



Non-binding convenience translation from German

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

Berlin

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(Virtual Annual General Meeting)

We herewith invite the shareholders of our company to the **ordinary Annual General Meeting** on **Wednesday, 15 June 2022, at 12:00** CEST (corresponding to 10:00 UTC). 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

www.fp-francotyp.com/hv2022_en

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



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I. Agenda

1. Presentation of the adopted annual financial statements, the approved consolidated financial statements and the combined management report for Francotyp-Postalia Holding AG and the Group for financial year 2021 along with the Management Board's explanatory report on the disclosures pursuant to sections 289a paragraph 1, 315a paragraph 1 of the German Commercial Code (Handelsgesetzbuch - HGB) 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 - HGB). The documents can be accessed on the company's website at www.fp-francotyp.com/hv2022_en 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 net retained profits

The Management Board and Supervisory Board propose that Francotyp-Postalia Holding AG's net retained profits of EUR 19,612,746.32 for the fiscal year 2021 are fully carried forward to new account.

3. Resolution on the official approval of members of the Management Board

The Management Board and Supervisory Board propose that the members of the Management Board who held office during fiscal year 2021 be granted official approval of their actions during this period.

Voting on the official approval of members of the Management Board is to be done by individually approving each member:



- a) Carsten Lind
- b) Martin Geisel
- c) Patricius de Gruyter
- d) Sven Meise

4. Resolution on the official approval of members of the Supervisory Board

The Management Board and Supervisory Board propose that the members of the Supervisory Board who held office during fiscal year 2021 be granted official approval of their actions during this period.

Voting on the official approval of members of the Supervisory Board is to be done on an individual basis:

- a) Dr Alexander Granderath
- b) Lars Wittan
- c) Klaus Röhrig

5. Resolution on the appointment of the auditor of the financial statements and consolidated financial statements

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 of the German Securities Trading Act (Wertpapierhandelsgesetz - WpHG) for fiscal year 2022 and fiscal year 2023, provided these were prepared before the Annual General Meeting in fiscal 2023.

6. Resolution on remuneration and the remuneration system for members of the Supervisory Board and a corresponding amendment to the Articles of Association

In accordance with section 113 paragraph 3 sentences 1 and 2 of the German Stock Corporation Act (Aktiengesetz - AktG), the annual general meeting of listed companies must resolve on the remuneration of Supervisory Board at least once every four years.



In the previous year, the Management Board and Supervisory Board already presented the remuneration system and the Supervisory Board remuneration to the Annual General Meeting for confirmation, and this was resolved accordingly.

The Supervisory Board has since reviewed the amount and structure of the Supervisory Board remuneration again with regard to its appropriateness and conformity with common practice. This showed that the amount of remuneration for the Supervisory Board of Francotyp-Postalia Holding AG after its most recent adjustment in 2008 is lower than would be typical based on relevant market figures of the company in comparison to other comparable companies.

In this context, the Management Board and Supervisory Board consider an increase in Supervisory Board remuneration to be necessary and advisable. This is also intended to take account of the increased importance and responsibility of the Supervisory Board's work. This remuneration arrangement specifically takes recommendation G.17 and suggestion G.18 of the German Corporate Governance Code (GCGC) into consideration. The future structure of the Supervisory Board remuneration at Francotyp-Postalia Holding AG is to be adjusted to take account of the increased responsibility of the Chair of the Supervisory Board.

- a) The Management Board and Supervisory Board propose resolving the Supervisory Board remuneration and the underlying system as presented below and explained in the additional information on agenda item 6:
- The annual fixed remuneration of the Supervisory Board members shall amount to EUR 40,000 instead of the current EUR 30,000.
 - The annual fixed remuneration for the Chair shall be 200% of the remuneration for the other members of the Supervisory Board instead of the current 150%.
 - The annual fixed remuneration of the Deputy Chair shall correspond to the remuneration of the other members of the Supervisory Board instead of the current 150% of this.
 - The Supervisory Board remuneration for fiscal year 2022 as a whole shall be determined based on the above regulations, provided the amendment to the Articles of Association to be resolved under b) is entered in the commercial register in the current fiscal year.



- b) The Management Board and Supervisory Board also propose adopting the following resolution on a corresponding amendment to the Articles of Association to implement the presented system for the remuneration of the Supervisory Board members:

Article 17 paragraphs 1 and 2 of the company's Articles of Association are to be reworded as follows:

- “(1) From fiscal year 2022, 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 40,000 per fiscal year, payable in the last month of the fiscal year.*
- (2) The fixed remuneration for the Chair is 200% of the remuneration for the other members of the Supervisory Board.”*

7. Resolution on the approval of the remuneration report

The Management Board and Supervisory Board have prepared a remuneration report in accordance with section 162 AktG for fiscal year 2021, which is reproduced after this agenda as additional information on agenda item 7 and will also be available during the Annual General Meeting on the company's website at www.fp-francotyp.com/hv2022_en.

