Corporate governance refers to the entire system for managing and supervising a company. This includes its 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 directed and monitored in a responsible manner focused on value creation. It 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 the Supervisory Board
- Responsible for company management
- Sets corporate goals and strategic direction

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, which monitors the activity of the Board of Executive Directors and decides on its composition. A member of the Board of Executive Directors cannot simultaneously be a member of the Supervisory Board. As the central duty of company management, the Board of Executive Directors agrees on the corporate goals and strategic direction of the BASF Group as well as its individual business areas; determines the company’s internal organization; and decides on the composition of management on the levels below the Board. It also manages and monitors BASF Group business by planning and setting the corporate budget, allocating resources and management capacities, monitoring and making decisions on significant individual measures, and supervising operational management.

The Board’s actions and decisions are geared toward 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 separate financial statements of BASF SE. Furthermore, it must ensure that the company’s activities comply with the law and with internal corporate directives. This includes the establishment of appropriate systems for control, compliance and risk management.

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 provided by 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, as well as 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 Forecast from page 111 onward.

The members of the Board of Executive Directors, including their areas of responsibility and memberships on the supervisory bodies of other companies, are listed on page 136. Compensation of the Board of Executive Directors is described in detail in the Compensation Report from page 138 onward.

Supervision of company management by the Supervisory Board

- Supervisory Board appoints, monitors and advises Board of Executive Directors
- Four 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 on 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.

In addition to the SE Council Regulation, the relevant legal basis for the size and composition of the Supervisory Board is provided by the Statutes of BASF SE and the Agreement Concerning the Involvement of Employees in BASF SE (Employee Participation Agreement), which also includes the regulations applicable to BASF for implementing the gender quota for the Supervisory Board mandated by law as of January 1, 2016. The German Codetermination Act does not apply to BASF as a European stock corporation (Societas Europaea, SE).

The Supervisory Board of BASF SE comprises twelve members. Six members are elected to a five-year term each by the shareholders at the Annual Shareholders’ Meeting. The remaining six members are elected by the BASF Europa Betriebsrat (BASF Works Council Europe), the European employee representation body of the BASF Group.

The meetings of the Supervisory Board and its committees are called by their chairmen and, independently, at the request of one of their members or the Board of Executive Directors. Resolutions of the Supervisory Board are passed by a simple majority vote of the participating members. In the event of a tie, the vote of the Chairman of the Supervisory Board, who must always be a shareholder representative, shall be the casting vote. This resolution process is also applicable for the appointment and dismissal of members of the Board of Executive Directors by the Supervisory Board. Resolutions can, as needed, also be made in writing or through other means of communication outside of the meetings, as long as no member objects to this form of passing a resolution.

BASF SE’s Supervisory Board has established a total of four Supervisory Board Committees: the Personnel Committee, the Audit Committee, the Nomination Committee and the Strategy Committee.

For more on the Statutes of BASF SE and the Employee Participation Agreement, see basf.com/en/cg/investor

The members of the Supervisory Board of BASF SE, including their membership on the supervisory bodies of other companies, are listed on page 137.

Compensation of the Supervisory Board is described in the Compensation Report from page 144 onward.
Personnel Committee

Members:
Dr. Jürgen Hambrecht (chairman), 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 amount of compensation paid to members of the Board of Executive Directors

Audit Committee

Members:
Dame Alison Carnwath DBE (chairman), 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 statements and half-year 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 provision of 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

Financial Experts:
Dame Alison Carnwath DBE and Franz Fehrenbach are members with special knowledge of, and experience in, applying accounting and reporting standards and internal control methods pursuant to the German Corporate Governance Code.

Nomination Committee

Members:
Dr. Jürgen Hambrecht (chairman), Dame Alison Carnwath DBE, Prof. Dr. François Diederich, Michael Diekmann, Franz Fehrenbach, 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

Strategy Committee

Members:
Dr. Jürgen Hambrecht (chairman), Dame Alison Carnwath DBE, Michael Diekmann, Robert Oswald, Michael Vassiliadis

Duties:
– Handles the further development of the company’s strategy
– Prepares resolutions of the Supervisory Board on the company’s major acquisitions and divestitures

Meetings and meeting attendance

In the 2016 business year, meetings were held as follows:
– The Supervisory Board met five times.
– The Personnel Committee met four times.
– The Audit Committee met five times.
– The Nomination Committee met once.
– The Strategy Committee did not meet.

