

# Invitation to the Annual Shareholders' Meeting of BASF SE

on April 29, 2022

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**BASF SE**  
**Ludwigshafen/Rhine**

# **Invitation to the Annual Shareholders' Meeting**

Dear Shareholders,

We convene this year's Annual Shareholders' Meeting of BASF SE on Friday, April 29, 2022, at 10:00 a.m. (CEST). The Annual Shareholders' Meeting will take place on the company's premises at its headquarters in Ludwigshafen/Rhine, Germany, Carl-Bosch-Straße 38, as a virtual Annual Shareholders' Meeting without the physical presence of shareholders or their authorized representatives, in accordance with Article 2 of the Act to Mitigate the Consequences of the COVID 19 Pandemic under Civil, Insolvency and Criminal Procedure Law of March 27, 2020 (COVID 19 Act).

A video and audio broadcast of the entire virtual Annual Shareholders' Meeting will be accessible to shareholders. Further information about shareholders' participation in the Annual Shareholders' Meeting can be found under II.

## I. Agenda

### 1. Presentation of the adopted Financial Statements of BASF SE and the approved Consolidated Financial Statements of the BASF Group for the business year 2021; presentation of the Management's Reports of BASF SE and the BASF Group for the business year 2021 including the explanatory reports on the data according to Sections 289a and 315a 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 Consolidated Financial Statements of the BASF Group on February 23, 2022. The Financial Statements have thus 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/shareholdersmeeting](http://www.basf.com/shareholdersmeeting).

### 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 €3.40 per qualifying share from the profit retained by BASF SE in the 2021 business year in the amount of €3,928,321,339.23. If the shareholders approve this proposal, a total dividend of €3,105,716,345.60 will be payable on the 913,445,984 qualifying shares as of the date the Financial Statements for the financial year 2021 were prepared by the Board of Executive Directors (February 21, 2022).

The Board of Executive Directors and the Supervisory Board propose that the remaining profit retained of €822,604,993.63 be allocated to the retained earnings reserve.

The aforementioned number of qualifying shares takes into account that at the time of the preparation of the Financial Statements the company owned 5,032,710 of its own shares which are not entitled to dividends according to Section 71b of the German Stock Corporation Act. The number of qualifying shares will further decline by the time of the Annual Shareholders' Meeting as a result of the share buy-back announced on January 4, 2022, and commenced by the company on January 11, 2022. The Board of Executive Directors and Supervisory Board will present to the Annual Shareholders' Meeting an accordingly adapted proposal for a resolution on appropriation of profit, with an unchanged payout of €3.40 per qualifying share as well as accordingly adjusted figures for the total dividend payout and the allocation to retained earnings.

In accordance with Section 58(4) sentence 2 of the German Stock Corporation Act, claims to dividends are payable on the third business day following the Annual Shareholders' Meeting, in this case on Wednesday, May 4, 2022.

### 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 2021 business year.

### 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 2021 business year.

### 5. Appointment of the auditor for the 2022 business year

The Supervisory Board proposes – based on the recommendation of its Audit Committee – that KPMG AG Wirtschaftsprüfungsgesellschaft, Frankfurt/Main, be appointed auditor of the Financial Statements and the Group Consolidated Financial Statements of BASF SE for the 2022 business year.

### 6. Adoption of a resolution approving the Compensation Report in accordance with Section 162 of the German Stock Corporation Act

Following the amendment of the German Stock Corporation Act by the Second Shareholder Rights Directive (ARUG II), the Board of Executive Directors and Supervisory Board are obligated by Section 162 of the German Stock Corporation Act to prepare a Compensation Report which is to be presented to the Annual Shareholders' Meeting for approval in accordance with Section 120a (4) of the German Stock Corporation Act. The Compensation Report for the 2021 business year and the auditor's report on the audit of this Compensation Report can be found under III. in this invitation as well as on the company's website at [www.basf.com/compensationreport](http://www.basf.com/compensationreport).

The Board of Executive Directors and the Supervisory Board propose that the Compensation Report for the 2021 business year be approved.

## 7. Election to the Supervisory Board

The Supervisory Board members Anke Schäferkordt and Franz Fehrenbach, elected by the Annual Shareholders' Meeting on May 3, 2019, have announced they will be resigning their Supervisory Board mandates upon the conclusion of the Annual Shareholders' Meeting 2022.

Article 10 No. 4 sentence 2 of the Statutes stipulates that if a member of the Supervisory Board departs the Board, an election to appoint a substitute should be held at the next Annual Shareholders' Meeting following the departure. In accordance with Article 10 No. 4 sentence 1 of the Statutes, the election is being held for the remainder of the term of the departing members, meaning until the conclusion of the Annual Shareholders' Meeting in 2024.

In accordance with Article 40(2) and (3) of Regulation (EC) No. 2157/2001 of the Council of October 8, 2001, on the Statute for a European Company, Section 17 of the SE Implementation Act, Section 21(3) of the SE Participation Act and Article 10 No. 1 sentence 1 of the Statutes, the Supervisory Board is composed of twelve members. Six of the twelve members are elected by the Annual Shareholders' Meeting. The other six members are elected by the employees in accordance with Article 10 No. 1 sentence 5 of the Statutes in combination with the provisions of the Agreement Concerning the Involvement of Employees in BASF SE of November 15, 2007 (SE Agreement), as amended by the Supplementary Agreement dated November 25, 2015.

Pursuant to Section 17(2) sentence 1 of the SE Implementation Act, the Supervisory Board must consist of at least 30 percent women and at least 30 percent men. The minimum quota is to be fulfilled by the Supervisory Board as a whole unless the shareholder or the employee side objects to joint compliance. The shareholder representative side objected to joint compliance. Consequently, the minimum quota must be fulfilled separately by the shareholder side and the employee side, which must each have at least two women and at least two men. The current composition of the Supervisory Board fulfills this minimum quota as the shareholder side and the employee side each comprise two women and four men.

Based on the recommendation of the Nomination Committee, the Supervisory Board nominates

- a) **Alessandra Genco, Rome, Italy**  
**Chief Financial Officer, Leonardo SpA**
- b) **Prof. Dr. Stefan Asenkerschbaumer,**  
**Stuttgart, Germany**  
**Chairman of the Supervisory Board of Robert Bosch GmbH and Managing Partner of Robert Bosch Industrietreuhand KG**

for election to the Supervisory Board as shareholder representatives, effective upon conclusion of the Annual Shareholders' Meeting on April 29, 2022. If the proposed candidates are elected, the

legal minimum quota for women and men would continue to be fulfilled on the shareholder side. The Annual Shareholders' Meeting is not bound to these proposals for election. Taking into account the proposed candidates, the Nomination Committee is of the view that the Supervisory Board as a whole fulfills the principles for the composition of the Supervisory Board as adopted by the Supervisory Board, including the competence profile, and diversity concept. The principles for the composition of the Supervisory Board as well as its competence profile and diversity concept are published in the Corporate Governance Report 2021, which is accessible online as part of the BASF Report 2021 at [www.basf.com/report](http://www.basf.com/report).

According to the assessment of the Supervisory Board, both candidates are considered to be independent. Neither of the proposed candidates has business or personal relationships with BASF SE or one of its Group companies, the governing bodies of BASF SE or any significant shareholder in BASF SE, which would constitute a conflict of interest.

It is intended to have the Annual Shareholders' Meeting vote separately on the nominations (individual election).

The profiles of the proposed candidates for the election, information about their mandates in supervisory boards and comparable supervisory bodies as well as other information are contained under No. IV.

## 8. Resolution on the authorization to buy back shares in accordance with Section 71(1) No. 8 of the German Stock Corporation Act and to put them to further use with the possibility of excluding shareholders' subscription rights, including the authorization to redeem bought-back shares and reduce capital

The Annual Shareholders' Meeting last authorized the Board of Executive Directors to buy back shares in 2017. This authorization expires on May 11, 2022. Therefore, the possibility of buying back shares should be renewed in order to be able to further optimize the company's capital structure, return capital to the shareholders, and further increase earnings per share in the interests of shareholders.

The Board of Executive Directors and the Supervisory Board propose that the following resolution be adopted:

- a) The Board of Executive Directors is authorized to buy back shares up to April 28, 2027, in an amount of up to 10 percent of the company's share capital at the time that the resolution was passed, or – in the event this amount is lower – of the share capital at the time that the authorization is exercised. The acquired shares in combination with other shares the company previously acquired and still holds or shares attributable to the company in accordance with Sections 71a et seq. of the German Stock Corporation Act may at no point exceed 10 percent of the share capital.

The shares are to be bought back at the discretion of the Board of Executive Directors (i) via the stock exchange, (ii) via a public purchase offer addressed to all shareholders, (iii) via a public request to the shareholders to submit sales offers or (iv) by other means in accordance with Section 53a of the German Stock Corporation Act ((ii) and (iii) hereinafter referred to as "public acquisition offer").

If the purchase is effected on the stock exchange, the purchase price per share paid by the company (excluding incidental purchase costs) may not be more than 10 percent higher or lower than the price of a BASF share determined on the trading day by the opening auction in Xetra trading (or a comparable successor system at the Frankfurt Stock Exchange).

In the event of a public acquisition offer, the company can stipulate a fixed purchase price or a purchase price range per share (excluding incidental purchase costs) within which it is willing to buy back shares. In the public acquisition offer, the company can specify a period for accepting or submitting the offer and the possibility of, and the conditions for, adjusting the purchase price range during the period in the event of significant price changes. In the case of a purchase price range, the purchase price will be determined using the sales prices specified in the shareholders' acceptance or submission declarations and the buy-back volume fixed by the Board of Executive Directors after the end of the offer period.

In the event of a public purchase offer, the purchase price offered per BASF share (excluding incidental purchase costs) may not be more than 10 percent higher or lower than the average closing price of a BASF share in Xetra trading (or a comparable successor system at the Frankfurt Stock Exchange) on the last three trading days prior to the day of the public announcement.

In the event that shareholders are publicly requested to submit sales offers, the purchase price per BASF share determined on the basis of the submitted offers (excluding incidental purchase costs) may not be more than 10 percent higher or lower than the average closing price of a BASF share in Xetra trading (or a comparable successor system at the Frankfurt Stock Exchange) on the last three trading days prior to the day of the publication of the public request to submit sales offers.

The particular details of the individual purchase, especially a public acquisition offer, shall be determined by the Board of Executive Directors. If the number of shares tendered by the shareholders in the case of a public acquisition offer exceeds the purchase volume planned by the company or fixed after the end of the offer period, the company can exclude the shareholders' right to tender (a) for a preferential consideration of tenders with a low number of up to 100 shares per shareholder and (b) for an acquisition of shares in the ratio of the tendered shares.

If, following the publication of a public purchase offer, the trading price deviates significantly from the offered purchase and/or sale price or from the upper and lower limits of any purchase price range, the offer can be adjusted. In this case, the closing price in Xetra trading (or a comparable successor system at the Frankfurt Stock Exchange) on the third trading day prior to the public announcement of the adjustment shall be relevant. In this case, the purchase price limitation of 10 percent higher or lower will apply to this closing price.

- b) The Board of Executive Directors is authorized to sell or transfer company shares purchased on the basis of the above authorization
  - i. via the stock exchange,
  - ii. through an offer addressed to all shareholders,
  - iii. with the approval of the Supervisory Board, to third parties by means other than via the stock exchange or through an offer addressed to all shareholders in return for cash payment at a price that is not significantly lower than the stock exchange price of a BASF share at the time of the sale, or
  - iv. with the approval of the Supervisory Board, to third parties in return for non-cash benefits, particularly in connection with the acquisition of companies, parts of companies or participations in companies (including the increase of existing holdings) or in connection with corporate mergers.

In the cases specified under iii. and iv., the shareholders' subscription right is excluded. The Board of Executive Directors may only make use of the authorization under iii. in such a way that the sum of the company's own shares sold under exclusion of the subscription right according to Section 186(3) sentence 4 of the German Stock Corporation Act and the shares issued during the term of this authorization from authorized capital with the exclusion of the subscription right according to Section 186(3) sentence 4 of the German Stock Corporation Act in return for cash does not as a whole exceed 10 percent of the share capital at the time this authorization comes into force or at the time the authorization is exercised.

- c) The Board of Executive Directors is authorized to redeem the shares bought back by virtue of the authorization without a further resolution of the Annual Shareholders' Meeting and to reduce the share capital by the proportion of the share capital accounted for by the redeemed shares. The Board of Executive Directors can also redeem the shares by a simplified process without reducing the share capital so that the proportion of the other shares in relation to the share capital is increased through the redemption. In the event that the shares are redeemed by the simplified process without any reduction of the share capital, the Board of Executive Directors is authorized to adjust the number of shares in the Statutes.

d) The authorizations to buy back shares and to resell and redeem them according to Sections 1 to 3 may each be exercised wholly or partially one or more times. The authorizations to buy back company shares and to resell them may also be carried out, at the discretion of the Board of Executive Directors, by companies of the BASF Group or by third parties for the account of the company or Group companies.

**9. Resolution on the granting of a new authorization of the Board of Executive Directors to issue convertible bonds and bonds with warrants and to exclude shareholders' subscription rights as well as on the creation of Conditional Capital 2022, the cancellation of Conditional Capital 2017 and the related amendment to the Statutes**

The authorization to issue convertible bonds and bonds with warrants granted under Item 7 by the Annual Shareholders' Meeting of May 12, 2017, expires on May 11, 2022.

The Board of Executive Directors shall once again be authorized with a sufficient scope to issue convertible bonds and bonds with warrants, Conditional Capital 2022 should be created and the existing authorization, which was not utilized, shall be cancelled.

The Board of Executive Directors and Supervisory Board propose that the following resolutions be adopted:

**a) Authorization to issue convertible bonds and bonds with warrants and to exclude shareholders' subscription rights**

i. Bonds with warrants and convertible bonds

The Board of Executive Directors is authorized, with the approval of the Supervisory Board, up until April 28, 2027, on a one-off basis or in portions on more than one occasion to issue bearer or registered convertible bonds and/or bonds with warrants or a combination of these instruments (collectively "Debt Instruments") with or without maturity limitations with a total nominal value of up to €10,000,000,000 and to grant or impose holders and/or creditors ("Holders") of these Debt Instruments conversion or option rights (also with conversion obligations) for up to 91,847,800 registered shares in the company ("BASF shares") with a pro rata amount of share capital of up to €117,565,184 subject to the respective terms and conditions of the Debt Instruments. The Debt Instruments can be issued in exchange for contributions in cash, but also for contributions in kind, particularly shareholdings in other companies.