The Management Board and Supervisory Board propose approving the remuneration report prepared and audited in accordance with section 162 AktG for fiscal year 2021.

8. Resolution on approving the conclusion of a control and profit transfer agreement with FP NeoMonitor GmbH

The Management Board and Supervisory Board propose approving the control and profit transfer agreement concluded between Francotyp-Postalia Holding AG (hereinafter referred to as the “parent company”) and FP NeoMonitor GmbH, HRB 229376 B, Prenzlauer Promenade 28, 13089 Berlin (hereinafter referred to as the “subsidiary”) on 20 April 2022.

The subsidiary is a wholly owned subsidiary of the parent company.



In order to become effective, the control and profit transfer agreement requires the approval of the parent company's Annual General Meeting and of the subsidiary's Shareholder Meeting.

There are no outside shareholders of the subsidiary, meaning that an audit of the control and profit transfer agreement by a contract auditor along with the preparation of an audit report in accordance with sections 293b, 293c, 293e AktG is not necessary. For this reason, the parent company also is not required to grant compensation payments in accordance with section 304 AktG or settlements in accordance with section 305 AktG.

The control and profit transfer agreement essentially has the following content:

- With effect from the entry of the control and profit transfer agreement in the commercial register, the subsidiary is subject to management by the parent company. The parent company is authorised to issue instructions for the subsidiary's management to the executive bodies of the subsidiary. The subsidiary undertakes to follow these instructions (section 2).
- The subsidiary undertakes to transfer all of its profits to the parent company, taking account of the currently applicable version of section 301 AktG. Subject to the accumulation or release of reserves, the amount to be transferred is the net profit for the year without profit transfer, less any loss carryforward, plus any amounts taken from retained earnings and less the amount barred from distribution in accordance with section 268(8) HGB (section 3).
- With the approval of the parent company, the subsidiary may transfer parts of the net profit for the year to other retained earnings in accordance with section 272 paragraph 3 HGB, provided this is permitted under commercial law and economically justified on the basis of sound business judgement. Other retained earnings accumulated during the term of the agreement are to be released and used to absorb a loss or transferred as profit, if the parent company demands this (section 5.1). The transfer of income from the release of other retained earnings accumulated before the start of the agreement and of capital reserves is ruled out (section 5.2).



- The parent company is required to compensate for any net loss for the year that arises during the term of the agreement (loss absorption); the currently applicable version of section 302 AktG is applicable accordingly here.
- The control and profit transfer agreement will take effect when it is entered in the commercial register at the subsidiary's headquarters and will apply – except for the right to manage the controlled company, particularly the right to issue instructions under section 2 – retroactively from the beginning of the fiscal year of the subsidiary during which this agreement is entered in the commercial register.
- The agreement has an indefinite term and can be terminated as at the end of a calendar year of the subsidiary with one month's notice, but at the earliest with effect from a date at least five calendar years after the beginning of the fiscal year of the subsidiary during which the agreement takes effect (section 7.3). The right to extraordinary termination remains unaffected. In the event of termination for good cause, the obligation to transfer profits ceases to apply retroactively as of the start of the current fiscal year of the subsidiary.
- Good cause exists particularly if the parent company no longer holds a majority in the subsidiary or in the event of the conversion or liquidation of one of the companies involved (section 7.4).

The above draft contract, the joint report by the Management Board of Francotyp-Postalia Holding AG and the management of FP NeoMonitor GmbH, and the annual financial statements and management reports of Francotyp-Postalia Holding AG for the past three fiscal years and the annual financial statements of FP NeoMonitor GmbH for the short fiscal year 2021 are available online at www.fp-francotyp.com/hv2022_en from the time the Annual General Meeting is convened and will also be made available on the access-protected AGM portal of Francotyp-Postalia Holding AG during the Annual General Meeting.

9. Resolution on the amendment to Article 7 of the Articles of Association (Management Board)

The regulation stipulated in Article 7 paragraph 2 of the Articles of Association (Rules of Procedure, adoption of Management Board resolutions) regarding the handling of



Management Board resolutions in the event of a tied vote on the two-person Management Board is to be adjusted for reasons of clarification.

The Management Board and Supervisory Board thus propose resolving:

Article 7 paragraph 2 of the company's Articles of Association is to be reworded as follows:

“(2) The Management Board adopts resolutions by a simple majority. In the event of a tie, the Chair's vote – or if he/she is absent, the Deputy Chair's vote – shall be decisive; however, this does not apply if the Management Board consists of fewer than three people. Further details are regulated in the Rules of Procedure.”

