

Notes and documents pertaining to Item 8 on the agenda

The conversion plan and the Articles of Association of MLP SE read as follows:

CONVERSION PLAN
concerning the change in corporate form
of MLP AG with its registered office in Wiesloch, Germany
to the
legal form of *Societas Europaea* ("SE")

Preamble

MLP AG ("**MLP AG**" or the "**Company**") is a stock corporation under German law with its registered office and HQ in Wiesloch, Germany. It is entered in the Mannheim Commercial Register under the number HRB 332697. Its business address is "Alte Heerstraße 40, 69168 Wiesloch, Germany". MLP AG is the listed parent company of the MLP Group, founded in 1971, which offers independent financial consulting services in Germany. Long-term consultancy services for academics and other discerning clients in the areas of old-age provision, wealth management, health insurance, non-life insurance, financing and banking represent the basis of its business operations. MLP AG directly/indirectly holds shares in the companies belonging to the MLP Group.

To date, the share capital of MLP AG is € 109,334,686.00, which is distributed across the same number of no-par-value shares. Each share therefore represents € 1.00 of the share capital in MLP AG. Pursuant to Article 5 (1) of MLP AG's Articles of Association, the shares are made out to the bearer.

MLP AG is to be converted into a European Company (*Societas Europaea*, SE) in line with Article 2 (4) and in conjunction with Article 37 of the Council Regulation (EC) No. 2157/2001 of October 8, 2001 on the statute of a European Company (SE) ("**SE Regulation**"). The change in corporate form is in particular also governed by the Law for the Implementation of Council Regulation (EC) No. 2157/2001 from October 8, 2001 on the statute of a European Company (SE) from December 22, 2004 ("**SE IMPLEMENTATION ACT (SEAG)**"), as well as the Act on the Participation of Employees in a European Company from December 22, 2004 ("**Act on the Participation of Employees in a European Company (SEBG)**").

The Company is to maintain its registered office and its head office in Germany.

The SE legal form is the only supranational legal form of a stock corporation under European law that is available to a listed stock corporation operating out of Germany. It also presents an opportunity, together with representatives from the European workforce, to develop an employee participation model tailored specifically to the requirements of the Company. The Supervisory Board will continue to be made up of an appropriate number of members. To date the Supervisory Board comprises six members, four of whom are shareholder representatives and two of whom are employee representatives. If the number of employees were to increase to more than 2,000 (for example in the case of an acquisition), MLP would need to increase the number of members on its Supervisory Board to twelve in an AG, which would then be not representative of the Company's size and would also complicate decision-making chains and lead to additional long-term costs. As a European company (SE), on the other hand, it is possible to keep the current number of members, which has proven effective to date. The current ratio of shareholder representatives and employees can also remain the same, meaning that one third of members will be employees' representatives.

The SE company form also allows a more flexible corporate governance structure to be developed for MLP, which will enable the work methods and procedures of the Executive Board and Supervisory Board to be further optimised. As a supranational legal form that offers a modern and internationally aligned company form, and therefore promotes an open and international corporate culture, the SE is more attractive for potential foreign investors than an "Aktiengesellschaft (AG)" stock corporation. As such the change in legal form promotes the establishment of a sustainable corporate identity, which also improves MLP's image on the recruitment market and strengthens identification of the employees in the MLP Group, including those domiciled overseas. Operating as an SE also supports broad recognition of the Company, irrespective of its registered office location. Moreover, the SE company form also simplifies potential cross-border acquisitions – for example in the FERI segment.

The Executive Board at MLP AG has therefore drafted the following conversion plan:

1. CONVERSION OF MLP AG INTO MLP SE

In line with Article 2 (4) and in conjunction with Article 37 of the SE Regulation, MLP AG is to be converted into a European Company (*Societas Europaea*, SE).

MLP AG has for several years had a subsidiary that is subject to the law of a different **EU** member state, meaning that the prerequisites for a change in corporate form of MLP AG into MLP SE in line with Article 2 (4) of the SE Regulation are met. Since its establishment in 2007, FERI Trust (Luxembourg) S. A. with its registered office in Luxembourg, Grand-Duchy of Luxembourg, and entered in the Commercial and Companies Register (*Registre de Commerce et des Sociétés*) under the number B 128987, has been a direct and 100% subsidiary of Feri AG with its registered office in Bad Homburg v. d. Höhe, Germany and entered in the Commercial Register of Bad Homburg v. d. Höhe district court under the number

HRB 7473, in which MLP AG has held a stake as majority shareholder since the end of 2007 and has been sole shareholder since April 15, 2011.