As well as being issued in euros, the Debt Instruments may also be issued in the legal currency of an OECD country, subject to the euro-equivalent limit. They can also be issued by a dependent Group company in accordance with Section 18 German Stock Corporation Act ("Subsidiary"). In this case, the Board of Executive Directors is authorized, with

the approval of the Supervisory Board, on behalf of the company to take over the unconditional guarantee for the Debt Instruments of the Subsidiary, to grant option or conversion rights or obligations with respect to BASF shares to the Holders of these Debt Instruments, and to make any necessary declarations and take any necessary actions for a successful issuance.

ii. Warrant and conversion rights

When bonds with warrants are issued, one or more warrants will be attached to each individual bond entitling or obliging the holder to subscribe to BASF shares subject to the terms and conditions of the warrants as determined by the Board of Executive Directors. The relevant warrants may be detachable from the respective bonds. The terms and conditions of the warrants may provide that the option price can also be settled by transferring bonds (trade-in) and potentially with an additional cash payment. The subscription ratio is obtained by dividing the nominal amount or the lower issue price of a convertible bond by the respective conversion price stipulated for one BASF share; a provision may be made for an additional cash payment. If fractions of BASF shares arise, provisions may be made that these fractional shares can be added together resulting in the subscription of whole BASF shares in accordance with the warrant terms and conditions (possibly against an additional payment).

In the case of issuance of convertible bonds, the Holders of the convertible bonds have the right and/or the obligation to convert these into BASF shares in accordance with the terms and conditions of the convertible bonds as stipulated by the Board of Executive Directors. The conversion ratio is obtained by dividing the nominal amount or the lower issue price of a convertible bond by the respective conversion price stipulated for one BASF share. The conversion ratio can be rounded up or down to a whole number; moreover, a provision may be made for an additional cash payment. Furthermore, it can be stipulated that fractional shares are to be combined and/or compensated in cash. The terms and conditions of the Debt Instruments can stipulate a fixed or variable conversion ratio.

The pro rata amount of the share capital of the BASF shares to be subscribed per Debt Instrument may not exceed the nominal value of the Debt Instruments.

iii. Conversion obligation

The terms and conditions of the convertible bonds may stipulate a conversion obligation upon maturity of the bond (or at an earlier date or upon a specific event). The pro rata amount of the share capital of the BASF shares to be issued at conversion may not exceed the nominal value of the convertible bonds. Under the terms and conditions of the convertible bonds, the company may

be entitled to fully or partially compensate in cash any difference between the nominal value of the convertible bond and the product of the conversion price and the conversion ratio. Section 9(1) of the German Stock Corporation Act and Section 199(2) of the German Stock Corporation Act shall remain unaffected.

iv. Right to substitute

The bond terms of the convertible bonds and/or bonds with warrants may contain a provision entitling the company to grant BASF shares to Holders of the bond in lieu of the cash payment due (or parts thereof).

The bond terms and conditions of convertible bonds and/or bonds with warrants may also provide that in the event of a conversion or the exercise of an option, the company has the right, instead of granting BASF shares, to pay the cash equivalent of the BASF shares that would otherwise be delivered, calculated as the volume-weighted average price of BASF shares on the Xetra trading system (or a comparable successor system at the Frankfurt Stock Exchange) on ten trading days during a period stipulated in the bond terms and conditions.

The terms and conditions of the Debt Instruments may also provide that Debt Instruments with option rights or conversion rights or obligations may, at the company's discretion, be converted into existing BASF shares rather than new BASF shares from conditional capital, or that the option rights can be settled by the delivery of such BASF shares. The terms and conditions of each Debt Instrument may also provide for a combination of these forms of settlement.

v. Option and conversion price

The conversion or option price to be determined may not be below 80 percent of the price of BASF shares in Xetra trading (or a comparable successor system at the Frankfurt Stock Exchange). The calculation shall be based on the volume-weighted average price of the BASF share over the ten trading days prior to the final decision by the Board of Executive Directors on the submission of an offer for the subscription of Debt Instruments or on the company's notice of acceptance following a public request to submit subscription offers. If the subscription right of the shareholders is not excluded, the calculation can instead be based on the trading price on the stock exchange trading days during the subscription period (with the exception of the days during the subscription period which are necessary to announce the conversion/option price in a timely manner in accordance with Section 186(2) of the German Stock Corporation Act). In the event of the substitution right and the conversion obligation, the conversion or option price can be at least either the abovementioned minimum price or the volume-weighted average price of the BASF shares on the Xetra trading system (or a comparable successor system at

the Frankfurt Stock Exchange) on at least three trading days before the determination of the conversion/option price in accordance with the bond terms and conditions, even if this average share price is below the abovementioned minimum price (80 percent). Section 9(1) of the German Stock Corporation Act and Section 199(2) of the German Stock Corporation Act shall remain unaffected.

vi. Dilution protection

The authorization shall also include the option, subject to the terms and conditions of the respective bonds and/or warrants, to provide dilution protection or other adjustments in certain circumstances. Dilution protection or other adjustments may be provided for in particular if the company changes its capital structure during the term of the bonds and/or warrants (e.g., through a capital increase, a capital decrease or a share split), but also in connection with dividend payments, the issuance of additional convertible bonds or bonds with warrants, transformation measures, and in the case of other events affecting the value of the options or conversion rights that may occur during the term of the bonds and/or warrants (e.g., acquisition of control by a third party). Dilution protection and/or other adjustments may be provided in particular by granting subscription rights, by changing the conversion or option price, or by amending or introducing cash components. Section 9(1) of the German Stock Corporation Act and Section 199(2) of the German Stock Corporation Act shall remain unaffected.

vii. Terms and conditions of the Debt Instruments

The Board of Executive Directors is authorized to stipulate the further terms and conditions of the bonds and/or warrants with the approval of the Supervisory Board, or to establish such terms and conditions by mutual agreement with the corporate bodies of the respective issuing Subsidiary, in particular: issue currency, interest rate, issue price, maturity and denomination, dilution protection terms, conversion and/or option price, and conversion and/or option period.

viii. Subscription right

If shareholders are not offered a direct subscription of the Debt Instruments, they are granted the statutory subscription right in such a way that the Debt Instruments are taken over by a credit institute, a consortium of credit institutes or companies in accordance with Section 186(5) sentence 1 of the German Stock Corporation Act, with the obligation that the Debt Instruments are offered to shareholders for subscription (indirect subscription right). If the Debt Instruments are issued by a Subsidiary, the company must ensure that the statutory subscription right of its shareholders is upheld under the terms of the previous sentence.

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. provided that the Debt Instruments are issued in exchange for cash payment and, in the dutiful estimation of the Board of Executive Directors, the issue price of a Debt Instrument is not significantly lower than its theoretical fair value calculated using recognized mathematical valuation methods. The calculated portion of the share capital represented by the BASF shares to be issued or granted on the basis of the Debt Instruments issued under this authorization with the exclusion of the subscription right must not exceed 10 percent of the share capital, either at the time when such authorization takes effect or – in the event this amount is lower – at the time this authorization is exercised. BASF shares that are sold during the term of this authorization until the date it is utilized with the exclusion of the subscription right according to Section 71(1) No. 8 sentence 5 in combination with Section 186(3) sentence 4 of the German Stock Corporation Act must be credited against the restriction of a maximum of 10 percent of the share capital. Those BASF shares that are issued during the term of this authorization until the date it is utilized from authorized capital with the exclusion of the subscription right according to Section 203(2) sentence 1 in combination with Section 186(3) sentence 4 of the German Stock Corporation Act must also be credited against the restriction of 10 percent of the share capital,
- b. insofar as it is necessary for fractional amounts resulting from the subscription ratio,
- c. insofar as it is necessary to grant the Holders of previously issued Debt Instruments with conversion or option rights and/or obligations a subscription right with respect to BASF shares in the scope to which they would have been entitled to it as shareholders following the exercise of these rights and/or fulfillment of these obligations,
- d. if the Debt Instruments are issued in exchange for contributions or benefits in kind, especially in the context of mergers or for the (also indirect) acquisition of companies, operations, parts of companies, participations or other assets, or entitlements to purchase assets including receivables against the company or its Subsidiaries.

Under this authorization, Debt Instruments may only be issued in exchange for cash or in-kind considerations with the exclusion of subscription rights if the total of the new BASF shares to be issued on the basis of such Debt

Instruments does not exceed in aggregate a calculated portion of 20 percent of the share capital, either at the time when such authorization takes effect or – in the event this amount is lower – at the time this authorization is utilized. The company's shares that were issued during the term of this authorization based on other capital measures with the exclusion of shareholders' subscription rights shall be credited against this maximum amount of 20 percent. This includes in particular shares issued or granted from authorized capital or in connection with a Debt Instrument issued during the term of this authorization on the basis of the utilization of another authorization with the exclusion of the subscription right.

#### **b) Cancellation of Conditional Capital 2017**

The Conditional Capital 2017 approved under Agenda Item 7 by the Annual Shareholders' Meeting of May 12, 2017 and regulated by Article 5 No. 9 of the Statutes in the amount of €117,565,184 shall be cancelled.

#### **c) Creation of Conditional Capital 2022**

The share capital shall be increased conditionally by up to €117,565,184 by issuing a maximum of 91,847,800 new registered BASF shares ("Conditional Capital 2022"). The purpose of the conditional capital increase is to grant shares to Holders of convertible bonds or warrants attached to bonds with warrants issued by the company or a Subsidiary based on the authorization granted to the Board of Executive Directors by the Annual Shareholders' Meeting of April 29, 2022, in effect until April 28, 2027, in accordance with the applicable terms and conditions of the Debt Instruments.

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 until April 28, 2027 under the authorization of the Board of Executive Directors pursuant to a) above by the company or one of its subsidiaries exercise their conversion or option rights and/or fulfill their conversion or option obligations, and provided that no other forms of fulfillment of delivery are used. The new BASF 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. The new BASF shares issued under this provision 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.



**d) Amendment to the Statutes**

Article 5 No. 9 of the Statutes shall be amended as follows:

“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 April 28, 2027, under the authorization granted to the Board of Executive Directors by the Annual Shareholders' Meeting of April 29, 2022, 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 2022”). The shares issued under this provision 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.”

**e) Authorization to amend the Statutes**

The Supervisory Board is authorized to amend Article 5 No. 9 of the Statutes to reflect any use of Conditional Capital 2022 as well as to make all other related amendments to the Statutes which only affect the wording. The same shall apply in the event that the authorization to issue convertible bonds and/or bonds with warrants has not been used upon expiration of the effective term of the authorization and in the event that the Conditional Capital 2022 has not been used or used fully after the expiration of all conversion or exercise periods.

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

### 1. Annual Shareholders' Meeting without the physical presence of shareholders

The Board of Executive Directors of the company has decided to also hold this year's Annual Shareholders' Meeting on the company's premises in Ludwigshafen/Rhine, Germany, Carl-Bosch-Straße 38, as a virtual Annual Shareholders' Meeting without the physical presence of shareholders or their authorized representatives. The Board of Executive Directors is thus making use of the statutory provisions on the holding of a virtual Annual Shareholders' Meeting in accordance with Article 2 Section 1(1) and (2) of the COVID 19 Act in the version amended by the Gesetz zur weiteren Verkürzung des Restschuldbefreiungsverfahrens und zur Anpassung pandemiebedingter Vorschriften im Gesellschafts-, Genossenschafts-, Vereins- und Stiftungsrecht sowie im Miet- und Pachtrecht ["Act to further shorten the residual debt discharge process and to adapt pandemic-related provisions in corporate, cooperative, association and foundation legislation as well as in tenancy and lease legislation"] (COVID 19 Amending Act) of December 22, 2020, whose validity was extended from September 10, 2021 until August 31, 2022, by the Gesetz zur Errichtung eines Sondervermögens „Aufbauhilfe 2021“ und zur vorübergehenden Aussetzung der Insolvenzantragspflicht wegen Starkregenfällen und Hochwassern im Juli 2021 sowie zur Änderung weiterer Gesetze ["Act to establish a special fund "Aufbauhilfe 2021" and to temporarily suspend the insolvency filing requirement due to heavy rainfall and flooding in July 2021 as well as to change other laws"] (COVID 19 Measures Act).

The company's Supervisory Board approved this resolution by the Board of Executive Directors in accordance with Article 2 Section 1(1), (2) and (6) of the COVID 19 Act.

This therefore precludes the physical presence of shareholders or their authorized representatives at the Annual Shareholders' Meeting.

Holding the Annual Shareholders' Meeting 2022 as a virtual Annual Shareholders' Meeting in accordance with the COVID 19 Act and the COVID 19 Amending Act leads to modifications to the procedures of the Annual Shareholders' Meeting as well as to the rights of shareholders:

- A live video and audio broadcast of the entire Annual Shareholders' Meeting will be accessible to all shareholders via the online service at **www.basf.com/asm-service**.
- All shareholders who have registered for the Annual Shareholders' Meeting can exercise their voting rights via postal absentee voting, online absentee voting or by issuing a proxy to company-appointed proxies or to intermediaries, associations of shareholders or proxy advisors.
- Shareholders registered for the Annual Shareholders' Meeting can submit questions to the company via the online service at **www.basf.com/asm-service** until one day prior to the Annual Shareholders' Meeting.
- The countermotions and electoral proposals submitted to the company in accordance with the provisions of Articles 126 and 127 of the German Stock Corporation Act are considered as put forward to the Annual Shareholders' Meeting and will be treated accordingly by the company.

- For the duration of the Annual Shareholders' Meeting, shareholders who have exercised their voting rights can declare their objections to the resolutions of the Annual Shareholders' Meeting via the online service at **www.basf.com/asm-service**.

Moreover, the Board of Executive Directors decided not to utilize the possibility of a shortened convening period offered by Article 2 Section 1(3) sentence 1 of the COVID 19 Act and opted instead to convene the Annual Shareholders' Meeting within the general time limit set out in the German Stock Corporation Act. Accordingly, the company also makes no use of the other shortened timeframes set out in Article 2 Section 1(3) sentence 1 of the COVID 19 Act.

**We ask all shareholders to pay particular attention to the following information about registering for the Annual Shareholders' Meeting, exercising voting rights and other shareholder rights, including the respective applicable deadlines.**

### 2. Registration for the virtual Annual Shareholders' Meeting as a prerequisite for exercising shareholder rights

The only shareholders who are entitled – personally or through proxies – to exercise shareholder rights, including voting rights and the right to ask questions, are those who have registered for the Annual Shareholders' Meeting on April 29, 2022, with the Board of Executive Directors of the company no later than Friday, April 22, 2022, either at the following address

**Hauptversammlung BASF SE**  
**c/o ADEUS Aktienregister-Service-GmbH**  
**20784 Hamburg**  
**Germany**  
**Fax: +49 89 2070 37951**  
**Email: hv-service@basf.com**

or online according to the procedure laid down by the company at

**www.basf.com/asm-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, 2022, are decisive.

Shareholders who would like to register online will require their shareholder number and the corresponding access password. Those shareholders who have registered to receive the notice convening the Annual Shareholders' Meeting by email receive their shareholder number with the email notice convening 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 written notice convening the Annual Shareholders' Meeting.

If an intermediary 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, 2022 (Technical Record Date) up to the end of the Annual Shareholders' Meeting on April 29, 2022, will be executed in the company's share register and take effect only after the Annual Shareholders' Meeting on April 29, 2022.

Owners of American Depositary Shares (ADS) receive the documents for the issue of a proxy from the Bank of New York Mellon (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.

