

REPORT BY THE SUPERVISORY BOARD

In the financial year 2020, the Supervisory Board reviewed the development of the company in depth and performed its supervisory duties to the full. It regularly advised and monitored the Executive Board in running the business of the company.

During the course of the last financial year, the Supervisory Board paid particular attention to the economic development, financial situation, prospects and further strategy of the company, and advised the Executive Board on these topics. Its work in the financial year 2020 focused in particular on supporting the Executive Board in the strategic development of the company and of the MLP Group, implementing further measures to increase efficiency and both assessing and monitoring the opportunity and risk position of the company and the Group. The supervisory actions and consultations of the Supervisory Board for the Executive Board have been further intensified during the corona pandemic to address the crisis. In this situation determined by the corona pandemic, the Supervisory Board also approved the holding of the 2020 Annual General Meeting as a Virtual Annual General Meeting as proposed by the Executive Board. In the financial year 2020, the company and the MLP Group as a whole were less affected by the corona pandemic in terms of business development and business results than was the case in other sectors.

The Supervisory Board advised the Executive Board particularly intensively in the 2020 financial year on potential M&A transactions. In particular, the Supervisory Board advised the Executive Board on the preparation of the acquisition of RVM Versicherungsmakler GmbH & Co. KG ("RVM") including its subsidiaries. The Supervisory Board also regards the acquisition of RVM as laying the foundation for the systematic expansion of a new commercial insurance broker segment and significantly extending the range of services for corporate and institutional customers as well as B2B services. The Supervisory Board consequently approved the transaction at the beginning of February 2021.

The Supervisory and Executive Boards met regularly in the reporting year for discussions and joint consultations regarding business development, strategy and key events within the company. The Supervisory Board was directly involved in all decisions of fundamental importance to the company. The Executive Board regularly provided the Supervisory Board with written and oral reports in a timely and comprehensive manner on all relevant issues related to corporate planning, strategic development, the business situation and the position and overall development of the Group as a whole, including the risk situation, risk management, risk-bearing ability and compliance. The Supervisory Board was able to confirm the correctness of the corporate governance by the Executive Board. In 2020, the Executive Board also reported to and advised the Supervisory Board on the content and anticipated effects of legislative or regulatory proposals at national German or EU level.

No personnel changes to the company's Supervisory Board and Executive Board were made in the last financial year. With effect from the end of the financial year 2020, the employee representative, Mr Burkhard Schlingermann, stood down from his position. As of 1 January 2021, he was succeeded by Mrs Monika Stumpf, who had already been elected alongside him as an alternate candidate in 2018 in the course of the Supervisory Board elections for employee representatives.

The Supervisory Board at MLP SE held five regular meetings and one extraordinary meeting in the financial year 2020, whereby the latter took the form of a video conference. Following approval for remote participation by live video stream in the spring of 2020, each member of the Supervisory Board took part in all of the face-to-face meetings either in person or remotely, with the exception of one member. One member of the Supervisory Board was unable to take part in two meetings due to illness. As such, all members of the Supervisory Board participated in more than half of the regular Supervisory Board meetings. The Executive Board also informed the Supervisory Board of particularly important or urgent projects outside of the regular meetings. Where necessary, resolutions also took the form of circular resolutions.

In addition to this, two meetings of the Audit Committee were also held in this year. All committee members took part in each of these meetings. The Personnel Committee convened once in the last financial year. All committee members took part in this meeting with just one exception. No meetings of the Nomination Committee were held in the last financial year, as no new elections for members of the Supervisory Board were scheduled.

The following table offers an overview, detailing which members of the Supervisory Board took part in the meetings of the Supervisory Board or its Committees in 2020:

	Participation*	in %
Supervisory Board Meeting, MLP SE		
Dr Peter Lütke-Bornefeld	6/6	100
Dr Claus-Michael Dill	6/6	100
Tina Müller	4/6	67
Matthias Lautenschläger	6/6	100
Burkhard Schlingermann	6/6	100
Alexander Beer	6/6	100
Personnel Committee, MLP SE		
Dr Peter Lütke-Bornefeld	1/1	100
Matthias Lautenschläger	1/1	100
Burkhard Schlingermann	1/1	100
Tina Müller	0/0	0
Audit Committee, MLP SE		
Dr Claus-Michael Dill	2/2	100
Dr Peter Lütke-Bornefeld	2/2	100
Matthias Lautenschläger	2/2	100
Alexander Beer	2/2	100

*Participation via telephone is counted as present.