The conversion of MLP into a SE corporation has resulted neither in MLP AG being dissolved, nor any new legal entity being established. An asset transfer is not to be performed, as the identity of the legal entity is to be retained. The Company will continue to exist in the legal form of MLP SE. As the Company's identity is being retained, the shareholders' participation held in the Company remain unaffected by the change in legal form.

As was already the case with MLP AG, MLP SE will employ a dual management structure, comprising an Executive Board (management body in the sense of Article 38 lit. b) Alt. 1 of the SE Regulation) and a Supervisory Board (supervisory body in the sense of Article 38 lit. b) Alt. 2 of the SE Regulation).

2. EFFECTIVE DATE OF THE CONVERSION

The conversion comes into effect with its entry in the MLP SE Commercial Register ("**conversion date**").

3. COMPANY, REGISTERED OFFICE, CAPITAL AND ARTICLES OF ASSOCIATION OF MLP SE

- 3.1 The name of the SE company is "MLP SE".
- 3.2 The registered office of MLP SE is Wiesloch, Germany, where the Company's head office is also located.
- 3.3 The entire share capital of MLP AG at the level present at the conversion date (currently € 109,334,686.00) and the division into ordinary bearer shares in place at this time (current no. of shares 109,334,686) becomes the share capital of MLP SE. The persons and companies holding shares in MLP AG at the conversion date become shareholders in MLP SE in the same scope and with the same number of no-par-value shares in the share capital of MLP SE as they held in the share capital of MLP AG immediately prior to the conversion date. The notional proportion of each non-par value share in the share capital (currently € 1.00) remains the same as it was immediately prior to the conversion date.
- 3.4 MLP SE adopts the Articles of Association included in the **Annex**, which are also a constituent of this conversion plan. However, the particular characteristics set out under Clause 3.5 apply with regard to Article 4 (1), (2), and (4).
- 3.5 In the Articles of Association of MLP SE,
 - (a) the share capital and its division into no-par value shares of MLP SE (Article 4 (1) and (2) of MLP SE's Articles of Association) corresponds at the conversion date to the share capital and its division into no-par value shares of MLP AG (Article 4 (1) and (2) of MLP AG's Articles of Association) and

- (b) the amount of authorised capital pursuant to § 4 (4) of MLP SE's Articles of Association corresponds at the conversion date to the authorised capital still in place pursuant to Article 4 (4) of MLP AG's Articles of Association,

whereby the level in place immediately before the conversion date shall be decisive.

The Supervisory Board at MLP SE is authorised and also instructed to undertake any changes resulting from this Clause 3.5 with regard to the figures stated there and the division of capital, including any amendments that the register court may require as a condition for entering the change in corporate form, provided in each case that they only relate to the wording, to the attached version of the attached Articles of Association of MLP SE prior to entry of the change in corporate form in the MLP AG Commercial Register.

- 3.6 Under Item 6 on the Agenda a proposal is made to the Annual General Meeting, which is to be held on June 29, 2017 and which is to pass a resolution on the change of corporate form from MLP AG to an SE under Item 8 on the Agenda, to authorise the Executive Board to cancel the authorisation passed by the Annual General Meeting on June 6, 2013 under Item 6 on the Agenda for acquiring own shares and then issue a new authorisation to acquire and use own shares pursuant to § 71 (1) No. 8 of the German Stock Corporation Act (**AktG**) with possible exclusion of the shareholders' subscription rights and, if applicable, the right to offer shares. Should the Annual General Meeting on June 29, 2017, validly grant this authorization to the Executive Board, such authorization will continue to apply for the Executive Board of MLP SE once the conversion of MLP AG into an SE has taken effect. If, however, the Annual General Meeting on June 29, 2017 does not validly grant this authorization to the Executive Board, the existing authorization to purchase own shares as granted by the Annual General Meeting on June, 2013 will continue to apply until June 5 2018 and will thus also apply for the Executive Board of MLP SE, provided the conversion of MLP AG into an SE has been completed by this date.
- 3.7 Under Item 7 on the Agenda a proposal is made to the Annual General Meeting, which is to be held on June 29, 2017, which is to pass a resolution on whether or not to approve the conversion of MLP AG into an SE under Item 8 on the Agenda, to authorise the Executive Board to use derivatives for the buy back of own shares on the basis of the acquisition authorization under exclusion of subscription/tender rights proposed under Item 6 on the Agenda to the Annual General Meeting on June 29, 2017 (please refer to Clause 3.6 above). If, however, the Annual General Meeting on June 29, 2017, validly grants this authorisation to use derivatives - as well as the acquisition authorisation also proposed to this Annual General Meeting - to the Executive Board, such authorization to use derivatives will continue to apply for the Executive Board of MLP SE once the conversion of MLP AG into an SE has taken effect. If the Annual General

