

REMUNERATION REPORT

**of Francotyp-Postalia Holding AG
for the fiscal year 2021**

Please note that there may be rounding differences compared to exact mathematical figures (monetary units, percentages, etc.).

Non-binding convenience translation from German

The following remuneration report, which was prepared jointly by the Management Board and the Supervisory Board in accordance with the new statutory provisions of section 162 AktG, presents and explains the remuneration of the current and former members of the Management Board and Supervisory Board of Francotyp-Postalia Holding AG in fiscal year 2021. In order to promote understanding, the remuneration system for the Management Board and Supervisory Board adopted in the 2021 financial year is also outlined. It was subjected to an audit as required by section 162 para 3 AktG. The audit opinion is attached to this report.

The aim of this report is to make clear the connection between the overarching corporate strategy and the structure of the remuneration system, while at the same time making the concrete operation of the remuneration system – pay for performance – comprehensible. The report will be presented for approval for the first time at the Annual General Meeting that resolves on the fiscal year 2021.

1. Remuneration system for the Management Board

Resolution on the approval of the remuneration system for Management Board members

The current system of remuneration for the members of the Management Board of Francotyp-Postalia Holding AG was resolved by the Supervisory Board – with the assistance of specialist external support – in accordance with sections 87 (1), 87a (1) AktG on 27 April 2021 and approved by the Annual General Meeting on 16 June 2021 with a majority of 97.42% of the share capital represented. There was therefore no reason to question or make adjustments to the reporting or application of the remuneration system.

The remuneration system complies with the requirements of the German Stock Corporation Act, in particular the requirements of the Act Implementing the Second Shareholders' Rights Directive (ARUG II), and is based on the recommendations of the German Corporate Governance Code as amended on 16 December 2019.

Summary of key aspects of fiscal year 2021 from a remuneration perspective

From a remuneration perspective, fiscal year 2021 was operationally very successful. The good revenue and earnings development therefore had a direct impact on the Management Board's annual bonus.

As this business development has not yet had an impact on the performance of the FP share price, there has not yet been any benefit from the long-term incentives (LTI 1), which are linked to share price performance. LTI 2, which is based on sustainability targets, will not be reviewed yearly during its term.

In view of the Supervisory Board the design of the incentive focuses on a balance between short-term, annual successes and the multi-year sustainable development of the company. Through the first component of the LTI, virtual stock options, which can be exercised after four years at the earliest, the Management Board member participates in the increase in the share price. The second component of the LTI relates to sustainability criteria and thus takes into account the growing importance of environmental, social and governance (ESG) criteria in corporate management.

Application of the Management Board remuneration system in fiscal year 2021

Since the resolution by the Supervisory Board, the current remuneration system for the Management Board has been taken into account by the company when concluding new contracts and renewing existing contracts. The remuneration system does not apply to the remuneration of the members of the Management Board in fiscal year 2021, as their contracts were concluded before the resolution on the new remuneration system.

Where members of the Management Board within the meaning of section 162 AktG were granted individual remuneration in fiscal year 2021 which had been promised in previous fiscal years under the remuneration system applicable at the time, this is also presented and explained.

The remuneration system for members of the Management Board of Francotyp-Postalia Holding AG is reviewed by the Supervisory Board, in particular as part of contract negotiations with existing or future members of the Management Board. The Supervisory Board may – in accordance with the legal requirements in section 87a (2) sentence 2 AktG – temporarily deviate from the remuneration system if this is necessary in the interests of the long-term well-being of the company. There is to be a regular review, although a specific date has not been set.

Disclosures on the remuneration components

The following presentation relates to the Management Board remuneration system approved by the Annual General Meeting 2021. Where the remuneration of the Management Board members in fiscal year 2021 deviates from these explanations, this will be explained in the individual presentation of the specific Management Board remuneration for the fiscal year.

The remuneration of the Management Board members is made up of non-performance-related and performance-related components. Linking remuneration to both the short-term and long-term performance of the company can support successful and sustainable corporate governance. At the same time, the choice of suitable performance criteria

provides important incentives for implementing the strategic realignment of the Group.

As non-performance-related fixed remuneration, the members of the Management Board receive an annual fixed salary in twelve equal monthly instalments. This provides a secure and predictable income. They also receive fringe benefits in the form of non-cash remuneration, such as a company car and insurance premiums.

The performance-related remuneration components comprise short-term variable remuneration (short-term incentive, "STI") and long-term variable remuneration (long-term incentive, "LTI"). The short-term component has an assessment period of one year and is linked to two to four key performance indicators based on the budget for the respective fiscal year approved by the Supervisory Board. The long-term component (LTI) consists of two components and has an assessment period of four years to promote sustainable corporate development. The first component of the LTI is virtual share options, which are allocated to the Management Board member at a strike price and may be linked to a percentage of shares purchased and held by the Management Board member himself. The virtual share options can be exercised after four years at the earliest (vesting), so that the Management Board member participates accordingly in the increase in the share price via the

difference between the strike price and the exercise price.

