



With regard to Item 8 of the Agenda to the Annual General Meeting, the Executive Board submits the following report pursuant to § 203 (2) Sentence 2, § 186 (4) Sentence 2 of the German Stock Corporation Act (AktG):

Under Item 8 of the Agenda, the Executive Board and Supervisory Board will propose to the Annual General Meeting to establish authorised capital (Authorised Capital 2018) with a total nominal value of € 21,500,000 – corresponding to just under 20 % of the share capital in place at the time of the resolution – thereby replacing the authorised capital currently in place.

This provides the Company with an option for acquiring shareholders' equity. With approval of the Supervisory Board, this will allow the Executive Board to react with even greater flexibility to favourable market conditions and utilise opportunities as effectively as possible.

It is part of MLP SE's strategy to continue improving its competitiveness through targeted acquisitions of companies, stakes in companies or divisions of companies and thereby facilitate continuous, long-term growth in income. This also targets increases to the value of the MLP share. To have shareholders' equity available for financing major investments, it is necessary to put in place the proposed authorised capital. The level of authorised capital proposed is to ensure that larger corporate acquisitions can be financed with cash or payment in kind. Since an increase in capital stock has to be made quickly in the event of an acquisition, this can generally not be passed by the Annual General Meeting, as this is only held once a year. This is the reason behind setting up authorised capital, which the Executive Board can then access quickly when needed.

In the event of an increase in capital stock in return for non-cash contributions, the Executive Board is authorised, with the consent of the Supervisory Board, to exclude the shareholders' subscription right. This enables the Executive Board to have treasury shares in the Company available, without calling on the stock exchange, for use in suitable individual cases, in particular in the context of business combinations, acquisition of companies, divisions of companies, stakes in companies or other assets linked to a planned acquisition. MLP SE faces fierce competition. It is therefore vital for the Company to be capable of acting quickly and flexibly at any time in the interests of its shareholders in the ever-changing markets. This also involves acquiring companies, divisions of companies or stakes in companies as a way of improving the Company's competitive position. Purchasing companies, divisions of companies and stakes in companies today involves ever larger units. In many cases, great sums have to be paid here. These can or should – in particular taking into account the aspect of maintaining an optimum financing structure – often no longer be made in cash. Many sellers now insist on receiving shares in the company taking them over. Being able to offer treasury shares as currency for the acquisition therefore creates an advantage when competing for interesting acquisition objects. As such, the proposed authorisation provides the Company with the necessary leeway to utilise opportunities for the acquisition of companies, divisions of companies or stakes in companies quickly and

flexibly, and also puts it in a position to acquire larger companies, divisions of companies or stakes in companies utilising the authorised capital in suitable cases by relinquishing treasury shares. While an exclusion of subscription rights does reduce the relative percentage of shares held and the relative share of the voting rights of existing shareholders, without this exclusion it would simply not be possible to acquire companies, divisions of companies or stakes in companies in return for the granting of shares. The advantages that this brings for both the Company and its shareholders could then not be realised.

The utilisation authorisation in lit. d) (1) of the resolution passed to acquire and use treasury shares under Item 6 of the Agenda at the Annual General Meeting on June 29, 2017 also serves the aforementioned purposes. However, the Company should also be given the necessary flexibility to be able to achieve such purposes also independently of the acquisition of treasury shares.

There are currently no concrete investment plans in place for which this option would be used. However, should any such opportunities to acquire companies, divisions of companies or stakes in companies arise in future, the Executive Board will check all such cases individually and carefully to determine whether to make use of the authorisation to increase the capital stock for the purpose of granting new shares and only do so if it is convinced that granting MLP shares in return for acquiring a company or a stake in a company is in the interests of the Company. The Supervisory Board will only give its required consent for use of treasury shares for this purpose if it is also convinced that this is in the interests of the Company. The Executive Board will report on the details of any use of this authorisation at the next Annual General Meeting following any acquisitions made in return for the granting of shares in MLP SE.