### 3. Video and audio broadcast of the Annual Shareholders' Meeting

For all shareholders, a live video and audio broadcast of the entire Annual Shareholders' Meeting will be transmitted via the online service at [www.basf.com/asm-service](http://www.basf.com/asm-service) on April 29, 2022, starting at 10:00 a.m. CEST. The opening of the Annual Shareholders' Meeting by the meeting chair and the speech of the company's Chairman of the Board of Executive Directors will be broadcast live online on April 29, 2022, and will be accessible to all at [www.basf.com/shareholdersmeeting](http://www.basf.com/shareholdersmeeting) and available as a recording after the conclusion of the Annual Shareholders' Meeting.

### 4. Voting procedures including proxy voting

#### Absentee voting

Shareholders can cast their votes in writing or by way of electronic communication, without attending the Annual Shareholders' Meeting ("absentee voting"). To exercise voting rights, shareholders must register for the virtual Annual Shareholders' Meeting prior to midnight (CEST) on April 22, 2022 (see above, under "Registration for the virtual Annual Shareholders' Meeting as a prerequisite for exercising shareholder rights").

Electronic absentee voting takes place via the online service at [www.basf.com/asm-service](http://www.basf.com/asm-service) using the online form provided there. Electronic absentee voting, including changes to votes, is possible via the online service until the close of voting. The close of voting will be determined by the chair of the meeting at a point in time after the Board of Executive Directors has finished answering questions and will be announced in the video and audio broadcast.

If votes are cast via postal absentee voting, the votes must be received by April 28, 2022, (date of receipt) at the following address:

**Hauptversammlung BASF SE**  
**c/o ADEUS Aktienregister-Service-GmbH**  
**20784 Hamburg**  
**Germany**  
**Fax: +49 89 2070 37951**  
**Email: [hv-service@basf.com](mailto:hv-service@basf.com)**

If votes are cast via postal absentee voting, the shareholder has the possibility to change votes even after the abovementioned deadline by using the online service at [www.basf.com/asm-service](http://www.basf.com/asm-service) until the close of voting during the Annual Shareholders' Meeting.

To revoke votes cast by postal absentee voting, the abovementioned provisions relating to the possibilities for transmission and the deadlines apply accordingly. If a shareholder has already voted via postal absentee voting but would instead like to have his or her voting rights exercised by a representative during the Annual Shareholders' Meeting, this is possible but will revoke the votes cast via postal absentee voting.

Authorized intermediaries, associations of shareholders and proxy advisors in accordance with Section 134(a) of the German Stock Corporation Act as well as persons who have equal status to these in accordance with Section 135(8) of the German Stock Corporation Act are also entitled to utilize postal absentee voting.

#### Voting by company-appointed proxy

Shareholders can be represented at the Annual Shareholders' Meeting by proxies appointed by the company. The proxies can be authorized in text form or via the online service at [www.basf.com/asm-service](http://www.basf.com/asm-service). Issuing proxies and providing instructions to the proxies, including changes to instructions, are possible via the online service at [www.basf.com/asm-service](http://www.basf.com/asm-service) until the close of voting. Please note that, in this case as well, registration must be carried out prior to midnight (CEST) on April 22, 2022 (see above, under "Registration for the virtual Annual Shareholders' Meeting as a prerequisite for exercising shareholder rights"). Beatriz Rosa Malavé and Annette Buchen have been appointed proxies with the sole right of representation. 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.

#### Voting by a proxy holder

In addition to postal absentee voting and voting by proxy, shareholders can have their voting rights exercised by an authorized representative, for example, an intermediary, an association of shareholders or a proxy advisor. In this case as well, the shareholder or the authorized representative must ensure that registration is carried out prior to midnight (CEST) on April 22, 2022 (see above, under "Registration for the virtual Annual Shareholders' Meeting as a prerequisite for exercising shareholder rights").

In the case of an authorization of an intermediary, an association of shareholders, a proxy advisor, 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.

Authorized representatives may likewise exercise voting rights at the Annual Shareholders' Meeting only by postal absentee voting or by authorizing the company-appointed proxies.

A proxy, its revocation, and evidence of the authorization vis-a-vis the company can be sent to the company until April 28, 2022 (date of receipt), to the following address:

**Hauptversammlung BASF SE**  
**c/o ADEUS Aktienregister-Service-GmbH**  
**20784 Hamburg**  
**Germany**  
**Fax: +49 89 2070 37951**  
**Email: hv-service@basf.com**

Proxies can also be authorized online according to the procedure laid down by the company at [www.basf.com/asm-service](http://www.basf.com/asm-service) until the close of voting.

Those intermediaries, associations of shareholders, and proxy advisors that participate in the company's online service can also be authorized online according to the procedure laid down by the company via the online service at [www.basf.com/asm-service](http://www.basf.com/asm-service).

## 5. Forms provided by the company for 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 have registered to receive the invitation to the Annual Shareholders' Meeting by email can access the online service via the link contained in the email at [www.basf.com/asm-service](http://www.basf.com/asm-service) to register and issue proxies. The registration and proxy form are also available at [www.basf.com/asm-service](http://www.basf.com/asm-service).

## 6. Shareholders' right to ask questions in accordance with Article 2 Section 1(2) sentence 1 No. 3 of the COVID 19 Act in combination with Article 11 No. 1 a) and b) of the COVID 19 Amending Act

The shareholders registered for the Annual Shareholders' Meeting are granted an opportunity to ask questions via electronic means of communications in accordance with Article 2 Section 1(2) sentence 1 No. 3 and sentence 2 of the COVID 19 Act in combination with Article 11 No. 1 a) and b) of the COVID 19 Amending Act. In this regard, the Board of Executive Directors has established that questions may be submitted electronically from 09:00 a.m. (CEST) on April 11, 2022, until one day prior to the meeting, i.e., until midnight (CEST) on April 27, 2022, via the online service at [www.basf.com/asm-service](http://www.basf.com/asm-service) using the online form accessible there. Follow-up questions are not possible at the Annual Shareholders' Meeting.

According to Article 2 Section 1(2) sentence 2 of the COVID 19 Act in combination with Article 11 No. 1 a) and b) of the COVID 19 Amending Act, the Board of Executive Directors can decide at its due and free discretion how it answers questions. The Board of Executive Directors therefore reserves the right, in particular, to answer submitted questions individually or an amalgamation of several questions at once as well as to determine the order in which questions are answered in the interests of all shareholders. Questions in languages other than German will not be considered.

Questions must relate to company matters, the company's legal and business relations with associated companies or the situation of the Group and the companies included in the Consolidated Financial Statements, provided that this information is required for the factual assessment of an Item of the Agenda.

When answering questions, the Board of Executive Directors reserves the right to disclose the name of the questioner, provided the questioner did not explicitly object to being identified by name. More information about data protection can be found at [www.basf.com/shareholdersmeeting](http://www.basf.com/shareholdersmeeting).

Shareholders registered for the Annual Shareholders' Meeting can submit their questions to the company electronically via the online service at [www.basf.com/asm-service](http://www.basf.com/asm-service) using the online form provided there. The online form to submit a question will be activated from 09:00 a.m. (CEST) on April 11, 2022, until midnight (CEST) on April 27, 2022.

## 7. Statements by shareholders

In addition, shareholders registered for the Annual Shareholders' Meeting have the possibility to use electronic means of communication to submit written statements to the company via the online service at [www.basf.com/asm-service](http://www.basf.com/asm-service) using the online form provided there. Each shareholder may submit no more than one statement with a maximum length of 5,000 characters. Submissions can be made via the button "Submit statement." These statements, including the name of the submitting shareholder, will be made accessible to all shareholders via the online service. If the shareholder objects to the disclosure of his or her name, the statement will not be made accessible or will be deleted. The company also reserves the right not to publish, in particular, insults or statements that may violate criminal law. Moreover, the company reserves the right to publish a rebuttal to individual statements, including in advance of the Annual Shareholders' Meeting.

The statements submitted by shareholders in this manner can be viewed by all shareholders via the online service at [www.basf.com/asm-service](http://www.basf.com/asm-service) under the button "Submitted shareholder statements" after submission and until the end of the Annual Shareholders' Meeting.

We ask all shareholders to note that questions may only be submitted via the "Submit question" button in the online service. Questions submitted as or included in statements will not be answered by the company.

The online form to submit a statement will be activated from 09:00 a.m. (CEST) on April 11, 2022, until midnight (CEST) on April 27, 2022.

## 8. Objections to resolutions of the Annual Shareholders' Meeting

Shareholders who exercised their voting rights – either themselves or by proxies – can declare their objection to resolutions of the Annual Shareholders' Meeting. Objections must be submitted electronically via the online service at [www.basf.com/asm-service](http://www.basf.com/asm-service) using the online form provided there. Objections are possible as of the beginning of the Annual Shareholders' Meeting until the meeting is closed by the meeting chair. The company-appointed proxies cannot make any objections to the resolutions of the Annual Shareholders' Meeting to be put on the record of the notary certifying the Annual Shareholders' Meeting.

## 9. 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 no-par 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, 2022. Supplements to the Agenda to be announced will – provided that they have not already been announced with the notice convening the meeting – be published in the Federal Gazette (Bundesanzeiger) and online at [www.basf.com/shareholders-meeting](http://www.basf.com/shareholders-meeting) and announced promptly after the request has been received.

## 10. 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 in combination with Article 11 No. 1 b) of the COVID 19 Amending Act

Countermotions 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. Countermotions and electoral proposals sent to other addresses will not be taken into consideration.

**BASF SE**  
**CL/G – D 100**  
**67056 Ludwigshafen**  
**Germany**  
**Fax: +49 621 60-6643693**  
**or +49 621 60-6647843**  
**Email: [hv2022@basf.com](mailto:hv2022@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, 2022, at the above address with evidence of shareholder status will be published promptly on the internet at [www.basf.com/shareholdersmeeting](http://www.basf.com/shareholdersmeeting). Any replies from management will also be published at the above internet address.

Under Article 2 Section 1(2) sentence 2 of the COVID 19 Act in combination with Article 11 No. 1 b) of the COVID 19 Amending Act, the countermotions published in this way are considered as put forward verbally at the Annual Shareholders' Meeting if the shareholder making the countermotion or electoral proposal is properly legitimized and registered for the Annual Shareholders' Meeting and the countermotions will be treated accordingly by the company. This does not affect the right of the meeting chair to first hold votes on the proposals put forward by management.

## 11. Total number of shares and voting rights

The total number of no-par shares issued by the company amounts to 918,478,694. Taking into account the own shares bought back by the company as of the date the Financial Statements were prepared by the Board of Executive Directors (February 21, 2022), the number of no-par shares entitled to attendance and voting rights amounts to 913,445,984.

## 12. Information on the company's website

This notice convening 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 124a of the German Stock Corporation Act, can be found on the company's website at **[www.basf.com/shareholders-meeting](http://www.basf.com/shareholders-meeting)**. The notice of the Annual Shareholders' Meeting is published in the Federal Gazette (Bundesanzeiger) of March 18, 2022. Information on data protection is also available on the aforementioned website of the company.

## 13. BASF Report 2021 and further documents

The reports and financial statements specified under Item 1 of the Agenda and further documents relating to the Annual Shareholders' Meeting 2022 have been published online at **[www.basf.com/shareholdersmeeting](http://www.basf.com/shareholdersmeeting)** and may be accessed there.

### III. Compensation Report pursuant to section 162 of the German Stock Corporation Act (AktG)

Pursuant to section 162 of the German Stock Corporation Act (AktG), the management and supervisory boards of a publicly listed company prepare a clear and understandable report every year. This report outlines the main principles of compensation for the members of the Board of Executive Directors and the Supervisory Board and provides specific information on compensation granted and owed to current and former members of the Board of Executive Directors and Supervisory Board in the 2021 business year.

This report meets the disclosure requirements of section 162 AktG and the applicable accounting rules (HGB, IFRS). Furthermore, the recommendations of the German Corporate Governance Code (GCGC) in the version dated December 16, 2019, have been observed.

Pursuant to section 120a(1) AktG, the current compensation system for the Board of Executive Directors was submitted to the Annual Shareholders' Meeting and approved by a 92.69% majority on June 18, 2020. It has been applicable to all current members of the Board of Executive Directors since January 1, 2020.

#### Compensation of the Board of Executive Directors

##### Principles

The compensation of the Board of Executive Directors is determined by the company's size, complexity and financial position, as well as the performance of the Board of Executive Directors as a whole (Gesamtvorstand). It is designed to contribute to sustainable corporate development and the achievement of strategic corporate goals. The long-term strategic goals communicated as part of BASF's strategy form the key performance indicators for the short-term and long-term variable compensation and thus foster the sustainable and long-term development of the company within the meaning of section 87(1) sentence 2 AktG.

- The strategic target **"yield"** refers to an annual return on capital employed (ROCE) above the cost of capital percentage. The ROCE serves as the key performance indicator for determining the performance bonus (**short-term incentive, STI**).
- The strategic targets **"growth," "profitability"** and **"sustainability"** are represented in the **long-term incentive (LTI)** program.

By taking into account the total shareholder return (development of the share price and dividend), the LTI enables members of the Board of Executive Directors as well as shareholders to participate in the sustainable and long-term development of the company.

The compensation of the Board of Executive Directors is marked by a pronounced variability in relation to the performance of the Board of Executive Directors as a whole and the BASF Group's success. The external and internal appropriateness of the Board's compensation is reviewed by an independent external auditor on a regular basis. DAX listed companies in Germany and globally operating companies in Europe<sup>1</sup> serve as an external reference.

For internal comparison, the compensation of senior executives and employees of BASF SE is considered in total as well as over time.

Based on a proposal by the Personnel Committee, the Supervisory Board determines the structure and amount of compensation of members of the Board of Executive Directors. In the event of significant amendments, but at least every four years, the compensation system resolved by the Supervisory Board is presented to the Annual Shareholders' Meeting for approval.

In very exceptional and unforeseen 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.

Since January 1, 2020, the compensation system for the Board of Executive Directors contains the components listed in the table below with the annual target amounts (including relative portions) valid for the 2021 business year.

Components of the compensation system also include a withholding and clawback clause for variable compensation components 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 length of their Board mandate and beyond.

#### Target compensation and relative share

	Member of the Board of Executive Directors		Vice chair of the Board of Executive Directors		Chair of the Board of Executive Directors	
	€	Share	€	Share	€	Share
Fixed salary	800,000	21%	1,064,000	21%	1,600,000	21%
Regularly provided fringe benefits	50,000	1%	50,000	1%	50,000	1%
Company pension benefits	500,000	13%	665,000	13%	1,000,000	13%
Short-term incentive	1,000,000	27%	1,330,000	27%	2,000,000	27%
Long-term incentive	1,400,000	38%	1,862,000	38%	2,800,000	38%
<b>Total target compensation 2021</b>	<b>3,750,000</b>	<b>100%</b>	<b>4,971,000</b>	<b>100%</b>	<b>7,450,000</b>	<b>100%</b>

<sup>1</sup> The European peer group for the 2019 appropriateness review comprised the following companies: ABB, Air Liquide, Akzo Nobel, BAE Systems, Bayer, BHP, BMW, BP, Continental, Daimler, DSM, E.ON, EDF, Henkel, Linde, Rolls Royce, Royal Dutch Shell, Siemens, Solvay, Thyssenkrupp, Total, and Volkswagen.

## Individual compensation components

### 1. Fixed salary

The fixed salary is a set amount of yearly compensation paid out in equal installments. It is regularly reviewed by the Supervisory Board and adjusted, when appropriate.

