

Corporate Governance report – Declaration on Corporate Governance

Every year, the Executive Board and Supervisory Board report on the company's corporate governance in the Annual Report as required by the German Corporate Governance Code. The following statements and details are provided as a Declaration on Corporate Governance in the sense of § 289a of the German Commercial Code ("Handelsgesetzbuch", HGB).

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

Text of the Declaration of Compliance

"Pursuant to § 161 of the German Stock Corporation Act (AktG), the Executive Board and Supervisory Board of MLP AG hereby declare that the company has complied with the recommendations of the "German Corporate Governance Code" government commission (version dated May 26, 2010) since the last Declaration of Compliance was issued. Only the recommendations specified in Section 4.1.5, Section 4.2.3 (4) and (5), Section 5.1.2 Sentences 2 and 7, Section 5.4.1 Sentence 2, Section 5.4.1 (2) and (3) and Section 5.4.6 Sentence 4 were not followed.

The reasons for these deviations from the recommendations are as follows:

Section 4.1.5 (compliance with diversity at management level)

Based on the recommendations of the German Corporate Governance Code, the Executive Board must pay attention to diversity when filling management positions and aim for an appropriate consideration of women.

The Executive Board will continue to strengthen its efforts to secure diversity when filling management positions and in particular aim for an appropriate consideration of women at the management levels within the company. The Executive Board at MLP AG has already implemented measures in the past with the objective of making it easier for staff to combine their career with a family. It will test the effectiveness of these measures in the financial year 2012 and either make any changes deemed necessary or implement additional measures to ensure that women are given appropriate consideration at the management levels, taking into account the company's specific situation.

For the practical application of the corporate governance rules, it has still not been adequately clarified how concrete and comprehensively described an overall concept needs to be in order to comply in full with the requirements of Section 4.1.5 of the code. As it was also the case in the financial year 2011, MLP therefore chose not to follow this recommendation in the financial year 2012.

Section 4.2.3 (4) and (5) (severance payment cap)

As per the recommendations of the German Corporate Governance Code, attention must be paid when concluding Executive Board member contracts to ensure that any payments to members of the Executive Board do not exceed the value of two years' remuneration including fringe benefits (severance payment cap) of these Executive Board members, should their position be terminated prematurely without serious cause. Calculation of the severance payment cap should be based on the total remuneration of the previous financial year and, if available and appropriate, also the total anticipated remuneration of the current financial year. In the event of premature termination of Executive Board membership due to a change of control, any commitment for payments should not exceed 150 % of the severance payment cap.

MLP switched over all service contracts with the members of the Executive Board to a new remuneration system in the course of the financial year 2011. Having completed this switchover, MLP now complies with the aforementioned recommendations. However, MLP did still deviate from these recommendations in some cases before switching over the contracts to the new system, i.e. in the financial year 2011. The service contracts with Executive Board members signed prior to July 31, 2009 stipulated that, in the event of premature termination due to either dismissal or termination of appointment of an Executive Board member without an important reason, a severance payment corresponding to a maximum of four times the fixed annual salary of said Executive Board member has to be paid. This payment was reduced on a pro rata temporis basis should the respective Executive Board member's contract be terminated within the last two years prior to its expiration. In the financial year 2011, the final remaining service contracts with the members of the Executive Board were then amended such that MLP now follows this recommendation in full.

There is no entitlement to severance payment in the case of termination of contract by mutual agreement. For contractual reasons, provisions regulating severance payment arrangements concerning the termination of contracts by mutual agreement can in any case only be seen as a guideline. And the parties involved are free to deviate from these provisions at any time with mutual consent. For this reason, any provisions of this nature would be no more than a formality.

As it was also the case in 2011, MLP has therefore once again elected not to comply with this recommendation in 2012.

Section 5.1.2 Sentence 2 (diversity in the composition of the Executive Board)

Based on the recommendations of the German Corporate Governance Code, the Supervisory Board should also pay attention to diversity in the composition of the Executive Board and in particular aim for an appropriate consideration of women.

