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**Convenience Translation**  
**Annual General Meeting**  
**of Francotyp-Postalia Holding AG**  
**on July 1, 2010**

**Information on shareholder rights under § 121 (3) no. 3 AktG**

The Invitation to the Annual General Meeting already contains information on shareholders' rights under §§ 122 (2), 126 (1), 127 and 131 (1) AktG (*Aktiengesetz*, "AktG"). The following information expounds upon these rights.

**1. Motions to amend the agenda at the request of shareholders (§ 122 (2) AktG)**

Shareholders whose combined shareholdings equal or exceed one-twentieth of the share capital or represent a proportionate interest in the share capital of at least EUR 500,000, may request in writing that items be placed on the agenda and published. Each new agenda item must be accompanied by a statement of reasons or a draft resolution. § 142 (2) sentence 2 AktG shall apply *mutatis mutandis*. § 142 (2) sentence 2 AktG provides for the case of a motion to appoint a special auditor that the applicants must prove that they were the holders of the shares at least three months prior to the date of the Annual General Meeting and that they will continue to hold the shares until the decision on the application has been taken. Requests are to be sent to the Board of Management of Francotyp-Postalia Holding AG and must be received by the Company at least 30 days prior to the meeting, i.e. on or before May 31, 2010. Please send your requests to the following address:

Francotyp-Postalia Holding AG  
Der Vorstand  
z. Hd. Investor Relations/ Frau Sabina Prüser  
Triftweg 21 – 26  
16547 Birkenwerder

Requests to amend the agenda which are received in good time and which comply with the statutory requirements will be announced promptly following their receipt by the Company in the electronic version of the Federal Gazette (*elektronischer Bundesanzeiger*) and forwarded for publication to such media outlets as can be expected to disseminate the information throughout the entire European Union (§ 124 (1) AktG) as well as be posted online on the Company's website at <http://www.francotyp.com/en/investors/annual-general-meeting/archive/2010.html> (§ 124a sentence 2 AktG). The amended agenda will also be notified to shareholders together with the Invitation to the Annual General Meeting pursuant to § 125 (1) and (2) AktG.

The relevant provisions of the German Stock Corporation Act (AktG) on which the aforementioned shareholder rights are based read as follows:

*§ 122 AktG Convening a meeting at the request of a minority*



(1) A shareholders' meeting shall be convened if shareholders, whose combined holdings equal or exceed one-twentieth of the share capital, request such meeting in writing, stating the purpose and reasons therefore; such request shall be addressed to the board of management. The articles of association may provide that the right to request a shareholders' meeting shall require another form or the holding of a lower proportion of the share capital. § 142 (2) sentence 2 shall apply *mutatis mutandis*.

(2) In the same manner, shareholders whose combined holdings equal or exceed one-twentieth of the share capital or represent a proportionate interest equivalent to at least EUR 500,000, may request that items be placed on the agenda and announced. Each new item must be accompanied by a statement of reasons or a draft resolution. The request under sentence 1 must be received by the company at least 24 days, and in the case of listed companies, at least 30 days prior to the meeting, excluding the date of receipt.

(3) If the request is not granted, a court may authorize the shareholders who submitted the request to convene the shareholders' meeting themselves or announce the agenda item. The court may also stipulate the chairman of the meeting. Reference must be made to the authorization upon convening or announcing the meeting. Appeal may be filed against the decision.

(4) The company shall bear the costs of the shareholders' meeting and in the event of section 3 above, the court costs as well, provided the court has admitted the motion.

#### § 142 AktG Appointment of special auditors [excerpt]

[...]

(2) If the shareholders' meeting rejects the motion to appoint special auditors to audit any matter relating to the formation of the company or the management of the company's business within the past five years, the court shall, upon an application by shareholders whose combined holdings at the time of filing equal or exceed onehundredth of the share capital or represent a proportionate interest equivalent to at least EUR 100,000, appoint special auditors if there is legitimate reason to suspect that improprieties or gross breaches of the law or the articles of association occurred in connection with such matter. The applicants must show that they were the holders of the shares at least three months prior to the date of the shareholders' meeting and that they will continue to hold the shares until the decision on the application has been taken. With respect to any agreements to avoid such special audit, § 149 AktG shall apply *mutatis mutandis*.

[...]

