

Invitation to the Annual Shareholders' Meeting of BASF SE

on April 27, 2023

 **BASF**

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BASF SE
Ludwigshafen/Rhine

Invitation to the Annual Shareholders' Meeting

Dear Shareholders,

Please accept our cordial invitation to this year's Annual Shareholders' Meeting of BASF SE on Thursday, April 27, 2023, 10:00 a.m., in the Congress Center Rosengarten, Rosengartenplatz 2, 68161 Mannheim, Germany.

I. Agenda

1. Presentation of the adopted Financial Statements of BASF SE and the approved Consolidated Financial Statements of the BASF Group for the business year 2022; presentation of the Management's Reports of BASF SE and the BASF Group for the business year 2022 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 22, 2023. 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 and can be accessed at 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 2022 business year in the amount of €3,848,723,499.63. If the shareholders approve this proposal, a total dividend of €3,034,965,351.20 will be payable on the 892,636,868 qualifying shares as of the date of the preparation of the Financial Statements for the 2022 business year (February 20, 2023).

The Board of Executive Directors and the Supervisory Board propose that the remaining profit retained of €813,758,148.43 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 1,218,061 of its own shares which are not entitled to dividends according to Section 71b of the German Stock Corporation Act. Should the number of qualifying shares for the 2022 business year change by the date of the Annual Shareholders' Meeting, 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 dividend 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 May 3, 2023.

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 2022 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 2022 business year.

5. Appointment of the auditor for the 2023 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 2023 business year.

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

The Board of Executive Directors and the 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 Shareholders' Meeting for approval in accordance with Section 120a(4) of the German Stock Corporation Act. The Compensation Report for the 2022 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 at www.basf.com/compensationreport.

The Board of Executive Directors and the Supervisory Board propose that the Compensation Report for the 2022 business year be approved.

7. Adoption of a resolution on an addition to Article 17 of the Statutes enabling shareholders to participate in the Shareholders' Meeting and exercise shareholder rights via means of electronic communication

The current Statutes do not allow for shareholders to exercise their rights via electronic means of communication if the Shareholders' Meeting is held in person. According to Section 118(1) sentence 2 of the German Stock Corporation Act, the Statutes can stipulate or authorize the Board of Executive Directors to stipulate that shareholders may participate in the Shareholders' Meeting without being physically present at the location of the event and without a proxy and may exercise all or individual rights entirely or partially via electronic means of communication. To allow for the possibility of holding the Shareholders' Meeting as a hybrid event in the future, if appropriate, a corresponding

authorization of the Board of Executive Directors should be included in the Statutes. This would enable shareholders to also participate virtually in a Shareholders' Meeting held in person. The Board of Executive Directors will decide for each future Shareholders' Meeting, taking into consideration the specific circumstances of each individual case and the technological possibilities, whether to make use of this authorization and in which form, if any, online participation will be offered.

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

Article 17 of the Statutes is to be supplemented by the following new No. 3, which will result in the existing No. 3 becoming the new Article 17 No. 4:

"3. The Board of Executive Directors is authorized to make provisions enabling shareholders to participate in the Shareholders' Meeting without being present at the location and without a proxy and to exercise all or individual shareholder rights entirely or partially by electronic means of communication. The Board of Executive Directors shall also define the details of the procedure, which it announces with the convening of the Shareholders' Meeting."

8. Adoption of a resolution on an addition to Article 17 of the Statutes to authorize the Board of Executive Directors to stipulate the Shareholders' Meeting be conducted virtually

Germany's Gesetz zur Einführung virtueller Hauptversammlungen von Aktiengesellschaften und Änderung genossenschafts- sowie insolvenz- und restrukturierungsrechtlicher Vorschriften ["Act on the Introduction of Virtual General Meetings of Stock Corporations and Amendment of Cooperative, Insolvency and Restructuring Law Provisions"] (Federal Law Gazette I No. 27 2022, p. 1166ff) allows, in the future as well, Shareholders' Meetings to be held without shareholders or their proxies being physically present at the location of the Shareholders' Meeting ("virtual Shareholders' Meeting"). In accordance with Section 118a(1) sentence 1 of the German Stock Corporation Act, the Statutes can stipulate or authorize the Board of Executive Directors to stipulate that the Shareholders' Meeting will be held as a virtual Shareholders' Meeting.

The Statutes shall be amended to add a corresponding authorization of the Board of Executive Directors. However, the authorization shall be valid for less than the maximum five-year period foreseen in the Act. Instead, the authorization shall initially only be valid for two years after the amendment of the Statutes is entered into the company's Commercial Register. This gives shareholders the opportunity at an earlier point in time to decide on a renewal of the authorization of the Board of Executive Directors to conduct a virtual Shareholders' Meeting.

During the two-year period of the authorization, the Board of Executive Directors will decide for each future Shareholders' Meeting, taking into consideration the specific circumstances of each individual case, whether to make use of this authorization and in which form the Shareholders' Meeting should be convened as a virtual Shareholders' Meeting. When making its decisions, the Board of Executive Directors will consider in particular the interests of shareholders and take account of, inter alia, the appropriate safeguarding of shareholder rights as well as aspects of health protection for participants, effort and costs as well as sustainability considerations.

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

Article 17 of the Statutes is to be supplemented by the following new No. 5:

"5. The Board of Executive Directors is authorized to stipulate that the Shareholders' Meeting be held without the physical presence of shareholders or their proxies at the location of the Shareholders' Meeting (virtual Shareholders' Meeting). The authorization is valid for the holding of virtual Shareholders' Meetings during a period of two years following the entry of this provision of the Statutes in the company's Commercial Register."