The Supervisory Board at MLP AG aims at increasing its efforts of respecting diversity, and, in particular, ensuring appropriate consideration of women for future appointments of Executive Board members. The Supervisory Board gives specific consideration to applications from suitable women in its selection procedures. Furthermore, in one of its meetings in the financial year 2010, the Supervisory Board discussed diversity issues regarding the Executive Board. In the financial year 2012 it will continue to address this topic, and modify existing selection processes as and if necessary and/or take further measures directed at attaining an appropriate consideration of women also within the company's Executive Board, taking into account the company's specific situation. Irrespective of this, the Supervisory Board at MLP AG intends to continue basing its selection decisions solely on personal and professional qualifications.

For the practical application of the corporate governance rules, it has still not been adequately clarified how concrete and comprehensively described an overall concept needs to be in order to comply in full with the requirements of Section 5.1.2 Sentence 2 of the code. As it was also the case in the financial year 2011, MLP therefore chose not to follow this recommendation in the financial year 2012.

Section 5.1.2 Sentence 7 (age limit for members of the Executive Board)

Based on the recommendations of the German Corporate Governance Code, an age limit should be set for members of the Executive Board.

MLP did not follow this recommendation in 2011. No age limit is set for members of the Executive Board at MLP. The appointment of members of the Executive Board should be based solely on their knowledge, skills and specialist experience. As it was also the case in 2011, MLP has therefore once again elected not to follow this recommendation in 2012.

Section 5.4.1 Sentence 2 (age limit for members of the Supervisory Board)

Based on the recommendations of the German Corporate Governance Code, an age limit should be set and taken into account when considering proposals for the election of Supervisory Board members.

MLP did not follow this recommendation in 2011. No age limit is set for members of the Supervisory Board at MLP. In the light of the knowledge, skills and specialist experience stipulated in Section 5.4.1 Sentence 1 of the Code, it makes little sense to specify an age limit. As it was also the case in 2011, MLP has therefore once again elected not to follow this recommendation in 2012.

Section 5.4.1 (2) and (3) (specification of concrete objectives for the composition of the Supervisory Board)

Based on the recommendations of the German Corporate Governance Code, the Supervisory Board is to stipulate concrete objectives regarding its composition, which, whilst considering the company's specific situation, take into account the company's international operations, any potential conflicts of interest, an age limit to be specified for members of the Supervisory Board and diversity. These concrete objectives should, in particular, stipulate an appropriate degree of female representation. Recommendations by the Supervisory Board to the respective selection committees should also take these objectives into account. The objectives and present status of implementation are to be published in the corporate governance report.

MLP did not follow this recommendation in 2011. In one of its meetings in the financial year 2010, the Supervisory Board at MLP AG addressed the topic of setting concrete targets for the composition of the Supervisory Board, paying particular attention to diversity. In light of the knowledge, skills and specialist experience that members of the Supervisory Board require as per Section 5.4.1 Sentence 1 of the code, it would currently appear to make little sense to specify any concrete targets in terms of a female appointment quota for the Supervisory Board, largely due to the low number of members that sit the Supervisory Board as per the Articles of Association. Therefore, it is currently also not possible to report on any concrete objectives in the corporate governance report.

As it was also the case in the 2011, MLP therefore chose not to follow this recommendation in the financial year 2012.

Section 5.4.6 Sentence 4 (performance-related remuneration of the Supervisory Board)

Based on the recommendations of the German Corporate Governance Code, the members of the Supervisory Board are to receive performance-related remuneration alongside their fixed remuneration.

MLP did not follow this recommendation in 2011. The members of the MLP AG Supervisory Board do not receive performance-related pay, as no convincing concepts in support of such remuneration structures have yet come to light. As it was also the case in 2011, MLP has therefore once again elected not to comply with this recommendation in 2012.

In December 2011, the Executive and Supervisory Boards issued a Declaration of Compliance pursuant to § 161 of the German Stock Corporation Act (“Aktengesetz”, AktG) and made it permanently available to shareholders via the company’s website. The text of the Declaration of Compliance dated December 13, 2011 can also be viewed online at <http://www.mlp-ag.com/>.

You can also find more information on the topic of corporate governance at MLP on the aforementioned homepage.