The second component of the LTI relates to two equally agreed sustainability criteria. The fulfillment of this component is remunerated in cash. The first criterion is the successful maintenance or re-certification of five ISO certifications over the entire period. The second criterion is the reduction of CO₂ emissions by certain target values agreed by contract compared with the beginning of the period and the end of the bonus period. The members of the Management Board receive advance payments on this second LTI component, which are offset after the assessment period.

The Supervisory Board determines the specific target remuneration for the Management Board members and the performance criteria for the variable remuneration components provided for in the remuneration system for the respective upcoming fiscal year. At least 80% of the planned target figures must be achieved in order to be entitled to the agreed bonus components. A target achievement of 120% constitutes the upper limit (cap).

The share of long-term variable remuneration exceeds the share of short-term variable remuneration in total target remuneration.

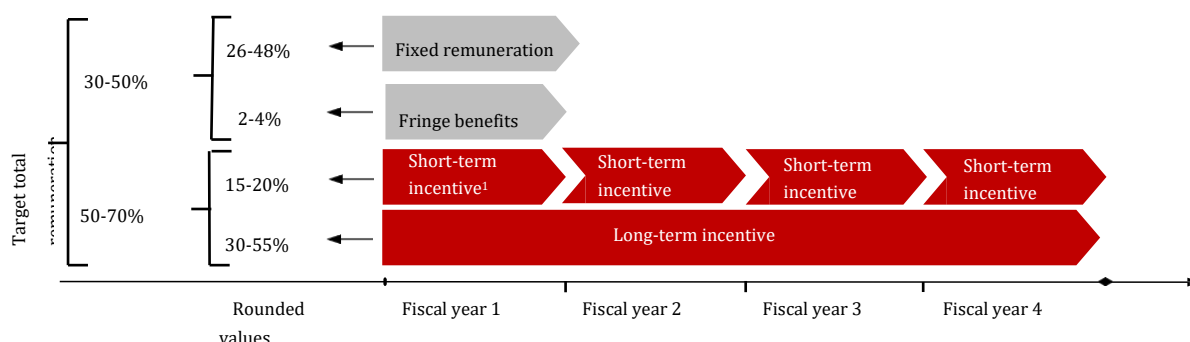
TOTAL OVERVIEW OF REMUNERATION COMPONENTS

Remuneration component	Basis of assessment/parameters
Non-performance based remuneration	
Fixed remuneration	Fixed remuneration, paid monthly pro rata as salary
Fringe benefits	Company car, insurance premiums; further one-off or time-limited (transitional) benefits possible in the case of new appointments with express resolution of the Supervisory Board
Performance-based compensation	
Short-term incentive (STI)	<ul style="list-style-type: none"> Annual bonus model: Basis for target achievement: a separate number of Key Performance Indicators ("KPIs") to be determined by the Supervisory Board each year, or already determined, for each Management Board member, each of which is to be given equal weighting (min. 2 KPIs, max. 4 KPIs) Cap: 120% of the target amount
Long-term incentive (LTI)	Sustainability component 1: virtual share options ("virtual SO") <ul style="list-style-type: none"> Allocation of virtual SO with appointment to the Management Board Number of options to be allocated is left to the discretion of the Supervisory Board; additional options may be granted for the achievement of specific additional targets

	<ul style="list-style-type: none"> • Obligation of the Management Board to acquire a percentage of the virtual share options as real shares (holding period: 4 years) • Exercise of virtual option after 4 years (vesting period) • Exercise price: Arithmetical average of the Xetra closing prices of the last 90 trading days prior to exercise • Calculation: Payout amount = difference between strike price and exercise price multiplied by the number of virtual SOs allocated (no minimum) • Cap payout amount per virtual SO: a price in EUR per virtual SO to be determined at the discretion of the Supervisory Board. <p>Sustainability component 2: ESG targets</p> <ul style="list-style-type: none"> • Determination of two ESG targets by the Supervisory Board, which should be identical for all Management Board members as far as possible, but do not have to be • Example ESG targets up to 2024 <ul style="list-style-type: none"> • <u>1.</u> ESG target: Annual ISO (re-)certifications • <u>2.</u> ESG target: Reduction of CO₂ emissions • Annual advance payments on payout amount • Cap: 120% of the target amount
Other remuneration schemes	
Maximum remuneration	Limitations on total remuneration granted for a fiscal year pursuant to section 87a (1) sentence 2 no. 1 AktG
Severance pay cap	Severance payments of a maximum of one year's total remuneration; remuneration for the remaining term of the contract may not be exceeded
Penalty and clawback provision	<p><u>Penalty:</u> In the event of a serious violation of applicable law in the sense of individual misconduct or organisational culpability, the Supervisory Board may partially reduce or completely eliminate the variable remuneration components (STI/LTI) for the respective assessment period</p> <p><u>Clawback:</u> Possibility for the Supervisory Board to reclaim variable remuneration already paid out in the event of subsequent discovery of a penalty event</p>

Determination of target remuneration

TARGET TOTAL REMUNERATION



¹ To be agreed separately for each fiscal year between the Supervisory Board and the respective member of the Management Board

Non-performance based remuneration accounts for approximately 30-50% of total target remuneration. Fixed remuneration for approximately 26-48% of target total remuneration, and regular fringe benefits normally account for approximately 2-4%.

