Corporate governance refers to the entire system for managing and supervising a company. This includes the organization, values, corporate principles and guidelines as well as internal and external control and monitoring mechanisms. Effective and transparent corporate governance guarantees that BASF is managed and monitored in a responsible manner focused on value creation. This fosters the confidence of our domestic and international investors, the financial markets, our customers and other business partners, employees, and the public in BASF.

The fundamental elements of BASF SE’s corporate governance system are: its two-tier system, with a transparent and effective separation of company management and supervision between BASF’s Board of Executive Directors and the Supervisory Board; the equal representation of shareholders and employees on the Supervisory Board; and the shareholders’ rights of co-administration and supervision at the Annual Shareholders’ Meeting.

**Direction and management by the Board of Executive Directors**

- Board of Executive Directors strictly separated from Supervisory Board
- Determines corporate goals and strategic orientation
- Reports to Supervisory Board

The Board of Executive Directors is responsible for the management of the company, and represents BASF SE in business undertakings with third parties. BASF’s Board of Executive Directors is strictly separated from the Supervisory Board. A member of the Board of Executive Directors cannot simultaneously be a member of the Supervisory Board. The Board of Executive Directors agrees on the corporate goals and strategic orientation of the BASF Group as well as their individual business areas, and determines the company’s internal organization. It also manages and monitors BASF Group business through the planning and setting of the corporate budget, the allocation of resources and management capacities, the monitoring and decision-making regarding significant individual measures, and the control of the operational management.

The Board’s actions and decisions are aligned with the company’s best interests. It is committed to the goal of sustainably increasing the company’s value. Among the Board’s responsibilities is the preparation of the consolidated and individual financial statements of BASF SE. Furthermore, it must ensure that the company’s activities comply with legal requirements and internal corporate directives. This includes the establishment of appropriate controls and risk management systems.

Decisions that are reserved for the Board as a whole by law, through the Board of Executive Directors’ Rules of Procedure or through resolutions adopted by the Board, are made at regularly held Board meetings called by the Chairman of the Board of Executive Directors. Board decisions are generally based on detailed information and analyses of the business areas and specialist units, and, if deemed necessary, by external consultants. Board decisions can generally be made via a simple majority. In the case of a tied vote, the casting vote is given by the Chairman of the Board. However, the Chairman of the Board does not have the right to veto the decisions of the Board of Executive Directors. Members of the Board of Executive Directors are authorized to make decisions individually in their assigned areas of responsibility.

The Board can set up Board Committees to consult and decide on individual issues; these must include at least three members of the Board of Executive Directors. For the preparation of important decisions, such as those on acquisitions, divestitures, investments and personnel, the Board has various commissions at the level below the Board that carefully assess the planned measure and evaluate the associated opportunities and risks, and based on this information, report and make recommendations to the Board – independently of the affected business area.

The Board of Executive Directors informs the Supervisory Board regularly, without delay and comprehensively, of all issues important to the company with regard to planning, business development, risk situation, risk management and compliance. Furthermore, the Board of Executive Directors coordinates the company’s strategic orientation with the Supervisory Board.
The Statutes of BASF SE define certain transactions that require the Board of Executive Directors to obtain the Supervisory Board’s approval prior to their conclusion. Such cases include the acquisition and disposal of enterprises and parts of enterprises, the issue of bonds or comparable financial instruments; however, this is only necessary if the acquisition or disposal price or the amount of the issue in an individual case exceeds 3% of the equity reported in the last approved Consolidated Financial Statements of the BASF Group.

For more on risk management, see the Outlook from page 111 onward.

Supervision of company management by the Supervisory Board

- Supervisory Board appoints, monitors and advises Board of Executive Directors
- Three Supervisory Board committees

The Supervisory Board appoints the members of the Board of Executive Directors and supervises and advises the Board on management issues. As members of the Supervisory Board cannot simultaneously be members of the Board of Executive Directors, a high level of autonomy is already structurally ensured with regard to the supervision of the Board of Executive Directors.
**Personnel Committee**

**Chair:**
Dr. Jürgen Hambrecht (since May 2, 2014)
Dr. h. c. Eggert Voscherau (until May 2, 2014)

**Members:**
Michael Diekmann, Robert Oswald, Michael Vassiliadis

**Duties:**
- Prepares the appointment of members to the Board of Executive Directors by the Supervisory Board as well as the employment contracts to be entered into with members of the Board of Executive Directors
- When making recommendations for appointments to the Board of Executive Directors, considers professional qualifications, international experience and leadership skills as well as long-term succession planning, diversity, and especially the appropriate consideration of women
- Prepares the resolutions made by the Supervisory Board with regard to the system and determination of the amount of compensation paid to members of the Board of Executive Directors

**Nomination Committee**

**Chair:**
Dr. Jürgen Hambrecht (since May 2, 2014),
Dr. h. c. Eggert Voscherau (until May 2, 2014)

**Members:**
Dame Alison Carnwath DBE (since May 2, 2014),
Prof. Dr. François Diederich, Michael Diekmann,
Franz Fehrenbach, Max Dietrich Kley (until May 2, 2014),
Anke Schäferkordt

**Duties:**
- Identifies suitable candidates for the Supervisory Board based on objectives for the composition decided on by the Supervisory Board
- Prepares the recommendations made by the Supervisory Board for the election of Supervisory Board members for the Annual Shareholders’ Meeting

**Audit Committee**

**Chair:**
Dame Alison Carnwath DBE (since May 2, 2014),
Max Dietrich Kley (until May 2, 2014)

**Members:**
Ralf-Gerd Bastian, Franz Fehrenbach, Michael Vassiliadis

**Duties:**
- Prepares the negotiations and resolutions of the Supervisory Board for the approval of the Financial Statements and Consolidated Financial Statements, and discusses the quarterly and first-half financial reports with the Board of Executive Directors prior to their publication
- Deals with monitoring the financial reporting process, the annual audit, the effectiveness of the internal control system, the risk management system, and the internal auditing system as well as compliance issues
- Is responsible for business relations with the company’s external auditor; prepares the Supervisory Board’s proposal to the Annual Shareholders’ Meeting regarding the selection of an auditor, monitors the auditor’s independence, defines the focus areas of the audit together with the auditor, negotiates auditing fees and establishes the conditions for the auditor’s nonaudit services
- Is authorized to request any information that it deems necessary from the auditor or Board of Executive Directors; can also view all of BASF’s business documents and examine these and all other assets belonging to BASF. The Audit Committee can also engage experts such as auditors or lawyers to carry out these inspections
Objectives for the composition of the Supervisory Board

- Composition criteria: professional and personal qualifications, diversity, and independence

One important concern of good corporate governance is to ensure that seats on the responsible corporate bodies, the Board of Executive Directors and the Supervisory Board, are appropriately filled. The criteria comprise professional and personal qualifications, the diversity of the members and the independence of the Supervisory Board. Seats on the Board of Executive Directors and Supervisory Board should be filled with members who ensure a well-balanced consideration of all the knowledge, skills and personal qualifications necessary to manage and supervise BASF as a large, globally operating, capital market-oriented company in the chemical industry.

On October 21, 2010, the Supervisory Board agreed upon objectives for the composition of the Supervisory Board in accordance with Section 5.4.1 of the German Corporate Governance Code; in its meeting of December 20, 2012, an objective was added for the number of independent Supervisory Board members. According to these objectives, the Supervisory Board is to be composed in such a way that the members as a group possess knowledge, ability and expert experience in:

- The management of an internationally operating company
- Cross-industry value creation along different value chains
- The application of accounting principles and internal control procedures
- The field of technical and scientific innovations in the chemical sector and associated industries as well as in the sectors using chemical products

In terms of diversity, the Supervisory Board shall consider a variety of professional and international experience as well as the participation of women. At least two women shall belong to the Supervisory Board. With regard to independence, the Supervisory Board aims to ensure that all Supervisory Board members are independent as defined by the terms of the Code. Individuals who may have a conflict of interest shall not be nominated for election to the Supervisory Board. The same applies to candidates who will have reached the age of 70 by the day of the election.

There have been three women on the Supervisory Board since May 2014. Two out of six shareholder representatives elected at the Annual Shareholders’ Meeting are women. In assessing independence, the Supervisory Board assumes that neither election as an employee representative, nor membership on the Board of Executive Directors more than two years in the past, by itself precludes the classification as independent.

On this basis, the Supervisory Board has determined that all of its current members can be considered independent. We firmly believe the current composition fulfills the objectives agreed on by the Supervisory Board.
Shareholders’ rights

- Shareholders’ rights of co-administration and supervision at the Annual Shareholders’ Meeting
- One share, one vote

Shareholders exercise their rights of co-administration and supervision at the Annual Shareholders’ Meeting. The Annual Shareholders’ Meeting elects half of the members of the Supervisory Board and, in particular, decides on the formal discharge of the Board of Executive Directors and the Supervisory Board, the distribution of profits, capital measures, the authorization of share buybacks, changes to the Statutes and the selection of the auditor.

Each BASF SE share represents one vote. All of BASF SE’s shares are registered shares. Shareholders are obliged to have themselves entered with their shares into the company share register and to provide the information necessary for registration in the share register according to the German Stock Corporation Act. There are no registration restrictions and there is no limit to the number of shares that can be registered to one shareholder. Only the persons listed in the share register are entitled to vote as shareholders. Listed shareholders may exercise their voting rights at the Annual Shareholders’ Meeting either personally, through a representative of their choice or through a company-appointed proxy authorized by the shareholders to vote according to their instructions. There are neither voting caps to limit the number of votes a shareholder may cast nor special voting rights. BASF has thus fully implemented the principle of “one share, one vote.”

