

**Declaration of conformity by MLP AG pursuant to Article 161 AktG  
(As per: 15<sup>th</sup> December, 2010)**

The Executive and Supervisory Boards of MLP AG hereby declare in accordance with Article 161 of the German Stock Corporation Act (AktG) that the recommendations of the Government Commission "German Corporate Governance Code" as contained in the version dated 26<sup>th</sup> May, 2010 have been fundamentally observed since the previous declaration of conformity. Only the following recommendations were not applied: items 4.1.5, 4.2.3 section 4 and section 5, 5.1.2 sentence 2, 5.1.2 sentence 7, 5.4.1 sentence 2, 5.4.1 section 2 and section 3 and 5.4.6 sentence 4.

The reasons for the deviations cited above are as follows:

**Item 4.1.5 (Taking into account diversity when filling managerial positions)**

According to the recommendations of the German Corporate Governance Code, the Executive Board should take diversity into consideration when filling managerial positions and, in particular, aim for an appropriate consideration of women.

The Executive Board will further intensify its efforts towards promoting diversity when filling managerial positions and, in particular, aim for an appropriate consideration of women at managerial levels in the enterprise. The Executive Board of MLP AG has already taken measures directed at reconciling working life and family life in the past. The Executive Board will have the effectiveness of those measures reviewed in the 2011 financial year and, if appropriate, have modifications made as necessary and/or further measures initiated in order to obtain an appropriate consideration of women at managerial levels in the enterprise, taking into account the Company's specifics.

Current corporate governance practice is not sufficiently clear as to the conditions on which item 4.1.5 of the Code is deemed fully complied with. MLP AG declares, therefore that it initially did not comply with this recommendation in the 2010 financial year. It is envisaged, however, to achieve compliance with this recommendation in the 2011 financial year.

**Item 4.2.3 section 4 and section 5 (Severance payment cap)**

According to the recommendations of the German Corporate Governance Code, the Company, when concluding Executive Board member contracts, should ensure that payments, including fringe benefits, to an Executive Board member following premature cessation of Executive Board duties without serious cause, do not exceed the value of two years' remuneration (severance payment cap). The calculation of the severance payment cap should be based on the total remuneration of the previous financial year and, if appropriate, also on the expected total remuneration for the current financial year. Promised benefits in the event of premature termination of Executive Board service resulting from a change of control should not exceed 150% of the severance payment cap.

MLP still deviates from this recommendation in certain aspects. For Executive Board members having signed a valid employment contract after 31<sup>st</sup> July, 2009, MLP follows the recommendations of the German Corporate Governance Code. The contracts of employment for members of the Executive Board concluded prior to 31<sup>st</sup> July, 2009 provide for the payment of compensation in the

---

\* This is a translation of a document into English. We have taken reasonable care to ensure that it is accurate. However, you should be aware that words and legal concepts used in one language may not have exact equivalents in another. We therefore cannot guarantee that the translation will have exactly the same meaning as the original.

event of premature cessation of an Executive Board member's contract as a result of replacement or termination without serious cause, corresponding to a maximum of four times the fixed annual salary of the respective Executive Board member, whereby a pro-rata temporis rule applies in the event of contract termination during the last two years prior to expiry of the respective Executive Board member's contract of employment. This rule also applies in the event that members of the Executive Board avail themselves of their contractual extraordinary right to termination. This applies in specific cases of a transformation of the company in accordance with the German Transformation Act (UmwG) as well as in the event that a third party holding less than a 10% stake in MLP AG at the time of contract conclusion, acquires a holding of at least 50% of the voting rights.

However, there is no provision for a severance payment in the event of contract termination by mutual consent. A severance payment that is based on the overall remuneration of the previous financial year and which thereby also contains variable remuneration components is, in the opinion of the Company, not suitable to serve as a basis for assessment that applies to future contract time periods. Rules concerning a mutually-sought termination of contract can, in a contractual law sense, in any case only serve as a guideline from which, however, the parties may at any time deviate by mutual consent. Such a rule would thus be no more than a formal act.