9. Adoption of a resolution on an addition to Article 17 of the Statutes to enable Supervisory Board members to participate in the Shareholders' Meeting via video and audio broadcast

According to Section 118(3) sentence 1 of the German Stock Corporation Act, members of the Supervisory Board shall as a rule participate (in person) in the Shareholders' Meeting. However, in accordance with Section 118(3) sentence 2 of the German Stock Corporation Act, the Statutes can define certain instances in which members of the Supervisory Board may be allowed to participate in the Shareholders' Meeting via video and audio broadcast. This possibility shall be used to enable the Supervisory Board members' participation in situations in which their physical presence at the location of the Shareholders' Meeting is not possible or would only be possible with considerable effort, or in the event a virtual Shareholders' Meeting is held.

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

Article 17 of the Statutes is to be supplemented by the following new No. 6:

“6. The participation of the Supervisory Board members in the Shareholders' Meeting may take place via video and audio broadcast in instances where the members' physical presence at the location of the Shareholders' Meeting is impossible or only possible with considerable effort owing to statutory restrictions, their stay outside of Germany, their required presence at another location within the country, or an unreasonably long journey to the destination, or in the event that the Shareholders' Meeting is held as a virtual Shareholders' Meeting without the shareholders or their representatives being physically present at the location of the Shareholders' Meeting.”

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

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

The only persons who are entitled – personally or through proxies – to attend the Annual Shareholders' Meeting and exercise their voting rights are those shareholders who have registered with the Board of Executive Directors of the company not later than Thursday, April 20, 2023, 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 20, 2023, are decisive.

Shareholders who would like to register via the online service will require their shareholder number and the corresponding access password. Those shareholders who are registered for the email transmission of the invitation to the Annual Shareholders' Meeting shall receive the necessary information in the email invitation to the Annual Shareholders' Meeting. All other shareholders entered in the share register shall receive their shareholder number and their access password by post with the written invitation to the Annual Shareholders' Meeting.

Shareholders who register via the online service and order a ticket to attend the Annual Shareholders' Meeting have the option to print out their admission ticket directly or have the ticket sent to them via e-mail or by post. Unlike the registration for the Annual Shareholders' Meeting, the admission ticket is not a prerequisite for attendance but merely serves to simplify the procedure at the entrance to the Annual Shareholders' Meeting.

If 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 20, 2023 (Technical Record Date) up to the end of the Annual Shareholders' Meeting on April 27, 2023 will be executed in the company's share register and take effect only after the Annual Shareholders' Meeting on April 27, 2023.

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.

2. 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 Annual Shareholders' Meeting prior to midnight on April 20, 2023 (see above, under "Requirements for attending the Annual Shareholders' Meeting and exercising voting rights").

Electronic absentee voting takes place via the online service at 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 start of voting. The start of voting will be determined and announced by the chairman of the meeting at a point in time after the Board of Executive Directors has finished answering questions.

If votes are cast via postal absentee voting, the votes must be received by April 26, 2023, (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

To change or revoke votes cast by absentee voting outside of the online service, the abovementioned provisions relating to the possibilities for transmission and the deadlines apply accordingly.

If shareholders have already voted via absentee voting but would instead like to personally exercise their voting rights or have these exercised by a representative during the Annual Shareholders' Meeting, this is possible but will revoke the votes cast via 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 absentee voting.

Voting by company-appointed proxy

As a service, we offer our shareholders the possibility of being represented at the Annual Shareholders' Meeting by proxies appointed by the company. The proxies can be authorized in text form or via the online service at www.basf.com/asm-service. Issuing, changing or revoking a proxy and instructions to the proxies undertaken outside of the online service must reach the company at one of the aforementioned addresses. Issuing proxies and providing or changing instructions to the proxies are possible via the online service until the start of voting.

On the day of the Annual Shareholders' Meeting, proxies and instructions to the company-appointed proxies may also be issued, changed, or revoked at the special counter in the entrance area.

Please note that in these cases as well, registration must be carried out prior to midnight on April 20, 2023 (see above, under "Requirements for attending the Annual Shareholders' Meeting and exercising voting rights"). Beatriz Rosa Malavé and Annette Buchen have been appointed proxies with the sole right of representation. The proxies exercise the voting rights solely on the basis of the instructions provided. 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.

If a shareholder has already issued a proxy and voting instructions to the company-appointed proxies but would instead like to personally exercise his or her voting rights or have these exercised by a representative during the Annual Shareholders' Meeting, this is possible but will revoke the issuance of the proxy and the instructions to the company-appointed proxies.

Voting by an authorized representative

In addition to absentee voting and voting by proxy, shareholders entered in the share register can have their voting rights in the Annual Shareholders' Meeting exercised by an authorized representative, for example, an intermediary, an association of shareholders or a proxy advisor. In this case as well, shareholders must register for the Annual Shareholders' Meeting prior to midnight on April 20, 2023 (see above, under "Requirements for attending the Annual Shareholders' Meeting and exercising voting 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 respective offer for exercising the voting right by the authorized representative.

The issuing of a proxy, its revocation, and evidence of the authorization vis-à-vis the company can be sent to the company at the following address:

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

In addition, proxies can be issued or revoked via the online service at www.basf.com/asm-service until the start of voting.

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

On the day of the Annual Shareholders' Meeting, the issuing of a proxy, its revocation, and evidence of the authorization vis-à-vis the company are also possible at the special counter in the entrance area.

3. Forms provided by the company for registration and issuing proxies

For the registration or issuing proxies, the form provided 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 will receive the necessary information with the email invitation to the Annual Shareholders' Meeting. The registration and proxy form is also available at www.basf.com/asm-service.

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

4. BASF Report and further documents

The reports and financial statements specified under Item 1 of the Agenda and further documents relating to the Annual Shareholders' Meeting 2023 have been published online at www.basf.com/shareholdersmeeting and may be accessed there.

The currently valid Statutes are accessible at: www.basf.com/corporategovernance and will also be accessible there during the Annual Shareholders' Meeting.