All shareholders entered in the share register are entitled to participate in the Annual Shareholders’ Meetings, to have their say concerning any item on the agenda and to request information about company issues insofar as this is necessary to make an informed judgment about the item on the agenda under discussion. Registered shareholders are also entitled to file motions pertaining to proposals for resolutions made by the Board of Executive Directors and Supervisory Board at the Annual Shareholders’ Meeting and to contest resolutions of the Meeting and have them evaluated for their lawfulness in court. Shareholders who hold at least €500,000 of the company’s share capital, a quota corresponding to 390,625 shares, are furthermore entitled to request that additional items be added to the agenda of the Annual Shareholders’ Meeting.

Implementation of the German Corporate Governance Code

- BASF SE follows all recommendations of German Corporate Governance Code

BASF supports the German Corporate Governance Code, which is an important tool in the continuing, capital market-oriented development of corporate governance and control, and advocates responsible corporate governance that focuses on sustainably increasing the value of the company.

BASF SE follows all recommendations of the German Corporate Governance Code in its most recently revised version of June 2014. In the same manner, BASF follows nearly all of the non-obligatory suggestions of the German Corporate Governance Code. We have not implemented the suggestion to enable shareholders to follow the proceedings of the entire Annual Shareholders’ Meeting online. The Annual Shareholders’ Meeting is publicly accessible via online broadcast until the end of the speech by the Chairman of the Board of Executive Directors. The subsequent discussion of items on the agenda is not accessible online in order to preserve the character of the Annual Shareholders’ Meeting as a meeting attended by our shareholders on-site.

For more on the Declaration of Conformity 2014, the implementation of the Code’s suggestions and the German Corporate Governance Code, see basf.com/governance_e
Disclosure persuant to Section 315(4) of the German Commercial Code and the explanatory report of the Board of Executive Directors persuant to Section 176(1) Sentence 1 of the German Stock Corporation Act

As of December 31, 2014, the subscribed capital of BASF SE was €1,175,652,728.32, divided into 918,478,694 registered shares with no par value. Each share entitles the holder to one vote at the Annual Shareholders’ Meeting. Restrictions on the right to vote or transfer shares do not exist. The same rights and duties apply to all shares. According to the Statutes, shareholders are not entitled to receive share certificates. There are neither different classes of shares nor shares with preferential voting rights (golden shares).

The appointment and dismissal of members of the Board of Executive Directors is legally governed by the regulations in Article 39 of the SE Council Regulation, Section 16 of the SE Implementation Act and Sections 84, 85 of the German Stock Corporation Act, as well as Article 7 of the BASF SE Statutes. Accordingly, the Supervisory Board determines the number of members of the Board of Executive Directors (at least two), appoints the members of the Board of Executive Directors, and can nominate a chairperson, as well as one or more vice-chairpersons. The members of the Board of Executive Directors are appointed for a maximum of five years, and reappointments are permissible. The Supervisory Board can dismiss a member of the Board of Executive Directors if there is serious cause to do so. Serious cause includes, in particular, a gross breach of the duties pertaining to the Board of Executive Directors and a vote of no confidence at the Annual Shareholders’ Meeting. The Supervisory Board decides on appointments and dismissals according to its own best judgment.

According to Article 59(1) SE Council Regulation, amendments to the Statutes of BASF SE require a resolution of the Annual Shareholders’ Meeting adopted with at least a two-thirds majority of the votes cast, provided that the legal provisions applicable to German stock corporations under the German Stock Corporation Act do not stipulate or allow for larger majority requirements. In the case of amendments to the Statutes, Section 179(2) of the German Stock Corporation Act requires a majority of at least three-quarters of the subscribed capital represented. Pursuant to Article 12(6) of the Statutes of BASF SE, the Supervisory Board is authorized to resolve upon amendments to the Statutes that merely concern their wording. This applies in particular to the adjustment of the share capital and the number of shares after the redemption of repurchased BASF shares and after a new issue of shares from the authorized capital.

Until May 1, 2019, the Board of Executive Directors of BASF SE is empowered by a resolution passed at the Annual Shareholders’ Meeting of May 2, 2014, to increase the subscribed capital – with the approval of the Supervisory Board – by up to €500 million through the issue of new shares against cash or contribution in kind (authorized capital).

A right to subscribe to the new shares shall be granted to shareholders. This can also be done by a credit institution acquiring the new shares with the obligation to offer these to shareholders (indirect subscription right). The Board of Executive Directors is authorized to exclude the statutory subscription right of shareholders to a maximum amount of a total of 20% of share capital in certain exceptional cases that are defined in Section 5(8) of the BASF SE Statutes. This applies in particular if, for capital increases in return for cash contributions, the issue price of the new shares is not substantially lower than the stock market price of BASF shares and the total number of shares issued under this authorization is not more than 10% of the stock of shares on the date of issue or, in eligible individual cases, to acquire companies or shares in companies in exchange for surrendering BASF shares.

At the Annual Shareholders’ Meeting on April 27, 2012, the Board of Executive Directors was authorized to purchase up to 10% of the shares existing at the time of the resolution (10% of the company's share capital) until April 26, 2017. At the discretion of the Board of Executive Directors, the purchase can take place on the stock exchange or by way of a public purchase offer directed to all shareholders. The Board of Executive Directors is authorized to sell the repurchased company shares (a) through a stock exchange, (b) through a public offer directed to all shareholders and – with the approval of the Supervisory Board – to third parties, (c) for a cash payment that is not significantly lower than the stock exchange price at the time of sale and (d) for contributions in kind, particularly in connection with the acquisition of companies, parts of companies or shares in companies or in connection with mergers. In the cases specified under (c) and (d), the shareholders’ subscription right is excluded. The Board of Executive Directors is furthermore authorized to redeem the shares bought back and to reduce the share capital by the proportion of the share capital accounted for by the redeemed shares.
Bonds issued by BASF SE grant the bearer the right to request early repayment of the bonds at nominal value if one person – or several persons acting in concert – hold or acquire a BASF SE share volume after the time of issuance which corresponds to more than 50% of the voting rights (change of control), and one of the rating agencies named in the bond’s terms and conditions withdraws its rating of BASF SE or the bond, or reduces it to a noninvestment grade rating within 120 days after the change-of-control event.

In the event of a change of control, members of the Board of Executive Directors shall, under certain additional conditions, receive compensation (details of which are listed in the Compensation Report on page 144). A change of control is assumed when a shareholder informs BASF of a shareholding of at least 25% or the increase of such a holding. In addition, employees of BASF SE and its subsidiaries who are classified as senior executives will receive a severance payment if their contract of employment is terminated by BASF within 18 months of the occurrence of a change of control, provided the employee has not given cause for the termination. The employee whose service contract has been terminated in such a case will receive a maximum severance payment of 1.5 times the annual salary (fixed component) depending on the number of months that have passed since the change-of-control event.

The remaining specifications stipulated in Section 315(4) of the German Commercial Code refer to situations that are not applicable to BASF SE.

For more on bonds issued by BASF SE, see [basf.com/investor/bonds_e](https://www.basf.com/investor/bonds_e)

**Directors’ and officers’ liability insurance**

BASF SE has taken out liability insurance that covers the activities of members of the Board of Executive Directors and the Supervisory Board (D&O insurance). This policy provides for the level of deductibles for the Board of Executive Directors as prescribed by Section 93(2)(3) of the German Stock Corporation Act and for the level of deductibles for the Supervisory Board as recommended in Section 3.8(3) of the German Corporate Governance Code.

For more on securities transactions reported in 2014, see [basf.com/governance/sharedealings_e](https://www.basf.com/governance/sharedealings_e)

**Share ownership by members of the Board of Executive Directors and the Supervisory Board**

No member of the Board of Executive Directors or the Supervisory Board owns shares in BASF SE and related options or other derivatives that account for 1% or more of the share capital. Furthermore, the total volume of BASF SE shares and related financial instruments held by members of the Board of Executive Directors and the Supervisory Board accounts for less than 1% of the shares issued by the company.

**Share dealings of the Board of Executive Directors and Supervisory Board (Directors’ Dealings under Section 15a of the German Securities Trading Act)**

In accordance with Section 15a of the German Securities Trading Act (Wertpapierhandelsgesetz), all members of the Board of Executive Directors and the Supervisory Board as well as certain members of their families are required to disclose the purchase or sale of BASF shares and other related rights to the Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht) and to the company if transactions within the calendar year exceed the threshold of €5,000.

In 2014, a total of six purchases by members of the Board of Executive Directors and the Supervisory Board and members of their families subject to disclosure were reported as Directors’ Dealings, involving between 50 and 7,320 BASF shares. The price per share was between €68.25 and €85.15. The volume of the individual trades was between €4,048 and €499,956. The disclosed share transactions are published on the website of BASF SE.

**Information on the auditor**

The Annual Shareholders’ Meeting of May 2, 2014, elected KPMG AG Wirtschaftsprüfungsgesellschaft as the auditor of the BASF Group Consolidated Financial Statements and Management’s Report for the 2014 business year. KPMG is also auditor of the Financial Statements of BASF SE, and KPMG member firms audit the majority of companies included in the Consolidated Financial Statements. KPMG has been auditor of BASF SE since the 2006 Financial Statements. Hans-Dieter Krauß has been the responsible auditor since auditing the 2010 Financial Statements.
Compliance

With our Group-wide Compliance Program, we aim to ensure adherence to legal regulations and the company’s internal guidelines. We have integrated compliance into our “We create chemistry” strategy. Our employee Code of Conduct firmly embeds these mandatory standards into everyday business. Members of the Board of Executive Directors are also expressly obligated to follow these principles.

