

# Invitation to the

## Annual General Meeting 2003

MLP AG, Forum 7, 69126 Heidelberg  
German Securities Code Number 656990  
ISIN DE 000 6569908





We hereby invite the shareholders of our company to the

## **Annual General Meeting of MLP AG**

on June 17, 2003, 10.00a.m., Mannheim  
Congress Center Rosengarten, Rosengartenplatz 2, 68161 Mannheim

### **Agenda**

- 1. Presentation of the adopted annual accounts as of December 31, 2002, the approved consolidated financial statements as of December 31, 2002 and the management report for MLP AG and the group for financial year 2002 with the report of the Supervisory Board.**

These documents can be viewed in the offices of MLP AG, Forum 7, 69126 Heidelberg and in the Internet under [www.mlp.de](http://www.mlp.de). These will also be sent to the shareholders upon request.

- 2. Resolution on the ratification of the members of the Executive Board for financial year 2002.**

The Supervisory and Executive Boards propose that the members of the Executive Board be ratified for financial year 2002.

- 3. Resolution on the ratification of the members of the Supervisory Board for financial year 2002.**

The Supervisory and Executive Boards propose that the members of the Supervisory Board be ratified for financial year 2002.

- 4. Appointment of the auditor for the single-entity and consolidated financial statements for financial year 2003.**

The Supervisory Board proposes to appoint Rölfs WP Partner AG Wirtschaftsprüfungsgesellschaft, Dusseldorf and Ernst & Young AG Wirtschaftsprüfungsgesellschaft, Stuttgart as the joint auditors for the single-entity and consolidated financial statements.

- 5. Election of new members to the Supervisory Board**

According to § 96 (1) of the *Aktengesetz* (AktG – German Companies Act) in connection with § 76 (1) of the *Betriebsverfassungsgesetz 1952* (BetrVG 1952 – 1952 German Works Constitution Act) and according to § 9 of the Articles of Association, the company's Supervisory Board comprises six members, with four of the members being elected by the General Meeting in line with the provisions of the German Public Limited Companies Act, and two members elected by the employees according to the provisions of the 1952 German Works Constitution Act.

Upon the close of the General Meeting on June 17, 2003, the period of office of all of the members of the Supervisory Board to be elected by the General Meeting expires in line with § 102 (1) of the AktG and § 9 of MLP AG's Articles of Association.

As a result, the Supervisory Board proposes to the General Meeting that the following persons be elected as members of the Supervisory Board until the end of the General Meeting which resolves on the ratification of the Supervisory Board members for financial year 2007:

Manfred Lautenschläger, Gaiberg  
Chairman of the Supervisory Board of MLP AG, Heidelberg

Gerd Schmitz-Morkramer, Munich  
Chairman of the shareholder's committee of Merck Finck & Co. Privatbankiers, Munich

Dr. Peter Lütke-Bornefeld, Bergisch Gladbach  
Chairman of the Executive Board of Kölnische Rückversicherungs-Gesellschaft AG, Cologne, and  
Vice Chairman of General Re Corporation, Stanford, USA

Johannes Maret, Burgbrohl  
Entrepreneur, Burgbrohl

The General Meeting is not bound to elect these proposed candidates.

## 6. Resolution on amendments to the company's Articles of Association

In the years since its formation, MLP AG has grown from a financial brokerage company to become the holding company for a financial services group. This has had a lasting impact on corporate structure of MLP AG and the MLP Group. The proposed amendment to MLP AG's Articles of Association are designed to bear out MLP AG's current function as the holding company for a financial services group, but also to support the statutory requirements, in particular from the *Gesetz zur Namensaktie und zur Erleichterung der Stimmrechtsausübung / Namensaktiengesetz-NaStraG* (German Act on Promoting Registered Shares and Facilitating the Exercise of Voting Rights) dated January 1, 2001 (BGBl I page 123) and the *Transparenz- und Publizitätsgesetz* (TransPuG – German Transparency and Disclosure Act) dated July 25, 2002 (BGBl I page 2681).

### 6.1 Changes to the purpose of the company

§ 2 of the current version of the Articles of Association reads:

"§ 2 Purpose of the company

- (1) The purpose of the company is to provide advice on all types of insurance, investments and financing, as well as to provide brokerage services for these.
- (2) The company may also conduct all business which is suitable to either directly or indirectly further the purpose of the company, in particular it may establish branch offices, acquire other companies of an identical or similar nature, represent these and acquire equity interests in these companies.

The company is also authorised to acquire interests in subsidiaries, which conduct active or passive insurance business, also to provide advice, to develop and sell services and products in the field of electronic data processing (IT) or have this done by its subsidiaries.

The company is also authorised to act as a managing holding company. For this purpose the company is authorised to transfer its operative, active business as individual sub-areas or in total against a fair fee or against the granting of all company rights to other companies wholly-owned by the company and to restrict its activities to holding interests in other companies. The company is also authorised to conclude corporate contracts within the meaning of § 291 of the AktG with companies in which it holds a majority interest. These measures require the approval of the General Meeting."

In order to incorporate the changed role of MLP as a holding company for a financial services group, the purpose of the company is to be reworded in the new version:

The Executive Board and the Supervisory Board therefore propose the following resolution:

§ 2 of the Articles of Association shall be revised as follows:

"§ 2 Purpose of the company

- (1) The purpose of the company is to manage a corporate group which is active in the fields of providing advice on and brokerage services for financial and similar services.
- (2) In particular, for the purpose described under (1) above, the company is authorised to acquire interests in companies which operate active or passive insurance business, asset management, investment and banking business, conduct estate agency services, and to provide advice, to develop and sell all types of services – in particular financial services and comparable services – and products, in the field of electronic data processing (IT). However, the company itself is not authorised to itself conduct banking transactions or financial services within the meaning of § 1 (1) and (1a) of the *Kreditwesengesetz* (KWG – German Banking Act) or insurance transactions within the meaning of § 1 (1) of the *Versicherungsaufsichtsgesetz* (VAG – Act on the Supervision of Insurance Enterprises).
- (3) The company is authorised to conduct all measures and actions which are connected with the purpose of the company or which are directly or indirectly suited to serve this, in particular it may establish branch offices, form, acquire or acquire interests in or sell other companies. It may compound such companies in whole or in part under uniform control and to conclude corporate contracts with these companies. It may also conduct its activities via subsidiaries, associates or joint venture companies, or spin these off in whole or in part to affiliated companies or transfer these to affiliated companies, and restrict its own activities to the management and administration of its affiliated companies."