10. Resolution on amendments to Section IV of the Articles of Association (Supervisory Board)

The regulations contained in Articles 10 to 14 under Section IV of the Articles of Association in relation to the Supervisory Board are to be adjusted in parts in order to grant the Annual General Meeting and the Supervisory Board more flexibility with regard to the term of office of newly elected Supervisory Board members and the organisation of the Supervisory Board's work. In future, the Annual General Meeting is also to have the option to appoint successors of Supervisory Board members who have left their position early for a period longer than the remaining term of office of the outgoing member. Regulations that relate to the organisation of the Supervisory Board and its work and are not required to be set out in the Articles of Association are to be determined by the Supervisory Board at its own discretion in future. This is to enable the Supervisory Board to organise its work more efficiently.

The Management Board and Supervisory Board thus propose resolving:

a) Article 10 paragraphs 4 and 5 of the company's Articles of Association are to be reworded as follows:

(4) If a Supervisory Board member is elected to replace a departing member, his or her term shall last for the remainder of the term of office of the departing member, unless a different period is set by the Annual General Meeting when



the member is elected, although this must not exceed the maximum permissible term in accordance with paragraph (2).

(5) Each member of the Supervisory Board and each substitute member may resign from their position, even without good cause, with a notice period of one month by way of a written statement to the Chair of the Supervisory Board or – in the event of resignation by the Chair – the Deputy Chair. The Chair of the Supervisory Board or – in the event of resignation by the Chair of the Supervisory Board – the Deputy Chair may shorten the notice period or waive compliance with the notice period. Members may resign for good cause without complying with the notice period.”

b) Article 12 of the company’s Articles of Association is to be reworded as follows:

“12. [Blank]”

c) Article 13 of the company’s Articles of Association is to be reworded as follows:

“13. Resolutions

(1) The Supervisory Board is quorate when all members of the Supervisory Board have been properly invited using the most recently supplied address and more than half of the members of which it must consist, but at least three members, participate in the adoption of a resolution. For the purposes of determining whether there is a quorum, abstention from voting is considered to be participation.

(2) The ineffectiveness of a Supervisory Board resolution can be brought to bear by making a complaint within one month of the resolution becoming known.”

d) Article 14 paragraph 3 of the Articles of Association is to be deleted without replacement.



11. Resolution on amendments to Section V of the Articles of Association (Supervisory Board)

The regulations contained in Articles 18 to 21 under Section V of the Articles of Association in relation to convening and conducting the Annual General Meeting are firstly to be adjusted in line with the wording of the law and also shortened to the extent that they merely quote statutory provisions or describe organisation options that already exist under the law, such as the option to provide a representative appointed by the company to exercise voting rights. Instead, the statutory provisions for the Annual General Meeting are to be applied directly in future. This is intended to avoid any doubts as to the interpretation of provisions of the Articles of Association and to avoid deviations in the wording of the Articles of Association from statutory provisions which may be adjusted in the future. In addition, the option for the Chair of the Supervisory Board to appoint a Chair of the Meeting who does not belong to the Supervisory Board is to be established.

The Management Board and Supervisory Board thus propose resolving:

a) Article 19 of the company's Articles of Association is to be reworded as follows:

"19. Location and convening

- (1) The Annual General Meeting shall be convened by the Management Board or, in the legally stipulated cases, by the Supervisory Board.*
- (2) According to the convening body's choice, it shall be held at the company's headquarters, at a German stock market or at a location in Germany with a population of more than 250,000.*
- (3) The Annual General Meeting shall be convened in accordance with the statutory provisions.*
- (4) All or parts of the Annual General Meeting may be broadcast online in audio and video format. It may also be broadcast in a form to which the public has unrestricted access. The Management Board shall decide in coordination with the Supervisory Board on the respective implementation.*



- (5) *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)** Article 20 paragraphs 1 and 2 of the company's Articles of Association are to be reworded as follows:
- (1) *Only those shareholders who have registered in text form (section 126b BGB) in German or English with the office quoted in the invitation, failing which have registered with the Company and provided proof of their entitlement to attend in accordance with paragraph (2), are entitled to attend the Annual General Meeting and to exercise their voting rights. Registration must be sent to the Company at least six days before the meeting. The notice convening the meeting may provide for a shorter period, to be measured in days. The date of receipt shall not be taken into account.*
- (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 by the last intermediary as evidence of entitlement to attend the Annual General Meeting and exercise voting rights. Evidence must be written in German or English. Other languages in which the confirmation may be written 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 within the respective legally stipulated period 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 specified in days."*
- c)** Article 21 paragraph 1 of the company's Articles of Association is to be reworded as follows:
- (1) *The Annual General Meeting is chaired by the Chairman of the Supervisory Board. If he is unable to do so, he chooses another Supervisory Board member or another person to perform this task. If the Chairman is unable to*



attend and has not appointed anyone to deputise for him, then the Annual General Meeting shall be chaired by a Supervisory Board member elected by the Annual General Meeting.”

d) Article 22 of the company’s Articles of Association is to be reworded as follows:

“22. Voting rights

(1) Each share grants one vote.

(2) Voting rights may be exercised by authorised representatives. The issue of the proxy, its revocation and proof of the proxy to the company require the legally stipulated form; section 135 AktG remains unaffected. A relaxation of the required form may be specified in the notice convening the Annual General Meeting.