Based on international standards, BASF’s Compliance Program combines important laws and company-internal policies – which themselves often exceed legal requirements – to create a framework that regulates how all BASF employees interact with business partners, officials, colleagues and society. At the core of our Compliance Program is the global, standardized Code of Conduct that we distributed to all employees. It describes our guidelines for proper conduct and comprises not only topics like corruption and antitrust laws, but also issues such as human rights, labor and social standards, conflicts of interest and trade control, as well as protection of data privacy.

Abiding by compliance standards is part of responsible leadership. This has been expressly embedded in our values, where we state: “We strictly adhere to our compliance standards.” We are convinced that compliance with these standards will not only avoid the disadvantages associated with violations, such as penalties and fines. We also view compliance as the right path toward securing our company’s long-term success.

Our efforts are principally aimed at preventing violations from the outset. To this end, all employees are required within a prescribed timeframe to take part in basic compliance training, refresher courses and special tutorials dealing with, for example, antitrust law or trade control regulations. Training takes place in different formats, including face-to-face training, e-learning or workshops. In addition, we introduced a new e-learning program on compliance in 2014. In total, more than 59,000 employees worldwide took part in around 65,000 hours of compliance training in 2014.

BASF’s Code of Conduct stipulates how these topics are handled.
Monitoring adherence to compliance principles

- Central role of Chief Compliance Officer and compliance officers
- 50 external hotlines worldwide
- Compliance Management System audited internally

BASF’s Chief Compliance Officer (CCO) manages the implementation of our Compliance Management System, supported by 89 compliance officers worldwide. The CCO regularly reports to the Board of Executive Directors on progress in the program’s implementation as well as on any significant findings. Furthermore, the CCO reports to the Supervisory Board’s Audit Committee in at least one of its meetings each year on the status of the Compliance Program as well as any major developments. In the event of significant incidents, the Audit Committee is immediately informed by the Board of Executive Directors.

We particularly encourage our employees to actively and promptly seek guidance if in doubt. For this, they can consult not only their managers but also dedicated specialist departments and company compliance officers. We have also set up 50 external hotlines worldwide which our employees can turn to anonymously. We make sure that all concerns are processed and answered within a short amount of time.

In 2014, 276 calls and emails were received by our external hotlines (2013: 304). Concerns involved topics ranging from questions on personnel management and handling of company property to information on the behavior of business partners. We launched investigations into all cases of suspected misconduct that we became aware of. Confirmed violations were penalized, up to and including dismissal. This involved making sure that the necessary action was taken in accordance with standardized company criteria. A notification was sent to the appropriate authority in one case of suspected corruption.

BASF’s Corporate Audit department monitors adherence to compliance principles, covering all areas in which compliance violations could occur. They check that employees adhere to regulations and make sure that the established processes, procedures and monitoring tools are appropriate and sufficient to minimize potential risk or preclude violations in the first place. In 2014, 104 Group-wide audits of this kind were performed (2013: 111), predominantly in the areas of antitrust law, imports and exports, and gifts and entertainment.

Our compliance management system itself is also regularly audited, most recently in August 2014. If compliance audits demonstrate a need to optimize procedures or hone control measures, we implement them immediately. Furthermore, we intensified the audits of our business partners in the area of sales. The audits’ content and scope are prescribed by a global directive.

Even outside of our company, we support the respect of human rights and the fight against corruption: We are a founding member of the United Nations Global Compact, and are committed to our responsibility in accordance with the U.N. Guiding Principles on Business and Human Rights. As a member of Transparency International Deutschland and the Partnering Against Corruption Initiative (PACI) of the World Economic Forum, we assist in the implementation of these organizations’ objectives. As a member of the U.N. Global Compact LEAD, we report in accordance with the Blueprint for Corporate Sustainability Leadership. This action plan comprises measures to support the U.N. Millennium Development Goals, addressing topics such as transparency and stakeholder engagement.

For more on the BASF Code of Conduct, see basf.com/code_of_conduct
For more on human rights, labor and social standards, see page 46 and basf.com/human_rights
For more on our supply chain management, see page 93
Management and Supervisory Boards
Board of Executive Directors

There were nine members on the Board of Executive Directors of BASF SE as of Dec. 31, 2014

Dr. Kurt Bock
Chairman of the Board of Executive Directors
Degree: Business Administration; 56 years old; 24 years at BASF
Responsibilities: Legal, Taxes & Insurance; Strategic Planning & Controlling; Communications & Government Relations; Global Executive Human Resources; Investor Relations; Compliance
First appointed: 2003, Term expires: 2016

Dr. Martin Brudermüller
Vice Chairman of the Board of Executive Directors
Degree: Chemistry; 53 years old; 27 years at BASF
Responsibilities: Performance Materials; Greater China & Functions Asia Pacific; South & East Asia, ASEAN and Australia/New Zealand; Corporate Technology & Operational Excellence
First appointed: 2006, Term expires: 2016
Comparable German and non-German controlling bodies:
Styrolution Holding GmbH (Vice Chairman of the Advisory Board until November 17, 2014)

Dr. Hans-Ulrich Engel
Degree: Law; 55 years old; 27 years at BASF
Responsibilities: Finance; Catalysts; Corporate Controlling; Corporate Audit; Information Services & Supply Chain Operations; Market & Business Development North America; Regional Functions North America

Sanjeev Gandhi (since December 1, 2014)
Degrees: Chemical Engineering, Master of Business Administration (MBA); 48 years old; 21 years at BASF
First appointed: 2014, Term expires: 2018

Michael Heinz
Degree: Business Administration (MBA); 50 years old; 31 years at BASF
Responsibilities: Dispersions & Pigments; Care Chemicals; Nutrition & Health; Paper Chemicals; Performance Chemicals; Advanced Materials & Systems Research; Perspectives
First appointed: 2011, Term expires: 2019
Internal memberships as defined in Section 100(2) of the German Stock Corporation Act:
BASF Coatings GmbH (member of the Supervisory Board)

Dr. Andreas Kreimeyer
Degree: Biology; 59 years old; 29 years at BASF
Responsibilities: Crop Protection; Coatings; Biological & Effect Systems Research; BASF Plant Science; BASF New Business; Region South America
First appointed: 2003, Term expires: 2015
Internal memberships as defined in Section 100(2) of the German Stock Corporation Act:
BASF Coatings GmbH (Chairman of the Supervisory Board)

Dr. Harald Schwager
Degree: Chemistry; 54 years old; 27 years at BASF
Responsibilities: Oil & Gas; Construction Chemicals; Procurement; Region Europe
Comparative German and non-German controlling bodies:
Nord Stream AG (member of the Shareholders’ Committee)
South Stream Transport B.V. (member of the Board of Directors until December 29, 2014)

Wayne T. Smith
Degrees: Chemical Engineering, Business Administration (MBA); 54 years old; 11 years at BASF
Responsibilities: Petrochemicals; Monomers; Intermediates; Process Research & Chemical Engineering
First appointed: 2012, Term expires: 2020

Margret Suckale
Degrees: Law, Business Administration (MBA); 58 years old; 6 years at BASF
Responsibilities: Engineering & Maintenance; Environment, Health & Safety; European Site & Verbund Management; Human Resources
First appointed: 2011, Term expires: 2017
Comparative German and non-German controlling bodies:
BASF Antwerpen N.V. (Chairwoman of the Administrative Council)
Supervisory Board

In accordance with the Statutes, the Supervisory Board of BASF SE comprises twelve members

The term of office of the Supervisory Board commenced following the Annual Shareholders’ Meeting on May 2, 2014, in which the shareholder representatives on the Supervisory Board were elected. It terminates upon conclusion of the Annual Shareholders’ Meeting which resolves on the discharge of members of the Supervisory Board for the fourth complete financial year after the term of office commenced; this is the Annual Shareholders’ Meeting in 2019. The Supervisory Board comprises the following members:

**Dr. Jürgen Hambrecht, Neustadt an der Weinstraße, Germany (since May 2, 2014)**
Chairman of the Supervisory Board of BASF SE
Former Chairman of the Board of Executive Directors of BASF SE

**Supervisory Board memberships (excluding internal memberships):**
Fuchs Petrolub SE (Chairman)
Trumpf GmbH & Co. KG (Chairman)

**Michael Diekmann, Munich, Germany**
Vice Chairman of the Supervisory Board of BASF SE
Chairman of the Board of Management of Allianz SE

**Supervisory Board memberships (excluding internal memberships):**
Linde AG (Vice Chairman)
Siemens AG (member)

**Internal memberships as defined in Section 100(2) of the German Stock Corporation Act:**
Allianz Deutschland AG (member of the Supervisory Board)
Allianz Asset Management AG (Chairman of the Supervisory Board)

**Comparable German and non-German controlling bodies:**
Allianz France S.A. (Vice Chairman of the Administrative Council)
Allianz S.p.A. (member of the Administrative Council)

**Robert Oswald, Altrip, Germany**
Vice Chairman of the Administrative Council of BASF SE
Chairman of the Works Council of the Ludwigshafen site of BASF SE and Chairman of BASF’s Joint Works Council