CORPORATE GOVERNANCE

By mainly complying with the stipulations of the German Corporate Governance Code in the version of June 26, 2010, MLP continues to reinforce the confidence of its shareholders, clients, employees and other stakeholders in the management of the company. Responsible management geared toward long-term added value is a high priority for us. The Executive and Supervisory Boards ensure that MLP continues to review and develop corporate governance across the Group.

Responsible and value adding management

Management and controlling structure

As the management body of an “Aktiengesellschaft” (public limited corporation), the Executive Board runs the business and is tied to the interests and business principles of the company within the scope of corporation law. The responsibilities and duties of the Executive Board are laid down in the German Stock Corporation Act (AktG), in MLP AG’s Articles of Association, as well as in the Executive Board’s rules of procedures and schedule of responsibilities.

Executive Board

The members of the Executive Board hold joint responsibility for the entire management. Decisions made by the Executive Board are reached during Executive Board meetings held at regular intervals. Resolutions are drafted as ordinary resolutions with majority votes and recorded accordingly.

The members of the Executive Board are Dr. Uwe Schroeder-Wildberg (Chairman), Mr. Manfred Bauer, Mr. Muhyddin Suleiman and, since February 1, 2011, Mr. Reinhard Loose.

The Supervisory Board advises and monitors the Executive Board. The responsibilities and duties of the Supervisory Board are derived from the German Stock Corporation Act (AktG), MLP AG’s Articles of Association and a set of rules of procedures for the Supervisory Board.

Supervisory Board

Resolutions of the Supervisory Board are made during meetings convened by the Chairman of the Supervisory Board and require a majority vote. The Supervisory Board is informed of particularly important or urgent projects outside of the regular meetings. Where necessary, resolutions can also take the form of circular resolutions or be passed via telephone. A transcript of each meeting is drafted.

The Supervisory Board currently consists of six members. These are four shareholder representatives, elected by the Annual General Meeting, and two employees’ representatives, elected by employees. The Supervisory Board is currently made up of Dr. Peter Lütke-Bornefeld, Dr. h.c. Manfred Lautenschläger, Dr. Claus-Michael Dill, Mr. Hans Maret, Mr. Norbert Kohler and Mrs. Maria Bähr.

Members of the Supervisory Board

Efficiency of the
Supervisory Board

In the absence of the Executive Board, the Supervisory Board also reviewed the efficiency of its own activities in 2011. Particular attention was paid to the efficiency of the 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. Further measures aimed at increasing efficiency were drafted in the course of intensive discussions.

Supervisory Board
committees

The Supervisory Board of MLP AG has set up committees in order to improve the effectiveness of its work. The Personnel Committee prepares the resolutions on human resources (HR) issues concerning Executive Board members with the company. The Audit Committee is responsible for auditing the accounting processes, risk management issues and the auditing system itself, as well as ensuring the independence of the auditors, awarding the audit contract to the auditors, determining the focal points of the audits and agreements on fees. The Committee also discusses the annual financial statements, the consolidated financial statements and the management reports of MLP AG and the MLP Group and submits a recommendation for resolution to the Supervisory Board. The Supervisory Board has also formed a nomination committee which is exclusively composed of shareholder representatives who propose suitable candidates to the Supervisory Board for recommendation to the Annual General Meeting. Dr. Peter Lütke-Bornefeld, Dr. h. c. Manfred Lautenschläger, Dr. Claus-Michael Dill and Mr. Hans Maret are members of the three aforementioned committees.

Corporate governance in the
Supervisory Board

In 2011, the Executive and Supervisory Boards of MLP AG again dealt intensively with the German Corporate Governance Code and further new legislation significant to the work performed by the Supervisory Board and its committees. The amendments to the Code passed on May 26, 2010 were again the object of intensive discussions by the Supervisory Board. The changes were analyzed and corresponding adjustments to the internal regulations and procedures followed by the Supervisory Board were either suggested or submitted for verification.

No conflict of interest in the
Supervisory Board

The Supervisory Board considers itself to consist of a suitable number of members who have no business or personal relationship with the company or members of the Executive Board which could form grounds for a conflict of interest. The Supervisory Board examined the knowledge and experience required of the Chairman of the Audit Committee under the German Corporate Governance Code with regard to reporting and internal control procedures. The Chairman of the MLP AG Audit Committee fully complies with the requirements.