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

12. Resolution on amendments to Section VI of the Articles of Association (Accounting and appropriation of net retained profits)

The regulations contained in Article 26 under Section VI of the Articles of Association in relation to the annual financial statements merely quote statutory provisions and are therefore to be replaced by a reference to these provisions. The current paragraph 2 of Article 27 (Appropriation of net retained profits) of the Articles of Association contains optional regulations on the annual financial statements and is therefore to be moved to Article 26 without any change in the text.

The Management Board and Supervisory Board thus propose resolving:

a) Article 26 of the company’s Articles of Association is to be reworded as follows:

“26. Annual financial statements

(1) The statutory provisions apply to the company’s accounting.

(2) If the Management Board and Supervisory Board adopt the annual financial statements, they may transfer amounts up to half of the remaining net profit



for the year – after deducting a loss carryforward and the amounts to be transferred to the statutory reserves – to other retained earnings. They are also authorised to transfer further amounts up to a quarter of the remaining net profit for the year – after deducting a loss carryforward and the amounts to be transferred to the statutory reserves – to other retained earnings, provided other retained earnings do not exceed half of the share capital or would exceed half only after the transfer.”

- b)** Article 27 paragraph 1 of the company’s Articles of Association is to be deleted. The previous paragraph 2 of Article 27 will become paragraph 1, and the previous paragraph 3 of Article 27 will become paragraph 2.

An amended version indicating the amendments to the Articles of Associations proposed by the Management Board and Supervisory Board under agenda items 6 and 9 to 12 can be found at

www.fp-francotyp.com/hv2022_en



Additional information on item 6 of the agenda

Remuneration of the Supervisory Board

1. Basis of Supervisory Board remuneration and connection with the corporate strategy

The Supervisory Board's main tasks include monitoring the Management Board's management of the company. It advises the Management Board and must be involved in decisions of fundamental importance to the company.

The Supervisory Board remuneration is to be organised in a way that allows for the necessary independence of the Supervisory Board for performing its duties.

The Supervisory Board remuneration of Francotyp-Postalia Holding AG consists of a fixed remuneration component. The amount of remuneration for the individual Supervisory Board members reflects the tasks assumed on the Supervisory Board and its committees. The organisation of the Supervisory Board remuneration thus represents a counterbalance to the Management Board remuneration, which is heavily dependent on Francotyp-Postalia's business performance. This strengthens the independence of the Supervisory Board and thus promotes the long-term development of Francotyp-Postalia. Although the Supervisory Board remuneration is not directly linked to the success of the corporate strategy, it also contributes to the successful implementation of the corporate strategy in this way.

2. Procedure for determining Supervisory Board remuneration

Remuneration of Supervisory Board members is regulated in Article 17 of the Articles of Association. Under agenda item 6 of the Annual General Meeting on 15 June 2022, the Management Board and Supervisory Board propose amending paragraphs 1 and 2 of Article 17 of the Articles of Association. The accordingly amended Article 17 of the Articles of Association, which forms the basis for the remuneration system described here, states:

“Article 17 Supervisory Board remuneration, liability insurance

- (1) From fiscal year 2022, 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 40,000 per fiscal year, payable in the last month of the fiscal year.*



- (2) *The fixed remuneration for the Chairman from fiscal year 2022 is 200% of the remuneration for the other members of the Supervisory Board.*
- (3) *The amount of remuneration in line with paragraph (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.”*

The Supervisory Board remuneration for fiscal year 2022 as a whole shall be determined based on the above amended Article 17 of the Articles of Association if the amendment to the Articles of Association is entered in the commercial register and thus becomes effective in the current fiscal year. The Management Board and Supervisory Board also propose a corresponding resolution on the temporal scope under agenda item 6 of the Annual General Meeting.

3. Procedure for reviewing Supervisory Board remuneration

The Supervisory Board reviews the appropriateness of the components, amount and structure of its remuneration on an ad hoc basis. To do so, it evaluates the supervisory board remuneration at other comparable companies and compares this with the remuneration of the Supervisory Board of Francotyp-Postalia Holding AG, both in terms of the components and the amount and structure of the remuneration. On the basis of this analysis, and taking account of the importance of and effort involved in work on the Supervisory Board and its committees, the Supervisory Board then decides whether it is necessary to change its remuneration. Based on this procedure, the proposal for the amendment of Supervisory Board remuneration will also be made to the Annual General Meeting on 15 June 2022 at the Supervisory Board's initiative.

Due to the special nature of the Supervisory Board remuneration, which is granted for work that is fundamentally different from that of the employees of Francotyp-Postalia Holding AG and the Francotyp-Postalia Group, a vertical comparison with employee remuneration is not



considered when reviewing and determining the remuneration. Accordingly, it also is not necessary to define a group of employees to be included in such a comparison.

