



Invitation to the Annual General Meeting*

on 1 June 2017

LPKF Laser & Electronics Aktiengesellschaft, Garbsen, Germany

ISIN DE 0006450000

Dear Shareholders,

Our Annual General Meeting for this year, which you are hereby invited to, takes place on Thursday, 1 June 2017, at 10:00 am, in Hanover Congress Centrum, Theodor-Heuss-Platz 1-3, 30175 Hanover, Germany.

I. Agenda

- 1. Presentation of the adopted annual financial statement as of 31 December 2016, the approved consolidated financial statement as of 31 December 2016, the combined Management report and Group Management report and the Supervisory Board's report for the 2016 financial year, as well as the explanatory report of the Management Board on the disclosures under § 289 Para. 4 and § 315 Para. 4 German Commercial Code (HGB).**

The documents provided for Item 1 of the agenda can be viewed as of the time the Annual General Meeting is convened on the Company's website at www.lpkf.com/investor-relations/annual-general-meeting/invitation-agenda.htm. The documents will also be available at the Annual General Meeting and will be explained orally.

The Supervisory Board has approved the annual financial report and the consolidated financial statement under §§ 171, 172 German Stock Corporations Act (AktG). The annual financial report is thus adopted. In accordance with the statutory provisions, no resolution of the Annual General Meeting on Item 1 of the Agenda is therefore envisaged.

- 2. Resolution regarding the ratification of the acts of the Management Board for the 2016 financial year.**

The Management Board and the Supervisory Board propose that the acts of the members of the Management Board be ratified for the 2016 financial year.

- 3. Resolution regarding the ratification of the acts of the Supervisory Board for the 2016 financial year.**

The Management Board and the Supervisory Board propose that the acts of the members of the Supervisory Board be ratified for the 2016 financial year.

- 4. Election of the auditors of the annual financial statements and the consolidated financial statements for the 2017 financial year.**

The Supervisory Board proposes that PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Hanover, be elected auditors of the annual financial statements and the consolidated financial statements for the 2017 financial year.

5. Resolution regarding an amendment to the Articles of Association in § 11 to increase the number of members of the Supervisory Board

The Company's Supervisory Board comprises at the moment, in accordance with §§ 95 Sentence 1, and 96 Para. 1 last alternative, 101 Para. 1 AktG, exclusively members to be elected by the Annual General Meeting, and in accordance with § 11 Para. 1 of the Articles of Association, consists of three members. According to § 95 Sentence 2 AktG, the Articles of Association may set a certain higher number of members of the Supervisory Board, which according to § 95 Sentence 3 AktG must be divisible by three only when this is required to fulfil co-determination requirements. The Company, however, is not subject to such co-determination requirements. The Management Board and the Supervisory Board consider it reasonable to increase the number of members of the Supervisory Board from now three to in future four persons.

The creation of a further position on the Supervisory Board takes into account the present shareholder structure and shareholder interests and would place the Supervisory Board in a better position in terms of its composition to reflect the broadest possible spectrum of expertise and experience from different relevant fields for the Company.

The Management and the Supervisory Board propose the following:

§ 11 Para. 1 of the Articles of Association shall be amended to read as follows:

“(1) The Supervisory Board consists of four members.”

Otherwise, § 11 of the Articles of Association remains unaffected.

6. Election and by-election of two new Supervisory Board members

The Company's Supervisory Board comprises at the moment, in accordance with §§ 95 Sentence 1, and 96 Para. 1 last alternative, 101 Para. 1 AktG, exclusively members to be elected by the Annual General Meeting, and in accordance with § 11 Para. 1 of the Articles of Association, consists of three members, whose terms in office run until the end of the Annual General Meeting that will resolve on the ratification for the financial year 2018. Upon the coming into effect of the amendment of § 11 Para. 1 of the Articles of Association proposed for the decision-making of the Annual General Meeting under agenda item 5, the Company's Supervisory Board will comprise, in accordance with §§ 95 Sentence 2, and 96 Para. 1 last alternative, 101 Para. 1 AktG, exclusively members to be elected by the Annual General Meeting, and in accordance with § 11 Para. 1 of the Articles of Association, will consist of four members. For the newly created position on the Supervisory Board, a new election shall be held (agenda item 6.1).