Insofar as the share capital is to be increased in exchange for cash contributions, the shareholders are to be granted a subscription right. However, the Executive Board is to be authorised, with the consent of the Supervisory Board, to exclude the subscription right of shareholders if the issue price does not fall significantly short of the stock market price of already listed company shares with the same structure in the sense of § 203 (1) and (2), § 186 (3) Sentence 4 of the German Stock Corporation Act (AktG). Here, any reduction below the current stock exchange price is not likely to exceed 3 %, or 5 % of the stock exchange price at worst. However, the authorisation is subject to the condition that shares issued in exclusion of subscription rights pursuant to § 186 (3) Sentence 4 of the German Stock Corporation Act (AktG) do not exceed 10 % of the share capital; The determination of the 10 % threshold shall be made on the basis of the lowest of the amounts of share capital existing on June 14, 2018, at the time of entry in the commercial register or at the time of issuance of the new shares. Counting towards this limit of 10 % of the share capital are those shares

- which are issued or are to be issued to service bonds with a conversion and option right insofar as the bonds are or were issued as a result of an applicable authorisation during the term of this authorisation in corresponding use of § 186 (3) Sentence 4 of the German Stock Corporation Act (AktG) under exclusion of the subscription right;
- which are sold as treasury shares under exclusion of shareholders' subscription rights on the basis of an authorisation applicable at the time this authorisation enters into force or an authorisation replacing it pursuant to § 71 (1) No. 8 of the

German Stock Corporation Act (AktG) in connection with § 186 (3), Sentence 4 of the German Stock Corporation Act (AktG).

The authorisation to exclude the subscription right for up to a total of 10 % of the share capital in order to issue the new shares at a price which does not fall significantly short of the stock market price of already listed Company shares with the same structure enables the Executive Board to issue shares at an issue price closely linked to the actual stock exchange price. This in turn allows a greater inflow of funds to be achieved when increasing the capital stock than would be the case by granting subscription rights. The requirement of shareholders for protection from dilution of their shareholding is also incorporated with this approach. Even if this authorisation is utilised to its full extent, an exclusion of subscription rights is only possible for an amount that does not exceed 10 % of the share capital. In the interests of the shareholders the determination of the 10 % threshold shall be made on the basis of the lowest of the amounts of share capital in place at the time of the Annual General Meeting resolution regarding the Authorised Capital 2018, at the time of entry in the commercial register or at the time of issuance of the new shares. Furthermore, it is also stipulated that the shares must be issued at a price very close to the stock exchange price as a way of protecting shareholders' interests. While an exclusion of subscription rights does reduce the relative percentage of shares held and the relative share of the voting rights of existing shareholders, it offers shareholders wishing to retain their relative percentage of shares held and relative share of voting rights the option of acquiring the required number of shares to achieve this via the stock exchange.

The utilisation authorisation in lit. d) (2) of the resolution passed to acquire and use treasury shares under Item 6 of the Agenda at the Annual General Meeting on June 29, 2017 also serves the aforementioned purposes. However, the Company should also be given the necessary flexibility to be able to achieve such purposes also independently of the acquisition of treasury shares.

Besides the aforementioned authorisations governing exclusion of subscription rights, the shareholders' subscription right can, with the consent of the Supervisory Board, only be excluded as a way of simplifying processing for fractional amounts which arise as a result of the subscription ratio and which can no longer be distributed evenly among all shareholders.

In addition to this, the Executive Board is authorised, with the consent of the Supervisory Board, to specify the further details concerning the implementation of the capital increase from the Authorised Capital 2018.

The Executive Board will check each such case carefully and on an individual basis to determine whether to make use of the authorisation to increase the capital stock with the exclusion of shareholders' subscription rights. The authorisation will only be used when this is deemed to be in the interests of the Company and thereby its shareholders based on the assessment of both the Executive Board and the Supervisory Board.

The Executive Board will report any such utilisation of Authorised Capital 2018 in the next Annual General Meeting following this utilisation.

Wiesloch, May 2018
MLP SE

Executive Board