Performance-based remuneration accounts for a total of approximately 50-70% of total target remuneration, which directly reflects the pay-for-performance approach. The target amount of the STI accounts for around 15-20% of total target remuneration, while the

target amount of the LTI accounts for around 30-55% of total target remuneration. This ensures that the variable remuneration resulting from the achievement of long-term targets exceeds the share resulting from short-term targets.

The following table shows the envisaged target remuneration of the Management Board members for the 2021 fiscal year and the respective share of the remuneration components in total remuneration:

Target remuneration for fiscal year 2021	Carsten Lind CEO		Martin Geisel CFO since 10 January 2021	
	2021 in EUR thousand	2021 in %	2021 in EUR thousand	2021 in %
Basic remuneration	400	65.8	375	65.2
+ Fringe benefits	28	4.6	28	4.8
+ Pension remuneration	-	-	22	3.9
= Total fixed remuneration	428	70.4	425	73.9
Variable remuneration				
+ Short-term variable remuneration for 2021	180	29.6	150	26.1
+ Long-term variable remuneration (LTI 1 2020-2024)	55.3	-55.3	-	-
+ Long-term variable remuneration (LTI 1 2021-2022)*	-	-	-	-
+ Long-term variable remuneration (LTI 2 2020-2024)	-	-	-	-
= Total variable remuneration	235.3	84.9	150	26.1
+ Other	-	-	-	-
= Total remuneration	663.3	155.3	575	100.0
Share of fixed remuneration in %	64.5	45.3	73.9	73.9
Share of variable remuneration in %	35.5	54.7	26.1	-26.1

*) Target compensation for LTI 2 is not stated for 2021, as target achievement is calculated for the entire bonus period and no interim accounting is performed.

Target remuneration was determined on the basis of 100% target achievement for the variable remuneration components.

The current members of the Management Board have not received any pension commitments. They receive partial subsidies for pension insurance (pension expense). An amount of EUR 1,956 thousand was accrued for pension obligations to former members of the Management Board. The last beneficiary left the company in 2008.

Disclosures on shares and share options

The members of the Management Board do not receive any remuneration components in the form of shares or options on shares in Francotyp-Postalia Holding AG. The long-term variable remuneration of the Management Board is related to the share price development of Francotyp-Postalia Holding AG via virtual share options.

As part of the LTI 1 remuneration component, there is an obligation only for Mr Lind to acquire 8% of the allocated virtual share options as shares in the company and to hold them for 4 years from the date of acquisition (Share Ownership Guidelines).

SHARE OWNERSHIP OF THE MANAGEMENT BOARD MEMBERS

	as of 31 December 2021 – Number of shares	in % of share capital
Carsten Lind	37,000	0.23
Martin Geisel	23,000	0.14

Information on the clawback of variable remuneration components

In the opinion of the Supervisory Board the remuneration of the members of the Management Board ensures that special performance is rewarded appropriately and that any failure to meet targets leads to a noticeable reduction in remuneration. In addition, the employment contracts of the current members of

the Management Board stipulate that they are not entitled to a long-term bonus in the event of premature termination due to a serious breach of duty and that any advance payments received in this regard must be refunded. No variable remuneration components were reclaimed or withheld in fiscal year 2021.

Disclosures on deviations from the remuneration system in 2021

The company concluded employment contracts with the currently appointed members of the Management Board before the current remuneration system was adopted.

Consequently, the remuneration system does not apply in all respects to the existing contracts. For example, the Supervisory Board is able to offset effects on the long-term bonus from corporate actions carried out in the assessment period.

The employment contract with Chief Financial Officer Martin Geisel was concluded for a period of two years. The basis for calculating the long-term bonus is therefore based on the period during which the Management Board member is able to shape and influence the company's performance.

Disclosures on the implementation of the Annual General Meeting resolution

The remuneration system for the Management Board is taken into account when new Management Board employment contracts are concluded with the company and when they are renewed. It is therefore not yet fully applied to the remuneration of the Management Board members currently appointed.