The annual fixed salary for a member of the Board of Executive Directors has been €800,000 since January 1, 2017. The fixed salary for the chair of the Board of Executive Directors is two times the value for a Board member, and 1.33 times this value for the vice chair.

### 2. Nonmonetary compensation and other additional compensation (fringe benefits)

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, mobility 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 capped.

The members of the Board are covered by a directors' and officers' liability insurance (D&O insurance) concluded by the company, which includes a deductible. This policy provides for the level of deductibles for the Board of Executive Directors as prescribed by section 93(2) sentence 3 AktG.

## 3. Company pension benefits

### Company pension benefits

- Pension commitment in the form of an external capital investment model with guaranteed benefits (minimum preservation)
- Retirement, disability and surviving dependents' benefits
- Possibility to opt out in favor of an annual pension allowance

The company has offered members of the Board of Executive Directors a pension commitment in the form of an external capital investment model since January 1, 2020. 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 asset management company. 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 minimum preservation of at 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.
- Instead of the pension commitment in the form of an external capital investment model, members of the Board of Executive Directors can choose a pension allowance for private retirement savings. 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 such that there is no further claim to benefits following the conclusion of the Board mandate.

For entitlements from the pension commitment in the form of an external capital investment model, the following applies:

- The pension benefit is paid as a capital payment, possibly in as many as 10 installments.
- Moreover, there is the possibility of choosing an annuity (lifetime pension payment). 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. The same applies for civil partners.
- Current pensions are increased annually by 1% as of January 1.



#### 4. Short-term incentive (STI)

##### Short-term incentive (STI)

- One-year performance period
- The actual amount of the STI is based on the achievement of set operational and strategic targets as well as on the BASF Group's ROCE.
- The payout is limited to 200% of the target amount (cap).
- The payment occurs in May of the following year.

For each business year, an STI with a one-year performance period is granted. The STI is based on the achievement of operational and strategic goals as well as the return on capital employed (ROCE), which is relevant for the compensation of all employees. The actual STI amount is paid in May of the following year.

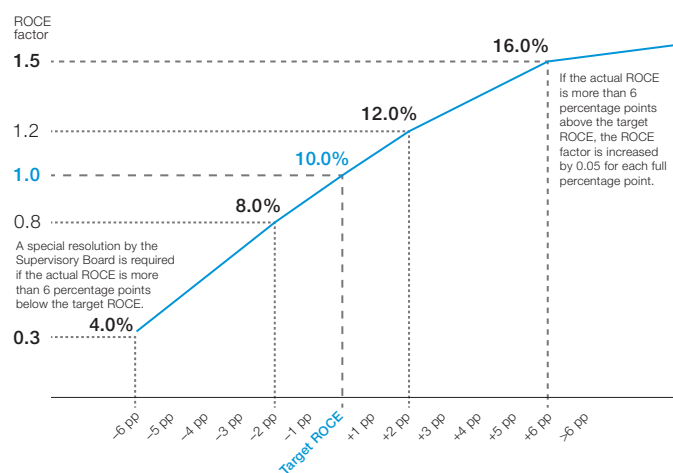
##### ROCE as key performance indicator for one-year variable compensation

With the ROCE as the key performance indicator for the variable compensation, the short-term variable compensation is directly linked to the company's operating success and aligned with the BASF Group's financial goal of earning a premium on the cost of capital. The ROCE of the particular business year serves as the key performance indicator for the success of the company when determining the STI. ROCE is the ratio of income from operations (EBIT) of the segments in relation to the average operating assets of the segments, plus the customer and supplier financing not included there.

For more information on the determination of ROCE and the cost of capital basis, see Our Steering Concept on page 42 of the BASF Report 2021.

The target ROCE for the variable compensation is one percentage point above the cost of capital percentage for the business year, which is determined using the weighted average cost of capital (WACC) approach in accordance with the capital asset pricing model. A ROCE factor is assigned to each relevant ROCE value. If the ROCE is two percentage points or more below the target ROCE, the ROCE factor will decline at a faster rate. The ROCE factor will increase at a slower rate if the ROCE is two percentage points or more above the target ROCE.

##### ROCE factor



The ROCE factor is 1.0 if the ROCE achieved in the business year is one percentage point above the weighted cost of capital percentage (based on the WACC in accordance with the capital asset pricing model) for that year, meaning an appropriate premium on the cost of capital was earned.

In calculating ROCE, adjustments are made for negative and positive special items resulting from acquisitions and divestitures (for example, integration costs in connection with acquisitions and gains or losses from the divestiture of businesses) when these exceed a range of plus or minus 1% of the average cost of capital basis. An adjustment of the ROCE (in the first 12 months after closing) therefore only occurs in cases of exceptionally high special items resulting from acquisitions and divestitures.

For the business year 2021, the target ROCE was 10% with a cost of capital percentage of 9%. This figure is reviewed and communicated annually.

For more information on the determination of ROCE and the cost of capital basis, see Our Steering Concept on page 42 of the BASF Report 2021.

##### Target agreement and performance assessment

In order to assess the performance of the Board of Executive Directors, each year the Supervisory Board sets a target agreement with the Board of Executive Directors as a whole. The target agreement contains:

- One-year operational targets, for example, earnings and financial targets. This includes, for example, EBIT before special items.
- One-year strategic targets relating to the further development of the BASF Group, for example, targets for growth, investment and R&D strategy, and sustainability.

The achievement of operational and strategic targets comprises the performance factor, each with a weight of 50%. These targets are in line with the outlook published in the forecast in the BASF Report. A performance factor with a value between 0 and 1.5 is determined on the basis of the target achievement ascertained by the Supervisory Board. A target achievement rate of 100% equates to a value of 1.0 for the performance factor.

##### Target achievement and performance factor

Target achievement	≤ 50 %	75 %	100 %	≥ 125 %
Performance factor	0	0.5	1.0	1.5

Values between these figures are interpolated.

The payout amount of the STI is determined as follows:

$$\text{Target STI} \times \text{ROCE factor} \times \text{Performance factor} = \text{STI payout (gross)}$$

The payout is limited to 200% of the target amount.

The STI is currently capped at €2,000,000 for a member of the Board of Executive Directors. The maximum amount for the chair of the Board of Executive Directors is two times this value, and 1.33 times this value for the vice chair.

### 5. Long-term incentive (LTI)

The LTI program incentivizes the achievement of the BASF Group’s strategic targets 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.

#### Long-term incentive (LTI)

- Four-year performance period
- The payout amount is determined by the achievement of three agreed strategic targets (growth, profitability, sustainability) and the performance of the BASF share plus the dividends paid (total shareholder return).
- The payout is limited to 200% of the target amount (cap).
- The payout occurs in May after the end of the four-year performance period.

**Allocation:** An LTI plan with a four-year performance period will be allocated for each business year. 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 strategic targets over the four-year performance period, the number of PSUs can in-

crease or decrease. 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 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 the total shareholder return. The LTI plan is vested at the end of the respective four-year performance period and the actual amount is paid out in the following year. The payout is limited to 200% of the target amount (cap).

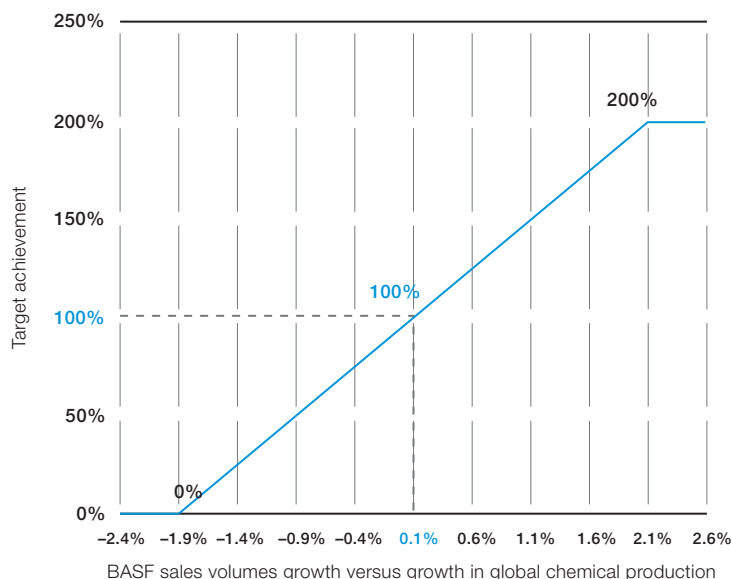
**Determination of target achievement:** The Supervisory Board defines a target value for each of the three strategic targets at the beginning of the four-year performance period, corresponding to a target achievement of 100%, as well as a minimal value, a maximum value and a target achievement curve.

The target achievement rate for each strategic target 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.



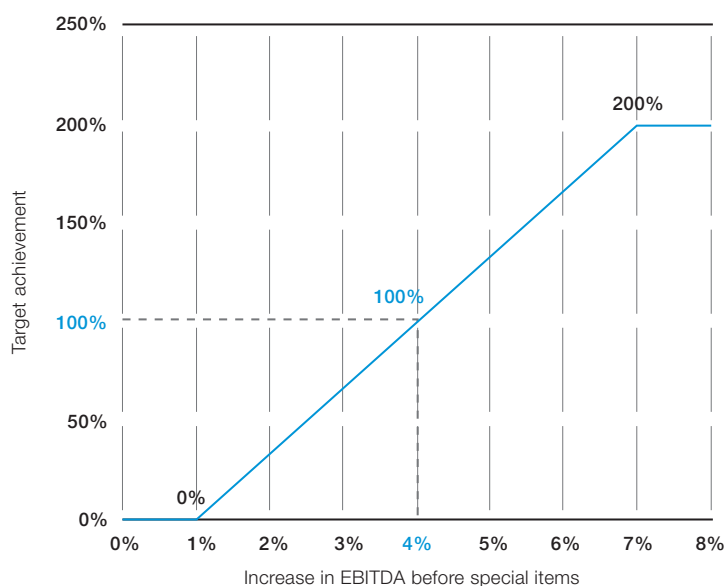
The following targets as communicated by the BASF corporate strategy apply to the LTI plan 2021 (performance period 2021 – 2024):

**Strategic target 1: Grow sales volumes faster than global chemical production every year**



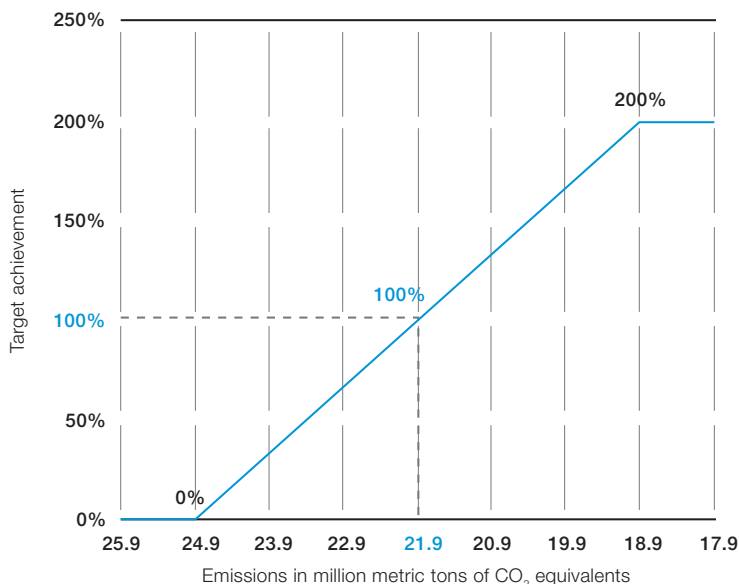
- The target is 100% achieved if BASF grows 0.1 percentage points faster than global chemical production (**target value**).
- If this target value is undercut by two percentage points or more, the target achievement is 0% (**minimum value**).
- If the target value is exceeded by two percentage points or more, the target achievement is 200% (**maximum value**).
- Intermediate values are determined by linear interpolation.
- The target achievement for the entire performance period 2021–2024 is calculated as the arithmetic mean of the degree of target achievements of each of the four years.

**Strategic target 2: Increase EBITDA before special items by 3% to 5% per year**



- If EBITDA before special items increases by 4% (i.e., in the middle of the communicated target corridor of 3% to 5%), the target achievement is 100% (**target value**).
- If EBITDA before special items increases by 1% or less, the target achievement is 0% (**minimum value**).
- If EBITDA before special items increases by 7% or more, the target achievement is 200% (**maximum value**).
- Intermediate values are determined by linear interpolation.
- The starting point for setting the four-year targets is the budget value for the EBITDA before special items for 2021.
- The target achievement for the entire performance period 2021–2024 is calculated as the arithmetic mean of the degree of target achievements of each of the four years.

**Strategic target 3: Grow CO<sub>2</sub>-neutrally until 2030<sup>a</sup>**



- With emissions of 21.9 million metric tons of CO<sub>2</sub> equivalents per year, the target achievement is 100% (**target value**).
- With emissions of 24.9 million metric tons of CO<sub>2</sub> equivalents per year or more, the target achievement is 0% (**minimum value**).
- With emissions of 18.9 million metric tons of CO<sub>2</sub> equivalents per year or less, the target achievement is 200% (**maximum value**).
- Intermediate values are determined by linear interpolation.
- The target achievement for the entire performance period 2021–2024 is calculated as the arithmetic mean of the degree of target achievements of each of the four years.

<sup>a</sup> The sustainability target for the LTI 2021 (2021–2024) set at the beginning of 2021 is based on the target “grow CO<sub>2</sub>-neutrally until 2030” published in 2019. The adjustment to the strategic target made over the course of 2021 is therefore not yet considered in the LTI 2021.

### Share Ownership Guideline

For the duration of their mandate and beyond, 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 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 was determined on January 1, 2020, for members already on the Board of Executive Directors at the time the share ownership obligation was adopted. The conversion into a number of shares to be held is carried out using the average price of the BASF share in the fourth quarter of the year prior to the start of the first-time share ownership guideline.

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 (set-up phase). The set-up phase also applies for members of the Board of Executive Directors who were members as of January 1, 2020, regardless of when they were first appointed, with the stipulation that the share ownership obligation be fulfilled by December 31, 2023.

Members of the Board of Executive Directors must acquire the shares with after-tax net income. It was confirmed to the Supervisory Board that, taking into account the set-up phase, all serving members of the Board of Executive Directors held the required number of BASF shares or ADRs<sup>2</sup> as of December 31, 2021.

### Withholding and clawback clause

Withholding and clawback provisions apply to 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 the duty of care 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 paid out since January 1, 2018. In 2021, no use was made of the possibility to claw back, reduce or cancel the not yet paid variable compensation.