Meeting on June 29, 2017 does not validly grant this authorization regarding the use of derivatives as well as the acquisition authorisation also proposed to this Annual General Meeting to the Executive Board, the existing authorization to use derivatives when purchasing own shares as granted by the Annual General Meeting on June 6, 2013 under Item 7 on the Agenda will continue to apply until June 5, 2018 and will thus also apply for the Executive Board of MLP SE, provided the conversion of MLP AG into an SE has been completed by this date. If, however, the Annual General Meeting on June 29, 2017, only grants the new authorisation to purchase and use own shares proposed to it under Item 6 on the Agenda but at the same time does not grant authorisation for the use of derivatives when purchasing own shares proposed to this Annual General Meeting under Item 7 on the Agenda, the authorisation to use derivatives when purchasing shares granted by the Annual General Meeting on June 6, 2013 under Item 7 on the Agenda cannot be exercised.

- 3.8 Shareholders who object to the change in corporate form will not be offered any compensation in cash, as this is not provided for by law.

4. EXECUTIVE BOARD

Notwithstanding the statutory decision-making responsibility of the Supervisory Board at MLP SE, it is to be expected that the previous members of the Executive Board at MLP AG will be appointed as members of the Executive Board at MLP SE. The current members of the Executive Board at MLP AG are Dr. Uwe Schroeder-Wildberg (Chairman of the Board), Manfred Bauer and Reinhard Loose.

5. SUPERVISORY BOARD

- 5.1 Pursuant to Article 9 of MLP SE's Articles of Association (please also refer to the **Annex**), a Supervisory Board will be formed at MLP SE that will continue to comprise six members, as was the case at MLP AG. Two of the six members are to be appointed on the proposal of the employees. The Annual General Meeting is bound by the election nominations. If an agreement concluded in line with the law governing participation of employees at a European company (**Act on the Participation of Employees in a European Company (SEBG)**) on the participation of employees requires a different process for appointing the employee representatives to the Supervisory Board, these employee representatives will not be appointed by the Annual General Meeting, but according to the provisions set forth in the agreed appointment procedure.
- 5.2 The terms of office of the shareholder representatives and the terms of office of the employee representatives in the Supervisory Board at MLP AG end when the conversion comes into effect, i.e. on entry of the change in corporate form in the MLP AG Commercial Register.

The four current shareholder representatives on the MLP AG Supervisory Board are also to be appointed as the four shareholder representatives on the first Supervisory Board at MLP SE (please refer to Article 9 (1) of

MLP SE's Articles of Association, which are attached as an **Annex** to this conversion plan):

- (a) Dr. Peter Lütke-Bornefeld,
Everswinkel,
former Chairman of the Executive Board at Kölnische Rückversicherungs-Gesellschaft AG,
- (b) Dr. h.c. Manfred Lautenschläger,
Gaiberg,
former Chairman of the Executive Board at MLP AG,
- (c) Tina Müller,
Frankfurt am Main,
Chief Marketing Officer and Managing Director at Opel Group GmbH,
- (d) Dr. Claus-Michael Dill,
Murnau,
former Chairman of the Executive Board at Damp Holding AG.

Notwithstanding the responsibility of the Supervisory Board of MLP SE, it is pointed out at this point that the present Chairman of the Supervisory Board of MLP AG, Dr. Peter Lütke-Bornefeld, is expected to be appointed as Chairman of the Supervisory Board of MLP SE.

The results of the employee participation procedure (please refer to the Clause 6) are taken into account when appointing the employee representatives to the first Supervisory Board at MLP SE.

6. INFORMATION ON THE PROCEDURE FOR ARRANGEMENTS ON THE PARTICIPATION OF EMPLOYEES AT MLP SE

- 6.1 In order to safeguard the acquired rights to participate employees of MLP AG in company decisions, a procedure for the participation of employees at MLP SE is to be performed in the context of the change in corporate form to a European company (SE). The objective is to conclude an agreement regarding the participation of employees at the SE ("**participation agreement**"), focusing in particular on the participation of employees in the Supervisory Board at MLP SE and the process for informing and consulting employees either through establishment of an SE works council or use of another approach to be agreed with the Executive Board of MLP AG. In the event that no participation agreement is reached a subsidiary regulation by operation of law is to be applied. Conclusion of the negotiation process is a prerequisite for entry of the SE into the commercial register and therefore also for the change in corporate form to a European company (SE) (Article 12 (2) of the SE Regulation) becoming effective.

