

**Declaration of conformity of MLP AG pursuant to Article 161 AktG  
(As per: 13<sup>th</sup> December 2011)**

The Executive and Supervisory Boards of MLP AG hereby declare in accordance with Article 161 of the German Stock Corporation Act (AktG) that the recommendations of the government commission "German Corporate Governance Code" as contained in the version dated 26th May 2010 have been fundamentally observed since the previous declaration of conformity. Only the following recommendations were not applied: items 4.1.5, 4.2.3 section 4 and section 5, 5.1.2. sentence 2, 5.1.2 sentence 7, 5.4.1 sentence 2, 5.4.1 section 2 and 3 and 5.4.6 sentence 4.

The reasons for the deviations cited above are as follows:

**Item 4.1.5 (Taking into account diversity when filling managerial positions)**

According to the recommendations of the German Corporate Governance Code, the Executive Board should take diversity into account and in this respect aim for an appropriate consideration of women.

The Executive Board will further intensify its efforts towards promoting diversity when filling managerial positions and, in particular, aim for an appropriate consideration of women at managerial levels in the Company. The Executive Board of MLP AG has already taken measures directed at reconciling working life and family life in the past and will continue to review the effectiveness of these measures in the financial year 2012 and, if appropriate, undertake modifications as necessary or initiate further measures in order to achieve an appropriate consideration of women at managerial levels in the Company, taking into account the Company's specific situation.

Current corporate governance practice is still not sufficiently clear as to how substantial or extensive an overall concept should be in order to fully comply with the requirements of item 4.1.5 of the Code. As a precautionary step, MLP AG therefore declares that, as in the financial year 2011, it will continue to deviate from this recommendation in 2012.

**Item 4.2.3 section 4 and section 5 (Severance payment cap)**

According to the recommendations of the German Corporate Governance Code, the Company should, when concluding Executive Board member contracts, ensure that payments, including fringe benefits, to an Executive Board member following premature cessation of Executive Board duties without serious cause, do not exceed the value of two years' remuneration (severance payment cap). The calculation of the severance payment cap should be based on the total remuneration of the previous financial year and, if appropriate, also on the expected total remuneration of the current financial year. Promised benefits in the event of premature termination of Executive Board service resulting from a change of control should not exceed 150% of the severance payment cap.

During the course of 2011 MLP completed its amendment of the employment contracts of the members of the Executive Board to incorporate a new remuneration system. These modifications mean that MLP now complies with the aforementioned recommendations. However, prior to these contractual changes – that is to say in 2011 – MLP still deviated from these recommendations in certain aspects. The contracts of employment for members of the Executive Board concluded prior to 31st July 2009, provided for the payment of compensation in the event of premature cessation of an Executive Board member's contract as a result of replacement or termination without serious cause, corresponding to a maximum of four times the fixed annual salary of the respective Executive Board member, whereby a pro-rata temporis rule applied in the event of contract termination during the last two years prior to expiry of the respective Executive Board member's contract of employment. During the financial year 2011 the remaining contracts of employment for the members of the Executive Board were adjusted such that MLP now complies with this recommendation.

However, there is no provision for a severance payment in the event of contract termination by mutual consent. Rules concerning a mutually-sought termination of contract can, in a contractual law sense, in any case only serve as a guideline from which, however, the parties could at any time deviate by mutual consent. Such a rule would thus be no more than a formal act.

In 2012 – as in 2011 – MLP will therefore not comply with this recommendation.

**Item 5.1.2 sentence 2 (Diversity regarding the composition of the Executive Board)**

According to the recommendations of the German Corporate Governance Code, the Supervisory Board, when appointing Executive Board members, should also respect diversity and, in particular, aim for an appropriate consideration of women.

The Supervisory Board of MLP AG strives to increase its efforts with respect to diversity and an appropriate consideration of women when appointing members of the Supervisory Board in the future. In its selection processes, the Supervisory Board specifically considers applications by suitable female candidates. Furthermore, at one of its meetings in the financial year 2010, the Supervisory Board also discussed diversity issues regarding the Executive Board. In the financial year 2012 the Supervisory Board will continue to review this issue and, if appropriate, modify existing selection processes as necessary and/or take further measures directed at achieving an appropriate consideration of women also within the Executive Board of the Company, taking in to account the Company's specific situation. Nevertheless, the Supervisory Board of MLP AG intends to continue to base its selection decision with respect to appointments solely on the individual and professional qualifications of candidates.

Current corporate governance practice is not sufficiently clear as to how substantial or extensive an overall concept should be in order to fully comply with the requirements of item 5.1.2 sentence 2 of the code. As a precautionary step, MLP therefore declares that, as in the financial year 2011, it will continue to deviate from this recommendation in 2012.

#### **Item 5.1.2 sentence 7 (Age limit for members of the Executive Board)**

According to the recommendations of the German Corporate Governance Code, an age limit should be set for members of the Executive Board.

In 2011, MLP deviated from this recommendation. There is no set age limit for members of the Executive Board. The appointment of Executive Board members should focus exclusively on knowledge, abilities and specific experience. In 2012 – as in 2011 – MLP will therefore not comply with this recommendation.

#### **Item 5.4.1 sentence 2 (Age limit for members of the Supervisory Board)**

According to the recommendations of the German Corporate Governance Code, an age limit should be set and taken into account when considering proposals for the election of Supervisory Board members.

In 2011, MLP deviated from this recommendation. There is no set age limit for members of the Supervisory Board. In view of the required knowledge, abilities and specific experience set out in item 5.4.1 sentence 1 of the Code, the setting of an age limit does not appear to be appropriate. In 2012 – as in 2011 – MLP will therefore not comply with this recommendation.

#### **Item 5.4.1 section 2 and 3 (Specification of concrete objectives for the composition of the Supervisory Board)**

According to the recommendations of the German Corporate Governance Code, the Supervisory Board should specify concrete objectives regarding its composition which considers the specifics of the Company, take into account the international activities of the Company, potential conflicts of interest, an age limit to be specified for the members of the Supervisory Board and diversity. These concrete objectives should, in particular, stipulate an appropriate degree of female representation. Proposals by the Supervisory Board to the competent election bodies should take these objectives into account. The concrete objectives and the status of implementation should be published in the Corporate Governance Report.

In the financial year 2011 MLP deviated from this recommendation. At one of its meetings in the financial year 2010, the Supervisory Board of MLP AG discussed the specification of concrete objectives for the composition of the Supervisory Board, taking particular account of the diversity aspect. With respect to the knowledge, abilities and professional experience of the members of the Supervisory Board required under item 5.4.1 sentence 1 of the Code, the specification of concrete objectives regarding the female proportion for the Supervisory Board, does not currently appear to be appropriate, primarily in view of the small number of members of the Supervisory Board as anchored in the Articles of Association. It is therefore not possible to report on any specific objectives in the Corporate Governance Report at this moment.

In the financial year 2012 – as in 2011 – MLP will thus deviate from this recommendation.

**Item 5.4.6 sentence 4 (Performance-related remuneration of the members of the Supervisory Board)**

According to the recommendations of the German Corporate Governance Code, members of the Supervisory Board should receive a performance-related element of remuneration beside their fixed remuneration.

MLP deviated from this recommendation in 2011. The members of the Supervisory Board of MLP AG do not receive any performance-related remuneration. No convincing concepts concerning performance-related Supervisory Board remuneration have yet been proposed. In 2012 – as in 2011 – MLP will therefore not comply with this recommendation.

Wiesloch, December 2011

MLP AG

The Executive Board

The Supervisory Board