In accordance with section 113(3) sentence 1 AktG, the Annual General Meeting must resolve on the remuneration of the Supervisory Board members every four years; a resolution confirming the remuneration is also permitted in this context. In preparation for this resolution, the Supervisory Board will conduct an analysis of its remuneration every four years at the latest. The Supervisory Board and Management Board will present the remuneration of the Supervisory Board members to the Annual General Meeting for resolution every four years at the latest. If there are grounds for changing the remuneration of the Supervisory Board members, the Management Board and Supervisory Board will also present a proposal for a corresponding amendment to Article 17 of the Articles of Association of Francotyp-Postalia Holding AG to the Annual General Meeting in this context. At the same time, it may be stipulated that the Supervisory Board remuneration for the entire fiscal year in which the amendment to the Articles of Association is entered in the commercial year is to be determined in line with the amended regulation in the Articles of Association. If the Supervisory Board remuneration presented to the Annual General Meeting for resolution is not approved by the necessary majority, revised Supervisory Board remuneration is to be presented to the following Annual General Meeting at the latest. It is in the nature of things that the members of the Supervisory Board are involved in organising the remuneration that will apply to them and the underlying remuneration system. However, the resulting conflict of interest is counteracted by the fact that the final decision on the organisation of the remuneration and the underlying remuneration system is assigned to the Annual General Meeting by law and that proposed resolutions concerning this are submitted to the Annual General Meeting by both the Supervisory Board and the Management Board.

4. Remuneration-related legal transactions, duration of appointments

The individual Supervisory Board members' entitlement to remuneration arises from the relationship under cooperation law that comes about between the company and the Supervisory Board member as a result of their election to the Supervisory Board and their acceptance and that is organised by the Articles of Association and possibly by a resolution of the Annual General Meeting on Supervisory Board remuneration. There are accordingly no agreements between Francotyp-Postalia Holding AG and the Supervisory Board members in relation to Supervisory Board remuneration.



The duration of appointments of Supervisory Board members is regulated as follows in Article 10 paragraph 2 of the Articles of Association of Francotyp-Postalia Holding AG.

“Providing the Annual General Meeting does not specify a shorter period of office when electing individual members or the entire Supervisory Board, the Supervisory Board members are elected for the period until the completion of the Annual General Meeting which resolves on official approval for the fourth fiscal year after the start of the period in office. This does not include the fiscal year in which the period of office commences. Re-election is permitted.”

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.

Dismissal of Supervisory Board members is possible in accordance with the applicable legal provisions in each case. In accordance with Article 10 paragraph 5 of the current version of the Articles of Association of Francotyp-Postalia Holding AG, the Supervisory Board members may resign from their position by way of a written statement to be addressed to the Chair of the Supervisory Board or to the Management Board, complying with a notice period of one month. In accordance with Article 10 paragraph 5 of the new version of the Articles of Association to be resolved, each member of the Supervisory Board and each substitute member may resign from their position, even without good cause, with a notice period of one month by way of a written statement to the Chair of the Supervisory Board or – in the event of resignation by the Chair – the Deputy Chair. The Chair of the Supervisory Board or – in the event of resignation by the Chair of the Supervisory Board – the Deputy Chair may shorten the notice period or waive compliance with the notice period. Members may resign for good cause without complying with the notice period.

5. Components, amount and structure of Supervisory Board remuneration

In accordance with the regulations defined in the Articles of Association in the form of the amendments proposed to the Annual General Meeting for resolution, each member of the Supervisory Board receives fixed annual basic remuneration of EUR 40,000.

The Chair of the Supervisory Board receives increased basic remuneration for the greater amount of organisational and administrative work associated with this role and for the Chair's particular responsibility for the successful and efficient cooperation of the board as a whole. In accordance with the regulations defined in the Articles of Association in the form of the



amendments proposed to the Annual General Meeting for resolution, the remuneration for the Chair amounts to 200% of the remuneration of the other members of the Supervisory Board.

Additional remuneration is paid for membership of committees of the Supervisory Board in view of the importance of the committees' work and the increased preparation and work involved. Each member of the Supervisory Board thus receives 10% for each membership of a committee of the Supervisory Board. The Supervisory Board has not currently formed any committees.

In the interests of the company, the Supervisory Board members are covered by directors and officers liability insurance. The premiums are paid by the company.

The company reimburses all Supervisory Board members for their expenses and for the value-added tax payable on their remuneration.

Additional information on item 7 of the agenda

Remuneration report for fiscal year 2021

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 of the German Stock Corporation Act (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 fiscal year is also outlined. It has been audited by the auditor in accordance with section 162 paragraph 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.

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).