Further disclosures on the Supervisory Board's activities can be found in the report by the Supervisory Board on Page 11 et seq.

Cooperation between
Executive Board and
Supervisory Board

Intensive dialog between the Executive and Supervisory Boards forms the basis of transparent and responsible company management. The Executive Board of MLP AG provides the Supervisory Board with regular, timely and comprehensive information on the Group's position, including information on its risk situation, risk management and compliance. The Supervisory Board is informed of particularly important or urgent projects outside of the regular meetings. Furthermore, the Chairman of the Supervisory Board meets with the Executive Board on a regular basis to discuss specific issues. The Chairman of the Supervisory Board informs the other members of the Supervisory Board in detail about the content of his meetings with the Executive Board. The Supervisory Board discussed the Group's corporate planning and plans for strategic growth with the Executive Board.

Significant legal transactions by the Executive Board require the consent of the Supervisory Board. Internal rules of procedure issued by the Supervisory Board govern the distribution of business, powers of approval and co-operation with the Executive Board. Further details on the co-operation between Executive Board and Supervisory Board can be found in the report by the Supervisory Board (Page 11 et seq.).

TRANSPARENCY

As of December 31, 2011, the shares held by the members of the company's Executive and Supervisory Boards were distributed as follows:

Shareholdings of members of the Executive and Supervisory Boards as of the balance sheet date

Shares held by the members of the company's Executive and Supervisory Boards

Supervisory Board member	Number of shares as of Dec. 31, 2010	Number of shares as of Dec. 31, 2011
Dr. Peter Lütke-Bornefeld	40,000	50,000
Dr. h. c. Manfred Lautenschläger ¹⁾	25,205,534	25,205,534
Johannes Maret	–	100,000
Dr. Claus-Michael Dill	–	–
Maria Bähr	11,503	11,503
Norbert Kohler	94	94

¹⁾Incl. additional voting rights in line with § 22 of the German Securities Trading Act (WpHG).

[Table 32]

Executive Board member	Number of shares as of Dec. 31, 2010	Number of shares as of Dec. 31, 2011
Dr. Uwe Schroeder-Wildberg	–	–
Manfred Bauer	11,254	11,254
Muhyddin Suleiman	–	–
Reinhard Loose	– ²⁾	5,000

²⁾Not applicable, as only a member of the Executive Board at MLP AG since 2010.

[Table 33]

Directors' Dealings

Pursuant to § 15a of the German Securities Trading Act (WpHG), persons discharging managerial responsibilities at an issuer of shares must notify the issuer and the Federal Financial Supervisory Authority (BaFin). This duty also applies to persons with a close relationship to such a person.

Directors' Dealings

Pursuant to § 15a of the German Securities Trading Act (WpHG) three transactions were reported to us in the financial year 2011. These can be viewed on our website <http://www.mlp-ag.com>.

Compliance

Compliance guidelines

In accordance with the stipulations of the German Corporate Governance Code, the Executive Board at MLP ensures compliance with the legal provisions and our internal company guidelines throughout the Group. Acting responsibly in compliance with all relevant laws and codes of conducts for the capital market is an integral part of our corporate culture and forms the basis for the trust that clients, shareholders and business partners show in us.

This principle is permanently anchored in our internal compliance guidelines. Our compliance activities are based on a Group-wide compliance strategy, which is specifically designed with preventive measures to avoid risks that could arise from non-conformity with applicable legislation, internal standards and processes. In the interest of our clients, shareholders, employees and MLP, the Compliance Organization supports and advises the Executive Board in its task to ensure compliance with legal obligations as well as intra-company directives and to establish uniform standards for all Group companies. The Compliance department controls the continuous further development of our internal codes of conducts and monitors implementation of the internal and external requirements. All employees of the MLP Group attend regular training sessions to learn about the relevant regulations. This helps prevent them from making any accidental violations and supports them in applying our corporate guidelines. The Compliance department also acts as a point of contact for employees who wish to report suspicious activities relating to criminal offences or infringements against the respective regulations. Any violations determined are investigated immediately, comprehensively clarified and then used to eliminate any weaknesses identified. The Executive Board and Supervisory Board are regularly informed of all relevant actions and measures taken by the Compliance department.

