

Declaration on Corporate Governance and Corporate Governance Report

The Management Board and the Supervisory Board submit an annual corporate governance report on the corporate governance of the company. As with the declaration of compliance, this is also a component of the company's declaration on corporate governance in accordance with section 289a(1) of the German Commercial Code (HGB). The purpose of the German Corporate Governance Code is to make the rules for the management and supervision of companies that apply in Germany as transparent as possible for both domestic and international investors. The Code's provisions and rules cover the fields of shareholder interests, the Management Board and the Supervisory Board, the transparency of corporate governance and the duties of the auditor. The Management Board and the Supervisory Board of Francotyp-Postalia Holding AG are committed to the interests of shareholders and thus to the implementation of the recommendations and proposals of the German Corporate Governance Code (the Code). In line with the principles of the social market economy, the Management Board and the Supervisory Board also safeguard the company's continued existence and ensure sustainable added value. The Management Board and the Supervisory Board report on potential departures from the recommendations of the Code in both the declaration of compliance and the following extensive disclosures, based on the version of the Code dated 5 May 2015.

DECLARATION OF COMPLIANCE WITH THE GERMAN CORPORATE GOVERNANCE CODE

In accordance with section 161 of the German Stock Corporation Act (AktG), the Management Board and the Supervisory Board of Francotyp-Postalia Holding AG hereby state in the declaration of compliance which recommendations of the version of the German Corporate Governance Code dated 5 May 2015, as published by the Federal Ministry of Justice in the official section of the electronic Federal Gazette, it has complied with and will comply with, and which recommendations have not been or will not be applied.

- 2.3.1 The invitation to the Annual General Meeting and the reports and documents required by law, including the annual report, are published on the company's website together with the agenda, where they are easily accessible to shareholders. The Articles of Association of Francotyp-Postalia Holding AG do not allow postal votes. The company will not offer postal votes at its next Annual General Meeting, either.
- 2.3.3 Given the high level of administration involved, the company will not be able to make it possible for shareholders to watch the Annual General Meeting using modern communication media, e.g. the Internet.
- 3.8 The company has concluded a D&O insurance for the Management Board. The policy is subject to a retention of at least 10% of the loss up to at least one and a half times the annual fixed remuneration of the member of the Management Board in accordance with section 93(2) AktG. D&O insurance was also concluded for the Supervisory Board. A deductible for the Supervisory Board will be included when the policy is renegotiated.
- 5.3.1 While the Supervisory Board continues to consist of three persons, no committees will be formed in which the Supervisory Board Chairman or any other Supervisory Board member could occupy an additional chairmanship role, as the composition of the committees would be identical to that of the Supervisory Board.

- 5.3.2 As long as the Supervisory Board continues to consist of three persons, the Supervisory Board as a whole performs the duties of an audit committee.
- 5.3.3 Regarding the formation of a nomination committee, the same conditions apply as to the other committees.
- 5.4.1 The Supervisory Board has so far not set a time limit for membership, but it does intend to take a decision on this matter.
- 5.6 The Supervisory Board examines the efficiency of its activities with the aid of an external consultant every three years. Efficiency is examined each year through internal resources.
- 7.1.2 Given the extensive consolidation work involved, the consolidated financial statements are prepared within four months of the end of the fiscal year. Given the large amount of consolidation work involved, the quarterly and half-yearly reports are also published, at the latest, within two months of the end of the reporting period, in compliance with the Stock Exchange Rules and the German Transparency Guidelines Implementation Act.

Berlin, 7 April 2016

For the Supervisory Board

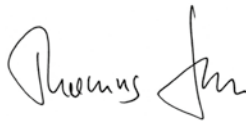


Klaus Röhrig
Chairman of the Supervisory Board

Management Board



Rüdiger Andreas Günther
CEO & CFO



Thomas Grethe
CSO



Sven Meise
CDO