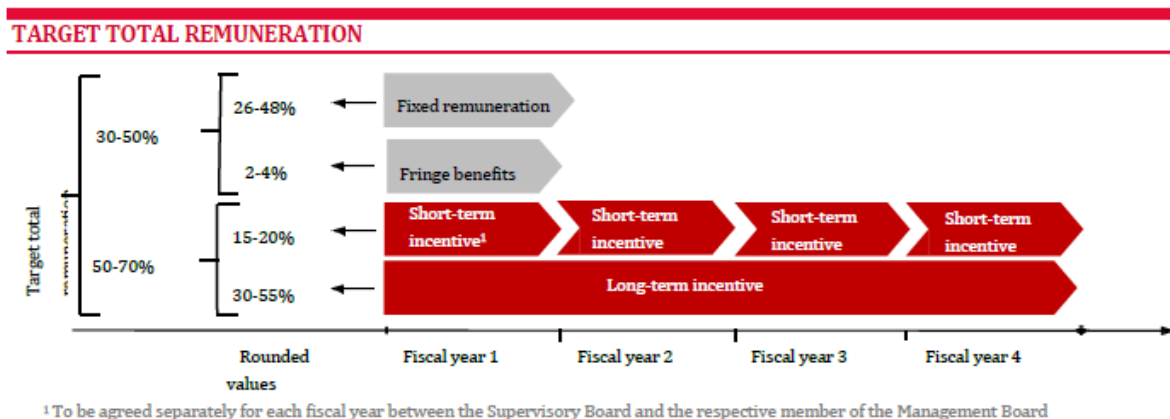
The share of long-term variable remuneration exceeds the share of short-term variable remuneration in total target remuneration.

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"> • 1. ESG target: Annual ISO (re-)certifications • 2. 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



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/CFD 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.

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
Management Board

Martin Geisel
Management Board

Dr. Alexander Granderath
Chairman of the Supervisory board

Lars Wittan
Member of the
Supervisory board

Klaus Röhrig
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]



II. Information on conducting the virtual Annual General Meeting

In accordance with section 1 paragraph 1, paragraph 2 of 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 (“GesRuaCOVBekG”) in conjunction with section 118 paragraph 1 sentence 2 AktG and in accordance with Article 22 paragraph 6 of the company’s Articles of Association, the Management Board has decided, with the approval of the Supervisory Board, to hold this year’s Annual General Meeting as a virtual Annual General Meeting without the physical presence of shareholders or their authorised representatives. The shareholders will be given the opportunity to participate in the Annual General Meeting and cast their votes particularly also by way of electronic communication.

The implementation of the 2022 Annual General Meeting as a virtual Annual General Meeting in accordance with the GesRuaCOVBekG leads to changes in the processes of the Annual General Meeting and in the shareholders’ rights. The entire Annual General Meeting will be broadcast online in audio and video format. Shareholders will be enabled to exercise their voting rights particularly via electronic communication (postal vote) and by granting proxy. The shareholders will be granted a right to ask questions prior to the Annual General Meeting.

At the virtual Annual General Meeting as envisaged under the COVID-19 Act, shareholders and their authorised representatives do not have the option to express their views on the agenda in speeches. However, after registering they are given the option – going beyond the requirements of the COVID-19 Act – to submit a statement in text form with a connection to the agenda for publication by the company prior to the Annual General Meeting.

Shareholders who have exercised their voting rights may raise objections to resolutions of the Annual General Meeting via electronic communication.

We therefore ask that shareholders and their authorised representatives again pay particular attention this year to the following information on registering for the virtual Annual General Meeting, exercising voting rights and on other shareholder rights.



1. Requirements for connecting to the virtual Annual General Meeting and exercising voting 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 provide evidence of their authorisation are entitled to watch the entire Annual General Meeting via video and audio transmission, to exercise their voting rights (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.

In accordance with Article 20 paragraph 2 of the Articles of Association, evidence of authorisation to exercise shareholder rights relating to the Annual General Meeting is to be provided by evidence of shareholdings in text form, in German or English, from the last intermediary in accordance with section 67c paragraph 3 of the German Stock Corporation Act and article 5 of EU Implementing Regulation 2018/1212 (EU-IR).

Evidence of shareholdings must relate to the start of the 21st day before the Annual General Meeting, i.e. **25 May 2022, 0:00 (CEST)** (“**record date**”). It is pointed out that in notifications in line with section 125 AktG, which in terms of form and content are to be prepared in line with the EU Implementing Regulation, a record date is to be stated in field C5 of table 3 of the EU Implementing Regulation. This record date (in the present case: 24 May 2022, 22:00 UTC (coordinated universal time)) is not identical with the record date to be stated in line with section 123 paragraph 4 AktG (in the present case 25 May 2022, 00:00 (CEST)). Here the company follows a recommendation of the implementation guideline published by the Association of German Banks on implementing Shareholder Directive II (ARUG II) on the German market.

Registration and evidence of their shareholdings must be sent to the Company in text form (by post, by fax or by e-mail) at the address specified below and in German or English by no later than **24:00 (CEST) on 8 June 2022** (“**registration period**”).



