

## DECLARATION ON CORPORATE GOVERNANCE AND CORPORATE GOVERNANCE REPORT

The Management Board and 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 pursuant to Section 289a (1) of the German Commercial Code (Handelsgesetzbuch – HGB).

The purpose of the German Corporate Governance Code is to make the rules for the management and supervision of companies prevailing 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 Supervisory Board, the transparency of company management, and the duties of the independent auditor. The Management Board and 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 Supervisory Board also safeguard the company's existence and ensure sustainable added value. The Management Board and Supervisory Board report on potential deviations from the recommendations of the Code in both the Declaration of Compliance and the following extensive disclosures with reference to the version of the Code dated 26 May 2010.

### DECLARATION OF COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

Pursuant to Section 161 of the German Stock Corporation Act (Aktiengesetz – AktG), the Management Board and Supervisory Board of Francotyp-Postalia Holding AG hereby present its Declaration of Compliance, setting out which recommendations of the version of the German Corporate Governance Code dated 26 May 2010, as published by the

Federal Ministry of Justice in the official section of the electronic version of the Federal Gazette, it has been and is complying with or which recommendations have not been or are not being applied.

- 2.3.1 As the company is not going to offer postal votes at its next Annual General Meeting, it will not publish the applicable forms on its website.
- 2.3.3 The company will not offer postal votes at its next Annual General Meeting. To date, the Articles of Association of Francotyp-Postalia Holding AG have not allowed for the possibility of postal voting. Moreover, this system has not yet been sufficiently tested and involves legal uncertainty.
- 5.2 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.
- 5.3.1 For the same reason, no specialist committees will be formed.
- 5.3.2 While the Supervisory Board continues to be limited to three persons, the Board as a whole will assume the duties of an audit committee.
- 5.3.3 With regard to the formation of a nomination committee, the same circumstances apply as to the other committees.
- 5.4.6 The Articles of Association do not provide for performance-related remuneration for members of the Supervisory Board. A discussion on possible adjustments is planned.

- 7.1.2 As a consequence of the extensive consolidation work involved, the consolidated financial statements are drawn up within four months of the end of the financial year. Due to 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 (Börsenordnung) and the Transparency Guidelines Implementation Act (Transparenzrichtlinien-Umsetzungsgesetz).

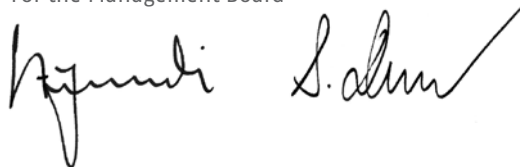
Birkenwerder, 30 March 2012

For the Supervisory Board



Prof. Dr. Michael J. A. Hoffmann  
Chairman of the Supervisory Board

For the Management Board



Hans Szymanski

Andreas Drechsler