

# REPORT BY THE SUPERVISORY BOARD

In the financial year 2021, 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 2021 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. As was already the case in 2020, the supervisory actions and consultations of the Supervisory Board for the Executive Board were further intensified during the COVID-19 pandemic to address the crisis. In this situation brought about by the pandemic, the Supervisory Board also approved the decision taken by the Executive Board to hold the 2021 Annual General Meeting as a Virtual Annual General Meeting. In terms of business development and operating results, both the company and the MLP Group were less impacted by the effects of the coronavirus crisis than other sectors during the financial year 2021.

In the financial year 2021, the Supervisory Board advised the Executive Board particularly intensively on potential M&A transactions. In particular, the Supervisory Board supported and consulted with the Executive Board in connection with the preparation of acquiring RVM Versicherungsmakler GmbH & Co. KG ("RVM"), including its subsidiaries. In the view of the Supervisory Board, the acquisition of RVM lays the foundation for systematic expansion of a new industrial broker segment and allows for a significant broadening of the offering for corporate and institutional clients, as well as B2B services. The Supervisory Board therefore 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 2021, 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 during 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 for reasons of age. As of January 1, 2021, he was succeeded by Mrs. Monika Stumpf, who had already been elected alongside him as a replacement 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 2021. All members of the Supervisory Board took part in all of the face-to-face meetings, either in person or remotely via video link. The Executive Board will generally also inform the Supervisory Board of particularly important or urgent projects outside of the regular meetings. Where necessary, resolutions can also take the form of circular resolutions.

In addition to this, three 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 twice in the last financial year. All committee members took part in this meeting. 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 2021:

	Participation*	in %
<b>Supervisory Board Meeting MLP SE</b>		
Dr. Peter Lütke-Bornefeld	6/6	100
Dr. Claus-Michael Dill	6/6	100
Tina Müller	6/6	100
Matthias Lautenschläger	6/6	100
Monika Stumpf	6/6	100
Alexander Beer	6/6	100
<b>Personnel Committee MLP SE</b>		
Dr. Peter Lütke-Bornefeld	2/2	100
Matthias Lautenschläger	2/2	100
Monika Stumpf (erst ab 19.03.2021)	1/1	100
Tina Müller	2/2	100
<b>Audit Committee MLP SE</b>		
Dr. Claus-Michael Dill	3/3	100
Dr. Peter Lütke-Bornefeld	3/3	100
Matthias Lautenschläger	3/3	100
Alexander Beer	3/3	100

\*Including participation via telephone

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

An extraordinary meeting of the company's Supervisory Board, held on February 8, 2021, was used to discuss in detail the intentions of the Executive Board to fully acquire the RVM Group. This focused in particular on the opportunities and risks, as well as the future strategy associated with the intended takeover. During this meeting, the company's Supervisory Board then approved the acquisition of the RVM Group, as well as the acquisition financing required for this. Following preparations in the meeting of the Audit Committee, the Supervisory Board meeting on March 18, 2021 focused on the audit and approval of the financial statements and the consolidated financial statements as of December 31, 2020. 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 December 31, 2020 and the separate non-financial report. In addition to this, the Supervisory Board also reviewed the appropriateness of the Executive Board compensation – 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 2020 and approved these. The proposed resolutions for the company's Annual General Meeting, which was held as a virtual event,



represented another item on the agenda. In this meeting, the Supervisory Board also passed a resolution that it should propose to the Annual General Meeting, supported by a corresponding recommendation of the Audit Committee, that BDO AG Wirtschaftsprüfungsgesellschaft, Hamburg, be appointed as auditor of both the financial statements and the consolidated financial statements for the financial year 2021. The recommendation from the Audit Committee of the Supervisory Board was preceded by a selection procedure conducted in accordance with Art. 16 of EU Directive No. 537/2014 (EU Audit Regulation). The Audit Committee of the Supervisory Board subsequently recommended BDO AG Wirtschaftsprüfungsgesellschaft, Hamburg, and PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, to the Supervisory Board, stating its reasons, and expressing a justified preference for BDO AG Wirtschaftsprüfungsgesellschaft, Hamburg.