**Ralf-Gerd Bastian, Neuhausen, Germany**
Member of the Works Council of the Ludwigshafen site of BASF SE

**Dame Alison Carnwath DBE, Sidmouth, England (since May 2, 2014)**
Senior Advisor Evercore Partners

**Comparable German and non-German controlling bodies:**
Zurich Insurance Group AG (member of the Administrative Council)
Zürich Versicherungs-Gesellschaft AG (member of the Administrative Council)
ISIS Equity Partners LLP (independent Chairwoman of the Administrative Council)
Land Securities Group plc (Chairwoman of the Administrative Council)
PACCAR Inc. (member of the Administrative Council)

**Wolfgang Daniel, Heidelberg, Germany**
Vice Chairman of the Works Council of the Ludwigshafen site of BASF SE

**Prof. Dr. François Diederich, Zurich, Switzerland**
Professor at the Swiss Federal Institute of Technology, Zurich, Switzerland

**Franz Fehrenbach, Stuttgart, Germany**
Chairman of the Supervisory Board of Robert Bosch GmbH

**Supervisory Board memberships (excluding internal memberships):**
Robert Bosch GmbH (Chairman)
Stihl AG (Vice Chairman)
Linde AG (member)

**Comparable German and non-German controlling bodies:**
Robert Bosch Corporation (member of the Board of Directors)
Stihl Holding AG & Co. KG (member of the Advisory Board)

**Francesco Grioli, Ronnenberg, Germany (since May 2, 2014)**
Regional manager of the Rhineland-Palatinate/Saarland branch of the Mining, Chemical and Energy Industries Union

**Anke Schäferkordt, Cologne, Germany**
Member of the Executive Board of Bertelsmann SE & Co. KGaA
Co-CEO of RTL Group S.A.
Chief Executive Officer of RTL Television GmbH

**Supervisory Board memberships (excluding internal memberships):**
Software AG (member)

**Denise Schellemans, Brecht, Belgium**
Full-time trade union delegate

**Michael Vassiliadis, Hannover, Germany**
Chairman of the Mining, Chemical and Energy Industries Union

**Supervisory Board memberships (excluding internal memberships):**
K+S Aktiengesellschaft (Vice Chairman)
Steag GmbH (Vice Chairman)
Evonik Industries AG (Vice Chairman)

The following members left the Supervisory Board on May 2, 2014

**Dr. h. c. Eggert Voscherau, Wachenheim, Germany**
Chairman of the Supervisory Board of BASF SE
Former Vice Chairman of the Board of Executive Directors of BASF SE

**Comparable German and non-German controlling bodies:**
Centre for European Economic Research (ZEW) (Vice Chairman of the Supervisory Board)

**Max Dietrich Kley, Heidelberg, Germany**
Lawyer

**Supervisory Board memberships (excluding internal memberships):**
HeidelbergCement AG (member)

**Ralf Sikorski, Wiesbaden, Germany**
Member of the Central Board of Executive Directors of the Mining, Chemical and Energy Industries Union

**Supervisory Board memberships (excluding internal memberships):**
Villeroy & Boch AG (member)
Villeroy & Boch Fliesen GmbH (member)
Steag Power Saar GmbH (Vice Chairman)
Steag New Energies GmbH (Vice Chairman)
KSBG Kommunale Verwaltungsgesellschaft mbH (Vice Chairman)
RWE Generation SE (member)
Compensation report

This report outlines the main principles of the compensation for the Board of Executive Directors and discloses the amount and structure of the compensation of each Board member. Furthermore, it provides information on end-of-service undertakings with respect to Board members, as well as information on the compensation of Supervisory Board members.

Compensation of the Board of Executive Directors

This report meets the disclosure requirements of the German Commercial Code, supplemented by the additional requirements based on the German Act on Disclosure of Management Board Remuneration (Vorstandsvergütungs-Offenlegungsgesetz) as well as the German Act on the Appropriateness of Management Board Remuneration (Gesetz zur Angemessenheit der Vorstandsvergütung), and is aligned with the recommendations of the German Corporate Governance Code in its version of June 24, 2014.

Based on a proposal by the Personnel Committee, the Supervisory Board determines the amount and structure of compensation of members of the Board of Executive Directors.

The amount and structure of compensation is determined by the company's size, complexity and financial position, as well as the performance of the Board of Executive Directors. Internal and external appropriateness of the Board's compensation is reviewed by external auditors on a regular basis. Globally operating companies based in Europe serve as an external reference. For internal comparison, compensation is considered in total as well as over time, especially for senior executives.

For more on the Supervisory Board and its committees, see page 137 and from page 148 onward

Principles

The compensation of the Board of Executive Directors is designed to promote sustainable corporate development. It is marked by a pronounced variability in relation to the performance of the Board of Executive Directors and BASF Group's return on assets.

The compensation components are shown in detail below:

1. The fixed salary is a set amount of yearly compensation paid out in even installments. It is regularly reviewed by the Supervisory Board and adjusted, if necessary.

2. The actual annual variable compensation (variable bonus) is based on the performance of the entire Board of Executive Directors and the return on assets. The return on assets is also used to determine the variable compensation of all other employee groups.

   In order to assess the sustainable performance of the Board of Executive Directors, each year the Supervisory Board sets a target agreement with the entire Board of Executive Directors that primarily contains medium and long-term goals.

   The Supervisory Board assesses the goal achievement of the current year and the previous two years. A performance factor with a value between 0 and 1.5 is determined on the basis of the goal achievement ascertained by the Supervisory Board. The variable bonus for the prior fiscal year is payable after the Annual Shareholders' Meeting.

   Board members, like other employee groups, may contribute a portion of their annual variable bonus into a deferred compensation program. For members of the Board of Executive Directors, as well as for all other senior executives of the German BASF Group, the maximum amount that can be contributed to this program is €30,000. Board members have taken advantage of this offer to varying degrees.

3. A share-price-based, long-term incentive (LTI) program exists for members of the Board of Executive Directors.

   It is also offered to all other senior executives of BASF Group. Members of the Board of Executive Directors are subject to a stricter set of rules than are contained in the general program conditions: They are required to participate in the program with at least 10% of their variable bonus. This mandatory investment consisting of BASF shares is subject to a holding period of four years. For any additional voluntary investment of up to 20% of the variable bonus, the general holding period of two years applies. Members of the Board of Executive Directors may only exercise their options at least four years after they have been granted (vesting period). This compensation component is limited, too, by the structure of the LTI program as well as by the upper limit on the options' exercise value. Because the exercise period spans multiple years, it can occur that gains allocated from several LTI program years all accumulate into one year; there can also be years in which no gains are allocated.

For more on share ownership by members of the Board of Executive Directors, see page 133

For more on the LTI program, see page 45 and from page 219 onward

The compensation of the Board of Executive Directors comprises:

1. Fixed salary
2. Annual variable compensation
3. Share-price-based, long-term incentive (LTI) program
4. Nonmonetary compensation and other additional compensation
5. Company pension benefits
4. Included in nonmonetary compensation and other additional compensation (fringe benefits) are the following: delegation allowances, accident insurance premiums and other similar benefits, and benefits from means of transport and security measures provided by the company. The members of the Board did not receive loans or advances from the company in 2014.

The members of the Board are covered by loss liability insurance concluded by the company (D&O insurance) which includes a deductible. For more on the D&O insurance of the Board of Executive Directors, see page 133.

5. As part of the pension benefits granted to the Board of Executive Directors (“Board Performance Pension”), company pension benefits are intended to accrue annual pension units. The method used to determine the amount of the pension benefits generally corresponds to that used for the other senior executives of the German BASF Group. The method is designed such that both the performance of the company and the progression of the individual Board member’s career significantly affect the pension entitlement.

The annual pension benefits accruing to Board members in a given reporting year (pension unit) are composed of a fixed and a variable component. The fixed component is calculated by multiplying the annual fixed salary above the Social Security Contribution Ceiling by 32% (contribution factor). The variable component of the pension unit is the result of multiplying the fixed component with a factor that is dependent on the return on assets in the reporting year and the performance factor, which is also decisive for the variable bonus. The amount resulting from the fixed and the variable component is converted into a pension unit (lifelong pension) using actuarial factors based on an actuarial interest rate (5%), the probability of death, invalidity and bereavement according to Heubeck Richttafeln, 2005G (modified), and an assumed pension increase (at least 1% per annum).

The sum of the pension units accumulated over the reporting years determines the respective Board member’s pension benefit in the event of a claim. This is the amount that is payable upon retirement. Pension benefits take effect at the end of service after completion of the member’s 60th year of age, or on account of disability or death. Pension payments are reviewed on a regular basis and adjusted by at least 1% each year.

The pension units also include survivor benefits. Upon the death of an active or former member of the Board, the surviving spouse receives a survivor pension amounting to 60% of the Board member’s pension entitlement. The orphan pension amounts to 10% for each half-orphan, 33% for an orphan, 25% each for two orphans and 20% each for three or more orphans of the pension entitlement of the deceased (former) Board member. Total survivor benefits may not exceed 75% of the Board member’s pension entitlement. If the survivor pensions exceed the upper limit, they will be proportionately reduced.

Board members are members of the BASF Pensionskasse VVaG, as are generally all employees of BASF SE. Contributions and benefits are determined by the Statutes of the BASF Pensionskasse VVaG and the General Conditions of Insurance.