Furthermore, the Chairman of the Supervisory Board met with the Chairman of the Executive Board on a regular basis to discuss various issues, in particular the business situation, special business transactions, regulatory changes and the overall situation of the Group, yet also the effects of the coronavirus pandemic. The Chairman of the Supervisory Board regularly informed the other members about the content of these meetings.

Supervisory Board meetings and important resolutions

Following preparations in the meeting of the Audit Committee, the Supervisory Board meeting on 18 March 2020 focused on the audit and approval of the financial statements and the consolidated financial statements as of 31 December 2019. The auditors participated in the meeting and gave detailed reports on the course and outcome of their audit of the financial statements and the consolidated financial statements. Following in-depth discussion, the Supervisory Board approved the financial statements, the consolidated financial statements as of 31 December 2019 and the separate non-financial report. In addition to this, the Supervisory Board also reviewed the appropriateness of the Executive Board – as required in accordance with the German Corporate Governance Code (GCGC) – as well as the variable compensation components of the Executive Board for the financial year 2019 and approved these. The proposed resolutions for the company's Annual General Meeting were another item on the agenda.

An extraordinary meeting of the company's Supervisory Board, held in the form of a video conference on 8 May 2020, was used to discuss in detail and also approve the intentions of the Executive Board to hold the 2020 Annual General Meeting of MLP SE as a Virtual Annual General Meeting in light of the coronavirus pandemic.

The regular Supervisory Board meeting on 13 May 2020 focused primarily on discussing the results and business development from the first quarter of 2020. In addition, the Supervisory Board and the Executive Board engaged in detailed discussions about the effects of the coronavirus pandemic on business development and the system of risk management employed in the MLP Group.

The results of the second quarter, the business development in the first half of the year, reporting on the internal audit and risk controlling (including report on the notion of materiality, risk strategy and risk-bearing capacity concept) were all on the agenda of the regular Supervisory Board meeting on 12 August 2020. Alongside this, a discussion on how to handle the recommendations of the new German Corporate Governance Code (GCGC), as redrafted by the government commission, was also on the agenda.

The November meeting focused on the business results of the third quarter and the first nine months of the financial year 2020. Another focus of this Supervisory Board meeting was on evaluating the leadership and performance of the members of the Executive Board, which were discussed in a closed session without the members of the Executive Board. Alongside this, compliance with the provisions of the German Corporate Governance Code (GCGC) in the MLP Group, the resolution on the Declaration of Compliance pursuant to § 161 of the German Stock Corporation Act (AktG) was a key topic on the meeting's agenda. Detailed discussions were also held regarding the changes to the Executive Board pay system in light of the new provisions in the German Stock Corporation Act resulting from the Act for Implementation of the Second Shareholders' Rights Directive (ARUG II) and the GCGC. A modified pay system was then approved. Extensive reporting was provided on the corporate governance process, and the current Declaration of Compliance was approved.

In the meeting on 17 December 2020 the Supervisory Board addressed in detail and approved the strategy and budget of both the Group and the company for the financial year 2021.

Supervisory Board committees

The Supervisory Board was regularly informed of the work carried out by its committees in 2020.

In the financial year 2020, the members of the Audit Committee included Dr Claus-Michael Dill, who is also Chairman of the Audit Committee, Dr Peter Lütke-Bornefeld, Mr Matthias Lautenschläger and Mr Alexander Beer. The Audit Committee held two regular meetings and passed several circular resolutions in the financial year 2020. Representatives of the audit firm also took part in some of the meetings, providing the committee with detailed reports. In the presence of the auditors, the Chairman of the Executive Board and the Chief Financial Officer, the Audit Committee discussed the financial statements of MLP SE and the MLP Group as well as the proposed appropriation of earnings. Furthermore, the relationship to the auditor, proposals for selecting the auditor, auditor fees, audit assignment and monitoring of the auditor's independence were the subject of extensive discussions. The Audit Committee received regular reports on the work of the Internal Audit and of the Compliance and Risk Management department and was informed on legal and regulatory risks and risks to reputation. In addition, the Audit Committee prepared the invitation to tender for the audits, as well as further audit services in the MLP Group as of the financial year 2021. Following intensive discussions, the Audit Committee submitted a proposal for appointment of the auditor at the 2020 Annual General Meeting. Both MLP SE and MLP Banking AG – as public interest entities of the MLP Group – carried out the selection procedure in accordance with Art. 16 (3) of Regulation (EU) No. 537/2014.

