	526	540
Deferred tax assets	1,791	2,193
Other receivables and miscellaneous assets	1,720	1,498
<b>Noncurrent assets</b>	<b>46,270</b>	<b>43,939</b>
Inventories	9,693	11,266
Accounts receivable, trade	9,516	10,385
Other receivables and miscellaneous assets	3,095	4,032
Marketable securities	21	19
Cash and cash equivalents	2,241	1,718
<b>Current assets</b>	<b>24,566</b>	<b>27,420</b>
<b>Total assets</b>	<b>70,836</b>	<b>71,359</b>

#### Equity and liabilities (in million €)

	Dec. 31, 2015	Dec. 31, 2014
Subscribed capital	1,176	1,176
Capital surplus	3,141	3,143
Retained earnings	30,120	28,777
Other comprehensive income	(3,521)	(5,482)
<b>Equity of shareholders of BASF SE</b>	<b>30,916</b>	<b>27,614</b>
Minority interests	629	581
<b>Equity</b>	<b>31,545</b>	<b>28,195</b>
Provisions for pensions and similar obligations	6,313	7,313
Other provisions	3,369	3,502
Deferred tax liabilities	3,381	3,420
Financial indebtedness	11,123	11,839
Other liabilities	869	1,197
<b>Noncurrent liabilities</b>	<b>25,055</b>	<b>27,271</b>
Accounts payable, trade	4,020	4,861
Provisions	2,540	2,844
Tax liabilities	1,082	1,079
Financial indebtedness	4,074	3,545
Other liabilities	2,520	3,564
<b>Current liabilities</b>	<b>14,236</b>	<b>15,893</b>
<b>Total equity and liabilities</b>	<b>70,836</b>	<b>71,359</b>

# Statement of cash flows

## BASF Group

### Statement of cash flows (in million €)

	2015	2014
Net income	3,987	5,155
Depreciation and amortization of intangible assets, property, plant and equipment and financial assets	4,448	3,455
Changes in inventories	1,094	(606)
Changes in receivables	1,463	173
Changes in operating liabilities and other provisions	(1,210)	(190)
Changes in pension provisions, defined benefit assets and other items	(317)	(773)
Gains (-)/losses (+) from disposal of noncurrent assets and securities	(19)	(256)
<b>Cash provided by operating activities</b>	<b>9,446</b>	<b>6,958</b>
Payments for property, plant and equipment and intangible assets	(5,812)	(5,296)
Payments for financial assets and securities	(920)	(1,131)
Payments for acquisitions	(215)	(963)
Payments from divestitures	651	1,336
Payments from the disposal of noncurrent assets and securities	1,061	1,558
<b>Cash used in investing activities</b>	<b>(5,235)</b>	<b>(4,496)</b>
Capital increases/repayments and other equity transactions	66	-
Additions to financial and similar liabilities	6,937	6,048
Repayment of financial and similar liabilities	(7,870)	(5,760)
Dividends paid		
To shareholders of BASF SE	(2,572)	(2,480)
minority shareholders	(234)	(286)
<b>Cash used in financing activities</b>	<b>(3,673)</b>	<b>(2,478)</b>
<b>Net changes in cash and cash equivalents</b>	<b>538</b>	<b>(16)</b>
Change in cash and cash equivalents		
From foreign exchange rates	(19)	(90)
changes in scope of consolidation	4	(3)
<b>Cash and cash equivalents at the beginning of the year</b>	<b>1,718</b>	<b>1,827</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>2,241</b>	<b>1,718</b>



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Interim Report 1st Quarter 2016 / Annual Shareholders' Meeting 2016

# April 29, 2016

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Interim Report 1st Half 2016

# July 27, 2016

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Interim Report 3rd Quarter 2016

# October 27, 2016

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Full-Year Results 2016

# February 24, 2017

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Interim Report 1st Quarter 2017 / Annual Shareholders' Meeting 2017

# April 27, 2017 / May 12, 2017

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BASF supports the chemical industry's global Responsible Care initiative.

#### Further information

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You can also order the reports:

- By telephone: +49 621 60-99895
- Online: [basf.com/mediaorders](http://basf.com/mediaorders)

#### Contact

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Phone: +49 180-2-2273111

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[www.basf.com](http://www.basf.com)