

REMUNERATION REPORT

Principles of Executive Board remuneration

The effective remuneration system provides for a fixed basic annual salary and also variable remuneration (in the form of a bonus) (see table). The basic figure for the bonus payment is determined by the income statement of the MLP Group in accordance with the respective (international) accounting standards applied in the Group. The EBIT of the MLP Group in the past financial year for which the bonus is to be paid forms the basis of assessment here. The key figure is therefore the earnings before tax (EBT) that would result without deduction of profit-sharing payments. If continuing operations and discontinued operations were to be recognised in the financial year, the basis of assessment was formed by the total of the EBITs of operations to be continued and discontinued respectively. No costs and income directly related to the discontinuation/sale of business segments are included in the basis of assessment. If the employment contract begins or ends in the course of the financial year, the basic bonus figure is reduced pro rata temporis.

45% of the bonus calculated in this way is to be paid as an immediate payment following presentation of the company's adopted financial statements. The remaining 55% is only to be paid as a "deferred payment" after presentation of the financial statements for the financial year two years after the year of the immediate payment. The level of deferred payment effectively to be made to the member of the Executive Board is also subject to upwards or downwards adjustment, based on the ratio of the average EBIT recorded in the base year and the three subsequent years to the EBIT in the base year.

In contractually more closely specified boundaries, the immediate payment and the deferred payment are also subject to an adjustment right, which can be used at the discretion of the Supervisory Board. Here, the Supervisory Board is authorised, at its reasonable discretion, to increase or reduce the immediate payment by up to 30% and the deferred payment by up to 10% based on its assessment of the individual performance of the respective member of the Executive Board or extraordinary developments.

In addition to this, the service contract provides for a cap of the immediate payment and the deferred payment in €. For both bonus parts, a maximum of 150% of the basic figure is stipulated as the cap with an assumed EBIT of € 100 million.

Under the remuneration system, the members of the Executive Board are entitled to unrestricted use of a company car and payments from a life and disability insurance policy.

The Chairman of the Board, Dr. Uwe Schroeder-Wildberg, also has individual occupational benefit plan entitlements. An old-age pension upon reaching 62 years of age, a disability pension, a widow's pension and orphan's benefits have been guaranteed. The benefit entitlement for the old-age pension, disability pension and widow's pension is either set at 60% of the last fixed monthly salary received or specified separately in supplements to the service contracts.

The level of orphan's benefit payable per eligible child is calculated on a case by case basis. The total of the widow's pension and orphan's benefit of all entitled persons together must not exceed 100% of the old-age pension. However, the members of the Group Executive Board, Manfred Bauer and Reinhard Loose, receive employer-financed, defined contribution benefits in an occupational pension scheme.

The service contracts of all members of the Group Executive Board comprise change-of-control clauses granting the right to termination for cause in the event that

- the company's share of voting rights changes in accordance with §§ 21, 22 of the German Securities Trading Act.
- the company is reorganised in line with the provisions of the German Reorganisation of Companies Act (UmwG). This does not apply if the company changes its corporate form, outsourcings in line with § 123 (3) of the German Reorganisation of Companies Act or for mergers in accordance with the provisions of the Reorganisation of Companies Act, in which the company is the incorporating legal entity.

If a member of the Executive Board resigns on the basis of the aforementioned conditions, he is entitled to compensation of no more than two annual salaries, on the condition that the termination takes place more than two years before the end of contract. After that, the regulations apply on a pro-rata-temporis basis.

No significant changes over previous years were made to the compensation structure. However, the following amendments were made in the reporting year to comply with the new supervisory requirements:

- In the event of negative performance or misconduct on the part of the Executive Board member in question in the sense of § 5 (7) of the Ordinance on the Supervisory Requirements for Institutions' Remuneration Systems (InstitutsVergV), the Supervisory Board is entitled to reduce the benefits to which said member is entitled at its discretion when said member resigns from his position voluntarily.
- The members of the Executive Board undertake not to engage in any personal hedging or other counter-measures as a way of limiting or even eliminating the risk-orientation of remuneration.
- Pursuant to § 25a (5) of the German Banking Act (KWG), the variable remuneration component must not exceed 200% of the fixed remuneration component for each member of the Executive Board. An AGM resolution that proposes increasing the variable remuneration cap from 100% to 200% of the fixed remuneration component, and thereby deviates from § 25a (5) Sentence 2 of the German Banking Act (KWG), has been submitted.

In accordance with the recommendation of the German Corporate Governance Code, individualised Executive Board remuneration is disclosed on the basis of the specimen tables provided as appendices to the Code. The way in which this is presented has therefore also changed in comparison with the 2013 Annual Report. Unfortunately, direct comparability of figures is therefore only granted to a limited extent.

Individualised Executive Board remuneration in line with the German Corporate Governance Code (DCGK)

| | Dr. Uwe Schroeder-Wildberg Chairman of the Board since Jan. 1, 2003 | | Reinhard Loose Chief Financial Officer since Feb. 1, 2011 | | Manfred Bauer Member of the Board for Products and Services since May 1, 2010 | | Muhyddin Suleiman Member of the Board for Sales until Mar. 31, 2014 | |
|--|---|------------|---|------------|--|------------|--|------------|
| | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 |
| Allocation | | | | | | | | |
| Fixed compensation | 550 | 550 | 357 | 360 | 360 | 360 | 360 | 360 |
| Fringe benefits | 34 | 30 | 16 | 16 | 24 | 26 | 24 | 20 |
| Total fixed compensation | 584 | 580 | 373 | 376 | 384 | 386 | 384 | 380 |
| One-year variable compensation | 356 | 213 | 252 | 124 | 288 | 142 | 286 | 99 |
| Multi-year variable compensation | - | - | - | - | - | 141 | - | - |
| Bonus 2010 (2010–2013) | - | - | - | - | - | 141 | - | - |
| Other | - | - | - | - | - | - | - | - |
| Total fixed and variable remuneration | 940 | 793 | 625 | 500 | 672 | 669 | 670 | 480 |
| Pension benefits | 193 | 205 | 140 | 140 | 150 | 150 | 149 | 158 |
| Total compensation (in accordance with the German Corporate Governance Code (DCGK)) | 1,133 | 998 | 765 | 640 | 822 | 819 | 819 | 638 |