With the exception of one Supervisory Board meeting at which one member was absent due to illness, all respective members attended all meetings of the Supervisory Board and its committees.

For more on the Supervisory Board’s activities and resolutions in the 2016 business year, see the Report of the Supervisory Board on page 146

For an individual overview of meeting attendance, see basf.com/governance/supervisoryboard/meetings
Objectives for Supervisory Board composition

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. Seats on the Board of Executive Directors and Supervisory Board of BASF SE 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; these were supplemented in the Supervisory Board meetings of December 20, 2012, and October 22, 2015. According to these objectives, the Supervisory Board shall be composed in such a way that the members as a group possess knowledge, ability and expert experience in the following:

- 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.

At least one independent member of the Supervisory Board must have expertise in the fields of accounting or auditing as per Section 100(5) of the German Stock Corporation Act (AktG). With regard to diversity, the Supervisory Board shall consider a variety of professional and international experience as well as the participation of women. 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.

Membership on the Supervisory Board should generally not exceed 15 years; this corresponds to three regular statutory periods in office. The members of the Supervisory Board elected at the Annual Shareholders’ Meeting already fulfill this target – in effect since October 2015 – with one exception.

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. 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, nor the duration of membership on the Supervisory Board, taken in isolation, precludes the classification as independent.

Commitments to promote the participation of women in leadership positions at BASF SE

Minimum quota on Supervisory Board, target figures for Board of Executive Directors and top management

On this basis, the Supervisory Board has determined that all of its current members can be considered independent. We firmly believe that the current composition fulfills the objectives with the aforementioned exception regarding the period of membership.

On April 24, 2015, the Law on Equal Participation of Women and Men in Leadership Positions in the Private and Public Sector came into force in Germany.

The supervisory board of a publicly listed European society (SE) that is composed of the same number of shareholder and employee representatives must, according to Section 17(2) of the SE Implementation Act, consist of at least 30% each of women and men. The Supervisory Board of BASF SE currently comprises three women and nine men. Two of the six shareholder representatives elected at the Annual Shareholders’ Meeting are women. According to the legal stipulations of Section 17(2) SE Implementation Act, the minimum quota is not to be fulfilled immediately but rather upon any necessary reappointments, that is, new elections. In 2016, the employee-elected Supervisory Board member Wolfgang Daniel left the Supervisory Board. He is succeeded by Waldemar Helber, who joined the Supervisory Board without additional appointment, that is, without election, as the member personally chosen to replace Wolfgang Daniel as early as 2013 until the end of the 2019 Annual Shareholders’ Meeting. In accordance with legal regulations, the legal minimum quota will therefore be reached after the next regular Supervisory Board election in 2019 at the latest.

As a target figure for the Board of Executive Directors, the Supervisory Board determined, in accordance with Section 111(5) AktG for the first target-attainment period after the law’s entry into force, that the Board of Executive Directors should have at least one female member. With eight members of the Board of Executive Directors, this represents 12.5%. Both at the time the target was set, and by the target-attainment deadline on December 31, 2016, the Board of Executive Directors contained one woman. The stipulation was therefore met.

In addition, the Board of Executive Directors decided on target figures for the percentage of women in the two management levels below the Board of Executive Directors of BASF SE as per the legal requirements in Section 76(4) AktG. These were at 9.4% for the leadership level directly below the Board, and 11.8% for the level below that. This corresponded to the status at the time these target figures were determined.
On December 31, 2016, the deadline for attainment of these goals, the percentage of women in the first level of management under the Board of Executive Directors of BASF SE was at 12.1%. The percentage of women in management one level below that was 7.3%.

We do not regard these deviations as meaningful, as BASF views the further development and promotion of women as a global duty independent of individual Group companies. We set ourselves ambitious goals for this and made further progress in 2016. The focus goes beyond gender quotas, and includes, for example, increasing international representation.