Compensation granted and owed

The compensation granted and owed to the respective members of the Management Board of the Company is as follows for the individual components, with the compensation being attributed to the fiscal year in which the underlying activity was performed in full ("vesting-oriented view"):

REMUNERATION OF THE MANAGEMENT BOARD (GRANTED AND OWED)

	Carsten Lind		Martin Geisel		Patricius de Gruyter		Sven Meise		Rüdiger A. Günther	
	CEO since 1 June 2020		CFO since 10 January 2021		CSO until 31 May 2021		COO/CDO since 11 January 2021 ¹⁾		CEO/CFO since 11 November 2020	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Grants in EUR										
Fixed remuneration	400,000	230,000	375,000	-	129,167	302,250	310,000	302,250	73,333	419,250
Fringe benefits	27,827	14,734	27,824	-	5,116	14,164	32,612	26,044	3,599	21,322
Pension cost	-	-	22,152	-	0	0	24,007	23,379	3,692	21,517
Total fixed remuneration	427,827	244,734	424,976	-	134,283	316,414	366,619	351,673	80,624	462,089
Long-term variable remuneration (LTI 1 2020-2024)	55,250	55,250	-	-	-	-	-	-	-	-
Long-term variable remuneration (LTI 1 2021-2022)	-	-	-	-	-	-	-	-	-	-
Long-term variable remuneration (LTI 2 2020-2024)	-	-	-	-	-	-	-	-	-	-
Short-term variable remuneration (bonus)	360,000	105,000	187,500	-	43,542	104,500	65,000	100,000	0	224,700
Virtual share options	-	-	-	-	20,543	19,781	-	19,781	-	39,252
2015 stock option plan	-	-	-	-	-	-	-	-	-	23,437
Long-term bonus	-	-	-	-	59,375	142,500	122,500	150,000	-	-
Total variable remuneration	360,000	366,833	187,500	-	123,460	266,781	187,500	269,781	0	287,389
Severance pay	-	-	-	-	-	-	-	-	654,700	-
Total remuneration	840,077	611,567	612,476	-	257,742	583,194	554,119	621,454	735,324	749,478
Share of fixed remuneration in %.	50.7	40.0	69.4	0.0	52.1	54.3	66.2	56.6	100.0	61.7
Share of variable remuneration in %	49.3	60.0	30.6	0.0	47.9	45.7	33.8	43.4	0.0	38.3

1) Of which pro rata temporis as current member of the Executive Board: fixed compensation EUR 8,493, fringe benefit EUR 893, pension expense EUR 658, short-term bonus EUR 1,780, long-term bonus EUR 3,356.

Disclosures on compliance with the maximum remuneration

In accordance with section 87a (1) sentence 2 no. 1 AktG, the Supervisory Board has set a maximum remuneration limit which restricts the total amount of remuneration actually received for a given fiscal year (fixed remuneration + fringe benefits + payout from STI + payout from LTI). For the Chairman of the Management Board, the maximum annual remuneration is EUR 2,500,000.00 gross, and EUR 1,900,000.00 gross each for the ordinary members of the Management Board. This maximum remuneration is only made possible if the share price of the company increases to such an extent that the maximum remuneration is generated from the virtual share options.

It is not yet possible to verify compliance with the maximum remuneration, as it still depends on the inflow of variable remuneration components in future years. Compliance with the maximum remuneration

can and is therefore expected to be reported for the first time in the remuneration report for the fiscal year 2022.

Explanation of variable remuneration components

I. Carsten Lind, Chairman of the Management Board

The Supervisory Board has agreed targets with Mr. Lind for the annual bonus for fiscal year 2021, which relate to Group revenue and EBITDA. The prerequisite for the annual bonus is target achievement of more than 80%. If the target is fully achieved, the annual bonus will be EUR 180,000. The cap (120% target achievement) is a bonus amount of EUR 360,000. The annual bonus is paid in the month following the resolution by the Annual General Meeting on the annual financial statements and is therefore included in the table as "owed." The bonus was calculated in accordance with the following presentation:

CALCULATION OF THE BONUS | CARSTEN LIND

KPI	Target	Weighting	Target achievement in %	Share bonus
Revenue	EUR 189.6 million	50%	>120%	€ 180,000
EBITDA	EUR 9.5 million	50%	>120%	€ 180,000
Total		100%	>120%	€ 360,000

For fiscal year 2020, in which Mr. Lind was appointed to the Management Board as at 1 June 2020, 100% target achievement was assumed and the amount of the annual bonus was measured on a pro rata basis.