**Amount of total compensation**

The tables on pages 140-143 show the granted and allocated compensation as well as service cost of each member of the Board of Executive Directors in accordance with Section 4.2.5(3) of the German Corporate Governance Code (GCGC) in its version of June 24, 2014.

**Compensation granted in accordance with the German Corporate Governance Code (GCGC)**

The table “Compensation granted in accordance with GCGC” shows: fixed salary, fringe benefits, annual variable target compensation, LTI program measured at fair value at the grant date, and service cost. The individual compensation components are supplemented by individually attainable minimum and maximum compensation.

Furthermore, a reconciliation statement for total compensation to be reported is provided below the table “Compensation granted in accordance with GCGC” due to the disclosures required by Section 314(1)(6a) of the German Commercial Code (HGB) in connection with the German Accounting Standard Number 17 (GAS 17).

The fixed salary and annual variable target compensation were both raised on January 1, 2014, for the first time since January 1, 2011.
### Compensation granted in accordance with the German Corporate Governance Code (GCGC) (in thousand €)

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#### Reconciliation reporting of total compensation pursuant to Section 314(1)(6a) HGB in connection with GAS 17

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### Compensation granted in accordance with the German Corporate Governance Code (GCGC) (in thousand €)

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#### Reconciliation reporting of total compensation pursuant to Section 314(1)(6a) HGB in connection with GAS 17

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1 Payment is made in local currency based on a theoretical net salary in Germany.
2 Includes payments to cover additional costs of transfers, such as assumption of prevailing local rental fees.
### Dr. Hans-Ulrich Engel

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### Sanjeev Gandhi

Since December 1, 2014

### Michael Heinz

1. Payment is made in local currency based on a theoretical net salary in Germany.
2. Includes payments to cover additional costs of transfers, such as assumption of prevailing local rental fees.

### Wayne T. Smith

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</tr>
<tr>
<td>2,778</td>
<td>3,182</td>
<td>1,233</td>
<td>5,328</td>
<td>2,133</td>
<td>2,670</td>
<td>721</td>
<td>4,816</td>
<td>4,816</td>
<td>4,816</td>
<td>4,816</td>
<td>4,816</td>
<td>4,816</td>
</tr>
<tr>
<td>546</td>
<td>477</td>
<td>477</td>
<td>477</td>
<td>442</td>
<td>391</td>
<td>391</td>
<td>391</td>
<td>391</td>
<td>391</td>
<td>391</td>
<td>391</td>
<td>391</td>
</tr>
<tr>
<td>3,324</td>
<td>3,659</td>
<td>1,710</td>
<td>5,805</td>
<td>2,575</td>
<td>3,061</td>
<td>1,112</td>
<td>5,207</td>
<td>5,207</td>
<td>5,207</td>
<td>5,207</td>
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<td>5,207</td>
</tr>
</tbody>
</table>

### Margret Suckale

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>1,200</td>
<td>1,200</td>
<td>1,200</td>
<td>1,200</td>
<td>1,200</td>
<td>1,200</td>
<td>1,200</td>
<td>1,200</td>
<td>1,200</td>
<td>1,200</td>
</tr>
<tr>
<td>1,397</td>
<td>1,340</td>
<td>1,340</td>
<td>1,340</td>
<td>1,340</td>
<td>1,340</td>
<td>1,340</td>
<td>1,340</td>
<td>1,340</td>
<td>1,340</td>
</tr>
<tr>
<td>545</td>
<td>477</td>
<td>477</td>
<td>477</td>
<td>442</td>
<td>391</td>
<td>391</td>
<td>391</td>
<td>391</td>
<td>391</td>
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<tr>
<td>2,975</td>
<td>2,322</td>
<td>2,322</td>
<td>2,322</td>
<td>2,330</td>
<td>2,710</td>
<td>2,710</td>
<td>2,710</td>
<td>2,710</td>
<td>2,710</td>
</tr>
</tbody>
</table>
The table below shows the options granted to the Board of Executive Directors on July 1 of both reporting years. Sanjeev Gandhi was not yet a member of the Board at this time.

<table>
<thead>
<tr>
<th>Number of options granted</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dr. Kurt Bock</td>
<td>41,412</td>
<td>54,240</td>
</tr>
<tr>
<td>Dr. Martin Brudermüller</td>
<td>27,536</td>
<td>36,072</td>
</tr>
<tr>
<td>Dr. Hans-Ulrich Engel</td>
<td>20,704</td>
<td>27,120</td>
</tr>
<tr>
<td>Michael Heinz</td>
<td>20,704</td>
<td>27,120</td>
</tr>
<tr>
<td>Dr. Andreas Kreimeyer</td>
<td>20,704</td>
<td>27,120</td>
</tr>
<tr>
<td>Dr. Harald Schwager</td>
<td>20,704</td>
<td>27,120</td>
</tr>
<tr>
<td>Wayne T. Smith</td>
<td>20,704</td>
<td>21,276</td>
</tr>
<tr>
<td>Margret Suckale</td>
<td>20,704</td>
<td>10,880</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>193,172</td>
<td>230,948</td>
</tr>
</tbody>
</table>

Compensation allocated in accordance with the German Corporate Governance Code (GCGC)

The “Compensation allocated in accordance with the GCGC” shown for 2013 and 2014 is comprised of the fixed and variable compensation components actually allocated, plus the service cost calculated for each member of the Board of Executive Directors in the reporting years even though this does not actually represent payment in the narrower sense.

<table>
<thead>
<tr>
<th>Compensation allocated in accordance with the German Corporate Governance Code (GCGC) (in thousand €)</th>
<th>Dr. Kurt Bock</th>
<th>Dr. Martin Brudermüller</th>
<th>Dr. Hans-Ulrich Engel</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Chairman of the Board of Executive Directors</td>
<td>Vice Chairman of the Board of Executive Directors</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1,300</td>
<td>1,200</td>
<td>864</td>
</tr>
<tr>
<td>Fringe benefits</td>
<td>173</td>
<td>124</td>
<td>754</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,473</strong></td>
<td><strong>1,324</strong></td>
<td><strong>1,618</strong></td>
</tr>
<tr>
<td>Actual annual variable compensation(^1)</td>
<td></td>
<td></td>
<td>2,825</td>
</tr>
<tr>
<td>Multiple-year variable compensation (^2), (^3)</td>
<td></td>
<td></td>
<td>2,825</td>
</tr>
<tr>
<td>LTI program 2006 (2006–2014)</td>
<td></td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>LTI program 2007 (2007–2015)</td>
<td></td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>LTI program 2008 (2008–2016)</td>
<td></td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>LTI program 2009 (2009–2017)</td>
<td></td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>LTI program 2010 (2010–2018)</td>
<td></td>
<td></td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>6,978</strong></td>
<td><strong>4,118</strong></td>
<td><strong>3,400</strong></td>
</tr>
<tr>
<td>Service cost</td>
<td>820</td>
<td>943</td>
<td>587</td>
</tr>
<tr>
<td><strong>Total compensation in accordance with GCGC</strong></td>
<td><strong>7,798</strong></td>
<td><strong>5,061</strong></td>
<td><strong>3,987</strong></td>
</tr>
</tbody>
</table>

\(^1\) The basis for the allocated actual annual variable compensation is the return on assets adjusted for special items and the performance factor. This includes contributions made to the deferred compensation program.

\(^2\) Payment is made in local currency based on a theoretical net salary in Germany.

\(^3\) Includes payments to cover additional costs of transfers, such as assumption of prevailing local rental fees.

\(^4\) At the end of the regular term of the LTI program 2006, exercise gains which were realized in 2010 or 2011 were allocated to Dr. Kurt Bock and Dr. Hans-Ulrich Engel in 2014 in accordance with the special conditions of the U.S. LTI program.
Compensation allocated in accordance with the German Corporate Governance Code (GCGC) (in thousand €)

<table>
<thead>
<tr>
<th></th>
<th>Sanjeev Gandhi</th>
<th></th>
<th>Michael Heinz</th>
<th></th>
<th>Dr. Andreas Kreimeyer</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed salary</td>
<td>54</td>
<td>650</td>
<td>168</td>
<td>1340</td>
<td>650</td>
<td>600</td>
</tr>
<tr>
<td>Fringe benefits</td>
<td>5</td>
<td>168</td>
<td>125</td>
<td>1,397</td>
<td>96</td>
<td>125</td>
</tr>
<tr>
<td>Total</td>
<td>59</td>
<td>818</td>
<td>725</td>
<td>1,397</td>
<td>746</td>
<td>697</td>
</tr>
<tr>
<td>Actual annual variable compensation</td>
<td>112</td>
<td>1,340</td>
<td>1,397</td>
<td>1,340</td>
<td>1,397</td>
<td>1,340</td>
</tr>
<tr>
<td>Multiple-year variable compensation</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>LTI program 2006 (2006–2014)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>LTI program 2007 (2007–2015)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>LTI program 2008 (2008–2016)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>LTI program 2009 (2009-2017)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>LTI program 2010 (2010–2018)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>171</td>
<td>2,158</td>
<td>2,122</td>
<td>2,523</td>
<td>4,922</td>
<td></td>
</tr>
<tr>
<td>Service cost</td>
<td>37</td>
<td>445</td>
<td>520</td>
<td>478</td>
<td>534</td>
<td></td>
</tr>
<tr>
<td>Total compensation in accordance with GCGC</td>
<td>208</td>
<td>2,603</td>
<td>2,642</td>
<td>3,001</td>
<td>5,456</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Dr. Harald Schwager</th>
<th>Wayne T. Smith</th>
<th>Margret Suckale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed salary</td>
<td>650</td>
<td>600</td>
<td>650</td>
</tr>
<tr>
<td>Fringe benefits</td>
<td>106</td>
<td>160</td>
<td>583²</td>
</tr>
<tr>
<td>Total</td>
<td>756</td>
<td>760</td>
<td>1,233</td>
</tr>
<tr>
<td>Actual annual variable compensation¹</td>
<td>1,340</td>
<td>1,397</td>
<td>1,340</td>
</tr>
<tr>
<td>Multiple-year variable compensation</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>LTI program 2006 (2006–2014)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>LTI program 2007 (2007–2015)</td>
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</tr>
<tr>
<td>LTI program 2008 (2008–2016)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>LTI program 2009 (2009-2017)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>LTI program 2010 (2010–2018)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>2,096</td>
<td>8,425</td>
<td>2,573</td>
</tr>
<tr>
<td>Pension benefits</td>
<td>457</td>
<td>523</td>
<td>477</td>
</tr>
<tr>
<td>Total compensation in accordance with GCGC</td>
<td>2,553</td>
<td>8,948</td>
<td>3,050</td>
</tr>
</tbody>
</table>

