

Report by the Supervisory Board



DR. PETER LÜTKE-BORNEFELD
Chairman

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)

In the financial year 2009, 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.

Furthermore, during the course of the last financial year the Supervisory Board paid particular attention to the economic development, financial situation, prospects and further strategy of the company.

The Supervisory and Executive Boards met regularly 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.

MLP systematically expanded its market position among clients working in the medical profession throughout 2009 and acquired a 100 % stake in the independent finance broker ZSH. Furthermore, actions relating to MLP's decision to concentrate on the consumer business in its core market of Germany were completed with the sale of MLP Finanzdienstleistungen AG, Vienna in Austria and the decision to also give up the office in the Netherlands.

In the financial year 2009, the Supervisory Board held five regular meetings and one extraordinary meeting, which with one exception were always attended by all members in person. The Supervisory Board was informed of particularly important or urgent projects outside of the regular meetings. Where necessary, resolutions were also passed as circular resolutions.

In addition to this, three meetings of the Personnel Committee and three meetings of the Audit 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.

Supervisory Board meetings and important resolutions

A circular resolution was drafted on February 28, 2009 to amend MLP AG's articles of association due to the conversion of convertible debentures to shares in MLP AG.

In an extraordinary meeting of the Supervisory Board on February 16, 2009, Mr. Ralf Schmid was appointed as a full member of the Executive Board at MLP AG. Mr. Schmid assumes responsibility for "Operations/IT".

Following preparations in meetings of the Audit Committee, the meeting of the Supervisory Board on March 25, 2009 focused on the audit and approval of the financial statements and the consolidated financial statements as at December 31, 2008. 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 both the financial statements and the consolidated financial statements of December 31, 2008.

A circular resolution on the proposals for resolutions to the regular Annual General Meeting of MLP AG on June 16, 2009 was passed on April 3, 2009.

The regular Supervisory Board meeting on May 11, 2009 focused primarily on discussing the results and business development from the first quarter of 2009.

The results of the second quarter, the business development in the first half of the year, reporting on the internal audit and a discussion about the business and risk strategy were all on the agenda of the regular Supervisory Board meeting on August 10, 2009. Alongside this, a resolution was also passed on the assumption of contractual negotiations concerning the sale of MLP Finanzdienstleistungen AG, Vienna in Austria to Aragon AG. At the same time, the rules and procedures of the Supervisory Board were adapted to the Appropriateness of Management Board Remuneration Act (VorstAG) and the Accounting Law Reform Act (BilMoG).

The November meeting focused on the results of the third quarter and the progress report of the compliance representatives on securing compliance in the MLP Group.

A circular resolution was also passed on a settlement with a former member of the Executive Board regarding outstanding bonus payments dating back to 2005.

At the meeting on December 10, 2009, discussion focused on the resolution on the Declaration of Compliance in line with § 161 of the German Stock Corporation Act (AktG), alongside adherence to the regulations of the German Corporate Governance Code. Thorough reporting was also provided in the field of corporate governance. The strategy for future financial years and the budget for the financial year 2010 were also dealt with.

Supervisory Board committees

The Supervisory Board was regularly informed of the work carried out by its committees in 2009.

The Personnel Committee convened three times in the reporting period. Alongside preparations for the appointment of Mr. Schmid as a full member of the Executive Board, the meetings also focused on checking the appropriateness of Executive Board remuneration and pension commitments set against the background of introduction of the VorstAG legislation and long-term succession planning in the Executive Board. Further details on Executive Board remuneration can be found in the remuneration report, which forms part of the Corporate Governance report. In the course of the introduction of the Appropriateness of Management Board Remuneration Act (VorstAG), the responsibility of the Personnel Committee was adjusted. In future, the Personnel Committee will no longer be responsible for the resolution on Executive Board remuneration, but will rather only prepare this.

The following members of the Supervisory Board were in 2009 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

The Audit Committee held three regular meetings in the financial year 2009. 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.

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 10, 2009 in particular to detailed discussions on the amendments of the German Corporate Governance Code ratified on June 18, 2009.

In the meetings held on May 11, 2009 and December 10, 2009, the Supervisory Board examined the efficiency of its actions based on an evaluation form made available to the members of the Supervisory Board in good time prior to the meetings. 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, MLP AG's 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 Act (AktG) in the last financial year and will in future continue to comply strictly with the recommendations of the Government Commission on the German Corporate Governance Code (version dated June 18, 2009). 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 2009 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 2009, 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.com.



More information at
www.mlp-ag.com,
Corporate Governance

Audit of the annual financial statements and consolidated financial statements for 2009

The financial statements of MLP AG as at December 31, 2009 and the management report of MLP AG have been compiled by the Executive Board pursuant to the German Commercial Code (HGB). The consolidated financial statements and the group management report were drafted as per § 315 a 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, 2009, as well as the consolidated financial statements and Group management report were audited in line with the principles of the German Commercial Code (HGB) and IFRS by Ernst & Young GmbH, Wirtschaftsprüfungsgesellschaft, Stuttgart, Germany, which issued an unqualified auditors' opinion. The auditor performed the audit in compliance with the generally accepted German standards for the audit of financial statements determined by the Institut der Wirtschaftsprüfer (IDW – German Institute of Auditors) and in supplemental compliance with the International Standards on Auditing (ISA).

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 auditor also reported on the key results of the audit and on the fact that there were no significant weaknesses in either the internal monitoring system or the risk management system. The Audit Committee also examined the risk management system, the accounting processes and the effectiveness of the internal monitoring, risk management and auditing systems, as well as the relationship to the auditor, the proposals for selection of the auditor, the auditor's remuneration, the audit assignment and monitoring of the auditor's independence, as well as the additional services performed by the auditor. The Supervisory Board also checked and discussed the documentation and reports in detail. The audit reports provided by Ernst & Young GmbH, Wirtschaftsprüfungsgesellschaft, Stuttgart, Germany, were made available to all members of the Supervisory Board and were examined in full at the Supervisory Board meeting on March 24, 2010 in the presence of the auditor, who reported on the most important results of the audit. At this meeting, the Executive Board explained the financial statements of MLP AG and of the Group, the risk management system, the accounting processes and the effectiveness of the internal monitoring, risk management and audit system, as well as giving 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 on March 24, 2010, 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 €0.25 per share. 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, as well as all employees and all consultants working at the various companies within the MLP Group for their commitment and achievements in the financial year 2009.

Wiesloch, March 2010
The Supervisory Board



Dr. Peter Lütke-Bornefeld
Chairman