## 6.2 Adaptation of publicity requirements in accordance with TransPuG

The present wording of § 3 of the Articles of Association is:

"§ 3 Notices

The company's notices will be published in the *Bundesanzeiger* (Federal Legal Gazette)."

In order to clarify that in future the company's notices must only be published in the electronic *Bundesanzeiger*, and that notices in the printed version of the *Bundesanzeiger* are no longer needed, the word "electronic" is to be inserted before the word *Bundesanzeiger*.

The Managing and Supervisory Boards thus propose to resolve the following:

§ 3 of the Articles of Association will be reworded as follows:

"§ 3 Notices

The company's notices will be published in the electronic *Bundesanzeiger* (Federal Legal Gazette)."

## 6.3 New regulation of the certification committee and authorisation to issue individually or globally certificated shares

At present, § 5 (3) of the Articles of Association has the following wording:

"(3) Any claims by shareholders to certification of their shares is excluded."

The present version of the Articles of Association leads to individual shareholders only having a claim to a global certificate being issued and this being deposited within the meaning of sections 2 ff, 5, 9a of the *Depotgesetz* (DepG – German Securities Deposit Act). In line with current practice, the exclusion of any further certification claim should be limited to the event that certification is necessary according to the regulations of the stock market to which MLP AG's shares are admitted. The proposed amendment to § 5 (3) of the Articles of Association takes this into account.

In addition the introduction of a new § 5 (4) is to authorise the company to issue individually or globally certificated shares.

The Managing and Supervisory Boards thus propose to resolve the following:

The regulation included in § 5 (3) of the Articles of Association is to be changed and a new § (4) will be added to § 5. § 5 (3) and (4) of the Articles of Association will read as follows in future:

"(3) The shareholders' claim to certification of their shares is excluded unless certification is required according to the rules of the stock exchange on which the shares are listed.

(4) The company is authorised to issue share certificates which certify individual shares (individual certificates) or several shares (global certificates)."

#### **6.4 Changes to the regulations on the composition of the Executive Board, the appointment of its members and its voting procedure.**

The present § 6 of the Articles of Association is as follows:

"§ 6 Composition, resolution on rules of procedure

- (1) The Executive Board comprises at least two people.
- (2) The Supervisory Board decides on the number of members of the Executive Board, their appointment and dismissal, and their employment contracts.
- (3) Resolutions by the Executive Board are passed with a simple majority of votes cast. In the event of a tied vote, the Chairman has the deciding vote.
- (4) If the Supervisory Board does not issue rules of procedure for the Executive Board, the Management Board may set its own rules of procedure which require unanimous vote by the Executive Board and the approval of the Supervisory Board.

The rules of procedure may, in particular, require the Executive Board to obtain approval from the Supervisory Board to conduct certain types of legal transactions."

In § 6 (1), the word "people" should be replaced by the word "members". This new wording corresponds to the terminology used throughout the remainder of the Articles of Association.

It appears to be pertinent to specify the responsibilities with regard to employment contracts more closely in § 6 (2) of the Articles of Association and to expressly standardize the authorisation of the Supervisory Board to appoint the Chairman of the Executive Board and one or several Deputy Chairmen in the Articles of Association.

The Supervisory Board of MLP AG has issued rules of procedure for the Executive Board. The rules of procedure state that, in the event of a tied vote in a Executive Board comprising at least three members, the Chairman shall have the deciding vote. The rules of procedure also include a list of specific transactions which may only be conducted with the approval of the Supervisory Board. This corresponds to § 111 (4) line 2 of the AktG, reworded as a result of the TransPuG. In view of this, § 6 (3) line 2 and § 6 (4) are no longer needed in future.

As a result, the Managing and Supervisory Boards propose to resolve the following:

§ 6 of the Articles of Association is reworded as follows:

"§ 6 Composition, employment contracts, voting

- (1) The Executive Board comprises at least two members.
- (2) The Supervisory Board decides on the number of members of the Executive Board, their appointment and dismissal as well as the conclusion, modification to and termination of the employment contracts concluded with members of the Executive Board. The Supervisory Board may appoint the Chairman of the Executive Board and one or several Deputy Chairmen of the Executive Board.
- (3) Resolutions by the Executive Board are passed with a simple majority of votes cast."

## 6.5 Amendment to regulations for representation of the company

At present, § 7 of the Articles of Association is as follows:

"§ 7 Representation of the company

- (1) The company is legally represented by two members of the Executive Board or by one member of the Executive Board together with a *Prokurist* (authorised signatory).
- (2) The Supervisory Board may grant individual members of the Executive Board sole powers of representation."

§ 7 (1) should be edited to bring this into line with the terminology used in § 78 of the AktG.

In future it should be possible for the Supervisory Board to exempt members of the Executive Board from the restrictions imposed by § 181 Alt. 2 of the *Bürgerliches Gesetzbuch* (BGB – German Civil Code) (prohibition on multiple representation). This is standard practice, as this type of regulation simplifies matters substantially in the event that members of the Executive Board simultaneously have to fulfill management functions in other group companies. As a result, a new second line is to be added to § 7 (2) of the Articles of Association.