¹ The basis for the allocated actual annual variable compensation is the return on assets adjusted for special items and the performance factor. This includes contributions made to the deferred compensation program.
² Includes payments to cover additional costs of transfers, such as assumption of prevailing local rental fees.

Accounting valuation of multiple-year variable compensation (LTI programs)

While the options granted had resulted in an expense for BASF in 2013, they led to income in 2014, except in the case of Dr. Andreas Kreimeyer. This income refers to the total of all options from the LTI programs 2006 to 2014 and is calculated as the difference in the value of the options on December 31, 2014, compared with the value on December 31, 2013, considering the options exercised and granted in 2014. The value of the options is based primarily on the development of the BASF share price and its relative performance compared with the benchmark index specified for the LTI programs 2006 to 2014. Because the value of options on December 31, 2014, was lower than that of December 31, 2013, a gain rather than an expense arose for 2014.

The expenses and gains reported below are purely accounting figures which do not equate with the allocated actual gains should options be exercised. Each member of the Board may decide individually on the timing and scope of the exercise of options of the LTI programs, while taking into account the terms and conditions of the program.

The gains for 2014 relating to all options issued were as follows: Dr. Kurt Bock €97 thousand (2013: expense of €1,870 thousand); Dr. Martin Brudermüller €333 thousand (2013: expense of €1,773 thousand); Dr. Hans-Ulrich Engel €90 thousand (2013: expense of €1,593 thousand); Michael Heinz €146 thousand (2013: expense of €477 thousand);
Dr. Harald Schwager €388 thousand (2013: expense of €1,716 thousand); Wayne T. Smith €165 thousand (2013: expense of €312 thousand); and Margret Suckale €145 thousand (2013: expense of €390 thousand). For Dr. Andreas Kreimeyer, the expense for 2014 amounted to €446 thousand (2013: expense of €1,477 thousand).

**Pension benefits**

The values for service cost incurred in 2014 contain service cost for BASF Pensionskasse VVaG and Performance Pension. Service cost for the members of the Board of Executive Directors is shown individually in the tables “Compensation granted in accordance with GCGC” and “Compensation allocated in accordance with GCGC.”

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 defined benefit obligations up to and including 2014 are as follows: Dr. Kurt Bock €18,571 thousand (2013: €13,154 thousand); Dr. Martin Brudermüller €13,259 thousand (2013: €9,070 thousand); Dr. Hans-Ulrich Engel €10,165 thousand (2013: €7,165 thousand); Sanjeev Gandhi €1,193 thousand (2013: €6,707 thousand); Dr. Andreas Kreimeyer €14,582 thousand (2013: €11,275 thousand); Dr. Harald Schwager €9,680 thousand (2013: €6,707 thousand); Wayne T. Smith €1,933 thousand (2013: €935 thousand); and Margret Suckale €3,290 thousand (2013: €2,148 thousand). The increase in the defined benefit obligations compared with the previous year was largely attributable to the lower discount rate.

**End-of-service benefits**

In the event that a member of the Board of Executive Directors 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 if they have served on the Board for at least ten years or if the time needed to reach legal retirement age is less than ten years. The company is entitled to offset compensation received for any other work done against pension benefits until the legal retirement age is reached.

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 a Board member's appointment is revoked within one year following a change-of-control event, the Board member will receive the contractually agreed payments for the remaining contractual term of office as a one-off payment (fixed salary and annual variable target compensation). The Board member may also receive the fair value of the option rights acquired in connection with the LTI program within a period of three months or may continue to hold the existing rights under the terms of the program. For the determination of the accrued pension benefits from the “Board Performance Pension,” the time up to the regular expiry of office is taken into consideration.

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 full financial year and, if appropriate, also the expected total compensation for the current financial year. If the appointment to the Board of Executive Directors is prematurely terminated as the result of a change of control, the payments may not exceed 150% of the severance compensation cap.

**Former members of the Board of Executive Directors**

Total compensation for previous Board members and their surviving dependents amounted to €6.5 million in 2014 (2013: €10.5 million). This figure also contains payments that previous Board members have themselves financed through the deferred compensation program and the gain or expense for 2014 relating to options that previous members of the Board still hold from the time of their active service period.

The continuation of the options that have not yet been exercised at the time of retirement, along with the continuation of the associated holding period for individual investment in BASF shares under the conditions of the program, is intended in order to particularly emphasize how sustainability is incorporated into the compensation for the Board members. Pension provisions for previous Board members and their surviving dependents amounted to €143.5 million (2013: €131.8 million).

**Compensation of Supervisory Board members**

The disclosure of compensation of the Supervisory Board is based on the German Corporate Code and is aligned with the recommendations of the German Corporate Governance Code. The compensation of the Supervisory Board is regulated by the Statutes of BASF SE passed by the Annual Shareholders’ Meeting.

Each member of the Supervisory Board receives an annual fixed compensation of €50,000 and a performance-related variable compensation for each full €0.01 by which the earnings per share of the BASF Group, as declared in the BASF Group Consolidated Financial Statements for the year for which the remuneration is paid, exceeds the minimum earnings per share. For the 2014 business year, minimum earnings per share amounted to €1.65 (2013: €1.60). The performance-related variable remuneration is €800 for each €0.01 of earnings per share up to an earnings per share of €2.40, €600 for each further €0.01 of earnings per share up to an earnings per share of €2.90, and €400 for each €0.01 beyond this. The
minimum earnings per share and the corresponding thresholds shall increase by €0.05 for each subsequent financial year. The performance-related variable compensation is limited to a maximum amount of €120,000.

Based on the earnings per share of €5.61 published in the BASF Group Consolidated Financial Statements 2014, the performance-related compensation reached the maximum amount of €120,000 (2013: €120,000).

The chairman of the Supervisory Board receives two-and-a-half times and a vice chairman one-and-a-half times the compensation of an ordinary member. Members of the Supervisory Board who are members of a committee, except for the Nomination Committee, receive a further fixed compensation for this purpose in the amount of €12,500. For the Audit Committee, the further fixed compensation is €50,000. The chairman of a committee shall receive twice and a vice chairman one-and-a-half times the further fixed compensation.

The company reimburses members of the Supervisory Board for out-of-pocket expenses and value-added tax to be paid with regard to their activities as members of the Supervisory Board or of a committee. The company further grants the members of the Supervisory Board a fee of €500 for attending a meeting of the Supervisory Board or one of its committees to which they belong and includes the performance of the duties of the members of the Supervisory Board in the cover of a loss liability insurance concluded by it (D&O insurance), which includes a deductible.

For more on the D&O insurance of the Supervisory Board, see page 133

Total compensation of the Supervisory Board of the company for activities in 2014, including the attendance fees, was around €3 million (2013: around €3 million). The compensation of the individual Supervisory Board members is as follows:

Compensation of the Supervisory Board of BASF SE (in thousand €)

