

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

Berlin

- Securities Reference Number FPH 900 -



ISIN: DE000FPH9000

(Virtual Annual General Meeting)

We herewith invite the shareholders of our company to the **ordinary Annual General Meeting** on **Wednesday, 16 June 2021, 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/hv2021_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).

I. Agenda

1. Presentation of the adopted annual financial statements, the approved consolidated financial statements and the combined Group management reports for Francotyp-Postalia Holding AG and the Group for fiscal year 2020 as well as the report of the Supervisory Board

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

The documents of Francotyp-Postalia Holding AG specified in item 1 on the agenda also include the remuneration report and the explanatory report on the disclosures pursuant to sections 289a paragraph 1, 315a paragraph 1 of the German Commercial Code (*Handelsgesetzbuch*). The documents can be accessed on the company's website at www.fp-francotyp.com/hv2021_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 official approval of members of the Management Board for fiscal year 2020

The Management Board and Supervisory Board propose that the members of the Management Board who held office during fiscal year 2020 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) Patricius de Gruyter
- c) Sven Meise
- d) Rüdiger Andreas Günther

3. Resolution on the official approval of members of the Supervisory Board for fiscal year 2020

The Management Board and Supervisory Board propose that the members of the Supervisory Board who held office during fiscal year 2020 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
- d) Dr Mathias Schindl
- e) Botho Oppermann

4. Resolutions on new elections to the Supervisory Board

The period in office of all Supervisory Board members shall end upon completion of the Annual General Meeting on 16 June 2020. As a result, the entire Supervisory Board must be re-elected.

Pursuant to Article 10 paragraph 1 of the company's Articles of Association and sections 95, 96 paragraph 1 and 101 paragraph 1 of the German Stock Corporation Act (*Aktiengesetz - AktG*), the Supervisory Board comprises three shareholder representatives, each of whom are elected by the Annual General Meeting. The following nomination takes account of the objectives agreed by the Supervisory Board regarding its composition and the skills profile drawn up by the Supervisory Board for the Supervisory Board.

With effect from the completion of this year's Annual General Meeting, the persons named below under a) to c) are to be re-elected as Supervisory Board members. The appointment takes place in accordance with Article 10 paragraph 2 of the company's Articles of Association – providing the Annual General Meeting does not specify a shorter period of office when electing individual members or the entire Supervisory Board – for a period in office 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.

The intention is to conduct the elections to the Supervisory Board on an individual basis.

The Supervisory Board proposes resolving:

a) **Dr Alexander Granderath,**

independent management consultant resident in Willich, be appointed to the Supervisory Board with effect from the end of this Annual General Meeting until the end of the Annual General Meeting that decides on official approval of the actions of the Supervisory Board for fiscal year 2024.

b) **Lars Wittan,**

Chief Investment Officer at Obotritia Capital KGaA, resident in Potsdam, be appointed to the Supervisory Board with effect from the end of this Annual General Meeting until the end of the Annual General Meeting that decides on official approval of the actions of the Supervisory Board for fiscal year 2024.

c) **Klaus Röhrig,**

Managing Director of Active Ownership Capital S.à r.l., Grevenmacher, Luxembourg, resident in Vienna, Austria, be appointed to the Supervisory Board with effect from the end of this Annual General Meeting until the end of the Annual General Meeting that decides on official approval of the actions of the Supervisory Board for fiscal year 2024.

Additional disclosures

a) After completing a degree in experimental physics (nuclear physics) at the University of Cologne and subsequently earning a doctorate after positions at EC Erdölchemie GmbH and Sunvic Regler GmbH, **Dr Alexander Granderath**, a German citizen born in 1965, worked in managerial positions at Ametek (1995-2000), General Electric (2000-2003), the Danaher Corporation (2003-2008), Amrop Delta Management Consultants (2009-2010) and ISS A/S (2010-2020).

Dr Granderath is not a member of any other supervisory boards required by law or comparable domestic or foreign supervisory bodies of a company.

- b) **Lars Wittan**, a German citizen born in 1977, studied business economics at the Berufsakademie Berlin and was subsequently employed from 2000 to 2007 at Arthur Andersen Wirtschaftsprüfungs-/ Steuerberatungsgesellschaft and then at Ernst & Young Wirtschaftsprüfungs-/ Steuerberatungsgesellschaft following its merger with Arthur Andersen. In 2006, he qualified as a chartered accountant and in 2007 he moved to Deutsche Wohnen SE, where he took on various Management Board positions (Chief Financial Officer, Chief Investment Officer, Chief Operating Officer) from 2011 onwards. Since 2019, Lars Wittan has been Chief Investment Officer at Obotritia Capital KGaA, Potsdam.

Mr Wittan is a member of the following other supervisory boards required by law or comparable domestic or foreign supervisory bodies of a company: member of the Supervisory Board, Obotritia Hotel AG, Potsdam; member of the Supervisory Board, QUARTERBACK Immobilien AG, Leipzig.

- c) **Klaus Röhrig**, an Austrian citizen born in 1977, obtained an M.A. in social sciences and economics. Klaus Röhrig has more than twenty years of experience in financing and investment management. After studying economics in Vienna, he began his career in 2000 at Credit Suisse First Boston in London focusing on IPOs and M&A. From 2006 to 2011, he was responsible for Germany, Austria and Switzerland at Elliott Associates. Mr Röhrig then founded the Active Ownership Group, an equity investment company where he also performs management duties.

Mr Röhrig is a member of the following other supervisory boards required by law or comparable domestic or foreign supervisory bodies of a company: member of the Supervisory Board, Formycon AG, Martinsried/Planegg, Germany; member of the Board of Directors, Agfa-Gevaert NV, Mortsel, Belgium.

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In view of recommendation C.13 of the German Corporate Governance Code, it is stated that

- Mr Wittan has a business connection with a shareholder with a significant stake in the company in his role as Chief Investment Officer of Obotritia Capital KGaA, which holds 28.01% of the shares in Francotyp-Postalia Holding AG according to the most recent voting rights notification, and that
- Mr Röhrig has a business connection with shareholders with significant stakes in the company in his capacity as an indirect shareholder and managing director of shareholders with indirect stakes in the company which confer a total of 10.31% of the voting rights of Francotyp-Postalia Holding AG according to the most recent voting rights notification.

There are no other personal or business connections between the proposed candidates and the company, its group companies, the governing bodies of the company or shareholders with a significant stake in the company that are required to be disclosed in line with this recommendation in the opinion of the Supervisory Board.

The Supervisory Board considers all proposed candidates to be independent.

The Supervisory Board has assured that the proposed candidates can dedicate the expected time to fulfilling the requirements of their positions.

5. Resolution on the appointment of the auditor of the financial statements and consolidated financial statements for fiscal year 2021

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 2021 and fiscal year 2022, provided these were prepared before the Annual General Meeting in fiscal 2022.

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

In accordance with section 120a paragraph 1 of the German Stock Corporation Act, when there is a material change to the remuneration system for management board members, but at least once every four years, the annual general meeting of listed companies must pass a resolution approving the remuneration system for management board members presented by the supervisory board in accordance with section 87a of the German Stock Corporation Act.