The Managing and Supervisory Boards thus propose to resolve the following:

§ 7 of the Articles of Association is to be reworded as follows:

"§ 7 Representation of the company

- (1) The company is jointly represented by two members of the Executive Board or by one member of the Executive Board jointly with a *Prokurist* (authorised signatory).
- (2) The Supervisory Board may grant individual members of the Executive Board sole powers of representation. The Supervisory Board may exempt members of the Executive Board from the prohibition on conducting legal transactions on behalf of the company with themselves as representatives of a third party."

## 6.6 Abolition of the statutory authorisation to form an advisory board

§ 8 of the Articles of Association is presently as follows:

"§ 8 Advisory board

The Executive Board may, with the approval of the Supervisory Board, form an advisory board, issue rules of procedure for this board and determine the remuneration of its members."

At the present time, the company does not intend to establish an advisory board. If this should be considered in future, establishing this type of body would be possible without this having to be determined in the Articles of Association along the lines of § 8. § 8 of the Articles of Association should thus be cancelled with no replacement.

The Managing and Supervisory Boards thus propose:

§ 8 of the Articles of Association be cancelled with no replacement.

## 6.7 Composition and period of office of the Supervisory Board

At present, § 9 (1) and (2) of the Articles of Association are worded as follows:

"(1) The Supervisory Board comprises six members, with four of the members being elected by the General Meeting in line with the provisions of the *Aktiengesetz* (AktG - German Companies Act), and two members elected by the employees according to the provisions of the 1952 *Betriebsverfassungsgesetz* (BetrVG – German Works Constitution Act 1952). The period of office of the Supervisory Board members elected as a result of the expansion of the Supervisory Board from three to six members expires upon the close of the General Meeting which resolves upon the ratification for financial year 2002. From this point on, the statutory regulations of § 102 of the AktG apply for the period of office for all members of the Supervisory Board.

- (2) The members of the Supervisory Board are elected for the period to the end of the General Meeting which resolves the ratification for the fourth financial year after the start of their period of office; the financial year in which the period of office commences is not included in this calculation. Members may be re-elected to the Supervisory Board."

As a result of the passing of time, lines 2 and 3 of § 9 (1) are no longer relevant. As a result they should be dispensed with no replacement in future.

In addition, in future it should be possible for the General Meeting to also elect the Supervisory Board for a shorter period of office. For this purpose, a proposal is made to insert the words "at the longest" before the words "for the period". In addition, § 9 (2) line 2 should be cancelled with no replacement, as re-election is also possible without the need for this type of provision in the Articles of Association.

In all other aspects, the present § 9 should become § 8 of the Articles of Association, as a result of the cancellation of the present § 8.

In addition, the titles presently included in the Articles of Association before § 9 "PART IV" and "The Supervisory Board" should, in future, precede § 8 of the Articles of Association.

The Managing and Supervisory Boards thus propose to resolve the following:

The titles that currently precede § 9 of the Articles of Association ("PART IV" and "The Supervisory Board") will now precede § 8 of the Articles of Association.

The present title of § 9 of the Articles of Association will now become the title of § 8 of the Articles of Association.

§ 9 (1) and (2) of the present Articles of Association will now be reworded in § 8 (1) and (2) as follows:

- "(1) The Supervisory Board comprises six members, with four of the members being elected by the General Meeting in line with the provisions of the *Aktiengesetz* (AktG - German Companies Act), and two members elected by the employees according to the provisions of the 1952 *Betriebsverfassungsgesetz* (BetrVG – German Works Constitution Act 1952).
- (2) The members of the Supervisory Board are elected at the longest for the period to the end of the General Meeting which resolves the ratification for the fourth financial year after the start of their period of office; the financial year in which the period of office commences is not included in this calculation."

In future, § 9 (3) and (4) of the present Articles of Association will become § 8 (3) and (4) of the Articles of Association.

## **6.8 Resignation of Supervisory Board offices**

§ 10 (2) of the present Articles of Association states:

- "(2) Each member of the Supervisory Board can resign their office without good cause with a three-month notice period by submitting a written declaration to the Chairman of the Supervisory Board or to the Executive Board."

In future, the right to resign the office should also be defined for replacement members and the three-month period be shortened to one month. In addition, the possibility to further reduce this period should be created.

At the same time, the title of § 10 and § 10 (1) of the present Articles of Association should become the title of § 9 and § 9 (1) of the future Articles of Association.

The Managing and Supervisory Boards thus propose to resolve the following:

The title of § 10 of the present Articles of Association will henceforth become the title of § 9 of the Articles of Association.

§ 10 (1) of the present Articles of Association will henceforth become § 9 (1) of the Articles of Association.



§ 10 (2) will be reworded as follows as § 9 (2):

"(2) Each member of the Supervisory Board and each replacement member can resign their office without good cause with a one-month notice period by submitting a written declaration to the Chairman of the Supervisory Board or to the Executive Board. The Chairman of the Supervisory Board, or the Deputy Chairman in the event of the resignation of the Chairman, may agree to a reduction to this notice period."

### **6.9 Chairmanship and Deputy Chairmanship of the Supervisory Board**

§ 11 of the present version of the Articles of Association was worded as follows:

"§ 11 Chairmanship and Deputy Chairmanship

- (1) In a meeting to take place after the General Meeting in which the Supervisory Board members are newly elected, and for which no separate invitation is required, the Supervisory Board will elect a Chairman and Deputy Chairman from among its number for the duration of their membership of the Supervisory Board.
- (2) If the Chairman or the Deputy Chairman resign their office ahead of time, the Supervisory Board must elect a new Chairman or Deputy Chairman without delay for the remainder of the period of office."

In order to ease understanding, (1) is to be edited. Instead of "duration of their membership of the Supervisory Board", in future "period of office" is to be used. In (2), the words "the resigning member" is to be added to make the present text more precise.