The regular Supervisory Board meeting on May 11, 2021 focused primarily on discussing the results and business development from the first quarter of 2021. In addition to this, the Supervisory Board also approved the annual financial statements that had been revised by the Executive Board, as well as the joint management report of MLP SE for the financial year 2020 in this meeting.

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 August 11, 2021.

The November meeting primarily focused on the business results of the third quarter and the first nine months of the financial year 2020. However, another focus of this Supervisory Board meeting was on evaluating the leadership and performance of the members of the Executive Board. These topics 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. Extensive reporting was provided on the corporate governance process, and the current Declaration of Compliance was approved.

In the meeting on December 21, 2021 the Supervisory Board addressed in detail and approved the strategy and budget of both the Group and the company for the financial year 2022.



## Supervisory Board committees

The Supervisory Board was regularly informed of the work carried out by its committees in 2021.

In the financial year 2021, 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 three regular meetings in the financial year 2021. 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 a meeting held on May 11, 2021, the Audit Committee of the Supervisory Board discussed the annual financial statements that had been revised by the Executive Board, as well as the joint management report of MLP SE for the financial year 2020 and then proposed that the Supervisory Board approve these. 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 years 2021. Following intensive discussions, the Audit Committee submitted a proposal for appointment of the auditor for the financial year 2021 at the 2021 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 2021, 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, from March 19 2021, Ms. Monika Stumpf. The Personnel Committee came together for two regular meetings in the reporting period and focused in particular on reviewing 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 2021, 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 2021, as no resolutions regarding reappointment of members to the Supervisory Board were passed at the Annual General Meeting held on June 24, 2021.

## Corporate governance

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

In the past year, the Supervisory Board dedicated its meeting on November 10, 2021 to in-depth discussions on the completely revised draft of the German Corporate Governance Code requirements from February 16, 2019.

The meeting held on November 10, 2021 was used to discuss the recommendations of the GCGC and the Declaration of Compliance. The Supervisory Board consulted with the Executive Board regarding the 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 satisfied or will satisfy in future to secure compliance with the recommendations in the form presented in the Declaration of Compliance. 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. The Supervisory Board also 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 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 November 10, 2021, 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](http://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. Members of the Supervisory Board also attended further training on November 10, 2021 in order to maintain the necessary professional expertise. During this training, the options for further development and refinement of the pay system for the members of the Executive Board were presented by an external coach.

## Audit of the annual financial statements and consolidated financial statements for 2021

The financial statements and the joint management report of MLP SE as of December 31, 2021 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 December 31, 2021 have been compiled pursuant to § 315a of the German Commercial Code (HGB) in line with international financial reporting standards (IFRS) as applied in the EU. As of December 31, 2021, BDO AG Wirtschaftsprüfungsgesellschaft, Hamburg 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 the compliance. The Audit Committee also reviewed the risk management system, the 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, auditor fees, 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 on the basis of the auditor's report.



At the Supervisory Board meeting on 23 March 2022, the audit reports were discussed in detail by the Supervisory Board. The Chairman of the Audit Committee provided information on the auditor's report, in particular on the scope, focal points and main results of the audit, and also dealt in particular with the key audit matters and the audit procedures performed. These key audit matters, which were defined by the auditor and audited by the auditor, included the "Impairment of shares in affiliated companies" and in relation to the individual financial statements of MLP SE and the "Impairment of goodwill", the "Realisation of commission income" and the "Consolidation project companies".. 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 the 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 March 23, 2022, the Supervisory Board approved the annual financial statements and the joint management report MLP SE, as well as the consolidated financial statements and the joint management report in accordance with IFRS prepared by the Executive Board. 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 € 0.30 per share for the financial year 2021. Aspects such as the equity and liquidity situation, the current situation due to coronavirus, 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 2021.

Wiesloch, March 2022

The Supervisory Board



Dr. Peter Lütke-Bornefeld

Chairman