On 27 April 2021, in line with the requirements of section 87a section 1 of the German Stock Corporation Act, the Supervisory Board resolved the remuneration system for members of the Management Board shown in the supplementary information to agenda item 6. The remuneration system was prepared by the Supervisory Board with the assistance of independent advisors in consideration of the statutory requirements as well as the suggestions and recommendations of the German Corporate Governance Code (GCGC) as amended on 16 December 2019.

The Supervisory Board proposes approving this remuneration system for members of the Management Board in accordance with section 120a paragraph 1 of the German Stock Corporation Act.

7. Resolution on remuneration and the remuneration system for members of the Supervisory Board

In accordance with section 113 paragraph 3 sentences 1 and 2 of the German Stock Corporation Act, the annual general meeting of listed companies must resolve on the remuneration of Supervisory Board at least once every four years. Here a resolution which confirms the remuneration is permitted.

In the opinion of the Supervisory Board, the currently applicable remuneration for Supervisory Board members defined under Article 17 of the company's Articles of Association is appropriate and should remain unchanged. This remuneration arrangement specifically takes recommendation G.17 and suggestion G.18 of the GCGC into consideration.

In line with section 113 paragraph 3 sentence 3, and section 87a paragraph 1 sentence 2 of the German Stock Corporation Act, further details on the existing remuneration arrangement and its underlying remuneration system are explained in the supplementary information on agenda item 7.

The Board of Management and Supervisory Board therefore propose the approval of the remuneration of the Supervisory Board members regulated in Article 17 of Francotyp-Postalia Holding AG's Articles of Association and the remuneration system on which this remuneration is based as described in the supplementary information provided on agenda item 7.

Additional information on item 6 of the agenda (Resolution on the approval of the remuneration system for members of the Management Board)

The Management Board remuneration system in accordance with section 87a paragraph 1 AktG in detail

1. Basic principles and strategic orientation of the Management Board remuneration system

As a global service provider and expert in mail communication, Francotyp-Postalia pursues a sustainable growth strategy. The implementation of this strategy will not only make the Group more efficient, but will also ensure its resilience in the future. In this regard, the remuneration system for the Management Board serves as a crucial element for the orientation of Francotyp-Postalia and provides a significant contribution towards the promotion of the business strategy and the improvement of operating performance, and thus the long-term success of the Group. Our goal is to support successful and sustainable management by linking the remuneration of Management Board members to both the short-term and long-term development of the company. The selection of suitable performance criteria simultaneously serves to establish important incentives for the implementation of the strategic reorientation of the Group.

The remuneration system encompasses performance-based parameters and parameters dependent on the company's success. The relative and absolute performance of the share price are also rewarded to a significant extent, which serves to align the objectives of the management and the immediate interests of the shareholders to an even greater degree.

We are aware of our social and ecological responsibilities. For this reason, the design of the remuneration system also grants a significant degree of importance to the consideration of non-financial sustainability criteria (environmental, social and corporate governance (ESG) criteria) in addition to the focus on financial performance criteria.

The remuneration system presented in the following shall apply for all Management Board contracts concluded or extended from 27 April 2021 onwards.

2. Definition, implementation and review of the remuneration system

The remuneration system for members of the Management Board has been resolved by the Supervisory Board in conformity with sections 87 paragraph 1 and 87a paragraph 1 AktG. The Supervisory Board was advised on the development of the remuneration system by independent experts. All decisions on remuneration by the Supervisory Board are made in consideration of the provisions of the German Stock Corporation Act and are based on the recommendations of the German Corporate Governance Code (GCGC) as amended on 16 December 2019 as well as the following guiding principles:



The Supervisory Board shall review the remuneration of Management Board members on a regular basis in regard to appropriateness and common practice – both holistically and in regard to the individual remuneration components – and pursue adjustments as needed in order to ensure that the remuneration package for Management Board members remains within the bounds of the applicable regulatory framework while also remaining competitive at the same time. The criteria for the appropriateness of the remuneration are the tasks of the individual Management Board members, personal performance and the economic situation of the Group.

The conformity of the remuneration with common practice is evaluated both in comparison with other companies (horizontal comparison) and within the Francotyp-Postalia Group using the ratio of Management Board remuneration to

the remuneration of upper management and the workforce as a whole (vertical comparison). Due to the size of Francotyp-Postalia – measured on the basis of the size criteria of revenue, number of employees and market capitalisation – the companies in the area of franking machines as well as postal delivery are employed for the horizontal comparison. Particular attention is given to the company's direct competitors, provided their remuneration parameters can be determined. The fact that the predominantly mid-sized competitors are not always listed on stock exchanges poses a persistent challenge, since their corresponding remuneration structures and amounts are not always transparent or accessible. The Supervisory Board also regularly assesses how the economic situation of Francotyp-Postalia is developing in comparison with SDAX companies. In order to review the appropriateness of Management Board remuneration and evaluate it in regard to common practice within the company (vertical comparison), the management levels below the Management Board of Francotyp-Postalia Holding AG are used as reference for upper management, and the average remuneration of full-time Group employees in Germany is used for the comparison with the workforce as a whole. Both the current ratio and the change in the ratio over time are taken into consideration in this context. The appropriateness in regard to external and internal frames of reference is reviewed at regular intervals.

In the event of significant changes to the remuneration system, but at least once every four years, the remuneration system shall be resubmitted to the Annual General Meeting for approval. When reviewing the appropriateness of the amount of remuneration and the conformity of the system with common market practice, the Supervisory Board shall be advised by an external remuneration expert who is independent from the Management Board and the company.

In conformity with the applicable remuneration system, the Supervisory Board defines the concrete target remuneration as well as the performance criteria for the variable remuneration components specified in the remuneration system for the upcoming fiscal year for the members of the Management Board.

In accordance with the statutory provisions under section 87a paragraph 2 sentence 2 AktG, the Supervisory Board may temporarily deviate from the remuneration system when doing so is necessary in the interest of the long-term

well-being of the company. This may be the case in the event of extraordinary, unforeseeable developments such as a severe financial and economic crisis; generally unfavourable market developments alone, however, do not constitute such extraordinary, unforeseeable developments.

Deviation from the remuneration system is possible only by means of a corresponding resolution by the Supervisory Board and following a thorough assessment of the necessity. The components of the remuneration system which may be deviated from under the circumstances specified above are the procedure, the remuneration structure, the individual remuneration components and the relevant performance criteria. Furthermore, the Supervisory Board may also temporarily grant additional remuneration components or replace individual remuneration components with different remuneration components in this event, provided this is necessary in order to restore the appropriateness of Management Board remuneration in the specific situation in question.

The provisions applicable to the handling of conflicts of interest of Supervisory Board members must also be observed during the procedure for the definition, implementation and review of remuneration and the remuneration system.

3. Overview of the design of the remuneration system

3.1 Comprehensive overview of the Management Board remuneration system

The fundamental components of the remuneration system and their configuration are depicted in the following table. All components are explained in detail in section 4.