In all other aspects, § 11 is to become § 10 of the future Articles of Association.

The Managing and Supervisory Boards thus propose to resolve the following:

The present § 11 will become § 10 of the new version of the Articles of Association and reworded as follows:

"§ 10 Chairmanship and Deputy Chairmanship

- (1) In a meeting to take place after the General Meeting in which the Supervisory Board members are newly elected, and for which no separate invitation is required, the Supervisory Board will elect a Chairman and Deputy Chairman from among its number for the period of office of the Supervisory Board.
- (2) If the Chairman or the Deputy Chairman resign their office ahead of time, the Supervisory Board must elect a new Chairman or Deputy Chairman without delay for the remainder of the period of office of the resigning party."

### **6.10 Convening meetings of the Supervisory Board and passing resolutions**

The present § 12 of the Articles of Association is worded as follows:

"§ 12 Convening meetings and passing resolutions

- (1) The meetings of the Supervisory Board are convened by the Chairman or, when the Chairman is not available, by the Deputy Chairman with information on the individual agenda items. The invitation should uphold a notice period of two weeks and may be made in writing, verbally, by telephone, by fax or telegram. Resolutions on an agenda item which was not included in the invitation are only permitted if no member of the Supervisory Board opposes the resolution.
- (2) Resolutions of the Supervisory Board are passed in meetings. Upon the request of the Chairman of the Supervisory Board, resolutions may also be passed in writing, by fax, telegram or by telephone if no member opposes this method.
- (3) The meetings of the Supervisory Board are chaired by the Chairman, or if the Chairman is not available, by the Deputy Chairman.

- (4) The members of the Executive Board may, insofar as the Supervisory Board does not resolve anything to the contrary, participate in the Supervisory Board meetings as an advisor.
- (5) Resolutions of the Supervisory Board are passed by a majority of votes cast. In the event of a tied vote, the Chairman has the deciding vote. The manner of voting is determined by the meeting's chairman. These provisions apply accordingly in the event of votes being taken in writing, by telegram, fax or by telephone.
- (6) Minutes must be taken for the meetings of the Supervisory Board and must be signed by the chairman of the meeting. Minutes of resolutions passed in writing, by telegram, fax or by telephone must be signed by the Chairman of the Supervisory Board.
- (7) The Chairman of the Supervisory Board is authorised to issue declarations by the Supervisory Board which are needed to implement the resolutions of the Supervisory Board.
- (8) In all other respects, the Supervisory Board may issue its own rules of procedure within the framework of the compulsory statutory requirements and the provisions of these Articles of Association.

Line 1 of para. 1 should be amended to include the words "specifying the location and the date of the meeting". A new line 3 should make it possible to shorten the convening period in urgent cases.

NaStraG [Registered Shares and Voting Act] allows resolutions to be passed in writing, by fax, by telex or verbally regardless of any objection by a member of the Supervisory Board. In future this extra flexibility in terms of structure should be incorporated into the proposed revised version of para. 2.

In para. 3 the competence to call a meeting should in future be explicitly stated.

Para. 4 will only undergo editorial revision in the revised version. In addition a new line 2 is to be added to explicitly regulate the calling in of experts and informers within the Articles of Association.

A new para. 5 is to be created to regulate the presence of quorum of the Supervisory Board. The regulation is practicable and is in accordance with standard practice.

The addition of the new para. 5 will mean that the following paragraphs will be moved.

For the sake of clarity the present line 2 of para. 5 (in future para. 6) shall be amended to include the following words: "The order of the subjects under discussion and".

The present para. 6 (in future para. 7) will be amended to include a new line 3 to the effect that the transcript of the meetings of the Supervisory Board shall be issued to all Supervisory Board members.

In para. 8 (presently para. 7) the authorisation of the chairman of the Supervisory Board to receive declarations is to be explicitly stated and, if he is unable to attend, this is to be extended to the relevant deputy.

The Supervisory Board has in the meantime drawn up rules of procedure for itself. This means that the regulation presently included in para. 8 is now superfluous and should be deleted.

The Executive Board and the Supervisory Board propose the following resolution:

The present § 12 of the Articles of Association will in future be revised as follows within § 11 of the Articles of Association:

"§ 11 Convening and passing resolutions

- (1) The meetings of the Supervisory Board shall be convened by the chairman or, if he is unable to attend, by his deputy, specifying the location and the date of the meetings as well as the individual items on the agenda. The invitation should be issued two weeks in advance and can be issued in writing, verbally, by telephone, fax or telex. In urgent cases the convening period may be shortened. A resolution concerning an item on the agenda that was not included in the invitation can only be passed provided that no member of the Supervisory Board objects to the resolution.
- (2) Resolutions of the Supervisory Board shall be passed at meetings. By order of the chairman of the Supervisory Board resolutions may also be passed in writing, by fax, telex or by telephone.

- (3) The meetings of the Supervisory Board shall be convened and chaired by the chairman, or, if he is unable to attend, by his deputy.
- (4) The members of the Executive Board may, unless the Supervisory Board decides otherwise, attend the meetings of the Supervisory Board. The Supervisory Board may call in experts and other informers to advise on individual items.
- (5) The Supervisory Board shall have presence of quorum if all members have been properly invited to attend the meeting, whereby each invitation has been sent to the most recent address for each member and at least half of the members of the Supervisory Board take part in the resolution. A member also takes part in the resolution if he abstains from voting. Absent Supervisory Board members may take part in the decisions made by the Supervisory Board by submitting written votes via other Supervisory Board members.
- (6) The resolutions of the Supervisory Board require the majority of votes cast in order to be carried. If the votes are equal the chairman of the meeting shall have the casting vote. The order of the subjects under discussion and the nature of the vote shall be determined by the chairman of the meeting. The same conditions apply in the case of votes submitted in writing, by telex, fax or telephone.
- (7) Minutes of the meetings shall be prepared which shall be signed by the chairman of the meeting. The minutes of resolutions that are passed in writing, by telex, fax or telephone must be signed by the chairman of the Supervisory Board. The minutes shall be issued to all Supervisory Board members.
- (8) The chairman of the Supervisory Board is authorised to issue and to receive any declarations on behalf of the Supervisory Board that are necessary in order to implement the resolutions of the Supervisory Board. In the event of his being unable to attend this authorisation shall pass to his deputy."