Furthermore the Vice Chairman of the Supervisory Board, Bernd Hackmann, has resigned from his office as member of the Supervisory Board taking into account the notice period stipulated in the Articles of Association with effect from the end of 12 July 2017. Therefore a successor has to be appointed for the resigning member of the Supervisory Board for the remaining regular term of office of the resigning person (agenda item 6.2).

It is intended that the Annual General Meeting shall vote by way of separate ballots on the election of the members of the Supervisory Board.

The Supervisory Board proposes the following candidates as representatives of the shareholders for the election to the Supervisory board:

6.1 Dr. Dirk Michael Rothweiler, residing in Weimar, CEO of First Sensor AG

to be elected for a term of office starting with the coming into effect of the amendment of § 11 Para. 1 of the Articles of Association proposed to the Annual General Meeting under agenda item 5 and ending with the end of the Annual General Meeting that will resolve on the ratification for the financial year 2021.

6.2 Dr. Markus Peters, residing in Düsseldorf, Director (CFO) of DMG MORI ECOLINE Holding AG,

to be elected for a term of office starting on 13 July 2017 and ending with the end of the Annual General Meeting that will resolve on the ratification for the financial year 2018.

In making its election proposals to the Annual General Meeting, the Supervisory Board has taken into consideration the objectives established for its composition.

After extensive deliberations and taking into account the interests of the company and the shareholders, the Supervisory Board has decided to propose Dr. Rothweiler and Dr. Peters as candidates for the election to the Supervisory Board. Dr. Rothweiler has substantial innovation experience as well as extensive experience and knowledge in product marketing due to his function as Chief Executive Officer of First Sensor AG. In addition, he contributes technology experience in optical processes, laser material processing as well as semiconductor and electronic production. Dr. Peters is a proven financial expert with more than 20 years of industry experience in international groups of corporations. He has profound industrial expertise in engineering as well as capital market experience. In addition, Dr. Peters is well versed in compliance and risk management. Both candidates thus complement the existing range of expertise and experience in the Supervisory Board. It is currently intended, that the target set by the Supervisory Board of 25% women in the Supervisory Board shall be reflected in the context of the election proposals for the regular elections of a new Supervisory Board in the Annual General Meeting 2019.

In case of a partial reconstitution of the Supervisory Board, the Chairman of the Supervisory Board, Dr. Heino Büsching, has declared, that he is prepared to offer the Chair in the Supervisory Board after 13 July 2017. Dr. Markus Peters, who is nominated for election by the Supervisory Board, has declared that in case of his election to the Supervisory Board he is prepared to stand as candidate for the future Chair in the Supervisory Board.

II. Additional information about the candidates proposed for election under agenda item 6

1. Curriculum vitae and disclosures under § 125 Para. 1 Sentence 5 AktG:

The candidates proposed for election to the Supervisory Board of the Company, Dr. Dirk Michael Rothweiler and Dr. Markus Peters, are both neither members of a Supervisory Board to be formed by law nor members of a comparable domestic or foreign supervisory committee of a business enterprise.

Further information on the candidates for the election to the Supervisory Board of the Company (curriculum vitae) can be found on the Company's website at www.lpkf.com/investor-relations/annual-general-meeting/invitation-agenda.htm.

2. Disclosures about personal or business relationships under Clause 5.4.1 of the German Corporate Governance Code:

The candidate proposed for election, Dr. Markus Peters, has indicated that he intends to assume a leading role within the BANTLEON group after leaving the DMG MORI group on 30 June 2017. The main shareholder of BANTLEON group is Jörg Bantleon, who, according to his last notification of voting rights pursuant to § 21 WpHG, holds more than 15 % of the voting rights in LPKF Laser & Electronics AG and is thus a shareholder holding a material interest according to Clause 5.4.1 of the German Corporate Governance Code. Based on the assessment of the Supervisory Board, apart from this no personal or business relationship exists between the candidates proposed for election and the enterprise, the Management bodies of the Company, and a shareholder who holds a material interest in the Company, the disclosure of which is recommended by Clause 5.4.1 of the German Corporate Governance Code.

