

**Invitation**  
**to the ordinary Annual General Meeting of**  
**Francotyp-Postalia Holding AG**

Berlin

- Securities Reference Number FPH 900 -

ISIN: DE000FPH9000

(Virtual Annual General Meeting)

We herewith invite the shareholders of our company to the **Annual General Meeting on Tuesday, 29 September 2020, at 10:00 a.m.** The meeting will be held **without the physical presence of the shareholders and their authorised representatives** at palisa.de, Palisadenstrasse 48, 10243 Berlin. The entire meeting will be broadcast in audio and video format at

[https://www.fp-francotyp.com/hv2020\\_eng](https://www.fp-francotyp.com/hv2020_eng)

for duly registered shareholders and their authorised representatives via the restricted access AGM portal (see the more detailed information after the agenda with the resolutions).

## **I. Agenda**

### **1. Presentation of the adopted annual financial statements, the approved consolidated financial statements and the combined Group management reports for Francotyp-Postalia Holding AG and the Group for fiscal year 2019 as well as the report of the Supervisory Board**

The Supervisory Board has approved the annual financial statements and the consolidated financial statements drawn up by the Management Board; the annual financial statements are therefore duly adopted. The Annual General Meeting therefore has no resolution to adopt on this item on the agenda, in accordance with legal provisions.

The documents of Francotyp-Postalia Holding AG specified in item 1 on the agenda also include the remuneration report and the explanatory report on the disclosures pursuant to sections 289a paragraph 1, 315a paragraph 1 of the German Commercial Code (*Handelsgesetzbuch*). The documents can be accessed on the company's website at [https://www.fp-francotyp.com/hv2020\\_eng](https://www.fp-francotyp.com/hv2020_eng) from the day on which the Annual General Meeting is convened. They will also be accessible on the company's website during the Annual General Meeting.

### **2. Resolution on the appropriation of Francotyp-Postalia Holding AG's net retained profits**

The Management Board and Supervisory Board propose that Francotyp-Postalia Holding AG's net retained profits of EUR 13,672,283.57 for the fiscal year 2019 are fully carried forward to new account.

### **3. Resolution on the official approval of members of the Management Board for fiscal year 2019**

The Management Board and Supervisory Board propose that the members of the Management Board in fiscal year 2019 be granted official approval of their actions during this period.

It is intended to have the Annual General Meeting vote on the official approval of members of the Management Board by individually approving each member.

### **4. Resolution on the official approval of members of the Supervisory Board for fiscal year 2019**

The Management Board and Supervisory Board propose that the members of the Supervisory Board in fiscal year 2019 be granted official approval of their actions during this period.

It is intended to have the Annual General Meeting vote on the official approval of members of the Supervisory Board by individually approving each member.

### **5. Re-election to the Supervisory Board**

Mr Robert Feldmeier, whose regular period in office would have ended at the 2021 Annual General Meeting, resigned from his Supervisory Board post effective 20 September 2019. In a ruling delivered on 8 November 2019, the District Court of Charlottenburg appointed Dr Mathias Schindl as a member of the Supervisory Board with immediate effect for a limited period up to the end of the next Annual General Meeting. For this reason, a new member of the Supervisory Board is to be elected. In accordance with section 10 paragraph 4 of the company's Articles of Association, this member is elected for the remaining period in office of the outgoing member.

Pursuant to section 10 paragraph 1 of the company's Articles of Association and sections 95, 96 paragraph 1 and 101 paragraph 1 of the German Stock Corporation Act (*Aktiengesetz - AktG*), the Supervisory Board comprises three shareholders on the Supervisory Board. The Annual General Meeting is not bound to nominations when selecting shareholder representatives. The following nomination is based on the Supervisory Board recommendation, taking account of the objectives agreed by the Supervisory Board regarding its composition and the skills profile drawn up by the Supervisory Board for the Supervisory Board.

The Supervisory Board proposes resolving:

Dr Mathias Schindl, an independent management consultant resident in Oberhaching, is appointed to the Supervisory Board with effect from the end of this Annual General Meeting until the end of the Annual General Meeting that decides on official approval of the actions of the Supervisory Board for fiscal year 2021.

#### **Additional disclosures**

Dr Mathias Schindl graduated in general physics from the Technical University of Munich and obtained his doctorate there in the biophysics department.

From 1995 to 2001, Dr Schindl held leading positions at various medium-sized IT service companies. He worked in senior management positions at Pharmatechnik GmbH & Co. KG, CompuGroup Medical SE and marpinion Group from 2001 until 2018. Dr. Schindl has been an independent management consultant since 2018.

Dr. Schindl is neither a member of any other supervisory board required by law nor a member of any comparable domestic or foreign supervisory body of a company.

Dr Schindl is currently a member of the Supervisory Board of the Company and therefore maintains a business relationship with the Company and the Supervisory Board.

He has no other personal or business relationships with the Company, the bodies or a major shareholder that in the opinion of the Supervisory Board an objectively judging shareholder would consider significant to his election decision. The Supervisory Board considers Dr Schindl independent.

The Supervisory Board has assured that Dr Schindl can dedicate the expected time to fulfilling the requirements of this position.

#### **6. Resolution on amending the purpose of the company and the corresponding amendment to the Articles of Association**

In accordance with section 2 of the company's Articles of Association, the current purpose of the company is:

*"2. Subject of the company*

*(1) The purpose of the company is developing, manufacturing, selling and servicing franking machines and related peripheral equipment including the necessary software and complementary OEM products, sorting, consolidating and electronic processing letters on behalf of sender and their delivery to processing locations of the respective postal or carrier organisations with the help of own or third-party logistic networks and managing information*

*flows in general, and holding and managing participating interests in companies with identical or similar purposes in its own name and for its own account.*

- (2) *The company is entitled to take all action and measures that, directly or indirectly, serve to further the purpose of the company. The company can establish branches and acquire interests in the same or similar companies."*

The purpose of the company as per the Articles of Association is to be amended, in particular to ensure the company's effectiveness in agile, rapidly changing markets.

The Management Board and Supervisory Board propose amending section 2 of the company's Articles of Association as follows:

*"2. Purpose of the company*

- (1) *The purpose of the company is to manage companies, in particular those that operate in the business areas of franking machines, related peripheral equipment and complementary OEM products, the electronic processing of letters and the management of logistics systems, as well as to hold and manage participating interests in companies with identical or similar purposes.*
- (2) *The company can also operate itself in the areas listed in paragraph (1).*
- (3) *The company is entitled to take all action and measures that, directly or indirectly, seem suited to serving the activities stated in paragraphs (1) and (2). It may establish branches in Germany and abroad and can establish, purchase and acquire participating interests in other companies with the same or similar purposes. It may provide services for these companies or merely manage the participating interest."*

**7. Resolution on amending the conditions for attending the Annual General Meeting and the corresponding amendment to the Articles of Association**

The requirements for the evidence to be provided to show entitlement to attend the Annual General Meeting and exercise voting rights were amended by the *Gesetz zur Umsetzung der zweiten Aktionärsrechterichtlinie* (ARUG II – German Act on the Implementation of the Second Shareholders' Directive) dated 12 December 2019, parts of which came into force on 1 January 2020. In future, in the case of bearer shares in listed companies, the evidence of the last intermediary in accordance with the new section 67c paragraph 3 German Stock Corporation Act (Aktiengesetz) will suffice. Section 20 paragraph 2 of the company's Articles of Association currently requires proof of shareholding in text form, in German or English, from the custodian bank or financial services institute.

The amendments to the German Stock Corporation Act described and the new section 67c AktG are effective from 3 September 2020 and apply only to annual general meetings that are convened after 3 September 2020. The amendment to the Articles of Association is to be resolved in order to harmonise the regulation in the Articles of Association on providing evidence of entitlement to attend the Annual General Meeting and exercise voting rights with the statutory regulations. The Management Board is to file this with the Commercial Register to ensure that the amendment to the Articles of Association is not effective until 3 September 2020.

In accordance with section 20 paragraph 2 of the company's Articles of Association, the current conditions for attending the company's Annual General Meeting are as follows:

*"20. Attendance at the Annual General Meeting*

- (2) *Shareholders have to provide proof of their entitlement to attend the Annual General Meeting and to exercise their voting rights. Proof their shareholding prepared in text form by the custodian bank or financial services institute is required for this purpose. The proof must be drafted in German or English, must refer to the shareholding at the time prescribed by law (section 123 paragraph 3 AktG) and be sent to the office determined more precisely in the notice convening the meeting, failing this the Company, at least six days before the meeting. The date of receipt shall not be taken into account. The notice convening the meeting may provide for a shorter period, to be measured in days. The Company is entitled, if it has any doubts regarding the accuracy or genuineness of the proof, to demand appropriate additional proof. If it also has doubts regarding this or the proof is not supplied, the Company may disallow the shareholder's entitlement to attend the Annual General Meeting and to exercise his voting rights."*

The Management Board and Supervisory Board thus propose resolving:

- a) Section 20 paragraph 2 of the company's Articles of Association is reworded as follows:

*"20. Attendance at the Annual General Meeting*

- (2) *Shareholders have to provide proof of their entitlement to attend the Annual General Meeting and to exercise their voting rights. Section 67c paragraph 3 AktG requires proof of shareholdings drawn up in text form by the last intermediary as evidence of entitlement to attend the Annual General Meeting and exercise voting rights. Evidence must be drafted in German or English. Other languages in which the confirmation may be drafted and other institutes who may draw up the confirmation may be permitted in the notice convening the meeting. Evidence must refer to the time before the Annual General Meeting prescribed by law and must be sent to the company at the address provided in the notice convening the meeting at least six days before the Annual General Meeting. The date of receipt shall not be taken into account. The notice convening the meeting may provide for a shorter period, to be measured in days.*

- b) The Management Board is instructed to not submit this amendment to the Articles of Association to be entered in the Commercial Register until after 3 September 2020.