Comprehensive overview of remuneration components

Remuneration component	Basis for assessment / parameter
Non-performance-based remuneration	
Fixed remuneration	The fixed remuneration of Management Board members is paid on a pro-rata basis as a monthly salary.
Ancillary benefits	Company car, insurance premiums; additional one-time or temporary (transitional) benefits for new members are possible by express resolution of the Supervisory Board
Performance-based remuneration	
Short-term incentive (STI)	<ul style="list-style-type: none"> Annual bonus model:

	<p>Basis for target attainment: A number of KPIs for each Management Board member, determined by the Supervisory Board each year or separately predefined, which must each be taken into consideration with equal weight (min. 2 KPIs, max. 4 KPIs)</p> <ul style="list-style-type: none"> • Cap: 120% of target amount
<p>Long-term incentive (LTI)</p>	<ul style="list-style-type: none"> • Sustainability component 1: virtual stock options (“VSOP”) Allocation of VSOP and components to the Management Board • The number of options to be allocated is left to the reasonable discretion of the Supervisory Board; additional options may be granted for the attainment of specific additional targets • Obligation of the Management Board to purchase a percentage of the virtual stock options as real shares (vesting period: 4 years) • Exercise of virtual options after completion of a period of 4 years (vesting period) • Exercise price: Arithmetic mean of Xetra closing prices over the last 90 trading days before exercise • Calculation: Amount paid out = difference between the exercise price and base price multiplied by the number of VSOPs allocated (no minimum threshold) • Cap of amount paid out per VSOP: a price in € per VSOP to be determined at the Supervisory Board's discretion <p>Sustainability component 2: ESG targets</p> <ul style="list-style-type: none"> • Definition of two ESG targets by the Supervisory Board which should ideally be identical for all members of the Management Board but are not required to be • Examples of ESG targets until 2024 <ul style="list-style-type: none"> • 1. ESG target: Annual ISO (re-)certifications • 2. ESG target: Reduction of CO₂ emissions • Annual advance payments toward the presumed payout amount • Cap: 120% of target amount
<p>Other remuneration arrangements</p>	
<p>Maximum remuneration</p>	<p>Restrictions on the total remuneration granted for one fiscal year in accordance with section 87a paragraph 1 sentence 2 no. 1 AktG</p>
<p>Severance cap</p>	<p>Severance payments of a maximum of the total remuneration for one year; remuneration for the residual term of the contract may not be exceeded (severance cap)</p>
<p>Malus and clawback arrangement</p>	<p><u>Malus:</u> In the event of a severe violation of applicable law in the sense of individual misconduct or an organisational fault, the Supervisory Board may partially reduce or entirely omit</p>

the variable remuneration components (STI/LTI) for the respective assessment period

Clawback:

Option of the Supervisory Board to demand the repayment of variable remuneration which has already been paid out in the event of subsequent discovery of a malus offence

3.2 Remuneration components and structure

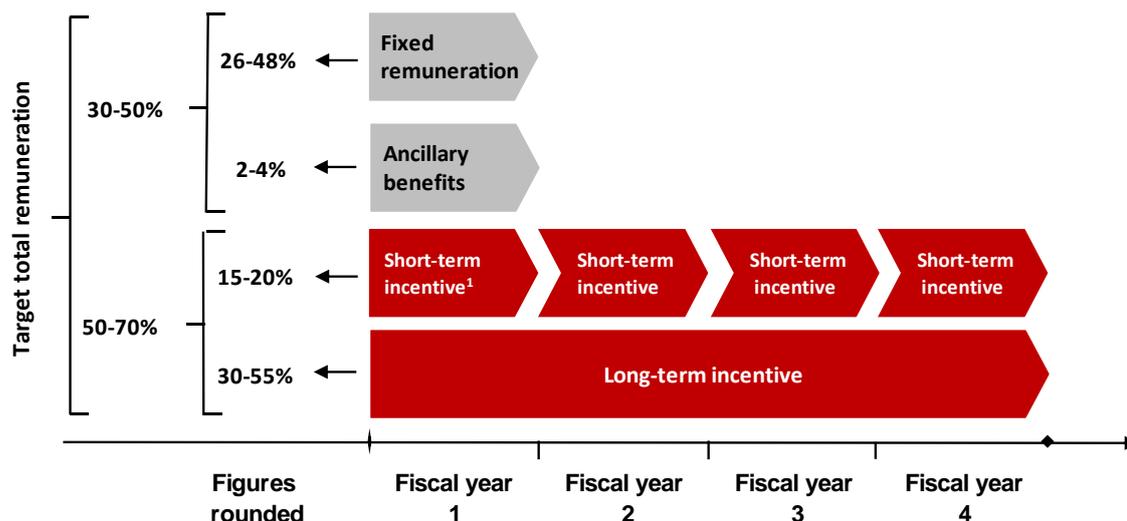
The remuneration of Management Board members consists of non-performance-based and performance-based elements. The non-performance-based elements comprise the fixed remuneration and ancillary benefits. The performance-based remuneration encompasses the short-term incentive with a period of one year (STI) and the long-term incentive with a period of four years (LTI). The amount of the performance-based remuneration components is determined using the financial and non-financial performance criteria defined by the Supervisory Board (for details, see section 4.2).

The sum of all non-performance-based and performance-based remuneration components constitutes the total remuneration of the members of the Management Board. On the basis of the remuneration system, the Supervisory Board defines a concrete target total remuneration for each Management Board member which is appropriately proportional to the Management Board member's tasks and performance as well as the company's situation, and does not exceed the typical remuneration without due cause. The target total remuneration consists of the sum of all remuneration components which are relevant to the total remuneration. The portion of the target total remuneration accounted for by the long-term variable remuneration exceeds the portion of the target total remuneration accounted for by the short-term variable remuneration.

The remuneration structure is thus oriented toward sustainable and long-term development of the company. The non-performance-based remuneration makes up roughly 30-50% of the target total remuneration. The fixed remuneration contributes roughly 26-48% of the target total remuneration, and the regular ancillary benefits ordinarily contribute roughly 2-4%. The performance-based remuneration makes up a total of roughly 50-70% of the target total remuneration, which serves to take the pay-for-performance approach into account directly. In

this context, the portion of the target total remuneration accounted for by the STI target amount corresponds to roughly 15-20%, while the LTI target amount accounts for roughly 30-55% of the target total remuneration. This ensures that the variable remuneration based on the attainment of long term-oriented targets exceeds the portion which is based on short term-oriented targets.

Target total remuneration



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

No guarantee remunerations, discretionary bonuses, or other (special) remunerations not set out under this Management Board remuneration system will be paid.

3.3 Maximum remuneration

Both the individual variable remuneration components and the sum of all Management Board members' remuneration components, including ancillary benefits, are limited. Maximum limits are defined for the performance-based components and for individual elements within them.

In addition, the Supervisory Board has defined a maximum remuneration in accordance with section 87a paragraph 1 sentence 2 no. 1 AktG which limits the total amount of the remuneration for a given fiscal year (fixed remuneration + ancillary benefits + payout from STI + payout from LTI) which is actually paid out. The annual maximum remuneration is € 2,500,000 for the Chair of the

Management Board and € 1,900,000 for ordinary members of the Management Board. These maximum remunerations will be enabled only in the event that the share price increases to such a degree that the maximum remuneration from the virtual stock options is generated.