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

After the registration and evidence of shareholdings are received by the company, the shareholders are sent voting rights cards with login data for the access-protected AGM portal for the purpose of electronic connection to the Annual General Meeting online. Shareholders are requested to send their registration and evidence 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 authorisation to exercise voting rights and other shareholder rights. In relation to the company, only those who have supplied evidence 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 evidence are then entitled to connect to the Annual General Meeting electronically and to exercise their voting rights even if they sell the shares after the record date. Shareholders who acquired their shares after the record date may not connect to the virtual Annual General Meeting and/or exercise voting rights. It should be pointed out that 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 15 June 2022 starting at 12:00 (CEST) on the restricted access AGM portal at

www.fp-francotyp.com/hv2022_de

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. Voting by postal vote

Shareholders with voting rights (or their representatives) can cast their votes in writing or electronically without attending the Annual General Meeting (postal vote).

Votes cast in writing by post must be delivered to the company by 14 June 2022, 24:00 (CEST) at the following address:

Francotyp-Postalia Holding AG

c/o Link Market Services GmbH

Landshuter Allee 10

80637 Munich, Germany

Written postal votes received later than this point cannot be taken into consideration. Please note that we have no influence over postal delivery times.

Shareholders who wish to cast their vote in writing by post 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 www.fp-francotyp.com/hv2022_en immediately after the Annual General Meeting is convened.

Any changes or revocations of votes submitted by post must be delivered to the address specified above by 14 June 2022, 24:00 (CEST).

To cast votes by means of electronic communication, please use the access-protected AGM portal on the website: www.fp-francotyp.com/hv2022_en.

Attention is drawn to the fact that this requires logging into the access-protected AGM portal using the login data provided with the voting rights card.

Electronic postal voting takes place exclusively via the access-protected AGM portal. From **25 May 2022**, registered shareholders or shareholder representatives can vote using the login data provided with the voting rights card using the AGM portal via the company's website at www.fp-francotyp.com/hv2022_en.



Electronic postal votes can be cast via the AGM portal until the vote casting period is officially ended by the Chair of the Meeting after questions are answered.

Votes that have already been cast via the access-protected AGM portal 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.

Shareholders receive more details on electronic postal voting with the voting rights card which they receive after timely registration.

Relevant information can also be found on the company's website at www.fp-francotyp.com/hv2022_en. Authorised intermediaries, voting rights consultants within the meaning of section 134a paragraph 1 no. 3, paragraph 2 no. 3 AktG as well as shareholders' associations and other persons or institutions treated equally in accordance with section 135 paragraph 8 AktG can also utilise the rights described when complying with the stated postal voting deadlines.

4. Exercise of voting rights by authorised representatives

Shareholders who do not wish to watch 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, the relevant shares must be registered for the Annual General Meeting in due form and time and evidence of share ownership must be provided.

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 access-protected AGM portal or by e-mail, or in writing, i.e. by mail, to the following address:

Francotyp-Postalia Holding AG

c/o Link Market Services GmbH

Landshuter Allee 10

80637 Munich, Germany



e-mail: 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 evidence of the proxy.

The proxy must be granted and any revocation of a granted proxy must be sent by post or e-mail to the address stated above by 14 June 2022, 24:00 (CEST).

The proxy can also be issued or a proxy that has already been issued can be revoked via the access-protected 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 detailed information online at www.fp-francotyp.com/hv2022_en.

Shareholders who wish to authorise a representative directly to the company by 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 www.fp-francotyp.com/hv2022_en immediately after the Annual General Meeting is convened. The forms can also be requested by post 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, evidence of the proxy to the company and revocation of this proxy require text form. Evidence of a proxy granted internally can be provided by sending this evidence by post or by e-mail to the address stated above and must be received by the company by 14 June 2022, 24:00 (CEST).

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 representative 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 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 (in writing or 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 connect to 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. 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 access-protected AGM portal, by post or by e-mail.

If the representatives are appointed to exercise voting rights according to instructions by post or e-mail, proxies and instructions to the representatives must, for organisational reasons, be received by the company by post or e-mail no later than the end of 14 June 2022, 24:00 (CEST) at the address below:



Francotyp-Postalia Holding AG

c/o Link Market Services GmbH

Landshuter Allee 10

80637 Munich, Germany

e-mail: inhaberaktien@linkmarketservices.de

If proxies and instructions are issued to the representatives nominated by the company via the access-protected AGM portal on the website www.fp-francotyp.com/hv2022_en, such proxies and instructions can also be issued via the access-protected 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 25 May 2022 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 access-protected AGM portal, by post 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 e-mail or post by 14 June 2022, 24:00 (CEST) 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 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 www.fp-francotyp.com/hv2022_en immediately after the Annual General Meeting is convened. The forms can also be requested by post 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 www.fp-francotyp.com/hv2022_en.