**8. Resolution on allowing shareholders to participate in the Annual General Meeting online and exercise voting rights without being in attendance (postal vote) and waiving the obligation for Supervisory Board members to attend in certain cases, and amending the Articles of Association accordingly**

In accordance with section 118 German Stock Corporation Act (Aktiengesetz), the company's Articles of Association can permit the Management Board to allow shareholders to participate in the Annual General Meeting without being physically present at the venue and without an authorised representative and to exercise all or some of their rights electronically, in part or in full. In addition, the company's Articles of Association can also permit the Management Board to allow shareholders to cast their votes in writing or electronically without attending the meeting (postal vote). Finally, the Articles of Association can also provide for certain cases in which members of the Supervisory Board may attend by streaming the meeting online.

These options were not previously possible under the company's Articles of Association and so corresponding amendments to the Articles of Association are proposed.

The Management Board and Supervisory Board thus propose resolving:

a) section 19 of the company's Articles of Association is amended to include the following paragraph 7:

*"(7) If a member of the Supervisory Board is unable to physically attend the venue of the Annual General Meeting for good cause, he/she can also participate in the Annual General Meeting by streaming it online."*

b) section 20 of the company's Articles of Association is amended to include the following paragraph 3:

*"(3) The Management Board can allow shareholders to participate in the Annual General Meeting without being physically present at the venue and without an authorised representative and to exercise all or some of their rights electronically, in part or in full."*

c) section 22 of the company's Articles of Association is amended to include the following paragraph 6:

*"(6) The Management Board can allow shareholders to cast their votes in writing or electronically without attending the meeting (postal vote)."*

**9. Resolution on the appointment of the auditor of the financial statements and consolidated financial statements for fiscal year 2020**

The Supervisory Board proposes that KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin, be appointed as auditor of the financial statements, the consolidated financial statements, any review of condensed financial statements and interim financial reports and any additional interim financial information within the meaning of section 115 paragraph 7 German Securities Trading Act (Wertpapierhandelsgesetz - WpHG) for fiscal year 2020 and fiscal year 2021, provided these were prepared before the Annual General Meeting in fiscal 2021.

**10. Resolution on authorisation to acquire and use treasury shares**

The authorisation to acquire and use treasury shares granted by the Annual General Meeting for the limited period from 11 June 2015 to 10 June 2020 (inclusive) expires on expiry of the period. A new authorisation is to be granted so that the company can continue to acquire and subsequently use treasury shares in future.

The Management Board and Supervisory Board propose that the following resolutions be passed:

a) The company is authorised, with the approval of the Supervisory Board, to acquire treasury shares up to a total of 10% of the share capital at the time of the resolution or, where this is lower, the existing share capital at the time of exercising this authorisation. The shares acquired under this authorisation, together with other treasury shares held by the company or attributable to it in accordance with the sections 71d and 71e AktG, must not account for more than 10% of the share capital at any time.

The authorisation can be exercised in full or in part, on one or more occasions, in pursuit of one or more than one of the objectives by the company or by its group companies or by third parties for its own or their account. The authorisation remains in effect until 28 September 2025.

b) The Management Board can choose whether to purchase the shares (aa) as a purchase on the stock exchange (bb) via a public offer to all company shareholders, or (cc) by requesting all shareholders to submit sales offers (request to sell).

(aa) If the shares are purchased on the stock exchange, the consideration paid by the company per share (not including ancillary acquisition costs) must be no more than 10% higher or lower than the share price calculated in the opening auction on the trading day in electronic Xetra trading (or a comparable successor system) at Deutsche Börse AG in Frankfurt/Main.

- (bb) If the shares are acquired in a public offer, the Management Board sets a purchase price or purchase price range per share (not including ancillary acquisition costs). Where a purchase price range is established, the final price is determined using the declarations of acceptance. The offer may include a term of acceptance or conditions or allow the purchase price range to be adjusted during the term of acceptance if there are significant price changes within the term of acceptance after a formal offer is published. The purchase price/purchase price range per share (not including ancillary acquisition costs) must be no more than 10% higher or 20% lower than the average closing price of a share in electronic Xetra trading (or a comparable successor system) at Deutsche Börse AG in Frankfurt/Main in the last five trading days before the reporting date. The reporting date in this case is the day on which the Management Board makes a definitive decision on the formal offer. If the offer is amended, this date is replaced by the day on which the Management Board makes a definitive decision on the amendment. If the number of shares tendered exceeds the total number of shares the company intends to acquire, the shareholders' right to tender may be excluded to the extent that acquisition is in proportion to the number of shares tendered. In addition, figures may be rounded to avoid mathematical fractions of shares. In addition, preference can be given to small numbers of shares up to 100 shares tendered per shareholder.
- (cc) If the company publicly requests that offers are submitted to sell shares in the company (request to sell), it may specify a purchase price range in which offers can be submitted. The request to sell may include an offer period or conditions or allow the purchase price range to be adjusted during the offer period if there are significant price changes within the offer period after the request to sell is published. Upon acceptance, the final purchase price is determined using the available offers to sell. The purchase price per share (not including ancillary acquisition costs) must be no more than 10% higher or 20% lower than the mean of closing prices for company shares in the closing auction in XETRA trading on the Frankfurt am Main Stock Exchange in the last three trading days before the day the Management Board decides on accepting the offer. If the number of shares offered for purchase exceeds the number of shares which the company has designated for purchase, the shareholders' right to tender can be excluded to the extent that offers are accepted on a quota basis. Preference may be given to accepting lower numbers of shares of up to 100 company shares offered for sale per company shareholder.
- c) In addition to selling them on the stock market or offering them to all shareholders, the Management Board or – in the case described under (ee) below – the Supervisory Board is also authorised to use the treasury shares acquired on the basis of a) or b) above or on the basis of a previous authorisation, as follows:
  - (aa) The treasury shares can also be withdrawn with the approval of the Supervisory Board. This withdrawal or implementation does not require an additional Annual General Meeting resolution. Withdrawal results in a capital decrease. In a simplified procedure, the shares can also be withdrawn without decreasing capital by adjusting the pro rata amount of the share capital of the remaining shares in accordance with section 8 paragraph 3 German Stock Corporation Act (Aktiengesetz). In this case, the Supervisory Board is authorised to amend the number of shares stated in the Articles of Association accordingly.
  - (bb) The treasury shares may also – with the approval of the Supervisory Board and in particular in the context of business combinations or in the case of company acquisitions or investments – be offered and transferred to third parties against in-kind contributions, provided that the company acquisition or the investment is in the company's best interest and the amount to be paid for the treasury shares is not disproportionately low.

- (cc) With the approval of the Supervisory Board, the treasury shares can be issued against cash contributions in order to list the company's shares on a foreign stock exchange on which the shares were not admitted for trading until now.
  - (dd) With the approval of the Supervisory Board, the treasury shares can be sold to third parties in exchange for cash payments if the price at which the shares are sold is not significantly lower than the market price. In total, the shares used on the basis of the authorisation granted under this section, issued in accordance with section 186 paragraph 3 sentence 4 AktG (with subscription rights withheld in exchange for cash contributions close to the quoted market price), may not exceed 10% of the share capital. Shares that have been issued or sold up to this point in time in direct or corresponding application of this regulation during the term of this authorisation are to be counted towards this limit. This limit also includes shares that are to be issued to service bonds (including profit sharing rights) with conversion or option rights or conversion obligations, provided the bonds or profit sharing rights are issued during the term of this authorisation with subscription rights being excluded in corresponding application of section 186 paragraph 3 sentence 4 German Stock Corporation Act (Aktiengesetz).
  - (ee) The Supervisory Board can offer the treasury shares to members of the Management Board instead of the cash remuneration owed by the Company.
  - (ff) The treasury shares can, with the approval of the Supervisory Board, be used to service subscription rights duly issued and exercised under the 2015 stock option plan (agenda item 11 of the Annual General Meeting on 11 June 2015).
- d) The authorisations granted under c) can be used once or on several occasions, individually or together, in whole or in part.
  - e) The subscription rights of shareholders to acquired treasury shares are withheld to the extent that these shares are used in accordance with the above authorisations under c), subitems (bb) to (ff).

**11. Resolution on the creation of a new authorised capital (Authorised Capital 2020/I) against cash and/or in-kind contributions with the option to withhold subscription rights and the corresponding amendment of section 4 paragraph 3 of the company's Articles of Association**

The Authorised Capital 2015/I resolved at the Annual General Meeting on 11 June 2015 under agenda item 9, laid out in section 4 paragraph 3 of the company's Articles of Association, expired on 10 June 2020. To provide management with room for manoeuvre, the previous regulation on Authorised Capital 2015/I in section 4 paragraph 3 of the company's Articles of Association is to be deleted and a new Authorised Capital 2020/I created against cash and/or in-kind contributions with the option to withhold subscription rights, taking into account the stated capital.

The Management Board and Supervisory Board propose that the following resolutions be passed:

**a) Effectiveness**

New authorised capital will be created through a new version of section 4 paragraph 3 of the company's Articles of Association with effect from the date on which the following amendment to the Articles of Association is entered in the Commercial Register.

**b) Creation of new authorised capital (Authorised Capital 2020/I)**

The Management Board is authorised, with the approval of the Supervisory Board, to increase the Company's share capital up to 28 September 2025 by issuing new no-par value bearer shares against cash and/or in-kind contribution, in one or more transactions, by up to an aggregate amount of EUR 8,150,000 (Authorised Capital 2020/I).



In principle, the shareholders are entitled to subscribe to the new shares. Pursuant to section 186 paragraph 5 AktG, the new shares may also be taken over by one or several banks or a consortium of banks with the obligation to offer them to shareholders for subscription.