An extensive system of compliance rules and standards in the MLP Group explains the legal regulations on insider law both to members of the Executive Bodies and employees, and describes the internal guidelines for performing investment business. The compliance guidelines also ensure that sensitive information is handled responsibly at MLP and provide our employees with the legal framework for accepting invitations and gifts. To prevent any impairment of client interests, we have defined policies regarding the avoidance and monitoring of conflicts of interest and the acceptance and granting of benefits. These policies are regularly reviewed and adapted to changing requirements.

Corporate management practices

Defined company values

MLP has redefined its core values, a process in which a large number of employees and consultants were involved. "Performance" and "Trust" were identified as values here. Building on this, MLP's existing corporate mission was then revised. This can be found on Page 120 of the Annual Report. In a third step, the following management principles were then derived from this for MLP:

MLP managers:

- are committed to the interests of MLP clients
- live out the core values of "Performance" and "Trust"
- implement agreed targets and decisions consistently
- are proactive in shaping the future
- work together openly as team players
- ensure systematic development of managers and staff

As a contribution to the discussion on the quality of financial advice in Germany, MLP presented a Consulting Code in the form of guidelines for client consulting in 2009. This code summarizes MLP's consulting and client support standards, many of which have already been in use at the company for several years. The aim is to increase transparency for clients, interested parties and the general public. All guidelines are based on MLP's company values, which shape the relationship between employees and consultants, as well as all stakeholders. You can find the guidelines on Page 121 of this Annual Report and on our website at <http://www.mlp-ag.com/>

As per the recommendation in Section 4.1.5. of the Corporate Governance Code, the Executive Board will further intensify its efforts to secure diversity when filling management positions, targeting appropriate consideration of women at management levels within the company.

A description of the business strategy, risk strategy and risk management system can be found on Page 65 et seq. of this Annual Report.

Information

By law, the shareholders are involved in all fundamentally important decisions at MLP AG, such as decisions on amendments to the Articles of Association and the issue of new shares. In order to help shareholders assert their rights, MLP offers them the option of having their voting rights exercised in writing by non-discretionary proxies appointed by the company or by postal vote. We report on the main content of the Annual General Meeting on our website at <http://www.mlp-ag.com/>, where the Chairman's speech can also be accessed online.

In order to provide comprehensive and timely information on the company's position and significant changes in a way that ensures all stakeholders are treated equally, we also use the internet. We provide access to both German and English versions of annual and quarterly reports, press releases, conference calls and presentations on our homepage at <http://www.mlp-ag.com/>. Our financial calendar informs about important events and dates for investors. Analysts' and media conferences are held at least once a year. In accordance with legal provisions, ad-hoc notices are published on our website, where we also provide comprehensive information on corporate governance at MLP. We provide access to our Declaration of Compliance on our homepage for at least five years.

Information of all target groups

Accounting and audit

Group accounting is performed in line with International Financial Reporting Standards (IFRS). KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin, was appointed as auditor by the Annual General Meeting. This company audited the 2011 (Group) financial statements and reviewed both the condensed financial statements and the interim management report in 2011 (pursuant to §§ 37w (5), 37y No. 2 of the German Securities Trading Act ("Wertpapierhandelsgesetz", WpHG). The Supervisory Board gave its assurance that the relations existing between the auditors and MLP or its governing bodies give no cause for doubting the independence of the auditor. MLP AG's Supervisory Board not only discusses the annual and Group financial statements, but also examines the semi-annual and quarterly financial reports together with the Executive Board prior to their publication.

REMUNERATION REPORT

Subject to the disclosure obligations pursuant to the German Commercial Law, the following remuneration report also forms part of the management report.

Principles of Executive Board remuneration

With the Appropriateness of Management Remuneration Act (“Gesetz zur Angemessenheit der Vorstandsvergütung”, VorstAG), which came into force on August 5, 2009, the legislator in Germany has created new requirements with regard to the terms of Executive Board remuneration. The legislator’s goal here is to align Executive Board remuneration with sustainable company development.