5. Statements by shareholders

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 using the online form provided there. Each shareholder may submit no more than one statement. The written statement may have a total length of no more than 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 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 can only be asked at the Annual Shareholders' Meeting. Questions submitted as or contained in statements will not be answered by the company.

The online form to submit a statement will be activated from 09:00 a.m. on April 11, 2023, until midnight on April 25, 2023.

6. 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 be addressed to the Board of Executive Directors of the company and must have been received by the company by midnight on March 27, 2023. Please send any such requests to the following address:

BASF SE
The Board of Executive Directors
c/o CL/G – C007
67056 Ludwigshafen
Germany
Or via email to: hv2023@basf.com

Supplements to the Agenda to be announced will – provided that they have not already been announced with the notice of meeting – be published in Germany's Federal Gazette and on

the internet at www.basf.com/shareholdersmeeting and announced and communicated to the shareholders promptly after the request has been received.

Those making the request must prove that they have been the owners of the shares for at least 90 days prior to the receipt of the request and hold the shares until the Board of Executive Directors decides on the request.

7. Motions and electoral proposals by shareholders according to Article 53 Regulation (EC) No. 2157/2001 (SE Regulation) and Sections 126(1) and 127 of the German Stock Corporation 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, in the event of an election to the Supervisory Board, 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 – C007
67056 Ludwigshafen
Germany
Fax: +49 621 60-6643693
Email: hv2023@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 12, 2023, at the above address with evidence of shareholder status will be published promptly on the internet at www.basf.com/shareholdersmeeting. Any replies from management will also be published at the above internet address.

8. Total number of shares and voting rights

The total number of no-par shares issued by the company is 893,854,929. Taking into account the own shares that had been acquired by the company as of the date of the preparation of the financial statements by the Board of Executive Directors (February 20, 2023), the number of no-par shares entitled to attendance and voting rights is 892,636,868.

9. Rights of the shareholder to information according to Article 53 Regulation (EC) No. 2157/2001 (SE Regulation) and Section 131(1) of the German Stock Corporation Act

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

10. 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 and information about shareholders' rights can be found on the company's website at www.basf.com/shareholdersmeeting.

The notice of the Annual Shareholders' Meeting will be published in Germany's Federal Gazette on March 16, 2023.

11. Video and audio broadcast of the Annual Shareholders' Meeting

For all shareholders of BASF SE, 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 on April 27, 2023, starting at 10:00 a.m. 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 27, 2023, and will be accessible to all at www.basf.com/shareholdersmeeting and available as a recording after the conclusion of the Annual Shareholders' Meeting.

The live broadcast of the Annual Shareholders' Meeting does not enable participation in the Annual Shareholders' Meeting in accordance with Section 118(1) sentence 2 of the German Stock Corporation Act.

12. Data protection

As the responsible party, in connection with the implementation of the Annual Shareholders' Meeting, BASF SE processes personal data, in particular contact information and information about shareholdings, in order to ensure the proper conduct of the Meeting, to enable the exercising of shareholders' rights and to meet its obligations under (stock corporation) law. The processing occurs to safeguard justified interests and/or to fulfil legal obligations. You can find further information about data processing and your rights (information on, rectification of, limiting the processing of, objection to, deletion of and transmission of your data as well as complaints to the responsible supervisory authority) on the company's website at www.basf.com/data-protection-eu.

If you have any questions, please contact BASF SE's Data Protection Officer, Alexandra Haug, BASF SE, Carl-Bosch-Str. 38, 67056 Ludwigshafen/Rhine, Germany, or via email at: data-protection@basf.com.

III. Reports and annexes pertaining to Agenda Items

Information about Agenda Item 6: Compensation Report including audit opinion of the auditor in accordance with Section 162 of the German Stock Corporation Act for the 2022 business year.

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 compensation 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 2022 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 April 28, 2022, have been observed.

The Compensation Report for 2021, which was prepared for the first time in accordance with the new provisions of Section 162 AktG, was approved by the Annual Shareholders' Meeting with a majority of 94.42% on April 29, 2022. We understand the high approval rate as confirmation of the acceptance of both the current compensation system and the Compensation Report 2021.

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^a 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 company's long-term well-being.

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 2022 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%
Total target compensation 2022	3,750,000	100%	4,971,000	100%	7,450,000	100%

^a The European peer group for the 2022 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.

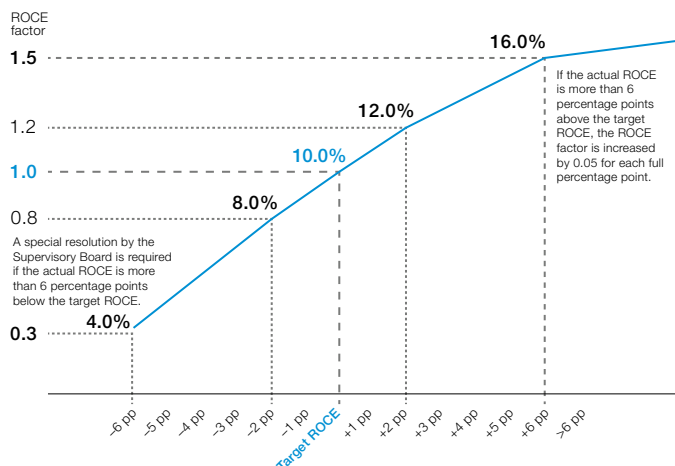
ROCE as key performance indicator for one-year variable compensation

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 41 of the BASF Report 2022.](#)

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 2022, 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 41 of the BASF Report 2022.](#)

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:



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 payment occurs in May following 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 increase 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).