The Management Board is authorised, with the approval of the Supervisory Board, to withhold shareholders' subscription rights on one or more occasions:

- for fractions, which result from the subscription ratio;
- if it is required to be able to grant holders of previously issued bonds with option or conversion rights or option or conversion obligations an exchange right to the extent that they would be entitled having exercised the option or conversion rights or fulfilled the option or conversion obligations;
- provided that new shares are to be issued against in-kind subscriptions in order to acquire companies, parts of companies or equity interests in companies and the acquisition of the company or the equity interest is in the best interests of the Company. The pro rata amount of the share capital attributable to shares issued after this authorisation, subject to shareholders' subscription rights being excluded, must not exceed a total of 10% of the company's share capital at the time of the Annual General Meeting's resolution. This threshold includes the share capital attributable to those shares that are issued during the term of this authorisation, with subscription rights excluded, from authorised capital (although this does not include issues where subscription rights are excluded for fractional amounts) or that are issued to service option or conversion rights or option or conversion obligations from bonds and/or profit sharing rights, provided that the bonds or profit sharing rights were issued during the term of this authorisation, with shareholders' subscription rights being excluded;
- provided that the new shares are issued against cash contributions and the aggregate pro rata amount of the share capital attributable to the new shares to be issued does not exceed 5% of the share capital and the issue price of the new shares to be issued is not materially lower than the market price of the Company's listed shares at the time the issue price is finally determined. The amount of the share capital at the time the resolution becomes effective or – if this figure is smaller – at the time the present authorisation is exercised is decisive for the calculation of the 5% limit of the share capital. The pro rata amount of the share capital, which is attributable to new or previously acquired treasury shares that are issued or sold during the term of this authorisation, subject to subscription rights being withheld, in direct, analogous or corresponding application of section 186 paragraph 3 sentence 4 AktG is to be included in this ceiling, and the pro rata amount of the share capital, which is attributable to shares, which were issued or are being issued to service option or conversion rights or to fulfil option or conversion obligations from bonds, if the bonds are issued during the term of this authorisation, subject to subscription rights being withheld, in analogous application of section 186 paragraph 3 sentence 4 AktG;
- with respect to a share of the authorised capital in the amount of up to EUR 400,000 for the purpose of issuing new shares to employees of the Company or employees of one of its direct or indirect affiliates within the meaning of section 18 AktG, whereby the issuance of the employee shares can also be effectuated at a preferential price.

The Management Board is also authorised, with the approval of the Supervisory Board, to define the additional details of the capital increase and its implementation, in particular, the content of the share rights and the conditions of the share issue. The Supervisory Board is authorised to amend the wording of the Articles of Association in line with the scope of the capital increase from authorised capital.

**c) Amendment to the Articles of Association**

In section 4 of the company's Articles of Association, the existing paragraph 3 is cancelled and reworded as follows:

- “(3) The Management Board is authorised, with the approval of the Supervisory Board, to increase the Company's share capital up to 28 September 2025 (inclusive) by issuing new no-par value bearer shares against cash and/or in-kind contributions, in one or more transactions, by up to an aggregate amount of EUR 8,150,000 (Authorised Capital 2020/I). The Management Board is authorised, with the approval of the Supervisory Board, to withhold shareholders' subscription rights on one or more occasions,*
- (a) for fractions, which result from the subscription ratio;*
  - (b) if this is required to be able to grant holders of previously issued bonds with option or conversion rights or option or conversion obligations an exchange right to the extent that they would be entitled having exercised the option or conversion rights or fulfilled the option or conversion obligations;*
  - (c) provided that new shares are to be issued against in-kind subscriptions in order to acquire companies, parts of companies or equity interests in companies and the acquisition of the company or the equity interest is in the best interests of the Company. The pro rata amount of the share capital attributable to shares issued under this authorisation, subject to shareholders' subscription rights being excluded, must not exceed a total of 10% of the company's share capital at the time of the Annual General Meeting's resolution. This threshold includes the share capital attributable to those shares that are issued during the term of this authorisation, with subscription rights excluded, from authorised capital (although this does not include issues where subscription rights are excluded for fractional amounts) or that are issued to service option or conversion rights or option or conversion obligations from bonds and/or profit sharing rights, provided that the bonds or profit sharing rights were issued during the term of this authorisation, with shareholders' subscription rights being excluded;*
  - (d) provided that the new shares are issued against cash contributions and the aggregate pro rata amount of the share capital attributable to the new shares to be issued does not exceed 5% of the share capital and the issue price of the new shares to be issued is not materially lower than the market price of the Company's listed shares at the time the issue price is finally determined. The amount of the share capital at the time the resolution becomes effective or – if this figure is smaller – at the time the present authorisation is exercised is decisive for the calculation of the 5% limit of the share capital. The pro rata amount of the share capital, which is attributable to new or previously acquired treasury shares that are issued or sold during the term of this authorisation, subject to subscription rights being withheld, in direct, analogous or corresponding application of section 186 paragraph 3 sentence 4 AktG is to be included in this ceiling, and the pro rata amount of the share capital, which is attributable to shares, which were issued or are being issued to service option or conversion rights or to fulfil option or conversion obligations from bonds, if the bonds are issued during the term of this authorisation, subject to subscription rights being withheld, in analogous application of section 186 paragraph 3 sentence 4 AktG;*
  - (e) with respect to a share of the authorised capital in the amount of up to EUR 400,000 for the purpose of issuing new shares to employees of the Company or employees of one of its direct or indirect affiliates within the meaning of section 18 AktG, whereby the issuance of the employee shares can also be effectuated at a preferential price.*

*The Management Board, with the approval of the Supervisory Board, shall decide on the content of the respective share rights and other conditions of share issuance. The Supervisory Board is authorised to*

*amend the wording of the Articles of Association in line with the scope of the capital increase from authorised capital."*

**12. Resolution on creation of a new authorisation on issuing option or convertible bonds, profit sharing rights or income bonds or combinations of these instruments with the option of withholding subscription rights (Contingent Capital 2020/I) and the corresponding change to section 4 paragraph 4 of the company's Articles of Association**

The authorisation to issue option or convertible bonds, profit sharing rights or income bonds or combinations of these instruments resolved by the Annual General Meeting on 11 June 2015 under agenda item 10 expired on 10 June 2020. To provide management with room for manoeuvre, a new authorisation and new Contingent Capital (2020/I) are to be created.

To date, the Management Board has not made use of the authorisation by the Annual General Meeting on 11 June 2015. The previous Contingent Capital 2015/I (section 4 paragraph 4 of the company's Articles of Association), which underpinned the authorisation dated 11 June 2015, is no longer required.

To continue to give the management the option of exploiting favourable conditions on the capital market to finance the Company, the Management Board and Supervisory Board shall propose resolving the following:

**a) Cancellation, effectiveness**

The authorisation in (10) to issue bonds with warrants or convertible bonds resolved by the Company's Annual General Meeting on 11 June 2015 is cancelled as a precaution.

**b) Authorisation**

Authorisation to issue bonds with warrants, convertible bonds, profit sharing rights or income bonds or combinations of these instruments

**(aa) Authorisation period, nominal amount, number of shares, term**

The Management Board is authorised, with the approval of the Supervisory Board and until 28 September 2025, to issue bonds with warrants or convertible bonds, profit sharing rights or income bonds or combinations of these instruments (together "bonds") with a total volume of up to 50,000,000, as a whole or in partial amounts, and to grant the holders or creditors (together hereinafter "holders") of the respective bonds options or conversion rights to acquire no-par value bearer shares of the Company with a pro rata amount of the share capital of up to EUR 6,464,000 in accordance with the more detailed terms and conditions of the bonds and to establish corresponding option or conversion obligations. The bonds and the conversion and option rights or obligations may be issued with a term of up to 30 years or without any limitation in the term. The bonds may also be issued against in-kind contributions in whole or in part.

The individual issues may be divided into bonds with equal rights amongst each other in each case.

**(bb) Currency, issue through affiliates**

The bonds may be issued in euros or – in the corresponding equivalent – in the legal currency of an OECD country. They may also be issued by a direct or indirect affiliate of Francotyp-Postalia Holding AG within the meaning of section 18 AktG; in such a case, the Management Board is authorised, with the approval of the Supervisory Board, to assume the guarantee for the bonds and to grant the holders options or conversion rights to new no-par value bearer shares of the Company or to establish corresponding option or conversion obligations.

**(cc) Option and conversion right or obligation, cash payment**

In the event of bonds with warrants being issued, one or more warrants will be attached to each bond, which will entitle holders, in accordance with the terms and conditions of the bonds to be stipulated by the Management Board, with the approval of the Supervisory Board, to subscribe to no-par value bearer shares of the Company. The conditions of the bond can provide that the option price can be supplied in whole or in part through the transfer of bonds, if they are denominated in euros. In this case, the subscription ratio is produced by dividing the nominal amount of one bond by the option price set for one no-par value bearer share of the Company. The pro-rata amount of the share capital, which is attributable to the shares to be purchased per bond, may not exceed the nominal amount of the individual bond. The term of the option may not exceed the term of the bond with warrants.

In the event of convertible bonds being issued, the holders of the bonds will receive the right to exchange these in accordance with the more detailed terms and conditions of the bonds to be stipulated by the Management Board, with the approval of the Supervisory Board, for no-par value bearer shares of the Company. The exchange ratio is produced by dividing the nominal amount or the issue amount below the nominal amount of one bond by the conversion price set for one no-par value bearer share of the Company and may be rounded up or down to whole numbers. The pro-rata amount of the share capital, which is attributable to the shares to be issued on conversion, may not exceed the nominal amount of the individual bond.

The terms and conditions of the bonds may also establish an option or conversion obligation at the end of the term or at an earlier date.

The terms and conditions of the bonds may provide the Company's right of granting holders of the bonds shares in the Company in whole or in part instead of paying the amount due on final maturity of bonds associated with an option or conversion right. They may also envisage that the Company does not grant holders of option or conversion rights or obligations no-par value shares of the Company but pays the equivalent in cash.

If the exercise of the option or conversion right or the fulfilment of the option or conversion obligation leads to mathematical fractions of shares, these will, in principle, be offset in cash. However, the terms and conditions of the bonds may provide that no offset of mathematical fractions of shares has to take place. The Company may be entitled in the terms and conditions of the bonds to offset any difference between the nominal amount of the bond and the product of the option or conversion price and the subscription or exchange ratio in whole or in part by payment in cash.

The above regulations shall apply accordingly if warrants are attached to a profit sharing right or an income bond or if the option or conversion right or the option or conversion obligation is based on a profit sharing right or an income bond.