Based on expert assessment, MLP’s previous system of Executive Board remuneration was already largely aligned with the objectives of the new legislation in Germany’s Appropriateness of Management Board Remuneration Act (VorstAG). Nonetheless, in 2010 the Supervisory Board devoted much attention to the further development of the Executive Board remuneration system at MLP and decided on a new remuneration system which has been applied since then for the appointment and repeated appointment of members of the Executive Board.

A legal right to continuation applied to the contracts of those individuals who were already members of the Executive Board prior to March 24, 2010, namely Dr. Uwe Schroeder-Wildberg and Mr. Muhyddin Suleiman. For this reason, the company employed two different remuneration systems for the members of the Executive Board. The remuneration systems are described in two separate sections in the following. During the course of the financial year 2011, the contracts of all members of the Executive Board were converted to the new system.

Remuneration regulations in the form agreed prior to March 24, 2010

Based on the contracts of employment set up according to the former remuneration system, the members of the Executive Board were entitled to both a fixed (non-performance-related) and a variable (performance-linked) remuneration. The basis of assessment for variable remuneration were the earnings before tax (EBT) of the MLP Group in accordance with the respective (international) accounting standards applied in the Group. The key figure was the EBT that resulted without deduction of profit-sharing payments. If continuing operations and discontinued operations were to be recognized in the financial year, the basis of assessment was formed by the total of the EBT of the operations to be continued and discontinued respectively. No costs and income directly related to the discontinuation/sale of business segments were included in the basis of assessment. The variable remuneration was calculated on the basis of a fixed percentage of the assessment basis. Should a contract of employment commence or terminate during the course of a financial year, the profit-sharing payment for this financial year was granted pro rata temporis.

The members of the Executive Board were furthermore entitled to unrestricted use of a company car and payments from a life and disability insurance policy.

In addition there were long-term remuneration components. The members of the Executive Board participated in the Long Term Incentive Program (“LTI”) from 2008 to 2010. Since the switchover to the new system of remuneration, this program no longer exists. The structure of this program is described below.

In 2005, a Long-Term Incentive Program was launched for the first time. It is designed to include the members of the Executive Board and selected managers of the MLP Group. This is a company performance plan based on key figures, which takes into account both EBT over several years and the development of the share price. Performance shares (phantom shares) can be allocated here. These were allocated to the members of the Executive Board by the Supervisory Board. The payout for the 2005 tranche was made in 2008, the 2006 tranche expired in 2009, the 2007 tranche expired in 2010 and the 2008 tranche expired in 2011. For the tranches approved in the financial years from 2008 to 2010, the cash payout was determined on the basis of three times the earnings before interest and tax (EBIT) achieved in the financial year preceding the year of allocation (performance hurdle). Only when this performance hurdle was reached were the beneficiaries entitled to receive a cash payout.

An equity settlement was not planned. The fair value of the phantom shares was re-calculated on each closing date on the basis of an appropriate valuation method.

In its meeting on March 22, 2011, the Supervisory Board proposed revising the LTI conditions for the 2010 tranche, subject to the condition that the payments made to the members of the Executive Board under the LTI Program shall reach a level of 0.4 % of the EBIT achieved in the MLP Group. The following amendments were made in order to reach this resolution: the growth lever was set to 3 %. In the event that the reference value exceeds the performance hurdle by 3 %, the number of performance units will increase by 3 % of the 100 % allocation volume upon reaching the hurdle. In addition to this, the payment per share was capped at 50 % above the MLP share price of the allocation. The performance hurdle for the 2010 tranche was fixed at € 150 million.

If an employee or member leaves the company, the phantom shares granted expire.

Within the scope of the Long-Term Incentive Program, members of the Executive Board received performance shares (phantom shares) in the years 2005 to 2010. The number and values of phantom shares, insofar as these have not been paid out or have expired are specified in the table below:

Long Term Incentive Program – Executive Board

All figures in units	Tranche 2009	Tranche 2010
Fair value at grant date	7.59 €	7.54 €
Dr. Uwe Schroeder-Wildberg	65,876	66,313
Muhyddin Suleiman	39,526	39,788
Total	105,402	106,101

[Table 34]

The Performance Share Units (PSU) of the 2008 tranche have expired, since the key performance hurdle for the LTI tranche was not achieved.