III. Further details regarding the convening of the meeting

Conditions for participating in the Annual General Meeting and exercising the right to vote

Only shareholders who have registered for the Annual General Meeting and have submitted satisfactory evidence of their shareholdings shall have the right to participate in the Annual General Meeting and exercise their right to vote. The evidence of shareholdings must be provided by means of a confirmation in text form prepared by the depository bank in German or English. Such evidence of the shareholding must refer to the beginning of the twenty-first day before the General Meeting, which in this case is

Thursday, 11 May 2017, 00:00 a.m.

(the "Record Date").

Both the registration and the evidence of shareholdings must be received by the Company no later than six days prior to the Annual General Meeting (not including the day of the Annual General Meeting or the day on which the evidence is received), i.e. by no later than the end of

Thursday, 25 May 2017, 12:00 p.m.

at the address specified below:

LPKF Laser & Electronics Aktiengesellschaft
c/o DZ Bank AG
represented by dwpbank
– DSHVG –
Landsberger Str. 187
80687 Munich, Germany
Telefax: +49 69 5099-1110
E-Mail: hv-eintrittskarten@dwpbank.de

The significance of the Record Date

The Record Date is the date that governs both the scope and the exercise of a shareholder's right to participate in and vote at the Annual General Meeting. In relation to the Company, a person shall only be considered a shareholder for the purposes of participating in and exercising the voting right at the Annual General Meeting if they have verified their shareholdings. The right to participate in the Annual General Meeting and the scope of the right to vote shall be governed solely by the shareholder's shareholding as of the Record Date. The Record Date does not imply any limitation on the sale of shareholdings. Even if shareholdings are partially or completely sold after the Record Date, the ownership of shares on the Record Date shall be the only relevant factor enabling participation and the scope of the right to vote; in other words, the sale of shares or any other form of transfer of the shares after the Record Date has no influence on the right to participate in the Annual General Meeting and the scope of the right to vote. The same applies to the acquisition of shares after the Record Date. Persons who do not own any shares on the Record Date and who only become shareholders after this date, are not authorized to participate and vote in the Annual General Meeting unless they are authorized by way of a proxy to participate and vote on behalf of someone else or to exercise such person's rights.

Total number of shares and voting rights at the time the Annual General Meeting was summoned

The Company's share capital at the time the Annual General Meeting was summoned amounted to € 22,269,588.00 and was divided into 22,269,588 no-par value bearer shares which all have the same voting rights and each grant one vote. The total number of shares and voting rights at the time the Annual General Meeting was summoned was therefore 22,269,588.

Procedure for voting by proxy

Shareholders who do not wish to attend the Annual General Meeting themselves may exercise their right to vote at the Annual General Meeting by appointing a proxy, e.g. a bank, a shareholders' association, or any other person of their choice. Timely registration for the Annual General Meeting and timely submission of evidence of shareholdings in accordance with the foregoing provisions are required in these cases, as well.

Granting and revoking proxies and presenting the Company with evidence of appointing a proxy shall be made in text form pursuant to § 23 Para. 2 of the Articles of Association, although the proxy may also be revoked by showing up in person at the Annual General Meeting. Different rules may apply to appointing credit institutions, shareholders' associations or similar persons and institutions as proxies pursuant to § 135 Para. 8 and 10 in conjunction with § 125 Para. 5 AktG, as well as for the revocation and the confirmation of such proxies; the shareholders are requested in such cases to agree at a timely date in regard to the form and procedure for appointing the proxy with the person or institution to be appointed.