Mr. Lind was granted a total of 350,000 virtual share options as LTI, first component, at the beginning of the four-year bonus period on 1 June 2020, at a strike price of EUR 3.60. One quarter of the virtual share options will vest after 12, 24, 36 and 48 months respectively. A further 50,000 virtual share options were also granted; these are linked to the establishment of the digital business. Depending on the exercise price, which does not have to meet any minimum amount, and the timing of the exercise declaration, it is not possible to determine the amount of the LTI until later. The amount is limited to EUR 15 per virtual share option (cap). The share options were granted in fiscal year 2020 at a fair value (fair value at grant) of EUR 221 thousand. A provision of EUR 32 thousand was recognised in fiscal year 2020. Furthermore, sustainability targets were agreed with Mr. Lind. Half of these ESG criteria relate to the successful re-certification of five ISO certifications and half to the reduction of CO₂ emissions. On the agreed LTI targets of this second component (ESG), Mr. Lind will receive annual advance payments of EUR 40,000, which will be offset at the end of the assessment period of four years. The prerequisite is target achievement of more than 80%. If the target is fully achieved, this LTI amounts to EUR 280,000.

The cap (120% target achievement) is a bonus amount of EUR 560,000. Payment will be made in the month after the bonus period expires and achievement of the agreed targets can be determined, presumably in fiscal 2025.

The Supervisory Board has therefore linked the remuneration to both the short-term and long-term development of the company so that it supports successful and sustainable corporate governance. At the same time, the choice of suitable performance criteria provides important incentives for implementing the strategic realignment of the Group. Linking LTI 1 to the development of the share price also ensures a high degree of alignment of interest with that of shareholders.

II. Martin Geisel, Chief Financial Officer

The Supervisory Board agreed an annual bonus with Mr. Geisel for fiscal year 2021. For fiscal year 2021, the minimum bonus was EUR 100,000. The prerequisite for the annual bonus in the following year is cumulative target achievement of more than 80% for various agreed KPIs. If the target is fully achieved, the annual bonus will be EUR 150,000. The cap (125% target achievement) is a bonus amount of EUR 187,500.

The annual bonus is paid in the month following the resolution by the Annual General Meeting on the annual financial statements and is therefore included in the table as "owed."

The bonus for fiscal year 2021 was calculated as shown below:

CALCULATION OF THE BONUS | MARTIN GEISEL

KPI	Target	Weighting	Target achievement in %	Share bonus
Revenue	EUR 189.6 million	25%	>125%	€ 46,875
EBITDA	EUR 9.5 million	30%	>125%	€ 56,250
Free cash flow	EUR -19.7 million	25%	>125%	€ 46,875
ESG criteria	ISO audits, reduction of CO ₂	20%	>125%	€ 37,500
Total		100%	>125%	€ 187,500

Half of these ESG criteria relate to the successful re-certification of five ISO certifications and half to the reduction of CO₂ emissions.

Mr. Geisel was also promised an LTI with a two-year assessment period. This is based on the increase in the share price. A target of 100% is achieved if the share price increases by 25% during this period. The share price at the beginning of the assessment period (January 1, 2021) is calculated from the arithmetic mean of the Xetra daily closing prices of the last 30 trading days before the beginning of the assessment period, which corresponds to EUR 3.29. This would result in a bonus payment of EUR 350,000. The minimum target achievement is 80%, which corresponds to a bonus amount of EUR 280,000. The maximum amount (cap) is EUR 525,000 and corresponds to a target achievement of 150%. Depending on the development of the share price in the fiscal year, an advance payment would have been made on this LTI if the share price had increased by at least 20% in the course of the year. This advance payment would have had to be repaid at the end of the entire period if the share price had again fallen below the minimum target achievement level of 80%. Payment will be made in the month after the bonus period expires and achievement of the agreed targets can be determined, presumably in fiscal 2023.

For Mr. Geisel too, the Supervisory Board has linked remuneration to both the short-term and long-term development of the company so that it supports successful and sustainable corporate governance. By choosing suitable performance criteria, important incentives for the implementation of sustainability targets were set at the same time. Linking LTI to the development of the share price also ensures a high degree of alignment of interest with that of shareholders.

III. Explanation of disclosures relating to former members of the Management Board

The contract with Management Board member Sven Meise, which runs until 31 December 2021, was terminated prematurely on 11 January 2021. Under the termination agreement, he was entitled to remuneration until the end of the original contract term. In addition, payment of the bonuses (STI and LTI) was agreed for 2018 to 2021. He did not receive any severance payment. Advance payments were made on the bonuses, initially based on preliminary figures for fiscal 2020 and 2021. Further payments of bonuses amounting to EUR 188 thousand are to be made in April 2022. The long-term remuneration is linked to the Group targets "EBITDA" and "revenue" of the agreed budget and to the individual targets "development of digital products" and "revenue growth at freesort and IAB" with an assessment period of four years. The calculation was made on the basis of

the actual key figures for the 2020 financial year, taking down-payments into account.

The Management Board contract with Patricius de Gruyter was concluded until 31 May 2021 and was not extended beyond this date. At the end of his service period it was also agreed to pay out bonuses (STI and LTI) for 2018 to 2020. Further payments of bonuses amounting to EUR 103 thousand are to be made in April 2022. The long-term compensation is linked to the Group targets and individual targets with an assessment period of four years. The calculation is based on the actual key figures for the 2020 financial year and pro rata temporis for 2021, taking down-payments into account.