The employee participation procedure is characterised by the basic principle of protecting the rights acquired by employees of MLP AG. The scope of employee participation at the SE is determined by § 2 (8) of the Act on the Participation of Employees in a European Company (SEBG),

which essentially follows Article 2 lit. h) of the 2001/86/EC European Council Directive from October 8, 2001 on the extension of the European Company Statute with regard to employee participation.

Based on this, the participation of employees is the key aspect of any procedure – including, in particular, information, consultation and participation – through which the employee representatives can exert influence on resolutions within the Company. In this context, information refers to the management body of the SE informing the SE works council or other employee representatives of any issues that affect the SE itself, one of its subsidiaries or one of its operations in a different member state or any issues that extend beyond the powers of the competent bodies at the level of each individual member state. Alongside employee representatives expressing an opinion on matters relevant to decision-making processes, consultation also involves an exchange between employee representatives and corporate management, as well as consultancy with the objective of reaching an agreement, however, with the company management remaining free in its decision. Participation refers to employees exerting influence on the issues at the SE. Pursuant to § 2 (12) of the Act on the Participation of Employees in a European Company (SEBG), it either refers to the right of employees to appoint/elect members of the Supervisory Board or alternatively to propose these themselves and reject proposals made by third parties.

- 6.2 As the parent company of the MLP Group, MLP AG currently has a Supervisory Board with six members. As per the German One-Third Participation Act (**DrittelbG**), two thirds of these members (four persons) are representatives of the shareholders, while one third (two persons) are employee representatives. With regard to the two employee representatives in the Supervisory Board at MLP AG it is the prevailing and correct view in literature that only those employees of the Group companies based in Germany currently hold active and passive voting rights in line with the German One-Third Participation Act (DrittelbG). The provisions of the German One-Third Participation Act (DrittelbG) pertaining to employee representation on the MLP AG Supervisory Board are to be replaced by the Act on the Participation of Employees in a European Company (SEBG). (For information on the other consequences of the change in corporate form for the employees and their representatives, please refer to Clause 7). The terms of office of the employee representatives and the shareholder representatives on the MLP AG Supervisory Board will cease upon the conversion from MLP AG into MLP SE becoming effective. The shareholder representatives for the new MLP SE Supervisory Board are already appointed in the Articles of Association of MLP SE (please refer to Clause 5.2). The employee representatives on the first Supervisory Board at MLP SE are to be appointed following completion of the employee participation procedure. It is expected that the first employee representatives will be appointed by Mannheim district court, which is responsible for MLP SE, unless the participation agreement stipulates a different appointment procedure.

Alongside the MLP AG Supervisory Board, MLP Finanzdienstleistungen AG, Wiesloch, a 100% subsidiary of MLP AG, also has a Supervisory Board subject to the German One-Third Participation Act (DrittelbG).

A works council is in place for joint operation of MLP AG and MLP Finanzdienstleistungen AG. In addition a works council is in place for joint operation of Feri AG, Feri Trust GmbH, and FERREAL AG in Bad Homburg. Furthermore, dedicated works councils are in place for the subsidiaries TPC GmbH and ZSH GmbH Finanzdienstleistungen. A Group works council has been established at MLP AG for the MLP Group.

- 6.3 The employee participation procedure was introduced in line with the regulations of the Act on the Participation of Employees in a European Company (SEBG). This legislation requires the management of the company involved, i.e. the Executive Board at MLP AG, to inform the employees or their respective employee representatives of the intention to implement a change in corporate form and prompt them to form a Special Negotiation Body (**SNB**). The process is to be introduced without request or undue delay, but at the latest after the Executive Board at MLP AG has published the approved conversion plan. The publication is made by virtue of filing the notarised conversion plan at the responsible commercial register in Mannheim, Germany. Pursuant to § 4 of the Act on the Participation of Employees in a European Company (SEBG), the required information for the employees or their representatives in particular extends to (i) the identity and structure of MLP AG, the affected subsidiaries, as well as the affected operations and how these are distributed among the member states, (ii) the employee representatives in place at these companies and operations, (iii) the number of employees employed at these companies and operations, as well as the resulting total number of workers employed in a member state and (iv) the number of employees who have participation rights in the corporate bodies of these companies.

In its letter from November 15, 2016, the Executive Board at MLP AG informed the employee representatives / employees in Germany and in the Grand-Duchy of Luxembourg of the intended change of corporate form from MLP AG to MLP SE and invited them to establish the Special Negotiating Body (SNB). The recipients of the letter providing information and detailing the request dated November 15, 2016 were the German Group works council, the employees at FERI Trust (Luxembourg) S.A., as well as other employee representatives and employees of the MLP Group. The last letter providing information and detailing the request was sent out on December 12, 2016. The trade union ver.di as well as the executive employees of the MLP Group were informed by the chairman of the Group works council about the intended change in corporate form.

