

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 at December 31, 2009 the company's share capital is € 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, must 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 which directly or indirectly exceeded 10% of the voting rights:

	Number of shares*	Shareholding*
Dr. h.c. Manfred Lautenschläger ¹	25,205,534 ¹	23.36%
Angelika Lautenschläger Beteiligungen Verwaltungs GmbH	22,618,932	20.97%

* MLP AG's status as at December 31, 2009

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.

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

Insofar as MLP AG issues shares to employees within the scope of the employee participation programme, these shares are transferred to the employees directly. Said employees can 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 (AktG). 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 Chairman and one or more Vice Chairmen.

Amendments to the company's articles of association

In accordance with § 179 (1) of the German Stock Corporation Act (AktG), 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 (AktG), § 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 authorised, 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

A resolution passed by the Annual General Meeting on May 31, 2006 authorised the Executive Board, with the Supervisory Board's approval, to increase the company's share capital by up to € 21,000,000 in total by May 30, 2011 by issuing on one or more occasions new ordinary bearer shares in exchange for cash or non-cash contributions and, with the Supervisory Board's approval, to exclude the shareholders' subscription rights for the issuance of shares in exchange for non-cash contributions.

If the share capital is increased in exchange for cash contributions, the shareholders shall be granted a subscription right. However, the Executive Board has been authorised, 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 authorisation is subject to the condition that shares issued in exclusion of subscription rights in accordance with § 186 (3) sentence 4 of the German Stock Corporation Act (AktG) do not exceed 10% of the share capital, either at the time of coming into effect or at the time it is implemented (authorised capital). With the Supervisory Board's consent, the Executive Board of MLP AG decided on a partial utilisation of the authorised capital on August 21, 2008 and issued 9,799,152 new shares, excluding subscription rights, in exchange for cash contributions of € 123,763,290. This has increased the share capital accordingly by € 9,799,152.

A resolution passed by the Annual General Meeting of June 16, 2009 also authorised the company, as per § 71 (1) no. 8 of the German Stock Corporation Act (AktG), to purchase up to

10% of the share capital during the authorisation period by December 15, 2010. No shares were bought by the company on the basis of this authorisation up to December 31, 2009.

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

In connection with the acquisition of a majority holding in Feri Finance AG, MLP AG exercised its call option in 2007, which will lead to the acquisition of the remaining shares in 2011. In the event that a third party purchases at least 51% of the entire share capital of MLP AG by December 31, 2010 and exercises the voting rights from these shares in the Annual General Meeting following the acquisition or in a later Annual General Meeting, the vendors of the options are entitled to a minimum purchase price if the acquisition of shares results in the business model agreed between MLP and Feri becoming inoperable.

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 Gerhard Frieg, Muhyddin Suleiman and Ralf Schmid 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 fourfold 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. Dr. Schroeder-Wildberg's and Mr. Ralf Schmid's contract of employment are each set to run until December 31, 2012, while Mr Frieg's contract is set to run until May 18, 2012 and Mr Suleiman's contract until September 3, 2012. In the case of a termination of contract within two years of the scheduled termination, the severance payment shall be paid pro rata temporis.