Rüdiger Andreas Günther stepped down from the Management Board in 2020 and received his contractual remuneration up to and including February 2021. In fiscal year 2021, bonuses amounting to EUR 1,249 thousands (STI and LTI) were paid for 2018 to 2020 based on court and out-of-court settlements. In addition, Mr. Günther received a severance payment amounting to EUR 655 thousands for his early departure. The variable compensation for 2020 was based on a target agreement that contains both short-term and long-term elements. The Group's "revenue" and "EBITDA" targets, as well as compliance with the expected earnings developments from the JUMP restructuring program were agreed upon.

All three former members of the Management Board also received long-term share-based compensation in the form of virtual shares or virtual stock options with a four-year vesting period, which additionally had to be backed on a pro rata basis by shares they had acquired themselves. The 2015 Stock Option Plan is explained in the Annual Report in Section IV, Note (26) Equity.

The payments in connection with the departure of the Management Board members were made in compliance with the caps applicable to their contracts. A post-contractual non-competition clause was not agreed in any case. No remuneration payments were made to other former Management Board members in fiscal year 2021.

Review of the appropriateness of Management Board remuneration

The Supervisory Board has reviewed the appropriateness of the remuneration of the Management Board for fiscal year 2021. The assessment of the customariness of the remuneration is carried out both in comparison with other companies (horizontal comparison) and within the Francotyp-Postalia Group based on the ratio of the remuneration of the Management Board to the remuneration of senior management and the workforce as a whole (vertical comparison). Due to the size of Francotyp-Postalia – measured by the size

criteria of revenue, employees and market capitalisation –companies in the franking machine sector and also in the mail delivery sector are used for comparison. In this context, the company's direct competitors are considered in particular, insofar as their remuneration parameters can be determined. Overall, the difficulty always arises that the medium-sized competitors are not listed on the stock exchange and therefore the corresponding remuneration levels and structures are not always available in a comprehensible form. In addition, the Supervisory Board regularly takes into account how the economic situation of Francotyp-Postalia is developing in comparison with the companies listed on the SDAX. For the appropriateness test and assessment of the customariness of Management Board remuneration within the company (vertical comparison), the management levels below the Management Board of Francotyp-Postalia Holding AG are used as a basis for the senior management, and the average remuneration of the Group's full-time employees in Germany is used for the workforce as a whole. Both the current ratio and the change in the ratio over time are taken into account here. External and internal appropriateness are reviewed at regular intervals.

The Supervisory Board has come to the conclusion that the Management Board remuneration for fiscal year 2021 was appropriate.

Defined benefits from third parties

The members of the Management Board have not received any defined benefits from third parties, neither within or outside the Group, in connection with their activities as members of the Management Board of Francotyp-Postalia Holding AG.

Benefits in the event of premature termination

If the appointment to the Management Board is revoked for good cause that is not covered within the meaning of section 626 BGB for the summary cancellation of the employment contract, the Management Board member is entitled to a lump-sum severance payment due on the date of legal termination. The amount of the severance payment then due corresponds to a percentage of the respective Management Board member's final annual remuneration, comprising fixed salary and STI excluding LTI and other remuneration components. In any case this corresponds to a maximum total of the amount of fixed remuneration entitlements for the remaining term of the contract.

In the event of other premature termination of the employment contract without good cause in accordance with section 626 BGB, the company and the Management Board member may agree separate arrangements; in this case, payments to members of the Management Board including fringe benefits may not exceed the value of one year's remuneration

(severance pay cap) and may not remunerate more than the remaining term of the service contract. The severance pay entitlement and severance pay cap are to be calculated based on the corresponding total remuneration for the last full fiscal year; before the end of the first fiscal year, the calculation shall be based on the current fiscal year (pro rata).

If a Management Board member leaves their employment due to a serious breach of duty ("bad-leaver situation"), the vested virtual share options and the virtual share options already due for exercise may also no longer be exercised. All virtual share options expire without remuneration.

Should a post-contractual non-competition clause be agreed with a member of the Management Board in the future, the severance pay would be offset against the competition indemnity.

If the appointment is revoked in accordance with section 84 (3) AktG within three months of a change of control becoming known at the instigation of the new majority shareholder and if the revocation is not based on good cause pursuant to section 626 BGB, the severance pay entitlement shall be increased to the amount of the total annual remuneration for the last completed fiscal year, but no more than the amount of the remuneration entitlements for the remaining term of the contract.

Benefits in the event of regular termination

No separate provisions have been made for the case of regular termination of an Management Board contract and no agreements have been concluded in this respect. In particular, no benefits have been promised by the company for a retirement pension.

Outlook for fiscal year 2022 from a remuneration perspective

No remuneration-related changes are planned for fiscal year 2022. The Supervisory Board has not resolved any adjustments to remuneration levels or changes to the remuneration system.