In the financial year 2020, the Personnel Committee comprised the following members: Dr Peter Lütke-Bornefeld, who is also Chairman of the Personnel Committee, Ms Tina Müller, Mr Matthias Lautenschläger and Mr Burkhard Schlingermann. The Personnel Committee held one regular meeting in the reporting period and focused in particular on checking the appropriateness of Executive Board compensation, as well as determining the bonus pool for the MLP Group.

As was the case in the financial year 2020, the members of the Nomination Committee are Dr Peter Lütke-Bornefeld, who is also Chairman of the Nomination Committee, as well as Ms Tina Müller, Dr Claus-Michael Dill and Mr Matthias Lautenschläger. The Nomination Committee did not hold any meetings in the financial year 2020, as no resolutions regarding reappointment of members to the Supervisory Board were passed at the Annual General Meeting held on 25 May 2020.

Corporate governance

During the financial year the Supervisory Board also addressed the application of the corporate governance principles.

Last year, the Supervisory Board used its meetings on 12 August and 9 November for in-depth discussions on the requirements of the German Corporate Governance Code (GCGC) in the completely redrafted version from 16 December 2019.

The meeting held on 12 August 2020 focused on preliminary deliberations regarding the need for revision as a result of the amendments to the GCGC, as well as the amendments within the scope of the Executive Board pay system due to the Shareholders' Rights Directive II (ARUG II) and/or the GCGC. In the meeting held on 9 November 2020, further and more detailed discussions were then held on the new recommendations of the GCGC, as well as the Declaration of Compliance, which is to be redrafted. The Supervisory Board consulted with the Executive Board regarding the new requirements of the GCGC and the deviations that are to be disclosed as per the Declaration of Compliance pursuant to § 161 of the German Stock Corporation Act (AktG). The objective here was to determine which requirements the Executive Board and Supervisory Board have been satisfied or will be satisfied in future to secure compliance with the recommendations in the form presented in the Declaration of Compliance. Detailed discussions were also held on the new pay system for the Executive Board in this connection. In November, the Supervisory Board and Executive Board issued a Declaration of Compliance pursuant to § 161 of the German Stock Corporation Act (AktG) for the financial year and made it permanently available to the shareholders via its website.

The Supervisory Board also reviewed the efficiency of its own actions using an evaluation form that was made available to the members of the Supervisory Board in good time prior to the meeting. Moreover, the Supervisory Board reviewed procedures in the Supervisory Board, the information flow between the Committees and the Supervisory Board, and the timeliness and sufficient content of reporting by the Executive Board to the Supervisory Board. Measures aimed at increasing efficiency were discussed and established.

The Supervisory Board also regularly addresses potential conflicts of interest among the members of the Supervisory Board. To this end, the members of the Supervisory Board are surveyed at least once a year to determine whether any such conflicts existed or still exist. Based on our understanding, and in accordance with the legislator, a conflict of interest exists if there is reason to suspect that any member of the Supervisory Board is taking decisions that are not solely in the interests of the company, but also potentially seeking to pursue personal or third-party interests. Following the review by the Supervisory Board there were no conflicts of interest in this sense in the last financial year. A summary of further corporate governance aspects at MLP, including presentation of the Declaration of Compliance from 9 November 2020, can be found in the declaration on governance issued by the Executive Board and Supervisory Board. All relevant information is also available on our homepage at www.mlp-se.com.

The members of the Supervisory Board independently participated in training measures to aid them in fulfilling their responsibilities – as required by the Corporate Governance Code. In this endeavour, they are adequately supported by the company. In addition, members of the Supervisory Board participated in a training event on 10 November 2020 in order to maintain the necessary professional expertise. Various topics were presented during this training, including new developments resulting from the risk-bearing capacity guideline of the German Federal Financial Supervisory Authority, the new electronic financial reporting format, as well as the Act to Strengthen Integrity in the Economy.