- 6.4 The law provides that the employees or their relevant employee representatives are to elect the members of the SNB within ten weeks following notification of the employees or their respective representatives as described in Clause 6.3. This Special Negotiation Committee must generally comprise employee representatives from all affected EU member states and affected contracting states of the EEA.

This SNB is tasked with negotiating the structure of the participation process and the employee participation rights at MLP SE together with the corporate management.

The formation and composition of the SNB is based on German law (§ 4 to § 7 of the Act on the Participation of Employees in a European Company (SEBG)). The allocation of seats on the SNB to the individual EU member states and contracting states in the EEA in which the MLP Group has employees is stipulated in § 5 (1) of the Act on the Participation of Employees in a European Company (SEBG) for founding an SE with its registered office in Germany. The allocation of seats is based on the following basic rules:

Each EU member state and contracting state in the EEA in which companies of the MLP Group have employees is generally allocated at least one seat on the SNB. The number of seats allocated to an EU member state or contracting state of the EEA is increased by one seat in each case to the extent that the number of employees in this EU member state or contracting state of the EEA exceeds a threshold of 10%, 20%, 30% etc. of all employees of the MLP Group in the EU or the EEA. The relevant point in time for determining the allocation of seats is generally the time of notification of the employees or the respective employee representatives (please also refer to § 4 (4) of the Act on the Participation of Employees in a European Company (SEBG)).

The following allocation of seats results from the numbers of employees of the MLP Group in the individual EU member states and contracting states of the EEA on September 1, 2016:

Member state	Number of employees	Share in %	Number of seats on the SNG
Germany	1,941	> 90	10
Grand-Duchy of Luxembourg	6	<10	1

The respective national regulations apply to the process for election and appointment of the members of the SNB from the individual member states. Thus, a variety of procedures is being applied, such as election by direct vote, appointment by trade unions or, as prescribed by German law, election by an Election Committee (please refer to § 8 of the Act on the Participation of Employees in a European Company (SEBG)). In principle, the election or appointment of the members, as well as the establishment of the SNB are the responsibility of the employees and their representatives or responsible trade unions.

In Germany, the Election Committee to be established is made up of the members of the Group works council. The following requirements must be observed when electing the domestic members of the SNB:

- Of the ten members of the SNB from Germany, three members are to be elected based on the proposal of a trade union that is represented at the companies of the MLP Group. It is up to the chairman of the Group works council to invite the trade unions represented at the companies to submit election nominations.
- As the SNB comprises more than six members from Germany, one member is an executive employee. Since there is no representative committee for executive employees at MLP AG, the managers can themselves submit election nominations pursuant to § 8 (1) Sentence 6 of the Act on the Participation of Employees in a European Company (SEBG), although these need to be signed by one twentieth or 50 of the executive employees.
- The ratio of women and men elected as domestic members of the SNB should reflect the ratio of women and men in the company.

The one member of the SNB for the Grand-Duchy of Luxembourg is elected directly by the employees in the Grand-Duchy of Luxembourg, since no employee representation is in place there.

The ten German members of the SNB, as well as their respective deputy members, were elected in a secret and direct election by the Election Committee, comprising the members of the Group works council. The following members and deputy members were elected:

Member of the SNB	Substitute member
Antje Piekuszewski (Domcura)	Benjamin Andres (Domcura)
Burkhard Schlingermann (MLP FDL)	Ina Weber (MLP FDL)
Ludger Selg (MLP FDL)	Pierre Feix (TPC)
Manfred Wolf (MLP FDL)	David Frey (MLP FDL, JAV)
Marc Müller (Domcura)	Magdalena Rosowski (Domcura)
Monika Stumpf (MLP FDL)	Frank Egeler (MLP FDL)
Petra Hebert (MLP FDL executive)	Paul Utzat (MLP FDL executive)
Stefanie Grüssinger (MLP FDL)	Marion Engbers-Tiedtke (MLP FDL)

Ursula Blümer (MLP FDL)	Nikos von Geiso (MLP FDL)
Ursula Renner (ZSH)	Nicola Keinz (ZSH)

The trade union ver.di did not make use of its right to make proposals for the election in the sense of § 8 (1) of the Act on the Participation of Employees in a European Company (SEBG).

The seat assigned to the Luxembourg-based employees on the SNB remained unfilled. The employees of FERI Trust (Luxembourg) S.A. have not held any election to date. As such, they have not yet made any use of their right to nominate members. However, they can still fill the seat allocated to them on the SNB with an elected representative at any point up to conclusion of the participation process.