Participation in the LTI program was terminated with the switchover of contracts for all members of the Executive Board to the new Executive Board remuneration system with effect for 2011.

The costs of the 2010 tranche for members of the Executive Board recorded in the 2011 income statement are € 0 thsd (previous year: € 155 thsd).

The members of the Group Executive Board, Dr. Uwe Schroeder-Wildberg and Mr. Muhyddin Suleiman, continue to hold individual occupational benefit plans. An old-age pension upon reaching 62 years of age, a disability pension, a widow's pension and orphan's benefits have been guaranteed. The amount of the agreed benefit is 60 % of the last fixed monthly salary received, or is fixed separately on the basis of amendments to the service contracts. However, the members of the Group Executive Board, Manfred Bauer and Reinhard Loose, receive employer-financed, defined contribution benefits in an occupational pension scheme.

The service contracts of all members of the Group Executive Board comprise change-of-control clauses granting the right to termination for cause in the event

- the company's share of voting rights changes in accordance with §§ 21, 22 of the German Securities Trading Act.
- of a re-organization of the company in line with the provisions of the German Re-organization of Companies Act ("Umwandlungsgesetz", UmwG). This does not apply if the company changes its corporate form, outsourcings in line with § 123 (3) of the German Re-organization of Companies Act or for mergers in accordance with the provisions of the Re-organization of Companies Act, in which the company is the incorporating legal entity.

Since the amendment of the service contracts of Executive Board members in the financial year 2011, a member of the Executive Board resigning on the basis of the aforementioned conditions is entitled to maximum compensation of two times a year's fixed salary, on the condition that the termination takes place more than two years before the end of the contract. After that, the regulations apply on a pro rata temporis basis.

Remuneration regulations
in the form agreed since
March 24, 2010

The new Executive Board remuneration system, introduced due to the stipulations of the German Appropriateness of Management Board Remuneration Act ("Gesetz zur Angemessenheit der Vorstandsvergütung", VorstAG) and passed on March 24, 2010 by the Supervisory Board, was applied from this time onwards when appointing or re-appointing members to the Executive Board. This new remuneration system was used for the first time for the appointment of Mr. Manfred Bauer to the Executive Board, who has been a member on this Board since May 1, 2010. The system was also used for the service contract with Mr. Reinhard Loose, who was appointed as a further member of the Executive Board in November 2010 and took up this post on February 1, 2011. The service contracts for Dr. Uwe Schroeder-Wildberg und Muhyddin Suleiman have been amended with effect for 2011. After Mr. Ralf Schmid withdrew from his position as a member of the Executive Board in March 2011, the employment relationship was ended with mutual consent. Consequently, all existing Executive Board contracts have been switched over to the new remuneration system since 2011.

The remuneration system agreed here provides for a fixed basic annual salary and also variable remuneration (bonus) (see Table 35). The basic figure for the bonus payment is determined based on the income statement of the MLP Group in accordance with the respective (international)

accounting standards applied in the Group. The EBIT of the MLP Group in the past financial year for which the bonus is to be paid forms the basis of assessment here. The key figure is the EBIT that would have resulted without deduction of profit-sharing payments. If continuing operations and discontinued operations are to be recognized in the financial year, the basis of assessment is formed by the total of the EBIT of the operations to be continued and discontinued operations respectively. No costs and income directly related to the discontinuation/sale of business segments are included in the basis of assessment. If the employment contract begins or ends in the course of the financial year, the basic bonus figure is reduced pro rata temporis.

The thus calculated 45 % of the bonus is to be paid as an immediate payment following presentation of the company's adopted financial statements.

The remaining 55 % is only to be paid as a "deferred payment" after presentation of the financial statements for the financial year two years after the year of the immediate payment. The level of the deferred payment effectively to be paid to the member of the Executive Board is also subject to upwards or downwards adjustment, depending on the ratio of the average EBIT recorded in the base year and the three subsequent years to the EBIT in the base year.

The following amounts were recognized as liabilities in connection with deferred payments in the financial year 2011: Dr. Uwe Schroeder-Wildberg € 458 thsd, Manfred Bauer € 367 thsd, Reinhard Loose (since February 1, 2011) € 321 thsd, Muhyddin Suleiman € 367 thsd.