(dd) Option price, conversion price, protection against dilution

The option or conversion price to be set in each case must, even if it or the subscription or exchange ratio is variable, amount to at least 80 % of the weighted average market price of the Francotyp-Postalia Holding share in the closing auction in fully-electronic trading on the Frankfurt Stock Exchange, Frankfurt am Main, based on the Xetra trading system (or on a functionally equivalent successor system taking its place) and

- during the ten days on which the Frankfurt Stock Exchange, Frankfurt am Main, is trading before the date of the resolution by the Management board on the issue of bonds or the declaration of acceptance by the Company following a public request to make a public offering, or,

- in the event of a subscription right to the bonds being granted, from the beginning of the subscription period up to and including the day before publication of the final definition of the conditions pursuant to section 186 paragraph 2 sentence 2 AktG.

In the case of bonds with an option or conversion obligation, the option or conversion price for a share may be equal to the weighted average market price of the Francotyp-Postalia Holding share in the closing auction in fully-electronic trading on the Frankfurt Stock Exchange, Frankfurt am Main, based on the Xetra trading system (or on a functionally equivalent successor system taking its place) during the 10 trading days before or after the day of final maturity or another specified date, even if this is lower than the minimum price stated above (80%).

This does not affect section 9 paragraph 1 AktG or section 199 AktG.

If during the term of the bonds, which grant an option or conversion right or determine an option or conversion obligation, the economic value of existing option or conversion rights is diluted (by the issue of additional bonds, for example, or capital increases from corporate funds) and no subscription rights are granted in compensation, the option or conversion rights will be adjusted – irrespective of section 9 paragraph 1 AktG – to preserve their value, unless the adjustment is already compulsory by law. In each case, the pro-rata amount of the share capital, which is attributable to the shares to be purchased per bond, may not exceed the nominal amount of the individual bond.

Instead of an adjustment to preserve the value of the option or conversion price, in all these cases payment of a corresponding amount in cash by the Company when the option or conversion right is exercised or when the option or conversion obligation is fulfilled may be envisaged in accordance with the more detailed provision of the terms and conditions of the bonds.

(ee) Subscription right, withholding subscription rights

In principle, the shareholders are entitled to subscribe to the bonds. The bonds may also be taken over by one or several banks or a consortium of banks with the obligation to offer them to shareholders for subscription (indirect subscription right).

However, the Management Board is authorised, with the approval of the Supervisory Board, to withhold shareholders' rights to subscribe to the bonds:

- for fractions, which result from the subscription ratio;
- if this is required to be able to grant holders of previously issued bonds with option or conversion rights or option or conversion obligations an exchange or subscription right to the extent that they would be entitled having exercised the option or conversion right or fulfilled the option or conversion obligation;
- if bonds with an option or conversion right or an option or conversion obligation are to be issued against cash payment and the issue price is not significantly lower than their theoretical market value established in accordance with recognised actuarial methods. This authorisation to withhold subscription rights shall only apply in as much as a pro rata amount of the share capital of not more than 5% of the Company's share capital is attributable in total to the shares issued or to be issued to service the option and conversion rights or to fulfil the option or conversion obligations. The amount of the share capital at the time the resolution becomes effective or – if this figure is smaller – at the time the present authorisation is exercised is decisive for the calculation of the 5% limit of the share capital. The pro rata amount of the share capital, which is attributable to shares that are issued or sold during the term of this authorisation in direct, analogous

or corresponding application of section 186 paragraph 3 sentence 4 AktG, subject to subscription rights being withheld, is to be included in this ceiling.

(ff) Authorisation to define additional terms and conditions of the bonds

The Management Board is authorised, with the approval of the Supervisory Board, to prescribe the additional details of the issue and terms of the bonds or to define them in agreement with the bodies of the companies issuing the bonds in which the Company holds a direct or indirect majority shareholding. This relates, in particular, to the volume, time, interest rate, type of interest, issue price, term and denomination, option or conversion term, definition of an additional payment in cash, the offsetting or amalgamation of fractions and cash payment instead of delivery of no-par value bearer shares.

c) **Creation of new contingent capital (Contingent Capital 2020/I)**

The previous Contingent Capital 2015/I is cancelled as a precaution. The share capital will be contingently increased by up to EUR 6,464,000 by issuing up to 6,464,000 new ordinary no-par value bearer shares with a pro rata amount of the share capital of EUR 1.00 per share attributable to each share (Contingent Capital 2020/I). The contingent capital increase will serve to grant shares to holders or creditors of bonds with warrants or convertible bonds, profit sharing rights or income bonds (or combinations of these instruments), which will be issued by the Company in accordance with the above authorisation under (b) up to 28 September 2025 or by a direct or indirect affiliate of the Company within the meaning of section 18 AktG. It will only be implemented in as much as use is made of option or conversion rights from the above-mentioned bonds or option or conversion obligations from such bonds are fulfilled or if the company or the group company issuing the bond exercises its right to vote to grant new no-par-value shares in the company, in whole or in part, instead of the amount due on maturity, and to the extent that other means of settling the obligation are not employed. New shares are issued at the option or conversion price to be determined based on the above authorisation. The new shares participate in profits from the beginning of the fiscal year in which they arise as a result of options or conversion rights being exercised or conversion obligations being fulfilled.

The Management Board is authorised, with the approval of the Supervisory Board, to prescribe the additional details of the implementation of the contingent capital increase. The Supervisory Board is authorised to amend the wording of the Articles of Association in line with the implementation of the contingent capital increase.

d) **Amendment to the Articles of Association**

In section 4 of the company's Articles of Association, the existing paragraph 4 is cancelled and reworded as follows:

*"(4) "The share capital of the Company will be contingently increased by up to EUR 6,464,000.00 by issuing up to 6,464,000 new no-par value bearer shares (Contingent Capital 2020/I). The contingent capital increase will only be implemented in as much as holders or creditors of bonds with warrants, convertible bonds, profit sharing rights or income bonds or combinations of these instruments with option or conversion rights or obligations, which are issued or guaranteed up to 28 September 2025 by Francotyp-Postalia Holding AG or a direct or indirect affiliate of Francotyp-Postalia Holding AG within the meaning of section 18 AktG on the basis of the authorisation conferred by the Annual General Meeting on the Management Board of 29 September 2020, item 12 on the agenda, make use of their option or conversion rights or, if they are obliged to do this, fulfil their option and conversion obligations or if the company or the group company issuing the bond exercises its right to vote to grant new no-par-value shares in the company, in whole or in part, instead of the amount due on maturity, and to the extent other forms of satisfying such rights are not used. New shares are issued at the option or conversion price to be determined based on the authorisation described above. The new shares from contingent capital will participate in profits from the beginning of the fiscal year in*

*which they arise because of the exercise of option or conversion rights or exchange or conversion obligations. The Management Board is authorised, with the approval of the Supervisory Board, to prescribe the additional details of the execution of the contingent capital increase. The Supervisory Board is authorised to amend the wording of the Articles of Association in line with the implementation of the contingent capital increase."*

**Report by the Management Board to the Annual General Meeting in accordance with section 71 paragraph 1 number 8 sentence 5 German Stock Corporation Act (Aktiengesetz – AktG) in conjunction with section 186 paragraph 4 sentence 2 AktG on item 10 of the agenda**

Regarding item 10 of the agenda, it is proposed to the Annual General Meeting that, after the expiry of the previous authorisation from 10 June 2020, the company again be authorised to acquire and use treasury shares for another five years up to a total of 10% of the share capital at the time of the resolution or, where this is lower, the existing share capital at the time of exercising the authorisation.

On the basis of the authorisations proposed under agenda item 10 for this year's Annual General Meeting, treasury shares can be acquired either on the stock exchange or via a public offer to all company shareholders or by requesting all shareholders to submit sales offers (request to sell). This makes the company more flexible. To the extent that the number of shares tendered in response to a public purchase offer exceeds the number intended for purchase, shares can be purchased in proportion to the number of shares tendered and excluding shareholders' right to tender their shares, in order to simplify the process. The public request to submit offers to sell company shares provides further room for the company to manoeuvre, in particular by making it possible to adjust the purchase price range in the event of substantial price changes during the offer period. Rounding up or down in accordance with commercial principles serves to avoid mathematical fractions of shares. Accordingly, the number of shares acquired by individual tendering shareholders may be rounded as required to represent the acquisition of whole shares. In addition, it should also be possible to give preference to small numbers of shares (up to 100 shares tendered per shareholder). In particular, this helps avoid small residual holdings.

The authorisation allows the acquired treasury shares to be resold via the stock exchange or by way of an offer addressed to all shareholders. In addition, the Management Board is also to be authorised, subject to the approval of the Supervisory Board,

- to withdraw treasury shares without further resolution by the Annual General Meeting. In accordance with section 237 paragraph 3 number 3 AktG, the proposed authorisation also allows the Management Board to withdraw the shares without decreasing capital. Withdrawing the shares without decreasing capital increases the pro rata amount of the other bearer shares as a share of the company's share capital. The Management Board is thus authorised to amend the Articles of Association to take account of the new number of bearer shares.
- to offer and to transfer treasury shares as consideration as part of company mergers or as consideration for the acquisition of companies or equity interests in them. Under the proposed authorisation, the company is still able to acquire treasury shares in order to use these as consideration for third parties when competing for interesting acquisition targets. This strengthens the company and, as part of its continuing acquisitions policy, allows it to respond rapidly, flexibly and in a cash-conserving manner to opportunities to acquire companies or equity interests in them. The decision in any given case whether to use treasury shares or shares from authorised capital is made by the Management Board in the sole interests of the shareholders and the company. When determining relative valuations, the Management Board will ensure that the interests of shareholders are reasonably safeguarded. To do so, the Management Board will take the quoted share price into account; however, a systematic link to the market price is not planned, particularly so that the results of negotiations are not called into question by fluctuations in the listed share price. There are no specific plans to make use of this authorisation at present.
- to issue treasury shares subject to the approval of the Supervisory Board in order to float company shares on a foreign stock exchange on which they were not previously listed. This is intended to give the



company the flexibility of a secondary listing on foreign exchanges if this is deemed necessary to secure better long-term equity funding. There are no specific plans to make use of this authorisation at present.