The Executive Board at MLP AG was informed immediately of the names of the SNB members, their addresses and their respective periods of employment. The Executive Board then provided this information to the local operational and corporate management teams, employee representatives and the trade union ver.di.

- 6.5 At the earliest after all members have been appointed, yet no later than ten weeks following notification in the sense of § 4 (2) and (3) of the Act on the Participation of Employees in a European Company (SEBG) (cf. § 12 (1) and § 11 (1) of the Act on the Participation of Employees in a European Company (SEBG)), the Executive Board at MLP AG must send out invitations to the members for the constituent meeting of the SNB. On the day of the constituent meeting, the procedure for establishing the SNB ends and the negotiations begin. A period of up to six months is provided for these negotiations under statutory law. However, this period can be extended to up to one year by mutual consent of the parties to the negotiation.

The negotiation process also takes place if the deadline for election or appointment of individual or all members of the SNB has been exceeded for reasons for which the employees are responsible for (please also refer to § 11 (2) Sentence 1 of the Act on the Participation of Employees in a European Company (SEBG)).

Members elected or appointed while the negotiations are still ongoing are not finally excluded. They may participate in the negotiation at any time (§ 11 (2) Sentence 2 of the Act on the Participation of Employees in a European Company (SEBG)). However, any member joining the ongoing negotiations has to accept the current status of the negotiations at that time. No claims may be asserted for an extension of the six-month negotiation period in cases such as this (§ 20 of the Act on the Participation of Employees in a European Company (SEBG)). It is therefore in the interests of the employees to conclude the election or appointment process for the members of the SNB within the ten-week deadline.

In its letter dated February 21, 2017, the Executive Board at MLP AG invited the elected members of the SNB to the constitutive meeting of the SNB on February 23, 2017, and informed the local operational and corporate management teams of this. The constitutive meeting of the SNB took place on February 23, 2017 at 9.15 a.m. in Wiesloch, Alte Heerstraße 40.

6.6 The objective of the negotiations is to conclude a participation agreement. The subject of negotiations is the participation of employees in the Supervisory Board at MLP SE (please refer to Clause 6.8 below) and specification of a process for informing and consulting the employees. The latter can either take place through establishment of an SE works council or agreement on a different process provided by the negotiating parties that guarantees information and consultation of the employees at MLP SE (please refer to Clause 6.7). In the event that an agreement regarding participation is not concluded, participation is governed by the subsidiary regulation by operation of law, which is explained below in Clause 6.10. There is a possibility that the Supervisory Board and the SNB are only able to agree on the process for informing and consulting the employees and that no agreement is reached in terms of the participation of employees in the Supervisory Board. In this case, the legal fall-back provision is to be applied with regard to participation on the Supervisory Board (please refer to Clause 6.10).

6.7 In the participation agreement between the Executive Board and the SNB, a procedure is to be stipulated for the purpose of informing and consulting the employees in the SE. This can be performed by establishing an SE works council or another process provided by the negotiating parties that guarantees information and consulting of the employees at MLP SE. If an SE works council is formed, the following are to be agreed: the scope of the participation agreement, the number of members and the allocation of seats, the information and consultation rights, the accompanying procedure, the frequency of the meetings, the financial and material resources to be made available, the date of entry into force of the participation agreement and its duration, as well as the cases in which the participation agreement needs to be renegotiated and the procedure to be followed. Instead of establishing an SE works council, another procedure may also be stipulated which facilitates the information and consultation of the employees.

It is also to be stipulated in the participation agreement that further negotiations concerning the participation of employees in the SE are to be held prior to any structural changes being made to the SE.

6.8 Should a participation agreement be reached regarding the participation of employees in the Supervisory Board at MLP SE, the agreement between the Executive Board and the SNB should stipulate how many of the employee representatives are in the Supervisory Board, the procedure used to specify the employee representatives, as well as their rights. In this regard, it is mandatory that the principle of equal voting participation by thirds be maintained (cf. § 15 (5), § 16 (3) and § 21 (6) of the Act on the Participation of Employees in a European Company (SEBG)).

As required by Article 40 (3) of the SE Regulation, § 17 (1) of the Law for the Implementation of Council Regulation (EC) No. 2157/2001 from October 8, 2001 on the European Company Statute (SE) dated December 22, 2004 ("**SEAG**"), the Articles of Association must specify the number of members of the Supervisory Board or the rules for determining this. Article 9 (1) of MLP SE's Articles of Association states that the Supervisory Board will in future comprise six members. As per the concept of the compulsory equal voting participation by thirds, the Articles of Association of MLP SE state that two members of the Supervisory Board are to be appointed on the proposal of the employees.

