

BASF SE
Ludwigshafen am Rhein

**Rules of Procedure
for the Supervisory Board
of BASF SE**

Information Policy

**according to § 2 para. 4 of the
Rules of Procedure for the Supervisory Board of BASF SE
(Annex 2)**

as of May 2019

BASF SE
Ludwigshafen am Rhein


We create chemistry

In his Meeting on May 3, 2019, the Supervisory Board resolved upon the following information policy regulating the information and reporting obligations of the Board of Executive Directors towards the Supervisory Board:

§ 1 Information Supply of the Supervisory Board

1. The Board of Executive Directors is committed to supply the Supervisory Board in an appropriate manner with all information (reporting obligation) required for an effective and preventive supervision of the Board of Executive Directors' management by the Supervisory Board. The Supervisory Board is committed to procure the information required for a proper supervision of the Board of Executive Directors. To ensure an appropriate information through the Board of Executive Directors, the Supervisory Board predefines specific reporting requirements (routine reports, special reports) and the particular request for information and individual reports (reports on request).
2. The Information Policy supplements the provisions applicable for reporting in Article 41 SE-Regulation¹ and Article 9 para. 1 lit. c) ii) SE-Regulation in connection with Section 90 of the German Stock Corporation Act.
3. The Board of Executive Directors' information and reporting obligations also include group and affiliated companies of BASF SE (group-wide reporting obligation), to the extent that developments and events are likely to have an appreciable effect on BASF SE or the BASF Group as a whole.
4. The information supply through the Board of Executive Directors must correspond to the principles of a diligent, complete and accurate account and reporting so to enable the Supervisory Board to fulfil its supervisory and advisory function in an appropriate manner and as required by the respective situation.
5. Reports of the Board of Executive Directors to the Supervisory Board generally must be established in text form. Reports and documents relevant for decision making must be forwarded to the Supervisory Board members as soon as possible prior to the meeting or the passing of the resolution. Above and beyond this, the Board of Executive Directors decides on the form and presentation of the reports and other supply of information.

¹Article 41 Progress of the SE's business

- (1) The management organ shall report to the supervisory organ at least once every three months on the progress and foreseeable development of the SE's business.
- (2) In addition to the regular information referred to in paragraph 1, the management organ shall promptly pass the supervisory organ any information on events likely to have an appreciable effect on the SE.
- (3) The supervisory organ may require the management organ to provide information of any kind which it needs to exercise supervision in accordance with Article 40(1).

§ 2 Routine Reports

1. The Board of Executive Directors informs the Supervisory Board regularly, at least, however, once every three months, on the progress of the business (business performance) of the BASF Group and its major group companies including BASF SE, and its foreseeable short- and mid-term development. The reporting must, in particular, include
 - sales, EBITDA, EBIT before special items, EBIT of BASF Group and of the segments and operational divisions (results of operations),
 - regional developments,
 - financial position and net assets,
 - the profitability of the company based on the key performance indicators applied for the internal steering, especially the target indicator ROCE,
 - the personnel development and
 - major opportunities and risks of the BASF Group as a whole and of the segments and operational divisions.

Deviations compared to the previous year and from the planning (budget) must be clarified. The report must also address the status and development of major investment projects and of other major projects targeting the company development.

2. The Board of Executive Directors shall report on a regular basis, at least once every three months, in a capital market report on major developments of the BASF share on the capital market including the price development compared to relevant indexes and competitors, the development of investor and analysts estimates including analyst recommendations and market expectations, the development of the credit rating of the BASF Group and the shareholder development.
3. The Board of Executive Directors shall report at least once a year in the December meeting of the Supervisory Board on the envisaged business policy and other fundamental questions of the corporate planning in the subsequent years. This includes the annual planning for the next following business year with the operational, financial, investment and personnel planning (budget) as well as the mid-term planning for the corporate development with a time horizon of [3] years. Deviations of the actual business development as well as of the presented planning from planning and targets reported previously must be explained indicating the reasons.
4. The Board of Executive Directors shall report at least once a year in the strategy meeting of the Supervisory Board on the strategic planning with

the objectives for the strategic development of the BASF Group and the individual operational and business divisions. The report shall also explain the actual corporate development compared to the strategic planning last reported and to the competitors.

5. The Board of Executive Directors shall report at least once a year on the status and the development of
 - pending and threatened legal, patent and tax litigations (litigation report) and other major legal risks,
 - the risk situation and risk management as well as
 - compliance and compliance management.

Additionally, the Board of Executive Directors reports on the aforementioned topics to the Supervisory Board's Audit Committee.

6. The Board of Executive Directors must give an immediate account of routine report topics to the Supervisory Board or a Supervisory Board committee whose area of responsibility covers the issue if major changes of the situation or of the forecasted development or new questions that have occurred require an immediate information of the Supervisory Board.

§ 3 Special Reports

1. The Board of Executive Directors shall report to the Supervisory Board on all transactions that are likely to have a material weight for the profitability and liquidity of the BASF Group or BASF SE as well as on all other measures of the management that are otherwise likely to be significant for the BASF Group or BASF SE. These include in particular acquisition and divestment projects, investment projects, substantial research and development projects as well as projects for restructuring. The reports must be rendered as soon as possible so to enable the Supervisory Board to get involved with the issue before the transaction or measure is undertaken and, if required, to comment thereon.
2. The Board of Executive Directors shall report to the Supervisory Board immediately on other important events and developments that are likely to have an appreciable effect on the situation of the BASF Group or BASF SE.
3. Should it be impossible that a report be rendered directly in a Supervisory Board meeting, special reports shall be rendered to the Supervisory Board Chairman. The Supervisory Board Chairman decides on the further involvement of the Supervisory Board and especially on informing the other Supervisory Board members before the next following Supervisory Board meeting. The Supervisory Board Chairman must inform the other

Supervisory Board members latest in the next following meeting on special reports.

§ 4 Reports on Request

The Supervisory Board may at any time request reports to be rendered by the Board of Executive Directors concerning specific issues of the BASF Group and its group companies as well as concerning significant business matters of BASF SE and its group companies, should it consider such report to be required for the supervision of the Board of Executive Directors' management or for the fulfilment of its other tasks. This applies accordingly to the Supervisory Board committees within the respective area of responsibility assigned to them by the Supervisory Board.

§ 5 Information Supply in Transactions Requiring the Supervisory Board's Consent

In the event that the Board of Executive Directors applies for the approval of the Supervisory Board of a transaction requiring its consent according to applicable law, the Statutes of BASF SE or a resolution of the Supervisory Board, the Board of Executive Directors shall forward to the Supervisory Board latest along with the application document the complete information on the kind, content and economic effects of the transaction, the material contractual rights and obligations, the opportunities, risks and strategic evaluation as well as all other relevant information reasonably required for a fully instructed approving decision of the Supervisory Board.

§ 6 Information Supply of the Supervisory Board Committees

For the information supply of the Supervisory Board committees and the rendering of reports, §§ 1, 4 and 5 of this Information Policy shall apply accordingly. In addition, the committees shall determine independently the reporting obligations of the Board of Executive Directors in their respective areas of responsibility.