### Caps on compensation (maximum compensation)

The total compensation is capped in accordance with the recommendation of the German Corporate Governance Code (GCGC) and the requirements of section 87a(1) sentence 1 AktG. 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 current 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 compensation	Maximum compensation	Target compensation	Maximum compensation	Target compensation	Maximum compensation
Fixed salary	800,000	800,000	1,064,000	1,064,000	1,600,000	1,600,000
Regularly provided fringe benefits <sup>a</sup>	50,000	100,000	50,000	100,000	50,000	100,000
Company pension benefits	500,000	500,000	665,000	665,000	1,000,000	1,000,000
STI amount	1,000,000	2,000,000 <sup>b</sup>	1,330,000	2,660,000 <sup>b</sup>	2,000,000	4,000,000 <sup>b</sup>
LTI amount	1,400,000	2,800,000 <sup>b</sup>	1,862,000	3,724,000 <sup>b</sup>	2,800,000	5,600,000 <sup>b</sup>
<b>Total compensation 2021</b>	<b>3,750,000</b>	<b>6,200,000</b>	<b>4,971,000</b>	<b>8,213,000</b>	<b>7,450,000</b>	<b>12,300,000</b>

<sup>a</sup> This amount represents the maximum amount (200% of the target amount) in the fiscal year 2021 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, an additional maximum amount for a member of the Board of Executive Directors has been set at €3,000,000.  
<sup>b</sup> Corresponds to 200% of the annual target amount

In the event that the Supervisory Board resolves to adjust the compensation amount prior to the next scheduled say on pay of the compensation

system by the Annual Shareholders' Meeting in 2024, the following maximum compensation amounts would 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 say on pay on the compensation system by the Annual Shareholders' Meeting <sup>c</sup>	7,500,000	9,975,000	15,000,000

<sup>c</sup> This amount contains the maximum amount (200% of the target amount) for regular 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, an additional maximum amount for a member of the Board of Executive Directors has been set at €3,000,000.

<sup>2</sup> BASF ADRs (American Depositary Receipts); four BASF ADRs correspond to one BASF share.

## Variable compensation in 2021

### Short-term incentive (STI)

The STI is based on an annual target agreement between the Supervisory Board and the Board of Executive Directors as well as on the return on capital employed (ROCE). These targets are in line with the outlook for 2021 published in the forecast in the BASF Report 2020. The amount of the STI is calculated by multiplying the target amount by the ROCE factor and by the performance factor derived from the target achievement.

The BASF Group's ROCE was 13.5% in 2021. This resulted in a ROCE factor of 1.3125.

### ROCE

Million €

	2021	2020
EBIT of BASF Group	7,677	-191
EBIT of Other	-641	-1,203
EBIT of the segments	8,317	1,012
<b>Cost of capital basis of segments, average of month-end figures</b>	<b>61,579</b>	<b>60,111</b>
<b>ROCE</b>	<b>13.5</b>	<b>1.7</b>

Based on the target agreement and the following explanation on target achievement, the performance factor amounts to 1.5:

- The earnings target EBIT before special items was significantly exceeded.
- Free cash flow was clearly above target.
- The ROCE target was also significantly exceeded.
- Customer satisfaction improved once again compared with the last survey.
- Sales of products that make a substantial contribution to sustainability (Accelerators) increased considerably.
- Growth investments were slightly under budget but were significantly increased as intended.
- The sustainability profile was significantly enhanced and refined in 2021. A number of important transformational projects were successfully completed.

The weighted target achievement is over 125% and thus corresponds to a performance factor of 1.5. Based on the defined parameters, the STI 2021 for a full-year member of the Board of Executive Directors is calculated as shown below.

Target STI:	X	ROCE factor 2021:	X	Performance factor 2021	=	STI payout (gross)
€1,000,000		1.3125		1.5		€1,968,750

The payment will be made in May 2022.

## LTI target achievement for the performance year 2021

LTI target achievement is determined using the performance indicators for the individual strategic targets, which are defined as follows:

- CO<sub>2</sub> equivalents: Relevant CO<sub>2</sub> emissions include direct emissions (from production processes and the generation of steam and electricity) and indirect emissions (from the purchase of energy). Greenhouse gases are converted into CO<sub>2</sub> equivalents in accordance with the Greenhouse Gas Protocol.
- Volume growth: Growth in BASF's sales volumes, defined as the increase or decrease in product volumes sold, measured at the

respective product prices of the previous year, excluding structural effects (e.g., acquisitions and divestitures). Growth in global chemical production represents annual global growth in the production of chemical products excluding pharmaceuticals. Real global growth rates are calculated based on aggregate, sales-weighted global production data.

- EBITDA before special items of the BASF Group: This metric describes operational performance independent of age-related depreciation and amortization of assets and any impairment or reversal of impairment.

LTI plan 2020: The rates of target achievement for the second year of the four-year performance period 2020 – 2023 were as follows:

### Strategic targets for the LTI 2020 (2020–2023)

		Target/ benchmark 2021	2021 actual	Target achievement 2021 in %
Grow sales volumes faster than global chemical production	(in %)	6.1	10.6	200% <sup>a</sup>
Increase EBITDA before special items by 3% to 5% per year	(in million €)	8,888	11,348	200%
CO <sub>2</sub> -neutral growth, i.e., emissions no greater than 21.9 million metric tons CO <sub>2</sub> equivalents <sup>b</sup>	(in million metric tons of CO <sub>2</sub> equivalents)	21.9	20.2	157%
<b>Weighted target achievement</b>	<b>(in %)</b>			<b>186%</b>

<sup>a</sup> In 2021, BASF's sales volumes (10.6%) grew at a faster rate than global chemical production (6.1% as of February 11, 2022). The target would have been 100% achieved if growth in BASF's sales volumes were 0.1 percentage points higher than global chemical production.

<sup>b</sup> The sustainability target for the LTI 2021 (2021–2024) set at the beginning of 2021 is based on the target "grow CO<sub>2</sub>-neutrally until 2030" published in 2019. The adjustment to the strategic target made over the course of 2021 is therefore not yet considered in the LTI plans 2020 and 2021.

LTI plan 2021: The rates of target achievement for the first year of the four-year performance period 2021–2024 were as follows:

### Strategic targets for the LTI 2021 (2021–2024)

		Target/ benchmark 2021	2021 actual	Target achievement 2021 in %
Grow sales volumes faster than global chemical production	(in %)	6.1	10.6	200% <sup>a</sup>
Increase EBITDA before special items by 3% to 5% per year	(in million €)	7,950	11,348	200%
CO <sub>2</sub> -neutral growth, i.e., emissions no greater than 21.9 million metric tons CO <sub>2</sub> equivalents <sup>b</sup>	(in million metric tons of CO <sub>2</sub> equivalents)	21.9	20.2	157%
<b>Weighted target achievement</b>	<b>(in %)</b>			<b>186%</b>

<sup>a</sup> In 2021, BASF's sales volumes (10.6%) grew at a faster rate than global chemical production (6.1% as of February 11, 2022). The target would have been 100% achieved if growth in BASF's sales volumes were 0.1 percentage points higher than global chemical production.

<sup>b</sup> The sustainability target for the LTI 2021 (2021–2024) set at the beginning of 2021 is based on the target "grow CO<sub>2</sub>-neutrally until 2030" published in 2019. The adjustment to the strategic target made over the course of 2021 is therefore not yet considered in the LTI plans 2020 and 2021.

The degrees of target achievement determined for 2021 are fixed. At the end of the respective four-year performance period, they are added together to one arithmetic mean with the degrees of target achievement in the respective individual years.

**Strategic targets and target achievement for current LTI plans**

**LTI 2020 (2020 – 2023)**

	2020	2021	2022	2023	Target achievement
<b>Strategic target 1:</b>					
Growth	90%	200%	-	-	145%
<b>Strategic target 2:</b>					
Profitability	0%	200%	-	-	100%
<b>Strategic target 3:</b>					
Sustainability	137%	157%	-	-	147%
<b>Weighted target achievement</b>	<b>76%</b>	<b>186%</b>	<b>-</b>	<b>-</b>	<b>131%</b>

**LTI 2021 (2021 – 2024)**

	2021	2022	2023	2024	Target achievement
<b>Strategic target 1:</b>					
Growth	200%	-	-	-	200%
<b>Strategic target 2:</b>					
Profitability	200%	-	-	-	200%
<b>Strategic target 3:</b>					
Sustainability	157%	-	-	-	157%
<b>Weighted target achievement</b>	<b>186%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>186%</b>

**Strategic performance factor (SPF) 2021 for the deferral components from the performance bonus 2018 and 2019**

The deferral components from the performance bonus 2018 (2018 – 2021) and 2019 (2019 – 2022) will be continued as planned and paid out in accordance with the terms of the previous program. To assess the strategic performance, the Supervisory Board will therefore determine a separate strategic performance factor for each of the years 2021 and 2022.

The Supervisory Board determined an SPF<sub>2021</sub> of 1.0 for the performance bonus 2018 (2018 – 2021) and an SPF<sub>2021</sub> of 1.2 for the performance bonus 2019 (2019 – 2022).

Based on the strategic performance factors set over the four-year performance period, the deferral components from the performance bonus 2018 (2018 – 2021) for a full-year member of the Board of Executive Directors is calculated as follows:

Deferral component 2018 (2018 – 2021)	X	$\frac{\text{SPF}_{2018} + \text{SPF}_{2019} + \text{SPF}_{2020} + \text{SPF}_{2021}}{4}$	=	Performance bonus, part 2
€707,200	X	$\frac{0.9 + 1.1 + 1.0 + 1.0}{4}$	=	€707,200

Payment of the performance bonus, part 2, for the 2018 deferral component (2018 – 2021) will be made following the Annual Shareholders' Meeting in 2022.

### Compensation granted and owed for the business year 2021 in accordance with section 162 AktG

In accordance with section 162(1) sentence 1 AktG, the Compensation Report is to report on the **compensation granted and owed** to each individual current or former member of the Board of Executive Directors and the Supervisory Board in the past business year.

According to this, compensation is **granted** when it is actually paid to a member of a governing body and thus passes into their ownership (**payment-oriented view**). Alternatively, it is permissible for the Compensation Report to (already) disclose the compensation for the business year in which the (one-year or multiple-year) activity on which the compensation is based is performed in full (**vesting-oriented view**). This view enables a meaningful comparison, as, for example, the short-term incentive (STI) for 2021 is compared with the business results for 2021. For this reason, we use the vesting-oriented view for compensation granted.

The following table shows the fixed compensation components (fixed salary, fringe benefits, and, if applicable, pension allowances) actually paid in the reporting year to current members of the Board of Executive Directors and members who left the Board of Executive Directors in the 2021 business year. It also shows the short-term incentive 2021 and deferral components of the 2018 performance bonus, variable compensation components that directly relate to the Board of Executive Directors' and the company's performance in the reporting year (vesting-oriented view). Payment will occur in 2022.

The values of pension plan contributions (pension commitment in the form of an external capital investment model with guaranteed benefits) awarded contractually in 2021 to members of the Board of Executive Directors are presented as supplementary disclosures below the table "Compensation granted and owed to active members of the Board of Executive Directors in the business year." If a member of the Board of Executive Directors opts for the pension allowance, the amount will be included in this table under "Other benefits."

### Compensation granted and owed to active members of the Board of Executive Directors in the business year

Thousand €

	Dr. Martin Bruder Müller Chairman of the Board of Executive Directors				Dr. Hans-Ulrich Engel Vice Chairman			
	2021 (absolute)	2021 (relative)	2020 (absolute)	2020 (relative)	2021 (absolute)	2021 (relative)	2020 (absolute)	2020 (relative)
<b>Total fixed salary, fringe benefits and other benefits for the business year</b>	<b>1,652</b>	<b>24%</b>	<b>1,576</b>	<b>74%</b>	<b>1,119</b>	<b>24%</b>	<b>1,073</b>	<b>74%</b>
Fixed salary	1,600	23%	1,520 <sup>b</sup>	71%	1,064	23%	1,011 <sup>b</sup>	70%
Fringe benefits								
Regularly provided fringe benefits	52	1%	56	3%	55	1%	62	4%
Event-related fringe benefits	–	–	–	–	–	–	–	–
Delegation-related fringe benefits	–	–	–	–	–	–	–	–
Other benefits	–	–	–	–	–	–	–	–
<b>Total variable compensation for the business year</b>	<b>5,189</b>	<b>76%</b>	<b>570</b>	<b>26%</b>	<b>3,478</b>	<b>76%</b>	<b>379</b>	<b>26%</b>
One-year variable compensation								
Short-term incentive 2020	–	–	570	26%	–	–	379	26%
Short-term incentive 2021	3,938	58%	–	–	2,618	57%	–	–
Multiple-year variable compensation								
Performance bonus 2018 (2018–2021), part 2 (deferral component)	1,251	18%	–	–	860	19%	–	–
LTI program BOP 2012 (2012–2020) <sup>f</sup>	–	–	–	–	–	–	–	–
<b>Total compensation granted and owed for the business year within the meaning of section 162 AktG</b>	<b>6,841</b>	<b>100%</b>	<b>2,146</b>	<b>100%</b>	<b>4,597</b>	<b>100%</b>	<b>1,452</b>	<b>100%</b>
Supplementary disclosure								
Pension plan contributions	1,000	–	1,000	–	665	–	665	–
<b>Total compensation (including pension plan contributions)</b>	<b>7,841</b>	<b>–</b>	<b>3,146</b>	<b>–</b>	<b>5,262</b>	<b>–</b>	<b>2,117</b>	<b>–</b>

<sup>a</sup> Wayne T. Smith's service contract was terminated early by mutual consent effective May 31, 2021.

<sup>b</sup> The members of the Board of Executive Directors each voluntarily relinquished 20% of their fixed annual salary for the period from April 1 until June 30, 2020.

<sup>c</sup> Payment was made partly in local currency abroad based on a theoretical net salary in Germany.

<sup>d</sup> This figure includes a one-off payment of €3,662 thousand as compensation for the remaining term of Wayne T. Smith's service contract until the end of the company's Annual Shareholders' Meeting 2022, as well as the pro rata pension allowance for private retirement savings of €208 thousand.

<sup>e</sup> Wayne T. Smith opted for the pension allowance for private retirement savings.

<sup>f</sup> For the provisions of the former LTI program (BASF Option Program, BOP), see the explanations on page 29.

<sup>g</sup> In 2020, at the end of the regular term of the LTI program 2012, exercise gains that were realized in 2017 were allocated to Wayne T. Smith in accordance with the special conditions of the U.S. LTI program.