- to sell treasury shares to third parties for cash excluding subscription rights, for example: institutional investors or to access new investor groups. The condition for such a sale is that the price obtained (not including ancillary acquisition costs) is not significantly below the price for a share on the trading date, as determined by the opening auction in Xetra trading (or a comparable successor system) at Deutsche Börse AG in Frankfurt am Main. Basing the sales price on the market price offers some protection against dilution and provides reasonable protection of shareholders' pecuniary and voting interests. When setting the final sales price, management will endeavour to keep any discount from the market price to a minimum – with no spaces on either side, taking current market circumstances into account. Shareholders have the option of maintaining the level of their stake by purchasing shares via the stock exchange, and it is in the interests of shareholders that the company benefit from additional room for manoeuvre to exploit favourable stock exchange conditions at short notice. There are no specific plans to make use of this authorisation at present.
- to offer individual members of the Management Board treasury shares instead of the cash remuneration owed by the company. The background to this authorisation stems from the Supervisory Board's deliberations on paying Management Board salary components that are already due or are due soon not in cash but in shares in the company. The advantage of such a procedure would lie not only in preserving the company's liquidity reserves but also in creating a further incentive for the Management Board to make special efforts to increase the value of the company and thus to foster sustainable price development in the interests of the shareholders and the company. Value-related dilution of the existing shareholdings is counteracted by the fact that the price, which is based on the determination of the number of treasury shares to be transferred, may not be significantly below the price for a share on the date on which the offer was submitted, as determined by the opening auction in electronic Xetra trading (or a comparable successor system) at Deutsche Börse AG in Frankfurt am Main (not including ancillary acquisition costs).
- to use treasury shares to service subscription rights correctly issued to the company and exercised under the 2010 and 2015 stock option plans. The 2010 stock option plan was resolved by the Annual General Meeting on 1 July 2010 and was valid until 30 June 2015 (inclusive). The 2015 stock option plan was resolved by the Annual General Meeting on 11 June 2015 and was valid until 10 June 2020 (inclusive). The advantage of servicing subscription rights under the 2015 stock option plan with treasury shares lies in the fact that the company does not have to issue new shares under utilisation of contingent capital and consequently can avoid the associated dilution effect for existing shareholders.

In each case, the Management Board will report on any use of the authorisations issued for item 10 of the agenda at the next Annual General Meeting.

**Report by the Management Board to the Annual General Meeting in accordance with section 203 paragraph 1 and paragraph 2 sentence 2 AktG in conjunction with section 186 paragraph 4 sentence 2 AktG on the reasons for withholding subscription rights re item 11 of the agenda (Authorised Capital 2020/I)**

Re item 11 of the agenda, the Management Board and Supervisory Board propose, subject to precautionary cancellation of the existing authorised capital, resolving new authorised capital (Authorised Capital 2020/I) and authorising the Management Board to withhold shareholders' statutory subscription rights in certain cases.

The Authorised Capital 2020/I will serve to maintain management's existing options for action, since the authorised capital available to management pursuant to the Annual General Meeting's resolution on 11 June 2015 (Authorised Capital 2015/I) expired on 10 June 2020.

At the same time, the proposed amount is somewhat higher than the Authorised Capital 2015/I, since the Company's share capital has increased from EUR 16,160,000 to EUR 16,301,456 since the resolution by the Annual General Meeting on 11 June 2015.

The authorised capital shall serve to broaden the Company's equity base and should give management the option of being able to react appropriately to future developments.

As a result of the Authorised Capital 2020/I proposed by the Management Board and the Supervisory Board, the Management Board is authorised, with the approval of the Supervisory Board, to increase the Company's share capital, in one or more transactions, against cash and/or in-kind contributions by up to EUR 8,150,000 . The Management Board shall also specify the additional details of the share issue and the content of the share rights, with the approval of the Supervisory Board, if the resolution by the Annual General does not contain any guidelines regarding this. The authorisation of the Management Board is limited to the longest period permitted by law of five years up to 28 September 2025 (inclusive).

In principle, the shareholders shall have a subscription right if the Authorised Capital 2020/I is utilised. In addition to the new shares being issued directly to shareholders, it should also be possible for the new shares to be taken over by one or several banks specified by the Management Board or a consortium of banks with the obligation to offer them to shareholders for subscription (indirect subscription right within the meaning of section 186 paragraph 5 AktG). The technical execution of the share issue is facilitated by the insertion of these intermediaries.

The Management Board is also to be authorised, with the approval of the Supervisory Board, to withhold subscription rights under certain circumstances in the interests of the Company and shareholders:

Firstly the withholding of subscription rights relates to fractions. This serves to obtain subscription ratios that are as free of fractions as possible when the authorisation is utilised and consequently to facilitate the technical implementation of the capital increase. The shares withheld from shareholders' subscription rights as unassigned fractions will be exploited in the best possible way for the Company either via the stock exchange or by some other means. The Management Board will endeavour to keep the volume of unassigned fractions as low as possible. In the process, shareholders' financial interests will be protected by the obligation to exploit them in the best possible manner. Since the withholding of subscription rights is restricted to fractions, it is not associated with any considerable reductions in shareholders' stakes.

It should also be possible to withhold subscription rights, if this is required to give holders of any bonds with option or conversion rights or option or conversion obligations issued in the meantime a subscription right to new shares. The precondition is that the terms on which the respective bond is based provide for this. Appropriate clauses to protect against dilution can be included in the terms and conditions of bonds to facilitate placement on the capital market. They provide for holders of bonds being granted a subscription right to new shares in the

same way as shareholders for the following share issues, meaning that the holders of bonds are put in the same position as if they were already shareholders in this respect. The fact that protection against dilution makes it easier to place the bond will serve shareholders' interest in an optimal financial structure for the company. Shareholders' subscription rights to these shares must be withheld to be able to equip bonds with such protection against dilution.

The other scheduled option of withholding subscription rights in the case of in-kind capital increases aims to put the Management Board in a position to be able, with the approval of the Supervisory Board, to acquire companies, parties of companies or equity interests in companies against cession of the Company's shares. As a result, the Company is to have the option to be able to react rapidly and successfully to favourable offers or opportunities that arise to acquire companies, parts of companies or equity interests in companies. It can be advantageous or even necessary in negotiations to provide shares not cash as consideration - because, for example, an acquisition involving a capital increase against in-kind contributions leads to tax savings for the vendor or he prefers the acquisition of shares in the Company to cash for other reasons. Withholding subscription rights in the case of in-kind capital increases ensures that the company can also protect its negotiating position in such cases and make an acquisition at short notice if necessary. The cession of shares also conserves the Company's liquidity and consequently often constitutes a cheaper form of financing. The requested authorisation will, as a result, in individual cases allow the acquisition to be optimally financed against the issue of new shares, which will strengthen the Company's equity base. At present, there are no concrete plans to make use of this authorisation to acquire specific companies or equity interests. The proposed authorisation is restricted to 10% of the company's share capital.

In the process, the issue amount for the shares will be defined by the Management Board, with the approval of the Supervisory Board, allowing for the interests of the Company and shareholders. In any case, the management only wishes to use the option of a capital increase against in-kind contributions, subject to utilisation of the authorisation to withhold subscription rights, from Authorised Capital 2020/I if the ratio of the value of the new shares to the value of the consideration of the company to be acquired or parts of a company to be acquired is commensurate.

When utilising authorised capital, the Management Board is also to have the option to be able to withhold subscription rights pursuant to section 203 paragraph 1 sentence 1 and paragraph 2 AktG in conjunction with section 186 paragraph 3 sentence 4 AktG.

It should be possible to withhold subscription rights in a volume of 5% of share capital if the new shares are issued in accordance with the regulation in section 186 paragraph 3 sentence 4 AktG at a price, which is not materially lower than the market price of the Company's shares. A specification to this effect in the authorisation resolution ensures that the 5% ceiling will not be exceeded even in the event of a capital decrease, since the authorisation to withhold subscription rights not only refers to the ceiling of 5% of the share capital at the time the authorisation becomes effective, but also – in case the share capital decreases - to a ceiling of 5% of the share capital at the time the authorisation is exercised.

Here, those shares, which are issued or sold, subject to subscription rights being withheld, during the term of this authorisation in direct, analogous or corresponding application of section 186 paragraph 3 sentence 4 are to be included in the 5% mentioned. The pro rata amount of the share capital, which is attributable to shares that are issued to service option or conversion rights or to fulfil option or conversion obligations from bonds, which are issued during the term of this authorisation in direct, analogous or corresponding application of section 186 paragraph 3 sentence 4, subject to subscription rights being withheld, is also to be included.

The option of withholding subscription rights by the Management Board, with the approval of the Supervisory Board, serves the interests of the Company and, in particular, the achievement of the best possible price when the shares are issued. As a result of the option of withholding subscription rights provided for in law in section 186

paragraph 3 sentence 4 AktG, the Company is put in a position to adjust its equity flexibly to the respective commercial requirements and to react rapidly to favourable situations on the stock market. For example, market opportunities that arise unexpectedly can be utilised promptly and additional German and international shareholders or groups of shareholders acquired. In contrast to an issue with subscription rights, with a capital increase, subject to subscription rights being withheld, the issue price can be set immediately before placement, which avoids any increased risk of price changes during any remaining subscription period. In contrast, if subscription rights are granted, the subscription price must be published no later than the last but two day of the subscription period in accordance with section 186 paragraph 2 sentence 2 AktG. In view of the volatility that is frequently observable on share markets, this would result in the risk of changes in the market and prices over several days, which leads to haircuts in defining the subscription price. In the case of an existing subscription right, the Company is not able to react at short notice to favourable or unfavourable market circumstances either because of the length of the subscription period, but may be exposed to deteriorating share prices during the subscription period, which may lead to the Company receiving less equity. The existence of a subscription right may also make it more difficult to place the shares successfully with third parties or it may be associated with additional expenses, as long as there is uncertainty regarding the exercise of subscription rights. Withholding subscription rights therefore serves the overall objective of achieving the highest possible and most secure inflow of funds and consequently the best possible boost to the Company's equity by setting a price close to the market.

