



## REPORT BY THE SUPERVISORY BOARD

In the financial year 2008, the Supervisory Board invested much time and effort in dealing with the development of the company and performed its duties of supervision in their entirety. It regularly advised and monitored the Executive Board in its management of the company.

Supervisory Board members:

Dr. Peter Lütke-Bornefeld

(Chairman)

Dr. h.c. Manfred Lautenschläger

(Vice Chairman)

Dr. Claus-Michael Dill

Johannes Maret

Maria Bähr

(Employees' Representative)

Norbert Kohler

(Employees' Representative)

The election of new Supervisory Board members was on the agenda in the financial year 2008. Dr. h.c. Manfred Lautenschläger, Dr. Peter Lütke-Bornefeld, Johannes Maret and Dr. Claus-Michael Dill were appointed to the Supervisory Board as representatives of the shareholders at the MLP AG Annual General Meeting on May 16, 2008. Maria Bähr and Norbert Kohler were elected by employees in the MLP Group on April 16, 2008 as their representatives in the Supervisory Board.

Furthermore, during the course of the last financial year the Supervisory Board paid a great deal of attention to the economic development, financial situation and prospects of the company.

The Supervisory and Executive Boards met on numerous occasions to discuss business development, strategy and key events within the company. The Supervisory Board was directly involved in all decisions of fundamental importance to the company. The Executive Board provided the Supervisory Board with timely and comprehensive reports, both written and oral, on a regular basis and on all relevant issues related to corporate planning, strategic development, the business situation and the position and development of the Group as a whole, including the risk situation, risk management and compliance. The Supervisory Board was able to confirm the correctness of the company management by the Executive Board.

With approval of the Supervisory Board, in August 2008 the Executive Board decided to issue 9,799,152 new ordinary shares from authorised capital for cash contributions to the tune of € 123,763,290 and thereby increase the company's share capital by € 9,799,152. With the cash funds collected, it was possible to once again significantly strengthen the position of MLP AG, enabling the company to get actively involved in the current consolidation in the financial services sector and permanently secure its independent consulting business model.

Having successfully set its strategy and increased its independence in the last few years, in 2008 MLP again strengthened its occupational pension provision operations, to which end it entered into a strategic partnership with TPC, one of Germany's leading providers of industry solutions for occupational pension schemes. On February 29, 2008, MLP was ultimately able to acquire 100% ownership of TPC.

#### **Supervisory Board meetings and important resolutions**

In the financial year 2008, the Supervisory Board held five regular and three extraordinary meetings, which with one exception were always attended by all members, either in person or via conference call. In addition, the constitutive meeting of the Supervisory Board also took place following the election of the new Supervisory Board members at the Annual General Meeting in May 2008. The Supervisory Board was informed of particularly important or urgent projects outside of the regular meetings. Where necessary, the resolutions were made via telephone conference, by connecting to Supervisory Board members who were unable to attend the meetings in person via telephone or in circular resolutions.

In addition to this, three meetings of the Personnel Committee, three meetings of the Audit Committee and two meetings of the Nomination Committee also took place, and were each attended by all committee members. Furthermore, the Chairman of the Supervisory Board met with the Chairman of the Executive Board on a regular basis to discuss specific issues. The Chairman of the Supervisory Board informed the other members of the Supervisory Board in detail about the content of the meetings with the Executive Board.

A circular resolution was also drafted on February 29, 2008 to gain approval for the acquisition of all company shares in TPC-Group GmbH, a company that operates in the field of occupational pension provision.

Following preparations by meetings of the Audit Committee, the meeting of the Supervisory Board on March 26, 2008, focused on the audit and approval of the financial statements and the consolidated financial statements as at December 31, 2007. The auditors participated in the meeting and gave detailed reports on the course and outcome of their audit of the financial statements and the consolidated financial statements. Following in-depth discussion, the Supervisory Board approved the financial statements and the con-

solidated financial statements of December 31, 2007. Other significant issues that figured on the agenda of this meeting were the Supervisory Board's proposals for resolutions to the regular Annual General Meeting of MLP AG on May 16, 2008.