In regard to the fixed remuneration and ancillary benefits for each Management Board member, the fact that these components may be subject to annual increases must be taken into consideration. Annual increases of up to 5% p.a. are assumed for the fixed remuneration. The amount of ancillary benefits is subject particularly to increases due to increasing contribution rates as well as general increases in insurance costs.

4. The remuneration system in detail

4.1 Non-performance-based remuneration components

4.1.1 Fixed remuneration

Management Board members receive a fixed annual salary in twelve equal monthly instalments. This serves as a secure and predictable income for the members of the Management Board.

4.1.2 Ancillary benefits

In addition to the fixed remuneration, the members of the Management Board receive ancillary benefits in the form of non-cash remuneration; these are the provision of a passenger car for business and private use as a standard benefit as well as insurance premiums. For example, the company grants each Management Board member a contribution of 50% towards health and nursing care insurance within the framework of the statutory contribution assessment limits. Accident insurance is also taken out for Management Board members. In principle, all Management Board members are equally entitled to these ancillary benefits; the actual amount varies according to the personal situation. In addition, expenses are reimbursed in accordance with the internal travel cost policy.

4.1.3 Pension commitments

The members of the Management Board are not currently entitled to any employer-financed pension commitments.

4.1.4 Additional fixed remuneration components

In individual cases, the Supervisory Board may grant a payment on the occasion of the entry into office of a new Management Board member. Such payments can serve purposes such as compensating for the loss of variable remuneration from a previous employer incurred by a Management Board member upon joining the company. Payments of this type must always be appropriate. They are also included under the fixed maximum remuneration, which serves to limit their amount.

4.2 Performance-based remuneration components

The variable remuneration components are described in the following. This section serves to clarify the relationship between the attainment of performance criteria and the respective payout amount from the variable remuneration. It also explains how and when Management Board members may dispose of the variable remuneration amounts granted.

The two performance-based remuneration components are the STI with a period of one year and the LTI with a period of four years. Before the beginning of the respective fiscal year, the Supervisory Board defines concrete performance criteria for both the STI and LTI which are based mainly on the economic situation of the Group. The definition of performance-based remuneration components on an exclusively discretionary basis is precluded accordingly.

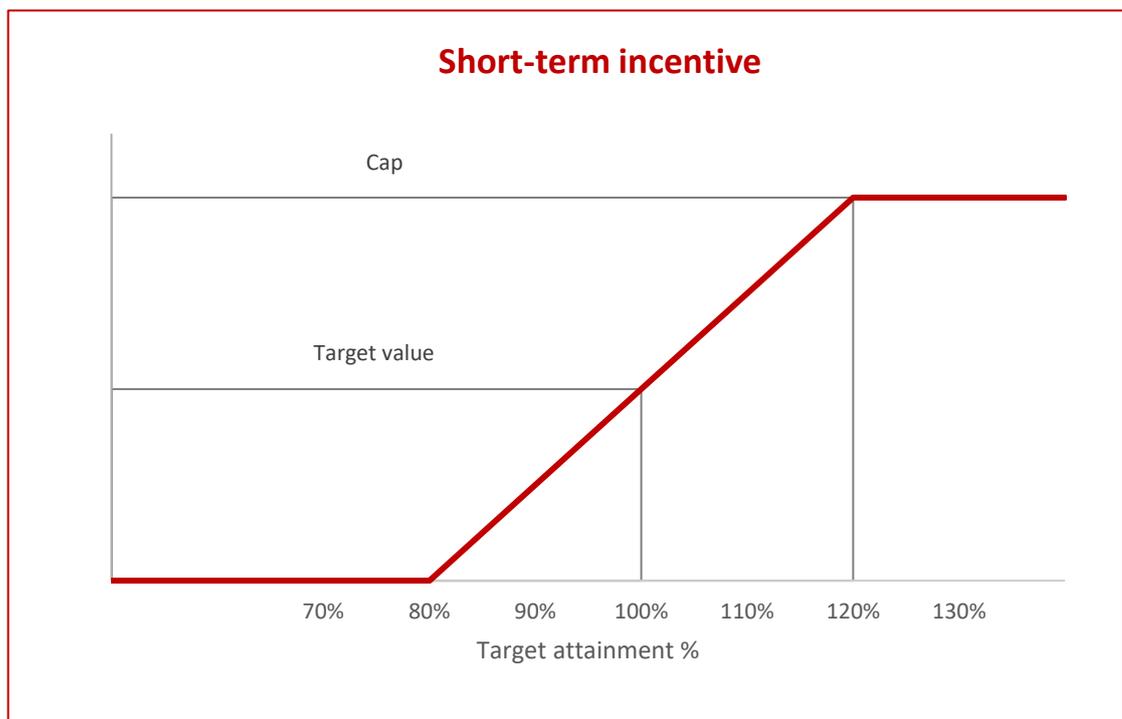
4.2.1 Short-term incentive (STI)

Management Board members receive an **annual bonus (STI)** in recognition of their service to the company based on the attainment of short-term targets. This is based on a one-year assessment period.

The basis for the determination of the STI is the budget approved by the Supervisory Board for the respective fiscal year. The STI is calculated by adding together at least two up to as many as four key figures, whereby every key figure is factored into the target calculation with equal weight. The key

figures are agreed between the Supervisory Board and the Management Board member on an annual basis or assigned unilaterally. Financial targets (such as revenue, EBITDA, free cash flow, ROCE, etc.) as well as individual or strategic targets can be agreed in this context. The agreement on key figures shall be completed in due time before the beginning of the respective fiscal year. The target values should not be changed retroactively. The relevant key figures in this context will be defined with sufficient clarity.

Unless otherwise agreed, the respective key figure in the amount of the respective value attained is added to the degree of target attainment. The target value of the respective performance criterion corresponds to target attainment of 100%. Exceeding 80% serves to fulfil the lower threshold, and target attainment is limited to an upper threshold of 120%. This results in the following overall target attainment curve, whereby the STI is linearly interpolated in cases of target attainment between the specified percentages or is maintained.



The maximum payout from the STI is limited to a total of 120% of the target value. There is no guaranteed minimum level of target attainment; for this reason, the payout may be omitted entirely. Payment of the STI is subject to the condition of target attainment of more than 80%.

After deduction of the applicable statutory duties, the STI shall be paid out to the Management Board member together with their salary for the calendar month following the month of the resolution on the respective annual financial statements at the Annual General Meeting. If the resolution on the determination is delayed more than six months after the end of the fiscal year, the Management Board member is entitled to an appropriate advance payment on the anticipated annual bonus.

If the Management Board member is not in active service for the full duration of a fiscal year (e.g. due to termination of the employment contract or a leave of absence during the year), the respective bonus payment will be reduced on a pro-rata basis. The same applies in the event that the Management Board member is essentially in active service for the full duration of a fiscal year for two subsequent fiscal years (i.e. the employment contract is not terminated and no leave of absence is taken), but the Management Board member did not perform their activities for at least a quarter of the time of each of the two fiscal years (e.g. due to illness or incapacity to work).

In the event of extraordinary events or developments, the Supervisory Board is authorised to amend the conditions of the STI appropriately in accordance with its reasonable discretion.