2. Remuneration system for the Supervisory Board

Resolution on the remuneration system for members of the Supervisory Board

The Annual General Meeting decides on the remuneration for the members of the Supervisory Board. The remuneration is set out in section 17 of the company's Articles of Association. The Management Board and Supervisory Board have reviewed the remuneration of the members of the Supervisory Board and have come to the conclusion that the remuneration for the members of the Supervisory Board applicable to date is appropriate for the company. The Management Board and Supervisory Board therefore proposed to the Annual General Meeting on 16 June 2021 that the remuneration system for the members of the Supervisory Board be adopted unchanged. This proposal was approved by a majority of 92.62% of the share capital represented.

Structure and application of the remuneration system for the Supervisory Board

The remuneration system for the Supervisory Board is governed by the Articles of Association and provides both the abstract and the concrete framework for the remuneration of Supervisory Board members. This ensures that the remuneration of Supervisory Board members is always in line with the remuneration system resolved by the Annual General Meeting.

The remuneration of the members of the Supervisory Board consists of a basic remuneration and supplements granted for assuming certain functions in view of the additional workload involved.

The members of the Supervisory Board receive a fixed annual remuneration of EUR 30,000 for each full fiscal year in office. Furthermore, the Chairman of the Supervisory Board receives a supplement of EUR 15,000 and the Vice Chairman a supplement of EUR 7,500 on top of the basic remuneration. In accordance with recommendation G.17 of the GCGC, these supplements take into account the special responsibility associated with the exercise of these offices as well as the considerable additional organisational and administrative effort.

Due to the increased preparation and workload regularly associated with this and in accordance with recommendation G.17 GCGC, the members of the Supervisory Board receive additional annual remuneration of EUR 3,000 per membership of a committee, provided that such a committee has met at least twice in the fiscal year in question. Given its number of three members, the Supervisory Board has not currently established any committees.

Supervisory Board members who have not belonged to the Supervisory Board for a full fiscal year or who have not held the position of Chairman or Deputy Chairman of the Supervisory Board for a full fiscal year receive remuneration on a pro rata basis, rounded up to full months.

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

The company provides the members of the Supervisory Board with insurance cover at an appropriate level for the performance of their Supervisory Board work and pays the premiums due for this. In addition, the company reimburses each Supervisory Board member for appropriate and proven expenses incurred in performing his or her duties, as well as for any value-added tax payable on the remuneration.

There is no variable remuneration for members of the Supervisory Board that is dependent on the achievement of specific successes or targets. The Supervisory Board can thus gear its decisions to the good of the company and thus to a long-term business strategy and sustainable development without pursuing any other motives. Due to the special nature of Supervisory Board remuneration, which differs fundamentally from the activities of employees of the company because of its supervisory nature, there is no vertical comparison with employee remuneration.

In the future, the Annual General Meeting will resolve on the remuneration of the members of the Supervisory Board at least every four years. The Supervisory Board will therefore conduct an analysis of its remuneration at least every four years in order to submit a corresponding resolution proposal to the Annual General Meeting together with the Management Board.

In fiscal year 2021, the remuneration system for the Supervisory Board was applied in all aspects as regulated in section 17 of the company's Articles of Association. The members of the Supervisory Board did not receive any further remuneration or benefits in the reporting year for services provided personally, in particular consulting and mediation services. The members of the Supervisory Board were not granted any loans or advances, nor were any contingent liabilities entered into in their favour.

Individualised disclosure of Supervisory Board remuneration

The following table shows the remuneration of the members of the Supervisory Board in the past fiscal year in accordance with section 162 AktG: whereby the compensation is attributed to the fiscal year in which the underlying activity was fully performed ("vesting-oriented view"):

Grants in EUR		2021	2020
Dr. Alexander Granderath	Member since 10 November 2020, Chairman of the Supervisory Board	45,000	6,352
Lars Wittan	Member since 10 November 2020, Deputy Chairman	37,500	5,308
Klaus Röhrig	Chairman of the Supervisory Board until 10 November 2020, member of the Supervisory Board	30,000	38,619
Botho Oppermann	Until 10 November 2020	0	28,955
Dr. Mathias Schindl	Until 10 November 2020	0	23,164
Total remuneration		112,500	102,398

Comparative presentation of remuneration and earnings performance

The following comparative presentation shows the annual change in the remuneration of current and former Management Board and Supervisory Board members, the company's earnings performance and the remuneration of employees on a full-time equivalent basis. The average remuneration of employees includes employee benefit expenses for wages and salaries, for fringe benefits, for employer contributions to social security, and for any short-term

variable remuneration components attributable to the fiscal year. Thus, the remuneration of employees – in line with the remuneration of the Management Board and the Supervisory Board – also corresponds in principle to the remuneration granted and owed within the meaning of section 162 (1) sentence 1 AktG. Employee remuneration (except for apprentices and temporary workers) was based on the average wages and salaries of the Group's employees in Germany in the respective fiscal year.