Adequate protection is also given both to shareholders' financial interests and their voting rights with the proposed withholding of subscription rights. Shareholders' financial interests, in particular, protection against dilution of the value of their equity interest, are taken into account by the fact that the new shares may only be issued at a price that is not materially lower than the market price of the Company's shares. Each shareholder therefore has the option, based on the fact that the issue price of the new shares is, in principle, close to the market, of acquiring the shares needed to maintain his ownership interest at virtually the same conditions via the stock market. In addition the Management Board restricts the authorisation to a maximum of 5% of the Company's share capital. This ensures that the total number of shares to be issued does not exceed 5% of the Company's share capital in aggregate; this conforms to the requirements in section 203 paragraph 1 sentence 1, paragraph 2 in conjunction with section 186 paragraph 3 sentence 4 AktG.

The authorisation also provides the option of withholding subscription rights up to EUR 400,000 for the issue of shares to employees of the Company or to employees of its affiliates. The shares needed for this purpose may, according to the German Stock Corporation Act (Aktiengesetz – AktG), in particular according to section 202 paragraph 4 AktG, be provided from authorised capital. Such authorised capital should be created by the proposed resolution and replace the existing authorised capital for employee shares. The issue of employee shares to employees serves to tie employees more closely to the Company. At the same time, it is a key tool for motivating employees. Both are in the economic interest of the Company.

All in all, the Management Board will check carefully in each case whether it will make use of the authorisation to utilise authorised capital and to withhold subscription rights. Use will only be made of these options if the Management Board estimates that it is in the best interests of the Company and its shareholders and is proportionate.

In each case, the Management Board will report on any use of the authorisations issued on item 11 of the agenda at the next Annual General Meeting.

**Report by the Management Board to the Annual General Meeting in accordance with section 221 paragraph 4 in conjunction with section 186 paragraph 4 German Stock Corporation Act (Aktiengesetz – AktG) on the reasons for withholding subscription rights re item 12 of the agenda**

The authorisation applied for under item of the agenda aims to give the Company a flexible basis for the issue of bonds with warrants and convertible bonds, profit sharing rights or income bonds or a combination of these instruments (together “bonds”) in a volume of up to EUR 50,000,000 with the granting of conversion or option rights to up to 6,464,000 new shares and consequently maintain and extend the Company's financing options in view of the expiry of the present authorisation to issue bonds with warrants and convertible bonds on 10 June 2020. In the process, the Company is to be able to utilise the German or international capital market, if necessary via its affiliates, depending on the state of the market.

Adequate capital resources are an essential foundation for the development of the Company and its affiliates. By issuing bonds, the Company can exploit advantageous financing opportunities depending on the state of the market and the instrument used, to obtain capital at lower rates or to structure the interest rates in line with current dividends, for instance. Placement opportunities for certain bonds are created or increased if they are associated with option or conversion rights.

In principle, the shareholders are entitled to subscribe to the bonds with warrants or convertible bonds. If shareholders are not allowed to subscribe for the bonds directly, the Management Board may make use of the option of issuing bonds to one or several banks or a consortium of banks with the obligation to offer the debentures to shareholders in line with their subscription right (indirect subscription right within the meaning of section 186 paragraph 5 AktG). The technical execution of the share issue is facilitated by the insertion of these intermediaries.

However, in certain cases the authorisation provides for subscription rights being withheld, which is explained below.

The scheduled withholding of subscription rights for fractions allows the authorisation requested to be utilised through round amounts and facilitates the execution of the capital measure. Withholding such rights therefore promotes practicability and simplifies the implementation of a bond issue. The value of fractions per shareholder is usually low, whereas the expense of issuing bonds without such withholding of subscription rights would be far higher.

The withholding of subscription rights in favour of holders of previously issued bonds takes place with regard for protection against dilution, to which they may be entitled in accordance with the terms and conditions in the event of bonds being issued by the Company. Such protection against dilution is granted for the purpose of facilitating placement of the bonds on the capital market. The withholding of subscription rights when utilising this authorisation is an alternative to an adjustment of the option or conversion price which would otherwise have to be carried out. This allows a higher aggregate inflow of funds.

In accordance with section 221 paragraph 4 sentence 2 AktG, the provision of section 186 paragraph 3 sentence 4, under which subscription rights can be withheld, “if the capital increase against cash contributions does not exceed 10% of the share capital and the issue amount is not materially lower than the market prices, applies to the withholding of subscription rights when issuing bonds with warrants or convertible bonds.

At 5% of share capital, the requested authorisation provides for a far lower ceiling than the maximum volume permitted by law and also ensures that this ceiling for the withholding of subscription rights will not be exceeded in the event of a capital reduction either, since, according to the authorisation, the date the authorisation becomes effective is taken as a basis for reaching the ceiling of 5% of the share capital or – if the share capital decreases vis-à-vis the date on which the authorisation becomes effective – the date on which the authorisation is exercised. Based on section 186 paragraph 3 sentence 4 AktG, bonds with warrants and convertible bonds can

also only be issued, subject to shareholders' subscription rights being withheld, up to the extent to which the ceiling of 5% of the share capital has not already been exhausted during their term by the issue or sale of shares, subject to subscription rights being withheld, in direct, analogous or corresponding application of section 186 paragraph 3 sentence 4 AktG. For example, shares, which are issued to service option or conversion rights, which were issued through the issue of bonds, subject to subscription rights being withheld, during the term of the authorisation, in direct, analogous or corresponding application of section 186 paragraph 3 sentence 4 are to be included. In this way, we will make sure that no bonds are issued, subject to shareholders' subscription rights being excluded, if this would lead, allowing for capital increases or specific placements of treasury shares in direct, analogous or corresponding application of section 186 paragraph 3 sentence 4, to shareholders' subscription rights to new or treasury shares of the Company being withheld to an extent of more than 5% of the shares currently outstanding.

From section 186 paragraph 3 sentence 4 AktG, it is also clear that the issue price may not be materially lower than the market price. Since bonds do not have a market price initially, the market value is to be established using recognised actuarial principles. Accordingly, shareholders' subscription rights can only be withheld if the issue takes place at prices, which are not materially lower than the theoretical market value. As a result of the option of withholding subscription rights, the Company may react to favourable market situations rapidly and at short notice, which, given the requisite lead-time and the subscription period of at least two weeks would not be the case with capital increases with a subscription right. As a result of setting terms so close to the market, better conditions can be achieved in defining the interest rate, option or conversion price and issue price of the bonds.

At the same time, the requirement that the issue price may not be materially lower than the market price ensures that shareholders do not suffer any appreciable dilution in the value of their shares (reduction in market value). The occurrence of such dilution can be calculated mathematically by using actuarial methods to compare the theoretical market value of the bond and the issue price. In determining the price and allowing for the situation on the capital market, the Management Board will keep the reduction vis-à-vis the theoretical market value as low as possible, meaning that shareholders cannot suffer any appreciable economic disadvantage by having their subscription rights withheld. If the issue price is not materially lower than the theoretical market value of the bond with an option or conversion right or an option or conversion obligation calculated in accordance recognised actuarial methods, the value of shareholders' subscription rights falls to practically zero. Shareholders also have the option of maintaining their share in the Company's share capital at virtually the same conditions by acquiring the requisite shares via the stock exchange, for example.

The contingent capital 2010 pursuant to section 4 paragraph 5 of the company's Articles of Association in the amount of EUR 656,500.00 and the Contingent Capital 2015/II pursuant to section 4 paragraph 6 of the company's Articles of Association in the amount of EUR 959,500, in addition to Contingent Capital 2020/I (EUR 6,464,000), shall remain unaffected by the proposed cancellation of the existing section 4 paragraph 4 of the company's Articles of Association and the creation of new contingent capital.

Total contingent capital is thus below the statutory maximum limit of 50% of share capital, currently equal to EUR 8,150,728.]

All in all, the Management Board will check carefully in each case whether it will make use of the authorisation to issue bonds and to withhold subscription rights. Use will only be made of these options if the Management Board estimates that it is in the best interests of the Company and its shareholders and is proportionate.

In each case, the Management Board will report on any use of the authorisations issued for item 12 of the agenda at the next Annual General Meeting.

## II. Information on conducting the virtual Annual General Meeting

The Act Concerning Measures Under the Law of Companies, Cooperative Societies, Associations, Foundations and Commonhold Property to Combat the Effects of the COVID-19 Pandemic ("**COVID-19 Act**"), which came into force on 28 March 2020, allows companies to hold annual general meetings in 2020 without the physical presence of shareholders or their authorised representatives (virtual Annual General Meeting).

Given that the COVID-19 pandemic is expected to continue for the foreseeable future and in light of the rules of conduct passed by the state of Berlin and the aim of preventing health risks to shareholders, internal and external employees and the company's executive bodies, the Management Board of Francotyp-Postalia Holding AG, with the approval of the Supervisory Board, decided to make use of the option provided under the COVID-19 Act and hold this year's Annual General Meeting as a virtual Annual General Meeting. This entails changes regarding how the Annual General Meeting is conducted and how shareholders exercise their rights.

We therefore ask that shareholders and their authorised representatives please observe the information below on registering for the virtual Annual General Meeting, exercising voting rights and on other shareholder rights.

### 1. Requirements for joining the virtual Annual General Meeting and exercising voting rights and other shareholder rights

Shareholders and their authorised representatives (with the exception of proxies appointed by the company) are not entitled to physically attend the virtual Annual General Meeting. Only those shareholders who register with the company at the following address and send special proof of their shareholding prepared by their custodian bank to the following address are entitled to follow the entire Annual General Meeting via video and audio transmission, to exercise their voting rights via electronic communication (no electronic participation) or by issuing power of attorney and instructions to the proxies appointed by the company and to exercise other exercisable shareholder rights:

**Francotyp-Postalia Holding AG**  
c/o Link Market Services GmbH  
Landshuter Allee 10  
80637 Munich, Germany  
Fax: +49 (0) 89 210 27 289  
E-mail: [inhaberaktien@linkmarketservices.de](mailto:inhaberaktien@linkmarketservices.de)

Registration and proof of their shareholdings must be sent to the Company in written form (by letter, by fax or by e-mail) at the address specified above and in German or English by no later **24:00 on 25 September 2020 ("registration period")**.

The proof of their shareholdings must refer to the beginning of the 12th day before the Annual General Meeting (17 September 2020, 00:00 ("**record date**")), and, in accordance with section 1 paragraph 3 sentence 2 COVID-19 Act, must be received by the company no later than the end of 25 September 2020, 24:00, at the address above. The proof of their shareholdings for shares that are not managed in a stock portfolio at a bank or that are not in a collective custody account may also be issued by a German notary, the company or a bank upon presentation of the shares.