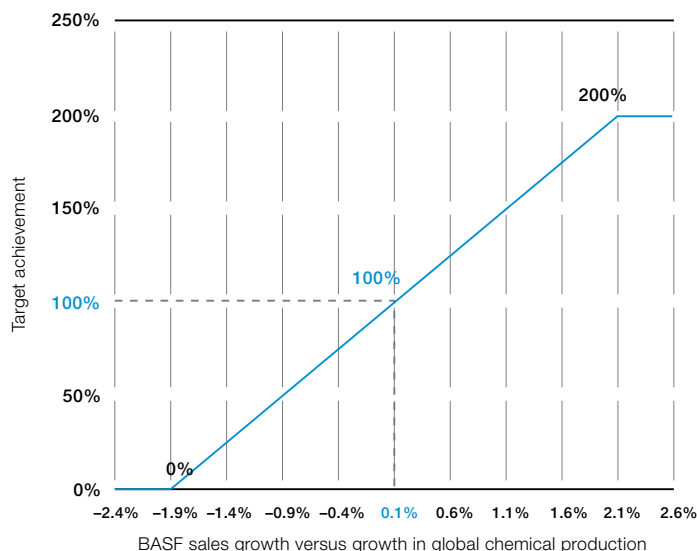
Determination of target achievement: The Supervisory Board defines a target value for each of the three strategic targets at the beginning of the four-year performance period, corresponding to a target achievement of 100%, as well as a minimal value, a maximum value and a target achievement curve.

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.



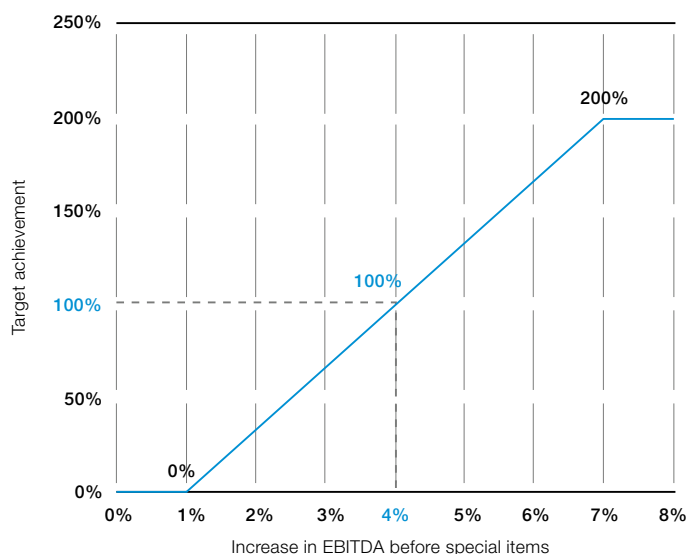
The following targets as communicated by the BASF corporate strategy apply to the LTI plan 2022 (performance period 2022–2025):

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



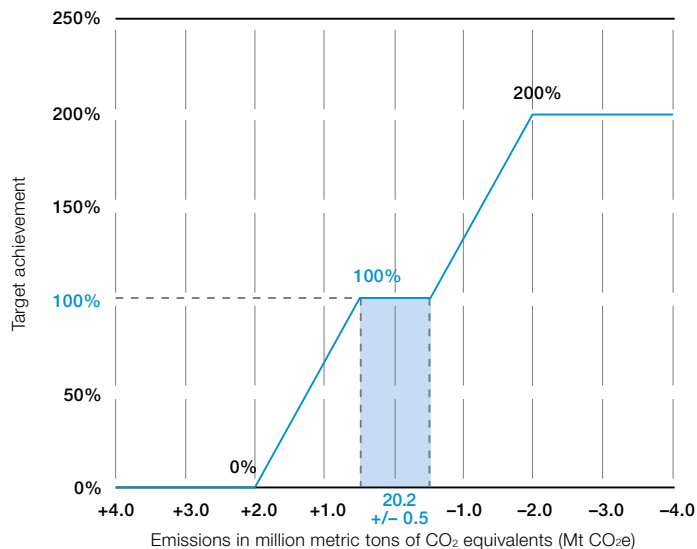
- The target is 100% achieved if BASF grows 0.1 percentage points faster than global chemical production (**target value**).
- If this target value is undercut by two percentage points or more, the target achievement is 0% (**minimum value**).
- If the target value is exceeded by two percentage points or more, the target achievement is 200% (**maximum value**).
- Intermediate values are determined by linear interpolation.
- The target achievement for the entire performance period 2022–2025 is calculated as the arithmetic mean of the degree of target achievements for 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 2022.
- The target achievement for the entire performance period 2022–2025 is calculated as the arithmetic mean of the degree of target achievements for each of the four years.

Strategic target 3: Reduce our CO₂ emissions by 25% by 2030^a



- The target for 2022 is 100% achieved if CO₂ emissions (in million metric tons of CO₂ equivalents, Mt CO₂e) are within the defined annual target corridor, +/-0.5 Mt CO₂e of 20.2 Mt CO₂e (**target value**). Over the performance period, the target value is reduced to 18.7 Mt CO₂e.
- If CO₂ emissions (in Mt CO₂e) exceed the mean value of the annual target corridor by more than 2.0 Mt CO₂e, target achievement is 0% (**minimum value**).
- If CO₂ emissions (in Mt CO₂e) fall below the mean value of the annual target corridor by more than 2.0 Mt CO₂e, target achievement is 200% (**maximum value**).
- Values between these figures are interpolated. Target achievement for the entire performance period 2022–2025 is calculated as the arithmetic mean of the target achievement levels for the four individual years.

^a For the LTI-programs 2020 (performance period 2020–2023) and 2021 (performance period 2021–2024), strategic target 3 was defined as "Grow CO₂-neutrally until 2030." This target applies to the entire performance period of these two LTI-programs and will not be adjusted.

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 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 ADRs¹ as of December 31, 2022.

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 2022, 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 ^a	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 ^b	1,330,000	2,660,000 ^b	2,000,000	4,000,000 ^b
LTI amount	1,400,000	2,800,000 ^b	1,862,000	3,724,000 ^b	2,800,000	5,600,000 ^b
Total compensation 2022	3,750,000	6,200,000	4,971,000	8,213,000	7,450,000	12,300,000

a This amount represents the maximum amount (200% of the target amount) in the 2022 business year 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.
 b 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 approval 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 approval on the compensation system by the Annual Shareholders' Meeting ^c	7,500,000	9,975,000	15,000,000

c 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.

