

## Employees and self-employed client consultants

As MLP is a knowledge-based service provider, qualified and motivated employees and self-employed client consultants represent the most important foundation for sustainable company success. Continuous development and refinement of personnel work for employees, as well as the recruitment and training of new consultants therefore remained key focuses in 2018.

The number of employees in the MLP Group increased slightly in the last financial year. An average of 1,722 employees worked for MLP in the reporting year 2018. This increase is essentially the result of new recruitments, as well as staff returning to work following parental leave. At 7.2%, the staff turnover rate within the Group remained at a low level in 2018 (2017: HQ: 6.4%). The average age of the employees is currently 43.

Low staff turnover rate

The following table shows the development of average employee numbers in the individual business units over the last few years:

### Development of the average number of employees by segment (excluding MLP consultants)

Segment	2018	2017	2016	2015	2014
Financial services <sup>1)</sup>	-	1,198	1,275	1,300	1,303
Financial consulting <sup>2) 3)</sup>	1,055	1,047	-	-	-
Banking <sup>2)</sup>	179	163	-	-	-
FERI	223	224	223	232	232
DOMCURA	260	254	264	261	-
Holding	6	6	7	7	7
<b>Total</b>	<b>1,722</b>	<b>1,686</b>	<b>1,768</b>	<b>1,802</b>	<b>1,542</b>

Date: December 31, 2018

<sup>1)</sup> This segment existed until September 30, 2017

<sup>2)</sup> The average values stated for 2017 refer solely to the fourth quarter of 2017

<sup>3)</sup> including TPC, ZSH and MLPdialog

MLP offers development opportunities for employees at all levels. In 2019, a new group of participants will begin our well-established "Top Talents" programme for junior staff. The objective of this programme is to systematically identify talented junior staff from within our ranks and then provide these with targeted and sustainable development opportunities for future specialist and management duties within the MLP Group. Participation in our modular management programme has been compulsory for all new managers since 2018. Young managers are trained in relevant areas and receive guidance and support in their new role.

Development programmes for junior staff and managers

Several new works agreements were reached in the reporting year. These include regulations regarding occupational pension provision, mobile working, as well as an extension of the compensation system. Within the scope of the 2018 salary review, we introduced a shopping card for our employees on January 1, 2019. This is regularly topped up by the employer with tax-free and social security-free salary components. Employees can then use the card to pay for items at partner companies.

New works agreements introduced

We also initiated a comprehensive employee and consultant survey in the reporting year. We will use the results to derive and implement concrete measures in 2019.

The ongoing digitalisation of personnel work remained a focus of activity in 2018. The digital personnel file has now been rolled out for all employees. The payroll digitalisation process has also been completed. In the course of this process, we have established a new and transparent compensation system that we will continue to refine. We have also been holding online-based assessment and feedback meetings with employees since 2018.

Digitalisation of personnel work successfully continued

As in previous years, recruiting new consultants remained a key topic in 2018. The strengthening of the university segment, which was started in 2017, was successfully advanced in the reporting year.

Recruitment of new consultants further expedited

The objective here is to be even more present at universities and thereby win over more new clients and young consultants. As of December 2018, we had 77 university team leaders in place. We are keen to continue and expand these activities further in 2019. Our goal is to achieve significant net growth in consultants.

We have developed some very attractive models which, for example, recognise previously acquired qualifications and offer additional financial incentives. The purpose of this is also make it increasingly easy for experienced consultants to join the MLP Group.

74 school-leavers and students took the opportunity to attend our internship programme in the reporting year in order to learn about the everyday working life of an MLP consultant. Our "Sales" dual-study course, which helps students at the field offices prepare for a career as consultants, represents another successful recruiting instrument. We are currently further developing the curriculum contents to cater for the requirements of the newly established university segment. At the end of 2018, 9 dual-study students and 22 trainees were active at the branch offices (previous year: 14 and 26), while 13 dual-study course students and 18 trainees were working at the Company HQ (previous year: 18 and 17).

Internship programme and dual-study programme established

We were awarded the "Best Training Company in Germany" award by business magazine Capital in the reporting year for our commitment to training junior staff.

As of December 31, 2018, MLP operated 131 representative branch offices with a total of 1,928 consultants (2017: 1,909), who work as self-employed commercial agents. In addition to this, the reporting year saw the establishment of 77 new university teams. The average age of consultants is currently 44. The loyalty displayed by existing consultants remains very high, as underlined by our employee turnover rate. This figure was 8.0% in 2018 – and thereby well below the target figure of around 10%.

Consultant turnover at a low level

As a consultancy covering all financial questions and issues, MLP operates in a complex and constantly changing market and competitive environment and must be capable of repeatedly convincing its clientele of the benefits associated with its services.

Comprehensive range of training offers are the key to success

A high-quality range of training courses provide the necessary basis for achieving this. At the heart of the development of the training programme for consultants, office managers and the heads of university teams lies the MLP Corporate University (CU) which is based in Wiesloch. The CU has already been accredited by the Financial Planning Standards Board Deutschland e.V. (FPSB Deutschland) for training to the Certified Financial Planner (CFP) standard since 2012. Since then, more than 150 consultants have successfully gained their CFP certification and further consultants are already preparing for this.

In 2018, the CU went through a recertification procedure at the Foundation for International Business Administration Accreditation (FIBAA) and received positive feedback in February 2019. The training offered by the CU therefore complies with the international requirements of the European Credit Transfer and Accumulation System (ECTS), which simplifies cooperation with state universities.

In 2018, around 25,000 individual events (including online seminars) were held at the CU. Not only did we significantly extend and modularise our training provision in the reporting period, we also introduced a points system for further training. By taking this step, we are implementing the regulatory requirements of the IDD with regard to the required documentation of further training measures, while at the same time further systematising our training on offer. With an average of 70 further training points per consultant, which correspond to 70 hours of further training, we are going far beyond the legally stipulated requirements and what is customary in the industry.

Training offer extended and modularised

Large sections of the training offered at the CU also count towards the extra-occupational "Master of Financial Planning and Management (M.Sc.)" programme that MLP consultants can complete at the Steinbeis School of Management and Innovation (SMI). The extra-occupational master's course is aimed both at experienced MLP consultants and those working for MLP after completing their bachelor's degree. It therefore represents a valuable recruiting instrument and offers our consultants an additional opportunity to gain further qualifications.

Within the scope of the "Financial Planning Power Days", consultants had the opportunity to learn more about current specialist and consulting topics in various modules in the summer of 2018. The event was also open to external participants.

In the course of realigning the university segment, the CU also significantly further optimised its offers, thereby creating greater flexibility for new consultants.

Total expenditure for our comprehensive qualification and training programme amounted to € 7.5 million in the last financial year and was therefore above the previous year's level.

The Executive Board would like to take this opportunity to express its sincere thanks to all employees and consultants for the trust, cooperation and excellent commitment they showed in the past financial year. We would also like to thank the works council for its constructive collaboration which, among other things, is documented by the signing of four works agreements. The key now is to maintain this open and responsible dialogue as effectively as possible in future for the benefit of all employees. The Executive Board would also like to thank the numerous consultants, office managers and university team leaders for their commitment in a large number of forums and workgroups.

Thanks to all MLP staff