

## **Declaration of Compliance of MLP SE pursuant to § 161 of the German Stock Corporation Act (AktG)**

**(As per: December 15, 2022)**

Pursuant to § 161 of the German Stock Corporation Act (AktG), the Executive Board and Supervisory Board of MLP SE hereby declare that the Company has generally complied with the recommendations of the Government Commission for the German Corporate Governance Code in the version dated December 16, 2019 (hereinafter also referred to as the "GCGC 2019") since the last Declaration of Compliance was issued and will generally continue to comply with the recommendations of the Government Commission for the German Corporate Governance Code in the version dated April 28, 2022 (hereinafter also referred to as the "GCGC 2022") in the future. With regard to the recommendations of the Government Commission for the German Corporate Governance Code in the version dated December 16, 2019 reference is made to the Declaration of Conformity of November 10, 2021. Accordingly, only the recommendations in A.1, B.1, B.5, C.1 sentence 2, sentence 4 and sentence 5, C.2, C.4, C.6, C.7, C.8, C.9, C.10, C.14, D.4, G.7 and G.10 of the GCGC 2019 were not applied in the past.

With regard to the recommendations of the Government Commission for the German Corporate Governance Code in the version dated April 28, 2022, only recommendations B.1, B.5, C.1 sentence 6, C.2, C.4, C.6, C.7, C.8, C.9, C.10, D.10 and G.10 have not been complied with.

The reasons for these deviations from the recommendations are as follows:

### **Recommendation A.2 of the GCGC 2022 (considering diversity when making appointments to executive positions)**

As per the recommendations of the GCGC 2022, the Executive Board should consider diversity when making appointments to executive positions.

In the current financial year, the Executive Board has intensified its efforts with respect to diversity making appointments to executive positions. In 2020, the Executive Board of MLP SE approved a target of at least 33 percent for female managers at the first management level below the Executive Board of MLP SE and achieved this objective in 2022. The company's Executive Board just recently established a second management level below the Executive Board. A target to have female managers account for at least 33% of all managers at this management level was approved by the Executive Board in the fourth quarter of 2022. This target has already been met.

For this reason, MLP declares that it deviated from this recommendation in the financial year 2022, but will comply with the recommendation from now on.

### **Recommendation B.1 of the GCGC 2022 (diversity in the composition of the Executive Board)**

As per the recommendations of the GCGC 2019, the Supervisory Board should pay attention to diversity in terms of the composition of the Executive Board.

The Supervisory Board of MLP SE strives to further intensify its future efforts with respect to diversity and, in particular, an appropriate consideration of women when appointing members of the Executive Board. The Supervisory Board gives specific consideration to applications from suitable women in its selection procedures. The Supervisory Board reviewed this aspect for the first time in the financial year 2014, and will undertake further measures in order to build on the

Group-wide overall concept already passed by the Executive Board for the implementation of the respective GCGC 2017 recommendation (considering diversity when making appointments to executive positions) and also achieve an appropriate consideration of women within the Executive Board of the Company, taking into account the Company's specific situation. In 2020, the Supervisory Board confirmed the target of at least 25 percent for the proportion of women on the Executive Board – which currently only comprises three persons – and set itself the end of the financial year 2025 as the implementation deadline.

The Supervisory Board is of the opinion that the state of implementation achieved to date is not yet sufficient to meet the requirements set out in recommendation B.1 of the GCGC 2022. MLP therefore declares it will deviate from this recommendation in the financial year 2022 and in the financial year 2023.

#### **Recommendation B.5 of the GCGC 2022 (age limit for members of the Executive Board and disclosure in the declaration on corporate governance)**

As per the recommendations of the GCGC 2022, an age limit is to be specified for members of the Executive Board and disclosed in the declaration on corporate governance.

No age limit is set for members of the Executive Board at MLP. The appointment of members of the Executive Board should be based solely on their knowledge, skills and specialist experience. MLP did not follow this recommendation in the financial year 2022 and will also not follow it in the financial year 2023.

#### **Recommendation C.1 sentence 2 and Sentence 5 of the GCGC 2022 (Diversity on the composition of the Supervisory Board)**

As per the recommendations of the GCGC 2022, the Supervisory Board should specify specific targets for its composition. In doing so, the Supervisory Board should also pay attention to diversity. Pursuant to stock corporation law, the Supervisory Board is required to specify target figures for the proportion of women on the Supervisory Board.