The proxy authorization may be issued to the proxy or the Company. When a proxy authorization is issued to the proxy, this verification may be confirmed by being presented to the admission checkpoint on the day of the Annual General Meeting. Proxy authorizations may be submitted by the proxy to the Company by mail, fax or by an electronic channel (by e-mail) to the following address:

LPKF Laser & Electronics Aktiengesellschaft
Osteriede 7
30827 Garbsen, Germany
Telefax: +49 5131 7095-9111
E-Mail: investorrelations@lpkf.com

The aforementioned communication channels may also be used if the proxy authorization is to be submitted directly to the Company; no other evidence of the proxy authorization is required in this case. The revocation of a previously issued proxy may also be submitted directly to the Company by using the aforementioned communication channels.

We ask our shareholders, to make things easier from an organisational standpoint, to submit proxies, evidence of proxies, and the revocation of proxies, insofar as they are submitted by mail or by fax, in a timely manner by no later than 31 May 2017, 6:00 p.m. (time of receipt by the Company).

A form which can be used for appointing a proxy is contained on the back of the admission ticket which is sent to shareholders who have registered in due time. This form is also available for download at www.lpkf.com/investor-relations/annual-general-meeting/invitation-agenda.htm. If a shareholder appoints more than one person to serve as their proxy, the Company may reject one or more of these appointments.

Procedure for voting by proxies nominated by the Company

The Company offers its shareholders the option of authorizing Company-nominated proxies before the Annual General Meeting. Shareholders who wish to authorize proxies nominated by the Company must register to attend the Annual General Meeting in due time and provide evidence of their shareholdings in accordance with the aforementioned provisions. The proxies nominated by the Company exercise the voting rights transferred to them according to the shareholder's instructions. The proxies nominated by the Company are not authorized to vote without receiving prior instructions from the shareholders. A form for issuing authorizations and voting instructions to the proxies nominated by the Company is attached to every admission ticket. The same form is available for download at www.lpkf.com/investor-relations/annual-general-meeting/invitation-agenda.htm. Proxies and instructions issued to proxies nominated by the Company must also be submitted to the Company in text form.

To facilitate smooth organization of the proxy procedure, shareholders who wish to appoint proxies nominated by the Company prior to the Annual General Meeting are requested to submit the proxies and the instructions to the following address no later than by 31 May, 6:00 p.m. (time of receipt by the Company) either by mail, fax or e-mail:

LPKF Laser & Electronics Aktiengesellschaft
Osteriede 7
30827 Garbsen, Germany
Telefax: +49 5131 7095-9111
E-Mail: investorrelations@lpkf.com

More detailed information on transferring voting rights to proxies will be sent to shareholders along with the admission ticket. Relevant information is also available on the internet at www.lpkf.com/investor-relations/annual-general-meeting/invitation-agenda.htm.

In addition, shareholders who have registered to participate in the Annual General Meeting in due time and have submitted evidence of their shareholdings in accordance with the aforementioned provisions, and who attend the Annual General Meeting in person, are also allowed to appoint proxies nominated by the Company at the Annual General Meeting to exercise the shareholder's voting rights.

Shareholders' rights

Proposals to add items to the Agenda pursuant to § 122 Para. 2 German Stock Corporation Act (AktG)

Shareholders whose total shareholdings are equivalent to 1/20th of the Company's share capital or the pro rata amount of € 500,000.00 may request to have items placed on the Agenda and published in accordance with § 122 Para. 2 AktG. Every request for a new Agenda item must be accompanied by an explanation of the reasons therefore or a proposed resolution. The request must be sent in writing to the Management Board and must be received by the Company at least thirty days prior to the date of the Annual General Meeting (excluding the day of the Annual General Meeting and the day the communication is received), in other words, no later than at the end of

Monday, 1 May 2017, 12:00 p.m.