4.2.2 Long-term incentive (LTI)

In addition to the fixed annual salary, the ancillary benefits and the STI, the company pays Management Board members a **long-term bonus (LTI)** based on the sustainable development of the company. Sustainability is addressed in this context through the use of a four-year basis of assessment ("**LTI bonus period**"). The portion of the target total remuneration accounted for by the LTI exceeds the portion of the target total remuneration accounted for by the STI.

The payout for a long-term bonus consists of the following sustainable target components ("**sustainability components**"):

1. Granting virtual stock options as an incentive to increase the company's share price over the LTI bonus period ("*sustainability component 1*")

2. Fulfilment of two ESG sustainability criteria by the company over the LTI bonus period (“*sustainability component 2*”)

The sustainability components are **not** linked together additively. Under-fulfilling one component cannot be compensated for by over-fulfilling the other – neither in regard to the same fiscal year nor in regard to the entire LTI bonus period. The two sustainability components are evaluated separately.

Sustainability component 1:

Sustainability component 1 entails the provision of virtual stock options in order to establish positive development of the company's share price as a sustainable incentive for the Management Board member. The Supervisory Board should take corrective measures only to an appropriate extent in the event of extraordinary developments. The remuneration is provided in the form of a cash payment (“**cash settlement**”) and not by bestowing shares. Virtual stock options are based on the price performance of a real share in the company.

For this purpose, Management Board members are granted an amount of virtual stock options to be agreed with them upon their appointment as members of the Management Board and thus the beginning of the LTI bonus period (“**allocation date**”). The payment of a subscription price is not required. As a prerequisite for the allocation of virtual stock options, however, the Management Board member must acquire a percentage of the virtual stock options allocated to him, also to be agreed with the Supervisory Board, in the form of real shares and hold them for a period of four years starting from the respective purchase (vesting period) (“**share purchase and vesting obligation**”). This obligation constitutes another major component of the remuneration system with the objective of promoting the long-term and sustainable development of the company. The purchase of these shares may also be (fully or partially) carried out by a company controlled by the Management Board member or by the Management Board member's next of kin. Evidence of purchasing and holding the treasury shares acquired must be submitted to the company's Supervisory Board in the form of a securities account statement on an annual basis. In the event that fewer real treasury

shares are purchased or shares have been sold in the meantime, the number of virtual stock options allocated is decreased by a corresponding proportion.

In addition, the Management Board member and the Supervisory Board may arrange for additional virtual stock options to be considered to have been allocated at the beginning of the LTI bonus period in order to incentivise specific business developments. For example, this applies in the event that the Management Board member is required to expand a specific business segment of the company, such as digital business.

At the beginning of the LTI bonus period, a specific figure in EUR per virtual stock option is defined (“**base price as of allocation**”).

After the completion of four years since the allocation date (vesting period), the virtual stock options are due and may be exercised (“**vesting**”). After vesting, the Management Board member may exercise the virtual stock options at a time to be determined by the Management Board member, provided the Management Board member still holds office. After the end of the period of office and thus the executive position, the virtual stock options must be exercised by 31 December of the year following the year in which the period of office ended (“**exercise period**”).

The minimum amount per exercise by the Management Board member must encompass a number of virtual stock options to be determined by the Supervisory Board.

After the virtual stock options are exercised, the payout amount will be due for payment within the month following the month of the exercise.

The exercise price is calculated from the arithmetic mean of the Xetra daily closing prices for the last 90 trading days, calculated starting from the date of the Management Board member's written declaration of the exercise.

There is no minimum threshold relative to the base price that the exercise price is required to fulfil.

Independently from the vesting of the virtual stock options, $\frac{1}{4}$ of the respective virtual stock options granted will become vested upon completion of each year

starting from the allocation date. This does not apply for any additional options which may have been granted. In this context, virtual stock options do not become vested on a linear basis during the year; rather, exactly $\frac{1}{4}$ of the virtual stock options granted become vested precisely on each effective date, i.e. after 12 months, 24 months, 36 months, and 48 months from the allocation date. As a result, the respective virtual stock options which have become vested can no longer be forfeited in the event of a premature termination of the Management Board contract ("**early leaving**"). Forfeitable virtual stock options, however, are forfeited. In cases of early leaving, the virtual stock options that have become vested are due to be exercised upon departure and must be exercised by 31 December of the year following the year in which the period of office ends. Otherwise, options which have not been exercised will be forfeited. The principles for calculating the exercise price apply in reference to the termination date in the event of an early leaving scenario.

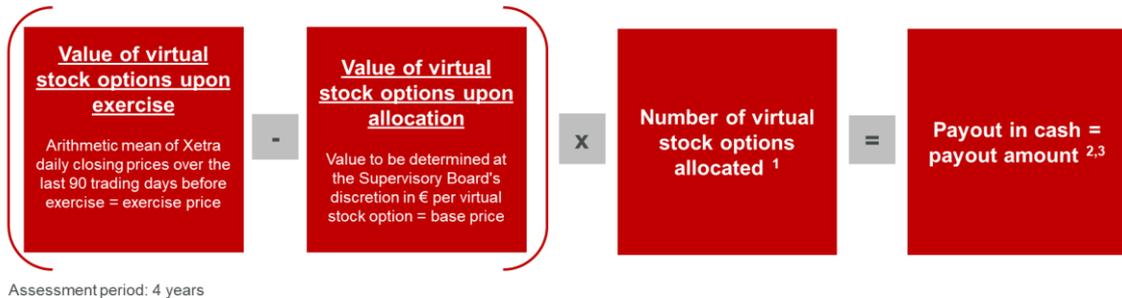
The only situation in which the above does not apply is the departure of a Management Board member from their employment relationship due to a severe breach of duty ("**bad leaver situation**"). Severe breaches of duty of this type exist in cases such as the termination of the employment relationship by the company for good cause in accordance with section 626 paragraph 1 of the German Civil Code (BGB). In the case of a bad leaver situation, the vested virtual stock options and those already due to be exercised can no longer be exercised either. All virtual stock options are forfeited without compensation.

Upon exercise of the virtual stock options, the Management Board member is entitled to a cash payment equivalent to the difference between the base price and the exercise price, multiplied by the number of virtual stock options. The payment is made following the deduction of taxes and any other applicable statutory duties at the end of the month following the month in which the options are exercised.

Claims of the Management Board member arising from this remuneration are limited to an amount in EUR per virtual stock option to be defined by the Supervisory Board (**cap per virtual stock option**).

Accordingly, the actual payout from the LTI sustainability component 1 is calculated as follows:

Operation Incentivisation: LTI – SC 1 = virtual stock option program



¹ Prerequisite for allocation: Purchase of x% of the allocated virtual stock options as real treasury shares (scope is defined by the Supervisory Board; vesting period: 4 years)

² Vesting period: 4 years

³ Payout amount is limited to a price to be specified by the Supervisory Board in € / virtual stock option (cap)

At the beginning of the LTI bonus period, the Supervisory Board defines an expectation for the development of the company's share price and a target share price to be reached by the end of the four-year vesting period. The target amount of increase defined in this manner corresponds to 100% target attainment. The number of virtual stock options to be granted to the respective Management Board member is defined based on the amount of the bonus to be received by the respective Management Board member in the event of 100% target attainment in regard to sustainability component 1. The number of virtual stock options granted multiplied by the specified target amount of increase in share price performance thus corresponds to the stated target bonus in regard to sustainability component 1. This is a component of the concrete target total remuneration for the individual Management Board member.