In 2011 - as in 2010 - MLP will therefore not comply with this recommendation regarding employment contracts for Executive Board members concluded prior to 31<sup>st</sup> July, 2009. It is intended to comply with the recommendation, if relevant, when periodically renewing the terms of office of Executive Board members.

#### **Item 5.1.2 section 1 sentence 2 (Diversity in the appointment of Executive Board members)**

According to the recommendations of the German Corporate Governance Code, the Supervisory Board, when appointing Executive Board members, should also respect diversity and, in particular, aim for an appropriate consideration of women.

The Supervisory Board of MLP AG aims at increasing its efforts to respect diversity and, in particular, ensure an appropriate consideration of women when appointing members of the Executive Board in future. In previous selection processes, the Supervisory Board has already specifically considered applications by qualified women. At one of its meetings in the 2010 financial year, the Supervisory Board also discussed diversity issues regarding the Executive Board. In the 2011 financial year, the Supervisory Board will address the issue again in more depth and modify existing selection processes as necessary and/or take further measures directed at attaining an appropriate consideration of women also within the Executive Board of the enterprise, taking into account the Company's specifics.

It is currently not entirely clear on what conditions item 5.1.2 sentence 2 is deemed fully complied with. MLP therefore hereby declares that the Company initially deviated from this recommendation in the 2010 financial year. The Supervisory Board envisages, however, to achieve compliance with this recommendation already in the 2011 financial year.

#### **Item 5.1.2 section 2 sentence 3 (Age limit for members of the Executive Board)**

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

In 2010, MLP deviated from this recommendation. There is no set age limit for members of the Executive Board. The appointment of Executive Board members should focus solely on knowledge, abilities and specific experience. In 2011 - as in 2010 - MLP will therefore not comply with this recommendation.

#### **Item 5.4.1 sentence 2 fourth clause (Age limit for members of the Supervisory Board)**

According to 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.

In 2010, MLP deviated from this recommendation. There is no set age limit for members of the Supervisory Board. In view of the required knowledge, abilities and specific experience set out in item 5.4.1 section 1 of the Code, the setting of an age limit does not appear to be appropriate. In 2011 - as in 2010 - MLP will therefore not comply with this recommendation.

#### **Item 5.4.1 section 2 and section 3 (Specification of concrete objectives for the composition of the Supervisory Board)**

According to the recommendations of the German Corporate Governance Code, the Supervisory Board should specify concrete objectives regarding its composition which, whilst considering the specifics of the enterprise, take into account the international activities of the enterprise, potential conflicts of interest, an age limit to be specified for the 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 competent election bodies should take these objectives into account. The concrete objectives and the status of implementation should be published in the Corporate Governance Report.

In the 2010 financial year, MLP still deviated from this recommendation. At one of its meetings in the 2010 financial year, the Supervisory Board of MLP AG discussed the specification of concrete objectives for the composition of the Supervisory Board, taking particular account of the diversity aspect, and directed the Nomination Committee to review the nomination procedure applied so far from this point of view and to develop proposals for modifications as necessary. As the focus of the Company's and the Group's operations is in Germany, the aspect of internationality is not to be given particular consideration in connection with the composition of the Supervisory Board. In the light of the ongoing considerations of these recommendations, it has not been possible as yet to take into account any modifications when making concrete recommendations to the election bodies. At present, it is also not possible to report on any specific objectives in the Corporate Governance Report.

In the 2010 financial year, MLP therefore initially deviated from these recommendations, and expects not to be able to comply in 2011 either.

#### **Item 5.4.6 section 2 sentence 1 (Performance-related remuneration of the members of the Supervisory Board)**

According to the recommendations of the German Corporate Governance Code, members of the Supervisory Board should receive a performance-related element of remuneration beside their fixed remuneration.

MLP deviated from this recommendation in 2010. The members of the Supervisory Board of MLP AG do not receive any performance-related remuneration. No convincing concepts concerning performance-related Supervisory Board remuneration have yet been proposed. In 2011 - as in 2010 - MLP will therefore not comply with this recommendation.

Wiesloch, December 2010  
MLP AG

The Executive Board

The Supervisory Board