

**Counter-motions and Management Statement**  
**concerning the MLP AG Annual General Meeting 2003**  
**on 17th June 2003**

### Counter-motion number 1:

Sender:Karlheinz and Jutta Krämer, Völklingen, Germany

16.05.2003

Outraged about the, for me, obvious self-service mentality of potential supervisory board members under item 6.11. (Adjustment of supervisory board member remuneration), I request that the following counter-motion be included in the vote:

#### 6.11. Adjustment of supervisory board member remuneration

Paragraph (3) – new version:

Members are not entitled to extra remuneration for committee duties in addition to the fixed salary in the sense of paragraphs (1) and (2) and paragraph 12 of the company articles.  
(Remaining passages become void!)

Paragraph (4) - new version:

The remuneration regulations under Paragraph (3) (new version) apply equally for the chairman of the supervisory board and his vice-chairman on the supervisory board for all duties – including the chairmanship or vice-chairmanship – on one or several company committees.

Paragraph (5) – new version:

(...intended Sentence 1 to be accepted in its entirety)

Sentence 2 should be altered as follows:

The corresponding premium is to be paid by the insured persons: company organs, management staff and members of the company supervisory board

### Counter-motion number 2:

Sender:Dietrich E. Kutz, Biberach, Germany

15.05.2003

- Motions to refuse to discharge management board (agenda item 2) and supervisory board (AGENDA ITEM 3)
- Motion not to approve the proposals for new elections to the supervisory board (AGENDA ITEM 5) because of lack of background
- Motion to reject proposed resolution concerning changes to company articles (AGENDA ITEM 6) 6.11 Adjustment of supervisory board member remuneration, because of failing success and excessiveness

Reasoning:

- The Shareholder Value achieved of keeping the share price below the issue price is incorrect – i.e. cannot be exonerated. The management and supervisory boards have failed to perform in a business sense and not met expectations for many years. They have not done justice to the potential or to the company visions. The discrepancy between the potential and the performance has not been resolved. This is not envy; you are not worth your money. Perhaps you ought to consider resigning?
- The election proposals, against which objections have been raised, have a poor performance record and are problematic. Their benefit for the company has not been described or founded.
- The morally questionable demands for supervisory board remuneration are not in line with the times. The amount is not credible in light of the disastrous company situation and the miserable share price – i.e. obsolete.

My urgent appeal to shareholders is that they recognise the long-term effects of this preferential treatment and put an end to the arrogant displays and complacency. Please vote for the counter-motions.

### Counter-motion number 3:

Sender: Cord Brockmann, Soltau, Germany

30.05.2003

Counter-motions to the AGM 2003.

I submit the following counter-motions.

Regarding AGENDA ITEM 3:

Motion: The management board will not be discharged.

Reason: The comet-like fall in MLP share price far exceeds the general fall in prices on the share and capital markets and is, as such, clearly the fault of the management board.

The management board has not displayed any remorse as yet and has not made any contribution by way of salary waivers in line with the poor share price performance. The shareholders expect positive proposals.

The mistakes made must therefore be listed and an apology is appropriate.

Note: In the Netherlands (...) "The argument about management board salaries escalates: Politicians and union representatives speak of greed and kleptomania", Report dated 24.05.2003 newspaper DIE WELT

Regarding AGENDA ITEM 4:

Motion: The supervisory board will not be discharged.

Reason: I cannot see any intense contribution on the part of the supervisory board. An effective contribution can no longer be made in light of the increasing number of posts listed, for reasons of time.

The unsatisfactory company performance is indicative of a tired and disinterested supervisory board, which is dependent upon the management board.

The supervisory board can only be ratified if the remuneration for the year 2002 is cut and acknowledged in line with the fall in share price.

Regarding AGENDA ITEM 5:

Motion: The proposal for the supervisory board is to be supplemented by private shareholder representatives.

Reason: From a personal point of view, it is understandable that the management board seeks suitable supervisory board members.