Since the possible amount of remuneration from a virtual stock option is limited, multiplying this cap value by the number of virtual stock options granted yields the maximum amount that can be paid in regard to sustainability component 1.

In the event of extraordinary events or developments, the Supervisory Board is authorised to amend the conditions of the sustainability component 1 appropriately in accordance with its reasonable discretion.

Sustainability component 2:

Sustainability component 2 is determined based on the fulfilment of two ESG sustainability criteria (ESG = environmental, social, governance). As a general principle, these will be defined as described in the following for the fiscal years up to and including fiscal year 2024. The Supervisory Board is authorised to define different ESG sustainability criteria for new Management Board members / extensions. In this context, it is particularly necessary to take into account the fact that the appointment of new Management Board members / extensions will extend beyond fiscal year 2024 and that the definition of ESG sustainability criteria will need to be evaluated independently in this regard. In the event that the ESG sustainability criteria no longer appear practical to attain or need to be replaced by ESG sustainability criteria which serve sustainability interests more effectively, the parties to the Management Board employment contract must make corresponding additions or updates.

Examples for the ESG sustainability criteria to be agreed in principle for the fiscal years up to and including fiscal year 2024 are described in the following:

1. Annual ISO (re-)certifications as sustainability criterion 1

Francotyp-Postalia Holding AG currently holds the following five ISO certifications:

- 9001:2015 – Quality management system
- 14001:2015 Environmental management system
–
- 45001:2018 Management system for occupational health and safety
–
- 50001:2018 Energy management system
–
- 27001:2013 Information security management system (IAB only)
–

The objective is the successful, uninterrupted maintenance of the five ISO certifications over the bonus period. This also entails successful annual (re-)certification.

For the purpose of determining the degree of target attainment at the end of the bonus period, findings and deviations identified in accordance with specific governance mechanisms and the realisation of potential improvements are factored into the evaluation of the degree of fulfilment of this ESG sustainability criterion. The findings and deviations in this context originate from audits.

2. Reduction of CO₂ emissions as sustainability criterion 2

In order to assess the continuous reduction and prevention of CO₂ emissions through the use of green energy and resource efficiency, the measurable CO₂ emissions as of the beginning and end of the bonus period will be compared. The baseline figures are from the company's 2019 carbon footprint. Factors particularly including power, heat and business travel are then recorded on a monthly basis over the full duration of the bonus period. At the end of the bonus period, the carbon footprint of FP (global) is measured/determined for the final determination of the degree of target attainment. The specific manner of measuring the performance / target figures is decided by a favourability comparison in favour of the respective Management Board member in the context of the final assessment. Details on the target attainment degrees in relation to the volume of reduced CO₂ emissions can be found in the annexes/addenda of the respective Management Board employment contract.

In the event that the methods defined for the determination of the degree of target attainment or the agreed degrees of target attainment are no longer suitable for assessing/depicting the degree of attainment of the respective ESG sustainability criterion (e.g. due to technical changes, changes in market situation or due to a corporate reorganisation), the Management Board of the company must immediately propose systems/methods which should be used to evaluate the attainment of the respective ESG sustainability criterion to the company's Supervisory Board. The Supervisory Board then decides at its own reasonable discretion on a potential adjustment of the methods previously defined for determining the degree of target attainment. As a general rule, retrospective amendment of the ESG sustainability criteria is not permissible under any other circumstances. The ESG sustainability criteria may be adjusted only in the event that the adjustments specified above are not suitable for ensuring attainment of the target for the defined ESG sustainability criteria.

In such cases / in the event of extraordinary events or developments, the Supervisory Board is authorised to amend the ESG sustainability criteria appropriately in accordance with its reasonable discretion.

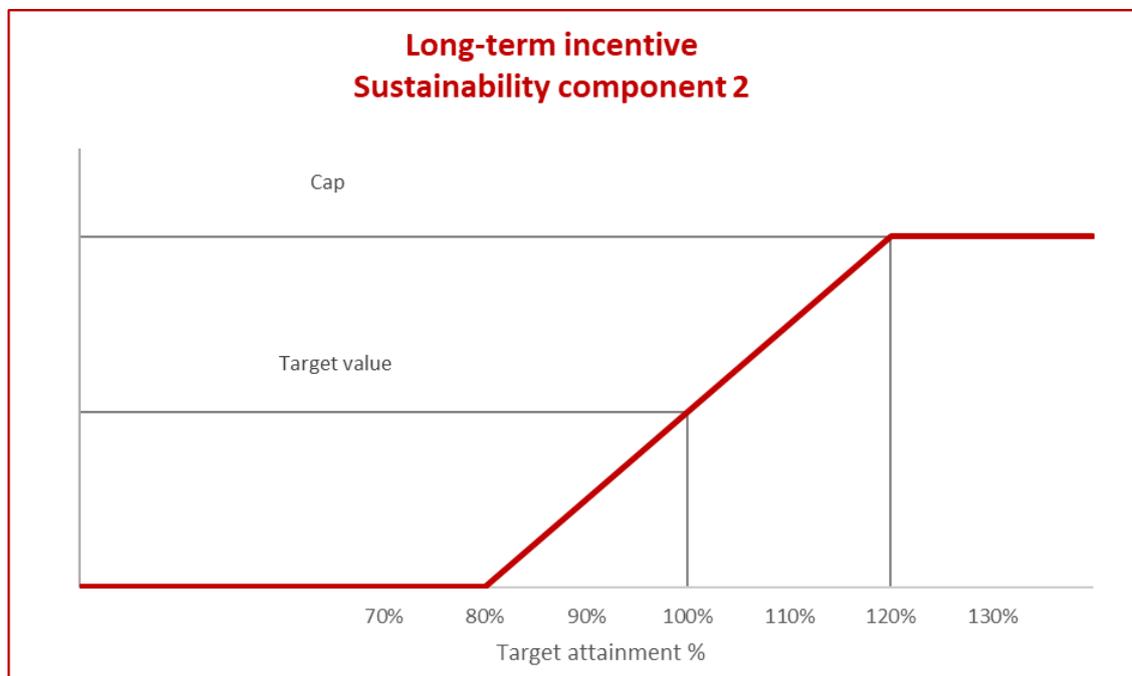
The agreed ESG sustainability criteria have equal weight, i.e. their levels of fulfilment are incorporated into the evaluation of the degree of target attainment for sustainability component 2 in equal proportions.

The target figures that must be attained for the respective ESG sustainability criterion by the end of the LTI bonus period are defined in Management Board employment contracts and any addenda. The degree of target attainment for the agreed ESG sustainability criteria is assessed after the end of the LTI bonus period.

The Management Board member receives annual advance payments toward a presumed payout amount in regard to sustainability component 2 of an amount in EUR per fiscal year to be agreed between the Supervisory Board and the Management Board member. At the end of the LTI bonus period, the amounts are adjusted on the basis of the actual degree of target attainment and any offsetting of advance payments. In the event that the Management Board member's variable remuneration for the fiscal year is not sufficient to offset the amounts to be refunded, the offsetting is carried out against other remuneration components (such as the fixed salary, STI or payments from the virtual stock options).