1 BASF ADRs (American Depositary Receipts); four BASF ADRs correspond to one BASF share.

Variable compensation in 2022

Short-term incentive (STI) 2022

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 2022 published in the forecast in the BASF Report 2021. 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 10.0% in 2022. This resulted in a ROCE factor of 1.0.

ROCE

Million €

	2022	2021
EBIT of BASF Group	6,548	7,677
– EBIT of Other	–523	–759 ^a
EBIT of the segments	7,070	8,435 ^a
Cost of capital basis of segments, average of month-end figures	70,982	61,664 ^a
ROCE	10.0	13.7 ^a

^a The polyolefins and styrenics businesses of the joint venture BASF-YPC Company Ltd., Nanjing, China, were allocated to the Petrochemicals division as of January 1, 2022; they were previously reported under Other. The prior-year figures have been adjusted.

Based on the target agreement and the following explanation on target achievement, the performance factor amounts to 1.06 (previous year 1.50):

- The earnings target EBIT before special items was met.
- Free cash flow was below the planned target.
- The ROCE target relevant to the Board of Executive Directors was not met.
- Customer satisfaction has improved again based on the last survey.
- Sales of more sustainable products increased and are well above the 2022 target.
- The milestones set for growth investments were largely achieved.
- Our leading sustainability position was systematically expanded in 2022. Numerous projects on CO₂ reduction, increasing the share of electricity consumption from renewable energies, new raw material concepts and new business models were successfully implemented.

The weighted target achievement is over 103% and thus corresponds to a performance factor of 1.06. Based on the defined parameters, the STI 2022 for a full-year member of the Board of Executive Directors is calculated as shown below.



The STI payment will be made in May 2023.

LTI target achievement for the performance year 2022

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

- 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.
- CO₂ equivalents: Relevant CO₂ 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 CO₂ equivalents in accordance with the Greenhouse Gas Protocol.

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

Strategic targets for the LTI 2020 (2020–2023)

		Target/ benchmark 2022	2022 actual	Target achievement 2022 in %
Grow sales volumes faster than global chemical production	(in %)	2.3%	-7.0%	0% ^a
Increase EBITDA before special items by 3% to 5% per year	(in million €)	9,244	10,762	200%
CO ₂ -neutral growth, i.e., emissions no greater than 21.9 million metric tons CO ₂ equivalents	(in million metric tons of CO ₂ equivalents)	21.9	18.4	200%
Weighted target achievement	(in %)			133%

^a In 2022, BASF's sales growth (-7.0%) was below the growth of global chemical production (2.2%, as of February 7, 2023). The target would have been 100% achieved if growth in BASF's sales volumes were 0.1 percentage points higher than global chemical production.

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

Strategic targets for the LTI 2021 (2021–2024)

		Target/ benchmark 2022	2022 actual	Target achievement 2022 in %
Grow sales volumes faster than global chemical production	(in %)	2.3%	-7.0%	0% ^a
Increase EBITDA before special items by 3% to 5% per year	(in million €)	8,268	10,762	200%
CO ₂ -neutral growth, i.e., emissions no greater than 21.9 million metric tons CO ₂ equivalents	(in million metric tons of CO ₂ equivalents)	21.9	18.4	200%
Weighted target achievement	(in %)			133%

^a In 2022, BASF's sales growth (-7.0%) was below the growth of global chemical production (2.2%, as of February 7, 2023). The target would have been 100% achieved if growth in BASF's sales volumes were 0.1 percentage points higher than global chemical production.

LTI plan 2022: The rates of target achievement for the first year of the four-year performance period 2022–2025 were as follows:

Strategic targets for the LTI 2022 (2022–2025)

		Target/ benchmark 2022	2022 actual	Target achievement 2022 in %
Grow sales volumes faster than global chemical production	(in %)	2.3%	-7.0%	0% ^a
Increase EBITDA before special items by 3% to 5% per year	(in million €)	10,550	10,762	170%
Reduce CO ₂ emissions by 25% by 2030 ^b	(in million metric tons of CO ₂ equivalents)	19.7–20.7	18.4	187%
Weighted target achievement	(in %)			119%

^a In 2022, BASF's sales growth (-7.0%) was below the growth of global chemical production (2.2%, as of February 7, 2023). The target would have been 100% achieved if growth in BASF's sales volumes were 0.1 percentage points higher than global chemical production.

^b For the LTI-programs 2020 (performance period 2020–2023) and 2021 (performance period 2021–2024), strategic target 3 was defined as "Grow CO₂-neutrally until 2030" This target applies to the entire performance period of these two LTI-programs and will not be adjusted.

The degrees of target achievement determined for 2022 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
Strategic target 1:					
Growth	90%	200%	0%	–	97%
Strategic target 2:					
Profitability	0%	200%	200%	–	133%
Strategic target 3:					
Sustainability	137%	157%	200%	–	165%
Weighted target achievement	76%	186%	133%	–	132%

LTI 2021 (2021–2024)

	2021	2022	2023	2024	Target achievement
Strategic target 1:					
Growth	200%	0%	–	–	100%
Strategic target 2:					
Profitability	200%	200%	–	–	200%
Strategic target 3:					
Sustainability	157%	200%	–	–	179%
Weighted target achievement	186%	133%	–	–	160%

LTI 2022 (2022–2025)

	2022	2023	2024	2025	Target achievement
Strategic target 1:					
Growth	0%	–	–	–	0%
Strategic target 2:					
Profitability	170%	–	–	–	170%
Strategic target 3:					
Sustainability	187%	–	–	–	187%
Weighted target achievement	119%	–	–	–	119%

Strategic performance factor (SPF) 2022 for the deferral component from the performance bonus 2019

The deferral component from the performance bonus 2019 (2019–2022) was continued as planned and paid out in accordance with the terms of the previous program. To assess the strategic performance, the Supervisory Board therefore determined a separate strategic performance factor for 2022.