## 2. Shareholder motions and election proposals (§§ 126 (1), 127 AktG)

Shareholders of the Company may also submit countermotions against any proposal of the Board of Management and/or Supervisory Board to a particular agenda item along with the statement of reasons and may also submit shareholder nominations for the election of Supervisory Board members or auditors. Nominations for the election of Supervisory Board members or auditors need not be accompanied by a statement of reasons. All motions and election proposals should be sent solely to the address specified in the Invitation to the Annual General Meeting:



Francotyp-Postalia Holding AG  
Investor Relations  
Mrs Sabina Prüser  
Triftweg 21 – 26  
16547 Birkenwerder  
Fax: +49 (0) 3303 53707 410  
Email: s.prueser@francotyp.com

Shareholder motions accompanied by a statement of reasons which are required to be made available and shareholder election proposals, will be published without undue delay after receipt along with the name of the shareholder and the statement of reasons (only required in the case of countermotions) at <http://www.francotyp.com/en/investors/annual-general-meeting/archive/2010.html>. Motions and election proposals received by the close of June 16, 2010 will here be included. Any opinions expressed by management will also be made available online at the above web address.

In addition to the reasons set out in § 126 AktG, the Board of Management may also decide not to publish an election nomination, if the nomination for election of members of the Supervisory Board or auditors does not contain the name, practiced profession and residential address of the nominee(s) or if the election nomination for members of the Supervisory Board is not accompanied by information on their membership on other supervisory boards to be created by law. Election nominations for members of the Supervisory Board should also contain information on memberships on comparable domestic and foreign supervisory bodies in commercial undertakings.

The relevant provisions of the German Stock Corporation Act (AktG) on which the aforementioned shareholder rights are based and which also determine under what circumstances countermotions and election proposals need not be made available read as follows:

#### *§ 126 AktG Shareholder motions*

(1) Motions by shareholders, including the shareholder's name, the statement of reasons and any opinion expressed by management, shall be made available to those eligible persons specified in § 125 (1) to (3) under the conditions specified therein, provided the shareholder has submitted a countermotion (including the statement of reasons) to a proposal by the board of management and the supervisory board on a specific agenda item to the address designated for this purpose in the convening of the meeting at least 14 days prior to the meeting. The date of receipt shall not be counted. In the case of listed companies, the requisite information shall be made available online on the company's website. § 125 (3) shall apply *mutatis mutandis*.

(2) Countermotions and the statement of reasons need not be made available in those cases where

1. making such information available would subject the board of management to criminal liability;
2. the countermotion would result in a resolution by the shareholders' meeting that would be illegal or in violation of the articles of association;
3. the statement of reasons contains statements which are manifestly false or misleading in material respects or which are defamatory;
4. a shareholder countermotion based on the same set of facts has already been made available to a shareholders' meeting of the company pursuant to § 125 AktG;



5. the same shareholder counter-motion, including substantially the same statement of reasons, has already been made available pursuant to § 125 to at least two shareholders' meetings of the company within the past five years and less than one-twentieth of the share capital represented at those meetings voted in favor of such counter-motion;
6. the shareholder indicates that he/she will not attend or be represented at the shareholders' meeting; or
7. in two shareholders' meetings within the past two years the shareholder has failed to put forward or have put forward on his/her behalf a counter-motion notified by such shareholder. The statement of reasons need not be made available if the text exceeds a total of 5,000 characters.

(3) If several shareholders submit counter-motions in respect of the same item for resolution, the board of management may consolidate such counter-motions and the respective statements of reasons.

#### *§ 127 AktG Shareholder election nominations*

§ 126 AktG shall apply *mutatis mutandis* to shareholder nominations of supervisory board members or auditors. Such nominations need not include a statement of reasons. The board of management is also not required to make such nominations available if they do not contain the information referred to in § 124 (3) sentence 3 and § 125 (1) sentence 5 AktG.

#### *§ 124 AktG Publication of requests to amend; resolution proposals [excerpt]*

[...]

(3) With respect to each item on the agenda that is to be decided by the shareholders' meeting, the board of management and the supervisory board, but in the case of election nominations for supervisory board members and auditors only the supervisory board, shall in the publication make a proposal for the respective resolutions. In the case of companies within the meaning of § 264d of the German Commercial Code (*Handelsgesetzbuch*, "HGB"), the proposal of the supervisory board concerning the appointment of the auditor shall be based on the recommendation of the audit committee. Sentence 1 shall not apply where the shareholders' meeting is bound by nominations for the election of supervisory board members pursuant to § 6 of the Coal and Steel Co-determination Act (*Montan-Mitbestimmungsgesetz*, "MontanMitbestG"), or if the item for resolution has been put on the agenda at the request of a minority. Election nominations for supervisory board members or auditors shall state the name, practiced profession and residential address of the nominee(s). If the supervisory board is required to contain also employee representatives, any resolution of the supervisory board regarding election nominations for supervisory board members shall require only a majority of the votes of the shareholder representatives on the supervisory board; the foregoing shall not affect § 8 of the Coal and Steel Co-determination Act.

[...]

#### *§ 125 AktG Notices for shareholders and to supervisory board members [excerpt]*

(1) [...] In the case of listed companies, election nominations for supervisory board members must be accompanied by information on their membership on other supervisory bodies to be created by law; information on their membership on comparable domestic and foreign supervisory bodies of commercial undertakings shall be included.