Audit of the annual financial statements and consolidated financial statements for 2020

The financial statements and the joint management report of MLP SE as of 31 December 2020 have been compiled by the Executive Board pursuant to the German Commercial Code (HGB). The consolidated financial statements and the joint management report as of 31 December 2020 have been compiled pursuant of § 315a of the German Commercial Code (HGB) in line with international financial reporting standards (IFRS) as applied in the EU. As of 31 December 2020, KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin audited the financial statements and the joint management report of MLP SE in accordance with the principles of commercial law, as well as the Group financial statements and the joint management report in accordance with the principles of IFRS, issuing an unqualified auditor's opinion in each case. The auditor performed the audit in compliance with the basic principles of sound auditing practices determined by the Institut der Wirtschaftsprüfer (German Institute of Auditors).

The financial statements, together with the joint management report, the auditor's reports and the Executive Board's proposal for use of the unappropriated profit were made available to all Supervisory Board members in good time. The Audit Committee of the Supervisory Board reviewed these documents in detail, reported to the Supervisory Board on its audit and explained its audit opinion. The auditor also reported on the key results of the audit and on the fact that there are no significant weaknesses in the internal monitoring system, the risk management system nor with regard to compliance. The Audit Committee also reviewed the risk management system, accounting processes and the effectiveness of the internal monitoring systems, risk management and auditing systems, as well as the relationship to the auditor, the proposals for selection of the auditor, the auditor's compensation, the audit assignment and monitoring of the auditor's independence, as well as the additional services performed by the auditor. The Supervisory Board also checked and discussed the documentation and reports in detail. Within this scope, the Supervisory Board also addressed the key audit matters described in the audit opinion, including the audit procedures undertaken by the auditor. In the presence of KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin, which reported on the key findings of its audit, the audit reports were reviewed in detail in the Supervisory Board meeting held on 18 March 2021; the Supervisory Board discussed annual financial statements as amended by the Executive Board together with the combined management report at its meeting on 11 May 2021, which was also attended by the auditor. The auditor reported on the scope, the key focuses, as well as the significant results of the audit, going into particular detail regarding the key audit matters and the audit procedures employed. With regard to the annual financial statements of MLP SE, these key audit matters encompassed "the recoverability of shares in affiliated companies" and with regard to the consolidated financial statements of MLP SE, they encompassed "the recoverability of investments and goodwill", as well as "the commission income from the brokering of old-age

provision products". At this meeting, the Executive Board also explained the financial statements of MLP SE and of the MLP Group, the risk management system, the accounting processes and the effectiveness of the internal monitoring, risk management system, audit system and of compliance, as well as giving detailed reports on the scope, focuses and costs of the audit.

The Supervisory Board concurred with the outcome of the auditor's audit and, on the basis of the final outcome of the Audit Committee's audit and its own audit, found no grounds for raising an objection. Accordingly, at its meeting on 18 March 2021, the Supervisory Board approved the annual financial statements and the joint management report of MLP SE, as well as the consolidated financial statements and the joint management report in accordance with IFRS prepared by the Executive Board. At its meeting on 11 May 2021, the Supervisory Board then approved the annual financial statements as amended by the Executive Board together with the combined management report. The annual financial statements are therefore adopted. Alongside this, the Executive Board is also required to submit a report on a non-financial declaration or a non-financial Group declaration as per § 289b, § 315b of the German Commercial Code (HGB). The Supervisory Board reviewed the non-financial report – prepared by a meeting of the Audit Committee – and did not find any objections.

After performing its own reviews, the Supervisory Board agreed with the Executive Board's proposal to pay out a dividend of € 0.23 per share for the financial year 2020. Aspects such as the equity and liquidity situation, the current situation due to the corona pandemic, future regulatory requirements and the company's budget, as well as shareholders' interest in an appropriate dividend were included and weighed up against one another in its considerations.

The Supervisory Board would like to thank the Executive Board, the Management of the respective Group companies, as well as all employees and consultants of the MLP Group for their exemplary personal commitment and achievements in the financial year 2020.

Wiesloch, March/May 2021

The Supervisory Board

A handwritten signature in blue ink, appearing to read 'Lütke-Bornefeld', written over a faint blue grid background.

Dr Peter Lütke-Bornefeld
Chairman