BASF will continue working on expanding the percentage of women in its leadership team. The company is carrying out, and constantly enhancing, worldwide measures to this effect.

By the end of the first target-attainment period, new target figures were set for BASF SE: The Supervisory Board determined as a target figure for the Board of Executive Directors that the Board of Executive Directors of BASF SE should continue to have at least one female member. With eight current members of the Board of Executive Directors, this represents a proportion of 12.5%. The Board of Executive Directors also decided on target figures for the proportion of women in the two management levels below the Board of Executive Directors of BASF SE: Women are to make up 12.1% of the leadership level directly below the Board, and the level below that is to comprise 7.3% women. This corresponds to the status at the time these target figures were determined. The deadline for achieving these new goals was set for December 31, 2021.

For more on women in executive positions in the BASF Group worldwide, see page 26

For more on the inclusion of diversity, including promotion of women, see the chapter on Working at BASF in the Management’s Report on page 43

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, which usually takes place within the first five months of the business year. 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 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 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 May 2015. In the same manner, BASF has followed nearly all of the nonobligatory 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.

The joint Declaration of Conformity 2016 by the Board of Executive Directors and Supervisory Board of BASF SE is rendered on page 150

For more on the Declaration of Conformity 2016, the implementation of the Code’s suggestions and the German Corporate Governance Code, see basf.com/en/governance
Disclosure according to Section 315(4) of the German Commercial Code (HGB) and the explanatory report of the Board of Executive Directors according to Section 176(1) Sentence 1 of the German Stock Corporation Act (AktG)

As of December 31, 2016, 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 AktG 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, the 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 a total amount of €500 million through the issue of new shares against cash or contributions 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 classed 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) HGB refer to situations that are not applicable to BASF SE.

For more on bonds issued by BASF SE, see basf.com/en/investor/bonds

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) AktG and for the level of deductibles for the Supervisory Board as recommended in Section 3.8(3) of the German Corporate Governance Code.

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 (obligatory reportable and publishable directors’ dealings under Article 19(1) of the E.U. Market Abuse Regulation 596/2014 (MAR))

As legally stipulated by Article 19(1) MAR, 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 financial instruments of BASF SE (e.g., shares, bonds, options, forward contracts, swaps) 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 2016, a total of four 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 417 and 2,660 BASF shares. The price per share was between €62.43 and €67.88. The volume of the individual trades was between €26,033.31 and €180,567.16. The disclosed share transactions are published on the website of BASF SE.

For more information, see Note 33 of the Consolidated Financial Statements on page 219

Information on the auditor

The Annual Shareholders’ Meeting of April 29, 2016, once again elected KPMG AG Wirtschaftsprüfungs Gesellschaft as the auditor of the BASF Group Consolidated Financial Statements and Separate Financial Statements of BASF SE for the 2016 business year, as well as for those reports’ corresponding Management’s Reports. KPMG member firms also audit the majority of companies included in the Consolidated Financial Statements. KPMG has been the continuous auditor of BASF SE since the 2006 Financial Statements; the 2015 Financial Statements marked the tenth annual report in a row audited by KPMG. For this reason, a public call to tender was made to all auditors for the audit of the 2016 Consolidated and Separate Financial Statements, in line with the E.U. Regulation 537/2014 of April 16, 2014. Based on the results of the tendering process, the Audit Committee recommended to the Supervisory Board that it once again propose KPMG for election. After completing the tendering process, KPMG can now be proposed for election at the Annual Shareholders’ Meeting as BASF’s auditor without further tendering processes up to and including the 2024 business year. Hans-Dieter Krauß has been the auditor responsible for the Consolidated Financial Statements since auditing the 2010 Financial Statements. Since the 2013 Financial Statements, the auditor responsible for the separate financial statements has been Alexander Bock.

The total fee paid to KPMG and auditing firms of the KPMG group by BASF SE and other BASF Group companies for non-audit services, in addition to the auditing fee, was €1 million in 2016. This represents around 5.7% of the fees for auditing the financial statements.

For more information, see Note 33 of the Consolidated Financial Statements on page 219