However, the fact that resolutions can be passed easily does not contribute to the well-being of the company. In this context it is thus questionable whether the supervisory board duties are being fulfilled, there seems to be case of nepotism.

Supervisory boards with more than three members no longer serve the interests of the company and only result in losses.

Otherwise the result is "supervisory board tourism" with preferential treatment for the members, whereby the actual control function is neglected.

Alternative suggestions must therefore be made, whereby the desire to supervise must be visible.

Since the AGM is not bound by proposals, I suggest that I candidate myself.

I am a building and construction engineering graduate and have experience in decision-making. I have a heart for private shareholders and can read, judge and criticise papers on financial matters and forecasts. I will ensure a breath of fresh air for a new company direction.

The new beginning will put an end to this self-service mentality; only accounted performance may be remunerated.

According to the stock corporation law I can and will waive excessive payments.

Regarding AGENDA ITEM 6.11:

Motion: The adjustment of supervisory board member remuneration will be rejected in its proposed form.

Paragraph 13: The articles in this form are to be deleted and replaced by the following:

- (1) Members are paid per hour to undertake their duties according to the local remuneration rates for experts approved by the court of 85 euro/h plus travel expenses.
- (2) The chairman is paid a factor of 1.5, his vice-chairman a factor of 1.25 of this remuneration.

Regarding AGENDA ITEM 6.18:

Motion: The set amount of 75% is anti-shareholder; it will be limited to up to 33%.

#### Counter-motion number 4:

Sender: Schutzgemeinschaft der Kleinaktionäre (SdK e.V.), Munich, Germany (Association for the protection of private shareholders) 02.06.2003

Regarding AGENDA ITEM 2:

The motion is to refuse to accept the ratification of the management board for the financial year 2002

Reason:

In 2000 and 2001 the company realised a profit of approximately 100.2 million euros by selling receivables. Shareholders were not informed of this form of profit maximisation.

The management board only then published the information in 2002 when the audit report became public. The shareholders were still not sufficiently informed about the profit situation at MLP AG in 2002, and particularly not upon the initiative of the management board.

However, good company management demands that shareholders are provided with complete clarity concerning the company. This has not happened at MLP AG. For this reason the management board cannot be ratified for the year 2002.

A delay in the vote concerning the ratification of the management board until such time as the criminal investigation by the public prosecutor's office has been completed, which should clarify whether the failure to make these sales of receivables public violated against legal obligations, has not been announced.

In the opinion of the association (SdK) the fact that the shareholders were not informed completely about such major factors, regardless of the legal obligations, is in itself intolerable behaviour which has lastingly – and negatively - affected the faith in the management board.

Regarding AGENDA ITEM 3:

The association (SdK) will motion, that the ratification for the supervisory board be refused under AGENDA ITEM 3.

Reason:

The supervisory board was aware of the audit report. Despite this, the supervisory board certified the annual report for 2002, without ensuring that shareholders were informed of the sales of receivables. This is also behaviour that cannot be reconciled with good company management style. This is the reason why the ratification of the supervisory board should be refused.

# Management Statement

The management sticks to its proposed resolutions for the Annual General Meeting agenda for MLP AG on 17th June 2003 in Mannheim and issues the following statements to the counter-motions:

## **Counter-motion number 1 from Karlheinz and Jutta Krämer**

The changes proposed by the management to the remuneration of supervisory board members in item 12 paragraphs 3 and 4 of the new version of the company articles are based upon recommendations under item 5.4.5, section 3 of the German Corporate Governance Codex, version dated 7<sup>th</sup> November 2002.

The moderate increase in supervisory board member remuneration is accounted for in particular by the increases in supervisory board duties and time required by the chairman and the supervisory board members as a result of the recent changes to share law and the Corporate Governance Codex.

The remuneration proposed by the management is appropriate for the supervisory board duties. This applies especially in view of the fact that the proposed new regulation includes a cap limit as stipulated in item 12, section 3 page 3 and section 4.