#### **6.11 Adapting the remuneration of the Supervisory Board**

§ 13 of the Articles of Association currently read as follows:

"§ 13 Remuneration

- (1) Each member of the Supervisory Board shall, in addition to repayment of his expenses and refund of any turnover tax due on his remuneration as a member of the Supervisory Board, receive a fixed remuneration of Euro 30,000.00, payable after the end of the financial year.
- (2) The chairman of the Supervisory Board shall receive double this remuneration and his deputy shall receive one and a half times this remuneration."

The regulations concerning the remuneration of the Supervisory Board are to be adapted in accordance with Clause 5.4.5 line 3 of the German Corporate Governance Code. The present § 13 of the Articles of Association which from now on will become § 12 of the Articles of Association, must be amended accordingly.

In addition it should be possible to include the members of the Supervisory Board in a consequential loss liability insurance scheme taken out in the interests of the company by the company itself to provide an appropriate level of coverage for executive organs and specified members of management, where such a scheme exists; the premiums for this shall be paid by the company.

The Executive Board and the Supervisory Board therefore propose the following resolution:

The heading and para. 1 and para. 2 of the present § 13 of the Articles of Association shall now become the heading and para. 1 and para. 2 of § 12 of the Articles of Association.

The future § 12 of the Articles of Association shall further be amended to include the following new paras. (3), (4) and (5):

"(3) In addition separate remuneration shall be paid for work on a committee. The amount of this

remuneration for each committee shall be equivalent to 0.3 times the basic remuneration as a Supervisory Board member as specified in para. (1). The chairman of the committee shall receive 0.4 times the basic remuneration as specified in para. (1), his deputy shall receive 0.35 times this amount. If a Supervisory Board member is a member of more than four committees in total, he shall not receive any separate payment for his work on the fifth or any further committees.

- (4) If the chairman of the Supervisory Board is simultaneously serving as a chairman on one or more committees he shall, in addition to the remuneration as specified in paras. (1) and (2), only receive the basic remuneration as specified in para. (3) lines 1 and 2. The same applies to the deputy chairman of the Supervisory Board.
- (5) In addition the Supervisory Board members may be included in a consequential loss liability insurance scheme that is taken out in the interests of the company by the company itself to provide an appropriate level of coverage for executive organs and specified members of management, where such a scheme exists. The premiums for this shall be paid by the company."

#### **6.12 Secrecy obligation on the part of the Supervisory Board members**

The present Articles of Association contain no statutory clause covering the secrecy obligation on the part of a member of the Supervisory Board. Such a clause would be practicable as it would once more explicitly standardise the secrecy obligation on the part of the Supervisory Board members which is also included in the provision of § 116 AktG amended by TransPuG. For this purpose a new § 13 should be included in the Articles of Association.

The Executive Board and the Supervisory Board therefore propose the following resolution:

"§ 13 Secrecy obligation

- (1) The members of the Supervisory Board must maintain secrecy with respect to confidential information and secrets concerning the company, namely any operational or trade secrets of which they gain knowledge during the course of their work. The secrecy obligation shall remain in place even after they have retired from the Supervisory Board.
- (2) If a member of the Supervisory Board intends to pass on information to any third party he must notify the chairman of the Supervisory Board in advance, specifying the person to whom the information is to be passed and await the chairman's response."

#### **6.13 Location and convening of the annual general meeting**

The present § 14 of the Articles of Association reads as follows:

"§ 14 Location and convening

- (1) The annual general meeting shall take place at the registered office of the company or, after the Executive Board has heard the resolution of the Supervisory Board, in Mannheim or at another German stock exchange.
- (2) It is convened by the Executive Board or the Supervisory Board
- (3) The convening of the meeting must be published in the *Bundesanzeiger*, specifying the agenda, at least one month prior to the date by which the shares must be deposited in accordance with § 15 para. 1., where this period shall not include the day that the meeting is convened and the final deposit day."

The regulation presently contained in § 19 para. 3 of the Articles of Association according to which the annual general meeting as an ordinary general meeting of shareholders held in the first eight months of the financial year resolves upon the formal approval of the members of the Executive Board and the Supervisory Board, the allocation of unappropriated profits, and the determination of the annual accounts in the cases prescribed by law, should be integrated into § 14 because of its thematic relevance and at the same time extended in terms of its content. This purpose is served by the new § 14 para. 1. The present § 14 para. 1 shall now become § 14 para. 2; at the same time the wording "after the Executive Board has heard the resolution

of the Supervisory Board" should be deleted. The present § 14 para. 2 shall now – in a revised version – become § 14 para. 3 and the present § 14 para. 3 shall become § 14 para. 4.

The Executive Board and the Supervisory Board therefore propose the following resolution:

§ 14 of the Articles of Association shall be revised as follows:

"§ 14 Location and convening

- (1) The annual general meeting of shareholders which resolves upon the formal approval of the members of the Executive Board and the Supervisory Board, the allocation of profits, the choice of auditor, the choice of group accounts auditor, the choice of Supervisory Board members and the determination of the annual accounts in the cases prescribed by law, shall be held in the first eight months of each financial year
- (2) The annual general meeting shall take place at the registered office of the company or in Mannheim or at another German stock exchange.
- (3) The annual general meeting is convened by the Executive Board. The right of the Supervisory Board to convene the annual general meeting under the law remains intact.
- (4) The convening of the meeting must be published in the electronic *Bundesanzeiger*, specifying the agenda, the location of the meeting and the start of the meeting and the details that are required by law, at least one month prior to the date by which the shares must be deposited in accordance with § 15 para. 1., where this period shall not include the day that the meeting is convened and the final deposit day."