**Compensation granted and owed to active members of the Board of Executive Directors in the business year**

Thousand €

	Saori Dubourg Member of the Board of Executive Directors				Michael Heinz Member of the Board of Executive Directors				Dr. Markus Kamieth Member of the Board of Executive Directors			
	2021 (absolute)	2021 (relative)	2020 (absolute)	2020 (relative)	2021 (absolute)	2021 (relative)	2020 (absolute)	2020 (relative)	2021 (absolute)	2021 (relative)	2020 (absolute)	2020 (relative)
<b>Total fixed salary, fringe benefits and other benefits for the business year</b>	<b>930</b>	<b>26%</b>	<b>1,254</b>	<b>81%</b>	<b>1,020</b>	<b>28%</b>	<b>800</b>	<b>74%</b>	<b>1,152</b>	<b>30%</b>	<b>1,353</b>	<b>83%</b>
Fixed salary	800	22%	760 <sup>b</sup>	49%	800 <sup>c</sup>	22%	760 <sup>b</sup>	70%	800 <sup>c</sup>	21%	760 <sup>b,c</sup>	47%
Fringe benefits												
Regularly provided fringe benefits	130	4%	62	4%	34	1%	40	4%	46	1%	36	2%
Event-related fringe benefits	–	–	432	28%	–	–	–	–	–	–	–	–
Delegation-related fringe benefits	–	–	–	–	186	5%	–	–	306	8%	557	34%
Other benefits	–	–	–	–	–	–	–	–	–	–	–	–
<b>Total variable compensation for the business year</b>	<b>2,676</b>	<b>74%</b>	<b>285</b>	<b>19%</b>	<b>2,676</b>	<b>72%</b>	<b>285</b>	<b>26%</b>	<b>2,676</b>	<b>70%</b>	<b>285</b>	<b>17%</b>
One-year variable compensation												
Short-term incentive 2020	–	–	285	19%	–	–	285	26%	–	–	285	17%
Short-term incentive 2021	1,969	54%	–	–	1,969	53%	–	–	1,969	52%	–	–
Multiple-year variable compensation												
Performance bonus 2018 (2018–2021), part 2 (deferral component)	707	20%	–	–	707	19%	–	–	707	18%	–	–
LTI program BOP 2012 (2012–2020) <sup>f</sup>	–	–	–	–	–	–	–	–	–	–	–	–
<b>Total compensation granted and owed for the business year within the meaning of section 162 AktG</b>	<b>3,606</b>	<b>100%</b>	<b>1,539</b>	<b>100%</b>	<b>3,696</b>	<b>100%</b>	<b>1,085</b>	<b>100%</b>	<b>3,828</b>	<b>100%</b>	<b>1,638</b>	<b>100%</b>
Supplementary disclosure												
Pension plan contributions	500	–	500	–	500	–	500	–	500	–	500	–
<b>Total compensation (including pension plan contributions)</b>	<b>4,106</b>	<b>–</b>	<b>2,039</b>	<b>–</b>	<b>4,196</b>	<b>–</b>	<b>1,585</b>	<b>–</b>	<b>4,328</b>	<b>–</b>	<b>2,138</b>	<b>–</b>

a Wayne T. Smith's service contract was terminated early by mutual consent effective May 31, 2021.

b The members of the Board of Executive Directors each voluntarily relinquished 20% of their fixed annual salary for the period from April 1 until June 30, 2020.

c Payment was made partly in local currency abroad based on a theoretical net salary in Germany.

d This figure includes a one-off payment of €3,662 thousand as compensation for the remaining term of Wayne T. Smith's service contract until the end of the company's Annual Shareholders' Meeting 2022, as well as the pro rata pension allowance for private retirement savings of €208 thousand.

e Wayne T. Smith opted for the pension allowance for private retirement savings.

f For the provisions of the former LTI program (BASF Option Program, BOP), see the explanations on page 29.

g In 2020, at the end of the regular term of the LTI program 2012, exercise gains that were realized in 2017 were allocated to Wayne T. Smith in accordance with the special conditions of the U.S. LTI program.

### Compensation granted and owed to active members of the Board of Executive Directors in the business year

Thousand €

	Dr. Melanie Maas-Brunner Member of the Board of Executive Directors since February 1, 2021				Wayne T. Smith <sup>a</sup> Member of the Board of Executive Directors until May 31, 2021			
	2021 (absolute)	2021 (relative)	2020 (absolute)	2020 (relative)	2021 (absolute)	2021 (relative)	2020 (absolute)	2020 (relative)
<b>Total fixed salary, fringe benefits and other benefits for the business year</b>	<b>878</b>	<b>33%</b>	–	–	<b>4,305</b>	<b>74%</b>	<b>1,583</b>	<b>69%</b>
Fixed salary	733	27%	–	–	333 <sup>c</sup>	6%	760 <sup>b,c</sup>	33%
Fringe benefits								
Regularly provided fringe benefits	41	2%	–	–	7	0%	19	1%
Event-related fringe benefits	104	4%	–	–	–	–	–	–
Delegation-related fringe benefits	–	–	–	–	95	2%	304	13%
Other benefits	–	–	–	–	3,870 <sup>d</sup>	66%	500 <sup>e</sup>	22%
<b>Total variable compensation for the business year</b>	<b>1,805</b>	<b>67%</b>	–	–	<b>1,527</b>	<b>26%</b>	<b>716</b>	<b>31%</b>
One-year variable compensation								
Short-term incentive 2020	–	–	–	–	–	–	285	12%
Short-term incentive 2021	1,805	67%	–	–	820	14%	–	–
Multiple-year variable compensation								
Performance bonus 2018 (2018–2021), part 2 (deferral component)	–	–	–	–	707	12%	–	–
LTI program BOP 2012 (2012–2020) <sup>f</sup>	–	–	–	–	–	–	431 <sup>a</sup>	19%
<b>Total compensation granted and owed for the business year within the meaning of section 162 AktG</b>	<b>2,683</b>	<b>100%</b>	–	–	<b>5,832</b>	<b>100%</b>	<b>2,299</b>	<b>100%</b>
Supplementary disclosure								
Pension plan contributions	458	–	–	–	–	–	–	–
<b>Total compensation (including pension plan contributions)</b>	<b>3,141</b>	–	–	–	<b>5,832</b>	–	<b>2,299</b>	–

a Wayne T. Smith's service contract was terminated early by mutual consent effective May 31, 2021.

b The members of the Board of Executive Directors each voluntarily relinquished 20% of their fixed annual salary for the period from April 1 until June 30, 2020.

c Payment was made partly in local currency abroad based on a theoretical net salary in Germany.

d This figure includes a one-off payment of €3,662 thousand as compensation for the remaining term of Wayne T. Smith's service contract until the end of the company's Annual Shareholders' Meeting 2022, as well as the pro rata pension allowance for private retirement savings of €208 thousand.

e Wayne T. Smith opted for the pension allowance for private retirement savings.

f For the provisions of the former LTI program (BASF Option Program, BOP), see the explanations on page 29.

g In 2020, at the end of the regular term of the LTI program 2012, exercise gains that were realized in 2017 were allocated to Wayne T. Smith in accordance with the special conditions of the U.S. LTI program.

The following table comprises the compensation components in or for the reporting year (pension benefits, non-compete compensation) paid to former members of the Board of Executive Directors who have left the Board since 2012, plus the variable compensation com-

ponents due but not yet paid for the reporting year (deferral component of the 2018 performance bonus and, if applicable, exercise gains from the former LTI program (BASF option program, BOP)).

### Compensation granted and owed to former members of the Board of Executive Directors who left the Board after December 31, 2011<sup>a</sup>

Thousand €

	Sanjeev Gandhi Member of the Board of Executive Directors until December 31, 2019		Dr. Kurt Bock Chairman of the Board of Executive Directors until May 4, 2018		Margret Suckale Member of the Board of Executive Directors until May 12, 2017	
	2021	2020	2021	2020	2021	2020
<b>Fixed salary (share)</b>	<b>73%</b>	<b>100%</b>	<b>64%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Company pension benefits	–	–	880	871	183	181
Other benefits	1,956 <sup>b</sup>	2,148 <sup>b</sup>	12	36	–	–
<b>Variable compensation (share)</b>	<b>27%</b>	<b>0%</b>	<b>36%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>
Multiple-year variable compensation	707	–	492	–	–	–
<b>Total compensation granted and owed for the business year within the meaning of section 162 AktG</b>	<b>2,663</b>	<b>2,148</b>	<b>1,384</b>	<b>907</b>	<b>183</b>	<b>181</b>

a The table presents compensation components granted to the former members following their departure from the Board of Executive Directors.

b Sanjeev Gandhi stepped down from the Board of Executive Directors effective the end of December 31, 2019. Based on the termination agreement, non-compete compensation was agreed for a two-year, post-contractual non-compete obligation.

### Compensation granted and owed to former members of the Board of Executive Directors who left the Board after December 31, 2011<sup>a</sup>

Thousand €

	Dr. Andreas Kreimeyer Member of the Board of Executive Directors until April 30, 2015		Dr. Stefan Marciniowski Member of the Board of Executive Directors until April 27, 2012	
	2021	2020	2021	2020
<b>Fixed salary (share)</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Company pension benefits	577	571	549	543
Other benefits	–	–	2	1
<b>Variable compensation (share)</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>
Multiple-year variable compensation	–	–	–	–
<b>Total compensation granted and owed for the business year within the meaning of section 162 AktG</b>	<b>577</b>	<b>571</b>	<b>551</b>	<b>544</b>

<sup>a</sup> The table presents compensation components granted to the former members following their departure from the Board of Executive Directors.

<sup>b</sup> Sanjeev Gandhi stepped down from the Board of Executive Directors effective the end of December 31, 2019. Based on the termination agreement, non-compete compensation was agreed for a two-year, post-contractual non-compete obligation.

### End-of-service benefits

In the event that a member of the Board of Executive Directors appointed before 2017 retires from employment before the age of 60, either because their appointment was not extended or was revoked for an important reason, they are entitled to pension benefits under the system in effect until 2019 if they have served on the Board for at least 10 years or if the period until they reach legal retirement age is less than 10 years. The company is entitled to offset compensation received for any other employment against pension benefits until the legal retirement age is reached. This rule no longer applies for any member who was appointed to the Board of Executive Directors after January 1, 2017.

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 business year and, if appropriate, also the expected total compensation for the current business 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 of a shareholding of at least 25%, or the increase of such a holding.

If an appointment to the Board of Executive Directors is revoked within one year following a change-of-control event and the Board member has not given cause for the termination, the Board member will receive a one-off gross payment in the amount of the compensation the Board member would have received for the remaining contractual term of mandate. The variable compensation elements (STI and LTI) granted until the end of the contractual term of mandate are calculated based on their respective target amounts. The outstanding pension contributions until the end of the regular contractual term of mandate shall be paid as a one-off gross payment. Total one-off gross payments due to a change of control are limited through the severance payment cap.

In addition, the chair of the Board of Executive Directors will be provided with a company car and a home office for a period of up to two years after the end of their mandate due to retirement and in transition out of their former role. For the pension plan contributions made in the business year, see the supplementary disclosures below the table "Compensation granted and owed to active members of the Board of Executive Directors in the business year" on page 25 ff.

### Accounting valuation of company pension benefits

The present value of pension benefits (defined benefit obligation) is an accounting figure for the entitlements that the Board members have accumulated in their years of service at BASF. The table below shows the defined benefit obligations for the pension entitlements accrued until the end of 2021 in accordance with IFRS (as of December 31 in each case).

### Company pension benefits (in accordance with IFRS)

Thousand €

	Cumulative defined benefit obligation as of December 31, 2021	Cumulative defined benefit obligation as of December 31, 2020
Dr. Martin Bruder Müller	18,823	19,490
Saori Dubourg	6,653	6,611
Dr. Hans-Ulrich Engel	16,048	16,219
Michael Heinz	15,812	16,253
Dr. Markus Kamieth	6,891	7,100
Dr. Melanie Maas-Brunner (Member of the Board of Executive Directors since February 1, 2021)	5,723	–
Wayne T. Smith (Member of the Board of Executive Directors until May 31, 2021)	5,982	6,417
<b>Total</b>	<b>75,932</b>	<b>72,090</b>

### Provisions relating to past multi-year variable compensation components and to the former pension plan

The deferral components from the performance bonus 2018 (2018 – 2021) and 2019 (2019 – 2022) will be continued as planned and paid out in accordance with the terms of the previous program.

### BASF Option Program (BOP)

By resolution of the Supervisory Board, the BASF option program (BOP) was replaced by the new LTI as of January 1, 2020. The BOP was based on the STI paid out for the previous year and required a personal investment in BASF shares of at least 10% of the STI paid. Up to 20% could additionally be declared as a voluntary personal investment (share ownership obligation).

The personal investment must be held for a defined period of time (holding period). The minimum personal investment of 10% is subject to a holding period of four years. For an additional voluntary investment of up to 20%, a holding period of two years applies.

Four options were granted for each BASF share invested personally. After a four-year vesting period, there is a four-year exercise period during which the members of the Board of Executive Directors can individually exercise these options if performance thresholds are met. Once the options are exercised, the computed value of the options is paid out in cash (cash settlement).

Each option consists of right A (absolute performance threshold) and right B (relative performance threshold). At least one of the two conditions must be met in order to exercise the option:

- Performance threshold, right A: BASF share price increases at least 30% compared with the base price on the option allocation date for the LTI plan concerned.
- Performance threshold, right B: The cumulative percentage performance of the BASF share exceeds that of the MSCI World Chemicals Index (outperformance) and the price of the BASF share on the exercise date equals at least the base price.

In total, the maximum exercise gain (cap) is limited to five times the individual investment.

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. Owing to the maximum program duration of eight years, exercise gains from the LTI plans may be paid to members of the Board of Executive Directors up until June 30, 2028, at the latest.

[📄](#) <sup>a</sup>For more information on the LTI program, see page 101 and from page 280 onward of the BASF Report 2021.

### Company pension benefits according to the pension benefit system applicable until December 31, 2019

The pension entitlements acquired until December 31, 2019, under the previous company pension system are retained 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 previous rules.

## Compensation of Supervisory Board members

### Compensation of Supervisory Board members

- Fixed salary: €200,000<sup>a</sup>
- Share purchase and shareholding obligation: 25% of the fixed compensation must be used to purchase shares in BASF; these shares must be held for the duration of membership on the Supervisory Board
- Compensation for the Personnel Committee and the Strategy Committee: €12,500<sup>b</sup>
- Compensation for the Audit Committee: €50,000<sup>b</sup>
- No additional compensation is paid for the Nomination Committee

<sup>a</sup> The amount for the chair of the Supervisory Board is 2.5 times this value, and 1.5 times this value for the vice chair compared with the compensation of a member of the Supervisory Board.

<sup>b</sup> The amount for the chair of a committee is two times this value, and 1.5 times this value for the vice chair.

The compensation of the Supervisory Board is regulated by the Statutes of BASF SE passed by the Annual Shareholders' Meeting.

Since 2017, the compensation of the Supervisory Board has been purely fixed compensation, supplemented by a share purchase and shareholding obligation. The obligation to purchase and hold shares emphasizes the long-term nature of the Supervisory Board's strategic support role.

### Amount of Supervisory Board compensation

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

The compensation of the Supervisory Board is according to a function-related differentiation of the compensation of the chair, vice chair and members. The amount for the chair of the Supervisory Board is 2.5 times this value, and 1.5 times this value for the vice chair compared with the compensation of a member of the Supervisory Board.

### Amount of compensation for serving on a committee

Members of the Supervisory Board who are members of a committee, except for the Nomination Committee, receive an additional annual fixed compensation of €12,500. This appropriately reflects the increased workload of Supervisory Board members serving on committees. For members of the Audit Committee, the further compensation shall be €50,000. The chair of a committee shall receive twice and a vice chair 1.5 times the further fixed compensation.

### Share purchase and shareholding obligation for members of the Supervisory Board

Each member of the Supervisory Board is required to use 25% of their fixed compensation to acquire shares in BASF SE, and to hold these shares for the duration of membership on the Supervisory Board. This does not apply to the amount of compensation that the member of the Supervisory Board transfers to a third party on a pro rata basis as a result of an obligation entered into before their appointment to the Supervisory Board. In this case, the utilization and holding obligation applies to 25% of the remaining compensation after deducting the amount transferred.