6. Supplements to the agenda pursuant to section 122 paragraph 2 AktG

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 30 days before the meeting in accordance with section 122 paragraph 2 AktG, i.e. by 24:00 (CEST) on 15 May 2022 at the latest. Please direct any requests to this effect to the following address:

Francotyp-Postalia Holding AG

The Management Board

Attn.: Investor Relations/Ms Anna Lehmann

Prenzlauer Promenade 28, 13089 Berlin, Germany

or in electronic form in accordance with section 126a of the German Civil Code to:

hauptversammlung@francotyp.com

Those submitting motions must provide evidence 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 AktG).

7. Motions and nominations by shareholders in accordance with sections 126, 127 AktG

Motions and nominations by shareholders on specific items on the agenda, including the name of the shareholder, possibly an explanation and possibly a statement by the management are made accessible via the company's website (via the link www.fp-francotyp.com/hv2022_en) if the shareholder has sent them to the following address by the end of 31 May 2022, 24:00 (CEST):



Francotyp-Postalia Holding AG

Investor Relations

Ms Anna Lehmann

Prenzlauer Promenade 28, 13089 Berlin, Germany

Fax: +49 (0)30 – 220 660-425

e-mail: a.lehmann@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 AktG 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 AktG). 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. The right of the Chair of the Meeting to have the proposals of the management voted on first remains unaffected by this. No counter-motions can be submitted or nominations made during the Annual General Meeting.

8. Publication of shareholder statements

Duly registered shareholders and their authorised representatives will be given the possibility to send statements to the company prior to the Annual General Meeting. Statements must be made in text form and must have a connection with the agenda of the Annual General Meeting. Statements should not exceed a length of 10,000 characters (including spaces) and must be received by the company by the end of 14 June 2022, 24:00 (CEST) via the AGM portal on the website www.fp-francotyp.com/hv2022_en in German.



Information on the options for sending statements can be found on the company's website at www.fp-francotyp.com/hv2022_en.

The company will publish statements received on time, including the name of the shareholder who sent them or his/her authorised representative, on the AGM portal. The company reserves the right to express its view on statements received. Questions and counter-motions in accordance with section 126 AktG and nominations in accordance with section 127 AktG are not taken into account in the statements submitted; these are to be submitted only in the ways described in the sections "Right to ask questions prior to the Annual General Meeting by way of electronic communication" and "Counter-motions and nominations". There is no legal entitlement to publication of the statements. In particular, the company reserves the right not to publish statements if they have no connection to the agenda of the Annual General Meeting, include discriminatory, offensive or otherwise illegal, manifestly false or misleading content, or exceed a length of 10,000 characters (including spaces). The company also will not publish more than one statement per shareholder. The "submit statements" button in the AGM portal is intended for this purpose. No further statements can be submitted after this period.

Further information on the submission of statements is published on the website at www.fp-francotyp.com/hv2022_en in the document "Shareholder rights".

9. Right to ask questions by means of electronic communication

Shareholders and their authorised representatives (except representatives nominated by the company) have the right to ask questions by electronic communication in accordance with section 1(2) sentence 1 no. 3 sentence 2 GesRuaCOVBekG. This right to ask questions applies only to shareholders and their authorised representatives who have properly registered for the virtual Annual General Meeting as described in II1. Questions by shareholders or their authorised representatives must be submitted electronically via the access-protected AGM portal at www.fp-francotyp.com/hv2022_en no later than one day before the virtual Annual General Meeting, i.e. no later than 13 June 2022, 24:00 (CEST) (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 this person expressly opposes 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 in respect to how to answer questions. According to the explanatory memorandum on section 1 paragraph 2 sentence 2 GesRuaCOVBekG, the management can combine questions and answer them together.

The general right to withhold information under section 131(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.

10. 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 access-protected AGM portal at www.fp-francotyp.com/hv2022_en in accordance with section 245 no. 1 AktG in conjunction with section 1 paragraph 2 sentence 1 no. 4 GesRuaCOVBekG. This right to file objections applies on 15 June 2022 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.

11. Right to receive a confirmation of vote counting

Any shareholder who voted may request a confirmation of whether their vote was counted and, if so, how, in accordance with section 129 paragraph 5 sentence 1 AktG within one month following the date of the Annual General Meeting. The company must issue the confirmation in accordance with the requirements under Article 7 paragraph 2 and Art. 9 paragraph 5 subsection 2 EU-IR. In the event that the confirmation is issued to an intermediary (e.g. a bank), that intermediary must deliver the confirmation to the shareholder without delay in accordance with section 129 paragraph 5 sentence 3 AktG.



12. 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 25 May 2022 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 www.fp-francotyp.com/hv2022_en.

13. 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-protected 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.

14. 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 GesRuaCOVBekG, can be found on the company's website at www.fp-francotyp.com/hv2022_en from the time at which the Annual General Meeting is convened.

15. 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. Each share grants 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 AktG.

16. 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 www.fp-francotyp.com/hv2022_en 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 15 June 2022 via the access-protected 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.



17. 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 responsibly 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 via the link www.fp-francotyp.com/hv2022_en.

Berlin, May 2022

Kind regards,

Francotyp-Postalia Holding AG
The Management Board