#### **6.14 Right to attend the annual general meeting**

§ 15 para. 1 of the Articles of Association currently reads as follows:

"(1) Those shareholders who deposit their shares at the company or at any other centres specified in the invitation until the end of the annual general meeting at the latest five bank working days before the annual general meeting, shall be entitled to attend the annual general meeting and to exercise their right to vote. Bank working days do not include Saturdays, Sundays or days that are classed as public holidays in one of the German states."

The changes to § 123 AktG that were introduced as a result of NaStraG are in future to be included in the Articles of Association, particularly as the application of the current clause in the Articles of Association is leading to unacceptably long periods in cases where public holidays fall within the depositing period

The Executive Board and the Supervisory Board therefore propose the following resolution:

§ 15 para. 1 shall be revised as follows:

"(1) Those shareholders who deposit their shares at the company, at the office of a German notary, at a securities clearing and deposit bank or at any other centres specified in the invitation convening the meeting until the end of the annual general meeting at the latest seven days before the annual general meeting, shall be entitled to attend the annual general meeting and to exercise their right to vote. If the seventh day before the annual general meeting falls on a Saturday, Sunday or on a date classed as a public holiday at the deposit location, then the deposit may be made on the next working day, where Saturday is not classed as a working day."

#### **6.15 Function of chairman at the annual general meeting**

§ 16 para. 1 of the Articles of Association currently reads as follows:

"(1) The chairman of the Supervisory Board, or if he is unable to attend, his deputy, shall preside over the annual general meeting. If neither is able to attend, the annual general meeting shall elect another person to preside over the meeting."

In future the Articles of Association should stipulate, in the event of both the chairman and his deputy being unable to attend, that the chairman of the meeting should be elected by the Supervisory Board and not by the annual general meeting. § 16 para. 1 line 2 should be amended for this purpose.

The Executive Board and the Supervisory Board therefore propose the following resolution:

§ 16 para. 1 shall be revised as follows:

"(1) The chairman of the Supervisory Board, or if he is unable to attend, his deputy, shall preside over the annual general meeting. If neither is able to attend, the Supervisory Board may elect another Supervisory Board member to act as chairman."

#### **6.16 Rules governing the presence of a quorum, the adoption of resolutions and voting rights in the General Meeting of Shareholders**

§ 17 of the current Articles of Association reads as follows:

"§ 17 Presence of a Quorum, Adoption of Resolutions and Voting Rights

- (1) The General Meeting of Shareholders is quorate when more than half of the share capital entitled to vote is either present or represented by proxies. If this is not the case, then a General Meeting called to meet within the next three months with the same Agenda shall be deemed to be quorate.
- (2) Each ordinary share is allocated one vote in the General Meeting of Shareholders.
- (3) A simple majority of the votes cast is needed for adoption of the resolutions of the General Meeting provided that there are no overriding statutory regulations conflicting with this. Where the law requires a majority in terms of capital as well as a majority vote, a simple majority by the share capital represented in the voting on resolutions shall suffice – insofar as this is allowed by law. Motions for which no overall majority is obtained are deemed to be rejected.
- (4) Resolutions of the General Meeting regarding dissolution of the company, a merger with another company and the transfer of the company's assets require a  $\frac{3}{4}$  majority of the whole of the company's share capital with voting rights."

The rule contained in para. 1 concerning the presence of a quorum in the General Meeting is unusual for quoted companies and can unnecessarily hinder the running of General Meetings and the passing of resolutions. For this reason, it is proposed that the current para. 1 shall be deleted.

Furthermore, the introduction of § 118 para. 3 of the German Companies Act [AktG] resulting from the Transparency and Publicity Law creates the option for the Articles of Association to provide for permission to relay a General Meeting in sound and on film, and use should be made of this option. For this purpose, it is proposed that a new para. 1 be drafted.

Further, it is proposed that in future a new para. 3 should be included which would reflect the new version of § 134 para. 3 of the German Companies Act resulting from the Law governing Registered Shares and the Facilitation of the Exercise of Voting Rights [NaStraG]. The new version concerns the authorisation of voting proxies who can be nominated by the company. The current para. 3, which now becomes para. 4 because of the inclusion of the new para. 3, only needs its current version to be redrafted and also a new line 3 needs to be included laying down more precisely the procedure governing individual elections.

It is proposed that the current para. 4 be deleted for the future. This rule only contained a repetition of overriding statutory regulations and can therefore be dispensed with.

Therefore, both the Executive Board and the Supervisory Board propose to resolve as follows:

§ 17 to be redrafted as follows:

"§ 17 Presence of a Quorum, Adoption of Resolutions and Voting Rights

- (1) The General Meeting of Shareholders may be relayed in sound and on film.

- (2) Each ordinary share is allocated one vote in the General Meeting.
- (3) Voting rights may be exercised by authorised proxies. If voting proxies are nominated by the company to exercise the voting rights of and as directed by shareholders, such authorities may be granted to the company's proxies in writing, by fax or by electronic means, especially by e-mail, provided that the Executive Board allows a form of authorisation other than in writing with the invitation to attend the respective General Meeting. The details, in particular of the forms and deadlines for the granting and cancellation of proxy authorities will be made known with the invitation to attend the respective General Meeting.
- (4) A simple majority of the votes cast is needed for adoption of the resolutions of the General Meeting and, where the law requires a majority in terms of capital as well as a majority vote, a simple majority by the share capital represented in the voting on resolutions, provided there is no overriding legislation requiring a greater majority. Motions for which no overall majority is obtained are deemed to be rejected, except in elections. Where no simple majority is obtained in the first ballot in individual elections, a second ballot will be held between the 2 candidates who received the highest number of votes and here the person gaining the higher number of votes wins."

