

Declaration on Corporate Governance pursuant to Sections 289f and 315d HGB

The declaration on corporate governance pursuant to Sections 289 f and 315d of the German Commercial Code (HGB) is an integral part of the combined Group management report. Pursuant to Section 317 (2) Sentence 6 of the German Commercial Code, the audit by the auditors is limited to determining whether the disclosures were made.

Corporate Governance

The Management Board and Supervisory Board report annually on the company's corporate governance. This report - as well as the declaration of compliance - is part of the corporate governance declaration of the Company and the Group pursuant to 315d HGB in conjunction with Section 289f HGB of the German Commercial Code.

The German Corporate Governance Code (the Code) clarifies the duty of the Management Board and the Supervisory Board to safeguard the company's continued existence and ensure sustainable added value (interests of the company) in line with the principles of the social market economy, while taking into account the interest of its shareholders, workforce and other groups affiliated with the company (stakeholders). These principles require not only legality, but also ethically sound conduct on one's own responsibility (the model of the honourable merchant). The Management Board and the Supervisory Board of Francotyp-Postalia Holding AG are committed to implementing the Code's recommendations and proposals.

The Management Board and the Supervisory Board report on potential departures from the recommendations of the Code in the annual declaration of compliance. The Management Board and the Supervisory Board of Francotyp-Postalia Holding AG last issued a declaration of compliance in accordance with Section 161 of the Aktiengesetz (AktG – German Stock Corporation Act) on 17 January 2020. The declaration below relates to the German Corporate Governance Code valid at that time, i.e. the version dated 7 February 2017, which was published in the German Federal Gazette on 24 April 2017 and 19 May 2017 (corrected version).

- Item 3.8(3) of the Code requires D&O insurance policies for supervisory boards to include a deductible.

D&O insurance was taken out for the Supervisory Board. This insurance does not include a deductible for members of the Supervisory Board.

- Item 4.1.3 requires the Management Board to be responsible for complying with the law and internal policies and to ensure compliance with these throughout the Group companies. It shall institute appropriate measures reflecting the company's risk situation (compliance management system) and disclose the main features of those measures. Employees shall be given the opportunity to report, in a protected manner, suspected breaches of the law within the company; third parties should

also be given this opportunity.

The Management Board is responsible for compliance with the law and internal policies, and ensures compliance with these throughout the Group companies. A compliance management system has been set up and disclosed for this purpose. Employees and third parties have the opportunity to report misconduct at the company. Owing to the organisational effort involved, the Group has so far not introduced a system that allows users to give information under protection (whistle blower system). The idea of setting up an anonymous whistle blower system is currently being revisited, and there are plans to introduce one.

- Items 5.3.1, 5.3.2 and 5.3.3 of the Code require supervisory boards to establish various committees.

No committees will be formed while the Supervisory Board continues to consist of three persons, as the composition of the committees would be identical to that of the Supervisory Board. This applies in particular to the duties of an audit or nomination committee. Such duties are also performed by the Supervisory Board as a whole.

- Item 5.4.1(2) of the Code requires supervisory boards to set an age limit for their members and a time limit for membership.

A time limit for membership of the Supervisory Board has not been set. Given the knowledge, skills and technical experience required by Item 5.4.1 Sentence 1 of the Code, it does not currently seem reasonable to limit membership in this way.

The Rules of Procedure for the Supervisory Board stipulate an age limit when proposing nominees as members of the Supervisory Board. A Supervisory Board mandate should therefore end no later than the Annual General Meeting following the member's 70th birthday. Given the requirements for the composition of the Supervisory Board and in the interests of continuity, this recommendation has so far not been applied.

- Item 7.1.2 requires the consolidated financial statements and the group management report to be made publicly accessible within 90 days of the end of the fiscal year, while mandatory interim financial information shall be made publicly accessible within 45 days of the end of the reporting period.

Owing to the considerable amount of consolidation work involved, the consolidated financial statements are prepared within four months of the end of the fiscal year. The half-year report is also published within two months of the end of the reporting period at the latest in compliance with the Stock Exchange Rules and the Wertpapierhandelsgesetz (WpHG – German Securities Trading Act), again on account of the large amount of consolidation work involved.

Berlin, 17 January 2020

For the Supervisory Board

Klaus Röhrig

Chairman of the Supervisory Board

Management Board

Rüdiger Andreas Günther
CEO

Patricius de Gruyter

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This declaration of compliance in accordance with Section 161 AktG, which was prepared jointly by the Management Board and the Supervisory Board, will subsequently also be published in the Investor Relations, Corporate Governance Section of the company's website for at least five years.

**Update of the declaration of compliance
of the Management Board and Supervisory Board of Francotyp-Postalia
Holding AG regarding the recommendations of the German Corporate
Governance Code in accordance with section 161 AktG**

On 17 January 2020, the Management Board and Supervisory Board of Francotyp-Postalia Holding AG issued the annual declaration of compliance in accordance with Section 161 of the German Stock Corporation Act (AktG). In doing so, they declared that the recommendations of the German Corporate Governance Code, in the version dated 7 February 2017, will be complied with, subject to the deviations explained in the declaration of compliance.

As a further deviation from the exceptions to the German Corporate Governance Code has occurred in the meantime, the declaration of compliance from January 2020 needs to be updated as follows:

7.1.2 Financial reporting

In accordance with item 7.1.2, the consolidated financial statements and the group management report should be made publicly accessible within 90 days from the end of the fiscal year, while mandatory interim financial information shall be made publicly accessible within 45 days from the end of the reporting period.

Due to the adverse effects of the COVID 19 pandemic, the consolidated financial statements is made publicly accessible within five months after the end of the financial year. For the same reason, the half-yearly financial report is published within three months after the end of the reporting period.

Berlin, August 25, 2020

Management Board

Rüdiger Andreas Günther

Carsten Lind

CEO/CFO

For the Supervisory Board

Klaus Röhrig

Chairman of the Supervisory Board