Unless otherwise agreed, the respective ESG sustainability criterion in the amount of the respective value attained is added to the degree of target attainment. The target value of the respective ESG sustainability criterion corresponds to target attainment of 100%. Target attainment of over 80% serves to fulfil the lower threshold, and target attainment is limited to an upper threshold of 120%.

This results in the following overall target attainment curve, whereby target attainment between the specified percentages is linearly interpolated or maintained.



The maximum payout from sustainability component 1 is limited to a total of 120% of the target value. There is no guaranteed minimum level of target attainment; for this reason, the payout may be omitted entirely. Payment of the STI is subject to the condition of target attainment of more than 80%.

In the event of extraordinary events or developments, the Supervisory Board is authorised to amend the conditions of the sustainability component 2 appropriately in accordance with its reasonable discretion.

4.3 Other benefits

The Supervisory Board is authorised to grant Management Board members a discretionary bonus in addition to the remuneration components specified above. The Supervisory may resolve to grant a discretionary bonus particularly in order to repay exceptional performance from the Management Board.

4.4 Other contractual provisions

4.4.1 Malus and clawback arrangements

The employment contracts also contain “malus” and “clawback” arrangements. These enable the Supervisory Board to demand reimbursement of variable remuneration which has already been paid out or to reduce variable remuneration which has not yet been paid out under certain conditions.

In the event of relevant misconduct (a “**malus offence**”) by the Management Board member during the relevant assessment period for the variable remuneration – during the respective fiscal year for the STI and during the four-year assessment period for the LTI – the Supervisory Board may reduce the payout amount by up to 100% at its own reasonable discretion (“**malus**”). A malus offence can take the form of an individual instance of misconduct or an organisational fault. In the event that a malus offence occurs during a year that falls within the assessment period of multiple variable remuneration components, the malus may be defined for each of these variable remuneration components, i.e. multiple variable remuneration components with multi-year assessment periods may be subject to a malus due to the same malus offence. Misconduct could be deemed to exist, for example, in the event of a deliberate or grossly negligent breach of the obligations under section 93 AktG. In all cases, the Supervisory Board will carry out a reduction of the payout amount in consideration of the circumstances of the individual case and the interests of both contractual parties.

In addition, the Supervisory Board also has the right to demand full or partial repayment of a variable remuneration component which has already been paid out (the gross amount) in the event that it discovers or becomes aware of a malus offence after the fact (“**clawback**”). This applies for the STI and LTI for every assessment period which encompassed the year of the malus offence. This reclamation is precluded once more than three years have passed since the variable remuneration component was paid out. The Supervisory Board's decision regarding a clawback in this context is made at its reasonable discretion in regard to the respective individual case.

The potential obligation of the Management Board member to pay damages to the company in accordance with section 93 paragraph 2 AktG or other statutory provisions remains unaffected by this.

4.4.2 Remuneration-related legal transactions

4.4.2.1 Contractual periods of Management Board employment contracts

The fundamental arrangements on Management Board remuneration are agreed with Management Board members in their Management Board employment contracts. The periods of Management Board employment contracts correspond to the duration of the Management Board member's appointment; in the event of a renewed appointment, they are extended by the duration of the respective reappointment. When appointed for the first time, members of the Management Board are generally appointed for a period of four years. The company, represented by the Supervisory Board, and the Management Board member will hold discussions with the goal of extension of the employment contract and regarding reappointment to the Management Board no later than twelve months before the end of the employment relationship. The employment contract may be extended as far as the end of the calendar month in which the Management Board member reaches the standard retirement age for statutory pension insurance.

Due to the fixed period of Management Board employment contracts, they generally do not provide for an option of ordinary termination. That said, in the event that the appointment to the Management Board is withdrawn pursuant to section 84 paragraph 3 AktG or if the Management Board member resigns from their position on the Management Board, the employment contract will end as well. The Management Board employment contract may also be terminated by either Francotyp-Postalia or the Management Board member for due cause as defined under section 626 BGB without adhering to a period of notice.

In the event that the withdrawal of the appointment to the Management Board is based on due cause that is not simultaneously due cause for termination of the employment contract without notice as defined under section 626 BGB, the

employment contract shall end at the end of the month following expiration of a notice period of three months, starting from the Management Board member's receipt of the withdrawal.

In accordance with section 87 paragraph 2 sentence 4 AktG, the Management Board member may give notice of their resignation as of the end of the next quarter, subject to a notice period of six weeks, in the event of a reduction of the remuneration under the Management Board employment contract.

4.4.2.2 Benefits upon contract termination

In the event that the withdrawal of the appointment to the Management Board is based on due cause that is not simultaneously due cause for termination of the employment contract without notice as defined under section 626 BGB, the Management Board member is entitled to a lump-sum severance payment due on the date of the legal termination. The amount of the severance payment which is then due corresponds to a percentage of the last annual remuneration of the Management Board member in question, comprising the fixed salary and STI without LTI and without other remuneration components. In every case, however, the maximum total amount corresponds to the amount of the fixed remuneration entitlement for the remaining period of the contract.

In the event of any other premature termination of the employment contract without due cause as defined under section 626 BGB, the company and the Management Board member can make separate arrangements; in this context, payments to the Management Board member including ancillary benefits may not exceed the value of the annual remuneration for one year (severance cap) or the remuneration for the remaining period of the employment contract. The calculation of the severance entitlement and the severance cap must be based on the total remuneration for the last completed fiscal year; if the first fiscal year has not yet been completed, the current fiscal year (pro-rata) must be used as the basis.

In the event that an appointment is withdrawn pursuant to section 84 paragraph 3 AktG in temporal proximity to a **change of control** at the initiative of the new majority shareholder, and the withdrawal is not based on due cause as defined

under section 626 BGB, then the severance entitlement shall increase to the amount of the total annual remuneration for the last completed fiscal year, but only up to a maximum of the amount of the remuneration entitlement for the remaining period of the contract. A change of control in the sense employed in this provision exists in the event that a third party or multiple third parties acting together directly or indirectly acquire and control at least 50% of the shares in the company by purchasing stock or other means. Temporal proximity to a change of control is to be assumed in the event that a withdrawal of an appointment takes place within three months after the time at which the change of control was disclosed, specifically defined as the time at which the Chair of the Supervisory Board became aware of the change of control that had actually taken place.

4.4.2.3 Change of control

Regardless of the statements above, no commitments are agreed in the Management Board employment contracts for the occasion of premature termination of the employment contract by the Management Board member as the result of a change of control.

4.4.2.4 Entries and departures during the year

In cases of entries and departures during the year, the total remuneration is granted on a pro-rata basis in accordance with the duration of the employment relationship within the relevant fiscal year.

4.4.2.5 Post-contractual prohibition of competition

At present, no post-contractual prohibitions of competition have been agreed in Management Board employment contracts; in principle, none will be agreed in the future either.

However, the Supervisory Board has the option of agreeing such a clause in future contracts – including in individual cases – within its reasonable discretion. In the event that a post-contractual prohibition of competition is agreed, the Supervisory Board will ensure that any potential severance payment is credited towards any applicable compensation for non-competition.