### **6.17 Year End Accounts**

The current version of § 19 of the Articles of Association reads as follows:  
"§ 19 Year End Accounts

- (1) Within the first three months of the financial year, the Executive Board must draw up the Year End Accounts and the Management Report for the previous financial year and submit them to the Auditor. Immediately after receipt of the Auditor's Report, the Executive Board must submit the Year End Accounts, Management Report and the Auditor's Report to the Supervisory Board with a proposal regarding utilisation of the net profit for the year.
- (2) The Supervisory Board must check the Year End Accounts, the Management Report and the proposal concerning utilisation of the net profit for the year and report in writing to the General Meeting on the findings of its scrutiny.

The Supervisory Board approves the Year End Accounts provided it does not resolve jointly with the Executive Board to leave it to the General Meeting of Shareholders to approve the Accounts.

- (3) As an Annual General Meeting, the Ordinary General Meeting passes a resolution on the first eight months of the financial year on whether or not to grant formal approval of the Supervisory Board and the Executive Board, of the proposed utilisation of the net profit for the year and, in situations required by statute, of the Year End Accounts."

In future, it is proposed that para. 1 be adapted to meet the provisions in §§ 170 ff. of the German Companies Act [AktG], which has been modified by the Law governing Controls and Transparency in Business [KontraG]. It is further proposed that in future a new para. 2 will expressly regulate how both the consolidated Financial Statement and the consolidated Management Report are drawn up in terms of the Articles of Association.

It is proposed that in future the provision contained in § 19 para. 3 be deleted without replacement. This provision will in future be contained in the proposed new version of § 14 para. 1.

It is intended that the new versions of paras. 3 to 5 will cover changes to the law made since the original wording.

Finally, it is proposed that § 19 be expanded by a new para. 6 which will once again specify the company's duties to lay out documentation for inspection by the shareholders as these duties currently apply to General Meetings of Shareholders

Therefore, the Executive Board and the Supervisory Board propose to resolve as follows:  
§ 19 to be redrafted as follows:

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"§ 19 Year End Accounts

- (1) Within the first three months of the financial year, the Executive Board must draw up the Year End Accounts and the Management Report for the previous financial year and immediately thereafter submit them to the Supervisory Board and the Auditor. At the same time, the Executive Board must submit to the Supervisory Board the proposal which it intends to put to the General Meeting of Shareholders concerning utilisation of the net profit for the year.
- (2) Within the first five months of the financial year, the Executive Board must draw up the consolidated Financial Statement and the consolidated Management Report for the previous year and immediately thereafter submit them to the Supervisory Board and the Auditor.
- (3) The Supervisory Board must check the Year End Accounts, the Executive Board' Management Report, the consolidated Financial Statement, the consolidated Management Report, and the proposal for the utilisation of the net profit for the year and report in writing to the General Meeting of Shareholders on the findings of its scrutiny. It must forward its Report to the Executive Board within one month of receiving the documentation; § 171 para. 3 line 2 of the German Companies Act [AktG] remains unaffected.
- (4) If the Supervisory Board accepts the Year End Accounts, they are deemed to be approved. If the Executive Board and the Supervisory Board resolve to leave it to the General Meeting of Shareholders to approve the Year End Accounts, or if the Supervisory Board does not accept the Year End Accounts, then the Executive Board must immediately convene a General Meeting to approve the Year End Accounts.
- (5) If the Supervisory Board does not accept the consolidated Financial Statement, the Executive Board must immediately convene a General Meeting to accept the consolidated Financial Statement.
- (6) The Year End Accounts and the Management Report, the consolidated Financial Statement and the consolidated Management Report, the Executive Board' proposal concerning the utilisation of the annual net profit, and the Supervisory Board's Report must be laid out for inspection by the shareholders in the company's premises from the time of notification of intention to convene a General Meeting."



## 6.18 Profit appropriation

§ 20 of the Articles of Association currently read as follows:

"§ 20 Profit appropriation

- (1) The Executive Board and Supervisory Board are authorised to allocate up to 75% of the annual net income to other revenue reserves. § 58 para. 2 of the German Companies Act (AktG) must be observed in this respect.
- (2) The Annual General Meeting will decide on the use of the net income. It is bound by the fixed annual accounts, but not by the profit appropriation proposal.
- (3) The shareholder stake in profits will always be distributed in relation to the sum invested, with reference to the proportional amount of share capital allotted to each share, and in relation to the time which has elapsed since the investment was made."

The proposed rewriting of § 20 para. 1 will include the meaning of § 58 para. 2 of the AktG for greater clarity.

In §20 in future, the provisions of para. 2 line 2 and para. 3 will be removed. The provision content in para. 2 line 2 is already taken directly from the German Companies Act. The provision presently stipulated in § 20 para. 3 is not required for bearer shares.

According to §58 para. 5 of the AktG, in this case of the Transparency and Disclosure Law (TransPuG), the Annual General Meeting can also rule on non-cash dividends, provided that the Articles of Association contains the appropriate authorisation. In order to create the appropriate option in the future, a new para. 3 will be inserted; currently the Executive Board and Supervisory Board are not planning to pay non-cash dividends.

The Executive Board and Supervisory Board therefore propose:

§ 20 of the Articles of Association to be rewritten as follows:

"§ 20 profit appropriation

- (1) The Executive Board and the Supervisory Board are authorised to allocate up to 75% of the annual net income to other revenue reserves. However, the Executive Board and the Supervisory Board may not transfer any amounts to other revenue reserves, if the other revenue reserves exceed half of the share capital or if they were to exceed half the share capital after the transfer.
- (2) The Annual General Meeting will decide on the use of the net income.
- (3) The Annual General Meeting may, where legally permissible, decide on the payment of a non-cash dividend; a non-cash dividend payment is permissible in addition to a cash dividend payment."