<table>
<thead>
<tr>
<th>Name</th>
<th>Fixed salary</th>
<th>Performance-related variable compensation</th>
<th>Compensation for committee memberships</th>
<th>Total compensation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dr. Jürgen Hambrecht, Chairman since May 2, 2014</td>
<td>100.0</td>
<td>200.0</td>
<td>16.7</td>
<td>316.7</td>
</tr>
<tr>
<td>Dr. h. c. Eggert Voßcherau, Chairman until May 2, 2014</td>
<td>62.5</td>
<td>150.0</td>
<td>300.0</td>
<td>197.9</td>
</tr>
<tr>
<td>Michael Diekmann, Vice Chairman</td>
<td>90.0</td>
<td>180.0</td>
<td>12.5</td>
<td>282.5</td>
</tr>
<tr>
<td>Robert Oswald, Vice Chairman</td>
<td>90.0</td>
<td>180.0</td>
<td>12.5</td>
<td>282.5</td>
</tr>
<tr>
<td>Ralf-Gerd Bastian</td>
<td>60.0</td>
<td>120.0</td>
<td>50.0</td>
<td>230.0</td>
</tr>
<tr>
<td>Dame Alison Carnwath DBE, Supervisory Board member since May 2, 2014</td>
<td>40.0</td>
<td>80.0</td>
<td>66.7</td>
<td>186.7</td>
</tr>
<tr>
<td>Wolfgang Daniel</td>
<td>60.0</td>
<td>120.0</td>
<td>180.0</td>
<td>180.0</td>
</tr>
<tr>
<td>Prof. Dr. François Diederich</td>
<td>60.0</td>
<td>120.0</td>
<td>–</td>
<td>180.0</td>
</tr>
<tr>
<td>Franz Fehrenbach</td>
<td>60.0</td>
<td>120.0</td>
<td>50.0</td>
<td>230.0</td>
</tr>
<tr>
<td>Francesco Girol, Supervisory Board member since May 2, 2014</td>
<td>40.0</td>
<td>80.0</td>
<td>–</td>
<td>120.0</td>
</tr>
<tr>
<td>Max Dietrich Kley, Supervisory Board member until May 2, 2014</td>
<td>25.0</td>
<td>50.0</td>
<td>120.0</td>
<td>116.7</td>
</tr>
<tr>
<td>Anika Schäferkordt</td>
<td>60.0</td>
<td>120.0</td>
<td>–</td>
<td>180.0</td>
</tr>
<tr>
<td>Denise Schellemann</td>
<td>60.0</td>
<td>120.0</td>
<td>–</td>
<td>180.0</td>
</tr>
<tr>
<td>Ralf Sikorski, Supervisory Board member until May 2, 2014</td>
<td>25.0</td>
<td>50.0</td>
<td>–</td>
<td>75.0</td>
</tr>
<tr>
<td>Michael Vassiliadis</td>
<td>60.0</td>
<td>120.0</td>
<td>62.5</td>
<td>242.5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>892.5</strong></td>
<td><strong>1,785.0</strong></td>
<td><strong>323.0</strong></td>
<td><strong>3,000.5</strong></td>
</tr>
</tbody>
</table>

1 Chairman of the Personnel Committee  2 Member of the Personnel Committee  3 Chairwoman/Chairman of the Audit Committee  4 Member of the Audit Committee

Compensation for Supervisory Board membership and membership of Supervisory Board committees is payable after the Annual Shareholders’ Meeting, which approves the Consolidated Financial Statements upon which the variable compensation is based. Accordingly, compensation relating to the year 2014 will be paid following the Annual Shareholders’ Meeting on April 30, 2015.

In 2014, as in 2013, the company paid the Supervisory Board member Prof. Dr. François Diederich a total of CHF 38,400 (2014: approximately €31,600; 2013: approximately €31,200) plus value-added taxes and out-of-pocket expenses for consulting work in the area of chemical research based on a consulting contract approved by the Supervisory Board.

Beyond this, no other Supervisory Board members received any compensation in 2014 for services rendered personally, in particular, the rendering of advisory and agency services.

For more on share ownership by members of the Supervisory Board, see page 133
Despite a sluggish business environment and growing uncertainty in the global economy, BASF continued to grow in 2014. Our goal of once again increasing earnings was achieved. This was not automatically a given. The will and the ability to consistently implement the “We create chemistry” strategy and to constantly improve efficiency and resilience determine today’s and tomorrow’s success. The further pursuit of this entrepreneurially ambitious path is the managerial responsibility of the Board of Executive Directors. In this, they have the full support of the Supervisory Board.

Monitoring and consultation in an ongoing dialog with the Board of Executive Directors

In 2014, the Supervisory Board of BASF SE exercised its duties as required by law and the Statutes with the utmost care. We regularly monitored the management of the Board of Executive Directors and provided advice on the company’s strategic development and important individual measures, about which the Supervisory Board was regularly and thoroughly informed by the Board of Executive Directors. This occurred in the form of written and oral reports on, for example, all of the company’s and the segments’ major financial KPIs for the general economic situation in the main sales and procurement markets, and on deviations in business developments from original plans. Furthermore, the Supervisory Board tackled fundamental questions of corporate planning, including financial, investment, sales volumes and personnel planning, as well as measures for designing the future of research and development.

Outside of Supervisory Board meetings, the Chairman of the Board of Executive Directors also regularly informed the Chairman of the Supervisory Board with regard to current developments and individual events significant for the company. The Supervisory Board was always involved at an early stage in decisions of major importance. The Supervisory Board passed resolutions on all of those individual measures taken by the Board of Executive Directors which by law or the Statutes required the approval of the Supervisory Board. In 2014, these pertained to approval for the acquisition of further investments in oil and gas fields in Norway from Statoil Petroleum AS.

Composition of the Supervisory Board

The Supervisory Board’s term of office ended with the Annual Shareholders’ Meeting on May 2, 2014. Of the shareholder representatives serving up to that point, Chairman of the Supervisory Board Dr. h. c. Eggert Voscherau and Chairman of the Audit Committee Max Dietrich Kley were no longer eligible for reelection. The Annual Shareholders’ Meeting elected Dame Alison Carnwath DBE and the former Chairman of the Board of Executive Directors of BASF SE, Dr. Jürgen Hambrecht, both of whom were nominated for the first time, to represent the shareholders together with the reelected Supervisory Board members Michael Diekmann, Prof. Dr. François Diederich, Franz Fehrenbach and Anke Schäferkordt. The six employee representatives in the Supervisory Board of BASF SE, Ralf-Gerd Bastian, Wolfgang Daniel, Francesco Grioli, Robert Oswald, Denise Schelllemans and Michael Vassiliadis, were appointed by BASF Europa Betriebsrat (Europe Works Council) in accordance with the regulations of the Employee Participation Agreement of November 15, 2007. The term of office of the newly elected Supervisory Board will end upon the conclusion of the 2019 Annual Meeting.
Supervisory Board meetings

The Supervisory Board held six meetings in the 2014 reporting year. With the exception of two meetings at which one member of the Supervisory Board was absent, all twelve Supervisory Board members attended the meetings of the Supervisory Board in 2014. The members of the Supervisory Board elected by shareholders and those elected by the employees prepared for the meetings in separate preliminary discussions.

Directly following the Annual Shareholders’ Meeting on May 2, 2014, the Supervisory Board redefined its own organization in its constituent assembly with the election of Dr. Jürgen Hambrecht as Chairman, Michael Diekmann and Robert Oswald as Vice Chairmen, and the new composition of the Supervisory Board Committees. Dame Alison Carnwath DBE was appointed the new Chair of the Audit Committee.

A significant component of all Supervisory Board meetings was the Board of Executive Directors’ reports on the current business situation with detailed information on sales and earnings growth, as well as on opportunities and risks for business development, the status of important current and planned investment projects, developments on the capital markets and significant managerial measures taken by the Board of Executive Directors.

In its meetings, the Supervisory Board additionally discussed the further development of the BASF Group’s business activities through acquisitions, divestitures and investment projects. The 2014 business year was marked by a number of medium-sized divestitures which enabled BASF to undergo organic development and exit businesses that no longer fit with the core areas pursuant to the “We create chemistry” strategy supported by the Supervisory Board. These include the disposal of BASF’s share in the styrenic plastics supplier Styrolution to INEOS; the disposal of BASF’s share in Elhiba Eastern, which produces styrene and propylene oxide in Singapore, to its joint venture partner Shell; the divestiture of the expandable polystyrene (EPS) business in North and South America; and the agreement to sell the global textile chemicals business. The Board of Executive Directors reported on current developments in the projects negotiated with Gazprom at all meetings of the Supervisory Board. These included the planned swap of BASF’s share in the jointly operated natural gas trading and storage business for a further share in gas fields in western Siberia as well as an investment in the South Stream gas pipeline through the Black Sea. Both projects were no longer able to be implemented in the existing political environment and were terminated by both parties.

Major, capital-intensive investment projects were once again a recurring element in the reports of the Board of Executive Directors, such as the construction of a TDI plant in Ludwigshafen, Germany; an MDI plant in Chongqing, China; and an ammonia plant with Yara on the United States Gulf Coast.

In the meeting on July 17, 2014, we received reports on the business prospects in the Performance Products segment and especially the reorganization of the paper chemicals business. Moreover, we discussed the implementation status of the “We create chemistry” strategy, introduced in 2011, with the Board of Executive Directors.

At the meeting on October 23, 2014, we thoroughly deliberated on the prospects and strategy of the Coatings division.

At the meeting on December 12, 2014, we discussed and approved the Board of Executive Directors’ operative and financial planning for 2015, and as usual empowered the Board of Executive Directors to procure necessary financing in 2015. The strategic direction of the Engineering & Maintenance function was furthermore discussed.

The Supervisory Board considered personnel issues of the Board of Executive Directors during the meetings of February 20, October 23 and December 12, 2014. Based on the recommendations of the Personnel Committee, the Supervisory Board at its meeting on February 20, 2014, conducted its regularly scheduled review of the structure and amount of the compensation of the Board of Executive Directors and adjusted the fixed compensation and annual variable compensation for the first time since 2011. The topic of the October 23, 2014, meeting was the composition of the Board of Executive Directors. In view of the departure of Dr. Andreas Kreimeyer from the Board of Executive Directors on conclusion of the 2015 Annual Shareholders’ Meeting, the Supervisory Board appointed the former head of the Intermediates division, Sanjeev Gandhi, as a further member of the Board of Executive Directors, effective December 1, 2014. The term of this first-time appointment runs until the 2018 Annual Shareholders’ Meeting. Furthermore, the Supervisory Board extended the term of Board of Executive Directors member Wayne T. Smith, originally ending in 2015, until the conclusion of the 2020 Annual Shareholders’ Meeting. Based on preparations conducted by the Personnel Committee, the Supervisory Board determined the performance evaluation of the Board of Executive Directors for the 2014 business year. Together with the return on assets of the BASF Group, this evaluation is essential in ascertaining the performance-related component of the compensation of the Board of Executive Directors.
Committees

BASF SE’s Supervisory Board has a total of three committees: 1) the committee for personnel matters of the Board of Executive Directors and the granting of loans in accordance with Section 89(4) of the German Stock Corporation Act (Personnel Committee), 2) the Audit Committee and 3) the Nomination Committee. Following each Committee meeting, the chairpersons of the Committees reported in detail about the meetings and the activities of the Committees at the subsequent meeting of the Supervisory Board.