The company reimburses 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 directors' and officers' liability insurance (D&O insurance) concluded by the company covers the duties performed by the members of the Supervisory Board.

Total compensation of the Supervisory Board in 2021 was €3.3 million (2020: around €2.9 million). The compensation of the individual Supervisory Board members is listed in the table below.

The compensation of the Supervisory Board does not contain any variable components.

Compensation for membership on the Supervisory Board and its committees, provided it is not withheld for the purpose of acquiring shares, is due after the conclusion of the business year for which the compensation is paid. Beyond the compensation in accordance with the Statutes presented in the table "Compensation granted and owed to members of the Supervisory Board," no Supervisory Board member received any compensation in 2021 for services rendered personally, in particular, the rendering of advisory or agency services.

[For more information on share ownership by members of the Supervisory Board, see page 169 of the BASF Report 2021.](#)

### Compensation granted and owed to members of the Supervisory Board

Thousand €

Serving members of the Supervisory Board as of December 31, 2021	Fixed salary		Compensation for committee memberships		Total compensation	
	2021	2020 <sup>a</sup>	2021	2020	2021	2020
Dr. Kurt Bock, chair since June 18, 2020 <sup>b, c</sup>	500.0	233.3	50.0	29.2	550.0	262.5
Franz Fehrenbach, vice chair <sup>d, e</sup>	300.0	255.0	25.0	33.3	325.0	288.3
Sinischa Horvat, vice chair <sup>f</sup>	300.0	255.0	25.0	25.0	325.0	280.0
Prof. Dr. Thomas Carell	200.0	170.0	–	–	200.0	170.0
Dame Alison Carnwath DBE <sup>g</sup>	200.0	170.0	112.5	112.5	312.5	282.5
Tatjana Diether <sup>h</sup>	200.0	170.0	50.0	50.0	250.0	220.0
Waldemar Helber <sup>i</sup>	200.0	170.0	12.5	12.5	212.5	182.5
Anke Schäferkordt <sup>j</sup>	200.0	170.0	50.0	41.7	250.0	211.7
Denise Schellemans	200.0	170.0	–	–	200.0	170.0
Liming Chen (since October 8, 2020)	200.0	40.0	–	–	200.0	40.0
Roland Strasser	200.0	170.0	–	–	200.0	170.0
Michael Vassiliadis <sup>i, g</sup>	200.0	170.0	75.0	75.0	275.0	245.0
<b>Total compensation granted and owed for the business year within the meaning of section 162 AktG<sup>j</sup></b>	<b>2,900.0</b>	<b>2,143.3</b>	<b>400.0</b>	<b>379.2</b>	<b>3,300.0</b>	<b>2,522.5</b>

<sup>a</sup> The members of the Supervisory Board each voluntarily relinquished 20% of their fixed compensation for the period from April 1, 2020, until December 31, 2020.

<sup>b</sup> Chair of the Personnel Committee since June 18, 2020

<sup>c</sup> Chair of the Strategy Committee since June 18, 2020

<sup>d</sup> Member of the Personnel and Strategy Committees

<sup>e</sup> Member of the Audit Committee until February 29, 2020

<sup>f</sup> Chair of the Audit Committee and member of the Strategy Committee

<sup>g</sup> Member of the Audit Committee

<sup>h</sup> Member of the Strategy Committee

<sup>i</sup> Member of the Audit Committee since March 1, 2020

<sup>j</sup> In comparison with the 2020 Compensation Report, this figure no longer includes the Supervisory Board compensation of the members who left the Supervisory Board in 2020, Dr. Jürgen Hambrecht and Dr. Alexander C. Karp.

### Comparison of earnings development with annual change in compensation

In accordance with section 162(1) sentence 2 no. 2 AktG, the following table shows the annual change in compensation granted and owed to the members of the Board of Executive Directors and Supervisory Board, the annual change in average employee (full-time equivalents) compensation and the annual change in BASF's earnings over the past five business years.

BASF SE's net income is used to represent the company's earnings development. Furthermore, ROCE is used to represent the BASF Group's earnings development, as this has been the primary company success indicator used as a performance criterion to determine

one-year variable compensation since 2018. The return on assets was used as the key performance indicator until the end of 2017.

Average employee compensation is based on the BASF SE employee population, including apprentices, in Germany (full-time equivalents).

Average employee compensation was calculated using personnel expenses (not including company pension benefits or severance payments). It includes wages and salaries (including variable compensation for the business year), fringe benefits and employer contributions to social security.

### Business year

		2018	2019	2020	2021
		2018 vs. 2017 in %	2019 vs. 2018 in %	2020 vs. 2019 in %	2021 vs. 2020 in %
<b>Earnings development / KPIs</b>					
Return on Capital Employed (ROCE) <sup>a</sup>	Percentage change vs. previous year	-22.1% <sup>b</sup>	-35.8%	-77.9%	694.1%
	ROCE in % vs. previous year	(12.0% vs. 15.4%)	(7.7% vs. 12.0%)	(1.7% vs. 7.7%)	(13.5% vs. 1.7%)
Net income of BASF SE <sup>c</sup>	Percentage change vs. previous year	-4.7%	30.8%	1.2%	-0.5%

<sup>a</sup> ROCE is relevant to the one-year variable compensation of the Board of Executive Directors and the employees of the BASF Group from the 2018 business year onward.

<sup>b</sup> Figures for 2018 were restated with the presentation of the construction chemicals activities as discontinued operations.

<sup>c</sup> The indicator net income of BASF SE is not relevant to the variable compensation of the Board of Executive Directors and the employees of the BASF Group.

### Compensation of the Board of Executive Directors

<b>Current members</b>					
Dr. Martin Brudermüller (chair since May 4, 2018)	-20.5%	-6.2%	-18.4%	218.8 %	
Dr. Hans-Ulrich Engel (vice chair since May 4, 2018)	-50.1%	-46.9%	-18.3%	216.6 %	
Saori Dubourg (since May 12, 2017)	-7.9%	4.9%	-6.2%	134.3 %	
Michael Heinz (since May 6, 2011)	-41.8%	-14.3%	-17.9%	240.6 %	
Dr. Markus Kamieth (since May 12, 2017)	-8.4%	-14.0%	23.1%	133.7 %	
Dr. Melanie Maas-Brunner (since February 1, 2021)	-	-	-	-	
<b>Members who left in the business year</b>					
Wayne T. Smith (until May 31, 2021)	-38.0%	-7.7%	41.5%	153.7%	
<b>Former members</b>					
Sanjeev Gandhi (until December 31, 2019)	-29.9%	-3.0%	-28.7%	24.0%	
Dr. Kurt Bock (chair until May 4, 2018)	-66.4%	-72.4%	-0.3%	52.6%	
Margret Suckale (until May 12, 2017)	-83.7%	1.1%	0.6%	1.1%	
Dr. Andreas Kreimeyer (until April 30, 2015)	-81.4%	1.4%	1.6%	1.1%	
Dr. Stefan Marciniowski (until April 27, 2012)	-44.0%	1.7%	1.3%	1.3%	

**Business year**

	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
	2018 vs. 2017 in %	2019 vs. 2018 in %	2020 vs. 2019 in %	2021 vs. 2020 in %
<b>Supervisory Board compensation</b>				
<b>Current members</b>				
Dr. Kurt Bock (chair since June 18, 2020)	–	–	–	109.5%
Franz Fehrenbach (vice chair since May 3, 2019)	0.0%	33.3%	–13.5%	12.7%
Sinischa Horvat (vice chair since May 12, 2017)	50.0%	0.0%	–13.8%	16.1%
Prof. Dr. Thomas Carell (since May 3, 2019)	–	–	27.5%	17.6%
Dame Alison Carnwath DBE	0.0%	0.0%	–9.6%	10.6%
Tatjana Diether (since May 4, 2018)	–	50.1%	–12.0%	13.6%
Waldemar Helber	4.2%	2.0%	–14.1%	16.4%
Anke Schäferkordt	0.0%	0.0%	5.9%	18.1%
Denise Schellemans	0.0%	0.0%	–15.0%	17.6%
Liming Chen (since October 8, 2020)	–	–	–	400.0%
Roland Strasser (since May 4, 2018)	–	50.0%	–15.0%	17.6%
Michael Vassiliadis	0.0%	0.0%	–10.9%	12.2%
<b>Average employee compensation</b>				
BASF SE employees	–4.1%	–1.1%	–1.1%	18.7%

**Further information**

The following symbols indicate further information:



You can find more information in the BASF Report 2021



References and the information that references refer to are not part of the audit of the compensation report.

## Independent Auditor's Report

To BASF SE, Ludwigshafen am Rhein.

### REPORT ON THE AUDIT OF THE REMUNERATION REPORT

We have audited the attached remuneration report of BASF SE, Ludwigshafen am Rhein, for the financial year from January 1, 2021 to December 31, 2021, including the related disclosures, prepared to meet the requirements of Section 162 AktG [Aktiengesetz: German Stock Corporation Act]. We have not audited the content of additional information in the remuneration report specifically marked with "f. ." that goes beyond Section 162 AktG.

#### Responsibilities of Management and the Supervisory Board

The management and the Supervisory Board of BASF SE are responsible for the preparation of the remuneration report, including the related disclosures, in accordance with the requirements of Section 162 AktG. The management and the Supervisory Board are also responsible for such internal control as they have determined necessary to enable the preparation of the remuneration report that is free from material misstatement, whether due to fraud or error.

#### Auditor's responsibilities

Our responsibility is to express an opinion on this remuneration report, including the related disclosures, based on our audit. We conducted our audit in accordance with the German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the remuneration report, including the related disclosures, is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts, including the related disclosures, in the remuneration report. The procedures selected depend on the auditor's professional judgement. This includes an assessment of the risks of material misstatement, whether due to fraud or error, in the remuneration report, including the related disclosures. In assessing these risks, the auditor

considers the internal control system relevant for the preparation of the remuneration report, including the related disclosures. The objective is to plan and perform audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control system. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the Supervisory Board, as well as evaluating the overall presentation of the remuneration report, including the related disclosures.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Opinion

In our opinion, on the basis of the knowledge obtained in the audit, the remuneration report for the financial year from January 1, 2021 to December 31, 2021, including the related disclosures, complies in all material respects with the financial reporting requirements of Section 162 AktG. We have not audited the content of additional information in the remuneration report specifically marked with "f. ." that goes beyond Section 162 AktG.

#### Other matter – formal examination of the remuneration report

The substantive audit of the remuneration report described in this independent auditor's report includes the formal examination of the remuneration report required by Section 162(3) AktG, including issuing an assurance report on this examination. As we have issued an unqualified opinion on the substantive audit of the remuneration report, this opinion includes the conclusion that the disclosures pursuant to Section 162(1) and (2) AktG have been made, in all material respects, in the remuneration report.

#### Limitation of liability

The terms governing this engagement, which we fulfilled by rendering the aforesaid services to BASF SE, are set out in the General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [German Public Auditors and Public Audit Firms] as amended on 1 January 2017. By taking note of and using the information as contained in this auditor's report, each recipient confirms to have taken note of the terms and conditions laid down therein (including the limitation of liability of EUR 4 million for negligence under Clause 9 of the General Engagement Terms) and acknowledges their validity in relation to us.

Frankfurt am Main, February 22, 2022  
KPMG AG  
Wirtschaftsprüfungsgesellschaft  
(Original German version signed by)

Dr. Kaiser  
Wirtschaftsprüfer  
(German public auditor)

Prof. Dr. Schütte-Biastoch  
Wirtschaftsprüferin  
(German public auditor)



## IV. Data according to Article 9 of the SE Regulation in combination with Section 125(1) of the German Stock Corporation Act and further information on the Supervisory Board candidates proposed for election under Item 7 of the Agenda

### Alessandra Genco

Chief Financial Officer of Leonardo SpA, Rome, Italy

#### Personal data

Place of residence: Rome, Italy

Born: August 4, 1973, in Rome, Italy

Nationality: Italian

First-time candidate for the Supervisory Board of BASF SE

#### Education

2001 MBA from the Stanford Graduate School of Business, Stanford, California

1996 M.Sc. in Economics from LUISS Guido Carli University of Rome, Italy

#### Professional career

since 2017 Chief Financial Officer of Leonardo SpA

2014 – 2017 Vice President Group Finance of Leonardo SpA

2006 – 2014 Head of Investments and Portfolio Evaluation of Leonardo SpA

2001 – 2006 Vice President in the Investment Banking Division of Goldman Sachs, New York City, New York

1996 – 1999 Risk Manager at Banca di Roma

#### Mandates

##### a) Memberships of statutory supervisory boards in Germany:

– none

##### b) Memberships in comparable domestic and foreign supervisory bodies of commercial enterprises:

– Elettronica SpA (non-listed company, group mandate), member since April 2016

#### Relevant knowledge, skills and experience

Alessandra Genco has been Chief Financial Officer of Leonardo SpA for more than four years and therefore has profound knowledge of and experience in the governance of a publicly traded and internationally active company. She has proven competencies in finance, accounting and financial reporting. Due to current and previous activities, she has a comprehensive understanding of long-term industrial investment projects, portfolio evaluation as well as investment banking.

#### Independence

Alessandra Genco is not a member of a governing body of, nor does she perform advisory functions for, any significant competitors of BASF SE. She has no personal relationship to BASF SE, its governing bodies, affiliated companies or a significant shareholder in BASF SE and has no business relationship to the BASF Group.

The Supervisory Board has satisfied itself that Alessandra Genco is able to devote the expected amount of time required by the work associated with the Supervisory Board of BASF SE.

## Professor Dr. rer. pol. Stefan Asenkerschbaumer

**Chairman of the supervisory board, Robert Bosch GmbH  
Managing partner, Robert Bosch Industrietreuhand KG (RBIK)**

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### Personal data

Place of residence: Stuttgart, Germany  
Born: April 27, 1956 in Burghausen, Germany  
Nationality: German  
First-time candidate for the Supervisory Board of BASF SE

### Ausbildung

1986	PhD on the subject of innovation management in companies at the University of Erlangen-Nuremberg
1984	Degree in business administration at the University of Erlangen-Nuremberg
1982	Degree in business education at the University of Erlangen-Nuremberg

### Professional career

seit 2022	Chairman of the supervisory board of Robert Bosch GmbH and managing partner of RBIK
2013 – 2021	Deputy Chairman of the Board of Management of Robert Bosch GmbH
2010 – 2013	Member of the Board of Management of Robert Bosch GmbH
2006 – 2010	President, Starter Motors and Generators Division at Bosch
1987 – 2006	Various positions in commercial operations and managing functions within Bosch Group

### Mandates

- a) Memberships of statutory supervisory boards in Germany:**  
– Robert Bosch GmbH (non-listed company), chairman since January 2022
- b) Memberships in comparable domestic and foreign supervisory bodies of commercial enterprises:**  
– none

### Relevant knowledge, skills and experience

Professor Dr. rer. pol. Asenkerschbaumer was Chief Financial Officer and Deputy Chairman of the Board of Management of Robert Bosch GmbH for many years. As a proven expert not only in all fields of finance and accounting, but also in the areas of innovation management, purchasing and planning, he can contribute profound knowledge of the value chains associated with the chemical industry and the entrepreneurial requirements of digitalization to the Supervisory Board.