## Notifications and Information for shareholders

### Information on the proposed Supervisory Board candidates standing for election under point 5 of the agenda

#### **Manfred Lautenschläger,**

Chairman of the MLP AG, Supervisory Board, Heidelberg

Member of German Supervisory Boards constituted by law:

MLP Finanzdienstleistungen AG, Heidelberg (chairman)

MLP Lebensversicherung AG, Heidelberg (chairman)

Ruprecht-Karls-Universität, Heidelberg

Universitätsklinikum Heidelberg, Heidelberg

Stiftung Orthopädische Universitätsklinik, Heidelberg

#### **Gerd Schmitz-Morkramer,**

Chairman of the shareholders' committee at Merck Finck & Co, Privatbankiers, Munich.

Member of German Supervisory Boards constituted by law:

Merck Finck Vermögensbetreuungs AG, Munich

Merck Finck Treuhand AG, Frankfurt am Main (chairman)

YOC! AG, Berlin, (chairman)

Member of comparable German and non-German supervisory bodies:

Mannheimer Versicherung AG, Mannheim (vice chairman of the advisory council)

Taurus Investment Holding, Boston, USA (chairman of the advisory council)

#### **Dr. Peter Lütke-Bornefeld,**

Chairman of the board at Kölnischen Rückversicherungs-Gesellschaft AG, Cologne and vice chairman of the General Re Corporation, Stamford, USA

Member of German Supervisory Boards constituted by law:

VPV Lebensversicherung-AG, Stuttgart

Delvag Rückversicherung-AG, Cologne

Gothaer Rückversicherung AG, Cologne

Europa Rückversicherung AG, Cologne

Member of comparable German and non-German supervisory bodies:

##### a) Group companies:

GeneralCologne Re Reinsurance Australasia Limited, Sydney, Australia

Kölnische Rück Wien, Vienna, Austria (chairman)

General Re Corporation, Stamford, USA (vice chairman)

General Re – CKAG Reinsurance and Investment S.A.R.L., Luxembourg (chairman)

Cologne Reinsurance Company (Dublin) Ltd, Dublin, Ireland

General & Cologne Life Re of America, Stamford, USA

GeneralCologne Re Capital Kapitalanlagegesellschaft mbH, Cologne

##### b) Other:

Deutsche Kernreaktor-Versicherungsgemeinschaft, Cologne (chairman)

#### **Johannes Maret,**

Company owner, Burgbrohl

Member of German Supervisory Boards constituted by law:

Direkt Anlagebank AG, Munich

Member of comparable German and non-German supervisory bodies:

The Triton Fund, Jersey (chairman of investment committee)

## Participating in the Annual General Meeting

Those shareholders who have deposited shares no later than 10 June 2003 with the Company, with a German notary, with a securities clearing and deposit bank or with one of the following depository agents until the end of the Annual General Meeting, are eligible to participate in the Annual General Meeting and to exercise voting rights:

- Dresdner Bank AG
- Baden-Württembergische Bank AG

With the consent of a depository agent, shares may also be deposited by keeping them in a blocked custody account at a financial institution until the end of the Annual General Meeting.

Shareholders may also exercise their voting rights at the Annual General Meeting via a proxy, such as the depository bank, shareholders' association or any other person. The company is offering its shareholders a particular service this year, to authorise the proxy appointed by company and bound by instruction before the Annual General Meeting. Those shareholders wishing to give authority to proxies appointed by the Company will require an admission ticket to the Annual General Meeting. An authorisation given to the proxy appointed by the Company means that it is expressly ordered to be used towards passing the resolution. Proxies must be submitted in writing. Shareholders will receive the necessary documents and information with their admission tickets.

Counter-motions within the meaning of §126 of the AktG and shareholder nominations within the meaning of §127 of the AktG must be submitted no later than two weeks before the date of the Company's Annual General Meeting and only to the following address:

MLP AG  
Communications Department  
Forum 7  
69126 Heidelberg  
(fax: +49 (0) 6221/308-1131).

Shareholders should also direct any enquires about the Annual General Meeting to the above address.

Shareholder motions which need to be accessed will be published immediately upon receipt on the following internet site:

[www.mlp.de](http://www.mlp.de)

Any opinions from the management will also be published on the above internet site after 2 June 2003.

The invitation to the Annual General Meeting was published in the *Bundesanzeiger* No. 83 dated 6 May 2003 and in the electronic *Bundesanzeiger* on 30 April 2003.

Heidelberg, April 2003  
MLP AG  
The Executive Board

## Travel details

*(Map)*

### Getting to the Congress Center Mannheim

**By car**

From the A6 or A5 at the AB Mannheim or Heidelberg junction follow directions to Mannheim-Mitte. A 656 towards Mannheim-Mitte (past the Planetarium and museum of technology and employment), then follow signs for Augustaanlage, Friedrichsplatz, Wasserturm – to the CCM.

**Parking for shareholders:**

The Congress Center Mannheim and the Dorint Kongress Hotel have a total of 1,400 underground parking spaces. Parking for shareholders is only free in these underground car parks.

**By train:**

Mannheim is an ICE junction. It is a 5 minute walk to the Rosengarten from the train station (follow directions to the town centre), or alternatively take tram number 3 or 5.

**By plane:**

Frankfurt airport is directly linked to Mannheim by the ICE network (journey time: 31 minutes). A Lufthansa shuttle bus between the Lufthansa Mannheim terminal and the airport departs every hour. Mannheim can also be accessed via City Airport.