The results and business development of the first quarter of 2008 were discussed at the regular meeting of the Supervisory Board on April 30, 2008.

Directly after the MLP AG Annual General Meeting, in which the members of the Supervisory Board were elected, on May 16, 2008, a constitutive meeting of the Supervisory Board at MLP AG was held, in which Dr. h.c. Manfred Lautenschläger was elected Chairman of the Supervisory Board and Dr. Peter Lütke-Bornefeld as Vice Chairman.

The results of the second quarter, the business development in the first half of the year and reporting on the status of the expansion of the risk management system and risk report were on the agenda of the regular Supervisory Board meeting on August 11, 2008.

In a meeting of the Supervisory Board held in August 2008 by conference call, the members of the MLP AG Supervisory Board were informed of the Swiss Life Group's plans to become a significant shareholder in MLP AG. Here, the Executive Board coordinated and agreed the further course of action with the Supervisory Board.

On August 21, 2008, the MLP AG Supervisory Board approved the increase in capital stock previously agreed in the Executive Board at MLP AG through the issuing of 9,799,152 new ordinary shares from authorised capital in exchange for cash contributions to the tune of € 123,763,290.

In a resolution via telephone on September 29, 2008, the submission of a binding offer from MLP Finanzdienstleistungen AG for the acquisition of all shares in ZSH Vermittlung von Versicherungen und Vermögensanlagen GmbH & CO. KG as well as its general partner, ZSH Vermittlung von Versicherungen und Vermögensanlagen Verwaltungs GmbH, was approved.

The November meeting focused on the results of the third quarter.

At the meeting on December 11, 2008, discussion focused on the resolution on the Declaration of Compliance in line with § 161 of the German Stock Corporation Act (AktG), adherence to the regulations of the German Corporate Governance Code and ensuring compliance within the MLP Group. Detailed reports were given on corporate governance, compliance and their organisation at MLP AG and in the Group. Budget planning for 2009 was also discussed.

In the same meeting in December 2008, Dr. Peter Lütke-Bornefeld was elected as the new Chairman of the Supervisory Board following Dr. h.c. Manfred Lautenschläger's decision to retire from this position.

### Supervisory Board committees

The Supervisory Board was regularly informed of the work carried out by its committees in 2008.

The Personnel Committee convened three times in the reporting period. Alongside examination of Executive Board remuneration and pension promises, attention was also given to long-term succession planning in the Executive Board.

The Audit Committee held three regular meetings in the financial year 2008. Representatives of the auditor were also present at its meetings. In the presence of the auditors and the Chairman of the Executive Board, the Audit Committee discussed the financial statements of MLP AG and the Group as well as the proposed appropriation of earnings. There were detailed consultations on relations with the auditor, proposals for electing an auditor, remuneration, audit assignment and monitoring independence. The Audit Committee received regular reports on the work of the internal audit and on legal and regulatory risks and risks to reputation.

In addition, the Nomination Committee of the Supervisory Board convened twice, in particular to prepare the proposal of candidates for the Supervisory Board for the representatives of the shareholders to the Annual General Meeting.

### Corporate Governance

The Supervisory Board regularly deals with the application of the Corporate Governance principles.

Last year, the Supervisory Board dedicated its meeting on December 11, 2008, in particular to detailed discussions of the amendments of the German Corporate Governance Code ratified on June 6, 2008.

Alongside the decision regarding cessation of foreign operations in Austria and the Netherlands, in its meeting on December 11, 2008, the Supervisory Board examined the efficiency of its work based on an evaluation form made available to the members of the Supervisory Board in good time prior to the meeting. The Supervisory Board also discussed procedures in the Supervisory Board, the information flow between the Committees and the Supervisory Board, and the timeliness and sufficient content of reporting by the Executive Board to the Supervisory Board on this occasion. Measures aimed at increasing efficiency were analysed.