Article 12 (4) of the SE Regulation stipulates that the Articles of Association of an SE must not conflict at any time with the negotiated participation agreement. The Articles of Association may therefore need to be amended through a resolution of the Annual General Meeting of MLP AG in the case that a deviating stipulation regarding the participation of the employees is laid down in a participation agreement. The conversion of MLP AG into MLP SE is only to be entered in the MLP Commercial Register following a resolution of the Annual General Meeting on an amendment to the company's Articles of Association.

No resolution may be adopted which results in a reduction of employee participation rights (cf. § 15 (5) and § 21 (6) of the Act on the Participation of Employees in a European Company (SEBG)). Accordingly, no resolution may be passed not to open negotiations or to terminate negotiations already opened (cf. § 16 (3) of the Act on the Participation of Employees in a European Company (SEBG)).

- 6.9 The conclusion of a participation agreement between corporate management and SNB requires a resolution of the SNB. The resolution is to be adopted by a majority of the appointed members, provided that this majority also represents a majority of the represented employees. No resolution may be adopted which results in a reduction of employee participation rights (cf. § 15 (5) of the Act on the Participation of Employees in a European Company (SEBG)). It is also not permissible to refrain from entering into or terminating negotiations (cf. § 16 (3) of the Act on the Participation of Employees in a European Company (SEBG)).
- 6.10 If no agreement regarding the participation of employees is reached within the specified negotiation period, a subsidiary regulation by operation of law applies. This can also be agreed as a contractual solution from the outset.

Even when applying the subsidiary regulation by operation of law, the basic principle in place at MLP AG of equal voting participation by thirds in the Supervisory Board continues to apply with regard to participation at MLP SE, meaning that a third of the members of the Supervisory Board at MLP SE must be employee representatives. However, unlike the previous arrangement for appointing employee representatives to the MLP AG Supervisory Board, these are no longer only elected by the employees em-

employed in Germany, but rather appointed by all employees in the EU member states and the contracting states of the EEA to whom seats on the Supervisory Board have been allocated in line with § 36 (1) of the Act on the Participation of Employees in a European Company (SEBG). As per the respective rules in place in these countries, the employees need to nominate their employee representatives, who are then to be appointed by the Annual General Meeting of MLP SE. Insofar as no rule on determining employee representatives exists in a country, the SE works council would be required to step in and determine the employee representatives for the Supervisory Board at MLP SE.

Pursuant to § 36 (1) Sentence 1 of the Act on the Participation of Employees in a European Company (SEBG), the SE works council distributes the number of seats on the Supervisory Board or of the Administrative Board across the member states in which members are to be elected or appointed. In accordance with § 36 (1) Sentence 2 of the Act on the Participation of Employees in a European Company (SEBG) the distribution is based on the respective proportion of SE employees in the individual member states, their subsidiaries and operations. If employees from one or more member states cannot receive a seat on the basis of this pro rata allocation, the SE works council must in accordance with § 36 (1) Sentence 3 of the Act on the Participation of Employees in a European Company (SEBG) allocate the last available seat to a member state that has not been considered so far. Due to the pro rata distribution of the seats pursuant to § 36 (1) Sentence 2 of the Act on the Participation of Employees in a European Company (SEBG), the first seat is allocated to Germany. The ruling of § 36 (1) Sentence 3 of the Act on the Participation of Employees in a European Company (SEBG) means that the second seat is allocated to Luxembourg. The legal fall-back provision of § 36 (1) of the Act on the Participation of Employees in a European Company (SEBG) therefore stipulates that the two seats allocated to employees on the Supervisory Board are to be filled by one German and one Luxembourgian employees' representative. However, a provision deviating from this can be stipulated within the scope of the participation agreement.

With regard to securing the right of the employees of MLP SE to be informed and consulted, the subsidiary regulation by operation of law would lead to a situation in which an SE works council had to be formed, whose task would then be to secure the right of employees at the SE to be informed and consulted. The SE works council would be responsible for matters which affect the SE itself, one of its subsidiaries or one of its operations in another member state or which go beyond the powers of the competent bodies at the level of the individual member state/contracting state of the EEA. The SE works council would have to be informed and consulted on the development of business conditions and the perspectives of MLP SE at least once per calendar year. The SE works council would also have to be informed and consulted during the year in the event of any extraordinary circumstances which would significantly impact the interests of the employees. In accordance with the legal fall-back provi-

sion, the composition of the SE works council and the election or appointment of its members would generally adhere to the provisions in force for the composition and appointment of the members of the SNB.