In its meetings during the past financial years, the Supervisory Board at MLP SE addressed the topic of setting concrete targets for the composition of the Supervisory Board, paying particular attention to diversity and approved a competency profile. Assuming equivalent professional and personal suitability of the candidates, the Supervisory Board has set itself the goal of filling at least 25 % of the positions on the Supervisory Board on the shareholder side with suitable female members. It has therefore not been possible to report on any specific measures for achieving these targets in the past, including in the Declaration of Corporate Governance. Nonetheless, the Supervisory Board once again presented a resolution proposal to the shareholders at the Annual General Meeting in 2022 to approve the appointment of a woman to the Supervisory Board. The resolution was subsequently adopted and the target figure was therefore achieved.

MLP therefore declares that it did not follow this recommendation in the financial year 2022 on purely formal grounds, as the Supervisory Board had not approved any fixed, gender-specific targets, but instead sought to fill Supervisory Board vacancies based solely on the respective qualifications and personality of the candidates put forward. MLP now declares that the Supervisory Board has provided specific targets for its composition and is also paying attention to diversity in this regard. To this end, the Supervisory Board has specified a target figure for the proportion of women on the Supervisory Board. MLP will therefore comply with this recommendation both now and in the future.

### **Recommendation C.2 of the GCGC 2022 (age limit for members of the Supervisory Board and disclosure in the declaration on corporate governance)**

As per the recommendations of the GCGC 2022, an age limit is to be specified for members of the Supervisory Board and disclosed in the declaration on corporate governance.

No age limit has been or is set for members of the Supervisory Board at MLP. The election of members of the Supervisory Board should be based solely on their knowledge, skills and specialist experience. MLP did not follow this recommendation in the financial year 2022 and will also not follow it in the financial year 2023.

### **Recommendation C.4 of the GCGC 2022 (number of non-group mandates)**

As per the recommendations of the GCGC 2022, a member of the Supervisory Board that does not hold a position on any Executive Board at a listed company should not assume more than a total of five Supervisory Board mandates at listed companies outside the Group or comparable functions, whereby the position of Chair of the Supervisory Board counts as two mandates.

As per Principle 12 of the GCGC 2022, the Supervisory Board should ensure that all candidates can commit the time likely to be required when making proposals for election of new members to the Supervisory Board. This recommendation was based on the fact that the workload resulting from the individual mandates and other offices, as well as the personal situation of the candidates, can vary quite markedly. § 100 (2) no. 1 of the German Stock Corporation Act (AktG) limits the maximum number of Supervisory Board mandates to ten mandates per person. Set against this background, MLP considered that it was adopting the correct approach by having its Supervisory Board ensure that the respective candidate can commit the required amount of time and also reviewing this regularly. § 25d (3) of the German Banking Act, which applies to MLP SE following the granting of permission to operate as a financial holding company, also serves to further limit the number of mandates.

MLP therefore declares that it is currently still deviating from this recommendation in the financial year 2022. However, the intention is to follow this recommendation once new elections of Supervisory Board members have been held at the 2023 Annual General Meeting.

### **Recommendation C.1 sentence 6, C.6, C.7, C.8, C.9 and C.10 of the GCGC 2022 (independence of Supervisory Board members and committee members)**

As per recommendation C.1 sentence 6 of the GCGC 2022, the declaration on corporate governance should also report on the number of independent shareholder representatives deemed appropriate on the basis of the assessment performed by the Supervisory Board, as well as stating their names. As per recommendation C.6 of the GCGC 2022, the Supervisory Board should include a number of independent members on the shareholder side that the Supervisory Board itself deems appropriate. The ownership structure should be taken into account here. In the sense of this recommendation, a member of the Supervisory Board can be classed as independent if said person is independent from the Company and its Executive Board, as well as independent from a controlling shareholder.

As per recommendation C.7 of the GCGC 2022, more than half of the shareholder representatives should be independent from the Company and from the Executive Board. As stipulated by the GCGC 2022, a member of the Supervisory Board is independent from the Company and its Executive Board when said person is not engaged in any kind of personal or business relationship

with the Company or its Executive Board that could constitute a significant and not only temporary conflict of interests. When assessing the independence of its members from the Company and from the Executive Board, the shareholder side should in particular take into account whether the actual member of the Supervisory Board or one of their close family members

- has already been a member of the Executive Board at the Company in the two years prior to being appointed,
- maintains or has maintained, either currently or in the year up to their appointment, a key business relationship with the Company or one of its subsidiaries/dependent companies (for example as a client, supplier, creditor or consultant) either directly or as a shareholder or in a responsible role at a non-group company,
- is a close family member of a member of the Executive Board or
- has held a position on the Supervisory Board for more than 12 years.