[...]

### 3. Shareholders' right to information (§ 131 (1) AktG)

Each shareholder attending the Annual General Meeting has a right to information pursuant to § 131 (1) AktG, which provides that each shareholder attending the Annual General Meeting may request information from the Board of Management on the Company's affairs to the extent necessary to make a proper evaluation of the relevant item on the agenda. The duty to provide information also extends to legal and business relations between Francotyp-Postalia Holding AG and its affiliates as well as the status of the Group and that of the entities included in the consolidated financial statements. The relevant provisions of the German Stock Corporation Act (AktG) on which the aforementioned shareholder rights are based and which also determine under what circumstances information need not be provided read as follows:

#### *§ 131 AktG Shareholders' right to information*

- (1) Each shareholder shall, upon request, be provided with information at the shareholders' meeting by the board of management regarding the company's affairs, to the extent that information is necessary to permit a proper evaluation of the relevant item on the agenda. The duty to provide information shall also extend to the company's legal and business relations with affiliates. If a company makes use of the simplified procedure pursuant to § 266 (1) sentence 2, § 276 or § 288 of the German Commercial Code (*Handelsgesetzbuch*, "HGB"), each shareholder may request that annual financial statements be presented to him at the shareholders' meeting resolving thereon in the same form that would have been used if the simplified procedure did not have been applied. The duty of the board of management of a parent company to provide information (§ 290 (1), (2) HGB) at the shareholders' meeting at which the consolidated financial statements and the group management report are presented shall also extend to the status of the group and that of the affiliates included in the consolidated financial statements.
- (2) The information provided shall comply with the principles of conscientious and accurate reporting. The articles of association or the rules of procedure pursuant to § 129 may authorize the chairman of the meeting to reasonably limit the shareholders' time to speak and ask questions and stipulate details in this regard.
- (3) The board of management may refuse to provide information:
  1. to the extent that providing such information, based on prudent business judgment, is likely to have a material adverse effect on the company or one of its affiliates;
  2. to the extent that such information relates to carrying amounts recognized for tax purposes or the amount of certain taxes;
  3. concerning the difference between the carrying amounts recognized for items on the annual balance sheet and the higher value of such items, unless the shareholders' meeting formally adopts the annual financial statements;
  4. concerning the accounting and valuation methods to the extent the information provided in the notes to the annual financial statements is adequate to provide a true and fair view of the company's financial position, financial performance and profit or loss within the meaning § 264 (2) HGB; the foregoing shall not apply if the shareholders' meeting formally adopts the annual financial statements;
  5. to the extent the provision of information would subject the board of management to criminal liability;



6. to the extent, in the case of credit institutions or financial services institutions, information need not be provided on accounting policies and amounts offset in the annual financial statements, the management report, the consolidated financial statements or the group management report;
7. to the extent the information is continuously available online on the company's website for a minimum of seven days prior to the commencement of the shareholders' meeting as well as during the meeting. The provision of information may not be refused for any other reasons.

(4) If, based on their shareholder status, shareholders receive information outside the shareholders' meeting, such information shall be provided to any other shareholder at the shareholders' meeting upon request, even where such information is not necessary to make a proper evaluation of the relevant item to the agenda. The board of management may not refuse to provide such information based on (3) sentence 1, nos. 1 to 4. Sentences 1 and 2 shall not apply where a subsidiary (§ 290 (1) and (2) HGB), a joint venture (§ 310 (1) HGB) or an associated enterprise (§ 311 (1) HGB) provides information to a parent company (§ 290 (1) and (2) HGB) for purposes of including the company in the consolidated financial statements of the parent company and the information is required for this purpose.

(5) Shareholders who have been denied information may request that their questions and the reason for which the information was denied be recorded in the minutes of the meeting.

The chairman of the meeting is furthermore authorized by the Company's Articles of Association to adopt various measures for chairing and controlling the Annual General Meeting, which specifically include limiting the shareholders' right to speak and ask questions. The relevant provisions of the Articles of Association of Francotyp-Postalia Holding AG in the version dated June 23, 2009 read as follows:

#### *21. Chairing the General Meeting (excerpt)*

(3) The Chairman is entitled to restrict the time allotted to shareholders within which to place questions and to address the Meeting. In particular, the Chairman is entitled at the beginning or during the Meeting to set a reasonable period of time within which the Meeting should be concluded in its entirety, as well as to set time limits with regard to discussing individual items on the Agenda, and with regard to questions and verbal contributions addressed to the Meeting. When setting a time limit on individual questions and verbal contributions, the Chairman is also entitled to differentiate between the initial contribution and follow-up contributions, as well as to apply other objective criteria when making his decision. The Chairman is also entitled to order a debate closed where this is necessary in order to continue the Meeting in an orderly manner.