The Supervisory Board determined an SPF₂₀₂₂ 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 2019 (2019–2022) for a full-year member of the Board of Executive Directors is calculated as follows:

Deferral component 2019 (2019–2022)	X	$\frac{\text{SPF}_{2019} + \text{SPF}_{2020} + \text{SPF}_{2021} + \text{SPF}_{2022}}{4}$	=	Performance bonus, part 2
€484,500 ^a	X	$\frac{1.0 + 1.0 + 1.2 + 1.2}{4}$	=	€532,950

^a The starting amount of the 2019 deferral component (2019–2022) is calculated as 50% of the performance bonus earned for the year 2019. The performance bonus for 2019 amounted to €969,000 for a full-year member of the Board of Executive Directors and was calculated by multiplying the target bonus for 2019 (member of the Board of Executive Directors = €1,600,000) by the 2019 ROCE factor (0.6375) and the average of the 2019 strategic and operating performance factors (0.95). 50% of this amount was paid out after the 2020 Annual General Meeting as Performance Bonus 2019 (2019–2022), part 1.

Payment of the performance bonus, part 2, for the 2019 deferral component (2019–2022) will be made following the Annual Shareholders' Meeting in 2023.

Compensation granted and owed for the business year 2022 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 2022 is compared with the business results for 2022. 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. It also shows the short-term incentive 2022 and deferral components of the 2019 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 2023.

The values of pension plan contributions (pension commitment in the form of an external capital investment model with guaranteed benefits) awarded contractually in 2022 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

	2022 (absolute)	2022 (relative)	2021 (absolute)	2021 (relative)	2022 (absolute)	2022 (relative)	2021 (absolute)	2021 (relative)
Total fixed salary, fringe benefits and other benefits for the business year	1,651	34%	1,652	24%	1,141	35%	1,119	24%
Fixed salary	1,600	33%	1,600	23%	1,064	33%	1,064	23%
Fringe benefits								
Regularly provided fringe benefits	51	1%	52	1%	77	2%	55	1%
Event-related fringe benefits	–	–	–	–	–	–	–	–
Delegation-related fringe benefits	–	–	–	–	–	–	–	–
Other benefits	–	–	–	–	–	–	–	–
Total variable compensation for the business year	3,186	66%	5,189	76%	2,119	65%	3,478	76%
One-year variable compensation								
Short-term incentive 2021	–	–	3,938	58%	–	–	2,618	57%
Short-term incentive 2022	2,120	44%	–	–	1,410	43%	–	–
Multiple-year variable compensation								
Performance bonus 2018 (2018–2021), part 2 (deferral component)	–	–	1,251	18%	–	–	860	19%
Performance bonus 2019 (2019–2022), part 2 (deferral component)	1,066	22%	–	–	709	22%	–	–
Total compensation granted and owed for the business year within the meaning of section 162 AktG	4,837	100%	6,841	100%	3,260	100%	4,597	100%
Supplementary disclosure								
Pension plan contributions	1,000	–	1,000	–	665	–	665	–
Total compensation (including pension plan contributions)	5,837	–	7,841	–	3,925	–	5,262	–

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

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			
	2022 (absolute)	2022 (relative)	2021 (absolute)	2021 (relative)	2022 (absolute)	2022 (relative)	2021 (absolute)	2021 (relative)
Total fixed salary, fringe benefits and other benefits for the business year	866	35%	930	26%	1,269	44%	1,020	28%
Fixed salary	800	33%	800	22%	800 ^a	28%	800 ^a	22%
Fringe benefits								
Regularly provided fringe benefits	66	3%	130	4%	49	2%	34	1%
Event-related fringe benefits	–	–	–	–	–	–	–	–
Delegation-related fringe benefits	–	–	–	–	420	15%	186	5%
Other benefits	–	–	–	–	–	–	–	–
Total variable compensation for the business year	1,593	65%	2,676	74%	1,593	56%	2,676	72%
One-year variable compensation								
Short-term incentive 2021	–	–	1,969	54%	–	–	1,969	53%
Short-term incentive 2022	1,060	43%	–	–	1,060	37%	–	–
Multiple-year variable compensation								
Performance bonus 2018 (2018–2021), part 2 (deferral component)	–	–	707	20%	–	–	707	19%
Performance bonus 2019 (2019–2022), part 2 (deferral component)	533	22%	–	–	533	19%	–	–
Total compensation granted and owed for the business year within the meaning of section 162 AktG	2,459	100%	3,606	100%	2,862	100%	3,696	100%
Supplementary disclosure								
Pension plan contributions	500	–	500	–	500	–	500	–
Total compensation (including pension plan contributions)	2,959	–	4,106	–	3,362	–	4,196	–