Granted remuneration

| | Dr. Uwe Schroeder-Wildberg Chairman of the Board since Jan. 1, 2003 | | | | Reinhard Loose Chief Financial Officer since Feb. 1, 2011 | | | |
|--|---|--------------|----------------|----------------|---|------------|----------------|----------------|
| | 2013 | 2014 | 2014 (min.) | 2014 (max.) | 2013 | 2014 | 2014 (min.) | 2014 (max.) |
| Benefits granted | | | | | | | | |
| Fixed compensation | 550 | 550 | 550 | 550 | 357 | 360 | 360 | 360 |
| Fringe benefits | 34 | 30 | 30 | 30 | 16 | 16 | 16 | 16 |
| Total fixed compensation | 584 | 580 | 580 | 580 | 373 | 376 | 376 | 376 |
| One-year variable compensation | 178 | 190 | 133 | 247 | 124 | 152 | 106 | 198 |
| Multi-year variable compensation | 429 | 317 | - | 990 | 301 | 254 | - | 660 |
| Bonus 2014 (2014–2017) | - | 317 | - | 990 | - | 254 | - | 660 |
| Bonus 2013 (2013–2016) | 429 | - | - | - | 301 | - | - | - |
| Total fixed and variable remuneration | 1,191 | 1,087 | 713 | 1,817 | 798 | 781 | 482 | 1,233 |
| Pension benefits | 193 | 205 | 205 | 205 | 140 | 140 | 140 | 140 |
| Total compensation (in accordance with the German Corporate Governance Code (DCGK)) | 1,384 | 1,292 | 918 | 2,022 | 938 | 921 | 622 | 1,373 |

| Benefits granted | Manfred Bauer Member of the Board for Products and Services | | | | Muhyddin Suleiman Member of the Board for Sales | | | |
|---|--|------------|----------------|----------------|--|------------|----------------|----------------|
| | since May 1, 2010 | | | | until Mar. 31, 2014 | | | |
| | 2013 | 2014 | 2014 (min.) | 2014 (max.) | 2013 | 2014 | 2014 (min.) | 2014 (max.) |
| Fixed compensation | 360 | 360 | 360 | 360 | 360 | 360 | 360 | 360 |
| Fringe benefits | 24 | 26 | 26 | 26 | 24 | 20 | 20 | 20 |
| Total fixed compensation | 384 | 386 | 386 | 386 | 384 | 380 | 380 | 380 |
| One-year variable compensation | 142 | 152 | 106 | 198 | 142 | – | – | – |
| Multi-year variable compensation | 344 | 254 | – | 660 | 344 | – | – | – |
| Bonus 2014 (2014–2017) | – | 254 | – | 660 | – | – | – | – |
| Bonus 2013 (2013–2016) | 344 | – | – | – | 344 | – | – | – |
| Total fixed and variable compensation | 870 | 792 | 493 | 1,244 | 870 | 380 | 380 | 380 |
| Pension benefits | 150 | 150 | 150 | 150 | 149 | 158 | 158 | 158 |
| Total compensation (in accordance with the German Corporate Governance Code (DCGK)) | 1,020 | 942 | 643 | 1,394 | 1,019 | 538 | 538 | 538 |

As of December 31, 2014, pension provisions totalling € 17,631 thsd (previous year: € 13,598 thsd) were in place for former members of the Executive Board.

Remuneration of the members of the Supervisory Board

In addition to compensation for their expenses for the financial year, the members of the Supervisory Board receive a fixed annual remuneration of € 40,000 in accordance with the Articles of Association. The Chairman of the Supervisory Board receives twice and his deputy one and a half times this amount. Additional, special remuneration is granted for work on the Audit Committee and the Personnel Committee. This comes to € 25,000 for the Audit Committee and € 15,000 for the Personnel Committee. The chairman of the respective committee receives twice the stated level of remuneration. The fixed portion of remuneration is paid after the end of the financial year. No member of the Supervisory Board receives any variable or share-based remuneration payments.

Individualised Supervisory Board remuneration

| All figures in €'000 (without tax) | Remuneration 2014 | Remuneration 2013 |
|---|----------------------|----------------------|
| Dr. Peter Lütke-Bornefeld (Chairman) | 135 | 135 |
| Dr. h.c. Manfred Lautenschläger (Vice Chairman) | 100 | 100 |
| Dr. Claus-Michael Dill | 90 | 96 |
| Johannes Maret | 55 | 66 |
| Burkard Schlingermann | 55 | 31 |
| Alexander Beer | 65 | 37 |
| Norbert Kohler ¹ | – | 17 |
| Maria Bähr ¹ | – | 17 |
| Total | 500 | 500 |

¹ Employees' Representative until June 2013.

In the financial year 2014 € 22 thsd (previous year: € 23 thsd) was paid as compensation for expenses and training measures.