At the same meeting, the MLP AG Supervisory Board also satisfied itself that the company had met the recommendations of the German Corporate Governance Code in line with its Declaration of Compliance pursuant to § 161 of the German Stock Corporation

The following members of the Supervisory Board are also members of the Audit, Personnel and Nomination Committee:

Dr. Peter Lütke-Bornefeld  
(Chairman)

Dr. h.c. Manfred Lautenschläger  
(Vice Chairman)

Dr. Claus-Michael Dill  
Johannes Maret

Act (AktG) in the last financial year and will in future continue to strictly comply with the recommendations of the Government Commission on the German Corporate Governance Code (version dated June 6, 2008). In December, the Supervisory Board and Executive Board issued a Declaration of Compliance pursuant to § 161 of the German Stock Corporation Act (AktG) for the financial year 2008 and made it permanently available to the shareholders via its website.

No conflicts of interest arose in the reporting period.

A summary of Corporate Governance at MLP, including the text of the Declaration of Compliance of December 2008, can be found in the Corporate Governance report by the Executive and Supervisory Boards in this annual report. All relevant information is also available on our homepage at [www.mlp-ag.de](http://www.mlp-ag.de).

#### **Audit of the annual financial statements and consolidated financial statements for 2008**

The financial statements of MLP AG as at December 31, 2008, and the management report of MLP AG have been compiled by the Executive Board pursuant to HGB regulations. The consolidated financial statements and the Group management report were drafted as per § 315a of the German Commercial Code (HGB) in line with International Financial Reporting Standards (IFRS) as applied in the EU. The financial statements and management report of MLP AG as at December 31, 2008, as well as the Group financial statements and Group management report were audited in line with the principles of the German Commercial Code (HGB) by Ernst & Young AG Wirtschaftsprüfungsgesellschaft, Steuerberatungsgesellschaft, Stuttgart, Germany, which issued an unqualified auditor's opinion. The auditor performed the audit in compliance with the basic principles of sound auditing practices determined by the German IDW Institute of Auditors.

The financial statements, together with the management report, the auditors' reports and the Executive Board's proposal for use of the unappropriated profit were made available to all Supervisory Board members in good time.

The Audit Committee of the Supervisory Board examined these documents in detail and reported to the Supervisory Board on its audit. The Supervisory Board also checked and discussed the documentation and reports in detail. The audit reports from Ernst & Young AG Wirtschaftsprüfungsgesellschaft, Steuerberatungsgesellschaft, Stuttgart, Germany, were made available to all members of the Supervisory Board and were dealt with in full at the Supervisory Board meeting on March 25, 2009, in the presence of the auditor, who reported on the most important results of his audit. At this meeting, the Executive Board explained the financial statements of MLP AG and of the Group, the risk management system and gave detailed reports on the scope, focuses and costs of the audit.

The Supervisory Board concurred with the outcome of the auditors' audit and, on the basis of the final outcome of the Audit Committee's audit and its own audit, found no grounds for raising an objection. Accordingly, at its meeting of March 25, 2009, the Supervisory Board approved the annual financial statements and the MLP AG management report, as well as the consolidated financial statements and the consolidated management report prepared by the Executive Board in accordance with IFRS. The annual financial statements are therefore adopted.

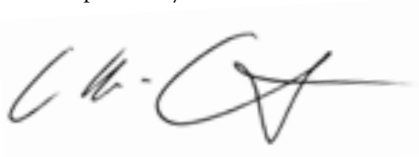
After performing its own examinations, the Supervisory Board agreed with the Executive Board's proposal to pay out a dividend of € 0.28 per share for the financial year 2008. Both the liquidity situation and budget of the company, as well as the shareholders' interest in the results, were included in its considerations.

The Supervisory Board would like to thank the Executive Board, the Management of the respective Group companies and all employees and MLP consultants of the MLP Group for their commitment and achievements in the financial year 2008.

The entire Supervisory Board would like to express its special thanks to its long-standing Chairman, Dr. h.c. Manfred Lautenschläger, for his continued commitment over many years at the head of the committee, in which he will continue to be a member as Vice Chairman.

Wiesloch, March 2009

The Supervisory Board

A handwritten signature in black ink, appearing to read 'Lütke-Bornefeld', is written over a light gray rectangular background.

Dr. Peter Lütke-Bornefeld  
Chairman