The Personnel Committee met four times during the reporting period. With the exception of one meeting at which one member was absent, all committee members participated in the meetings. At the meeting on February 20, 2014, the committee considered adjustments to the compensation of the Board of Executive Directors and prepared a corresponding proposal for the Supervisory Board. At the meetings on July 17 and October 23, 2014, the Personnel Committee particularly discussed leadership development and the composition of the Board of Executive Directors; topics included diversity and the proper involvement of women in leadership positions. At the meeting of October 23, 2014, the Supervisory Board received the proposals to appoint Sanjeev Gandhi to the Board of Executive Directors and extend the term of Wayne T. Smith. At the meeting of December 12, 2014, the primary topic was the evaluation of the Board of Executive Directors’ performance in 2014.

The Audit Committee is responsible for all the tasks listed in Section 107(3)(2) of the German Corporate Governance Code and in Subsection 5.3.2 of the German Corporate Governance Code in its version of June 24, 2014. The Audit Committee met five times during the reporting period. All committee members attended all meetings. The core duties were to review BASF SE’s Financial Statements and Consolidated Financial Statements, as well as to discuss the quarterly and first-half financial reports with the Board of Executive Directors prior to their publication.

At the meeting on February 24, 2015, the auditor reported in detail on its audits of BASF SE’s consolidated and individual financial statements for the 2014 business year and discussed the audit’s results with the Audit Committee.

Other important activities included advising the Board of Executive Directors on accounting issues and the internal control system. The internal auditing system and compliance in the BASF Group were each a focus at one meeting of the Audit Committee. In these meetings, the head of the Corporate Audit department and the Chief Compliance Officer reported to the Audit Committee and answered its questions. In its meeting of July 22, 2014, the Audit Committee charged KPMG – the auditor elected at the Annual Shareholders’ Meeting – with the audit for the 2014 reporting year and agreed on the auditing fees. The focus areas for the annual audit were discussed and defined together with the auditor. The Audit Committee approved certain nonaudit services and authorized the Board of Executive Directors to engage KPMG for such services. The authorization applies for one reporting year and is limited in amount. Other services provided by the auditor must be individually approved by the Audit Committee. Furthermore, the committee recommended to the Supervisory Board that KPMG once again be nominated for the election of the auditor at the Annual Shareholders’ Meeting in 2015.

The Audit Committee once again conducted a self-evaluation of its activities in 2014. No new steps were found to be necessary in terms of the duties of the committee or the content, frequency and procedure of meetings.

The Nomination Committee is responsible for preparing candidate proposals for the election of those Supervisory Board members who are elected by the Annual Shareholders’ Meeting. The Nomination Committee is guided by the objectives for the composition of the Supervisory Board that were adopted by the Supervisory Board in 2010, revised in 2012 and adjusted to conform to the new recommendations of the German Corporate Governance Code. With a view to the regular election of the Supervisory Board members conducted at the Annual Shareholders’ Meeting on May 2, 2014, the Nomination Committee was intensely occupied with the requirements for its composition in 2013 and at the beginning of 2014, considering the search for, and selection of, persons who would complete the required profile of the Supervisory Board as a whole. The selection of candidates took place at the meeting on February 19, 2014, including a proposal for the election of the future Chairman of the Supervisory Board. The Supervisory Board accepted the Nomination Committee’s suggestion in unmodified form for its candidate proposal. The nominated candidates were all elected by a large majority at the Annual Shareholders’ Meeting.

Corporate governance and Declaration of Conformity

The Supervisory Board places great value on ensuring good corporate governance: In 2014, we were therefore once again intensely engaged with the corporate governance standards practiced in the company and with the implementation of the German Corporate Governance Code’s recommendations and suggestions. At our meeting of October 24, 2014, we discussed the current recommendations and proposals made for the German Corporate Governance Code and their implementation at BASF.

At its meeting of December 12, 2014, the Supervisory Board approved the joint Declaration of Conformity by the Supervisory Board and the Board of Executive Directors in accordance with Section 161 of the German Stock Corporation Act, and carried out assessments of efficiency and independence. BASF complies with the recommendations of the German Corporate Governance Code in its version of June 24, 2014, without exception.

The entire Declaration of Conformity is rendered on page 150 and can also be found at basf.com/governance_e
An important aspect of good corporate governance is the independence of Supervisory Board members and their freedom from conflicts of interest. According to estimations of the Supervisory Board, all of its members can be considered independent as defined by the German Corporate Governance Code. The criteria used for this evaluation can be found in the Corporate Governance Report on page 130. In cases where Supervisory Board members hold supervisory or management positions at companies with which BASF has business relations, we see no impairment of their independence. The scope of these businesses is relatively marginal and furthermore takes place under conditions similar to those of a third party. The Corporate Governance Report of the BASF Group provides extensive information on BASF’s corporate governance. It also includes the Compensation Report, containing full details on the compensation for the Board of Executive Directors and the Supervisory Board.

Annual Financial Statements of BASF SE and Consolidated Financial Statements

KPMG AG Wirtschaftsprüfungsgesellschaft, the auditor elected by the Annual Shareholders’ Meeting for the 2014 reporting year, has audited the Financial Statements of BASF SE and the BASF Group Consolidated Financial Statements, including the Management’s Report and the accounting records from which they were prepared, and have approved them free of qualification. Furthermore, the auditor certified that the Board of Executive Directors had taken the measures incumbent on it under Section 91(2) of the German Stock Corporation Act in an appropriate manner. In particular, it had instituted an appropriate information and monitoring system that fulfilled the requirements of the company and is applicable for the early identification of developments that could pose a risk to the continued existence of the BASF Group.

The documents to be examined and the auditor’s reports were sent in a timely manner to every member of the Supervisory Board. The auditor attended the accounts review meeting of the Audit Committee on February 24, 2015, as well as the accounts meeting of the Supervisory Board on February 25, 2015, and reported on the main findings of the audit. The auditor also provided detailed explanations of the reports on the day before the accounts meeting of the Supervisory Board.

The Audit Committee reviewed the Financial Statements and Management’s Report at its meeting on February 20, 2015, and discussed them in detail with the auditor. The Chairwoman of the Audit Committee gave a detailed account of the preliminary review at the Supervisory Board meeting on February 25, 2015. On the basis of this preliminary review by the Audit Committee, the Supervisory Board has examined the Financial Statements and Management’s Report of BASF SE for 2014, the proposal by the Board of Executive Directors for the appropriation of profit as well as the Consolidated Financial Statements and Management’s Report for the BASF Group for 2014. We have reviewed, acknowledged and approved the auditor’s reports. The results of the preliminary review by the Audit Committee and the results of our own examination fully concur with those of the audit. The Supervisory Board sees no grounds for objection to the management and submitted reports.

At the Supervisory Board’s accounts meeting on February 25, 2015, we approved the Financial Statements of BASF SE and the Consolidated Financial Statements of the BASF Group prepared by the Board of Executive Directors, making the BASF SE Financial Statements final. We concur with the proposal of the Board of Executive Directors regarding the appropriation of profit and the payment of a dividend of €2.80 per share.

Thanks

The Supervisory Board thanks all employees of the BASF Group worldwide and the management for their personal contribution to the successful 2014 business year.

On conclusion of the Annual Shareholders’ Meeting on May 2, 2014, the long-time Board of Executive Directors and Supervisory Board members Max Dietrich Kley and Dr. h. c. Eggert Voscherau, together with employee representative Ralf Sikorski, left the Supervisory Board. Eggert Voscherau had held the office of Chairman of the Supervisory Board since 2009. Max Dietrich Kley had been Chairman of the Audit Committee since it was first assembled in 2003. In their many years of service, both left a decisive mark on BASF and had a major hand in the company’s success. The Supervisory Board expresses its very sincere thanks to them.

Ludwigshafen, February 25, 2015

The Supervisory Board

Jürgen Hambrecht
Chairman of the Supervisory Board
Declaration of Conformity

Declaration of Conformity 2014 of the Board of Executive Directors and the Supervisory Board of BASF SE

The Board of Executive Directors and the Supervisory Board of BASF SE hereby declare pursuant to Section 161 AktG (Stock Corporation Act)

1. The recommendations of the Government Commission on the German Corporate Governance Code as amended on May 13, 2013, published by the Federal Ministry of Justice on June 10, 2013, in the official section of the electronic Federal Gazette, have been complied with since the submission of the last Declaration of Conformity on December 12, 2013.

2. The recommendations of the Government Commission on the German Corporate Governance Code as amended on June 24, 2014, published by the Federal Ministry of Justice on September 30, 2014, in the official section of the electronic Federal Gazette, are complied with and will be complied with.

Ludwigshafen, December 2014

The Supervisory Board of BASF SE

The Board of Executive Directors of BASF SE