In contractually more closely specified boundaries, the immediate payment and the deferred payment are also subject to an adjustment right, which can be used at the discretion of the Supervisory Board. Here, the Supervisory Board is authorized, at its reasonable discretion, to increase or reduce the immediate payment by up to 30 % and the deferred payment by up to 10 % based on its assessment of the individual performance of the respective member of the Executive Board or extraordinary developments.

In addition to this, the service contract provides for a cap of the immediate payment and the deferred payment in Euros. For both bonus parts, a maximum of 150 % of the basic figure is stipulated as the cap with an assumed EBIT of € 100 million.

Under the new remuneration system, the members of the Executive Board still remain entitled to unrestricted use of a company car and payments from a life and disability insurance policy. The members of the Group Executive Board, Manfred Bauer and Reinhard Loose, continue to receive employer-financed, defined contribution benefits in an occupational pension scheme.

The service contracts of the members of the Group Executive Board drawn up with the new system also comprise change-of-control clauses, granting the right to termination for cause in the event

- the company's share of voting rights changes in accordance with §§ 21, 22 of the German Securities Trading Act.
- of a re-organization of the company in line with the provisions of the German Re-organization of Companies Act. This does not apply if the company changes its corporate form, outsourcings in line with § 123 (3) of the German Re-organization of Companies Act or for mergers in accordance with the provisions of the Re-organization of Companies Act ("Umwandlungsgesetzes", UmwG), in which the company is the incorporating legal entity.

As described earlier, since the amendment of the service contracts of Executive Board members in the financial year 2011, a member of the Executive Board resigning on the basis of the aforementioned conditions is entitled to a maximum compensation of two times a year's fixed salary, on the condition that the termination takes place more than two years before the end of the contract. After that, the regulations apply on a pro rata temporis basis.

Individualized Executive Board remuneration for the financial year 2011

All figures in € thsd	Fixed portion of remuneration	Variable portion of remuneration/ (immediate payment)	Total
Dr. Uwe Schroeder-Wildberg	528	119	647
Manfred Bauer	382	95	478
Reinhard Loose (since February 1, 2011)	269	83	352
Ralf Schmid (until March 31, 2011)	118	20	138
Muhyddin Suleiman	379	95	474
Total	1,676	413	2,089

[Table 35]

Individualized Executive Board remuneration for the financial year 2010

All figures in € thsd	Fixed portion of remuneration	Variable portion of remuneration/ (immediate payment)	Total
Dr. Uwe Schroeder-Wildberg	528	267	795
Gerhard Frieg (until March 31, 2010)	139	40	179
Manfred Bauer (since May 1, 2010)	253	128	382
Ralf Schmid	380	214	594
Muhyddin Suleiman	379	214	593
Total	1,680	863	2,542

[Table 36]

As of December 31, 2011, pension provisions for former members of the Executive Board were € 11,842 thsd (previous year: € 11,008 thsd).

Former members of the Executive Board received compensations of € 1,260 thsd (previous year: € 0 thsd).

Remuneration of the members of the Supervisory Board

In addition to compensation for their expenses for the financial year, the members of the Supervisory Board receive a fixed annual remuneration of € 40,000 in accordance with the Articles of Association. The Chairman of the Supervisory Board receives twice and his deputy one and a half times this amount. Additional, special remuneration is granted for work on the Audit Committee and the Personnel Committee. This comes to € 25,000 for the Audit Committee and € 15,000 for the Personnel Committee. The Chairman of the respective committee receives twice the stated level of remuneration. The fixed portion of remuneration is paid after the end of the financial year. No member of the Supervisory Board receives any variable or share-based remuneration payments.

Individualized Supervisory Board remuneration

All figures in € thsd (without tax)	Remuneration 2011	Remuneration 2010
Dr. Peter Lütke-Bornefeld (Chairman)	135	160
Dr. h. c. Manfred Lautenschläger (Vice Chairman)	100	100
Dr. Claus-Michael Dill	105	80
Johannes Maret	80	80
Norbert Kohler	40	40
Maria Bähr	40	40
Total	500	500

[Table 37]

In the financial year 2011 € 25 thsd (previous year: € 19 thsd) was paid as compensation for expenses.