Please send such requests to the following address:

LPKF Laser & Electronics Aktiengesellschaft
Management Board
Osteriede 7
30827 Garbsen, Germany

Counterproposals and proposals for candidates submitted by shareholders pursuant to § 126 Para. 1 and § 127 German Stock Corporation Act (AktG)

Shareholders may submit to the Company counterproposals to proposals of the Management Board and/or the Supervisory Board concerning specific items on the Agenda. They may also submit proposals for the election of Supervisory Board members or auditors if such elections are part of the Agenda. Counterproposals and proposed candidates pursuant to § 126 Para. 1 and § 127 AktG must always be sent to the following address prior to the Annual General Meeting:

LPKF Laser & Electronics Aktiengesellschaft
Osteriede 7
30827 Garbsen, Germany
Telefax: +49 5131 7095-9111
E-Mail: investorrelations@lpkf.com

The Company satisfies § 126 Para. 1 AktG by publishing counterproposals including the name of the shareholder, the reason(s) for the counterproposal and any comment by the management on the Company's website at www.lpkf.com/investor-relations/annual-general-meeting/index.htm, if it receives the counterproposals, including the reason(s) at least fourteen days prior to the date of the Annual General Meeting (excluding the day of the Annual General Meeting and the day the submission is received), in other words, no later than at the end of

Wednesday, 17 May 2017, 12:00 p.m.

at the aforementioned address. Applications not sent to this address will be ignored. The Company may refuse to publish a counterproposal if the conditions specified in § 126 Para. 2 AktG apply, for instance, if the counterproposals could lead the Annual General Meeting to propose a resolution which violates the law or the articles of association. It is not mandatory to publish the reasons provided for a counterproposal if they exceed 5,000 characters. Pursuant to § 127 AktG, the aforementioned applies analogously to proposals submitted by shareholders for the election of Supervisory Board members or auditors. Election proposals submitted by shareholders do not, however, require a reason, and in addition to those cases specified in § 126 Para. 2 AktG, publication may also be refused when the proposal does not include the name, profession and place of domicile of the proposed candidate. There is also no obligation to publish proposals for the election of Supervisory Board members if the proposal does not include any details of their membership in any other mandatory supervisory boards.

Please note that counterproposals and proposals for candidates, even if they have been submitted in due time to the Company, will only be dealt with at the Annual General Meeting if they are presented or submitted verbally at the Meeting. This shall not affect any shareholder's right to submit counterproposals or election proposals with regard to any item on the Agenda during the Annual General Meeting.

Right to obtain information pursuant to § 131 Para. 1 German Stock Corporation Act (AktG)

§ 131 Para. 1 AktG requires the Management Board to provide every shareholder with information on matters pertaining to the Company, upon request, provided such information is necessary for making a reasonable assessment of an Agenda item. This obligation to provide information also applies to the Company's legal and commercial relationships to affiliated companies, as well as to the situation of the Group and the companies included in the consolidated financial statements, because the Annual General Meeting is also presented with the consolidated financial statements and the Group management report as part of Item 1 on the Agenda.

The Management Board may refuse to answer individual questions for reasons specified in § 131 Para. 3 AktG, for instance because, based on prudent business judgment, providing the information could cause significant negative consequences for the Company or for an affiliated company. Pursuant to § 24 Para. 2 of the Articles of Association, the chairperson of the General Meeting may set appropriate limits in regard to shareholders' rights to ask questions and speak. In particular, the chairperson of the General Meeting may reasonably determine at the start or during the General Meeting the amount of time to be made available for the whole of the General Meeting, the time available to discuss each of the Agenda items, and/or the time available to raise and express individual questions and opinions.

Additional explanations and information available on the Company website

As from the time the Annual General Meeting has been summoned, information pursuant to § 124a AktG will be made available to shareholders on the Company's website

www.lpkf.com/investor-relations/annual-general-meeting/index.htm.

Additional information regarding the rights of shareholders pursuant to § 122 Para. 2, § 126 Para. 1, § 127, § 131 Para. 1 AktG is also published at

www.lpkf.com/investor-relations/annual-general-meeting/index.htm.

Garbsen, Germany, April 2017

LPKF Laser & Electronics Aktiengesellschaft

The Management Board

*This version of the Invitation to the Annual General Meeting of LPKF Laser & Electronics Aktiengesellschaft is a translation of the German original, prepared for the convenience of English-speaking readers. For purposes of interpretation the German text shall be exclusively authoritative and final.