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

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

Thousand €

	Dr. Markus Kamieth Member of the Board of Executive Directors				Dr. Melanie Maas-Brunner Member of the Board of Executive Directors since February 1, 2021			
	2022 (absolute)	2022 (relative)	2021 (absolute)	2021 (relative)	2022 (absolute)	2022 (relative)	2021 (absolute)	2021 (relative)
Total fixed salary, fringe benefits and other benefits for the business year	1,346	46%	1,152	30%	1,101	51%	878	33%
Fixed salary	800 ^a	27%	800 ^a	21%	800	37%	733	27%
Fringe benefits								
Regularly provided fringe benefits	41	1%	46	1%	62	3%	41	2%
Event-related fringe benefits	–	–	–	–	239	11%	104	4%
Delegation-related fringe benefits	505	17%	306	8%	–	–	–	–
Other benefits	–	–	–	–	–	–	–	–
Total variable compensation for the business year	1,593	54%	2,676	70%	1,060	49%	1,805	67%
One-year variable compensation								
Short-term incentive 2021	–	–	1,969	52%	–	–	1,805	67%
Short-term incentive 2022	1,060	36%	–	–	1,060	49%	–	–
Multiple-year variable compensation								
Performance bonus 2018 (2018–2021), part 2 (deferral component)	–	–	707	18%	–	–	–	–
Performance bonus 2019 (2019–2022), part 2 (deferral component)	533	18%	–	–	–	–	–	–
Total compensation granted and owed for the business year within the meaning of section 162 AktG	2,939	100%	3,828	100%	2,161	100%	2,683	100%
Supplementary disclosure								
Pension plan contributions	500	–	500	–	500	–	458	–
Total compensation (including pension plan contributions)	3,439	–	4,328	–	2,661	–	3,141	–

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

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 2013, plus the variable compensation components due but not yet paid for the reporting year (deferral component

of the 2019 performance bonus and, if applicable, exercise gains from the former LTI program (BASF option program, BOP). For former members of the Board of Executive Directors who left before 2013, the total compensation granted and owed for the business year 2022 amounted to €7.7 million (previous year: €7.1 million).

Compensation granted and owed to former members of the Board of Executive Directors who left the Board after December 31, 2012^a

Thousand €

	Wayne T. Smith Member of the Board of Executive Directors until May 31, 2021		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	
	2022	2021	2022	2021	2022	2021
Fixed salary (share)	21%	88%	0%	73%	100%	64%
Company pension benefits	139	–	–	–	927	880
Other benefits	–	5,125 ^b	–	1,956 ^c	2	12
Variable compensation (share)	79%	12%	100%	27%	0%	36%
Multiple-year variable compensation	533	707	533	707	–	492
Total compensation granted and owed	672	5,832	533	2,663	929	1,384

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

^b 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, the pro rata pension allowance for private retirement savings of €208 thousand, as well as benefits from his tenure as an ordinary member of the Board of Executive Directors until May 31, 2021 (fixed salary, fringe benefits, one-year variable compensation).

^c 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, 2012^a

Thousand €

	Margret Suckale Member of the Board of Executive Directors until May 12, 2017		Dr. Andreas Kreimeyer Member of the Board of Executive Directors until April 30, 2015	
	2022	2021	2022	2021
Fixed salary (share)	100%	100%	100%	100%
Company pension benefits	193	183	607	577
Other benefits	–	–	–	–
Variable compensation (share)	0%	0%	0%	0%
Multiple-year variable compensation	–	–	–	–
Total compensation granted and owed	193	183	607	577

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

^b 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, the pro rata pension allowance for private retirement savings of €208 thousand, as well as benefits from his tenure as an ordinary member of the Board of Executive Directors until May 31, 2021 (fixed salary, fringe benefits, one-year variable compensation).

^c 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" from page 20 onward.

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 2022 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, 2022	Cumulative defined benefit obligation as of December 31, 2021
Dr. Martin Bruder Müller	14,726	18,823
Saori Dubourg	4,645	6,653
Dr. Hans-Ulrich Engel	12,971	16,048
Michael Heinz	11,832	15,812
Dr. Markus Kamieth	4,786	6,891
Dr. Melanie Maas-Brunner (Member of the Board of Executive Directors since February 1, 2021)	3,004	5,723
Total	51,964	69,950

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

The deferral component from the performance bonus 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.

[📄](#) For more information on the LTI program, see page 105 and from page 285 onward of the BASF Report 2022 ;

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^a
- 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^b
- Compensation for the Audit Committee: €50,000^b
- No additional compensation is paid for the Nomination Committee

^a 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.

^b 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 a fixed compensation of €200,000 annually.

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 additional compensation shall be €50,000. The chair of a committee shall receive twice and a vice chair 1.5 times the additional 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 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 2022 was €3.3 million (2021: €3.3 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 2022 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 178 of the BASF Report 2022.](#)

Compensation granted and owed to members of the Supervisory Board

Thousand €

	Fixed salary		Compensation for committee memberships		Total compensation	
	2022	2021	2022	2021	2022	2021
Serving members of the Supervisory Board as of December 31, 2022						
Dr. Kurt Bock, chair ^a	500.0	500.0	50.0	50.0	550.0	550.0
Franz Fehrenbach, vice chair ^b	100.0	300.0	8.3	25.0	108.3	325.0
Sinitscha Horvat, vice chair ^c	300.0	300.0	25.0	25.0	325.0	325.0
Professor Dr. Stefan Asenkerschbaumer ^d	150.0	–	18.8	–	168.8	–
Prof. Dr. Thomas Carell	200.0	200.0	–	–	200.0	200.0
Dame Alison Carnwath DBE ^e	200.0	200.0	112.5	112.5	312.5	312.5
Tatjana Diether ^f	200.0	200.0	59.4	50.0	259.4	250.0
Alessandra Genco ^g	150.0	–	37.5	–	187.5	–
Waldemar Helber ^h	66.7	200.0	4.2	12.5	70.9	212.5
André Matta ⁱ	150.0	–	–	–	150.0	–
Natalie Mühlentfeld ^j	150.0	–	–	–	150.0	–
Anke Schäferkordt ^k	66.7	200.0	16.7	50.0	83.4	250.0
Denise Schellemans ^l	66.7	200.0	–	–	66.7	200.0
Liming Chen	200.0	200.0	–	–	200.0	200.0
Roland Strasser ^m	66.7	200.0	–	–	66.7	200.0
Michael Vassiliadis ⁿ	200.0	200.0	75.0	75.0	275.0	275.0
Peter Zaman ^o	150.0	–	–	–	150.0	–
Total compensation granted and owed for the business year within the meaning of section 162 AktG	2,916.8	2,900.0	407.4	400.0	3,324.2	3,300.0

