

EXPLANATORY REPORT ON THE DISCLOSURES PURSUANT TO § 176 (1) OF THE GERMAN STOCK CORPORATION ACT (AKTG), § 289 (4), § 315 (4) OF THE GERMAN COMMERCIAL CODE (HGB)

Composition of capital

As of December 31, 2011, the company's share capital amounts to € 107,877,738 and is divided into 107,877,738 ordinary bearer shares with a nominal value of € 1 per share.

Restrictions on voting rights or on the transfer of shares

There are no restrictions on voting rights or on the transfer of MLP AG's shares.

Capital stakes

The German Securities Trading Act ("Wertpapierhandelsgesetz") requires any investor whose share of voting rights reaches, exceeds or falls below certain thresholds as the result of purchases, disposals or otherwise, to notify the company and the German Federal Financial Supervisory Authority ("BaFin") thereof. The lowest threshold for the duty of notification to apply is 3%. Any stakes that reach or exceed 10% of voting rights must be recorded in this explanatory report. MLP AG has been notified of two shareholders that directly or indirectly exceeded 10% of the voting rights:

	Shareholding*	Number of shares*
Dr. h. c. Manfred Lautenschläger ¹⁾	25,205,534 ¹⁾	23.36%
Angelika Lautenschläger Beteiligungen Verwaltungs GmbH	22,618,932	20.97%
Harris Associates L.P.	10,813,991	10.02%

* Status known to MLP AG as of December 31, 2011

¹⁾ In accordance with § 22 (1) Sentence 1 No. 1 of the German Securities Trading Act (WpHG), 22,618,932 voting rights (=20.97% of the share capital of MLP AG) held by Angelika Lautenschläger Beteiligungen Verwaltungs GmbH are attributable to Dr. h. c. Manfred Lautenschläger.

[Table 03]

Shares with special control rights

Shares which confer special control rights have not been issued.

System of control of any employee share scheme where the control rights are not exercised directly by the employees

Where MLP AG has in the past issued shares to employees within the scope of its employee participation program, these shares were transferred to the employees directly. Said employees can or could then exercise the control rights granted by the shares issued directly in line with the legal requirements and the company's Articles of Association.

Legal stipulations and provisions in the Articles of Association regarding the appointment and replacement of members of the Executive Board

The appointment and replacement of members of the Executive Board are governed by §§ 84 and 85 of the German Stock Corporation Act (“Aktengesetz”). The company’s Articles of Association specify that the Executive Board must consist of at least two people. The members of the Executive Board are appointed for a maximum of five years. A further appointment or extension of the time in office, each for a maximum of five years, is permitted. The Supervisory Board can withdraw the appointment to a member of the board before the time in office expires with good cause. Such cause would be gross breach of duty, inability to manage properly or a vote of no-confidence by the Annual General Meeting. The Supervisory Board decides on the number of board members, their appointment and the withdrawal of their appointment as well as the conclusion, alteration and termination of the employment contracts with board members. The Supervisory Board can appoint one Chairperson and one or more vice Chairpersons.

Amendments to the company’s Articles of Association

In accordance with § 179 (1) of the German Stock Corporation Act (“Aktengesetz”), each amendment to the Articles of Association requires a resolution by the Annual General Meeting. In deviation from § 179 (2) Sentence 1 of the German Stock Corporation Act (“Aktengesetz”), § 17 (4) of the company’s Articles of Association stipulates that resolutions on amendments to the Articles of Association by the Annual General Meeting can be passed with a simple majority of the share capital votes entitled to vote on the resolution, unless a greater majority is required according to binding legal requirements. However, the Supervisory Board is authorized, pursuant to § 21 of the company’s Articles of Association, to make amendments to the company’s Articles of Association that affect the version.

Authority of the Executive Board to issue or buy back shares

Based on a resolution passed at the Annual General Meeting on May 20, 2010, the Executive Board is authorized to increase the company’s share capital by up to € 22 million in total by issuing new ordinary bearer shares in exchange for cash or non-cash contributions on one or more occasions until May 19, 2015, subject to the consent of the Supervisory Board. With the consent of the Supervisory Board, it is also authorized to exclude the subscription right of shareholders to participate in the issue of shares in exchange for non-cash contributions.

If the share capital is increased in exchange for cash contributions, the shareholders are to be granted a subscription right. However, the Executive Board has been authorized, with the approval of the Supervisory Board, to exclude the subscription right of the shareholders if the issue price does not fall significantly short of the stock market price of company shares with the same structure. However, this authorization is subject to the condition that shares issued in exclusion of subscription rights as per § 186 (3) Sentence 4 of the German Stock Corporation Act (“Aktengesetz”) do not exceed 10 % of the share capital, either at the time of coming into effect or at the time it is exercised (authorized capital).

A resolution passed at the Annual General Meeting on June 10, 2011 also authorized the company, as per § 71 (1) No. 8 of the German Stock Corporation Act (“Aktengesetz”), to purchase as much as 10 % of the share capital during the authorization period up to December 9, 2013. No shares or derivatives for buying back own shares were bought by the company on the basis of this authorization up to December 31, 2011.

Significant agreements to which the company is a party that take effect in the event of a change of control of the company following a takeover bid

There are no significant agreements that take effect in the event of a change of control of the company following a takeover bid.

Settlement agreements between the company and Executive Board or employees in the event of a takeover bid

The contracts of employment between the company and the Chairman of the Board, Dr. Uwe Schroeder-Wildberg, and Executive Board members Manfred Bauer, Reinhard Loose and Muhyddin Suleiman contain a clause stating that they are entitled to terminate their contracts with a notice period of one month in the event that a third party who had a share in MLP of less than 10% at the time at which the contracts were concluded, purchases a share of at least 50% of the voting rights. Should they exercise this right to termination, MLP is obliged to pay them the four-fold annual fixed remuneration which would have been payable, had the contract not been terminated by them as a result of the change of control and provided that the termination of contract is more than two years before its scheduled termination. For all members of the Executive Board, the remuneration to be paid in the event of a change of control corresponds to no more than twice the average remuneration, based on the total remuneration of the last full financial year prior to termination of their contract and the total anticipated remuneration for the year still in progress when their contract is terminated. The employment contract of Dr. Schroeder-Wildberg runs to December 31, 2012, the employment contract of Mr. Bauer runs to April 30, 2015, the employment contract of Mr. Reinhard Loose runs to January 31, 2014 and the employment contract of Mr Suleiman runs to September 3, 2017. Should any of these contracts be terminated in the two years prior to their regular end date, compensation will only be due on a pro rata temporis basis.