Change in %	2021 to 2020
Current members of the Management Board	
Carsten Lind	37.9
Martin Geisel	n.a.
Patricius de Gruyter (until May 31, 2021)	-55.8
Current members of the Supervisory Board	
Dr. Alexander Granderath	608.4
Lars Wittan	606.5
Klaus Röhrig	-22.3
Previous members of the Management Board	
Rüdiger A. Günther	-1.9
Sven Meise	-10.8
Previous members of the Supervisory Board	
Botho Oppermann (until 10 November 2020)	-100.0
Dr. Mathias Schindl (until 10 November 2020)	-100.0
Development of the company	
Net profit of Francotyp-Postalia Holding AG (HGB) ¹	360.0
EBITDA of the FP Group (IFRS)	111.1
Average remuneration of employees	
	5.1

The information on the remuneration of the members of the Management Board is based on the remuneration granted and owed.

¹ The net profit of Francotyp-Postalia Holding AG amounted to EUR -4.5 million in 2020 and EUR 11.7 million in 2021.

Mr. Lind was appointed to the Management Board as at 1 June in fiscal year 2020. Mr. Geisel was not yet a member of FP's Management Board in 2020. The changes in the remuneration of Dr. Granderath and Mr. Wittan are based on their joining the board during

2020. Mr. Röhrig changed from Chairman of the Supervisory Board to a member of the Supervisory Board in 2020. Mr. Oppermann and Dr. Schindl resigned from the Supervisory Board in 2020.

Berlin, den 27. April 2022

Carsten Lind

Martin Geisel

Management Board

Management Board

Dr. Alexander Granderath

Lars Wittan

Klaus Röhrig

Chairman of the Supervisory board

Member of the Supervisory board

Member of the Supervisory board

Independent Auditor's Assurance Report on Examination of the Remuneration Report pursuant to Section 162 (3) AktG

To Francotyp-Postalia Holding AG, Berlin

Opinion

We have formally examined the remuneration report of Francotyp-Postalia Holding AG for the financial year from 1 January to 31 December 2021 to determine whether the disclosures pursuant to Section 162 (1) and (2) AktG have been made in the remuneration report. In

accordance with Section 162 (3) AktG, we have not examined the content of the remuneration report.

In our opinion, the accompanying remuneration report complies, in all material respects, with the disclosure requirements pursuant to Section 162 (1) and (2) AktG. Our opinion does not cover the content of the remuneration report.

We conducted our examination of the remuneration report in compliance with Section 162 (3) AktG taking into account the IDW assurance standard: Examination of the remuneration report pursuant to Section 162 (3) AktG (IDW AsS 870 (08.2021)). Our responsibilities under this regulation and this standard are further described in the "Our Responsibilities" section of our assurance report. Our audit firm has applied the IDW Standard on Quality Management 1: Requirements for Quality Management in Audit Firms (IDW QS 1). We have complied with our professional duties pursuant to the German Public Accountants Act [WPO] and the Professional Charter for Auditors/Chartered Accountants [BS WP/vBP], including the independence requirements.

Responsibilities of the Management Board and the Supervisory Board

The management and the Supervisory Board of Francotyp-Postalia Holding AG are responsible for the preparation of the remuneration report, including the related disclosures, in accordance with the requirements of Section 162 AktG. The management and the Supervisory Board are also responsible for such internal control as they have determined necessary to enable the preparation of the remuneration report that is free from material misstatement, whether due to fraud or error.

Our Responsibilities

Our objectives are to obtain reasonable assurance about whether the remuneration report complies, in all material respects, with the disclosure requirements

pursuant to Section 162 (1) and (2) AktG, and to issue an assurance report that includes our opinion.

We planned and performed our examination to obtain evidence about the formal completeness of the remuneration report by comparing the disclosures made in the remuneration report with the disclosures required by Section 162 (1) and (2) AktG. In accordance with Section 162 (3) AktG, we have not examined whether the disclosures are correct or individual disclosures are complete or whether the remuneration report is fairly presented.

Handling Potential Misleading Presentations

In connection with our examination our responsibility is to read the remuneration report by taking into account the findings of the audit of the annual financial statements and, in doing so, remain alert for indications of misleading presentations in the remuneration report to determine whether the disclosures are correct or individual disclosures are complete or whether the remuneration report is fairly presented.

If, based on the work we have performed, we conclude that there is such misrepresentation, we are required to report that fact. We have nothing to report in this regard.

Berlin, 27 April 2022

KPMG AG

Wirtschaftsprüfungsgesellschaft

[Original German version signed by:]

Waubke

Wirtschaftsprüfer

[German Public Auditor]

Klein

Wirtschaftsprüfer

[German Public Auditor]