^a Chair of the Personnel and Strategy Committees

^b Member of the Supervisory Board, the Personnel and Strategy Committees until April 29, 2022

^c Member of the Personnel and Strategy Committees

^d Member of the Supervisory Board, the Personnel and Strategy Committees since April 29, 2022

^e Chair of the Audit Committee and member of the Strategy Committee

^f Member of the Supervisory Board, the Audit Committee and, since April 29, 2022, the Strategy Committee

^g Member of the Supervisory Board and the Audit Committee since April 29, 2022

^h Member of the Supervisory Board and the Strategy Committee until April 29, 2022

ⁱ Member of the Supervisory Board since April 29, 2022

^j Member of the Supervisory Board and the Audit Committee until April 29, 2022

^k Member of the Supervisory Board until April 29, 2022

^l Member of the Audit, Personnel and Strategy Committees

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.

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

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	2022
		2018 vs. 2017 in %	2019 vs. 2018 in %	2020 vs. 2019 in %	2021 vs. 2020 in %	2022 vs. 2021 in %
Earnings development/KPIs						
Return on Capital Employed (ROCE) ^a	Percentage change vs. previous year	-22.1% ^a	-35.8%	-77.9%	694.1%	-27.0% ^b
	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%)	(10.0% vs. 13.7%) ^b
Net income of BASF SE ^c	Percentage change vs. previous year	-4.7%	30.8%	1.2%	-0.5%	-2.0%

^a Figures for 2018 were restated with the presentation of the construction chemicals activities as discontinued operations.

^b As of January 1, 2022, ROCE includes the polyolefins and styrenics businesses of the joint venture BASF-YPC Company Ltd., Nanjing, China, which were previously reported under Other.

^c 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

	2018	2019	2020	2021	2022
Current members					
Dr. Martin Brudermüller (chair since May 4, 2018)	-20.5%	-6.2%	-18.4%	218.8%	-29.3%
Dr. Hans-Ulrich Engel (vice chair since May 4, 2018)	-50.1%	-46.9%	-18.3%	216.6%	-29.1%
Saori Dubourg (since May 12, 2017)	-7.9%	4.9%	-6.2%	134.3%	-31.8%
Michael Heinz (since May 6, 2011)	-41.8%	-14.3%	-17.9%	240.6%	-22.6%
Dr. Markus Kamieth (since May 12, 2017)	-8.4%	-14.0%	23.1%	133.7%	-23.2%
Dr. Melanie Maas-Brunner (since February 1, 2021)	-	-	-	-	-19.5%
Former members					
Wayne T. Smith (until May 31, 2021)	-38.0%	-7.7%	41.5%	153.7%	-88.5%
Sanjeev Gandhi (until December 31, 2019)	-29.9%	-3.0%	-28.7%	24.0%	-80.0%
Dr. Kurt Bock (chair until May 4, 2018)	-66.4%	-72.4%	-0.3%	52.6%	-32.9%
Margret Suckale (until May 12, 2017)	-83.7%	1.1%	0.6%	1.1%	5.5%
Dr. Andreas Kreimeyer (until April 30, 2015)	-81.4%	1.4%	1.6%	1.1%	5.2%

Business year

	2018	2019	2020	2021	2022
	2018 vs. 2017 in %	2019 vs. 2018 in %	2020 vs. 2019 in %	2021 vs. 2020 in %	2022 vs. 2021 in %
Supervisory Board compensation					
Current members					
Dr. Kurt Bock (chair since June 18, 2020)	–	–	–	109.5%	0.0%
Sinitscha Horvat (vice chair since May 12, 2019)	50.0%	0.0%	–13.8%	16.1%	0.0%
Professor Dr. Stefan Asenkerschbaumer (since April 29, 2022)	–	–	–	–	–
Prof. Dr. Thomas Carell (since May 3, 2019)	–	–	27.5%	17.6%	0.0%
Dame Alison Carnwath DBE (since May 2, 2014)	0.0%	0.0%	–9.6%	10.6%	0.0%
Tatjana Diether (since May 4, 2018)	–	50.1%	–12.0%	13.6%	3.8%
Alessandra Genco (since April 29, 2022)	–	–	–	–	–
André Matta (since April 29, 2022)	–	–	–	–	–
Natalie Mühlenfeld (since April 29, 2022)	–	–	–	–	–
Liming Chen (since October 8, 2020)	–	–	–	400.0%	0.0%
Michael Vassiliadis (since August 1, 2004)	0.0%	0.0%	–10.9%	12.2%	0.0%
Peter Zaman (since April 29, 2022)	–	–	–	–	–
Average employee compensation					
BASF SE employees	–4.1%	–1.1%	–1.1%	18.7%	–0.9%

Further information

The following symbols indicate further information:



You can find more information in the BASF Report 2022



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, 2022 to December 31, 2022, 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 disclo-

tures. The objective is to plan and perform audit procedures that are appropriate for the circumstances, and it is 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, 2022 to December 31, 2022, 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 21, 2023

KPMG AG

Wirtschaftsprüfungsgesellschaft (Original German version signed by)

Dr. Kaiser

Wirtschaftsprüfer (German public auditor)

Prof. Dr. Schütte-Blastoch

Wirtschaftsprüferin (German public auditor)

Ludwigshafen/Rhine, March 16, 2023
BASF SE

The Board of Executive Directors

Quarterly Statement Q1 2023 / Annual Shareholders' Meeting 2023

April 27, 2023

Half-Year Financial Report 2023

July 28, 2023

Quarterly Statement Q3 2023

October 31, 2023

BASF Report 2023

February 23, 2024

Quarterly Statement Q1 2024 / Annual Shareholders' Meeting 2024

April 25, 2024



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

Further information

You can find this and other BASF publications online at www.basf.com/publications

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BASF Report 2022



Annual Shareholders' Meeting 2023