### Independence

Professor Dr. rer. pol. Stefan Asenkerschbaumer is not a member of a governing body of, nor does he perform advisory functions for, any significant competitors of BASF SE. He has no personal relationship to BASF SE, its governing bodies, affiliated companies or a significant shareholder in BASF SE and has no business relationship to the BASF Group.

The Supervisory Board has satisfied itself that Professor Dr. rer. pol. Stefan Asenkerschbaumer is able to devote the expected amount of time required by the work associated with the Supervisory Board of BASF SE.

## V. Report of the Board of Executive Directors on Item 8 of the Agenda

With regard to Item 8 of the Agenda, in accordance with Article 9 of the SE Regulation in combination with Section 71(1) No. 8 and Section 186(4) sentence 2 of the German Stock Corporation Act, the Board of Executive Directors presents the following report on the authorization to buy back and use the company's own shares and on the exclusion of the subscription right in the reissue of company shares:

The Board of Executive Directors and the Supervisory Board propose that the Company, in accordance with customary business practices, be authorized up to April 28, 2027, to buy back the company's shares in the amount of up to 10 percent of the share capital at the time of the resolution by the Annual Shareholders' Meeting. This authorization shall renew the company's ability to buy back own shares. With a share capital at the level on the day of the approval of the Financial Statements for 2021 and unchanged on the day of the Annual Shareholders' Meeting, the company could buy back a maximum of 91,847,800 of its own shares. Company shares may be bought back both by the company itself and by dependent or majority-owned companies (Group companies) or by third parties acting for account of the company or for account of Group companies.

Company shares can be bought back via the stock exchange or by way of a public purchase offer. The principle of the equal treatment of shareholders according to Section 53(a) of the German Stock Corporation Act must be safeguarded in the offer. The proposed buyback via the stock exchange or by way of the public purchase offer takes this into account. In the event of a public purchase offer, if the number of tendered shares exceeds the purchase volume envisaged by the company, the purchase will be effected proportionately according to the ratio of the tendered shares per shareholder. However, independently of the shares tendered by the shareholder, provisions can be made for a preferential purchase of small numbers up to 100 shares per shareholder. Shares with a tender price fixed by the shareholder at which the shareholder is willing to sell the shares to the company and which is higher than the purchase price fixed by the company will not be taken into consideration in the purchase.

The proposed authorization provides that purchased company shares can be redeemed without a further authorization by the Annual Shareholders' Meeting or sold again on the stock exchange or by way of a public offer to all shareholders. As a rule, the redemption of the company's own shares results in a reduction of the company's share capital. However, the Board of Executive Directors is also authorized to redeem the company's own shares without reducing the share capital according to Section 237(3) No. 3 of the German Stock Corporation Act. This would mean that the proportion of the other shares to the share capital would increase proportionately according to Section 8(3) of the German Stock Corporation Act (notional principle). The principle of equal treatment established under German stock corporation law is safeguarded in the case of both the above selling methods.

The company's shares that have been bought back may also be sold to third parties by the Board of Executive Directors with the approval of the Supervisory Board in return for cash payments with the exclusion of the shareholders' subscription rights, provided that the selling price per share is not significantly lower than the price of company shares

on the stock exchange at the time of the sale. With this authorization, use is made of the possibility of the simplified subscription right exclusion permitted in Section 71(1) No. 8 of the German Stock Corporation Act with appropriate application of Section 186(3) sentence 4 of the German Stock Corporation Act. This enables the Board of Executive Directors to take advantage quickly and flexibly of the opportunities of favorable stock exchange situations and to achieve as high a resale price by means of a close-to-market price determination and thus to achieve as great a strengthening of the share capital as possible or to develop new groups of investors. The authorization is given with the provision that the shares issued with the exclusion of the subscription right may not as a whole exceed 10 percent of the share capital. Those shares that were issued during the term of the reselling authorization from authorized capital with the exclusion of the subscription right according to Section 186 (3) sentence 4 of the German Stock Corporation Act must be credited against the above restriction. The shareholders' pecuniary and voting rights interests are appropriately safeguarded through this method of selling the company's own shares, since the shares sold with the exclusion of subscription rights may only be sold at a price that is not significantly below the stock market price. In general, interested shareholders can maintain their participation quota under comparable conditions by purchasing shares on the stock exchange.

The Board of Executive Directors, with the approval of the Supervisory Board, shall also be authorized to sell the bought-back company shares in return for contributions in kind with the exclusion of the shareholders' subscription right. This will give the company the opportunity, in suitable individual cases on the German market or international markets, to quickly and successfully purchase companies, parts of companies or holdings in companies in exchange for company shares or to participate in corporate mergers in return for transferring the company's own shares. It is not an uncommon outcome of negotiations that shares are to be offered rather than cash as a consideration. The possibility of offering the company's own shares as a consideration instead of or in addition to a cash payment for the acquisition of a company can thus provide an advantage in the case of competition for attractive acquisition objects and permits corporate acquisitions to be carried out while preserving liquidity. This can also be useful from the point of view of an optimal financing structure. With the permission to reissue the company's own shares to acquire companies with the exclusion of the subscription right, the company receives an additional option that can help to shape an acquisition project successfully and thus to support the further development of BASF in the interests of both shareholders and the company. The Board of Executive Directors will study on a case-by-case basis whether the resale or transfer of the company's own shares for the purpose of acquiring companies and the associated exclusion of the subscription right is also in the well-understood interests of the company, taking the shareholders' interests into consideration. In doing so, the Board of Executive Directors will take into account the market price of BASF shares. It will in particular ensure that, in specifying the pricing ratios, the shareholders' interests remain safeguarded.

There are currently no specific plans to use own shares for this purpose. However, the company would like to keep open the option of such a use in the future.

## VI. Report of the Board of Executive Directors on Item 9 of the Agenda

Regarding Item 9 of the Agenda, in accordance with Article 9 of the SE Regulation in combination with Section 221(4) and Section 186(4) sentence 2 of the German Stock Corporation Act, the Board of Executive Directors presents the following report on the exclusion of the subscription right upon issuance of convertible bonds and bonds with warrants:

The authorization to issue convertible bonds and bonds with warrants granted under Item 7 by the Annual Shareholders' Meeting of May 12, 2017, expires on May 11, 2022. The Board of Executive Directors has not made use of this authorization. The Board of Executive Directors shall be reauthorized to issue convertible bonds and bonds with warrants, including for contributions in kind, the Conditional Capital 2017 shall be canceled and a new Conditional Capital 2022 shall be created. The company would then once again have a sufficiently large authorization volume.

The authorization proposed under Item 9 provides that Debt Instruments with a total nominal value of up to €10,000,000,000 can be issued with conversion or option rights and/or obligations with respect to BASF SE shares and that these can be exchanged for consideration in cash or in kind. For this purpose, up to 91,847,800 new registered BASF SE shares with no par value ("BASF shares") with a pro rata amount of share capital of up to €117,565,184 shall be available from the newly created Conditional Capital 2022. Full utilization of this authorization could result in the issue of Debt Instruments which when issued would grant subscription rights to BASF shares equivalent to as much as approximately 10 percent of the current share capital. The authorization expires on April 28, 2027.

Having appropriate capital resources and financing is an important foundation for the company's business development. By issuing convertible bonds and/or bonds with warrants ("Debt Instruments"), the company can, in accordance with the market situation and the company's financing requirements, take advantage of attractive financing opportunities on the capital market, for example, to raise outside capital which may potentially be converted into equity and thus remain with the company. Furthermore, the issuance of Debt Instruments, potentially also as a complement to the use of other instruments such as a capital increase, can enable the company to tap into new groups of investors. The given possibility of establishing conversion obligations in addition to granting conversion and option rights expands the scope of this financing instrument. The proposed authorization gives the company the necessary flexibility to place the Debt Instrument either itself or via a dependent Group company in the meaning of Section 18 German Stock Corporation Act ("Subsidiary"). Debt Instruments can be issued in euros as well as in other legal currencies of OECD countries. Furthermore, the Debt Instruments can be settled by the delivery of BASF shares or the payment of an equivalent cash amount.

The conversion and/or option price may not be below a minimum issue amount whose calculation basis is precisely defined. The basis for the calculation in each case is the stock market price of the BASF shares prevailing at the time of placement of the bonds; alternatively, in case of conversion or option obligations, it is the stock market price of BASF shares prevailing at the time of the final maturity date of the bonds or warrants, subject to the terms and conditions of the Debt

Instruments. Without prejudice to Section 9(1) of the German Stock Corporation Act and Section 199(2) of the German Stock Corporation Act, the conversion and/or option price may be by virtue of a dilution protection or adjustment clause subject to a more precise definition of the respective Debt Instrument's terms and conditions if the Company, for example, changes its capital structure during the term of the bonds or warrants (e.g., through a capital increase, a capital decrease or a stock split). Furthermore, dilution protection or adjustments may be provided for in connection with dividend payments, the issuance of additional convertible bonds and/or bonds with warrants, restructuring/reorganization measures, and in the case of other events affecting the value of the conversion or option rights that may occur during the term of the bonds and/or warrants (e.g., acquisition of control by a third party). Dilution protection or adjustments may be provided for in particular by granting subscription rights, by changing the conversion or option price, or by amending or introducing cash components.

In principle, shareholders have a subscription right when Debt Instruments are issued. In order to simplify the transaction, the company may also make use of the option to issue the Debt Instruments to credit institutions or companies as described in Section 186(5) sentence 1 of the German Stock Corporation Act with the obligation that they offer the Debt Instruments to shareholders in accordance with their subscription rights. However, in the cases stipulated in the authorization, the Board of Executive Directors shall also be entitled to exclude the subscription right with the approval of the Supervisory Board.

Placing the Debt Instruments with the exclusion of shareholders' subscription rights enables the company to take advantage of favorable capital market situations at short notice and thus achieve a larger and faster cash inflow than would be the case if subscription rights were granted. Due to uncertainty surrounding the exercise of subscription rights, the granting of subscription rights could jeopardize the success of a placement or could involve additional expense. Favorable conditions for the company that are as close to the market as possible can be established only if the company is not bound to them for an excessively long offer period. Otherwise, a significant safety margin would be required in order to ensure the attractiveness of the conditions and thus the chances of success of each issue over the entire offer period. Moreover, if foreign currencies are included, the effects of exchange rate fluctuations can be reduced if the subscription rights are excluded and the offer period is correspondingly reduced.

According to Section 221(4) sentence 2 of the German Stock Corporation Act, Section 186(3) sentence 4 of the German Stock Corporation Act applies mutatis mutandis to the exclusion of subscription rights when convertible bonds or bonds with warrants are issued. The restriction of up to 10 percent of the share capital for the exclusion of subscription rights as set out in this provision will not be exceeded due to the express limitation of the authorization. The calculated portion of the share capital represented by the BASF shares to be issued or granted in connection with the Debt Instruments issued under this authorization must not exceed 10 percent of the share capital, either at the time when such authorization takes effect or – in the event this amount is lower – at the time this authorization is exercised. BASF shares that are sold during the term of this authorization until the date

it is utilized with the exclusion of the subscription right according to Section 71(1) No. 8 sentence 5 in combination with Section 186(3) sentence 4 of the German Stock Corporation Act must be credited against the restriction of a maximum of 10 percent of the share capital. Furthermore, those BASF shares that are issued during the term of this authorization from authorized capital with the exclusion of the subscription right according to Section 203(2) sentence 1 in combination with Section 186(3) sentence 4 of the German Stock Corporation Act are to be credited against the above restriction. These credits are applied in the interest of shareholders in order to ensure the smallest possible dilution of their shareholdings.

The interests of the shareholders are safeguarded by the fact that the Debt Instruments may not be issued substantially below their theoretical fair value. The theoretical fair value is to be determined using recognized mathematical valuation methods. In determining the price, the Board of Executive Directors will, taking into account the prevailing situation on the capital market, ensure that the discount on the fair value is as small as possible. This means that the notional value of the right to subscribe to the Debt Instruments will fall to almost zero, so shareholders will not suffer any notable financial disadvantage as a result of the subscription rights exclusion. Furthermore, shareholders have the possibility to maintain their proportion of the company's share capital by acquiring the necessary BASF shares on the stock exchange close to the time that the issue terms for the Debt Instrument are established.

The remaining proposed instances of exclusion of shareholders' subscription rights are designed to facilitate the issuance of Debt Instruments. The exclusion in the case of fractional amounts is reasonable and in line with the market situation in order to achieve a practicable subscription ratio. The customary exclusion of subscription rights for the benefit of Holders of previously issued Debt Instruments has the advantage that the conversion or option price for previously issued Debt Instruments, which often feature a built-in dilution protection mechanism, does not have to be discounted. This means that the Debt Instruments can be placed more attractively in several tranches, which enables the company to achieve a higher cash inflow overall. The proposed subscription right exclusions are therefore in the interests of the company and its shareholders.

Debt Instruments can also be issued in exchange for contributions in kind, provided this is in the company's interest. In this case, the Board of Executive Directors is authorized, with the approval of the Supervisory Board, to exclude the subscription rights of shareholders provided that the value of the contribution in kind is appropriate in relation to the theoretical fair value of the Debt Instruments as calculated according to recognized principles of financial mathematics. This creates the possibility of using Debt Instruments in suitable individual cases as currency for acquisitions, for example, in connection with the acquisition (including indirect acquisition) of companies, parts of companies, participations (although these can also be achieved via merger or other legal transformation measures) or other assets.

The option of offering Debt Instruments as a consideration is essential, especially amid the international competition for interesting acquisition targets, and creates the necessary scope to take advantage of opportunities arising to acquire companies, participations in companies

or other assets while preserving liquidity. This can also be useful from the point of view of an optimal financing structure. In each individual case the Board of Executive Directors will carefully examine whether to use the authorization to issue Debt Instruments with conversion and option rights and/or obligations in exchange for contributions in kind, with the exclusion of subscription rights. The Board will only do so when it is in the interests of the company and therefore its shareholders.

The Conditional Capital 2022 is required in order to be able to settle the conversion and/or option rights and obligations or tender rights with respect to BASF shares in connection with Debt Instruments, unless other types of fulfillment are used to ensure delivery.

There are currently no concrete plans to utilize the authorization to issue convertible bonds and bonds with warrants. The Board of Executive Directors will carefully review in each case whether the use of the authorization is in the interests of the company and its shareholders. It will only exclude the shareholders' subscription right when this is in the well-understood interests of the company.

The Board of Executive Directors will inform the Annual Shareholders' Meeting about each use of this authorization at the subsequent Annual Shareholders' Meeting.

Ludwigshafen/Rhine, March 18, 2022

BASF SE

The Board of Executive Directors

Quarterly Statement Q1 2022 / Annual Shareholders' Meeting 2022

# April 29, 2022

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Half-Year Financial Report 2022

# July 27, 2022

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Quarterly Statement Q3 2022

# October 26, 2022

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BASF Report 2022

# February 24, 2023

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Quarterly Statement Q1 2023 / Annual Shareholders' Meeting 2023

# April 27, 2023

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