After the registration and proof of shareholdings are received by the company, the shareholders are sent voting rights cards with login data for the restricted access AGM portal so that they can join the Annual

General Meeting online. Shareholders are requested to send their registration and proof of shareholdings as early as possible so as to ensure that they receive voting rights cards on time.

The record date is the crucial date for entitlement to exercise voting rights and other shareholder rights. In relation to the Company, only those who have supplied proof of their shareholding on the record date are regarded as shareholders for the exercise of voting rights and other shareholder rights. Changes in shareholdings after the record date are of no significance to this. No block on disposal of the shares is associated with the record date. Shareholders who have duly registered and provided proof are then entitled to join the Annual General Meeting electronically and to exercise their voting rights even if they sell the shares after the record date. Shareholders who did not acquire their shares until after the record date may not join the virtual Annual General Meeting and/or exercise voting rights. Incidentally, the record date is of no relevance to a possible entitlement to dividends.

## **2. Audio and video broadcasting of the virtual Annual General Meeting online**

The Annual General Meeting will be broadcast online in audio and video format for duly registered shareholders and their authorised representatives for the entire duration of the meeting on 29 September 2020 starting at 10:00 a.m. on the restricted access AGM portal at

[https://www.fp-francotyp.com/hv2020\\_eng](https://www.fp-francotyp.com/hv2020_eng)

The login data for the AGM portal are sent with the voting rights card for the virtual Annual General Meeting (see II.1 above).

Broadcasting of the Annual General Meeting does not allow participation in the Annual General Meeting within the meaning of section 118 paragraph 1 sentence 2 AktG.

## **3. Electronic vote casting by postal vote**

In accordance with section 1 paragraph 1 sentence 1 COVID-19 Act in connection with section 1 paragraph 2 sentence 1 no. 2 COVID-19 Act, the Management Board can authorise the casting of votes by postal vote by means of electronic communication as per section 118 paragraph 2 AktG even if this is not authorised in the Articles of Association.

Votes are thus cast by means of electronic communication by postal vote, i.e. via the restricted access AGM portal, by fax or by e-mail.

The company must be notified of votes cast by fax or e-mail no later than 28 September 2020, 24:00 at the following address:

**Francotyp-Postalia Holding AG**  
**c/o Link Market Services GmbH**  
Fax: +49 (0) 89 210 27 289  
E-mail: [inhaberaktien@linkmarketservices.de](mailto:inhaberaktien@linkmarketservices.de)

Shareholders who wish to cast their vote by fax or e-mail are requested to use the postal vote form provided by the company for this purpose. Shareholders who have registered on time receive the postal vote form together with their confirmation of registration for the virtual Annual General Meeting. A form for casting votes and a form for revoking these votes will also be made available on the company's website at <https://www.fp-francotyp.com/hauptversammlung> immediately after the Annual General Meeting is convened. The forms can also be requested by fax or e-mail at the address above.



If the vote is cast via the restricted access AGM portal at the website [https://www.fp-francotyp.com/hv2020\\_eng](https://www.fp-francotyp.com/hv2020_eng) the vote can also be cast on the restricted access AGM portal on the day of the Annual General Meeting until the vote casting period is officially ended by the Chair of the Meeting after questions are answered. Electronic postal voting via the AGM portal is possible from 17 September 2020 onwards using the "postal vote" button in the portal.

Votes that have already been cast via the restricted access AGM portal, by fax or by e-mail can be changed or revoked on the day of the Annual General Meeting via the AGM portal until the vote casting period is officially ended by the Chair of the Meeting after questions are answered.

Notice must be given of changes or revocations by fax or e-mail by 28 September 2020, 24:00 at the address stated above.

The voting rights card sent to duly registered shareholders contains further information on postal voting by means of electronic communication. Information on this and a more detailed description of postal voting by means of electronic communication can also be found online at [https://www.fp-francotyp.com/hv2020\\_eng](https://www.fp-francotyp.com/hv2020_eng)

Shareholders who do not wish to cast their votes prior to the Annual General Meeting by means of electronic communication, i.e. via the restricted access AGM portal, by fax or by e-mail, and instead wish to do so by post are asked to instruct the proxies appointed by the company to exercise their voting right and to select the postal method for this (see 5. for more information).

#### **4. Exercise of voting rights and other shareholder rights by authorised representatives**

Shareholders who do not wish to follow the Annual General Meeting themselves and/or do not wish to exercise their voting rights and other shareholder rights in person can also be represented by authorised representatives in order to exercise their rights, e.g. an intermediary, a shareholders' association, a voting rights consultant or another individual. Even then, registration for the Annual General Meeting in compliance with the relevant form and deadline requirements and proof of share ownership are required for the relevant shareholding.

If a shareholder authorises more than one person, the company can reject one or more of these persons.

Shareholders with voting rights can authorise a representative by informing the company directly electronically, i.e. via the restricted access AGM portal, by fax or by e-mail, or in writing, i.e. by post, to the following address:

**Francotyp-Postalia Holding AG**  
c/o Link Market Services GmbH  
Landshuter Allee 10  
80637 Munich, Germany  
Fax: +49 (0) 89 210 27 289  
E-mail: [inhaberaktien@linkmarketservices.de](mailto:inhaberaktien@linkmarketservices.de)

A proxy that has already been granted can also be revoked by informing the company directly using the communication channels stated above. There is thus then no need for separate proof of the proxy.

The proxy must be granted and any revocation of a granted proxy by mail, fax or e-mail must be sent by post, fax or e-mail by 28 September 2020, 24:00 to the address stated above.

The proxy can also be issued or a proxy that has already been issued can be revoked via the restricted access AGM portal on the day of the Annual General Meeting until the vote casting period is officially ended by the Chair of the Meeting after questions are answered. The "third party proxy" button in the AGM portal is intended for this purpose. Shareholders can find more information online at [https://www.fp-francotyp.com/hv2020\\_eng](https://www.fp-francotyp.com/hv2020_eng)

Shareholders who wish to authorise a representative directly to the company by fax, e-mail or in writing, i.e. by post, are requested to use the proxy form provided by the company to issue the proxy. Shareholders who have registered on time receive the proxy form together with their voting rights card for the virtual Annual General Meeting. A form for granting a proxy and a form for revoking this proxy will also be made available on the company's website at [https://www.fp-francotyp.com/hv2020\\_eng](https://www.fp-francotyp.com/hv2020_eng) immediately after the Annual General Meeting is convened. The forms can also be requested by post, fax or e-mail at the address above.

If the proxy is issued to the representative, rather than directly to the company (known as internal proxy), the issuing of the proxy, proof of the proxy to the company and revocation of this proxy require text form. Proof of a proxy granted internally can be provided by sending this proof by post, by fax or by e-mail to the address stated above and must be received by the company by 28 September 2020, 24:00.

Shareholders are also asked to use the forms provided by the company to grant a proxy by way of declaring this to the representative.

Where a proxy to exercise voting rights is granted to an intermediary (e.g. bank), a shareholders' association, a voting rights consultant or another commercial proxy service covered by section 135 AktG, there are usually special considerations. For example, there is no text form requirement but the authorised representatives must retain a verifiable record of the proxy declaration. It must also be complete and may contain only declarations related to the exercising of voting rights. We would therefore ask our shareholders to coordinate their efforts in this respect.

Authorised representatives cannot attend the virtual Annual General Meeting in person. In particular, they can exercise the voting rights from the shares they represent only by postal vote by means of electronic communication or by granting a (sub) proxy as well as instructing the representatives nominated by the company (as explained in the section below) (no electronic attendance).

For an authorised representative to join the virtual Annual General Meeting on the AGM portal and submit a postal vote by means of electronic communication or by granting a (sub) proxy as well as instructing the representatives nominated by the company via the AGM portal, the authorised representative requires the shareholder's login data for the AGM portal printed on the confirmation of registration.

If the proxy is granted at the same time as registering for the virtual Annual General Meeting, the login data are sent to the authorised representative directly. Otherwise, the shareholder must pass on the login data to the authorised representative.

## **5. The exercise of voting rights by the Company's representatives**

Shareholders may also authorise representatives nominated by the Company. If representatives nominated by the company are appointed as proxies, the shareholder must instruct these representatives regarding how the voting rights are to be exercised for the individual items for resolution on the agenda. If no such instructions are issued, the representatives nominated by the company cannot represent the vote. The representatives must vote as instructed. The representatives nominated by the company cannot accept requests to ask questions, bring forward motions or file objections.

The proxy and instructions to the representatives nominated by the company are to be issued via the restricted access AGM portal, by post, by fax or by e-mail.

If the representatives are appointed to exercise voting rights according to instructions by post, fax or e-mail, proxies and instructions to the representatives must, for organisational reasons, be received by the company by post, fax or e-mail no later than the end of 28 September 2020, 24:00 at the address below:

**Francotyp-Postalia Holding AG**  
c/o Link Market Services GmbH  
Landshuter Allee 10  
80637 Munich, Germany  
Fax: +49 (0) 89 210 27 289  
E-mail: [inhaberaktien@linkmarketservices.de](mailto:inhaberaktien@linkmarketservices.de)

If the proxy and instructions are issued to the representatives nominated by the company via the restricted access AGM on the website [https://www.fp-francotyp.com/hv2020\\_eng](https://www.fp-francotyp.com/hv2020_eng) this can also be granted on the restricted access AGM portal on the day of the Annual General Meeting until the vote casting period is officially ended by the Chair of the Meeting after questions are answered. Proxies and instructions can be issued to the representatives nominated by the company via the AGM portal from 17 September 2020 onwards. The "proxy and instructions" button in the AGM portal is intended for this purpose.

Proxies and instructions to the representatives nominated by the company that have already been issued via the restricted access AGM portal, by post, by fax or by e-mail can be changed or revoked on the day of the Annual General Meeting via the AGM portal until the vote casting period is officially ended by the Chair of the Meeting after questions are answered.

Notice must be given of changes or revocations by fax, e-mail or post by 28 September 2020, 24:00 at the address stated above.