Finally, the 4th point in the counter-motion contradicts the recommendation made in the German Corporate Governance Codex under section 3, number 3.8. If the management were to adhere to this counter-motion, then the Declaration of Correspondence would have to be limited in line with item 161 of the German Stock Corporation Law (AktG). This is not in the interests of either the company or its shareholders.

## **Counter-motion number 2 from Dietrich-E. Kutz**

### **1<sup>st</sup> point:**

Regardless of the unsatisfactory share price performance of the MLP stock over the course of the difficult financial year 2002, there are absolutely no indications of a business failure and/or violations of duties by the management and supervisory boards.

The supervisory board addressed the economic situation and the corporate strategy in detail over the course of the financial year 2002 in four normal and three extraordinary meetings. In addition, meetings were held for the balance sheet committee, the personnel committee and the ad hoc commission. The chairman of the supervisory board maintained regular contact to the management board outside of the supervisory board meetings. As such the supervisory board has completely fulfilled the activities and duties stipulated by law and company articles.

### **2<sup>nd</sup> point:**

The notification and information provided to the shareholders concerning the supervisory board members proposed for election under item 5 of the agenda corresponds with the legal stipulations.

### **3rd point:**

In so far as the counter-motion refers to the supervisory board member remuneration, we refer to the management statement in response to counter-motion number 1.

## **Counter-motion number 3 from Cord Brockmann**

### **Regarding agenda items 3 and 4:**

We refer here to the explanations in the first point regarding the counter-motion number 2.

**Regarding agenda item 5:**

The candidates put forward for election on to the supervisory board are expertly qualified for the intended duties. None of the candidates reaches the number of other superior board positions, which are authorised under the German stock corporation law or the Corporate Governance Codex. All proposed candidates have ensured that they have sufficient time to honour their posting at MLP. Furthermore, the company's own Corporate Governance Standards at MLP under item 5.4.6 foresee a sanction for the unlikely case that this should apply:

“A Supervisory Board member who was not present in person at more than half of the meetings without adequate reason loses his right to claim the annual remuneration. This is also noted in the Annual Report accordingly.”

**Regarding agenda item 6.11:**

In so far as the counter-motion refers to the supervisory board remuneration, we refer to the management statement regarding counter-motion number 1.

**Regarding agenda item 6.18:**

According to item 20, section 1 of the revised company articles the management and supervisory boards are, in the future, “empowered” to allocate up to 75 % of the annual surplus to other revenue reserves.

The changes in company articles correspond to item 58, section 2, sentence 2 of the German Stock Corporation Law (AktG). Without express regulations in the company articles the management and supervisory boards may only allocate up to half of the annual surplus to other revenue reserves (item 58, section 2, sentence 1 AktG). There are, however, conceivable situations in which it makes sense for the company to allocate a larger amount of the annual surplus to other revenue reserves. The proposed changes to the company articles take this fact into account by authorising the management and supervisory boards to allocate up to 75 % of the annual surplus to other revenue reserves.

While “enacting” the authorisation to be granted for forming revenue reserves the management and supervisory boards will of course continue to act perceptively. The MLP AG management has always been obliged to conduct a shareholder-friendly dividend policy. This will not change in the future. By the way, half of the statutory equity capital forms a binding barrier for the allocation to other revenue reserves based on the authorisation. If other revenue reserves reach this level or were to exceed this amount with allocations, then further transfers based on this article authorisation are not authorised.

**Counter-motion number 4 from the SdK****Regarding agenda items 2 and 3:**

The annual accounts for the financial years 2001 and 2000 were certified without restrictions by the annual account auditors. The management board has no reason to question this evaluation.

As part of the transparent and comprehensive reporting methods in the future for a changed environment, MLP will be issuing additional reports about respective information. Otherwise, we refer to counter-motion number 2, first point.

Heidelberg, in June 2003  
MLP AG  
The Management Board