In the past, the Executive Board and Supervisory Board intentionally chose not to follow these recommendations. However, the stipulations relating to the composition of the Supervisory Board and the requirements profile for members of the Supervisory Board at MLP SE have been amended in 2022. This amendment was undertaken particularly in light of the upcoming election of new Supervisory Board members at the Annual General Meeting in 2023.

MLP therefore declares that it is currently deviating from above recommendations (C.1 sentence 6, C.6, C.7, C.8, C.9, C.10 and D.4 of the GCGC 2022), as the Supervisory Board had not approved any fixed targets for the number of independent members of the Supervisory Board in the past, had not issued a definition of the term 'independence' in the GCGC 2022, had not specified any appropriate number of independent members of the Supervisory Board in the sense of the GCGC 2022 and had also not provided their names, but instead elected to fill vacant positions on the basis of the respective qualifications. However, MLP intends to follow the above recommendations after the election of new Supervisory Board members by the Annual General Meeting in 2023.

#### **Recommendation C.14 of the GCGC 2022 (inclusion of a curriculum vitae for candidate proposals)**

As per the recommendations of the GCGC 2022, all candidate proposals are to be submitted to the Annual General Meeting together with a CV that provides information on the relevant knowledge, expertise and experience of the respective candidate.

MLP deviated from this in the past as a precautionary measure, as alongside publication of the legally required disclosures on candidates proposed to the Annual General Meeting, it had only posted the curriculum vitae on its homepage.

Posting a curriculum vitae on the homepage is deemed legally sufficient for future elections of Supervisory Board members. As of the 2023 Annual General Meeting, the recommendation pursuant to C.14 of the GCGC 2022 will therefore be followed and implemented in full. MLP will therefore comply with this recommendation both now and in the future.

#### **Recommendation D.10 (meeting with the auditor without the Executive Board)**

As per the recommendations of the GCGC 2022, the Audit Committee is to consult regularly with the auditor, also without the Executive Board being present.

With the Law on Strengthening the Integrity of Financial Markets (FISG), the legislator has stated that if the auditor is invited to attend meetings of the Supervisory Board or its various committees as an expert, the Executive Board will not attend these meetings, unless the Supervisory Board or the committee deems its participation necessary. However, the Supervisory Board also intends to regularly invite the Executive Board to attend the meetings of the Audit Committee or the Risk & Audit Committee in future, insofar as there is a good reason for this. In terms of the consultations of the Supervisory Board, it is critically important that the Executive Board can provide its own assessment regarding conclusions drawn by the auditor on accounting questions under consideration.

MLP therefore declares it will deviate from this recommendation in the financial year 2022 and also in the financial year 2023.

### **Recommendation G.10 of the 2022 GCGC (share-based compensation; availability of long-term variable payments granted)**

Based on recommendation G.10 sentence 1 of the GCGC 2022, the long-term variable compensation elements granted to a member of the Executive Board should predominantly be invested in shares in the Company by said member or granted accordingly on the basis of shares. In addition to this, a member of the Executive Board should only qualify for the long-term variable compensation elements after four years.

MLP does not compensate the members of its Executive Board on the basis of shares. Stipulations applying to the members of the Executive Board regarding what specific form variable compensation is to take after being granted are not deemed necessary. As a general rule, each individual member of the Executive Board can determine this independently. However, any member of the Executive Board is obviously free to invest any compensation received in MLP shares.

Payment of the long-term variable compensation components granted takes place three years and four months after the end of the financial year for which said compensation components were granted. The members of the Executive Board can therefore receive these before four full years have passed. MLP considers this qualifying period of three years and four months to be adequate.

From MLP's perspective, the payment modalities for Executive Board compensation have proven effective, so there is no reason to change the current approach.

MLP therefore declares that it is deviating from these recommendations in the financial year 2022 and also in the financial year 2023. As such, it will not introduce any share-based variable compensation or make any stipulations regarding use of the variable compensation granted to members of the Executive Board. The same applies to an extension of the qualifying period for payment of the long-term variable compensation components granted.

Wiesloch, December 2022

The Executive Board

The Supervisory Board