- 6.11 In the event that the subsidiary regulation by operation of law applies, it is to be reviewed every two years during the existence of the SE by the management of the SE to determine whether changes within the SE, its subsidiaries or its establishments require the composition of the SE works council to be revised. In the event that the subsidiary regulation by operation of law applies, four years after its establishment the SE works council has to resolve with the majority of its members whether negotiations are to be reopened with regard to a participation agreement or whether the existing regulations are to remain in place. If the resolution is passed to negotiate a participation agreement, the SE works council takes the place of the SNB for these negotiations. Should no participation agreement be reached, the subsidiary regulation by operation of law would continue to apply.
- 6.12 The necessary costs arising from the establishment and operation of the SNB are borne by MLP AG and then MLP SE following the change in corporate form. The obligation to bear the costs includes the non-personal economic costs and personal costs in connection with the work of the SNB, including the negotiations. In particular the venues required for the meetings and the materials (e.g. telephone, fax, necessary literature), interpreters and office personnel must be provided, and the necessary travel and lodging costs for the members of the SNB are to be borne.

7. OTHER EFFECTS OF THE CHANGE IN CORPORATE FORM FOR THE EMPLOYEES AND THEIR REPRESENTATIVES

The change in corporate form affects the employees and their representatives as follows:

- 7.1 The rights and duties of the employees under the existing employment agreements remain unchanged. This also applies with regard to the company involved itself. § 613a of the German Civil Code (BGB) does not apply to the conversion, as a transfer of business undertakings does not take place due to the identity of the legal entity.
- 7.2 Company agreements, collective bargaining agreements and other regulations under collective employment law which apply to the employees of the MLP Group continue to apply on the basis of the respective agreements.
- 7.3 With the exception of the procedure for employee participation described above in Clause 6 and the changes in this context described in Clause 6, the conversion of MLP AG into MLP SE does not have any impact for the employees of the MLP Group with regard to the employee representatives in place at MLP AG or the companies of the MLP Group. The validity of the legislation on employee participation at Group companies based in Germany also remains unaffected by the conversion of MLP AG into MLP SE.

As described above in Clause 6, a different legal basis is applied in terms of participation in the Company's Supervisory Board with the conversion into a European company (SE). As per the stipulations of the German One-Third Participation Act (DrittelbG), one third of the members of the Supervisory Board at MLP AG are employee representatives. With the change in corporate form, MLP SE will no longer be subject to employee participation as per the German One-Third Participation Act (DrittelbG).

Based on this, participation is primarily based on the participation agreement reached with the SNB following completion of the employee participation procedure. If no such participation agreement can be reached, the participation is based on the legal fall-back provision of the Act on the Participation of Employees in a European Company (SEBG). Taking into account the stipulations of MLP SE's Articles of Association and the legal requirements of the Act on the Participation of Employees in a European Company (SEBG), however, no reduction to the rights of participation may result in terms of the composition of the Supervisory Board at MLP SE with regard to pro rata appointment of shareholder representatives and employee representatives to the Supervisory Board - regardless of whether a participation agreement is reached with the SNB or the legal fall-back provision is applied. According to MLP SE's Articles of Association, one third of the members of the Supervisory Board should continue to be employee representatives. In this respect, Article 9 (1) of MLP SE's Articles of Association states that the Supervisory Board at MLP SE also comprises four shareholder representatives and two employee representatives.

- 7.4 Ultimately, no measures are stipulated or planned as a result of the change in corporate form that would have effects on the situation of the employees.

8. AUDITOR

KMPG AG Wirtschaftsprüfungsgesellschaft, Berlin, Germany, is appointed as auditor for the first financial year of MLP SE. The first financial year of MLP SE is the calendar year in which the change in corporate form from MLP AG to MLP SE is entered in the MLP SE Commercial Register.

9. NO OTHER RIGHTS OR SPECIAL PRIVILEGES

- 9.1 Persons in the sense of § 194 (1) No. 5 of the Transformation Act (UmwG) and/or Article 20 (1) Sentence 2 lit. f) of the SE Regulation do not receive any rights that go beyond those associated with the shares described in Clause 3.3 and no special measures are in place for these persons.
- 9.2 Persons in the sense of Article 20 (1) Sentence 2 lit. g) of the SE Regulation are not granted any special privileges in the course of the change in corporate form – apart from those stated in Clauses 4 and 5.2 (2).

10. INCORPORATION COSTS/CONVERSION COSTS

The conversion costs of up to € 1,250,000 will be borne by the Company.

Wiesloch, April 7, 2017

MLP AG
The Executive Board