

## **Additional information on item 7 of the agenda (Resolution on remuneration and the remuneration system for members of the Supervisory Board)**

The remuneration of the Francotyp-Postalia Holding AG's Supervisory Board is regulated in Article 17 of the Articles of Association, and the version currently in force was adopted by resolution of the Annual General Meeting on 18 June 2008. Article 17 of the company's Articles of Association states:

### 17. Supervisory Board remuneration, liability insurance

(1) From fiscal year 2009, in addition to the reimbursement of cash expenses and any VAT incurred in relation to Supervisory Board work, each member of the Supervisory Board receives fixed remuneration of EUR 30,000 per fiscal year, payable in the last month of the fiscal year.

(2) From fiscal year 2009, the fixed remuneration for the Chairman is 150 % of the remuneration for a normal Supervisory Board member and 125 % for the Deputy Chairman.

(3) The amount of remuneration in line with section (1) is increased by 10 % for each Supervisory Board committee to which the member belongs providing that the respective committee has meet at least twice in the fiscal year.

(4) If members join or leave the Supervisory Board during a fiscal year, the members receive the remuneration on a pro rata temporis basis. If a Supervisory Board member joins or leaves a function with increased remuneration, the above sentence applies accordingly in respect to that part of the remuneration related to the relevant function.

(5) As long as a directors and officers liability insurance is maintained by the company at an appropriate level for executive bodies and certain executives in the interests of the company, the company includes the members of the Supervisory Board in the coverage. Premiums for this are paid by the company.

## **Procedure for defining, implementing and reviewing the remuneration of the Supervisory Board**

The Supervisory Board reviews the appropriateness of the structure and amount of its remuneration at irregular intervals. The Supervisory Board is of the opinion that its current remuneration is appropriate in terms of structure and amount, including in regard to supervisory board remuneration at other comparable companies.

The task of the Supervisory Board and its members consists of monitoring and advising the Management Board in its management of the company's business. These activities are fundamentally different from the activities of employees of the company. For this reason, no “vertical” comparison with employee remuneration is taken into consideration in the review of the structure and amount of the remuneration for Supervisory Board members.

From 2020 onwards, it is necessary for the general meetings of exchange-listed companies to adopt a resolution on the remuneration of supervisory board members at least once every four years or to reaffirm the existing remuneration of supervisory board by resolution. In the future, in consideration of this fact, the Supervisory Board will carry out a corresponding analysis of its remuneration every four years at the latest in preparation for this regular resolution in order to submit a corresponding proposed to the Annual General Meeting together with the Management Board.

In this context, it is mandatory to involve the members of the Supervisory Board in the design of the remuneration system which will apply to them. Any resulting conflicts of interest are counteracted by the fact that the decision on the approval of the remuneration system is incumbent solely on the Annual General Meeting and that proposed resolutions concerning this are submitted to the Annual General Meeting by both the Supervisory Board and the Management Board.

### **Concrete configuration of the remuneration of the Supervisory Board**

The remuneration for members of the Supervisory Board consists of a base remuneration and as well as allowances that are granted for the assumption of specific functions in consideration of the additional work involved.

The members of the Supervisory Board receive a fixed annual remuneration of EUR 30,000 for each full fiscal year in office.

Due to the increased effort for preparation and work which is regularly entailed and in accordance with recommendation G.17 GCGC, the members of the Supervisory Board receive additional annual remuneration of EUR 3,000 for each committee to which they belong, provided said committee has met at least twice during the fiscal year in question. In deviation from recommendation G.17 GCGC, no allowances have been defined for the assumption of chairperson roles for committees, as the Supervisory Board is of the opinion that all committee members have a comparable workload. In consideration of the fact that it consists of only three members, the Supervisory Board does not currently maintain any committees.

Furthermore, the chairperson of the Supervisory Board receives an allowance of EUR 15,000 and the deputy chairperson receives an allowance of EUR 7,500, both of which are added to the base remuneration. In accordance with recommendation G.17 GCGC, these allowances take the special responsibilities and the considerable additional organisational and administrative effort associated with the assumption of these offices into account.

Supervisory Board members who have not belonged to the Supervisory Board or a committee for the full duration of a fiscal year or have not held the role of chairperson or deputy chairperson of the Supervisory Board for the full duration of a fiscal year receive the remuneration on a pro-rata basis, rounded up to full months.

The remuneration is paid out in the final month of the respective fiscal year.

Supervisory Board members are also reimbursed for all expenses incurred in connection with the performance of the Supervisory Board mandate, as well as for any value-added tax incurred on their remuneration or expenses.

Finally, the Supervisory Board members are included under the coverage of any existing liability insurance which covers statutory liability from Supervisory Board activities.