4.4.2.6 Group-internal/external remuneration for supervisory board mandates

In the event that Management Board members accept supervisory board mandates within the Francotyp-Postalia Group and receive remuneration for this, this remuneration will be credited towards Management Board compensation.

In the event that Management Board members accept external supervisory board mandates and the assumption of the mandate takes place in connection with the Management Board role and in the interest of Francotyp-Postalia, any relevant remuneration will also be credited towards Management Board compensation.

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

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

17. Supervisory Board remuneration, liability insurance

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

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

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

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

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

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

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

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

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

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

Concrete configuration of the remuneration of the Supervisory Board

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

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

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

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

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

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

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

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

II. Information on conducting the virtual Annual General Meeting

The Act Concerning Measures Under the Law of Companies, Cooperative Societies, Associations, Foundations and Commonhold Property to Combat the Effects of the COVID-19 Pandemic, which came into force on 28 March 2020, as extended and most recently amended by Art. 11 of the Act on the Further Abbreviation of Residual Debt Discharge Proceedings and the Amendment of Pandemic-Related Provisions Under the Law of Companies, Cooperative Societies, Associations, and Foundations as well as Rental and Leasing Law of 22 December 2020 (“**GesRuaCOVBekG**”), allows companies to hold annual general meetings without the physical presence of shareholders or their authorised representatives (with the exception of representatives appointed by the company) in 2021 as well (virtual Annual General Meeting).

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

We therefore ask that shareholders and their authorised representatives pay particular attention 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 and other shareholder rights

Shareholders and their authorised representatives (with the exception of proxies appointed by the company) are not entitled to physically attend the virtual Annual General Meeting. Only those shareholders who register with the company at the following address and 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 company's Articles of Association, evidence of authorisation to attend the Annual General Meeting and exercise voting rights 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) is necessary for this purpose in any case.

Evidence of shareholdings must relate to the start of the 21st day before the Annual General Meeting, i.e. **26 May 2021, 0:00 (CEST)** ("record date"). It is pointed out that in notifications in line with section 125 of the German Stock Corporation Act, which in terms of form and content are to be prepared in line with EU Implementing Regulation 2018/1212, a record date is to be stated in field C5 of the table 3 EU Implementing Regulation DVO. This record date (in the present case: 25 May 2021, 22:00 UTC (coordinated universal time)) is not identical with the record date to be stated in line with section 123 paragraph 4 of the German Stock Corporation Act (in the present case 26 May 2021, 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 mail, by fax or by e-mail) at the address specified below and in German or English by no later than **24:00 (CEST) on 9 June 2021** ("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 16 June 2021 starting at 12:00 (CEST) on the access-protected AGM portal at

www.fp-francotyp.com/hv2021_en. 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 of the German Stock Corporation Act.

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 15 June 2021, 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/hauptversammlung 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 15 June 2021, 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/hv2021_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 **26 May 2021**, 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/hv2021_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/hv2021_en. Authorised intermediaries, voting rights consultants within the meaning of section 134a paragraph 1 no. 3, paragraph 2 no. 3 of the German Stock Corporation Act as well as shareholders' associations and other persons or institutions treated equally in accordance with section 135 paragraph 8 German Stock Corporation Act can also utilise the rights described when complying with the stated postal voting deadlines.

4. Exercise of voting rights and other shareholder 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 15 June 2021, 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/hv2021_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/hv2021_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 15 June 2021, 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 of the German Stock Corporation Act, 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 15 June 2021, 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/hv2021_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 26 May 2021 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 15 June 2021, 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/hv2021_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/hv2021_en.

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

Shareholders whose aggregate holdings equal 5% of the share capital or represent a pro rata amount of the share capital corresponding to EUR 500,000 – this equates to at least 500,000 shares – may request that items be put on the agenda and published. Each new item shall be accompanied by an explanation or a draft proposal. The request must be addressed to the Management Board in writing and must be received by the company at least 30 days before the meeting

in accordance with section 122 paragraph 2 of the German Stock Corporation Act, i.e. by 24:00 (CEST) on 16 May 2021 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

Applicants 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 of the German Stock Corporation Act).

7. Motions and nominations by shareholders in accordance with sections 126 and 127 of the German Stock Corporation Act in conjunction with section 1 paragraph 2 sentence 3 GesRueCOVBekG

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/hv2021_en) if the shareholder has sent them to the following address by the end of 1 June 2021, 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 of the German Stock Corporation Act exists. In particular, the statement of the grounds for an admissible counter-motion need not be communicated if it amounts to more than 5,000 characters.

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

A counter-motion or nomination to be made accessible under sections 126, 127 of the German Stock Corporation Act 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. 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 paragraph 2 sentence 1 no. 3 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/hv2021_en no later than one day

before the virtual Annual General Meeting, i.e. no later than 14 June 2021, 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 paragraph 3 of the German Stock Corporation Act also applies. The Management Board can choose not to answer questions, e.g. because providing such information is, according to sound business judgement, likely to cause material damage to the company or an affiliated company (e.g. no disclosure of business secrets) or because providing this information would render the Management Board criminally liable.

9. Objecting to virtual Annual General Meeting resolutions

Duly registered shareholders and authorised representatives who have exercised voting rights can file objections to virtual Annual General Meeting resolutions by means of electronic communication via the access-protected AGM portal at www.fp-francotyp.com/hv2021_en in accordance with section 245 no. 1 of the German Stock Corporation Act in conjunction with section 1 paragraph 2 sentence 1 no. 4 GesRuaCOVBekG. This right to file objections applies on 16 June 2021 from the start of the virtual Annual General Meeting until the meeting is closed by the Chair. The “file objection” button in the AGM portal is intended for this purpose.

10. 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

of the German Stock Corporation Act 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 of the German Stock Corporation Act.

11. 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 26 May 2021 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/hv2021_en.

12. 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.

13. Further information on shareholder rights

Further information on shareholder rights pursuant to sections 122 paragraph 2, 126 paragraph 1, 127 and 131 of the of the German Stock Corporation Act, partially in connection with GesRuaCOVBekG, can be found on the company's website at www.fp-francotyp.com/hv2021_en from the time at which the Annual General Meeting is convened.

14. 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 of the German Stock Corporation Act.

15. 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 of the German Stock Corporation Act, will be accessible on the company's website at www.fp-francotyp.com/hv2021_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 16 June 2021 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.

16. Further information on the votes in accordance with Table 3 EU-IR

No proposed resolution will be provided under agenda item 1; as such, no vote is planned for it either (see there for explanation). Under agenda items 2 through 5 and 7, the votes on the published proposed resolutions and nominations will be binding; under agenda item 6, the vote on the published proposed resolution is of an advisory nature. For every vote, shareholders can vote "Yes" (approval) or "No" (rejection) or can abstain from voting, i.e. refrain from participating in the vote.

17. Times specified in this invitation

All times specified in this invitation refer to Central European Summer Time (CEST). In regard to Coordinated Universal Time (UTC), this corresponds to the formula of UTC = CET minus 1 hour or UTC = CEST minus 2 hours.

18. 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/hv2021_en.

Berlin, May 2021

Kind regards,

Francotyp-Postalia Holding AG
The Management Board