Shareholders receive a form for issuing proxies and instructions for proxy voting by representatives nominated by the company by post, fax or e-mail together with the voting rights card for the virtual Annual General Meeting. A form for granting a proxy and issuing instructions to the company's representatives and a form for revoking these will also be made available on the company's website at [https://www.fp-francotyp.com/hv2020\\_eng](https://www.fp-francotyp.com/hv2020_eng) immediately after the Annual General Meeting is convened. The forms can also be requested by post, fax or e-mail at the address above.

On the day of the Annual General Meeting, after the official end of the period in which voting rights can be exercised (in this case, the option to submit instructions to the representatives nominated by the company), the company representatives exercise the instructions that they have been issued.

More details on issuing proxies and instructions are sent together with the voting rights card after registering for the virtual Annual General Meeting. Information can also be found on the company's website at [https://www.fp-francotyp.com/hv2020\\_eng](https://www.fp-francotyp.com/hv2020_eng).

## **6. Supplements to the agenda pursuant to section 122 paragraph 2 of the German Stock Corporation Act**

Shareholders whose aggregate holdings equal 5% of the share capital or represent a pro rata amount of the share capital corresponding to EUR 500,000 – this equates to at least 500,000 shares – may request that items be put on the agenda and published. Each new item shall be accompanied by an explanation or a draft proposal. The request must be addressed to the Management Board in writing and must be received by the Company at least 14 days before the meeting in accordance with section 1 paragraph 3

sentence 4 COVID-19 Act, i.e. at least by 24:00 on 14 September 2020. Please direct any requests to this effect to the following address:

**Francotyp-Postalia Holding AG**  
The Management Board  
Attn. Investor Relations / Mr Maik Laske  
Prenzlauer Promenade 28, 13089 Berlin, Germany

or in electronic form in accordance with section 126a of the German Civil Code to:  
[hauptversammlung@francotyp.com](mailto:hauptversammlung@francotyp.com)

Applicants must provide proof that they have been holders of the shares for at least 90 days prior to the receipt of the request and will continue to hold the shares until a decision on the application is rendered by the Management Board (section 122 paragraph 1 sentence 3 and paragraph 2 sentence 1 and section 70 of the German Stock Corporation Act).

**7. Motions and nominations by shareholders in accordance with sections 126, 127 of the German Stock Corporation Act**

Motions and nominations by shareholders on specific items on the agenda, including the name of the shareholder, possibly an explanation and a possible statement by the management are made accessible via the Company's website (via the link [https://www.fp-francotyp.com/hv2020\\_eng](https://www.fp-francotyp.com/hv2020_eng)) if the shareholder has sent them to the following address by the end of 14 September 2020, 24:00:

**Francotyp-Postalia Holding AG**  
Investor Relations  
Mr Maik Laske  
Prenzlauer Promenade 28, 13089 Berlin, Germany

Fax: +49 (0)30 – 220 660-425  
E-mail: [m.laske@francotyp.com](mailto:m.laske@francotyp.com)

A counter-motion and the grounds for this need not be made available if one of the exclusionary elements pursuant to section 126 paragraph 2 of the German Stock Corporation Act (Aktiengesetz) exists. In particular, the statement of the grounds for an admissible counter-motion need not be communicated if it amounts to more than 5,000 characters.

The above statements shall apply analogously to a nomination by a shareholder for the election of members of the Supervisory Board or external auditors with the proviso that a statement of grounds does not have to be provided for a nomination for election (section 127 of the German Stock Corporation Act). Nominations for election must be made accessible only if they contain the name, profession and place of residence of the person nominated and, in the case of an election of Supervisory Board members, also information on their memberships in other statutory supervisory boards.

A counter-motion or nomination to be made accessible under sections 126, 127 AktG is considered to have been submitted at the Annual General Meeting if the shareholder making the proposal is properly registered for the Annual General Meeting. No counter-motions can be submitted or nominations made during the Annual General Meeting.

## **8. Asking questions by means of electronic communication**

Shareholders and their authorised representatives (except representatives nominated by the company) can ask questions by electronic communication in accordance with section 1 paragraph 2 sentence 1 no. 3 COVID-19 Act. This opportunity to ask questions applies only to shareholders and their authorised representatives who have properly registered for the virtual Annual General Meeting as described in II.1. Questions by shareholders or their authorised representatives must be submitted electronically via the restricted access AGM portal at [https://www.fp-francotyp.com/hv2020\\_eng](https://www.fp-francotyp.com/hv2020_eng) no later than two days before the virtual Annual General Meeting, i.e. no later than 27 September 2020, 10:00 a.m. (received). The "submit question" button in the AGM portal is intended for this purpose. No further questions can be submitted after this period.

The name of the person who submitted the question will be stated as part of the response unless shareholders expressly oppose this. Please note the further explanations on shareholder rights and data protection at the end of this invitation.

The Management Board exercises its own due discretion when deciding which questions to answer and how. It may combine questions or select useful questions in the interests of other shareholders. The Management Board retains the right to publish responses to questions in advance on the company's website at [https://www.fp-francotyp.com/hv2020\\_eng](https://www.fp-francotyp.com/hv2020_eng) and, in this case, not to repeat its response to the question during the virtual Annual General Meeting.

The general right to withhold information under section 131 paragraph 3 AktG also applies. The Management Board can choose not to answer questions, e.g. because providing such information is, according to sound business judgement, likely to cause material damage to the company or an affiliated company (e.g. no disclosure of business secrets) or because providing this information would render the Management Board criminally liable.

## **9. Objecting to virtual Annual General Meeting resolutions**

Duly registered shareholders and authorised representatives who have exercised voting rights can file objections to virtual Annual General Meeting resolutions by means of electronic communication via the restricted access AGM portal at [https://www.fp-francotyp.com/hv2020\\_eng](https://www.fp-francotyp.com/hv2020_eng) in accordance with section 245 no. 1 AktG in conjunction with section 1 paragraph 2 sentence 1 no. 4 COVID-19 Act. This right to file objections applies on 29 September 2020 from the start of the virtual Annual General Meeting until the meeting is closed by the Chair. The "file objection" button in the AGM portal is intended for this purpose.

## **10. Technical information regarding the virtual Annual General Meeting**

Watching the virtual Annual General Meeting, using the AGM portal and exercising shareholder rights require an internet connection and a web-enabled device. A stable internet connection with a sufficient transmission speed is recommended for optimal video and audio streaming of the Annual General Meeting.

If you use a computer to stream the virtual Annual General Meeting, you will require an internet browser and speakers or headphones.

Accessing the company's AGM portal requires you to have your voting rights card that you were automatically sent after registration. This voting rights card contains your personal login data that you can use to log on to the AGM portal on the login screen.

To avoid the risk of technical issues during the virtual Annual General Meeting creating problems when exercising shareholder rights, we recommend – where possible – exercising shareholder rights (especially voting rights) **before the Annual General Meeting** starts. The AGM portal is open for voting from 17 September 2020 onwards.

Shareholders can find further details on the AGM portal and the terms and conditions of registration and use together with their voting rights card and online at [https://www.fp-francotyp.com/hv2020\\_eng](https://www.fp-francotyp.com/hv2020_eng)

#### **11. Note on availability of audio and video stream**

Duly registered shareholders can watch an audio and video stream of the entire Annual General Meeting on the access-restricted AGM portal online. By current technological standards, limitations in the availability of the telecommunications network and limitations regarding internet services by third-party providers mean that the audio and video stream of the virtual Annual General Meeting and the availability of the AGM portal may vary. The company has no influence on this. The company thus assumes no guarantee or liability for the functioning or permanent availability of the internet services or third-party network elements used, the audio and video stream or access to the AGM portal and its general availability. Furthermore, the company is not responsible for faults or defects in the hardware or software used for the online service, including those from the service companies used, except in the case of intentional wrongdoing. For this reason, the company recommends exercising rights, in particular voting rights, as described above in good time. If absolutely necessary on account of data protection or security issues, the Chair of the Annual General Meeting must reserve the right to temporarily or permanently stop the stream of the virtual Annual General Meeting.

#### **12. Further information on shareholder rights**

Further information on shareholder rights pursuant to sections 122 paragraph 2, 126 paragraph 1, 127 and 131 AktG, partially in connection with the COVID-19 Act, can be found on the company's website at [https://www.fp-francotyp.com/hv2020\\_eng](https://www.fp-francotyp.com/hv2020_eng) from the time at which the Annual General Meeting is convened.

#### **13. Total number of shares and voting rights at the time the Annual General Meeting is convened**

The Company's share capital at the time the Annual General Meeting is convened amounts to EUR 16,301,456 and is divided into 16,301,456 no-par value bearer shares. Every share has one vote. The total number of voting rights is thus 16,301,456. This total includes 257,393 in treasury stock held by the company at the time of convening, based upon which the company is not entitled to any rights pursuant to section 71b German Stock Corporation Act.

#### **14. Annual General Meeting documentation and further information**

This invitation to the Annual General Meeting, the documents to be made available to the Annual General Meeting and further information in connection with the Annual General Meeting, in particular in accordance with section 124a AktG, will be accessible on the company's website at [https://www.fp-francotyp.com/hv2020\\_eng](https://www.fp-francotyp.com/hv2020_eng) from the time at which the Annual General Meeting is convened.

The documents to be made available will also be accessible during the Annual General Meeting on 29 September 2020 via the restricted access AGM portal.

Any counter-motions, nominations or requests for supplements by shareholders received by the company that are subject to disclosure requirements will also be made available using the website given above.

## 15. Data protection

We collect personal data about shareholders and/or authorised representatives who register for the Annual General Meeting or who issue proxies. This is done to enable shareholders to exercise their rights at the Annual General Meeting. Francotyp-Postalia Holding AG processes this data as controller in compliance with the provisions of the EU General Data Protection Regulation (“**GDPR**”) and all other relevant laws. Details on the handling of personal data and on the rights held under the GDPR can be found at [www.fp-francotyp.com](http://www.fp-francotyp.com) via the link [https://www.fp-francotyp.com/hv2020\\_eng](https://www.fp-francotyp.com/hv2020_eng).

Berlin, September 2020

Kind regards,

Francotyp-Postalia Holding AG  
The Management Board